KIWOOM SEKURITAS INDONESIA

Published 24 August 2026

PT. Industri Jamu Dan Farmasi Sido Muncul Tbk.

1H26 Earnings Miss Amid Herbal Business Weakness

1H26 Results Miss Expectations. SIDO posted weak 1H26 results, with revenue declining 20% YoY to IDR1.5tn and net profit falling 44% YoY to IDR334bn, significantly below our expectations. The weakness was mainly driven by distributor inventory normalization in the Herbal & Supplements segment, particularly Tolak Angin. However, quarterly performance started to improve, with 2Q26 revenue rising 29% QoQ to IDR826bn and net profit increasing 27% QoQ to IDR186bn. This indicates that inventory pressures are gradually easing, although profitability remains below last year's level.

F&B and Overseas Markets Drive Growth Amid Herbal Weakness. F&B and Overseas Markets Drive Growth Amid Herbal Weakness. Amid pressure in the herbal business, the F&B segment remained the main growth driver, with revenue rising 11% YoY to IDR760bn in 1H26, supported by energy drinks, C+ Collagen, and RTD products. C+ Collagen sales grew more than fivefold, while RTD sales more than doubled. International expansion also gained traction, with exports contributing around 13% of total revenue, up from 10% previously, led by Malaysia, followed by the Philippines and Nigeria.

Gradual Recovery Expected in 2H26, but Margin Pressure Remains. We expect SIDO's recovery to progress gradually in 2H26, supported by distribution normalization, a recovery in herbal volumes, F&B growth, new product launches, and export expansion. However, we do not expect margins to return to FY25 levels in the near term, as higher raw material, packaging, logistics, and advertising & promotion costs remain key pressures. Management has also revised its FY26 revenue guidance to around -10% YoY.

KEY TAKEAWAYS:

- **1H26 Miss Expectations.** Revenue and net profit declined 20% and 44% YoY, mainly due to distributor inventory normalization in Herbal & Supplements.
- **F&B & Exports Support Growth.** F&B revenue grew 11% YoY, while exports increased to 13% of total revenue, led by Malaysia, the Philippines, and Nigeria.
- **Gradual Recovery with Margin Pressure.** 2H26 recovery should be supported by distribution normalization, F&B, new products, and exports, while higher costs remain a key risk.

RECOMMENDATION "Hold"

Based on our estimates, SIDO's revenue is expected to decline 4.5% YoY in 2026F to IDR3.9tn before recovering 3.1% in 2027F and 6.6% in 2028F. Net profit is forecast to decline 8.3% YoY to IDR1.1tn in 2026F, while NPM is expected to decline at around 29%. At 2026F, SIDO trades at 10.5x P/E, 3.6x P/BV, and 7.1x EV/EBITDA, with an attractive 9.4% dividend yield. *Key downside risks include slower-than-expected herbal volume recovery, prolonged distributor inventory normalization, higher raw material and packaging costs, rising A&P and logistics expenses, weaker consumer spending, execution risks on new products and exports, and intensifying competition.*

FINANCIAL HIGHLIGHTS

(IDR Bn)	2024A	2025A	2026F	2027F	2028F
Revenue	3,919	4,080	3,897	4,018	4,284
Net Profit	1,171	1,229	1,127	1,151	1,232
EPS (Full IDR)	39	41	38	38	41
EBITDA Margin	40%	40%	39%	39%	39%
NPM	29.9%	30.1%	28.9%	28.6%	28.8%
ROE	33.6%	39.4%	34.7%	35.1%	37.3%
Dividend yield	6.6%	10.0%	9.4%	9.5%	10.2%
P/E (x)	15.1x	9.6x	10.5x	10.3x	9.6x
P/BV (x)	5.1x	3.8x	3.6x	3.6x	3.6x
EV/EBITDA (x)	13.0x	7.5x	7.1x	7.5x	7.4x

Source: Company, KSI Research estimates.

STOCK RATING

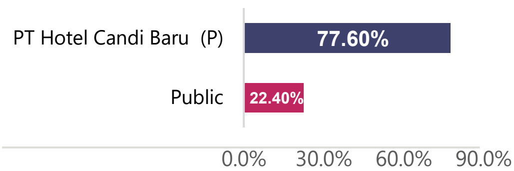
Hold

REITERATED

TP 12M (IDR)	394
vs. Last Price	+12.6%
Previous TP	*IDR 420*

Ticker	SIDO
Sub-Sector	Pharmaceuticals
Last Price (IDR)	350
Market Cap (IDR Tn)	10.50
Shares Issued (Bn)	30.0
AVG 3M Turnover (Bn)	10.94

SHAREHOLDER STRUCTURE



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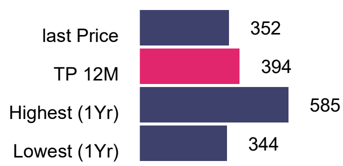
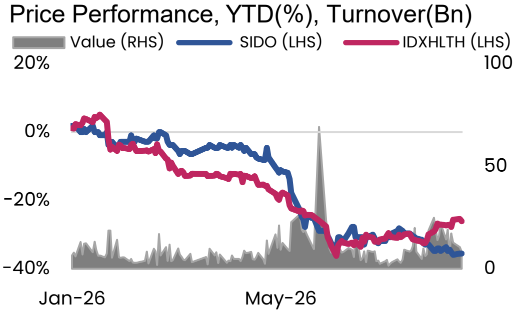


Price Performance, YTD(%), Turnover(Bn)



ESG Rating

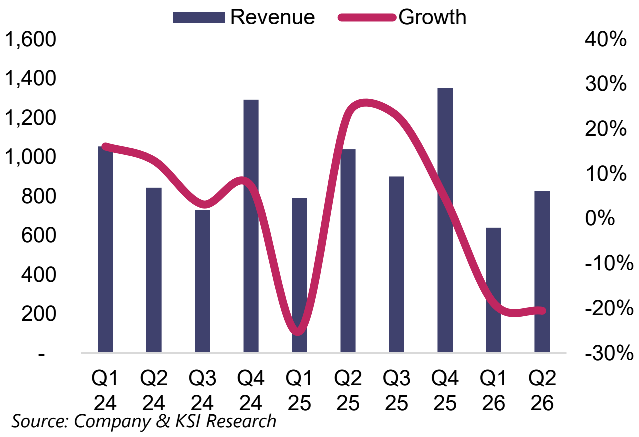
Environmental	2.14
Social	4.71
Governance	4.82

PERFORMANCE OVERVIEW

IDR Bn	1H25	1H26	y/y	2Q25	1Q26	2Q26	y/y	q/q
Revenue Segment								
Herbal Medicine	1,079	639	-40.8%	716	268	370	-48.3%	38.0%
Food & Beverages	686	760	10.8%	284	342	418	47.2%	22.2%
Pharmacy	63	67	7.2%	39	30	38	-4.2%	25.7%
Revenue	1,829	1,467	-19.8%	1,040	640	826	-20.5%	29.0%
Gross Profit	1,041	741	-28.8%	629	323	417	-33.6%	29.0%
Operating Profit	742	403	-45.7%	459	176	226	-50.6%	28.4%
EBITDA	798	460	-42.4%	487	205	255	-47.6%	24.3%
Net Income	600	334	-44.4%	368	147	186	-49.3%	26.6%
EPS (Full IDR)	20	11	-43.7%	12	5	6	-48.7%	26.6%
	1H25	*1H26*						
Asset	3,650	3,261	-11%	3,650	3,644	3,261	-11%	-11%
Liabilities	313	266	-15%	313	387	266	-15%	-31%
Equity	3,337	2,995	-10%	3,337	3,258	2,995	-10%	-8%
GPM %	*57%*	*51%*	-6.4%	*60%*	*50%*	*51%*	-10%	0%
OPM %	*41%*	*27%*	-13.1%	*44%*	*28%*	*27%*	-17%	0%
Ebitda Margin %	*44%*	*31%*	-12.3%	*47%*	*32%*	*31%*	-16%	-1%
NPM %	*33%*	*23%*	-10.1%	*35%*	*23%*	*23%*	-13%	0%
	1H25	*1H26*						
ROE %	*36.0%*	*22.3%*	-14%	*44.1%*	*18.1%*	*24.9%*	-19%	7%
ROA %	*32.9%*	*20.5%*	-12%	*40.3%*	*16.2%*	*22.9%*	-17%	7%

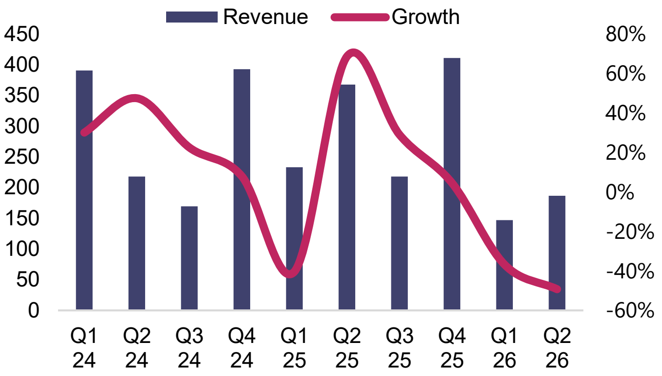
Source : KSI Research & Bloomberg

Revenue (IDR Bn) vs Growth (YoY)



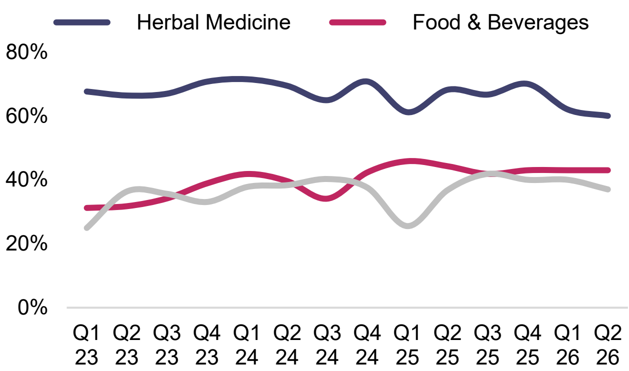
Source: Company & KSI Research

Net Income (IDR Bn) vs Growth (YoY)



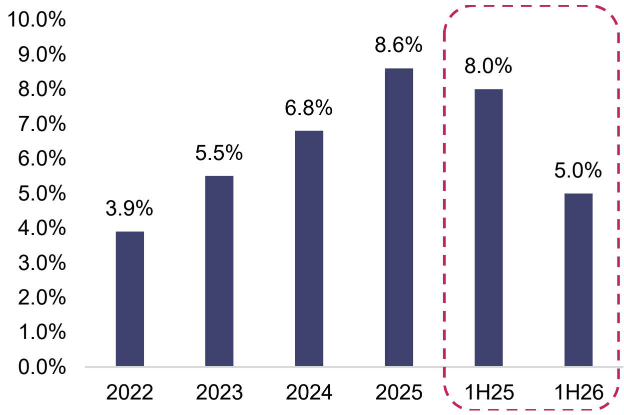
Source: Company & KSI Research

GPM Segement



Source: Company & KSI Research

Export Segment Growth (%)



Source: Company & KSI Research

VALUATION

TP Raised to IDR 394; Rated Hold

Hold TP 12M: IDR 394

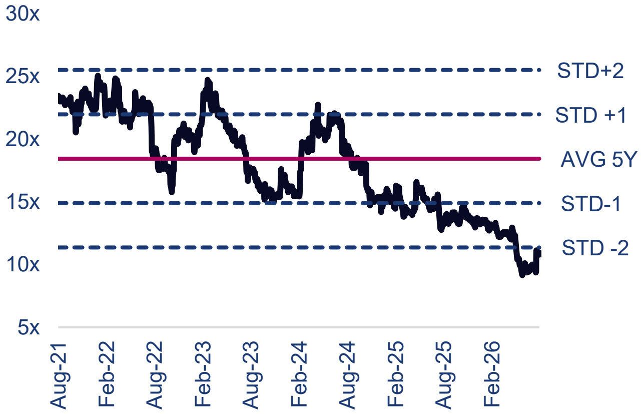
vs. Last Price (IDR 350, 24 August 2026): +2.6% upside | Previous TP: IDR 420

BLENDED VALUATION

Blended Valuation	Base Amount	Target Multiple	Value	Weight (%)	The Value of the firm
DCF	21,945		21,945	50%	10,973
PE	1,127	10.5	11,790	50%	5,895
				Total Value (Bn)	16,868
				Share (Bn)	30.0
				Fair Value (IDR)	562
				Margin of Safety	30%
				Target Price (IDR)	394
				Current Price	352
				Potential Upside (%)	12.6%

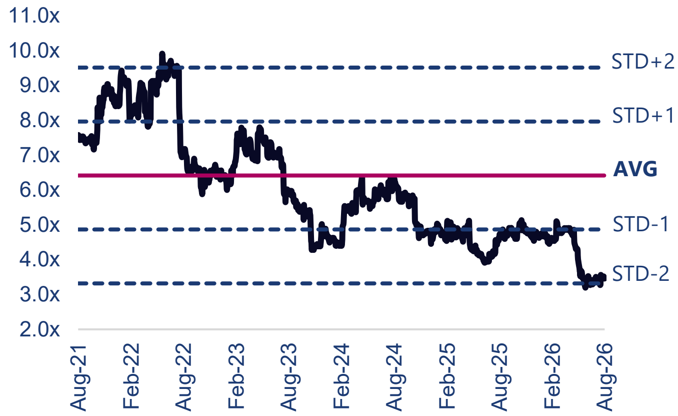
Source : KSI Research & Bloomberg

HISTORICAL PE 5Y (BELOW SD-2)



Source : KSI Research & Bloomberg

HISTORICAL PBV 5Y (BELOW SD-2)



Source : KSI Research & Bloomberg

FINANCIAL EXHIBITS

Income Statement, Balance Sheet & Cash Flow

Year-end (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	3,566	3,919	4,080	3,897	4,018	4,284
Costs of revenue	1,547	1,618	1,715	1,649	1,728	1,855
Gross profit	2,019	2,301	2,365	2,247	2,290	2,429
EBITDA	1,335	1,584	1,638	1,529	1,566	1,652
Operating profit	1,232	1,483	1,534	1,422	1,455	1,539
Income before tax	1,220	1,510	1,574	1,444	1,474	1,579
Tax expenses	269	339	345	317	323	346
Minority interests	-	-	-	-	-	-
Net income	**951**	**1,171**	**1,229**	**1,127**	**1,151**	**1,232**
EPS	**32**	**39**	**41**	**38**	**38**	**41**
Balance Sheet						
Year-end (IDR Bn)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**	**2028F**
Cash and equivalents	830	856	463	743	779	922
Account receivables	789	872	1,034	818	824	857
Inventories	408	432	466	429	442	471
Fixed assets	1,567	1,512	1,524	1,464	1,434	1,394
Other assets	297	268	195	270	279	294
Total assets	**3,891**	**3,940**	**3,682**	**3,723**	**3,758**	**3,939**
S-T liabilities	6	3	4	3	4	4
Other S-T liabilities	456	408	511	426	433	588
L-T liabilities	3	-	-	-	-	-
Other L-T liabilities	39	40	47	41	42	45
Total liabilities	**505**	**452**	**561**	**470**	**479**	**637**
Equity	**3,386**	**3,488**	**3,120**	**3,253**	**3,278**	**3,302**
BVPS	**113**	**116**	**104**	**108**	**109**	**110**
Cash Flows Statement						
Year-end (IDR Bn)	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**	**2028F**
Net Income	951	1,171	1,229	1,127	1,151	1,232
Depreciation	102	101	103	107	111	113
Change in working capital	(1,097)	(1,434)	(1,405)	(1,084)	(1,274)	(1,254)
Operating cash flow	**(45)**	**(162)**	**(73)**	**150**	**(12)**	**92**
Capital expenditure	49	54	(12)	60	30	39
Others	14	34	53	(56)	(9)	(14)
Investing cash flow	**63**	**88**	**41**	**4**	**22**	**25**
Dividend paid	(918)	(1,171)	(1,186)	(1,105)	(1,125)	(1,209)
Net change in debt	3	(3)	-	-	-	-
Others	803	1,274	1,425	1,232	1,152	1,235
Financing cash flow	**(112)**	**100**	**238**	**126**	**27**	**26**
Change in cash	(93)	25	206	280	37	143
Beginning cash flow	923	830	856	463	743	779
Ending cash flow	830	856	1,062	743	779	922

Source : Company, KSI Research & Bloomberg

FINANCIAL RATIOS

Margin Pressure Weighs on Profitability Outlook

Key Ratios	2023A	2024A	2025A	2026F	2027F	2028F
Revenue Growth (%)	-7.8%	9.9%	4.1%	-4.5%	3.1%	6.6%
Gross Profit Growth (%)	-6.7%	14.0%	2.8%	-5.0%	1.9%	6.1%
Operating Profit Growth (%)	-10.9%	20.3%	3.5%	-7.3%	2.4%	5.8%
EBITDA Growth (%)	-9.6%	18.7%	3.4%	-6.7%	2.5%	5.5%
Net Profit Growth (%)	-13.9%	23.2%	5.0%	-8.3%	2.1%	7.1%
EPS Growth (%)	-13.9%	23.2%	5.0%	-8.3%	2.1%	7.1%
Gross margin (%)	56.6%	58.7%	58.0%	57.7%	57.0%	56.7%
EBIT margin (%)	34.6%	37.8%	37.6%	36.5%	36.2%	35.9%
EBITDA margin (%)	37.4%	40.4%	40.1%	39.2%	39.0%	38.6%
Net margin (%)	26.7%	29.9%	30.1%	28.9%	28.6%	28.8%
ROE (%)	28.1%	33.6%	39.4%	34.7%	35.1%	37.3%
ROA (%)	24.4%	29.7%	33.4%	30.3%	30.6%	31.3%
Current ratio (x)	4.5x	5.4x	3.9x	4.7x	4.8x	3.9x
Quick ratio (x)	2.8x	3.2x	1.9x	2.8x	2.9x	2.4x
Receivable turn over (x)	4.5x	4.5x	3.9x	4.8x	4.9x	5.0x
AR turnover (days)	81	81	93	77	75	73
Inventory turnover (x)	3.8x	3.7x	3.7x	3.8x	3.9x	3.9x
Inventory Days	96	97	99	95	93	93
DER (x)	0.1x	0.1x	0.2x	0.1x	0.1x	0.2x
DAR (x)	0.1x	0.1x	0.2x	0.1x	0.1x	0.2x
Earning Yield (%)	6.0%	6.6%	10.4%	9.5%	9.7%	10.4%
Dividend Yield (%)	5.8%	6.6%	10.0%	9.4%	9.5%	10.2%
PE (x)	16.6x	15.1x	9.6x	10.5x	10.3x	9.6x
PBV (x)	4.7x	5.1x	3.8x	3.6x	3.6x	3.6x
P/Sales (x)	4.4x	4.5x	2.9x	3.0x	2.9x	2.8x
EV/Ebitda (x)	10.5x	13.0x	7.5x	7.1x	7.5x	7.4x

Source : Company, KSI Research & Bloomberg

Rating Guide, Disclaimer & Contact

KIWOOM SEKURITAS GUIDE TO SECTOR / STOCK RATINGS

SECTOR / INDUSTRY

OVERWEIGHT	Sector & Industry outlook has potential and good condition
NEUTRAL	Sector & Industry outlook stable or tends to be stagnant
UNDERWEIGHT	Sector & Industry outlook has challenges and bad condition

STOCK

BUY	Performance > +15% over the next 12 months (ex-dividend)
TRADING BUY	Performance +5% to +15%, minor to medium term
HOLD	Performance -10% to +15% over the next 12 months (ex-dividend)
SELL	Performance < -15% over the next 12 months (ex-dividend)
TRADING SELL	Performance -5% to -15%, minor to medium term
NOT RATED	Stock not within regular research coverage

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