

Buy

(Reinitiation)

Sido Muncul (SIDO IJ)

Revenue Improvement Prospect in 2Q25; Resume Coverage with Buy Rating

Last Price (Rp)	488
Target Price (Rp)	550
Previous Target Price (Rp)	640
Upside/Downside	+12.7%
No. of Shares (mn)	30,000
Mkt Cap (Rpbn/US\$m)	14,640/895
Avg, Daily T/O (Rpbn/US\$m)	15.6/1.0
Free Float (%)	22.4
Major Shareholder (%)	
PT Hotel Candi Baru	77.6
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	36.1 37.9 40.1
Consensus	37.5 40.0 42.1
BRIDS/Cons (%)	(3.7) (5.2) (4.6)

- TolakAngin brand strength and margin stability remains SIDO’s key competitive advantage to support re-rating potential.
- Current valuation is at an attractive discount and should already price in the weak 1Q25 results and muted FY25F/26F EPS growth of -7%/+5%.
- Maintain Buy with a lower TP of Rp550; Key risk is continued weak herbal segment revenue.

Brand Strength and Margin Stability as Key to Support Re-Rating

TolakAngin products’ unique nature and years of iconic marketing efforts have translated into a steady market share of >70% in the RTC herbal drinks (**Exhibit 1**), and we expect this shall continue driving consistent top-line growth (5% CAGR FY25F-29F). The company’s reliance on local raw materials offers a natural currency hedge, while disciplined opex and a debt-free balance sheet reinforce its earnings stability. We believe execution on ASP/volume growth and deeper reach into Eastern Indonesia remain crucial levers for margin and ROE improvement, offering potential upside to our forecasts. Risks may include the changing youth consumer perception towards herbal drinks (**Exhibit 4**), as well as peers’ pricing discounts (**Exhibit 6**). However, SIDO still has a stable contribution from F&B business (~33% of revenue) as buffers, with relatively controlled input prices despite its dependency risks with Indonesia’s commodities upcycles (**Exhibit 3**).

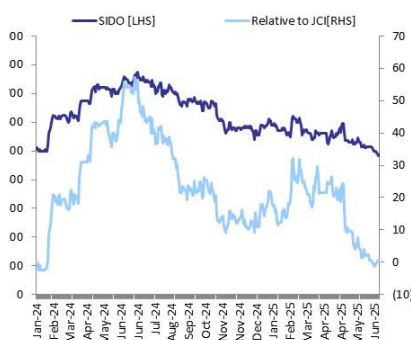
Improvement Prospect in 2Q25

Our review of earnings seasonality found that 2H (particularly 4Q) tends to contribute higher than 1H (**Exhibit 15**), which we believe is driven by consumers stocking up on TolakAngin during rainy seasons. Mgmt. however, indicates a flattish-to-mid single digit yoy revenue growth for overall 1H25, which implies a positive qoq recovery in 2Q25 (~+40-50%qoq) after resumption of consumers activity post-Eid holiday. That said, and assuming flattish margin in 2Q25, SIDO’s 1H25 earnings (**Exhibit 9**) could reach 52-54%/49-51% of our/cons. FY25F estimates (vs. historical 44-46%).

Valuation Discount Should Price in Weak FY25F/26F Growth

We see SIDO’s current valuation of 13.5x FY25F P/E as attractive at -1.1SD to its 10-yr. mean (**Exhibit 17**). We believe current valuation has largely priced in the bottoming of quarterly earnings growth in 1Q25 (**Exhibit 11**) and relatively muted FY25F/26F EPS growth -7/+5% (vs. FY14-24 CAGR of 11%), due to weak macro condition (**Exhibit 5**). Incorporating the 1Q25 results, we have also trimmed our FY25F/26F NP by -14%/-17% to Rp1.1tr. We maintain our Buy rating with a lower DCF-derived TP of Rp550. Key risk is weaker herbal segment revenue.

SIDO relative to JCI Index



Source: Bloomberg

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Key Financials

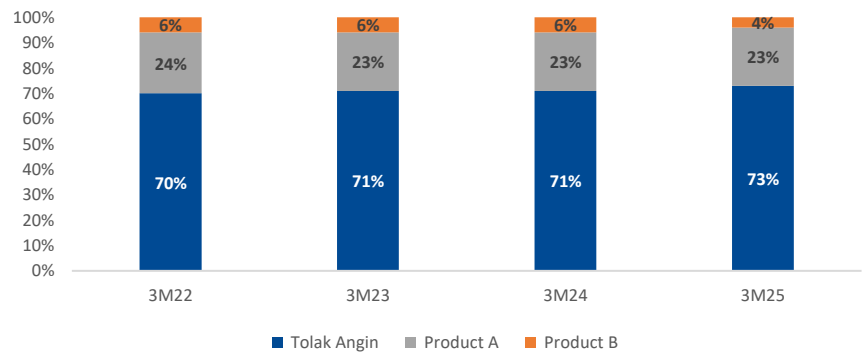
Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	3,566	3,919	4,036	4,250	4,475
EBITDA (Rpbn)	1,347	1,580	1,472	1,547	1,643
EBITDA Growth (%)	(8.3)	17.3	(6.8)	5.1	6.2
Net Profit (Rpbn)	951	1,171	1,084	1,136	1,204
EPS (Rp)	31.7	39.0	36.1	37.9	40.1
EPS Growth (%)	(13.9)	23.2	(7.4)	4.8	6.0
BVPS (Rp)	112.9	116.3	114.7	115.7	117.0
DPS (Rp)	30.6	39.0	36.1	37.8	40.1
PER (x)	15.4	12.5	13.5	12.9	12.2
PBV (x)	4.3	4.2	4.3	4.2	4.2
Dividend yield (%)	6.3	8.0	7.4	7.8	8.2
EV/EBITDA	10.3	8.7	9.4	9.0	8.5

Source: SIDO, BRIDS Estimates

Revenue Improvement Prospect in 2Q25; Resume Coverage with Buy Rating

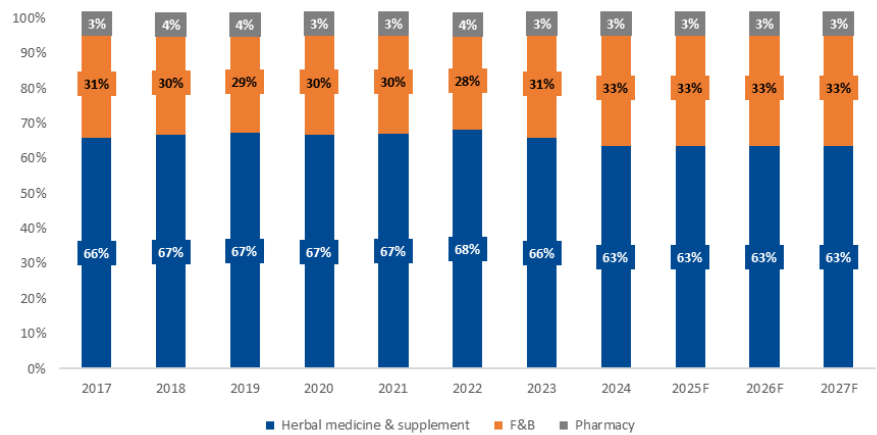
SIDO's superior ROIC/WACC versus peers (**Exhibit 19**) also highlights its capital efficiency, making it stand out among consumer names, especially when paired with its compelling ~8% FY25F dividend yield.

Exhibit 1. Tolak Angin Market Share



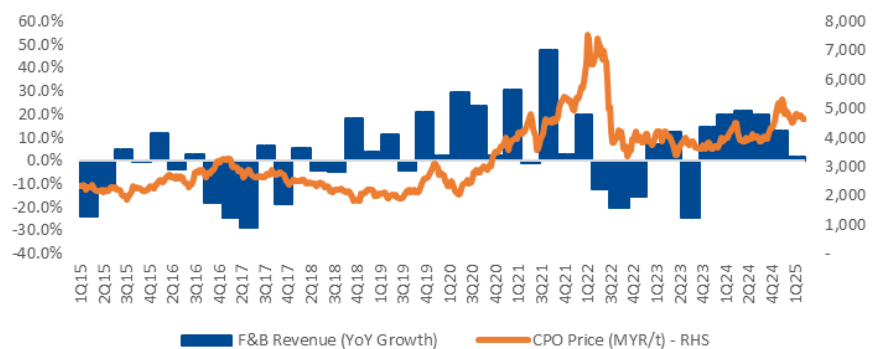
Source: Company

Exhibit 2. Revenue Contribution



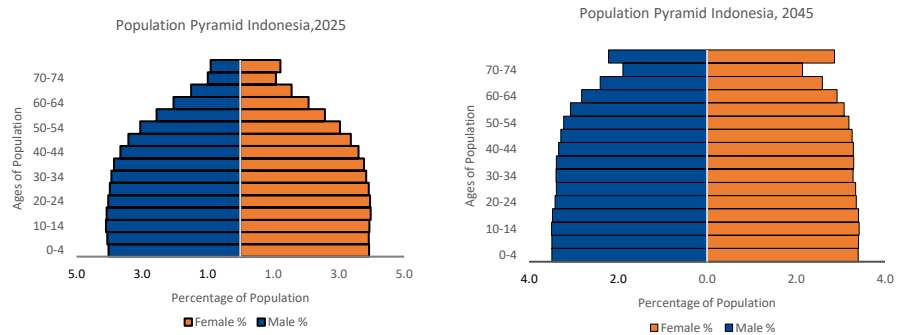
Source: Company, BRIDS Estimates

Exhibit 3. SIDO's F&B Revenue Growth vs. CPO Price Movement



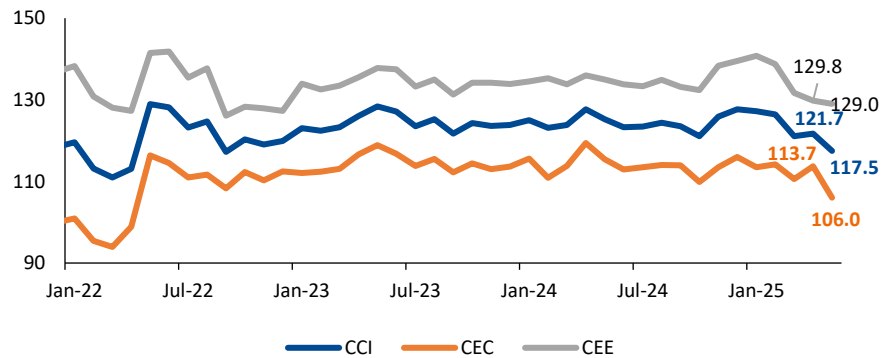
Source: Company, Bloomberg, BRIDS

Exhibit 4. Indonesia’s Youth-Dominated Current Demographic Profile



Source: BPS, BRIDS

Exhibit 5. Indonesia’s Current Weak Consumer Confidence Index



Source: Bank Indonesia, BRIDS Economic Research

Exhibit 6. Peers Pricing Discounts

Product



Product	Price/box (Rp)	Price Discount to TolakAngin
Tolak Angin	53,000	-
BEJO Herbal	35,500	-33%
Antangin	44,600	-16%

Source: Blibli, BRIDS

Exhibit 7. 1Q25 Results Summary

SIDO (in Rpbn, unless stated)	1Q24	4Q24	1Q25	qoq, %	yoy, %	3M24	3M25	yoy, %	FY25F BRIDS - Old	FY25F Cons. - Old	A/BRIDS,%	A/Cons.,%
Revenue	1,053	1,292	789	(38.9)	(25.1)	1,053	789	(25.1)	4,302	4,244	18.3	18.6
COGS	(428)	(479)	(377)	(21.3)	(12.1)	(428)	(377)	(12.1)	(1,826)		20.6	
Gross Profit	625	814	412	(49.3)	(34.0)	625	412	(34.0)	2,476	2,484	16.7	16.6
Opex	(133)	(308)	(137)	(55.7)	2.3	(133)	(137)	2.3	(906)		15.1	
Operating Profit	492	505	276	(45.4)	(43.9)	492	276	(43.9)	1,570	1,579	17.6	17.5
Pretax Profit	503	512	296	(42.1)	(41.0)	503	296	(41.0)	1,620	1,619	18.3	18.3
Net Profit	390	393	233	(40.7)	(40.3)	390	233	(40.3)	1,256	1,260	18.5	18.5
Core Net Profit	391	396	223	(43.7)	(43.0)	391	223	(43.0)	1,244		17.9	
Gross margin (%)	59.3	62.9	52.3	(10.7)	(7.1)	59.3	52.3	(7.1)	57.5	39.8		
Opex to revenue (%)	12.7	23.9	17.3	(6.5)	4.6	12.7	17.3	4.6	21.1			
Operating margin (%)	46.7	39.1	35.0	(4.1)	(11.7)	46.7	35.0	(11.7)	36.5	37.2		
Pretax margin (%)	47.7	39.6	37.5	(2.1)	(10.2)	47.7	37.5	(10.2)	37.7			
Net margin (%)	37.1	30.4	29.5	(0.9)	(7.5)	37.1	29.5	(7.5)	29.2	29.7		

By Segment	1Q24	4Q24	1Q25	qoq, %	yoy, %	3M24	3M25	yoy, %
Revenue (Rpbn)								
Herbal medicine and supplement	627	943	363	(61.5)	(42.1)	627	363	(42.1)
F&B	396	318	402	26.7	1.6	396	402	1.6
Pharmacy	30	32	24	(26.4)	(22.2)	30	24	(22.2)
Gross Margin (%)								
Herbal medicine and supplement	71.5	70.8	61.2	(9.6)	(10.3)	71.5	61.2	(10.3)
F&B	41.8	42.3	45.8	3.5	4.0	41.8	45.8	4.0
Pharmacy	37.8	37.6	25.5	(12.0)	(12.2)	37.8	25.5	(12.2)

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 8. Forecast Revision Summary

Financial, Rpbn	2025F			2026F			2027F		
	Prev	New	% changes	Prev	New	% changes	Prev	New	% changes
Revenue	4,302	4,036	-6%	4,726	4,250	-10%	5,131	4,475	-13%
Gross Profit	2,476	2,214	-11%	2,709	2,349	-13%	2,931	2,488	-15%
Operating Profit	1,570	1,362	-13%	1,714	1,431	-16%	1,850	1,521	-18%
Net Profit	1,256	1,084	-14%	1,368	1,136	-17%	1,455	1,204	-17%

Margin	2025F			2026F			2027F		
	Prev	New	% changes	Prev	New	% changes	Prev	New	% changes
Gross Profit	58%	55%	-3%	57%	55%	-2%	57%	56%	-2%
Operating Profit	36%	34%	-3%	36%	34%	-3%	36%	34%	-2%
Net Profit	29%	27%	-2%	29%	27%	-2%	28%	27%	-1%

Growth, % yoy	2025F			2026F			2027F		
	Prev	New	% changes	Prev	New	% changes	Prev	New	% changes
Revenue	10%	3%	-7%	10%	5%	-5%	9%	5%	-3%
Gross Profit	8%	-4%	-11%	9%	6%	-3%	8%	6%	-2%
Operating Profit	7%	-8%	-14%	9%	5%	-4%	8%	6%	-2%
Net Profit	7%	-7%	-15%	9%	5%	-4%	6%	6%	0%

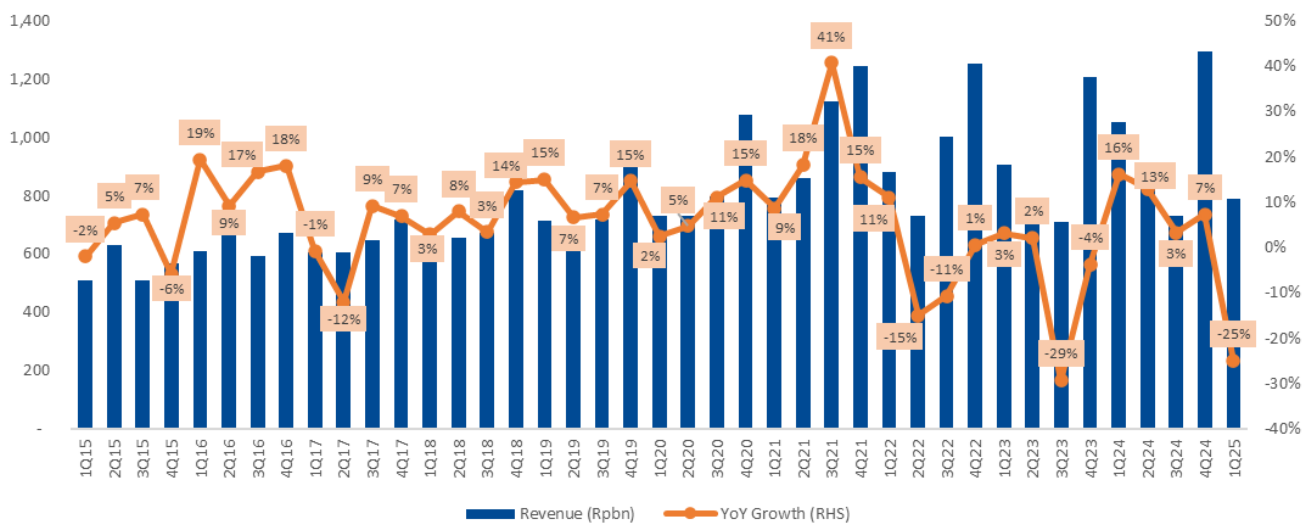
Source: BRIDS Estimates

Exhibit 9. 1H25E Run Rate Estimates

1H25 Estimates	Scenario 1	Scenario 2	Scenario 3
	1H25E Revenue Grew Mid Single Digit YoY	1H25E Revenue Remained Flat YoY	Historical 2Q Revenue Run Rate Performance
Revenue (Rpbn)			
1Q25	789	789	789
2Q25E	1,202	1,107	928
% yoy	43%	31%	10%
% qoq	52%	40%	18%
1H25E	1,991	1,896	1,717
% yoy	5%	0%	-9%
Net Margin-2Q25E	29.5%	29.5%	29.5%
Net Profit (Rpbn)			
1Q25	233	233	233
2Q25E	355	327	274
% yoy	63%	50%	26%
% qoq	52%	40%	18%
1H25E	588	560	507
% yoy	-3%	-8%	-17%
1H25E Run Rate			
to FY25F Revenue			
BRIDS	49%	47%	43%
Consensus	49%	47%	43%
to FY25F Net Profit			
BRIDS	54%	52%	47%
Consensus	51%	49%	44%

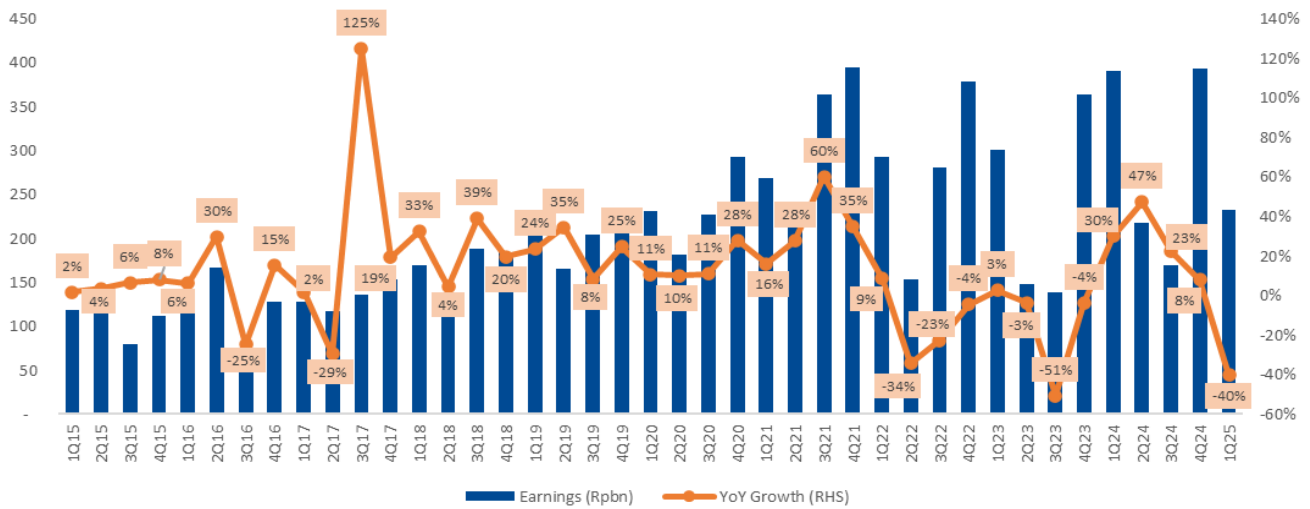
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 10. Quarterly Revenue Movement



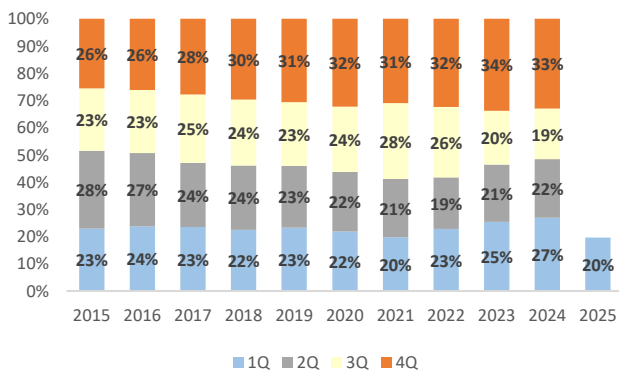
Source: Company, BRIDS

Exhibit 11. Quarterly Earnings Movement



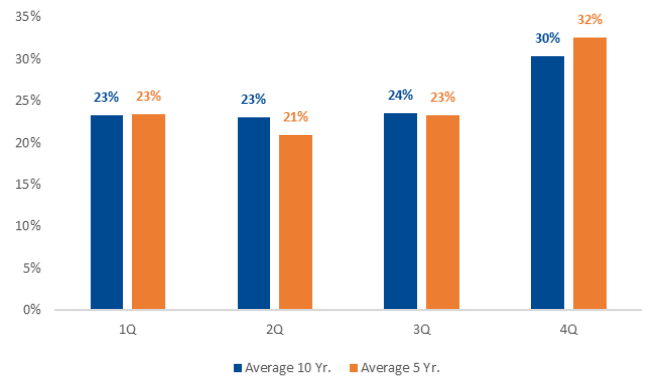
Source: Company, BRIDS

Exhibit 12. Revenue Seasonality (%Contribution to FY Achievement)



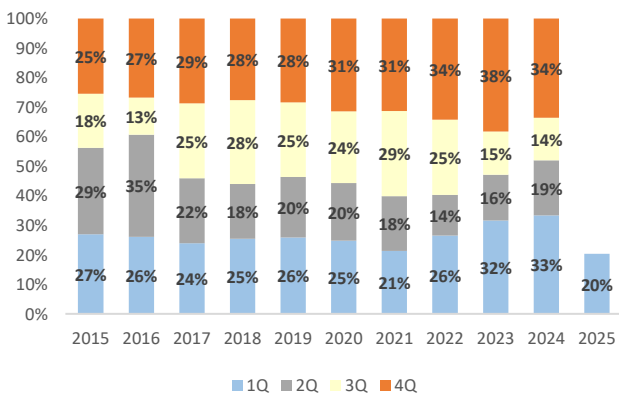
Source: Company, BRIDS

Exhibit 13. Revenue Seasonality (%Contribution to FY Achievement, Average)



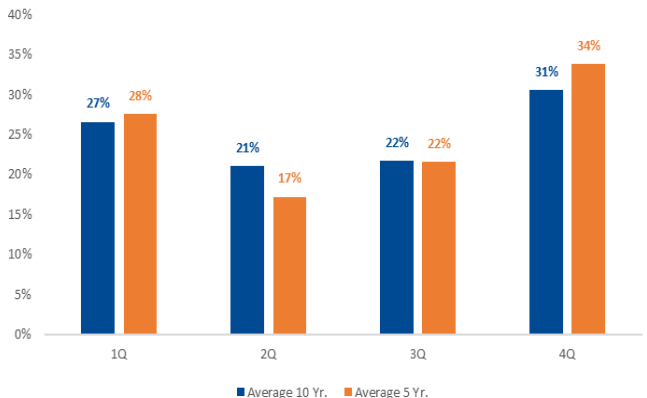
Source: Company, BRIDS

Exhibit 14. Earnings Seasonality (%Contribution to FY Achievement)



Source: Company, BRIDS

Exhibit 15. Earnings Seasonality (%Contribution to FY Achievement, Average)



Source: Company, BRIDS

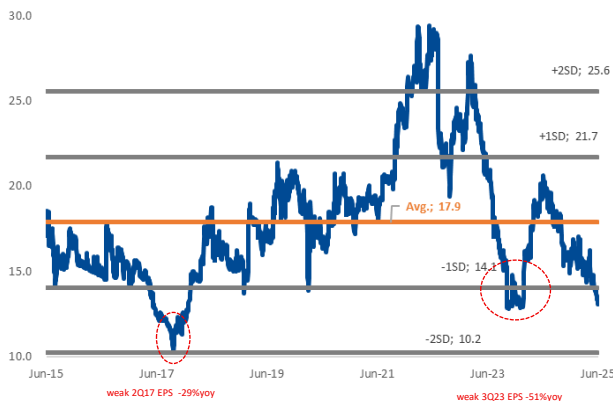
Exhibit 16. SIDO's Valuation Summary

FCFF Projection SIDO		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		1	2	3	4	5	6	7	8	9	10
EBIT * (1-tax)	+	1,056	1,110	1,179	1,248	1,327	1,404	1,492	1,578	1,676	1,774
Depreciation	+	110	116	122	128	135	143	150	157	165	173
Change in working capital	+	0	(57)	(60)	(64)	(67)	(71)	(74)	(79)	(82)	(87)
Capex	-	137	144	152	160	169	178	176	185	195	206
FCFF		1,029	1,024	1,089	1,152	1,226	1,298	1,391	1,471	1,565	1,654
Growth		-5%	0%	6%	6%	6%	6%	7%	6%	6%	6%
Discount factor		1.11	1.22	1.35	1.50	1.65	1.83	2.02	2.24	2.48	2.74
Present value of FCFF		930	837	805	770	741	709	688	657	632	604
Terminal value											22,436
PV of terminal value											8,196

NPV	Rpbn	15,571	Assumptions		
Net debt (as of end 2025)	Rpbn	(827)	Market return (Rm)	%	12.4%
Minority Interest	Rpbn	0	Risk free rate	%	6.9%
Equity value	Rpbn	16,397	Market risk premium	%	5.6%
Outstanding share	Bn sh	30	Tax rate	%	22.5%
Equity value per share	Rp/sh	547	Adjusted Beta	%	0.67
Target price	Rp/sh	550	Debt portion 2025	%	0.1%
Current price	Rp/sh	488	Cost of equity	%	10.6%
% upside/(downside)	%	12.7%	Cost of debt	%	0.0%
Rating		BUY	WACC	%	10.6%
			Terminal growth	%	3.0%

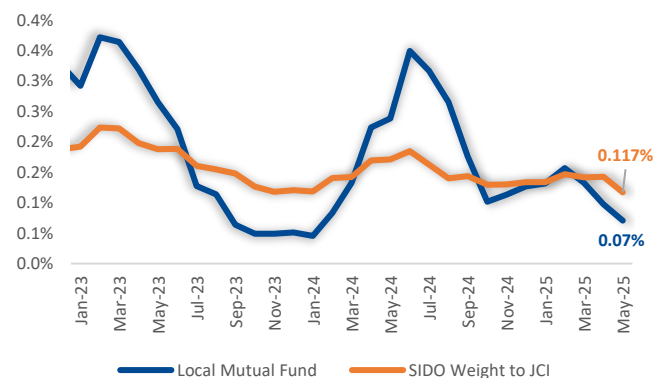
Source: BRIDS Estimates

Exhibit 17. P/E Band 10-Yr.



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 18. Domestic Fund Positioning



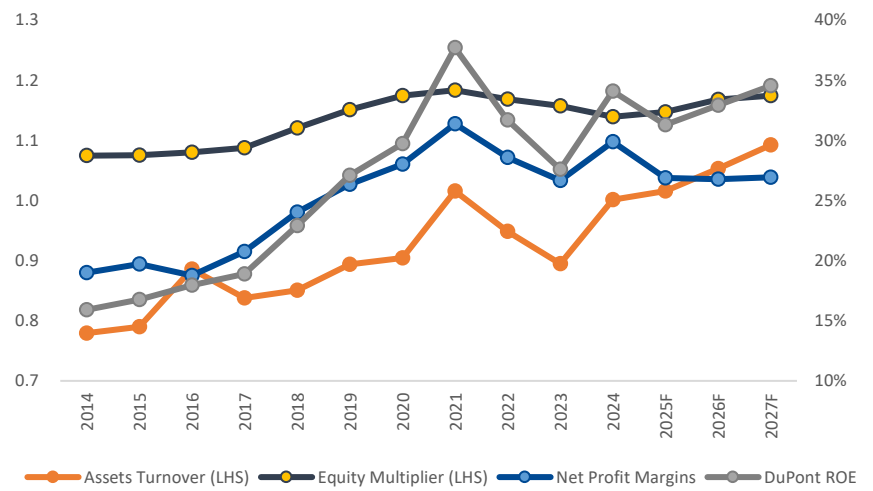
Source: KSEI, Bloomberg, BRIDS

Exhibit 19. SIDO's Peers Comparison

Ticker	Company Name	Mkt. Cap (US\$m)	P/E (x)		P/BV (x)		Dividend Yield (%)		EPS Growth (%)		PEG (x)		ROIC/WACC (x) 1Q25
			2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	
SIDO IJ*	Industri Jamu Dan Farmasi Sido Muncu	896	13.5	12.9	4.3	4.2	7.4	7.8	(7.4)	4.8	(1.8)	2.7	2.3
KLBF IJ*	Kalbe Farma Tbk PT	4,284	19.4	17.6	2.8	2.6	2.7	3.0	11.6	9.9	1.7	1.8	1.0
INDF IJ	Indofood Sukses Makmur Tbk PT	4,260	6.1	5.4	0.9	0.8	4.1	5.4	32.7	12.7	0.2	0.4	1.0
ICBP IJ	Indofood CBP Sukses Makmur Tb	7,300	11.8	10.5	2.2	1.9	2.7	3.5	42.5	12.8	0.3	0.8	1.0
MYOR IJ	Mayora Indah Tbk PT	2,806	14.7	12.4	2.4	2.2	2.6	2.7	3.8	18.6	3.9	0.7	1.1
UNVR IJ	Unilever Indonesia Tbk PT	3,375	15.3	14.7	22.0	20.9	6.0	6.6	7.6	4.2	2.0	3.5	4.3
000423 CH	Dong-E-E-Jiao Co Ltd	4,722	18.6	15.9	3.0	2.7	4.7	5.3	19.9	17.3	0.9	0.9	1.4
300791 CH	Guangdong Sirio Pharma Co Ltd	1,057	14.5	11.2	2.1	1.9	3.2	3.9	64.7	28.9	0.2	0.4	1.0
301507 CH	Hangzhou Minsheng Healthcare	690	46.3	39.7	3.1	3.0	n.a	n.a	16.1	16.7	2.9	2.4	0.4
300181 CH	ZUO LI YAO YE	1,663	18.3	14.4	3.8	3.4	4.7	6.1	32.2	26.7	0.6	0.5	1.4
603896 CH	ZHEJIANG SHOUXIANGU PHARMACEU	592	21.5	19.6	1.7	1.6	1.4	1.6	16.5	9.4	1.3	2.1	0.4
Weighted Average - Local			13.1	11.8	5.1	4.8	3.6	4.3	23.1	11.4	1.1	1.4	1.6
Weighted Average - Regional			20.4	17.2	3.0	2.7	3.9	4.6	27.2	19.9	1.0	1.0	1.2

Source: Bloomberg, *BRIDS Estimates

Exhibit 20. ROE Breakdown



Source: Company, BRIDS Estimates

Exhibit 21. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	3,566	3,919	4,036	4,250	4,475
COGS	(1,547)	(1,618)	(1,822)	(1,901)	(1,988)
Gross profit	2,019	2,301	2,214	2,349	2,488
EBITDA	1,347	1,580	1,472	1,547	1,643
Oper. profit	1,244	1,474	1,362	1,431	1,521
Interest income	29	39	39	38	36
Interest expense	(1)	(1)	(1)	(1)	(1)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	(53)	(3)	(3)	(3)	(3)
Pre-tax profit	1,220	1,510	1,398	1,466	1,553
Income tax	(269)	(339)	(314)	(329)	(349)
Minority interest	0	0	0	0	0
Net profit	951	1,171	1,084	1,136	1,204
Core Net Profit	1,003	1,174	1,087	1,139	1,207

Exhibit 22. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	830	856	830	776	725
Receivables	791	873	858	903	951
Inventory	408	432	473	494	516
Other Curr. Asset	38	43	44	47	49
Fixed assets - Net	1,555	1,506	1,534	1,562	1,593
Other non-curr.asset	269	230	269	283	298
Total asset	3,891	3,940	4,008	4,065	4,132
ST Debt	6	3	3	3	3
Payables	194	188	213	223	233
Other Curr. Liabilities	262	220	298	314	331
Long Term Debt	3	0	0	0	0
Other LT. Liabilities	39	40	50	53	56
Total Liabilities	505	452	566	593	623
Shareholder's Funds	3,386	3,488	3,442	3,471	3,509
Minority interests	0	0	0	0	0
Total Equity & Liabilities	3,891	3,940	4,008	4,065	4,132

Exhibit 23. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	951	1,171	1,084	1,136	1,204
Depreciation and Amort.	104	106	110	116	122
Change in Working Capital	5	(113)	0	(57)	(60)
Other Oper. Cash Flow	(35)	(46)	77	13	14
Operating Cash Flow	1,024	1,118	1,271	1,209	1,280
Capex	(50)	(58)	(137)	(144)	(152)
Others Inv. Cash Flow	10	40	(39)	(14)	(15)
Investing Cash Flow	(40)	(18)	(176)	(159)	(167)
Net change in debt	(11)	(6)	0	0	0
New Capital	(2)	11	0	0	0
Dividend payment	(1,068)	(1,080)	(1,130)	(1,107)	(1,167)
Other Fin. Cash Flow	5	1	10	3	3
Financing Cash Flow	(1,077)	(1,074)	(1,120)	(1,105)	(1,164)
Net Change in Cash	(93)	25	(26)	(54)	(51)
Cash - begin of the year	923	830	856	830	776
Cash - end of the year	830	856	830	776	725

Exhibit 24. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	(7.8)	9.9	3.0	5.3	5.3
EBITDA	(8.3)	17.3	(6.8)	5.1	6.2
Operating profit	(9.5)	18.5	(7.6)	5.1	6.3
Net profit	(13.9)	23.2	(7.4)	4.8	6.0
Profitability (%)					
Gross margin	56.6	58.7	54.8	55.3	55.6
EBITDA margin	37.8	40.3	36.5	36.4	36.7
Operating margin	34.9	37.6	33.8	33.7	34.0
Net margin	26.7	29.9	26.9	26.7	26.9
ROAA	23.8	29.9	27.3	28.2	29.4
ROAE	27.6	34.1	31.3	32.9	34.5
Leverage					
Net Gearing (x)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Interest Coverage (x)	1,826.3	1,771.8	1,637.1	1,773.0	2,016.3

Source: SIDO, BRIDS Estimates

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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