

Selamat Sempurna (SMSM IJ)

Consumer Cyclicals
Automobiles & Components

BUY

Target Price	IDR 2,400
Current Price	IDR 2,020
Upside Potential	+23%

Stock Statistics

Market Cap	IDR 11.5 Tn
Outstanding Share	5.7 Bn Share
Free Float	41.4%
YTD%	+6%
52 Weeks High - Low	IDR 2,190 – 1,630

Top Stockholders Composition

PT.Adrindo Intiperkasa	50.54%
Public	41.45%

Target Price



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Exports Boosted by Vertical Moves

Exports Drive Broad-Based Growth - SMSM booked a solid performance in 1H25, supported by resilient aftermarket margins. Gross profit rose 10% YoY to IDR912.4 bn, with margins improving to 36% from 35% in the same period last year. Operating profit climbed 18% YoY to IDR698.3 bn, while net profit also advanced 18% YoY to IDR530.8 bn, lifting the net margin to 21% from 19% in 1H24. The aftermarket segment, which contributes around 90% of SMSM’ revenue, remains the core earnings driver as recurring replacement demand shields results from weakness in new vehicle sales. Meanwhile, ongoing R&D in heavy-duty filters continues to enhance competitiveness and support margin quality.

Revenue reached IDR2.5 tn in 1H25, up 9% YoY, led by filters at IDR1.9 tn (+8% YoY) and radiators at IDR297 bn (+19% YoY). Exports were the main growth engine, climbing 18% YoY to IDR1.6 tn and accounting for 65% of sales versus 59% in 1H24. Growth was broad-based, with Southeast Asia up 34% YoY, Africa 40%, and Europe 18%. Sales in the US also increased 5% YoY, supported by tariff advantages over Chinese peers, which fueled a 20% QoQ jump in shipments. Although body maker sales dropped 36% YoY, the strength of filters and radiators helped preserve group margins.

Dividends Support Lasting Growth Appeal - Looking ahead, SMSM enters 2H25 with cautious optimism. Historically, the company benefits from stronger aftermarket restocking in the second half of the year. With 1H25 already accounting for 48% of revenue and 50% of net profit consensus. Our forecast is more conservative, projecting revenue of IDR5.3 tn (+4% YoY) and net profit of IDR1 tn (+4% YoY). SMSM is poised for long-term growth, anchored by its dominant aftermarket business, diversified products, and resilient export base.

With over 90% of revenue from recurring replacement demand, it is shielded from volatility in new vehicle sales. Growth opportunities include expansion into commercial vehicles, construction, mining, agriculture, forestry, and EV parts. Vertical integration and global partnerships are set to enhance exports, while a disciplined dividend policy and strong payout history provide both stability and attractive shareholder returns.

Global Reach, Solid Margins - SMSM remains attractively valued at 10.4x FY25F P/E, well below its 5-year average of 12.8x. We reiterate our **BUY** call with a target price of IDR2,400, implying a FY25F P/E in line with the 5-year mean. The investment case is underpinned by SMSM’ entrenched aftermarket dominance, extensive export reach to over 125 countries, and sustained margin resilience.

Income Statement

Year to 31 Dec. (IDR bn)	2023	2024	2025F	2026F	2027F
Revenue	5,100	5,165	5,358	5,801	5,877
COGS	3,271	3,251	3,346	3,600	3,600
Gross Profit	1,830	1,914	2,011	2,201	2,277
Operating Expenses	529	539	567	614	622
Selling & Marketing	268	279	290	314	318
G&A	243	219	227	246	249
D&A	22	48	50	54	55
Operating Income	1,301	1,375	1,444	1,587	1,655
Interest Expense	16	17	20	19	19
Interest Income	32	34	33	34	34
Forex gain/loss	21	-	11	5	8
Others	(68)	(72)	(70)	(71)	(71)
Pretax Income	1,300	1,402	1,451	1,600	1,665
Income Tax Expense	263	284	294	324	337
Income Before XO Items	1,037	1,118	1,157	1,276	1,327
Minority Interests	92	94	93	93	93
Net Income	944	1,024	1,064	1,183	1,234

Source: Bloomberg, INAS Research

Balance Sheet

Year to 31 Dec. (IDR bn)	2023	2024	2025F	2026F	2027F
Cash & Near Cash Items	1,130	1,114	1,236	1,335	1,546
Accounts Receivable	1,080	1,075	1,116	1,208	1,224
Inventory	1,021	1,244	1,281	1,378	1,378
Other Current Assets	89	167	128	128	128
Total Current Assets	3,321	3,600	3,761	4,049	4,276
Gross Fixed Assets	3,288	3,460	3,806	4,186	4,605
Accumulated Depreciation	2,325	2,436	2,559	2,446	2,321
Net Fixed Assets	964	1,024	1,247	1,740	2,284
Other Long-Term Assets	304	340	322	331	327
Total Long-Term Assets	1,268	1,364	1,867	2,370	2,909
Total Assets	4,589	4,964	5,628	6,419	7,184
Accounts Payable	259	369	383	415	420
Short-Term Borrowings	120	82	101	91	96
Other Short-Term Liabilities	261	318	290	304	297
Total Current Liabilities	640	769	774	810	813
Long-Term Borrowings	177	142	159	150	155
Other Long-Term Liabilities	130	127	129	128	128
Total Long-Term Liabilities	307	268	288	278	283
Total Liabilities	947	1,038	1,061	1,088	1,096
Capital Stock	199	198	198	198	198
Retained Earnings	3,016	3,275	3,929	4,687	5,448
Other Equity	426	453	440	447	443
Total Equity	3,642	3,926	4,567	5,331	6,088

Source: Bloomberg, INAS Research

Ratios

Year to 31 Dec. (IDR bn)	2023	2024	2025F	2026F	2027F
Growth					
Revenue	4%	1%	4%	8%	1%
Operating Income	20%	6%	5%	10%	4%
Net Income	11%	8%	4%	11%	4%
Profitability					
Gross Margin	36%	37%	38%	38%	39%
Operating Margin	26%	27%	27%	27%	28%
Net Margin	19%	20%	20%	20%	21%
ROA	21%	21%	19%	18%	17%
ROE	26%	26%	23%	22%	20%
Liquidity (x)					
Current Ratio	5.2	4.7	4.9	5.0	5.3
Quick Ratio	3.6	3.1	3.2	3.3	3.6

Source: Bloomberg, INAS Research

INA Sekuritas Indonesia Ratings Guide

BUY	: Share price may rise more than 15% over the next 12 months.
ADD	: Share price may range between 10% to 15% over the next 12 months.
NEUTRAL	: Share price may range between -10% to +10% over the next 12 months.
REDUCE	: Share price may range between -10% to -15% over the next 12 months.
SELL	: Share price may fall by more than 15% over the next 12 months.

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