

Kalbe Farma Tbk (KLBF IJ)

Pertumbuhan Tetap Sesuai Jalur

KLBF melaporkan hasil 1Q21 sejalan dengan ekspektasi pasar. Sementara itu, kami melihat KLBF masih menjadi pilihan menarik untuk investasi jangka panjang dengan posisi keuangan yang kuat dan rencana bisnis yang solid.

Pendapatan 1Q21, sesuai ekspektasi pasar.

- KLBF mencatatkan laba bersih sebesar IDR716miliar (+7,0% YoY; +10,3% QoQ), sejalan dengan kinerja perusahaan di tahun-tahun sebelumnya, membentuk 24,6% dari perkiraan FY21 kami.
- GPM mencapai 44% di 1Q21 dari 45,2% di 1Q20, yang menurut kami disebabkan oleh kenaikan harga bahan baku karena melemahnya nilai tukar.
- Sementara itu, margin operasi dan margin bersih naik menjadi 14,5% dan 11,9% di 1Q21 (vs. 1Q20: 14,1% dan 11,5%). Pertumbuhan di 1Q21 ini disebabkan efisiensi biaya operasional.
- Meskipun ada optimisme atas pemulihan permintaan, KLBF mencatat pertumbuhan kinerja yang kurang dengan pendapatan naik tipis 3,8% YoY menjadi Rp6,0tn.
- Berdasarkan rincian penjualan 1Q21, semua segmen tumbuh, kecuali makanan nutrisi dan farmasi yang mencatat pertumbuhan mendarat.

Rencana Bisnis yang Solid

- Manajemen menetapkan target pertumbuhan pendapatan yang lebih konservatif sebesar 5-6% tahun ini, dengan mempertimbangkan pemulihan daya beli secara bertahap dan situasi yang kurang menguntungkan, sejalan dengan estimasi pendapatan kami untuk FY21F.
- Manajemen mengalokasikan anggaran belanja modal IDR 1,0triliun tahun ini untuk meningkatkan produksi, mengembangkan aplikasi kesehatan digital, dan pengembangan produk-produk baru.
- Namun, kami memperkirakan KLBF dapat memiliki prospek yang lebih cerah dalam jangka panjang, didukung oleh strategi bisnis manajemen yang solid
- Pertama, KLBF telah meluncurkan alat tes diagnostik Covid-19 berbasis air liur dengan harga Rp488.000/kit. Kami melihat bahwa produk ini akan diminati karena Indonesia masih melawan wabah Covid-19, ditambah dengan kekhawatiran gelombang kedua.
- Kedua, anak perusahaan KLBF, Kalbe Genexine Biologics (KGBio) menandatangani perjanjian lisensi dengan Genexine Korea Selatan untuk mengembangkan dan mengkomersialkan obat imun-onkologi GX-17. Saat ini GX-17 masih dalam tahap uji klinis tahap kedua.
- Ketiga, anak perusahaan KLBF, Enseval Putra Megatrading (EPMT) telah ditugaskan untuk mendistribusikan vaksin Covid-19 Pemerintah ke 7 provinsi, sebagian besar di Sumatera dan Kalimantan.
- Keempat, vaksin KLBF GX-19 saat ini memasuki uji klinis fase kedua dan diharapkan dapat dikomersialkan pada kuartal keempat. Dalam pandangan kami, dengan izin dari pemerintah Indonesia, skema vaksinasi Covid-19 swasta akan menguntungkan KLBF.

Mempertahankan Rekomendasi BUY

- Sejalan dengan hasil 1Q21, kami mempertahankan rekomendasi BUY untuk KLBF dengan TP tidak berubah sebesar Rp1.750/ saham (berdasarkan target P/E sebesar 26,3x)
- Kami tetap optimis terhadap prospek perusahaan, didukung oleh efisiensi biaya, posisi kas yang kuat, dan arus kas operasi yang kuat.
- Risiko Target Harga kami: depresiasi rupiah, pengembangan vaksin lebih lama dari perkiraan, dan konsumsi lemah.

Kalbe Farma Tbk | Summary (IDR Bn)

| | 2020A | 2021E | 2022F | 2023F |
|----------------|--------|--------|--------|--------|
| Net Sales | 23,113 | 24,419 | 26,333 | 28,447 |
| Growth | 2.1% | 5.7% | 7.8% | 8.0% |
| Net Profit | 2,733 | 2,897 | 3,120 | 3,418 |
| Growth | 9.0% | 6.0% | 7.7% | 9.6% |
| EPS (IDR) | 58 | 62 | 67 | 73 |
| P/E | 25.4x | 28.3x | 26.3x | 24.0x |
| P/BV | 3.8x | 4.1x | 3.8x | 3.5x |
| EV/EBITDA | 15.8x | 18.4x | 17.2x | 15.5x |
| ROE | 15.0% | 14.5% | 14.4% | 14.5% |
| DER | 6.3% | 5.5% | 4.5% | 4.3% |
| Dividend Yield | 1.8% | 1.6% | 1.7% | 1.9% |

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

Company Update | May, 07 2021

BUY

| | |
|-----------------------|--------|
| Target Price (IDR) | 1,750 |
| Consensus Price (IDR) | 1,794 |
| TP to Consensus Price | -2.5% |
| vs. Last Price | +19.9% |

Shares data

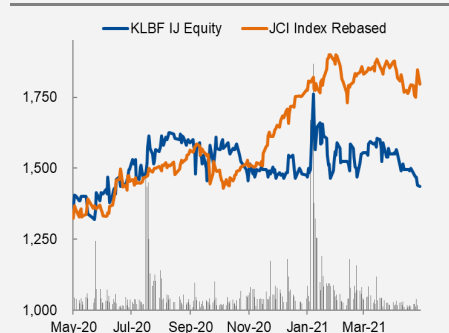
| | |
|------------------------|--------------|
| Last Price (IDR) | 1,460 |
| Price date as of | May 06, 2021 |
| 52 wk range (Hi/Lo) | 1,760/ 1,100 |
| Free float (%) | 42.6 |
| Outstanding sh.(mn) | 46,875 |
| Market Cap (IDR bn) | 68,906 |
| Market Cap (USD mn) | 4,775 |
| Avg. Trd Vol - 3M (mn) | 35.61 |
| Avg. Trd Val - 3M (bn) | 54.98 |
| Foreign Ownership | 17.2% |

Consumer Health

Pharmaceutical & Nutritional Products

| | |
|-----------|---------|
| Bloomberg | KLBF IJ |
| Reuters | KLBF.JK |

Share Price Performance



| | YTD | 1M | 3M | 12M |
|-----------|-------|-------|-------|--------|
| Abs. Ret. | -2.7% | -7.4% | -9.7% | 4.0% |
| Rel. Ret. | -0.2% | -7.1% | -6.5% | -22.2% |

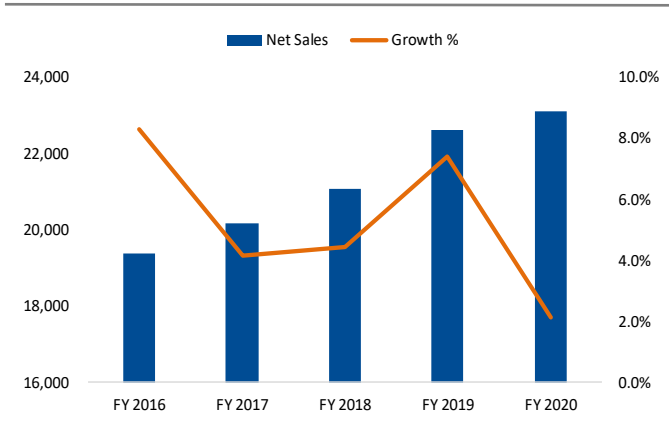
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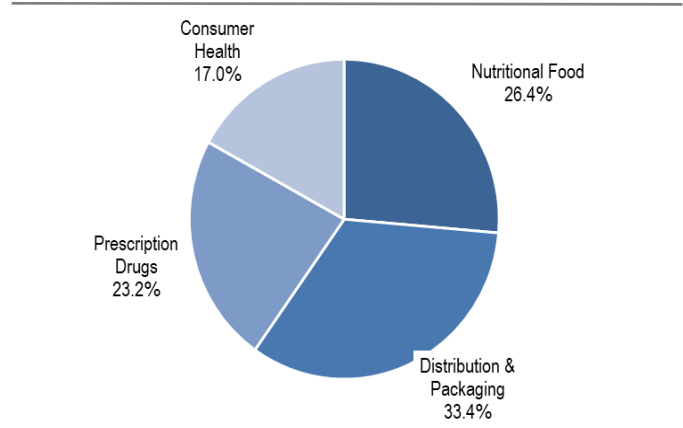
Performance Highlights

KLBF's FY17A—FY20A Revenues



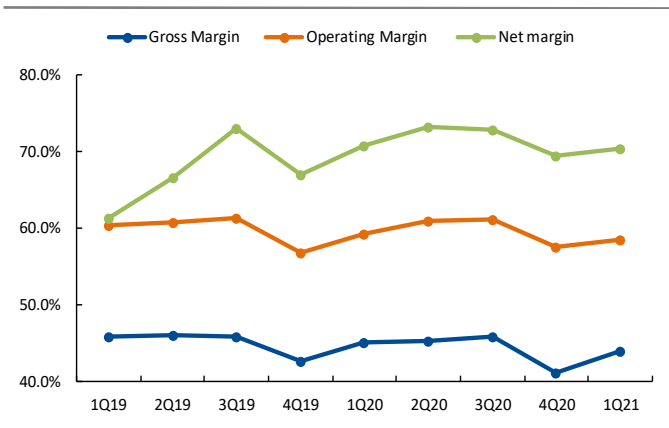
Source: Company Data, NHKSI Research

KLBF's Revenue Breakdown



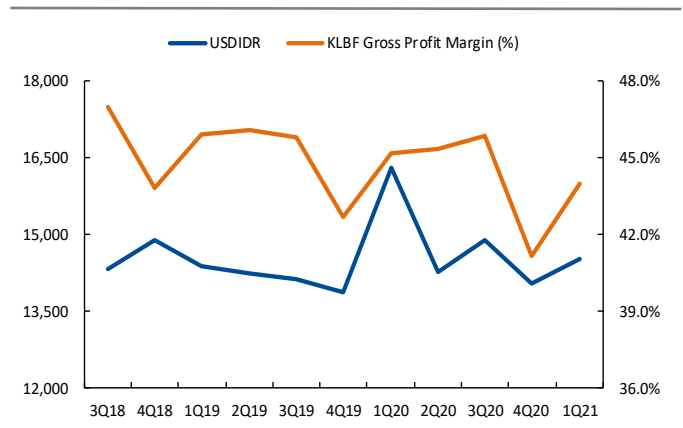
Source: Company Data, NHKSI Research

KLBF's Margin Ratios



Source: Company Data, NHKSI Research

KLBF's Gross Margin



Source: Company Data, NHKSI Research

Company Overview



- PT Kalbe Farma Tbk (KLBF), didirikan pada tahun 1966, adalah perusahaan farmasi terkemuka di Indonesia.
- KLBF memperluas dan mengubah bisnisnya menjadi solusi perawatan kesehatan terintegrasi yang diwujudkan dalam empat divisi bisnisnya yang terdiversifikasi dengan baik: Obat Resep (kontribusi 23%), Kesehatan Konsumen (kontribusi 17%), Nutrisi (kontribusi 30%), dan Distribusi & Logistik (30 % kontribusi). Keempat divisi mengelola portofolio komprehensif obat resep dan obat OTC, minuman energi dan produk nutrisi, serta bisnis distribusi yang kuat yang melayani lebih dari satu juta gerai di seluruh nusantara.
- Ini memiliki anak perusahaan utama, yaitu Bintang Toedjoe, Saka Farma, Enseval Putera Megatrading (EPMT IJ), Kalbe Morinaga, Sanghiang Perkasa, Kalbe Blackmores Nutrition, dan Kalbe International Pte. Ltd.

Asia pharmaceutical companies peers analysis

| Company | Market Cap | Asset | Sales | Net Profit LTM | Net Profit Growth LTM | Net Profit Margin | ROE | P/E LTM | P/BV |
|---------------------------|------------|-------|-------|----------------|-----------------------|-------------------|-------|---------|-------|
| Indonesia | | | | | | | | | |
| Kalbe Farma | 4,775 | 1,620 | 1,604 | 191 | 7.73% | 11.9% | 16.0% | 24.8x | 3.8x |
| Kimia Farma | 1,047 | 1,261 | 688 | 1 | N/A | 0.2% | 0.2% | 856.6x | 2.2x |
| Sido Muncul | 1,611 | 276 | 234 | 67 | 17.00% | 28.6% | 31.2% | 23.7x | 7.9x |
| India | | | | | | | | | |
| Laurus Labs Ltd | 3,570 | 786 | 648 | 133 | 285.40% | 20.4% | 45.1% | 26.7x | 10.1x |
| Wockhardt Ltd | 776 | 1,085 | 401 | (10) | 64.42% | -2.4% | -2.6% | N/A | 2.1x |
| South Korea | | | | | | | | | |
| Hugel Inc | 2,020 | 878 | 179 | 36 | -5.87% | 19.9% | 5.8% | 54.3x | 3.1x |
| Bukwang Pharmaceutical Co | 1,305 | 368 | 144 | (6) | 2.82% | -4.2% | -2.5% | N/A | 5.0x |
| Daewoong Co Ltd | 1,714 | 1,688 | 1,151 | 84 | 59.98% | 7.3% | 15.1% | 14.1x | 2.0x |
| Sam Chun Dang Pharm Co | 1,063 | 291 | 142 | (1) | N/A | -0.6% | -0.6% | N/A | 6.2x |

Unit: IDR bn, %, X

Source: Bloomberg, NHKSI Research

Valuation highlights in charts

3-year forward P/E band



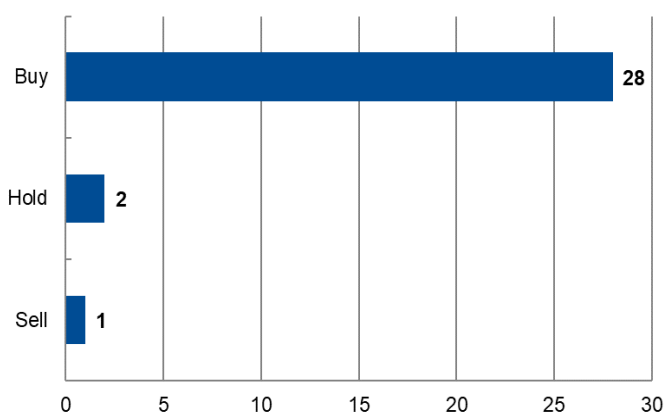
Source: Company Data, NHKSI Research

3-year dynamic forward P/E band



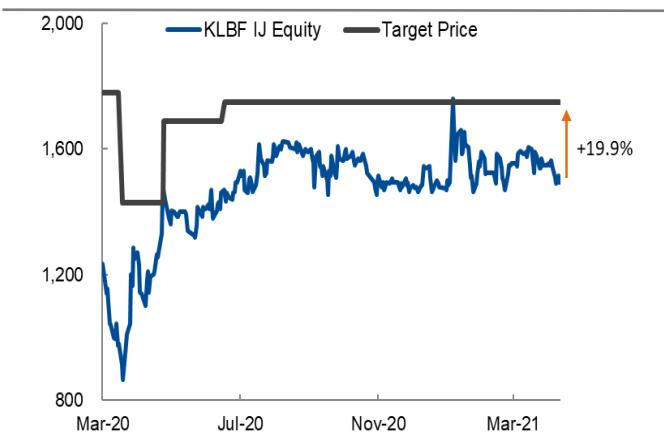
Source: Company Data, NHKSI Research

Consensus of analyst recommendation



Source: Bloomberg, NHKSI Research

Closing and Target Price Update



Source: Company Data, NHKSI Research

Rating and Target Price Update

Target Price Revision

| Date | Rating | Target Price | Last Price | Consensus | vs Last Price | vs Consensus |
|------------|--------|----------------|------------|-----------|---------------|--------------|
| 2020.03.06 | Buy | IDR1,430 (12M) | IDR1,235 | IDR1,587 | +15.8% | -9.9% |
| 2020.06.04 | Buy | IDR1,630 (12M) | IDR1,410 | IDR1,491 | +15.6% | +9.3% |
| 2020.08.10 | Buy | IDR1,870 (12M) | IDR1,625 | IDR1,683 | +15.1% | +11.1% |
| 2020.11.12 | Buy | IDR1,750 (12M) | IDR1,515 | IDR1,788 | +15.5% | -2.1% |

Source: NHKSI research, Bloomberg

Summary of Financials

| INCOME STATEMENT | | | | |
|--------------------------|---------------|---------------|---------------|---------------|
| (IDR bn) | 2020/12A | 2021/12E | 2022/12E | 2023/12E |
| Net Sales | 23,113 | 24,419 | 26,333 | 28,447 |
| <i>Growth</i> | 2.1% | 5.7% | 7.8% | 8.0% |
| COGS | (12,866) | (13,506) | (14,768) | (15,907) |
| Gross Profit | 10,246 | 10,913 | 11,564 | 12,541 |
| <i>Gross Margin</i> | 44.3% | 44.7% | 43.9% | 44.1% |
| Operating Expenses | (6,691) | (7,326) | (7,636) | (8,250) |
| EBIT | 3,555 | 3,588 | 3,928 | 4,291 |
| <i>EBIT Margin</i> | 15.4% | 14.7% | 14.9% | 15.1% |
| Depreciation | 627 | 637 | 531 | 610 |
| EBITDA | 4,182 | 4,225 | 4,459 | 4,901 |
| <i>EBITDA Margin</i> | 18.1% | 17.3% | 16.9% | 17.2% |
| Interest Expenses | (76) | (13) | (79) | (70) |
| EBT | 3,668 | 3,818 | 4,112 | 4,505 |
| Income Tax | (868) | (867) | (933) | (1,023) |
| Minority Interest | (66) | (54) | (59) | (64) |
| Net Profit | 2,733 | 2,897 | 3,120 | 3,418 |
| <i>Growth</i> | 9.0% | 6.0% | 7.7% | 9.6% |
| <i>Net Profit Margin</i> | 11.8% | 11.9% | 11.8% | 12.0% |

| PROFITABILITY & STABILITY | | | | |
|---------------------------|----------|----------|----------|----------|
| | 2020/12A | 2021/12E | 2022/12E | 2023/12E |
| ROE | 15.0% | 14.5% | 14.4% | 14.5% |
| ROA | 12.1% | 12.0% | 12.0% | 12.2% |
| Inventory Turnover | 3.5x | 3.7x | 3.9x | 3.8x |
| Receivable Turnover | 6.6x | 7.1x | 7.8x | 7.8x |
| Payables Turnover | 10.5x | 10.6x | 10.4x | 10.4x |
| Dividend Yield | 1.8% | 1.6% | 1.7% | 1.9% |
| Payout Ratio | 48.6% | 49.0% | 49.0% | 49.0% |
| DER | 6.3% | 5.5% | 4.5% | 4.3% |
| Net Gearing | 6.3% | 6.3% | 5.2% | 4.9% |
| Equity Ratio | 81.0% | 82.3% | 83.7% | 84.0% |
| Debt Ratio | 0.1x | 0.0x | 0.0x | 0.0x |
| Financial Leverage | 1.0x | 1.0x | 1.0x | 1.0x |
| Current Ratio | 4.1x | 4.4x | 4.7x | 4.7x |
| Quick Ratio | 3.0x | 3.3x | 3.5x | 3.6x |
| Par Value (IDR) | 10 | 10 | 10 | 10 |
| Total Shares (mn) | 46,875 | 46,875 | 46,875 | 46,875 |
| Share Price (IDR) | 1,480 | 1,750 | 1,750 | 1,750 |
| Market Cap (IDR tn) | 69.4 | 82.0 | 82.0 | 82.0 |

| BALANCE SHEET | | | | |
|----------------------------------|---------------|---------------|---------------|---------------|
| (IDR bn) | 2020/12A | 2021/12E | 2022/12E | 2023/12E |
| Cash | 5,396 | 6,414 | 7,226 | 8,019 |
| Receivables | 3,477 | 3,427 | 3,391 | 3,663 |
| Inventories | 3,600 | 3,653 | 3,803 | 4,140 |
| Total Current Assets | 13,075 | 14,137 | 15,095 | 16,534 |
| Net Fixed Assets | 8,310 | 8,693 | 9,347 | 10,046 |
| Other Non Current Assets | 1,179 | 1,375 | 1,473 | 1,522 |
| Total Non Current Assets | 9,489 | 10,068 | 10,820 | 11,567 |
| Total Assets | 22,564 | 24,205 | 25,915 | 28,102 |
| Payables | 1,240 | 1,298 | 1,416 | 1,525 |
| ST Bank Loan | 369 | 338 | 302 | 315 |
| Total Current Liabilities | 3,177 | 3,203 | 3,246 | 3,490 |
| LT Debt | 789 | 759 | 674 | 701 |
| Total Liabilities | 4,288 | 4,275 | 4,233 | 4,504 |
| Capital Stock & APIC | 435 | 435 | 435 | 435 |
| Retained Earnings | 16,876 | 18,433 | 20,185 | 22,100 |
| Shareholders' Equity | 18,276 | 19,930 | 21,682 | 23,597 |

| VALUATION INDEX | | | | |
|------------------------|----------|----------|----------|----------|
| | 2020/12A | 2021/12E | 2022/12E | 2023/12E |
| Price /Earnings | 25.4x | 28.3x | 26.3x | 24.0x |
| Price /Book Value | 3.8x | 4.1x | 3.8x | 3.5x |
| PE/EPS Growth | 2.8x | 4.7x | 3.4x | 2.5x |
| EV/EBITDA | 15.8x | 18.4x | 17.2x | 15.5x |
| EV/EBIT | 18.6x | 21.7x | 19.6x | 17.7x |
| EV (IDR bn) | 66,103 | 77,776 | 76,845 | 76,090 |
| Sales CAGR (3-Yr) | 4.6% | 5.0% | 5.2% | 7.2% |
| Net Income CAGR (3-Yr) | 4.4% | 5.6% | 7.6% | 7.7% |
| Basic EPS (IDR) | 58 | 62 | 67 | 73 |
| BVPS (IDR) | 390 | 425 | 463 | 503 |
| DPS (IDR) | 26 | 29 | 30 | 33 |

| OWNERSHIP | |
|------------------------|------|
| Shareholders | % |
| Gira Sole Prima | 10.2 |
| Santa Seha Sanadi | 10.0 |
| Diptanala Bahana | 9.5 |
| Lucasta Mumi Cemerlang | 9.5 |
| By Geography | % |
| Indonesia | 82.8 |
| United States | 7.5 |
| Canada | 2.7 |
| Luxembourg | 1.9 |

| CASH FLOW STATEMENT | | | | |
|----------------------------|--------------|--------------|------------|------------|
| (IDR bn) | 2020/12A | 2021/12E | 2022/12E | 2023/12E |
| Operating Cash Flow | 4,280 | 3,551 | 3,634 | 3,641 |
| Investing Cash Flow | (1,706) | (1,173) | (1,283) | (1,358) |
| Financing Cash Flow | (758) | (1,304) | (1,540) | (1,490) |
| Net Changes in Cash | 1,817 | 1,073 | 811 | 794 |

Source: Company Data, NHKSI Research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to 15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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