PT Kalbe Farma Tbk

Strong Topline Momentum, Earnings Growth Remains Muted

Strong Revenue Growth, KLBF posted 1H26 revenue of IDR19.48tn, growing 14.0% YoY, supported by broad-based growth across all segments. However, the topline growth has yet to fully translate into earnings growth due to margin pressure from higher raw material costs, rupiah depreciation, and changes in product mix. In 2Q26, revenue growth accelerated to 19.0% YoY, while EBITDA increased 2.6% YoY. Meanwhile, net profit declined slightly by 0.8% YoY.

Distribution & Packaging Leads Segment Growth. By segment, Distribution & Packaging remained the main growth contributor, with 2Q26 revenue increasing 32.2% YoY and 6.7% QoQ. On a 1H26 basis, the segment grew 26.6% YoY, supported by the addition of new principals, although its higher contribution continued to weigh on the group's overall margin. Meanwhile, Consumer Health grew 20.5% YoY in 2Q26, while Nutritionals increased 12.1% YoY. On a 1H26 basis, Consumer Health and Nutritionals grew 10.9% and 6.5%, respectively.

Prescription Drugs and Exports Maintain Positive Growth, Prescription Drugs recorded 8.6% YoY growth in 2Q26, while 1H26 growth reached 7.3%, supported by growth in branded generics. Geographically, growth remained broad-based, with domestic revenue increasing 19.1% YoY and exports growing 18.1% YoY in 2Q26. On a 1H26 basis, domestic and export revenue grew 13.3% and 23.7%, respectively, indicating that KLBF's growth was supported by both domestic demand and continued export expansion.

KEY TAKEAWAYS:

- **Strong Topline, Earnings Under Pressure.** 1H26 revenue grew 14.0% YoY, with 2Q26 accelerating 19.0% YoY. However, net profit declined 0.8% YoY, reflecting continued margin pressure.
- **Distribution & Packaging Leads Growth.** The segment grew 26.6% YoY in 1H26 and 32.2% YoY in 2Q26, supported by new principals, although its higher contribution continued to weigh on margins.
- **Broad-Based Growth Across Markets.** Consumer Health and Prescription Drugs grew 10.9% and 7.3% YoY in 1H26, while domestic and export revenue increased 13.3% and 23.7%, respectively, supporting KLBF's overall topline growth.

RECOMMENDATION "Buy"

We maintain our "BUY" recommendation on KLBF, with the target price maintained at IDR 950, implying a forward P/E of 11.6x and PBV of 1.6x. *Downside risks include weakening consumer purchasing power, intensifying market competition, and rising raw material and operating costs amid geopolitical pressures and rupiah depreciation.*

FINANCIAL HIGHLIGHTS

(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%	4.5%	4.9%	5.3%
P/E (x)	26.9x	19.4x	15.9x	11.6x	10.6x	9.7x
P/BV (x)	3.2x	2.6x	2.4x	1.6x	1.5x	1.4x
EV/EBITDA (x)	15.1x	15.1x	12.8x	9.0x	8.6x	8.0x

Source: Company, KSI Research estimates.

STOCK RATING

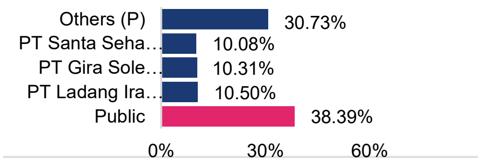
Buy

REITERATED

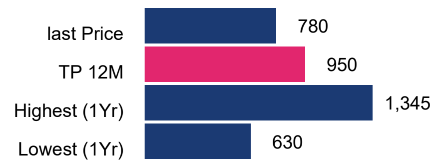
TP 12M (IDR)	950
vs. Last Price	+21.79%
Previous TP	*Not Change*

Ticker	**KLBF**
Sub-Sector	**Pharmaceuticals**
Last Price (IDR)	**780**
Market Cap (IDR Tn)	**36.28**
Shares Issued (Bn)	**46.81**
AVG 3M Turnover (Bn)	**66.838**

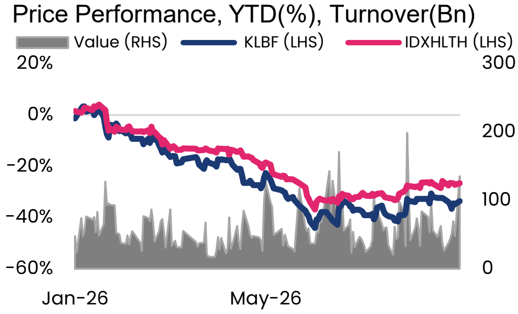
SHAREHOLDER STRUCTURE



Abdul Azis Setyo Wibowo
Equity Analyst
azis@kiwoom.co.id



Price Performance, YTD(%), Turnover(Bn)



ESG Rating

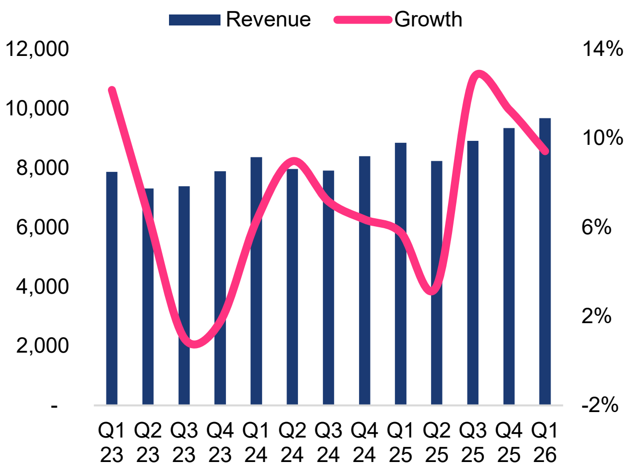
Environmental	4.19
Social	2.98
Governance	4.54

PERFORMANCE OVERVIEW

IDR Bn	1H25	1H26	y/y	2Q25	1Q26	2Q26	y/y	q/q
Revenue Segment								
Nutritional Food	4,004	4,264	6.5%	1,877	2,160	2,104	12.1%	-2.6%
Prescription Drugs	4,941	5,300	7.3%	2,459	2,630	2,670	8.6%	1.5%
Consumer Health	2,445	2,710	10.9%	1,085	1,403	1,307	20.5%	-6.9%
Distribution & Packaging	5,690	7,205	26.6%	2,813	3,485	3,720	32.2%	6.7%
Revenue by Geography								
Local	15,920	18,046	13.3%	7,613	8,979	9,067	19.1%	1.0%
Export	1,159	1,433	23.7%	621	700	733	18.1%	4.8%
Revenue	17,079	19,479	14.0%	8,234	9,678	9,800	19.0%	1.3%
Gross Profit	7,026	7,317	4.1%	3,349	3,707	3,610	7.8%	-2.6%
Operating Profit	2,506	2,486	-0.8%	1,130	1,318	1,168	3.3%	-11.4%
EBITDA	2,913	2,884	-1.0%	1,335	1,514	1,370	2.6%	-9.5%
Net Income	1,975	1,919	-2.8%	898	1,029	891	-0.8%	-13.4%
EPS (Full IDR)	43	42	-2.1%	20	23	20	-0.5%	-13.5%
	1H25	*1H26*						
Asset	28,566	33,078	15.8%	28,566	31,985	33,078	15.8%	3.4%
Liabilities	5,026	7,314	45.5%	5,026	6,251	7,314	45.5%	17.0%
Equity	23,540	25,764	9.4%	23,540	25,735	25,764	9.4%	0.1%
GPM %	*41%*	*38%*	-3.6%	*41%*	*38%*	*37%*	-3.8%	-1.5%
OPM %	*15%*	*13%*	-1.9%	*14%*	*14%*	*12%*	-1.8%	-1.7%
Ebitda Margin %	*17%*	*15%*	-2.3%	*16%*	*16%*	*14%*	-2.2%	-1.7%
NPM %	*12%*	*10%*	-1.7%	*11%*	*11%*	*9%*	-1.8%	-1.5%
ROE %	*16.8%*	*14.9%*	-1.9%	*15.3%*	*16.0%*	*13.8%*	-1.4%	-2.2%
ROA %	*13.8%*	*11.6%*	-2.2%	*12.6%*	*12.9%*	*10.8%*	-1.8%	-2.1%

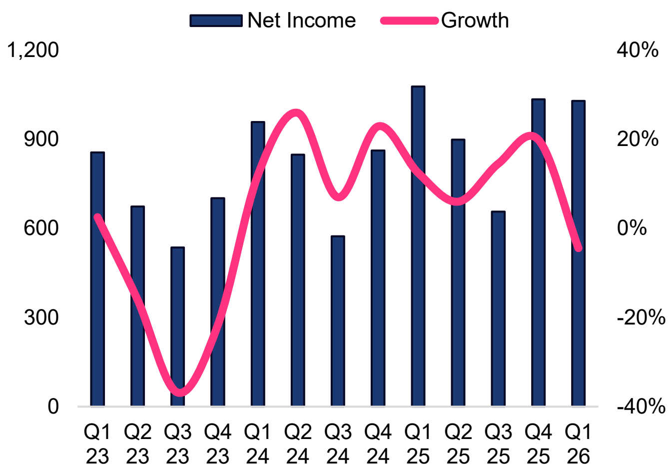
Source : KSI Research & Bloomberg

Revenue (IDR Bn) vs Growth (YoY)



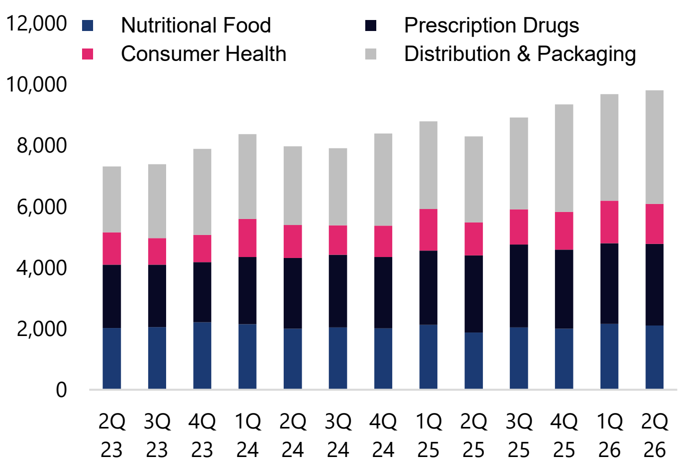
Source: Company & KSI Research

Net Income (IDR Bn) vs Growth (YoY)



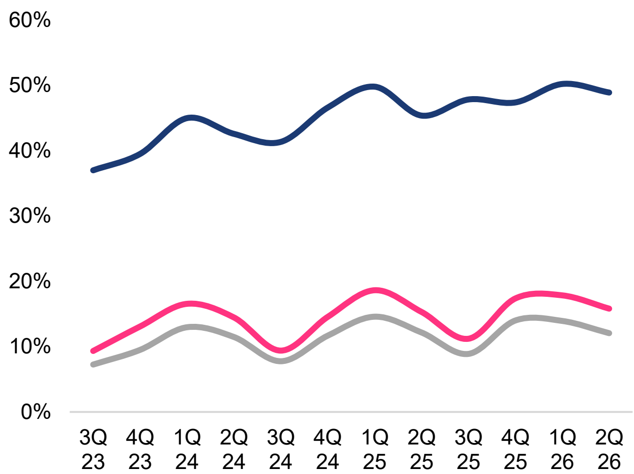
Source: Company & KSI Research

Revenue Segment Quarter (IDR Bn)



Source: Company & KSI Research

KLBF Margin



Source: Company & KSI Research

VALUATION

TP Raised to IDR 950; Rated Buy

Buy TP 12M: IDR 950

vs. Last Price (IDR 780, 8 September 2026): +21.79% upside | Previous TP: Not Change

VALUATION

DCF (IDR Bn)	2026F	2027F	2028F	2029F	2030F
EBIT	4,760	5,217	5,660	6,182	6,182
marginal tax rate	23%	23%	23%	23%	23%
EBIT (1-tax)	3,671	4,024	4,366	4,768	4,768
+ D & A	677	651	681	713	713
- Capex	(1,003)	(1,063)	(1,020)	(1,121)	(1,577)
Changes in working capital	(131)	(575)	(675)	(556)	(556)
Free Cash Flow	**3,213**	**3,037**	**3,351**	**3,805**	**3,348**
Terminal Value					**29,445**
Discount Factor	1.00	2.00	3.00	4.00	5.00

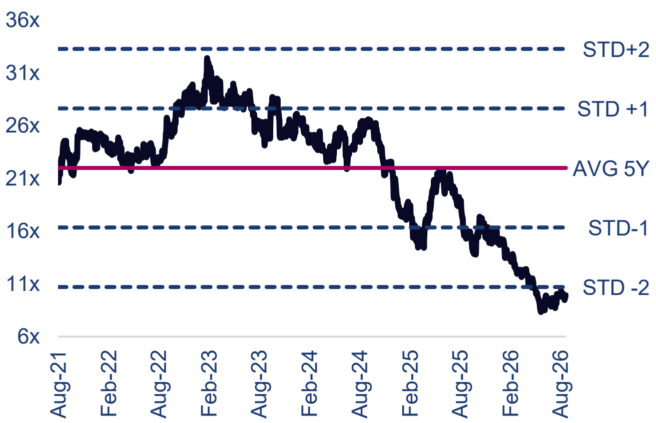
Firm Value	48,089	**Key Assumption**	
Cash	4,331		
Interest Bearing Debt	299	**Perpetuity Growth**	**3.0%**
Equity Value	**52,121**	Beta	0.78
Share	46.3	RF	6.58%
Fair Value (IDR)	**1,130**	RP	10.55%
Last Price	IDR 785	Cost of Equity	14.81%
Potential Upside (%)	43.9%	Cost of Debt	6.71%
		WACC	14.71%

Multiple Valuation	Base Amount	Target Multiple	Value	Weight (%)	The Value of the firm
DCF	52,121		52,121	70%	36,485
PE	3,791	19.3	73,165	30%	21,949

Total Value (Bn)	58,434
Share (Bn)	46.3
Fair Value (IDR)	1,263
Mos	*25%*
Target Price (IDR)	950
Current Price	780
Potential Upside (%)	21.79%

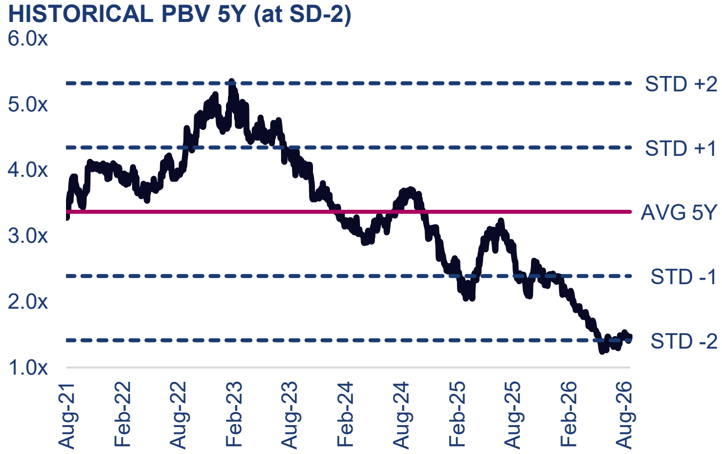
Source : KSI Research & Bloomberg

HISTORICAL PE 5Y (Below SD-2)



Source : KSI Research & Bloomberg

HISTORICAL PBV 5Y (at SD-2)



Source : KSI Research & Bloomberg

FINANCIAL EXHIBITS

Income Statement, Balance Sheet & Cash Flow

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 RATIOS

Stable Earnings, Attractive Valuation

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%	8.6%	9.5%	10.3%
Dividend Yield (%)	1.9%	2.7%	3.3%	4.5%	4.9%	5.3%
PE (x)	26.9x	19.4x	15.9x	11.6x	10.6x	9.7x
PBV (x)	3.2x	2.6x	2.4x	1.6x	1.5x	1.4x
P/Sales (x)	2.4x	1.9x	1.7x	1.1x	1.0x	0.9x
EV/Ebitda (x)	15.1x	15.1x	12.8x	9.0x	8.6x	8.0x

Source : Company, KSI Research & Bloomberg

Rating Guide, Disclaimer & Contact

KIWOOM SEKURITAS GUIDE TO SECTOR / STOCK RATINGS

SECTOR / INDUSTRY

OVERWEIGHT	Sector & Industry outlook has potential and good condition
NEUTRAL	Sector & Industry outlook stable or tends to be stagnant
UNDERWEIGHT	Sector & Industry outlook has challenges and bad condition

STOCK

BUY	Performance > +15% over the next 12 months (ex-dividend)
TRADING BUY	Performance +5% to +15%, minor to medium term
HOLD	Performance -10% to +15% over the next 12 months (ex-dividend)
SELL	Performance < -15% over the next 12 months (ex-dividend)
TRADING SELL	Performance -5% to -15%, minor to medium term
NOT RATED	Stock not within regular research coverage

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HEAD OFFICE

Treasury Tower 27th Floor Unit A, District 8
Kawasan SCBD Lot 28, Jl. Jend. Sudirman Kav 52-53, Jakarta Selatan 12190

Tel: (021) 5010 5800 | Fax: (021) 5010 5820 | Email: cs@kiwoom.co.id

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