



KLBF Equity Update

PT. Kalbe Farma Tbk (KLBF) Resilient Earnings, Compelling Valuation

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Stock Rate **BUY**
Industry Neutral

Fair Value IDR 1,070
vs. Last Price 17.58%

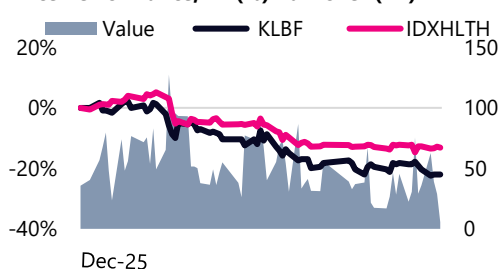
Stock Data KLBF
Ticker Code Pharmaceuticals
Sub Sector IDXHLTH
Sector

Market Cap (IDR.Tn) 62.26
Shares Issued (Bn) 46.81
AVG YTD Turnover (IDR Bn) 52.04

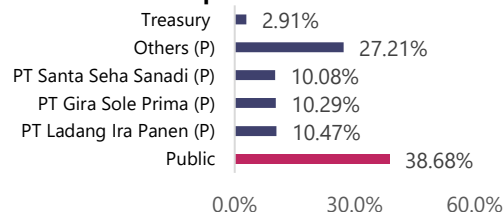
Price (IDR)



Price Performance, 1Y (%) Turnover (Bn)



Shareholders Composition



ESG Rating

Environmental 0.94
Social 3.75
Governance 4.24

Performance in FY25 remained relatively solid, with revenue reaching IDR 35.3 trillion (+8.3% YoY). On the cost side, COGS increased by 10% YoY to IDR 21.69 trillion, while selling expenses also rose by 7.9% YoY to IDR 7.34 trillion. Despite the higher cost pressures, KLBF managed to deliver double-digit bottom-line growth, with net profit recorded at IDR 3.66 trillion (+13.1% YoY). Margins remained resilient, with GPM at 40%, OPM improving to 13%, and NPM stable at 10%.

From a segment perspective, only the nutritional food segment declined, while overall top-line growth was supported by solid performance across key segments. In FY25, the prescription drugs segment grew 11.0% YoY to IDR 10.24 trillion, and consumer health increased by 11.9% YoY to IDR 4.83 trillion. We believe the prolonged rainy season has been a key driver behind higher volumes in these segments. As a result, the distribution segment also recorded strong growth of 12.0% YoY to IDR 12.21 trillion.

Looking ahead, the outlook remains moderately positive. We project top-line growth of 9.3% YoY, supported by the continuation of the rainy season into 1Q26 and the government's healthcare budget allocation of IDR 244 trillion, which should provide additional demand support. On the other hand, we note significant foreign outflows, with net foreign sell of IDR 296.99 billion YTD, suggesting potential overpunishment. This has led to more attractive valuations, while the company's fundamentals remain solid with continued earnings growth.

Key Takeaways:

- **Resilient Earnings Amid Cost Pressure.** FY25 revenue grew 8.3% YoY to IDR 35.3 trillion, while COGS (+10% YoY) and selling expenses (+7.9% YoY) increased. Despite this, net profit still rose 13.1% YoY to IDR 3.66 trillion, with margins remaining solid (GPM 40%, OPM 13%, NPM 10%).
- **Segment Growth Driven by Demand.** Growth was mainly supported by prescription drugs (+11.0% YoY) and consumer health (+11.9% YoY), while nutritional food declined. The prolonged rainy season boosted demand, also lifting the distribution segment (+12.0% YoY).
- **Moderate outlook with lingering risks.** We expect 9.3% YoY growth, supported by healthcare spending and improving valuation; however, currency depreciation may also put pressure on margins.

Recommendation "BUY"

We maintain our "BUY" recommendation on KLBF, with the target price revised down to IDR 1,070 (from IDR 1,700), implying a forward P/E of 15.4x and a PBV of 2.2x. *Downside risks include weakening consumer purchasing power, intense market competition, as well as rising raw material and operating costs amid geopolitical pressures and currency depreciation.*

Financial Highlight

(IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	30,449	32,628	35,325	38,595	42,509	46,376
Net Profit	2,767	3,241	3,665	3,791	4,151	4,508
EPS (Full IDR)	60	70	79	82	90	98
EBITDA Margin	14%	14%	14%	14%	14%	14%
NPM	9.1%	9.9%	10.4%	9.8%	9.8%	9.7%
ROE	12.0%	13.2%	14.8%	14.2%	14.5%	14.6%
Dividend yield	1.9%	2.7%	3.3%	3.4%	3.7%	4.0%
P/E (x)	26.9x	19.4x	15.9x	15.4x	14.1x	12.9x
P/BV (x)	3.2x	2.6x	2.4x	2.2x	2.0x	1.9x
EV/EBITDA (x)	15.1x	15.1x	12.8x	11.8x	11.2x	10.5x

Source: Company and KSI Research

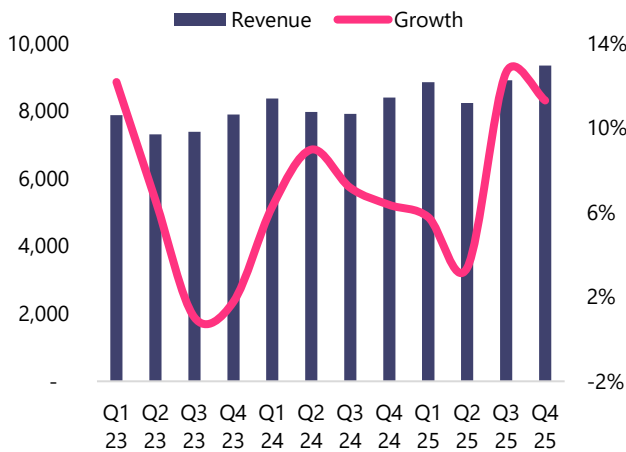


Performance Review

IDR Bn	2024FY	2025FY	y/y	4Q24	3Q25	4Q25	y/y	q/q
Revenue Segment								
Nutritional Food	8,188	8,046	-1.7%	2,010	2,043	1,999	-0.5%	-2.1%
Prescription Drugs	9,226	10,241	11.0%	2,330	2,714	2,587	11.0%	-4.7%
Consumer Health	4,313	4,827	11.9%	1,028	1,150	1,232	19.8%	7.1%
Distribution & Packaging	10,901	12,211	12.0%	3,021	3,002	3,519	16.5%	17.2%
Revenue by Geography								
Local	30,824	32,703	6.1%	7,907	8,215	8,568	8.4%	4.3%
Export	1,804	2,621	6.0%	482	694	768	59.4%	10.6%
Revenue	32,628	35,325	8.3%	8,389	8,909	9,336	11.3%	4.8%
Gross Profit	12,957	14,056	8.5%	3,440	3,532	3,498	1.7%	-0.9%
Operating Profit	4,059	4,617	13.7%	1,075	828	1,283	19.4%	55.0%
EBITDA	4,842	5,431	12.2%	1,279	1,035	1,484	16.0%	43.4%
Net Income	3,241	3,665	13.1%	862	656	1,034	19.9%	57.5%
EPS (Full IDR)	70	81	14.8%	19	14	23	21.6%	57.5%
Asset	30,699	29,430	-4.1%	30,699	28,752	29,430	-4.1%	2.4%
Liabilities	5,971	4,839	-19.0%	5,971	4,840	4,839	-19.0%	0.0%
Equity	24,729	24,590	-0.6%	24,729	23,912	24,590	-0.6%	2.8%
GPM %	40%	40%	0.1%	41%	40%	37%	-3.5%	-2.2%
OPM %	12%	13%	0.6%	13%	9%	14%	0.9%	4.5%
Ebitda Margin %	15%	15%	0.5%	15%	12%	16%	0.6%	4.3%
NPM %	10%	10%	0.4%	10%	7%	11%	0.8%	3.7%
ROE %	26.2%	29.8%	3.6%	13.9%	11.0%	16.8%	2.9%	5.8%
ROA %	21.1%	24.9%	3.8%	11.2%	9.1%	14.0%	2.8%	4.9%

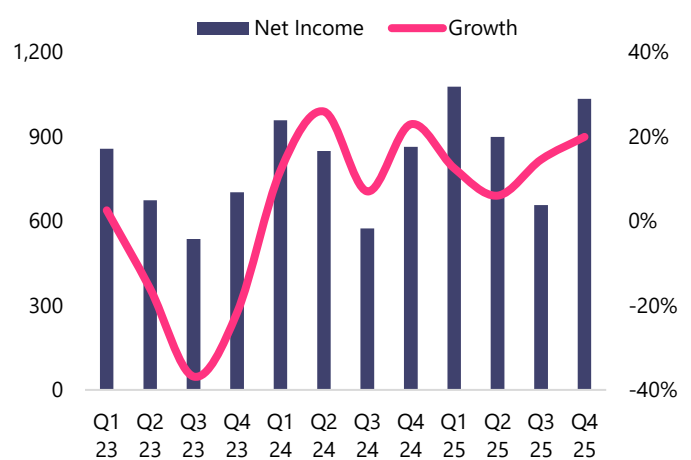
Source: Company & KSI Research

Revenue vs Growth



Source: Company & KSI Research

Net Income vs Growth



Source: Company & KSI Research



Financial Exhibits

Year-end (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	30,449	32,628	35,325	38,595	42,509	46,376
Costs of revenue	18,626	19,671	21,269	23,287	25,648	27,981
Gross profit	11,823	12,957	14,056	15,308	16,861	18,395
EBITDA	4,178	4,683	5,092	5,437	5,868	6,342
Operating profit	3,640	4,107	4,560	4,760	5,217	5,660
Income before tax	3,606	4,219	4,778	4,937	5,406	5,870
Tax expenses	828	972	1,034	1,129	1,237	1,343
Minority interests	12	6	79	16	18	19
Net income	2,767	3,241	3,665	3,791	4,151	4,508
EPS	60	70	79	82	90	98

Balance Sheet

Year-end (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Cash and equivalents	3,232	4,723	4,331	3,797	3,960	4,322
Account receivables	4,652	4,865	5,651	5,942	6,561	7,239
Inventories	6,792	6,502	6,985	8,156	9,133	9,704
Fixed assets	8,067	8,373	8,430	8,432	8,567	8,686
Other assets	4,314	4,967	5,302	6,072	7,108	8,306
Total assets	27,058	29,430	30,699	32,399	35,328	38,258
S-T liabilities	300	340	134	308	315	297
Other S-T liabilities	2,943	3,846	5,202	4,649	5,465	6,127
L-T liabilities	321	222	164	281	266	281
Other L-T liabilities	373	432	470	498	559	608
Total liabilities	3,938	4,839	5,971	5,737	6,604	7,314
Equity	23,120	24,590	24,729	26,662	28,724	30,944
BVPS	500	532	535	577	622	670

Cash Flows Statement

Year-end (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Net Income	2,767	3,241	3,665	3,791	4,151	4,508
Depreciation	538	576	532	677	651	681
Change in working capital	(640)	(110)	(962)	(131)	(575)	(675)
Others	(3,778)	(2,543)	(3,797)	(6,173)	(5,142)	(5,361)
Operating cash flow	(1,113)	1,164	(562)	(1,836)	(915)	(847)
Capital expenditure	(901)	(937)	(736)	(1,003)	(1,063)	(1,020)
Others	292	(165)	787	226	35	(56)
Investing cash flow	(609)	(1,102)	51	(778)	(1,028)	(1,076)
Dividend paid	(1,434)	(1,685)	(1,906)	(1,971)	(2,159)	(2,344)
Net change in debt	9	(100)	(57)	117	(16)	16
Others	2,429	3,214	3,587	3,933	4,281	4,614
Financing cash flow	1,004	1,430	1,624	2,079	2,106	2,285
Change in cash	(717)	1,491	1,113	(535)	163	362
Beginning cash flow	3,950	3,232	4,723	4,331	3,797	3,960
Ending cash flow	3,232	4,723	5,836	3,797	3,960	4,322

Source : Company, KSI Research & Bloomberg



Financial Ratio

Key Ratios	2023A	2024A	2025A	2026F	2027F	2028F
Revenue Growth (%)	5.2%	7.2%	8.3%	9.3%	10.1%	9.1%
Gross Profit Growth (%)	1.0%	9.6%	8.5%	8.9%	10.1%	9.1%
Operating Profit Growth (%)	-14.1%	12.9%	11.0%	4.4%	9.6%	8.5%
EBITDA Growth (%)	-16.2%	12.1%	8.7%	6.8%	7.9%	8.1%
Net Profit Growth (%)	-18.2%	17.1%	13.1%	3.4%	9.5%	8.6%
EPS Growth (%)	-17.1%	17.1%	13.3%	3.4%	9.5%	8.6%
Gross margin (%)	38.8%	39.7%	39.8%	39.7%	39.7%	39.7%
EBIT margin (%)	12.0%	12.6%	12.9%	12.3%	12.3%	12.2%
EBITDA margin (%)	13.7%	14.4%	14.4%	14.1%	13.8%	13.7%
Net margin (%)	9.1%	9.9%	10.4%	9.8%	9.8%	9.7%
ROE (%)	12.0%	13.2%	14.8%	14.2%	14.5%	14.6%
ROA (%)	10.2%	11.0%	11.9%	11.7%	11.8%	11.8%
Current ratio (x)	4.9x	4.1x	3.5x	3.9x	3.7x	3.6x
Quick ratio (x)	3.5x	2.9x	2.4x	2.7x	2.6x	2.5x
Receivable turn over (x)	6.5x	6.7x	6.3x	6.5x	6.5x	6.4x
AR turnover (days)	56	54	58	56	56	57
Inventory turnover (x)	2.7x	3.0x	3.0x	2.9x	2.8x	2.9x
Inventory Days	133	121	120	128	130	127
DER (x)	0.2x	0.2x	0.3x	0.2x	0.2x	0.3x
DAR (x)	0.1x	0.2x	0.2x	0.2x	0.2x	0.2x
Interest Coverage	1.8x	1.9x	2.0x	1.9x	1.9x	1.9x
Earning Yield (%)	3.7%	5.2%	6.3%	6.5%	7.1%	7.7%
Dividend Yield (%)	1.9%	2.7%	3.3%	3.4%	3.7%	4.0%
PE (x)	26.9x	19.4x	15.9x	15.4x	14.1x	12.9x
PBV (x)	3.2x	2.6x	2.4x	2.2x	2.0x	1.9x
P/Sales (x)	2.4x	1.9x	1.7x	1.5x	1.4x	1.3x
EV/Ebitda (x)	15.1x	15.1x	12.8x	11.8x	11.2x	10.5x

Source : Company, KSI Research & Bloomberg



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OVERWEIGHT : Sector & Industry Outlook has potential and good condition
NEUTRAL : Sector & Industry Outlook Stable or tend to be stagnant
UNDERWEIGHT : Sector & Industry Outlook has challenges and bad condition

Stock

BUY : Stock Performance > +15% Over the next 12 month (excluding dividend)
TRADING BUY : Stock Performance, range between +5% to +15% Minor to Medium Term
HOLD : Stock Performance, range between -10% to +15% Over the next 12 month (excluding dividend)
SELL : Stock Performance > -15% Over the next 12 month (excluding dividend)
TRADING SELL : Stock Performance, range between -5% to -15% Minor to Medium Term
NOT RATED : Stock is not within regular research coverage Over the next 12 month (excluding dividend)



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