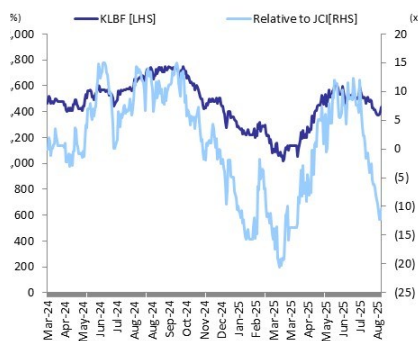


Buy

(Maintained)

Last Price (Rp)	1,435
Target Price (Rp)	1,710
Previous Target Price (Rp)	1,780
Upside/Downside	+19.2%
No. of Shares (mn)	46,875
Mkt Cap (Rpbn/US\$mn)	67,266/4,175
Avg, Daily T/O (Rpbn/US\$mn)	58.7/3.6
Free Float (%)	38.5
Major Shareholder (%)	
PT GIRA SOLE PRIMA	10.3
PT SANTA SEHA SANADI	9.9
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	75.8 80.6 88.3
Consensus	77.0 84.1 91.7
BRIDS/Cons (%)	(1.5) (4.2) (3.8)

KLBF relative to JCI Index



Source: Bloomberg

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Kalbe Farma (KLBF IJ)

A More Conservative FY25 Outlook; Still Attractive LT Growth Profile

- Despite 2Q25 slowdown in Cons. Health and Nutritionals revenue, 1H25 earnings were on track, supported by strong 1Q25 margin.
- Mgmt lowered its FY25F revenue/ NPAT growth guidance to 6-8% yoy (from 8-10% yoy prev.), leading to slight cut on our FY25F NPAT by -2%.
- Maintain Buy with a slightly lower DCF-based TP of Rp1,710. LT Thesis as Defensive Compounder to Remain Intact.

Controlled Input Costs Helped Sustain 1H25 Earnings

KLBF booked 1H25 net profit of Rp1.97tr (+9% yoy), reaching 55%/56% of our/cons FY25F. 1H25 top-line growth of +5% yoy missed the company's previous guidance of 8-10% yoy, due to softer 2Q25 revenue (-7%qoq) from slowdown in high-margin segment revenues (Consumer Health/Nutritionals - 20%/-12%qoq). Nonetheless, this was still offset by strong 1Q25 gross margins, supported by controlled input costs and better Consumer Health revenue seasonality in 1Q25. A one-off gain on the sale of land asset, to its associate company, Livzon Pharma of Rp79bn, also helped maintained net margin at 11.6% (higher than our 1H25 est, of 11.3%). We view this as positive progress of LT plan of domestic API production through knowledge transfer from Livzon.

Mgmt's Lower Guidance; Minor FY25F NPAT Downward Revision

Management revise down their FY25F revenue/NPAT growth guidance to 6-8% (previously at 8-10%yoy), noting a potentially slower recovery in Nutritionals segment along with USD volatility risks. Incorporating 1H25 results, we lower our FY25F revenue forecast to +5%yoy (from +8% previously), while factoring in lower input costs and higher other income items, resulting in a slight 2% downward revision of our NPAT to Rp3.5tr (from Rp3.6tr prev.). Our new NPAT forecast implies 44% of FY25 earnings to be delivered in 2H25, which we see as plausible given the historically even-distribution of 1H/2H NPAT (**Exhibit 6**).

Maintain Buy on Intact Long-Term Defensive Compounder Thesis

We maintain our Buy rating with a slightly lower DCF-based TP of Rp1,710 (vs. Rp1,780 prev.), as we see KLBF's LT defensive compounder thesis remaining intact through; 1) a strong distribution and marketing network to doctors, solidifying moat for its positioning in the industry, due to the "below-the-line" marketing nature of prescription pharmaceuticals, and 2) higher healthcare expenditure as NCD prevalence increases with a structurally aging population. We also believe KLBF's 3-year earnings CAGR of 11% is attractive as current valuation of 18.9x FY25F P/E is also at 28% discount to 10-year mean. Further IDR strengthening may act as catalyst given the share price high correlation with USD/IDR movement (**Exhibit 8**). Risks include: Weak top-line growth, higher BPJS contributions, slower cost-efficiency, weak IDR.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	30,449	32,628	34,307	36,929	39,752
EBITDA (Rpbn)	4,425	4,949	5,273	5,672	6,181
EBITDA Growth (%)	(10.8)	11.8	6.5	7.6	9.0
Net Profit (Rpbn)	2,767	3,241	3,553	3,777	4,139
EPS (Rp)	59.0	69.1	75.8	80.6	88.3
EPS Growth (%)	(18.2)	17.1	9.6	6.3	9.6
BVPS (Rp)	456.9	486.2	526.0	567.2	613.6
DPS (Rp)	31.0	36.0	39.4	41.9	45.9
PER (x)	24.3	20.8	18.9	17.8	16.3
PBV (x)	3.1	3.0	2.7	2.5	2.3
Dividend yield (%)	2.2	2.5	2.7	2.9	3.2
EV/EBITDA	14.6	12.8	11.5	10.5	9.5

Source: KLBF, BRIDS Estimates

See important disclosure at the back of this report

Exhibit 1. 2Q25 Results Summary

KLBF (in Rpbn, unless stated)	2Q24	1Q25	2Q25	qoq, %	yoy, %	6M24	6M25	yoy, %	FY25F BRIDS	FY25F Cons.	A/BRIDS,%	A/Cons.,%
Revenue	7,965	8,845	8,234	(6.9)	3.4	16,328	17,079	4.6	35,123	35,041	48.6	48.7
COGS	(4,822)	(5,169)	(4,885)	(5.5)	1.3	(9,864)	(10,054)	1.9	(21,013)	(21,076)	47.8	47.7
Gross Profit	3,143	3,676	3,349	(8.9)	6.6	6,464	7,026	8.7	14,111	13,965	49.8	50.3
Opex	(2,070)	(2,295)	(2,284)	(0.5)	10.4	(4,171)	(4,580)	9.8	(9,459)	(9,401)	48.4	48.7
Operating Profit	1,073	1,381	1,065	(22.9)	(0.8)	2,293	2,446	6.7	4,651	4,564	52.6	53.6
Pretax Profit	1,100	1,429	1,184	(17.2)	7.6	2,367	2,613	10.4	4,710	4,641	55.5	56.3
Net Profit	848	1,077	898	(16.6)	6.0	1,805	1,975	9.4	3,618	3,553	54.6	55.6
Core Net Profit	834	1,066	812	(23.8)	(2.6)	1,769	1,878	6.2	3,683		51.0	
Gross margin (%)	39.5	41.6	40.7	(0.9)	1.2	39.6	41.1	1.5	40.2	39.9		
Opex to revenue (%)	26.0	25.9	27.7	1.8	1.8	25.5	26.8	1.3	26.9	26.8		
Operating margin (%)	13.5	15.6	12.9	(2.7)	(0.5)	14.0	14.3	0.3	13.2	13.0		
Pretax margin (%)	13.8	16.2	14.4	(1.8)	0.6	14.5	15.3	0.8	13.4	13.2		
Net margin (%)	10.6	12.2	10.9	(1.3)	0.3	11.1	11.6	0.5	10.3	10.1		

By Divisions												
	2Q24	1Q25	2Q25	qoq, %	yoy, %	6M24	6M25	yoy, %				
Revenue (Rpbn)												
Prescription	2,320	2,481	2,459	(0.9)	6.0	4,516	4,941	9.4				
Consumer Health	1,075	1,360	1,085	(20.2)	0.9	2,322	2,445	5.3				
Nutrition	1,993	2,127	1,877	(11.8)	(5.8)	4,139	4,004	(3.3)				
Distribution & Packaging	2,577	2,877	2,813	(2.2)	9.1	5,351	5,690	6.3				
Gross Margin (%)												
Prescription	52.4	50.9	51.2	0.2	(1.2)	52.4	51.1	(1.3)				
Consumer Health	59.7	66.0	63.2	(2.8)	3.5	61.8	64.7	3.0				
Nutrition	51.6	54.2	56.5	2.3	5.0	51.4	55.3	3.9				
Distribution & Packaging	10.0	12.6	12.2	(0.3)	2.2	10.1	12.4	2.3				

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. Forecast Revision Summary

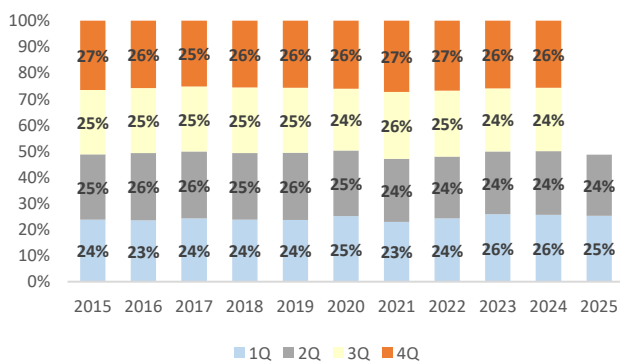
Financial, Rpbn	2025F			2026F			2027F		
	Prev	New	% changes	Prev	New	% changes	Prev	New	% changes
Revenue	35,123	34,307	-2.3%	37,810	36,929	-2.3%	40,703	39,752	-2.3%
Gross Profit	14,111	13,613	-3.5%	15,408	14,865	-3.5%	16,818	16,226	-3.5%
Operating Profit	4,651	4,403	-5.3%	5,048	4,747	-6.0%	5,523	5,195	-5.9%
Net Profit	3,618	3,553	-1.8%	3,977	3,777	-5.0%	4,359	4,139	-5.1%

Margin	2025F			2026F			2027F		
	Prev	New	% changes	Prev	New	% changes	Prev	New	% changes
Gross Profit	40.2%	39.7%	-0.5%	40.8%	40.3%	-0.5%	41.3%	40.8%	-0.5%
Operating Profit	13.2%	12.8%	-0.4%	13.4%	12.9%	-0.5%	13.6%	13.1%	-0.5%
Net Profit	10.3%	10.4%	0.1%	10.5%	10.2%	-0.3%	10.7%	10.4%	-0.3%

Growth, % yoy	2025F			2026F			2027F		
	Prev	New	% changes	Prev	New	% changes	Prev	New	% changes
Revenue	7.6%	5.1%	-2.5%	7.6%	7.6%	0.0%	7.7%	7.6%	0.0%
Gross Profit	8.9%	5.1%	-3.8%	9.2%	9.2%	0.0%	9.2%	9.2%	0.0%
Operating Profit	11.5%	5.6%	-6.0%	8.5%	7.8%	-0.7%	9.4%	9.5%	0.0%
Net Profit	11.6%	9.6%	-2.0%	9.9%	6.3%	-3.6%	9.6%	9.6%	-0.1%

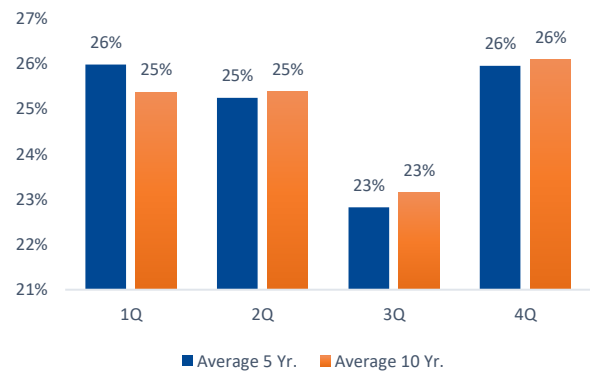
Source: BRIDS Estimates

Exhibit 3. Revenue Seasonality (%Contribution to FY Achievement)



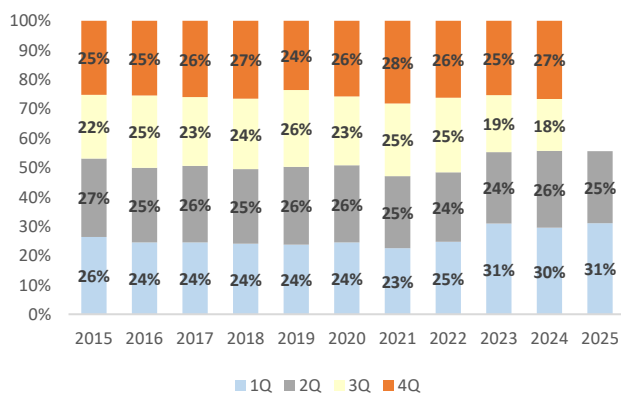
Source: Company, BRIDS

Exhibit 4. Revenue Seasonality (%Contribution to FY Achievement, Average)



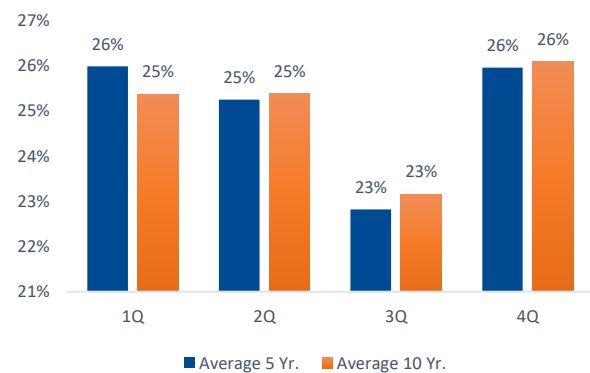
Source: Company, BRIDS

Exhibit 5. Earnings Seasonality (%Contribution to FY Achievement)



Source: Company, BRIDS

Exhibit 6. Earnings Seasonality (%Contribution to FY Achievement, Average)



Source: Company, BRIDS

Exhibit 7. KLBF's Valuation Summary

FCFF Projection KLBF		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		1	2	3	4	5	6	7	8	9	10
EBIT * (1-tax)	+	3,412	3,679	4,026	4,519	5,060	5,655	7,168	8,060	9,050	10,147
Depreciation	+	870	926	986	1,050	1,119	1,194	1,258	1,328	1,404	1,486
Change in working capital	+	305	(596)	(639)	(685)	(735)	(788)	(927)	(1,007)	(1,088)	(1,176)
Capex	-	1,029	1,108	1,193	1,284	1,382	1,488	1,130	1,226	1,330	1,443
FCFF		3,558	2,901	3,181	3,600	4,063	4,573	6,370	7,156	8,036	9,014
<i>Growth</i>		15%	-18%	10%	13%	13%	13%	39%	12%	12%	12%
Discount factor		1.10	1.22	1.34	1.48	1.64	1.81	1.99	2.20	2.43	2.68
Present value of FCFF		3,224	2,382	2,367	2,428	2,483	2,533	3,197	3,255	3,312	3,367
Terminal value											126,323
PV of terminal value											47,181

NPV	Rpbn	75,729	Assumptions		
Net debt (as of end 2025)	Rpbn	(6,422)	Market return (Rm)	%	12.4%
Minority Interest	Rpbn	1,802	Risk free rate	%	6.9%
Equity value	Rpbn	80,350	Market risk premium	%	5.5%
Outstanding share	Bn sh	47	Tax rate	%	23.0%
Equity value per share	Rp/sh	1,714	Adjusted Beta	%	66.3%
Target price	Rp/sh	1,710	Debt portion 2025	%	2.8%
Current price	Rp/sh	1,435	Cost of equity	%	10.5%
% upside/(downside)	%	19.2%	Cost of debt	%	6.4%
Rating		BUY	WACC	%	10.3%
			Terminal growth	%	3.0%

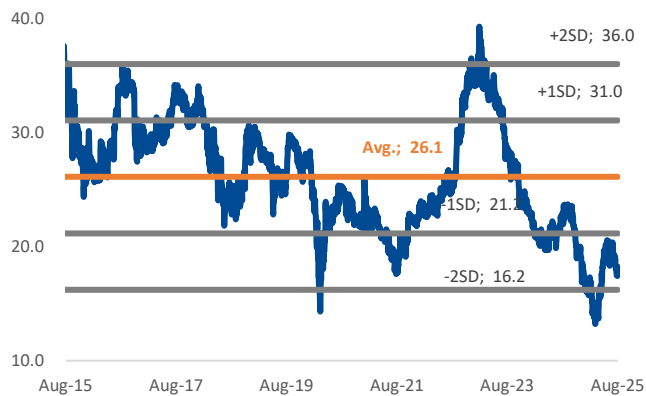
Source: BRIDS Estimates

Exhibit 8. USD/IDR vs. Share Price



Source: Bloomberg, BRIDS

Exhibit 9. P/E Band 10-Yr.



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 10. Domestic Fund Positioning



Source: KSEI, Bloomberg, BRIDS

Exhibit 11. KLB's Peers Comparison

Ticker	Company Name	Mkt. Cap (US\$mn)	P/E (x)		P/BV (x)		Dividend Yield (%)		EPS Growth (%)		PEG (x)		ROIC/WACC (x) FY25
			2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	
SIDO IJ*	Industri Jamu Dan Farmasi Sido Muncul Tbk	930	13.7	13.0	4.6	4.5	7.3	7.7	(1.0)	5.7	n.a.	2.3	2.9
KLBF IJ*	Kalbe Farma Tbk PT	4,169	18.9	17.8	2.7	2.5	2.7	2.9	9.6	6.3	2.0	2.8	1.1
INDF IJ	Indofood Sukses Makmur Tbk PT	4,393	6.4	5.7	1.0	0.9	4.0	5.2	29.3	12.0	0.2	0.5	1.0
ICBP IJ	Indofood CBP Sukses Makmur Tb	6,730	11.3	10.2	2.2	1.9	2.8	3.7	41.6	10.5	0.3	1.0	1.0
MYOR IJ	Mayora Indah Tbk PT	3,034	16.8	13.8	2.7	2.4	2.5	2.6	(1.0)	21.6	(16.2)	0.6	1.1
UNVR IJ	Unilever Indonesia Tbk PT	4,099	17.2	17.8	24.9	23.7	6.0	5.8	20.9	(3.4)	0.8	(5.2)	5.1

Source: *BRIDS Estimates, Bloomberg

Exhibit 12. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	30,449	32,628	34,307	36,929	39,752
COGS	(18,626)	(19,671)	(20,694)	(22,064)	(23,525)
Gross profit	11,823	12,957	13,613	14,865	16,226
EBITDA	4,425	4,949	5,273	5,672	6,181
Oper. profit	3,694	4,170	4,403	4,747	5,195
Interest income	88	179	194	272	314
Interest expense	(95)	(69)	(55)	(67)	(86)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	27	28	69	32	34
Other Income (Expenses)	(108)	(89)	(17)	(101)	(108)
Pre-tax profit	3,606	4,219	4,593	4,883	5,350
Income tax	(828)	(972)	(1,033)	(1,099)	(1,204)
Minority interest	(12)	(6)	(7)	(7)	(8)
Net profit	2,767	3,241	3,553	3,777	4,139
Core Net Profit	2,767	3,241	3,553	3,777	4,139

Exhibit 13. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	3,232	4,723	7,173	8,291	9,714
Receivables	4,820	5,013	4,857	5,228	5,628
Inventory	6,792	6,502	6,578	7,013	7,478
Other Curr. Asset	908	806	879	946	1,019
Fixed assets - Net	7,978	8,269	8,195	8,135	8,093
Other non-curr.asset	3,162	3,973	3,915	4,305	4,721
Total asset	27,058	29,430	31,823	34,161	36,913
ST Debt	300	339	511	696	895
Payables	2,239	2,824	3,050	3,260	3,486
Other Curr. Liabilities	704	1,022	1,134	1,221	1,314
Long Term Debt	319	220	240	132	154
Other LT. Liabilities	376	433	454	489	526
Total Liabilities	3,938	4,839	5,389	5,798	6,376
Shareholder's Funds	21,419	22,789	24,657	26,586	28,761
Minority interests	1,701	1,802	1,802	1,802	1,802
Total Equity & Liabilities	27,058	29,430	31,847	34,186	36,938

Exhibit 14. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	2,767	3,241	3,553	3,777	4,139
Depreciation and Amort.	731	785	870	926	986
Change in Working Capital	(239)	683	305	(596)	(639)
Other Oper. Cash Flow	(318)	441	(43)	2	2
Operating Cash Flow	2,942	5,150	4,685	4,110	4,488
Capex	(990)	(1,570)	(1,029)	(1,108)	(1,193)
Others Inv. Cash Flow	(360)	(319)	292	(148)	(167)
Investing Cash Flow	(1,350)	(1,889)	(738)	(1,256)	(1,360)
Net change in debt	(549)	(59)	192	77	222
New Capital	37	(317)	0	0	0
Dividend payment	(1,781)	(1,453)	(1,685)	(1,848)	(1,964)
Other Fin. Cash Flow	(25)	57	21	35	37
Financing Cash Flow	(2,318)	(1,772)	(1,473)	(1,736)	(1,705)
Net Change in Cash	(727)	1,489	2,475	1,117	1,423
Cash - begin of the year	3,950	3,232	4,723	7,173	8,291
Cash - end of the year	3,232	4,723	7,173	8,291	9,714

Exhibit 15. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	5.2	7.2	5.1	7.6	7.6
EBITDA	(10.8)	11.8	6.5	7.6	9.0
Operating profit	(12.7)	12.9	5.6	7.8	9.5
Net profit	(18.2)	17.1	9.6	6.3	9.6
Profitability (%)					
Gross margin	38.8	39.7	39.7	40.3	40.8
EBITDA margin	14.5	15.2	15.4	15.4	15.5
Operating margin	12.1	12.8	12.8	12.9	13.1
Net margin	9.1	9.9	10.4	10.2	10.4
ROAA	10.2	11.5	11.6	11.4	11.6
ROAE	13.2	14.7	15.0	14.7	15.0
Leverage					
Net Gearing (x)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)
Interest Coverage (x)	38.8	60.2	80.6	70.8	60.4

Source: KLBF, 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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