

PT Industri Jamu dan Farmasi Sido Muncul Tbk

BUY

Investment Considerations

Record High Sales

- In 4Q2021, SIDO sales grew 15% YoY and 11% QoQ to IDR 1.24 trillion, a new record high QoQ. 4Q2021 sales were boosted by higher herbal and supplement sales which is a trend which will likely continue in 2022 in line with increasing health awareness. For 2021FY, SIDO had +21% sales growth to IDR 4.02 trillion. The results are +8% above our 2021 sales estimate.
- Herbal & supplement sales increased +19% YoY or 31% QoQ to IDR 925.7 billion in line with volume and demand increases in 4Q2021. Tolak Angin, Vitamin C1000, Ginger Drinks, Tolak Linu, and Supplements became the growth driver of sales. Pharmacy had the highest growth at +80% YoY but declined -33% QoQ to IDR 28.1 billion in 4Q2021.
- While the F&B segment increased slightly +2.6% YoY to IDR 291 billion in 4Q2021.
- Export sales reached SIDO's target for 2021 at a 4% contribution to total sales driven by a recovery in export sales to Negeria and Malaysia, and from higher shipments of essential oils to France.
- We are expecting double-digit sales growth in 2022F as we expect the health awareness trend will continue in 2022 inline with growing consumer demand for health products.

4Q2021 Result: higher Margins

- In 4Q2021, SIDO recorded net profit growth of +35% YoY or +8.8% QoQ to IDR 395.4 billion with a higher NPM of 31.8% compared to 4Q2020's 27.2%. For 2021FY, SIDO recorded net profit of IDR 1.26 trillion with a higher NPM of 31%.
- Operating profit margins slightly declined compared to 3Q2021 from 40.8% to 40% in 4Q2021, because of higher opex in 4Q2021. However operating profit still grew 8.8% QoQ or 36.5% YoY to IDR 498 billion. For 2021, operating profit grew +32% to IDR 1.15 trillion with a higher OPM of 39%.
- Gross profit grew +16.5% YoY to IDR 724 billion in 4Q2021 with a higher GPM of 58.2% from 56.3% in 3Q2021. For 2021, gross profit grew +24% YoY to IDR 2.28 trillion with a higher GPM of 57%.
- We are targeting SIDO's net profit to grow +14% to IDR 1.93 trillion in 2022F as we expect demand will continue to grow.

Valuation: Maintain BUY with TP 1,200

- We are targeting SIDO to reach IDR 1,200 or 25% upside, which is a 25x PE valuation within one year. Maintain BUY.

Consumer Goods, Pharmaceutical
18 February 2022

Price	IDR.	955
Target	IDR.	1,200
JKSE Index		6,835.117



Stock code	SIDO IJ
Bloomberg code	28,500.0
Market cap (in Bn)	1,000
52-week high	699
52-week low	770
6-m avg.dail.val (IDR)	30,000
Shares Out (in Mn)	19.00%
Free Float (%)	

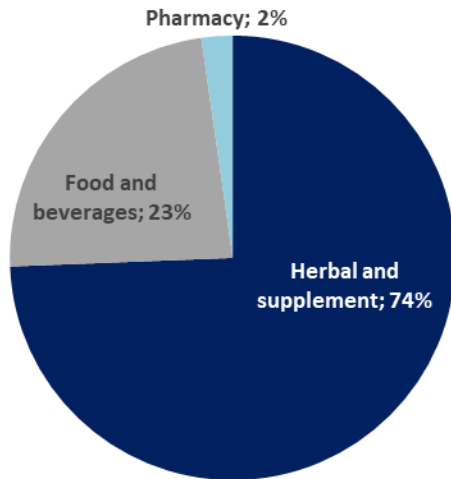
Major Share Holders (%)	
PT Hotel Candi Baru	81.00%
Public	19.00%

USD/IDR-YE	
2021	14,310
2022F (6m-avg)	14,300

Analyst:
Eka Rahmawati Rahman

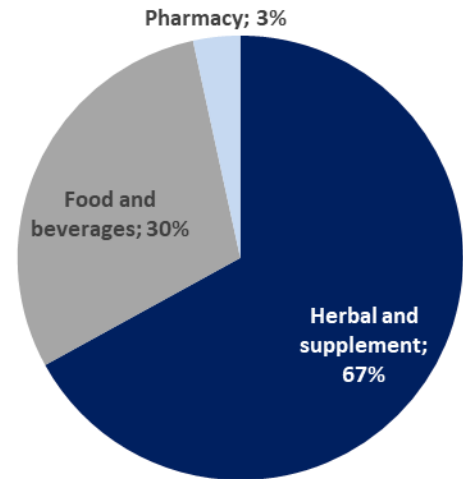
Financial Highlights	2017A	2018A	2019A	2020A	2021A	2022F	2023F
Revenue (IDR Mn)	2.573.840	2.763.292	3.067.434	3.335.411	4.020.980	4.624.127	5.317.746
EBITDA (IDR Mn)	743.013	929.979	1.160.983	1.296.946	1.708.037	1.934.767	2.215.505
Net Profit (IDR Mn)	533.799	663.849	807.689	934.016	1.260.898	1.442.728	1.659.137
EPS (IDR)	36	45	54	31	42	48	55
EBITDA Margin (%)	28,9%	33,7%	37,8%	38,9%	42,5%	41,8%	41,7%
ROE (%)	18,4%	22,9%	26,4%	29,0%	36,3%	39,3%	42,5%
ROA (%)	32,8%	42,9%	47,1%	45,5%	56,2%	57,9%	59,8%

Chart: SIDO Sales Mix 4Q2021



Source: Company

Chart: SIDO Sales Mix 2021FY



Source: Company

Table: Income Statement in IDR. Million YoY & QoQ

Income Statement (IDR Mn)	1Q2021	2Q2021	3Q2021	4Q2021	QoQ	4Q2020	YoY
Net Sales	793.416	861.383	1.121.641	1.244.540	11,0%	1.078.137	15,4%
Cost of Goods Sold	-345.479	-379.236	-489.787	-520.446	6,3%	-456.566	14,0%
Gross Profit	447.937	482.147	631.854	724.094	14,6%	621.571	16,5%
Operating Expense	-115.894	-193.449	-174.085	-225.912	29,8%	-256.587	-12,0%
Operating Income	332.043	288.698	457.769	498.182	8,8%	364.984	36,5%
Other Income	11.503	10.109	8.325	6.602	-20,7%	11.791	-44,0%
PBT	343.546	298.807	466.094	504.784	8,3%	376.775	34,0%
Taxes	-74.503	-65.849	-102.597	-109.384	6,6%	-83.564	30,9%
PAT	269.043	232.958	363.497	395.400	8,8%	293.211	34,9%
Non-controlling interest	0	0	0	0		0	
Net Profit	269.043	232.958	363.497	395.400	8,8%	293.211	34,9%
EPS	9	8	12	13	8,8%	10	34,9%
GPM (%)	56,5%	56,0%	56,3%	58,2%		57,7%	
OPM (%)	41,8%	33,5%	40,8%	40,0%		33,9%	
NPM (%)	33,9%	27,0%	32,4%	31,8%		27,2%	

Source: Company

Table: Income Statement in IDR. Million YoY

Income Statement (IDR Mn)	2017A	2018A	2019A	2020A	2021A	2022F	2023F
Net Sales	2.573.840	2.763.292	3.067.434	3.335.411	4.020.980	4.624.127	5.317.746
Cost of Goods Sold	-1.389.139	-1.338.901	-1.386.870	-1.496.628	-1.734.948	-1.988.375	-2.286.631
Gross Profit	1.184.701	1.424.391	1.680.564	1.838.783	2.286.032	2.635.752	3.031.115
Operating Expense	-544.465	-600.060	-656.320	-687.758	-709.340	-832.343	-957.194
Operating Income	640.236	824.331	1.024.244	1.151.025	1.576.692	1.803.410	2.073.921
Other Income	41.653	43.506	49.591	48.523	36.539	46.241	53.177
PBT	681.889	867.837	1.073.835	1.199.548	1.613.231	1.849.651	2.127.098
Taxes	-148.090	-203.988	-266.146	-265.532	-352.333	-406.923	-467.962
PAT	533.799	663.849	807.689	934.016	1.260.898	1.442.728	1.659.137
Non-controlling interest	0	0	0	0	0	0	0
Net Profit	533.799	663.849	807.689	934.016	1.260.898	1.442.728	1.659.137
EPS	36	45	54	31	42	48	55
EBITDA	743.013	929.979	1.160.983	1.296.946	1.708.037	1.934.767	2.215.505
Shares	14.879	14.879	14.879	30.000	30.000	30.001	30.002

Source: Company & Binaartha

Table: Cash Flow in IDR. Million YoY

Cash Flow (In IDR Mn)	2017A	2018A	2019A	2020A	2021A	2022F	2023F
Net Income	533.799	663.849	807.689	934.016	1.260.898	1.442.728	1.659.137
Depreciation	60.536	62.001	86.994	96.876	93.944	84.254	87.544
Change in WC	63.762	144.089	-61.747	-24.884	-159.034	31.854	-88.090
Cash From Operating Activities	658.097	869.939	832.936	1.006.008	1.195.808	1.558.836	1.658.591
Capex	-396.344	-322.666	-117.695	-73.648	-120.772	-129.557	-142.877
Cash From Investing Activities	-396.344	-322.666	-117.695	-73.648	-120.772	-129.557	-142.877
Employee benefits liabilities	30.979	11.030	-13.249	11.879	-16.894	8.453	6.936
Deferred tax liabilities	8.804	1.778	2.595	-126	3.576	2.494	2.868
Equity	-395.819	-657.100	-645.596	-776.983	-1.011.453	-1.241.333	-1.426.857
Cash From Financing Activities	-356.036	-644.292	-656.250	-765.230	-1.024.771	-1.230.385	-1.417.052
Net Changes in Cash	-94.283	-97.019	58.991	167.130	50.265	198.893	98.662
Beginning Balance	997.135	902.852	805.833	864.824	1.031.954	1.082.219	1.281.112
Ending Balance	902.852	805.833	864.824	1.031.954	1.082.219	1.281.112	1.379.774

Source: Company & Binaartha

Table: Statement of Financial Position in IDR. Million YoY

ASSETS	2017A	2018A	2019A	2020A	2021A	2022F	2023F
CURRENT ASSETS							
Cash and Cash Equivalents	902.852	805.833	864.824	1.031.954	1.082.219	1.281.112	1.379.774
Trade Accounts Receivable	431.502	414.903	537.104	667.647	664.058	693.619	797.662
Inventories	267.915	311.193	299.244	309.478	454.810	462.413	531.775
Others Current Assets	26.632	15.737	15.063	43.002	43.620	55.490	63.813
Total Current Assets	1.628.901	1.547.666	1.716.235	2.052.081	2.244.707	2.492.633	2.773.024
NONCURRENT ASSETS							
Fixed Assets	1.215.176	1.553.362	1.593.059	1.568.264	1.588.101	1.630.228	1.674.000
Goodwill	91.366	91.366	91.366	91.366	91.366	91.366	91.366
Other Noncurrent Assets	222.755	145.234	136.238	137.805	144.796	147.972	159.532
Total Noncurrent Assets	1.529.297	1.789.962	1.820.663	1.797.435	1.824.263	1.869.566	1.924.899
TOTAL ASSETS	3.158.198	3.337.628	3.536.898	3.849.516	4.068.970	4.362.199	4.697.922
LIABILITIES AND EQUITY							
LIABILITIES							
CURRENT LIABILITIES							
Trade Account Payable	135.991	189.279	165.459	213.942	188.668	231.206	265.887
Others Current Liabilities	72.516	179.101	250.752	346.101	354.702	393.051	452.008
Total Current Liabilities	208.507	368.380	416.211	560.043	543.370	624.257	717.896
NONCURRENT LIABILITIES							
Employee benefits liabilities	45.022	56.052	42.803	54.682	37.788	46.241	53.177
Deferred tax liabilities	8.804	10.582	13.177	13.051	16.627	19.121	21.989
Total Noncurrent Liabilities	53.826	66.634	55.980	67.733	54.415	65.362	75.167
TOTAL LIABILITIES	262.333	435.014	472.191	627.776	597.785	689.619	793.062
Non-controlling interest	7	7	7	7	7	8	9
EQUITY	2.895.858	2.902.607	3.064.700	3.221.733	3.471.178	3.672.572	3.904.851
TOTAL LIABILITIES & EQUITY	3.158.198	3.337.628	3.536.898	3.849.516	4.068.970	4.362.199	4.697.922

Source: Company & Binaartha

Table: Ratio Highlights YoY

	2017A	2018A	2019A	2020A	2021A	2022F	2023F
Growth (% YoY)							
Revenue	0%	7%	11%	9%	21%	15%	15%
OP	14%	29%	24%	12%	37%	14%	15%
EBITDA	9%	25%	25%	12%	32%	13%	15%
NP	11%	24%	22%	16%	35%	14%	15%
EPS	9%	25%	25%	12%	32%	13%	15%
Profitability							
Gross Profit Margin (%)	46%	52%	55%	55%	57%	57%	57%
Operating Margin(%)	25%	30%	33%	35%	39%	39%	39%
EBITDA margin(%)	29%	34%	38%	39%	42%	42%	42%
NET Profit margin(%)	21%	24%	26%	28%	31%	31%	31%
ROA(%)	33%	43%	47%	46%	56%	58%	60%
ROE(%)	18%	23%	26%	29%	36%	39%	42%
Stability							
Int. Coverage (x)	908	4.708	5.245	1.789	1.463	1.674	1.925
Current Ratio (X)	8	4	4	4	4	4	4
Per Share data (IDR)							
EPS	36	45	54	31	42	48	55
EBITDA/share	50	63	78	43	57	64	74

Source: Company & Binaartha

Stock Ratings:

Buy : a recommendation to purchase the security with upside potential of **20% or greater**

Hold : a recommendation to neither buy nor sell a security with upside potential of **0-19%**.

Sell : a recommendation to close out a long position in a security with upside potential **below 0% or negative**.

RESEARCH TEAM
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