

Stock Performance Analysis of PT Industri Jamu dan Farmasi Sido Muncul Tbk

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Abstract. This research aims to analyze stock price fluctuations and make decisions regarding the purchase, sale or holding of shares of PT Industri Jamu and Farmasi Sido Muncul Tbk. The method used is descriptive, with a focus on describing the phenomena that occur. The data analyzed is financial data from the company PT Industri Jamu and Farmasi Sido Muncul Tbk, for the period 2019 to 2023. The analysis was carried out using technical and fundamental approaches. The results show that it is advisable to **hold** SIDO shares with a target price of IDR 760 per share, providing a potential increase of 6.2% from the current price of IDR 605 per share on October 25 2024.

Keywords: Stock Performance; SIDO Muncul; Stock Price

INTRODUCTION

Indonesia, as a country with very rich biodiversity, has great potential in the development of the medicinal plant and spice sector. Aromatic medicinal plants not only have high economic value, but also play an important role in the medicinal traditions of Indonesian society. In recent years, there has been a significant increase in the export volume of Indonesian aromatic medicinal plants, which shows a great opportunity to develop the herbal industry at the global level. The global demand for herbal and spice products continues to increase in line with the trend of healthy lifestyles that are increasingly popular among consumers. People in various parts of the world now prefer natural and organic products as an alternative to maintain health and treat various diseases. This has encouraged the growth of the herbal industry, including in Indonesia, which is known for its distinctive herbal products and spices.

PT Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO) is one of the leading companies in Indonesia engaged in the production of herbal medicine and herbal medicines. With a long history in the herbal industry, Sido Muncul has managed to build a strong reputation through quality products, including its iconic herbal medicine, Tolak Angin. In recent years, the performance of Sido Muncul shares has shown a positive trend, driven by significant revenue and net profit growth. In the first half of 2024, Sido Muncul recorded an increase in net profit of 35.79%, reaching IDR 608.49 billion, compared to the same period the previous year. This increase was driven by an increase in sales which reached 14.68% to Rp 1.89 trillion. The contribution of export sales also increased, recording growth from 5.8% in 2023 to 8% in the first semester of 2024. This shows that Sido Muncul not only relies on the domestic market but is also active in exploring the international market. The Company's share ownership includes PT Hotel Candi Baru

owning 60.46% of SIDO's shares, followed by Concordant Investment Pte. Ltd by 17%, and the general public who own 22.41%.

Stock performance assessment can be used by investors to assess the performance of a company. Investors choose companies with good financial performance to invest in. Quarterly financial statements published on the Indonesia Stock Exchange (IDX) are used to provide information to investors regarding the Company's condition. Previous research related to the analysis of SIDO stock performance was conducted by Antiksari Tiara (2021) entitled "Analysis of the financial performance of PT Industri Jamu dan Farmasi Sido Muncul Tbk". The research method used is financial ratio analysis, which includes liquidity ratios, solvency, activity, and profitability. The results of the analysis show that the liquidity ratio, which is calculated by the current ratio and cash ratio, indicates that the company is in a liquid state. The solvency ratio, through the debt ratio and the debt to total equity ratio, indicates a good financial condition. However, the activity ratio, which uses fixed asset turnover and total asset turnover, shows less efficiency. Meanwhile, the profitability ratio shows a good return on assets but a poor return on investment. Overall, the liquidity and solvency ratios provide a positive indication of performance for the company. Previous research was also conducted by M. Thoha Ainun Najib (2023) entitled "Analysis of Financial Ratios of PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2021-2022" The method used in this study is a quantitative descriptive method. The results of the study were PT. Sido Muncul Tbk's herbal medicine and pharmaceutical industry experienced a decline in financial performance from 2021 to 2022.

From the explanation above, the author is interested in "Stock Performance Analysis of PT Industri Jamu dan Farmasi Sido Muncul Tbk", using Fundamental and Technical Analysis. The purpose of this study is to find out the performance of PT Industri Jamu and Farmasi Sido Muncul Tbk shares and recommend whether SIDO shares are for Buy, Hold and Sell.

METHOD

The method used in this study is descriptive, namely using fundamental and technical approach analysis tools. The research data used in this study is financial statements. The data analyzed are the financial statements of PT Industri Jamu and Farmasi Sido Muncul Tbk, for the period from 2019 to 2023. The object of this study is the stock performance of PT Industri Jamu dan Farmasi Sido Muncul Tbk for the 2019 - 2023 period.

RESULTS AND DISCUSSION

Fundamental Analysis

According to Darmadji & Fakhruddin (2012:149), fundamental analysis is a method to assess stocks by studying and observing various indicators related to macroeconomic conditions, the company's industrial situation, as well as various financial indicators and the company's own management. Fundamental analysis is an analysis to assess a company using the company's financial statements. This analysis can determine a company's condition whether the company's shares are in a healthy condition or not.

Industry Analysis

Presidential Regulation of the Republic of Indonesia Number 54 of 2023 regulates the development and utilization of herbal medicine, which aims to increase competitiveness, human resource capabilities, and maintain sustainable conservation of natural resources. This Presidential Regulation sets a roadmap for the development of herbal medicine which will take place from 2023 to 2045. Data from the Central Statistics Agency (BPS) shows that the export volume of national aromatic medicinal plants has increased significantly. From January to November 2021, export volume reached 272.73 million kg, an increase of 11.28% compared to 2020 which only reached 249.09 million kg. This reflects a positive trend in global demand for Indonesian herbal products, including herbal medicine. The herbal industry in Indonesia also shows promising growth. In 2022, PT Industri Jamu and Farmasi Sido Muncul Tbk occupies the top position in the market with a market share of 72%,

Porter's 5 Forces Analysis

Table 1: Porter's 5 Forces Analysis



Threat of New Entrants

The threat category of this newcomer to the industry is medium-high. Currently, there are many new players with products similar to SIDO products such as Antangin and Rahsa Nusantara, as well as more modern brands such as Rejuve, which are available in malls with various herbal flavors.

Bargaining power of suppliers

SIDO's category as a company that has bargaining power, although it is not too high. Currently, SIDO Muncul products are in great demand by the public, and the brand image has been well built. Two excellent products that are widely known are Tolak Angin and Kuku Bima.

Bargaining power of buyers

From the buyer side, they have relatively little bargaining power. Buyers can find other products that offer similar benefits to SIDO products such as Antangin and Kratingdaeng for energy drinks, at prices that are not much different. *The threat of substitutes.*

SIDO faces the threat of substitute goods. SIDO's products, which focus on health and herbal medicine, have the challenge of most people over the age of 40 and tend to be conservative, who prefer to consume natural fruits.

Rivalry among existing competitors

We analyzed SIDO's competitors are PT Bintang Toedjoe, which produces Extra Joss drinks as well as medicines such as Komix, Bejo, C1000, and others. PT Bintang Toedjoe was established at almost the same time as SIDO, which was established in 1946. The competition between these two companies is caused by the relatively similar products offered, namely herbal medicine, herbal drinks, and energy drinks, but different ways of packaging the products they offer.

Competitive Advantage

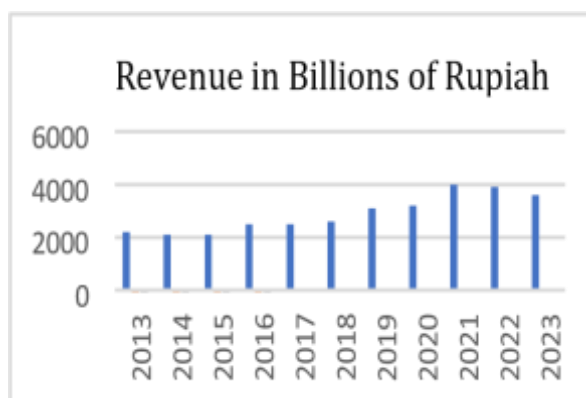
Based on the annual report and the report of the board of directors, SIDO has a number of significant competitive advantages, including:

1. High quality raw materials with cost and efficient supplier Trusted and widely known brands and products, backed by various awards and certifications.
2. ISO 50001 certification.
3. As a pioneer in the global market in Indonesian herbal medicine and traditional medicine.
4. Business development through e-commerce platforms in sidomunculstore.com and optimization of marketplace use.

With its competitive advantage, SIDO needs to continue to adapt and act in accordance with existing market dynamics.

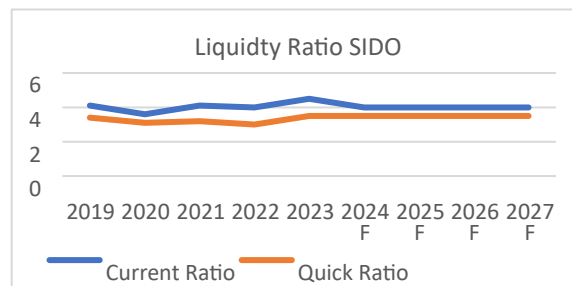
Financial Analysis

Table 2: SIDO Revenue



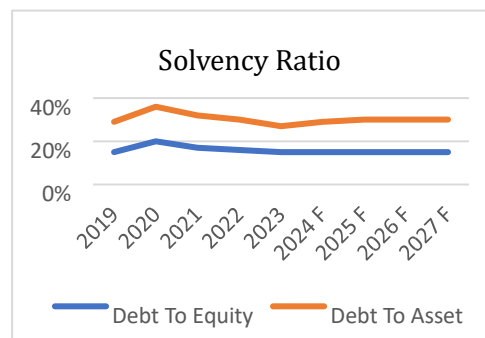
SIDO Company's revenue increased significantly from 2013 to 2021 and decreased from 2022 to 2023.

Table 3: Liquidity Ratio



The Liquidity Ratio in the calculation of the current ratio is stable in the range of 3.6 to 4.5, indicating that the Company has the ability to

Table 4: Solvency Ratio



In the Solvency calculation, Debt to Equity and Debt to Asset show the balance between debt and Equity.

Table 6: Profitability Ratio

No	Indicators	Years				
		2019	2020	2021	2022	2023
1.	ROA	22,84%	24,26%	30,99%	27,07%	24,43%
2.	ROE	26,35%	28,99%	36,32%	31,51%	28,08%
3.	NPM	26,33%	28,00%	31,36%	28,58%	26,66%

In terms of profitability ratio, SIDO has a larger ROA and ROE as well as gross and net profit which is projected to be stable from year to year.

Technical Analysis

According to Kirkpatrick & Dahlquist (2010:9), technical analysis focuses on how prices are determined by the expectations of existing market participants as well as those considering entering the market. Technical analysis is a method used to predict price movements in financial markets by studying historical data, especially price movements and volumes. Estimating stock prices is done by observing changes in stock prices in

previous periods and trying to determine the right time for investors to buy, sell, or hold shares. This analysis uses technical indicators and chart analysis. Frequently used technical indicators include moving averages, which follow market trends, as well as trading volume. Meanwhile, chart analysis aims to identify various patterns, such as cup and handle and head and shoulders, that can provide clues about future price movements.

Table 7: SIDO stock chart



Overall, SIDO touched the resistance line at IDR 780 and the support line at IDR 478. SIDO also experienced a significant uptrend from February to June, 2024 and then experiencing a downtrend until October at this time. The projected movement of SIDO's share price for now is at IDR 780 to 600.

Valuation

According to Djaja (2019:4), valuation is "the process of defining, quantifying, and justifying related variables to calculate the value of a company." Valuation can be understood as a method or effort to determine the intrinsic value of a company, whether it has been listed on the stock exchange or has not yet or is just planning to go public. In determining whether a stock is worth buying, it is important to calculate the fair value of the company. By knowing this fair value, investors can ensure that the investment made will provide returns in accordance with expectations. The valuation of this study uses a combined method, namely DFC and P/E with a target price of IDR 760 (Upside 6.2%) from the price of IDR 605 (25/10/2024).

Table 8: Tabel key input scenario FCFF

FCFF	Best	Bese	Worst
EBITDA	6%	4%	2%
WACC	12%	13,9%	16%
Terminal Growth	4,5%	3,5%	2,5%
Harga	1125	850	675

Discounted Cash Flow (DCF) Valuation: stands at IDR 850.18% potential upside from last close at IDR 715.

Table 9: Target price relative valuation

P/E Multiple 2024F 2025F

Pricing			
<i>Simple</i>	<i>peers</i>	16.9X	15.8X
<i>Avarage (x)</i>			
<i>EPS</i>		32	
<i>Target</i>	<i>Price</i>		
<i>(IDR)</i>		550	
<i>Downside</i>		23%	
<i>Potential</i>			

Relative valuation with multiple exits will reach the target price of IDR 550 (23% downside).

CONCLUSION

Based on the results of the analysis that has been described in the discussion, the researcher can draw the following conclusions:

1. The healthcare industry in Asia Pacific shows significant growth potential, driven by increasing global demand for herbal products, including herbal medicine from Indonesia. PT Industri Jamu dan Farmasi Sido Muncul Tbk leads the market with a share of 72%.
2. PT SIDO's financial performance shows a positive trend until 2021, marked by a significant increase in revenue. Analysis of financial ratios such as current ratio, quick ratio, debt to equity, and debt to asset shows the company's financial condition healthy and stable. In addition, the company's profitability is also relatively high, indicated by good ROA and ROE.

Based on the results of the analysis, we recommend Hold for SIDO with a target price of IDR 760 per share with a potential increase of 6.2% from the current price of IDR 605 (25/10/2024).

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