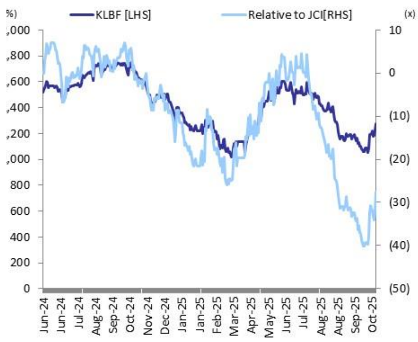
Buy
(Maintained)

Last Price (Rp)	1,275
Target Price (Rp)	1,710
Previous Target Price (Rp)	*1,710*
Upside/Downside	+34.1%
No. of Shares (mn)	46,875
Mkt Cap (Rpbn/US$mn)	59,766/3,597
Avg, Daily T/O (Rpbn/US$mn)	72.4/4.4
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	76.5	83.7	91.4
BRIDS/Cons (%)	**(1.0)**	**(3.7)**	**(3.4)**

KLBF relative to JCI Index



Source: Bloomberg

Kalbe Farma (KLBF IJ)

3Q25: In-line; Broad-based Revenue Recovery Offsets Margin Pressure; FY25F Outlook Intact

- **Broad-based 3Q25 revenue rebound managed to offset margin drag due to higher BPJS pharma, non-dairy mix, and elevated selling expenses.**
- **We believe the risks of weak nutritional revenue and higher BPJS pharma mix are contained, given stronger core profit outlook vs. peers.**
- **We reiterate our Buy rating with an unchanged DCF-based TP of Rp1,710, KLBF still trades at 35/29% below its 10/5-Yr. historical mean P/E.**

3Q25 Broad-Based Revenue Recovery Offsets Margin Pressure

KLBF booked Rp8.9tr revenue in 3Q25 (+8% qoq, +13% yoy), beating our best-case estimates of Rp8.6tr (+5% qoq, +10% yoy). Net Profit reached Rp656bn (-27% qoq, +15% yoy), bringing 9M25 to Rp2.6tr (+11% yoy), in-line with our/consensus FY25F estimates (Rp3.5tr, 74% run-rate). Revenue rebounded across all divisions (Prescription/Cons.Health/Nutritionals/Distribution +10%/6%/9%/7% qoq vs. 2Q25 -1%/-20%/-12%/-2% qoq impacted by post-Eid normalization), offsetting lower GPM/OPM (-100bps/-330bps qoq vs. our estimates of -60bps/-240bps). Margin pressure stemmed from: 1) higher unbranded generics (BPJS pharma) mix and competition in branded pharma 2) rising non-dairy mix in nutritionals amid elevated USD-driven raw material costs 3) higher selling expenses opex (+21% qoq vs. +3%/-2% qoq in 1Q/2Q25).

FY25F Outlook Intact to Achieve Stronger Core Profit Growth vs. Peers

Overall 9M25 Revenue/ Net Profit growth of +7%/11% yoy tracks well with mgm't guidance (+6-8%/6-8% yoy), implying the concerns on 1) weak nutritionals revenue amid higher USD input costs 2) pressure in Prescription margin from BPJS demand, appear to be contained. We reiterate our positive view on KLBF as a beaten down blue chip (share price -6.3% YTD) with limited downgrade risks and stronger FY25F core profit outlook vs. peers (+6%vs.+1% yoy). Assuming 10-Yr. 9M historical revenue/ net profit contribution to FY at 74%, FY25F revenue/ net profit could be delivered at Rp35.0/ 3.5tr (vs. cons' FY25F Rp34.8/3.5tr), implying 4Q25 revenue of ~Rp9.0tr (+2% qoq/+8% yoy) and net profit of ~Rp919bn (+40% qoq/ +7% yoy).

Reiterate Buy rating with an unchanged DCF-based TP of Rp1,710

While KLBF now trades at 16.8/15.8x FY25F/26F P/E, at 15%/17% premium vs. local consumer peers average of 14.6/13.5, and at 20/18% premium to LQ45's P/E of 12.6/11.4x, its valuation remain relatively undemanding compared to its 10/5-Yr. historical mean at ~25.7x/23.6x. We believe this is unwarranted given its feasibly stronger core profit outlook and defensive prescription business, supported by aging demographics and "below-the-line" marketing moat. Key risks: Weaker IDR/top-line, overrun opex, potential MSCI exclusion outflow.

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	3,778	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)	21.6	18.4	16.8	15.8	14.4
PBV (x)	2.8	2.6	2.4	2.2	2.1
Dividend yield (%)	2.4	2.8	3.1	3.3	3.6
EV/EBITDA	12.9	11.2	10.1	9.2	8.3

Source: KLBF, BRIDS Estimates

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Exhibit 1. KLBF's 9M25 Results

KLBF (in Rpbn, unless stated)	3Q24	2Q25	3Q25	qoq, %	yoy, %	9M24	9M25	yoy, %	FY25F BRIDS	FY25F Cons.	A/BRIDS,%	A/Cons.,%
Revenue	7,911	8,234	8,909	8.2	12.6	24,239	25,988	7.2	34,307	34,821	75.8	74.6
COGS	(4,858)	(4,885)	(5,377)	10.1	10.7	(14,722)	(15,431)	4.8	(20,694)	(20,879)	74.6	73.9
Gross Profit	3,052	3,349	3,532	5.4	15.7	9,517	10,557	10.9	13,613	13,942	77.6	75.7
Opex	(2,343)	(2,284)	(2,671)	16.9	14.0	(6,515)	(7,251)	11.3	(9,210)	(9,419)	78.7	77.0
Operating Profit	709	1,065	861	(19.2)	21.4	3,002	3,307	10.1	4,403	4,523	75.1	73.1
Pretax Profit	725	1,184	864	(27.0)	19.3	3,092	3,477	12.5	4,593	4,651	75.7	74.8
Net Profit	573	898	656	(26.9)	14.5	2,378	2,631	10.6	3,553	3,548	74.1	74.2
Core Net Profit	599	812	680	(16.2)	13.6	2,368	2,559	8.1	3,502		73.1	
Gross margin (%)	38.6	40.7	39.6	(1.0)	1.1	39.3	40.6	1.4	39.7	40.0		
Opex to revenue (%)	29.6	27.7	30.0	2.2	0.4	26.9	27.9	1.0	26.8	27.0		
Operating margin (%)	9.0	12.9	9.7	(3.3)	0.7	12.4	12.7	0.3	12.8	13.0		
Pretax margin (%)	9.2	14.4	9.7	(4.7)	0.5	12.8	13.4	0.6	13.4	13.4		
Net margin (%)	7.2	10.9	7.4	(3.5)	0.1	9.8	10.1	0.3	10.4	10.2		

By Divisions

	3Q24	2Q25	3Q25	qoq, %	yoy, %	9M24	9M25	yoy, %
Revenue (Rpbn)								
Prescription	2,380	2,459	2,714	10.3	14.0	6,896	7,654	11.0
Consumer Health	963	1,085	1,150	6.0	19.4	3,285	3,595	9.4
Nutrition	2,039	1,877	2,043	8.8	0.2	6,178	6,047	(2.1)
Distribution & Packaging	2,528	2,813	3,002	6.7	18.7	7,879	8,692	10.3
Gross Margin (%)								
Prescription	50.1	51.2	50.4	(0.8)	0.3	51.6	50.8	(0.8)
Consumer Health	58.7	63.2	63.6	0.4	4.9	60.8	64.4	3.5
Nutrition	51.2	56.5	52.1	(4.4)	0.9	51.3	54.2	2.9
Distribution & Packaging	9.9	12.2	12.3	0.0	2.3	10.0	12.3	2.3

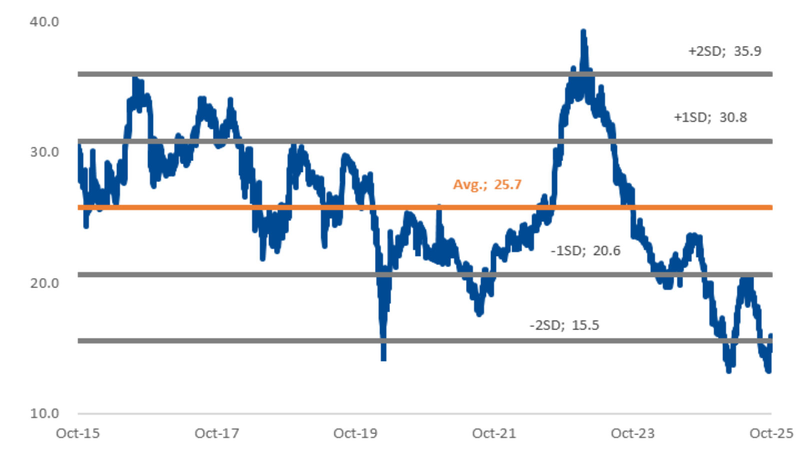
Source: BRIDS Estimates, Bloomberg

Exhibit 2. Peers Comparison

Key Valuation	KLBF	SIDO	INDF	ICBP	MYOR	UNVR	Peers Average	LQ45	IDX80
Mkt. Cap (Rpbn)	**59,687**	**17,100**	**65,414**	**103,208**	**47,848**	**103,387**			
P/E - 25F (x)	16.8	14.7	5.9	10.6	16.4	25.3	14.6	12.6	13.2
P/E - 26F (x)	15.8	14.0	5.5	9.4	14.2	24.4	13.5	11.4	11.9
Core P/E - 25F (x)	17.0	14.7	5.9	10.6	16.8	25.3	14.6	12.1	12.8
Core P/E - 26F(x)	15.5	13.9	5.7	9.8	13.8	24.4	13.5	11.4	12.0
EPS Growth - 25F (%)	9.6	(1.0)	27.2	37.7	(2.9)	21.4	16.5	3.5	(1.0)
EPS Growth - 26F (%)	6.3	5.7	7.8	12.7	15.9	3.5	9.1	10.8	25.8
Core Earnings Growth - 25F (%)	6.1	(1.0)	(9.8)	(6.8)	(1.2)	21.4	0.5	(15.0)	(15.1)
Core Earnings Growth - 26F (%)	9.8	5.7	3.4	8.3	21.6	3.5	8.5	6.5	21.9
PEG - 25F (x)	1.7	(15.3)	0.2	0.3	(5.6)	1.2	(3.8)	3.6	(12.8)
PEG - 26F (x)	2.5	2.5	0.7	0.7	0.9	7.0	2.4	1.1	0.5
Core PEG - 25F (x)	2.8	(15.2)	(0.6)	(1.5)	(14.4)	1.2	(6.1)	(0.8)	(0.8)
Core PEG - 26F (x)	1.6	2.4	1.7	1.2	0.6	7.0	2.6	1.7	0.5
P/B - 25F (x)	2.4	4.9	0.9	1.4	2.6	30.6	8.1	1.7	1.7
P/B - 26F (x)	2.2	4.9	0.8	1.3	2.3	25.8	7.0	1.6	1.6
Dividend Yield - 25F (%)	3.1	6.8	3.8	3.6	2.5	3.4	4.0	5.4	4.9
Dividend Yield - 26F (%)	3.3	7.2	4.8	5.0	2.5	3.5	4.6	5.4	5.0
ROIC/WACC- TTM 2Q25 (x)	1.2	3.2	1.1	1.1	1.2	5.6	2.4		

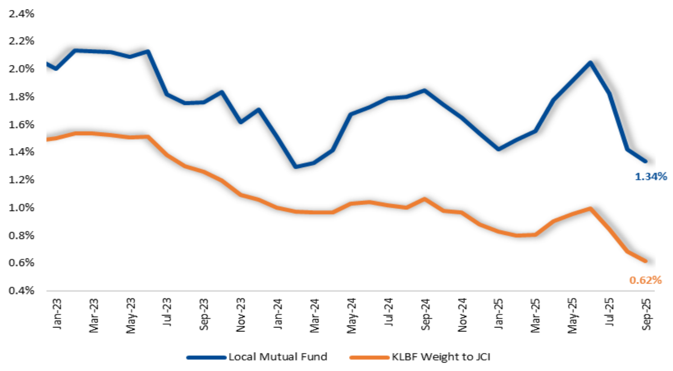
Source: BRIDS Estimates, Bloomberg

Exhibit 3. P/E Band 10 Yr.



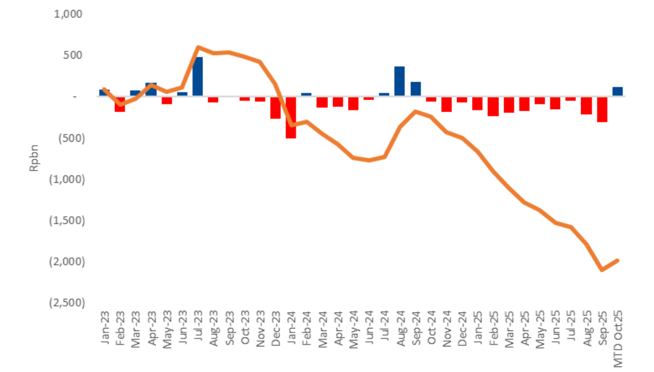
Source: Bloomberg, BRIDS Estimates

Exhibit 4. Domestic Fund Positioning



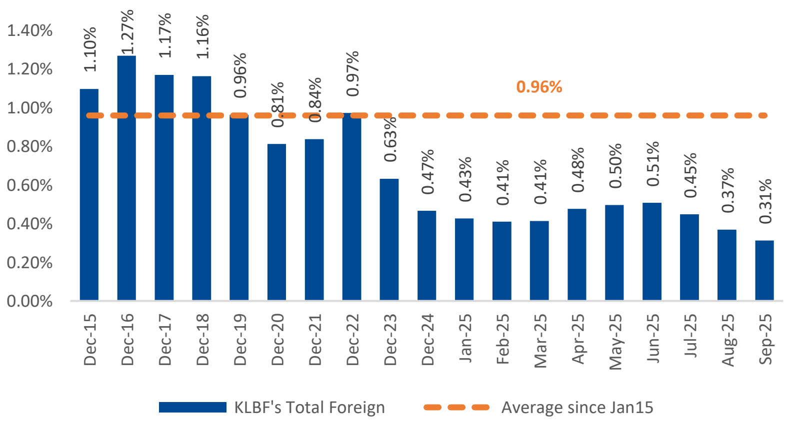
Source: KSEI, Bloomberg, BRIDS

Exhibit 5. Cummulative Foreign Flow



Source: IDX, BRIDS

Exhibit 6. Foreign Ownership at 10-Yr Low Level



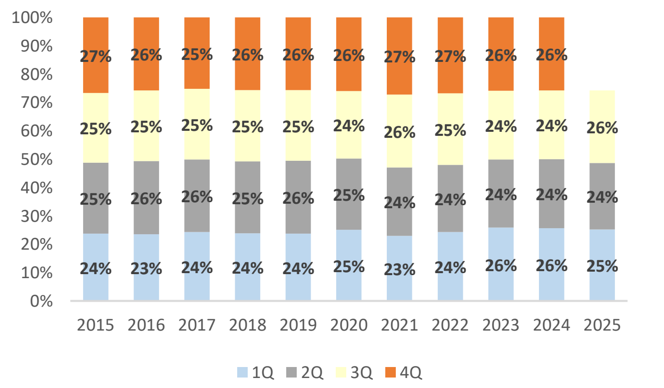
Source: KSEI, BRIDS

Exhibit 7. USD/IDR Sensitivity

Δ USD/IDR	USD/IDR	2025F	
		GPM	Δ GPM
-2%	16,008	40.4%	0.2%
-1%	16,172	40.3%	0.1%
0%	16,335	40.2%	0.0%
1%	16,498	40.1%	-0.1%
2%	16,662	40.0%	-0.2%

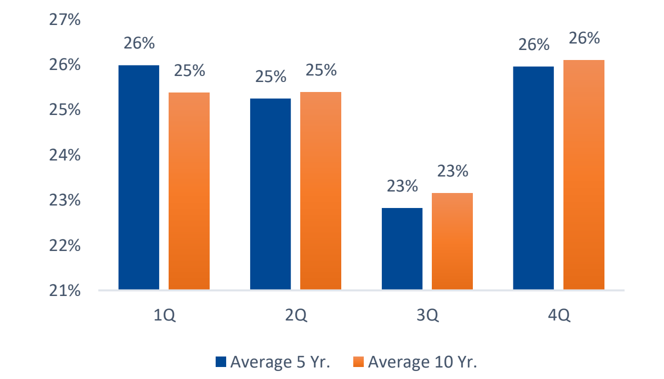
Source: BRIDS Estimates

Exhibit 8. Revenue Seasonality (%Contribution to FY Achievement)



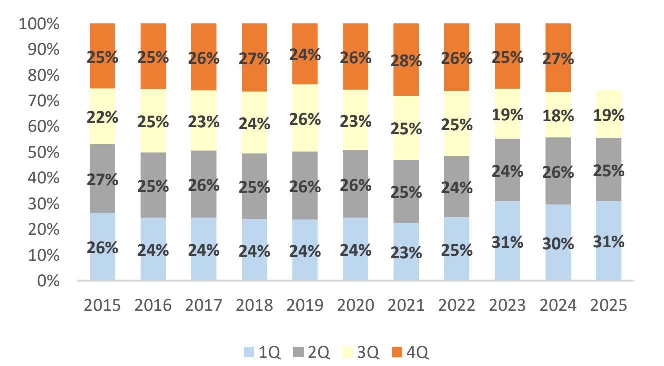
Source: Company, BRIDS

Exhibit 9. Revenue Seasonality (%Contribution to FY Achievement, Average)



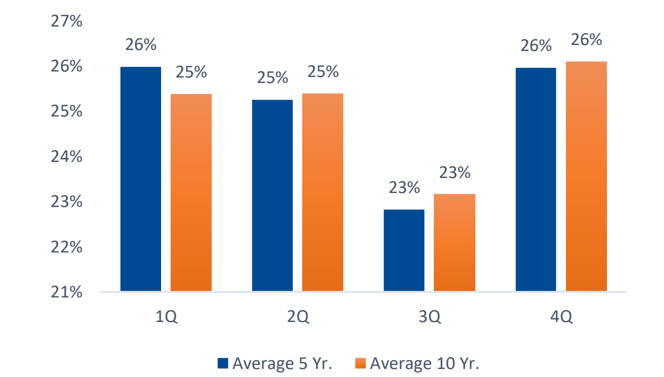
Source: Company, BRIDS

Exhibit 10. Earnings Seasonality (%Contribution to FY Achievement)



Source: Company, BRIDS

Exhibit 11. Earnings Seasonality (%Contribution to FY Achievement, Average)



Source: Company, BRIDS

Exhibit 12. 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**
Growth		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**
Net debt (as of end 2025)	Rpbn	(6,424)
Minority Interest	Rpbn	1,802
Equity value	Rpbn	80,351
Outstanding share	Bn sh	47
Equity value per share	Rp/sh	1,714
Target price	**Rp/sh**	**1,710**
Current price	Rp/sh	1,275
% upside/(downside)	%	34.1%
Rating		**BUY**

Assumptions		
Market return (Rm)	%	12.4%
Risk free rate	%	6.9%
Market risk premium	%	5.5%
Tax rate	%	23.0%
Adjusted Beta	%	66.3%
Debt portion 2025	%	2.8%
Cost of equity	%	10.5%
Cost of debt	%	6.4%
WACC	%	**10.3%**
Terminal growth	%	3.0%

Source: BRIDS Estimates

Exhibit 13. 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**	**3,778**	**4,139**
Core Net Profit	**2,847**	**3,301**	**3,502**	**3,846**	**4,212**

Exhibit 14. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	3,232	4,723	7,175	8,292	9,715
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**	**31,824**	**34,163**	**36,915**
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'sFunds	21,419	22,789	24,657	26,587	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 15. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	2,767	3,241	3,553	3,778	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	7,175	8,292
Cash - end of the year	3,232	4,723	7,175	8,292	9,715

Exhibit 16. 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