

Sustaining growth further, after solid 1H25 results

28 August 2025



KLBF IJ	BUY
Sector	Healthcare
Price at 27 August 2025 (IDR)	1,290
Price target (IDR)	1,740
Upside/Downside (%)	34.9

Stock Information

Kalbe Farma (KLBF) is one of leading pharmaceutical company in Indonesia that offers an integrated healthcare solution through its 4 business divisions: the Prescription Pharmaceutical Division, Consumer Health Division, Nutritionals Division and Distribution & Logistics.

Market cap (IDR bn)	72,093
Shares outstanding (mn)	46,813
52-week range (IDR)	985-1,795
3M average daily vol. ('000)	51,542
3M average daily val. (IDR mn)	66,621

Shareholders (%)

Ladang Ira Panen	10.74
Gira Sole Prima	10.57
Santa Seha Sanadi	10.34
Diptanala Bahana	9.76
Lucasta Murni Cemerlang	9.73
Bina Artha Charisma	8.42
Others	6.38
Public	34.06

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	(13.1)	(17.8)	(25.9)

Kalbe Farma' (KLBF) earnings grew 9.4% yoy to IDR1.98 tn in 1H25 with a 50bps yoy net margin expansion on better product mix and costs management with higher interest and other operating income, despite soft sales amidst weaker consumer purchasing power. While, KLBF' revenue still grew 4.6% yoy to IDR17.08 tn in 1H25 on higher products average selling prices (ASP) and better sales volume with new product launches. All in all, KLBF' earnings in 1H25 came above ours' (55.1%) and consensus' (55.6%) expectation. Thus, we maintained our '25F revenue (+10.4% yoy) and earnings (+10.7% yoy) growth for KLBF on higher ASP with better sales, product mix and costs management in 2H25F amidst ongoing unpredictable weather, despite the company' adjusted guidance as to anticipate Indonesia' current economic condition. Maintain BUY on KLBF with TP of IDR1,740, which implies 22.7x '25F P/E. Currently, KLBF is trading at 16.9x '25F P/E or -1.5stddev of its 5 years' mean P/E.

Maintains our '25F revenue and earnings

We maintain our '25F revenue and earnings for KLBF as our forecast remain on-track with the company' performance so far (1H25 results). On the other hand, KLBF adjusted its '25F revenue' and earnings' growth guidance to around 6-8% yoy, down from the prior 8-10% yoy, on the company' anticipation of Indonesia' current economic conditions and weaker purchasing power. Thus, we still expect KLBF' revenue to grow by 10.4% yoy in '25F, driven by higher products' ASP and improved sales volume from both domestic and export markets in 2H25F, despite ongoing unpredictable weather, as the company is expected to continue marketing efforts with new product launches to support growth. All in all, we still expect KLBF' earnings to grow by 10.7% in '25F and its net margin to expand by 10bps yoy, on higher ASP with better sales, products mix and costs management, despite our anticipation on the company' higher advertisements & promotions expenses (A&P) yoy, in order to boost sales amidst current macro economy backdrop.

1H25 earnings still above expectations

KLBF' earnings reached IDR898 bn (+7.3% yoy/-16.6% qoq) in 2Q25, despite softer qoq sales and continued high A&P expenses. Thus, KLBF' 1H25 earnings still reached IDR1.98 tn (+9.4% yoy), due to better product mix and cost management with higher interest (+29.1% yoy) and other operating income (+106.7% yoy), which came above ours' (55.1%) and cons' (55.6%) expectation. Note that the significant yoy increase in interest income was due to a one-off gain from the sale of fixed assets, which reached IDR79.8 bn (+1369.6% yoy).

1H25 revenue in-line, despite softer qoq sales in 2Q25

KLBF' revenue still reached IDR8.23 tn (+3.4% yoy/-6.9% qoq) in 2Q25 supported by higher products ASP and improved sales volume from new product launches, despite softer qoq sales post Lebaran festivities amidst weaker consumer purchasing power. Note that, KLBF' had already increased its products ASP by around 3%-5%, since early 2025. As for business segments revenue in 2Q25: a) Pharma' revenue was at IDR2.46 tn (+6% yoy/-0.9% qoq), b) consumer health' revenue at IDR1.09 tn (+0.9% yoy/-20.2% qoq), c) nutritionals at IDR1.88 tn (-5.8% yoy/-11.8% qoq), and d) distribution & logistics at IDR2.81 tn (+9.1% yoy/-2.2% qoq). As a result, KLBF' revenue reached IDR17.08 tn (+4.6% yoy) in 1H25, which came in-line with ours' (47.4%) and cons' (48.8%) expectation.

Margins expanded across the board in 1H25

KLBF' gross margin expanded to 41.1% (+150bps yoy) in 1H25 on better product mix yoy amidst soft sales growth. Moreover, KLBF would surely continue its efforts to convert the payments to its suppliers from USD to RMB as to ease costs pressure. On operational side, KLBF' EBIT margin expanded to 14.3% (+30bps yoy) in 1H25, despite contracted by 60bps yoy/270bps qoq in 2Q25, on higher opex as the company continued spending on A&P, to boost sales amidst weaker consumer purchasing power. All in all, KLBF' net margin expanded to 11.6% (+50bps yoy) in 1H25, mainly due to better product mix and cost management with higher interest and other operating income.

Maintain BUY with TP of IDR1,740

Maintain BUY on KLBF with TP of IDR 1,740/share (+34.9% upside from yesterday closing price), as we still expect KLBF to perform well in 2H25F on higher sales with better product mix and costs management, amidst unpredictable weather and Indonesia' current economic condition. Currently, KLBF is trading at 16.9x '25F P/E or at -1.5stddev of its 5 years' mean P/E.

Exhibit 1: Key Statistics

Year end Dec	2023A	2024A	2025F	2026F	2027F
Revenue (IDR bn)	30,449	32,628	36,031	39,967	44,506
EBITDA (IDR bn)	4,054	4,541	5,068	5,761	6,503
Net profit (IDR bn)	2,767	3,241	3,586	4,048	4,647
EPS (IDR)	59	69	77	86	99
EPS growth (%)	(18.2)	17.1	10.7	12.9	14.8
ROE (%)	12.9	14.2	14.5	15.1	15.8
ROA (%)	10.2	11.0	11.5	11.9	12.6
PER (x)	21.9	18.7	16.9	14.9	13.0
PBV (x)	2.8	2.7	2.4	2.2	2.1
EV/EBITDA (x)	14.2	12.3	10.9	9.4	9.4
Div Yield (%)	2.9	2.4	2.8	3.1	3.5

Source: Company, KBVS Research

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Exhibit 2: KLBF 1H25 results

KLBF 1H25 Results (IDR bn)	1H25	1H24	YoY	2Q25	2Q24	YoY	1Q25	QoQ	% to '25F	% to Cons'
Revenue	17,079	16,328	4.6%	8,234	7,965	3.4%	8,845	-6.9%	47.4%	48.8%
COGS	(10,054)	(9,864)	1.9%	(4,885)	(4,822)	1.3%	(5,169)	-5.5%		
Gross profit	7,026	6,464	8.7%	3,349	3,143	6.6%	3,676	-8.9%	49.0%	50.5%
Operating expenses	(4,580)	(4,171)	9.8%	(2,284)	(2,070)	10.4%	(2,295)	-0.5%		
Operating profit	2,446	2,293	6.7%	1,065	1,073	-0.8%	1,381	-22.9%	52.7%	52.6%
Profit before tax	2,613	2,367	10.4%	1,184	1,100	7.6%	1,429	-17.2%	55.3%	56.1%
Tax expense	(585)	(537)	9.0%	(266)	(257)	3.6%	(319)	-16.6%		
Minority interest	(53)	(26)	106.7%	(19)	(6)	211.5%	(34)	-42.2%		
Net profit	1,975	1,805	9.4%	898	837	7.3%	1,077	-16.6%	55.1%	55.6%

Margins (%)

Gross margin	41.1%	39.6%		40.7%	39.5%		41.6%	
Operating margin	14.3%	14.0%		12.9%	13.5%		15.6%	
Pretax margin	15.3%	14.5%		14.4%	13.8%		16.2%	
Net margin	11.6%	11.1%		10.9%	10.5%		12.2%	

KLBF 1H25 Results (IDR bn)	1H25	1H24	YoY	2Q25	2Q24	YoY	1Q25	QoQ
Pharmaceutical								
Revenue	4,941	4,516	9.4%	2,459	2,320	6.0%	2,481	-0.9%
Gross profit	2,523	2,365	6.7%	1,259	1,215	3.6%	1,264	-0.4%
Gross margin	51.1%	52.4%		51.2%	52.4%		50.9%	

Consumer Health

Revenue	2,445	2,322	5.3%	1,085	1,075	0.9%	1,360	-20.2%
Gross profit	1,583	1,434	10.4%	685	642	6.8%	898	-23.7%
Gross margin	64.7%	61.8%		63.2%	59.7%		66.0%	

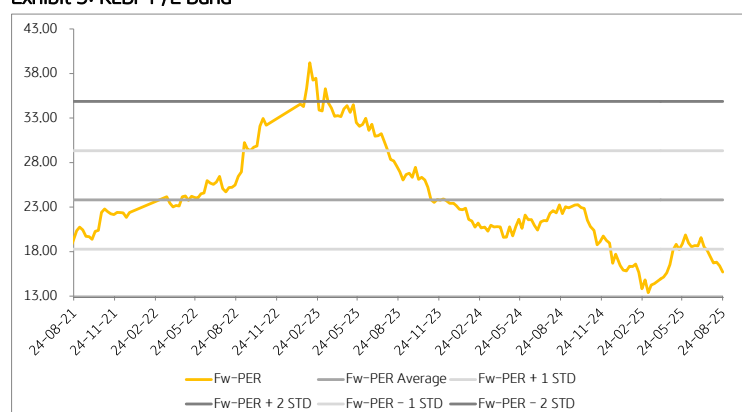
Nutritionals

Revenue	4,004	4,139	-3.3%	1,877	1,993	-5.8%	2,127	-11.8%
Gross profit	2,214	2,127	4.1%	1,061	1,028	3.2%	1,153	-8.0%
Gross margin	55.3%	51.4%		56.5%	51.6%		54.2%	

Distribution & Logistic

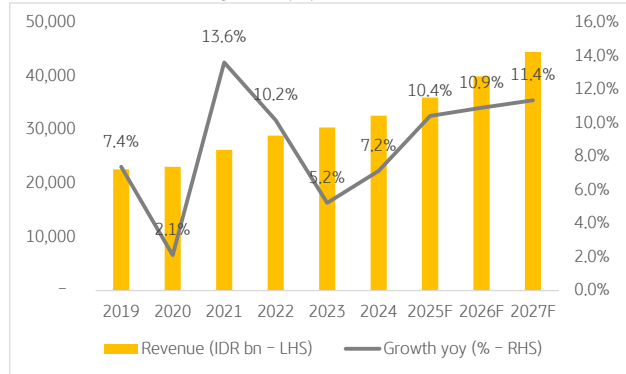
Revenue	5,690	5,351	6.3%	2,813	2,577	9.1%	2,877	-2.2%
Gross profit	705	539	31.0%	344	258	33.2%	361	-4.8%
Gross margin	12.4%	10.1%		12.2%	10.0%		12.6%	

Source: Company, KBVS Research

Exhibit 3: KLBF P/E Band


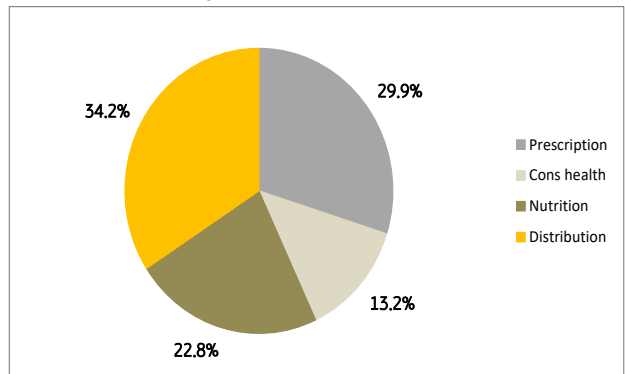
Source: Company, KBVS Research

Exhibit 4: Revenue and growth yoy



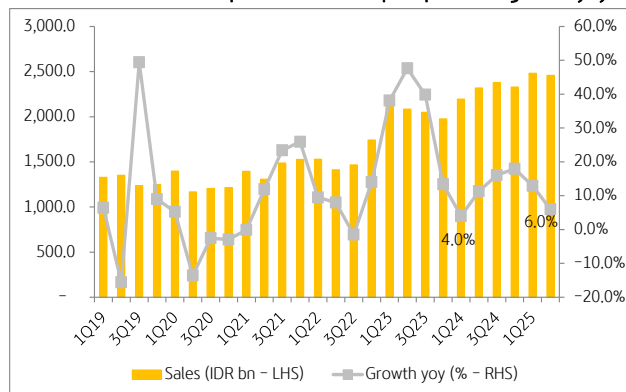
Source: Company, KBVS Research

Exhibit 5: Business segments' contribution to KLBF 1Q25 revenue



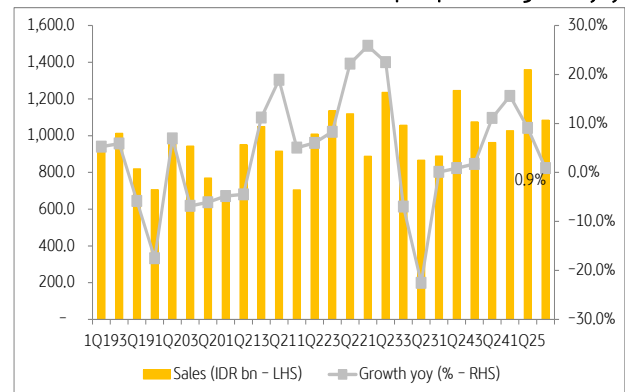
Source: Company, KBVS Research

Exhibit 6: Revenue from pharmaceuticals per quarter & growth yoy



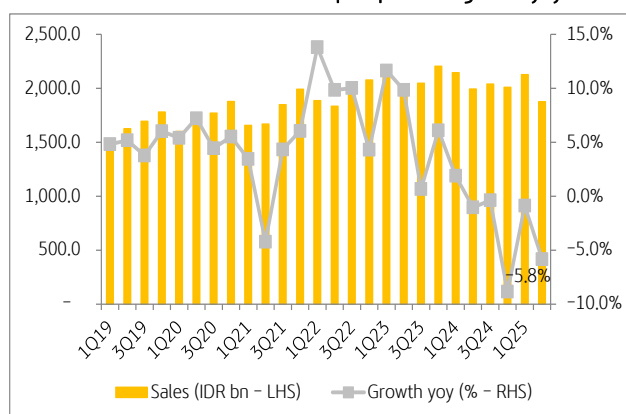
Source: Company, KBVS Research

Exhibit 7: Revenue from consumers health per quarter & growth yoy



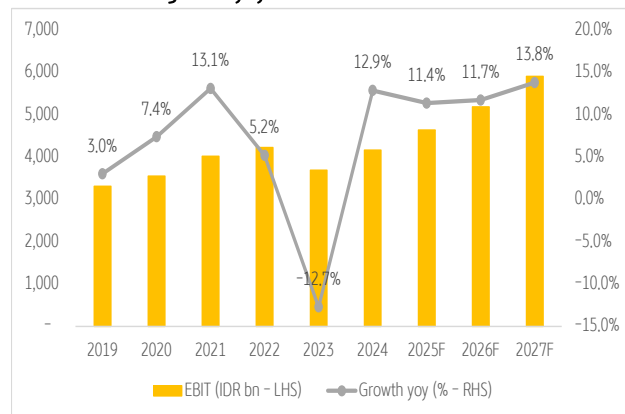
Source: Company, KBVS Research

Exhibit 8: Revenue from nutritionals per quarter & growth yoy



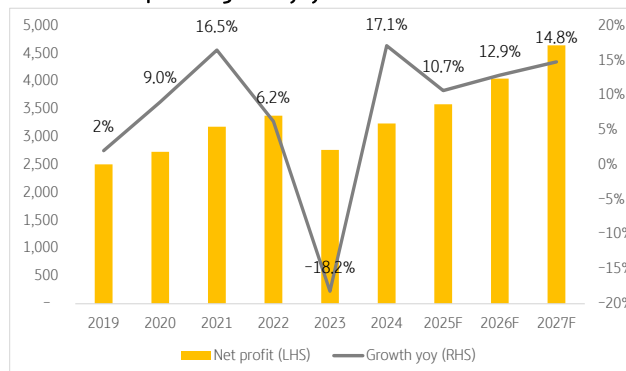
Source: Company, KBVS Research

Exhibit 9: EBIT & growth yoy



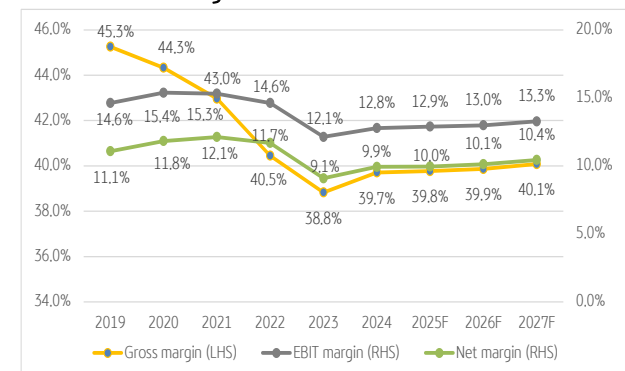
Source: Company, KBVS Research

Exhibit 10: Net profit & growth yoy



Source: Company, KBVS Research

Exhibit 11: KLBF' margins



Source: Company, KBVS Research

Exhibit 12: Profit & loss summary

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	30,449	32,628	36,031	39,967	44,506
COGS	(18,626)	(19,671)	(21,702)	(24,034)	(26,668)
Gross profit	11,823	12,957	14,329	15,932	17,838
Operating expenses	(8,130)	(8,787)	(9,685)	(10,743)	(11,930)
EBIT	3,694	4,170	4,645	5,190	5,907
EBITDA	4,054	4,541	5,068	5,761	6,503
Pre-tax profit	3,606	4,219	4,728	5,284	6,069
Net profit	2,767	3,241	3,586	4,048	4,647
EPS	59	69	77	86	99
EPS growth	-18%	17%	11%	13%	15%

Source: Company, KBVS Research

Exhibit 13: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent (with ST Investment)	3,232	4,723	5,423	6,875	8,218
Accounts receivables	4,652	4,865	5,372	5,959	6,636
Inventories	6,792	6,502	7,135	7,748	8,390
Others	1,241	1,098	1,220	1,334	1,481
Total current assets	15,918	17,188	19,150	21,916	24,725
Fixed assets – Net	7,978	8,269	8,626	8,272	7,948
Others	3,162	3,973	3,491	3,707	4,291
Total non-current assets	11,140	12,242	12,117	11,979	12,239
Total assets	27,058	29,430	31,266	33,894	36,964
Accounts payable	1,691	1,892	1,976	2,189	2,429
ST loan	121	269	18	(20)	(58)
Others	1,432	2,024	1,920	2,130	2,334
Total current liabilities	3,243	4,186	3,914	4,299	4,705
LT bank loan	298	65	298	298	298
Others non-current liabilities	396	588	497	538	604
Total non-current liabilities	694	654	796	836	903
Total liabilities	3,938	4,839	4,710	5,135	5,608
Shareholders equity	469	469	469	469	469
Add Paid-in capital	(34)	(29)	(29)	(29)	(29)
Others	(523)	(964)	(953)	(953)	(953)
Minority interests	1,701	1,802	1,856	1,877	1,933
Retained earnings	21,507	23,313	25,214	27,396	29,937
Total Equity	21,419	22,789	24,700	26,882	29,423
Total Liabilities & Equity	27,058	29,430	31,266	33,894	36,964

Source: Company, KBVS Research

Exhibit 14: Cash flow

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net profit	2,767	3,241	3,586	4,048	4,647
D&A	567	641	759	1,022	1,070
Changes in working capital	(285)	746	(1,225)	(886)	(1,006)
Others	(273)	384	(14)	(6)	(16)
Operating cash flow	2,776	5,011	3,106	4,178	4,694
Capital expenditures	(573)	(905)	(1,056)	(600)	(668)
Others	(603)	(839)	422	(284)	(662)
Investing cash flow	(1,176)	(1,743)	(634)	(884)	(1,330)
Net change in debt	(546)	(60)	(200)	(38)	(38)
Net change in equity	(18)	(316)	55	20	56
Others	5	38	59	41	66
Cash dividends paid	(1,760)	(1,439)	(1,686)	(1,866)	(2,106)
Financing cash flow	(2,318)	(1,777)	(1,772)	(1,843)	(2,021)
Net change in cash	(717)	1,491	700	1,452	1,343
Cash in beginning of the year	3,950	3,232	4,723	5,423	6,875
Cash at the end of the year	3,232	4,723	5,423	6,875	8,218

Source: Company, KBVS Research

Exhibit 15: Ratio analysis

Year End Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Revenue	5.2	7.2	10.4	10.9	11.4
Gross profit	1.0	9.6	10.6	11.2	12.0
Operating profit	(12.7)	12.9	11.4	11.7	13.8
EBITDA	(11.6)	12.0	11.6	13.7	12.9
Net profit	(18.2)	17.1	10.7	12.9	14.8
Profitability (%)					
Gross margin	38.8	39.7	39.8	39.9	40.1
Operating margin	12.1	12.8	12.9	13.0	13.3
EBITDA margin	13.3	13.9	14.1	14.4	14.6
Net margin	9.1	9.9	10.0	10.1	10.4
ROA	10.2	11.0	11.5	11.9	12.6
ROE	12.9	14.2	14.5	15.1	15.8
Solvency (x)					
Current ratio	4.9	4.1	4.9	5.1	5.3
Quick ratio	2.8	2.6	3.1	3.3	3.5
Debt to equity	0.0	0.0	0.0	0.0	0.0
Interest coverage	38.8	60.2	63.5	65.6	80.0
Net gearing	(0.1)	(0.2)	(0.2)	(0.2)	(0.3)

Source: Company, KBVS Research

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