PT Kalbe Farma Tbk. (KLBF)

Distribution Drives the Top Line, Margins Remain the Swing Factor

KLBF's 9M26 revenue grew +11.5% YoY to IDR 29.0 tn (from IDR 26.0 tn in 9M25), running ahead of our previous FY26F forecast at 76.4% (9M25: 73.6% of FY25 revenue). 3Q26 revenue alone rose +6.6% YoY to IDR 9.5 tn (from IDR 8.9 tn in 3Q25; -3.1% QoQ), with Distribution & Logistics remaining the standout at +12.2% YoY to IDR 3.4 tn. GPM compressed to 37.6% in 9M26 (vs. 40.5% in 9M25), as gross profit rose only +3.6% YoY to IDR 10.9 tn on raw material costs and product mix. OPM eased to 12.1% (vs. 12.8% in 9M25) and NPM to 9.4% (vs. 10.1% in 9M25), with net profit of IDR 2.7 tn (+4.0% YoY), equating to 73.8% of our FY26F net profit, in line with our expectations. 3Q26 net profit rebounded +24.5% YoY to IDR 817 bn, as promotion spend fell -19.8% YoY to IDR 776 bn. We raise our FY26F revenue to IDR 39.1 tn (previously IDR 37.9 tn) and maintain our FY26F net profit at IDR 3.71 tn. We maintain our "Buy" rating on KLBF with an unchanged target price of IDR 1,100/share.

9M26 & 3Q26 Financial Performance

- **Double-digit growth sustained into 9M26.** KLBF's 9M26 revenue grew +11.5% YoY to IDR 29.0 tn (from IDR 26.0 tn in 9M25), outpacing the +7.2% YoY growth recorded in 9M25. 3Q26 revenue rose +6.6% YoY to IDR 9.5 tn (from IDR 8.9 tn in 3Q25) but eased -3.1% QoQ (from IDR 9.8 tn in 2Q26).
- **Distribution continues to lead the growth.** In 9M26, Distribution & Logistics revenue rose +21.6% YoY to IDR 10.6 tn (from IDR 8.7 tn in 9M25), lifting its contribution to 36.5% of revenue (vs. 33.4% in 9M25). Prescription Pharmaceuticals rose +6.5% YoY to IDR 8.2 tn, Consumer Health +9.9% YoY to IDR 4.0 tn and Nutritionals +4.1% YoY to IDR 6.3 tn. In 3Q26, Distribution grew +12.2% YoY (-9.5% QoQ) to IDR 3.4 tn, Prescription +5.2% YoY (+6.9% QoQ) to IDR 2.9 tn and Consumer Health +8.0% YoY (-5.0% QoQ) to IDR 1.2 tn, while Nutritionals was flat (-0.5% YoY, -3.4% QoQ) at IDR 2.0 tn.
- **Margins remain under pressure from costs and mix.** 9M26 GPM compressed to 37.6% (vs. 40.5% in 9M25), with gross profit up only +3.6% YoY to IDR 10.9 tn. In 3Q26, GPM was 37.8% (vs. 39.5% in 3Q25/36.8% in 2Q26), dragged by Prescription, whose GPM slid to 45.3% (vs. 50.0% in 3Q25) on USD-linked raw material costs and product mix. OPM eased to 12.1% in 9M26 (vs. 12.8% in 9M25) but improved to 11.3% in 3Q26 (vs. 9.2% in 3Q25), as promotion spend fell -19.8% YoY to IDR 776 bn.
- **Bottom line holds up and stays in line with our estimates.** 9M26 net profit rose +4.0% YoY to IDR 2.7 tn (from IDR 2.6 tn in 9M25), equating to 73.8% of our FY26F net profit forecast, in line with our expectations, with NPM at 9.4% (vs. 10.1% in 9M25). 3Q26 net profit rose +24.5% YoY to IDR 817 bn (from IDR 656 bn in 3Q25) but eased -8.2% QoQ (from IDR 891 bn in 2Q26), with NPM at 8.6% (vs. 7.4% in 3Q25/9.1% in 2Q26).

Cost Risks Persist into 4Q26F

- **IDR depreciation remains an ongoing cost risk.** The rupiah closed at IDR 18,268/USD on 16 November 2026, weaker by around 8% YoY (from ~IDR 16,700/USD in November 2025) and from ~IDR 17,850/USD at our 2Q26 update. This remains a key concern given the significant USD-denominated raw material base, already visible in the Prescription GPM decline to 45.3% in 3Q26 (vs. 50.0% in 3Q25), and particularly relevant for the Nutritionals segment.
- **Oil prices lift distribution costs.** Brent rose +42% QoQ to around USD 104/barrel in 3Q26, and non-subsidized fuel prices (incl. Dexlite) were raised on 2 September. The impact so far shows up in distribution rather than gross margin: transportation and delivery expenses rose +43.2% YoY to IDR 242 bn in 3Q26 (2.5% of revenue vs. 1.9% in 3Q25), while manufacturing overhead was flat. Although Brent has eased to around USD 92/barrel, fuel prices have stayed at September levels through November, which should keep transportation costs at or above the 3Q26 run-rate.
- **We raise FY26F revenue, but keep net profit unchanged.** We raise our FY26F revenue to IDR 39.1 tn (previously IDR 37.9 tn), as 9M26 revenue has already reached 76.4% of our previous forecast, above the typical 9M share of ~74% in 2023-2025, led by Distribution & Logistics (+21.6% YoY in 9M26), while 4Q revenue is seasonally higher than 3Q. We keep our FY26F net profit at IDR 3.71 tn, however, as most of the additional revenue comes from lower-margin Distribution, gross margin remains pressured by USD-denominated raw materials and distribution costs keep rising. 9M26 net profit of IDR 2.7 tn equals 73.8% of our forecast, in line with its historical 9M run-rate.

Maintain "Buy" Recommendation with Target Price of IDR 1,100

- **We maintain our "Buy" rating on KLBF with an unchanged target price of IDR 1,100/share (13.4x FY26F P/E), offering +42.9% upside**. The stock trades at ~9.4x FY26F P/E, below the -1 standard deviation level (12.2x) of its 3-year historical range, while our target multiple remains well below the 3-year mean of 18.1x. KLBF's multi-segment platform provides a natural hedge against segment-specific cyclicality, while Enseval, the largest healthcare distribution network, remains its competitive moat.
- **Risks:** (1) prolonged rupiah weakness further compressing GPM on USD-denominated raw materials, (2) weaker household purchasing power weighing on Nutritionals and Consumer Health volumes, (3) pricing pressure on generic and JKN-tendered Prescription products and (4) higher fuel and logistics costs eroding Distribution margins.

PT Kalbe Farma Tbk. | Summary (IDR Billions)

	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Revenue	35,325	39,064	42,351	45,576
Growth (%y/y)	8.3%	10.6%	8.4%	7.6%
Net Profit	3,665	3,707	3,923	4,154
Growth (%y/y)	13.1%	1.2%	5.8%	5.9%
Basic EPS (IDR)	81	82	87	92
Price / Earnings	14.9	13.4	12.6	11.9
Price / Book Value	2.3	1.9	1.8	1.6
EV/EBITDA	9.3	7.9	7.3	6.6
ROE	15.7%	14.3%	13.9%	13.5%
ROA	11.9%	11.3%	11.0%	10.7%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Update Report | 20th November 2026

BUY

Target Price (IDR)	**1,100**
Consensus Price	1,040
TP to Consensus Price	+5.8%
Potential Upside	+42.9%

Shares Data

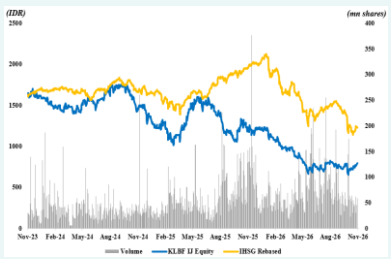
Last Price (IDR)	770
Price date as of	19th November 2026
52 wk range (Hi/Lo)	1,280 / 630
Free Float (%)	33.3
Outstanding sh (mn)	45,063
Market Cap (IDR bn)	34,699
Market Cap (USD mn)	1,902
Avg. Trd Vol – 3M (mn)	60.97

Sector
Healthcare

Sub-Sector
Pharmacy & Healthcare Research

Bloomberg	KLBF IJ Equity
Reuters	KLBF JK

Shares Price Performance

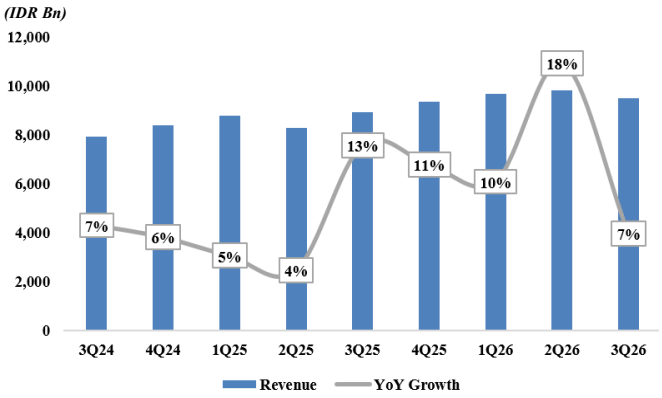


	YTD	3M	6M	12M
Abs.Ret	-36.1%	-1.3%	-7.8%	-37.4%
Rel.Ret	+6.4%	+21.5%	+13.1%	+1.3%

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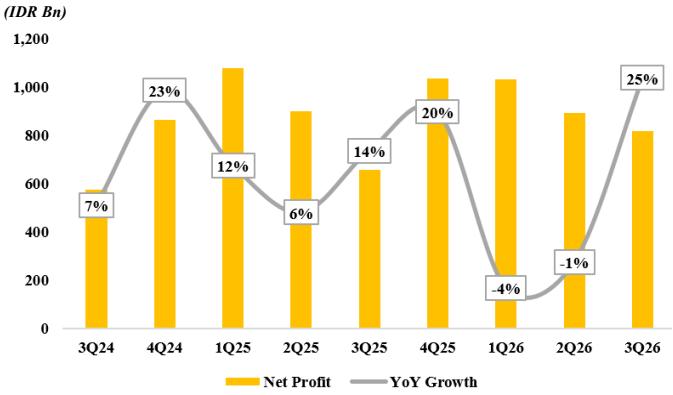
Performance Highlight for KLBF

Exhibit 1. KLBF Quarterly Revenue Performance (3Q24-3Q26)



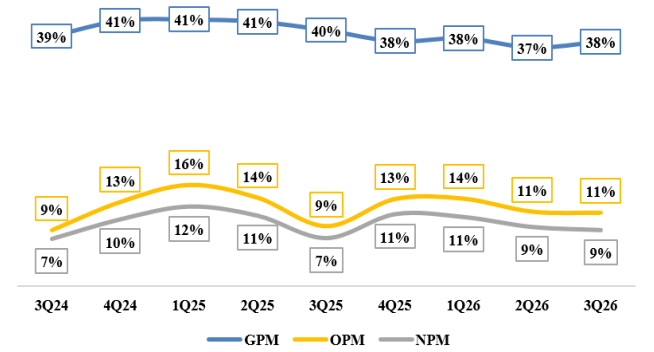
Source: Company, NHKSI Research

Exhibit 2. KLBF Quarterly Net Profit Performance (3Q24-3Q26)



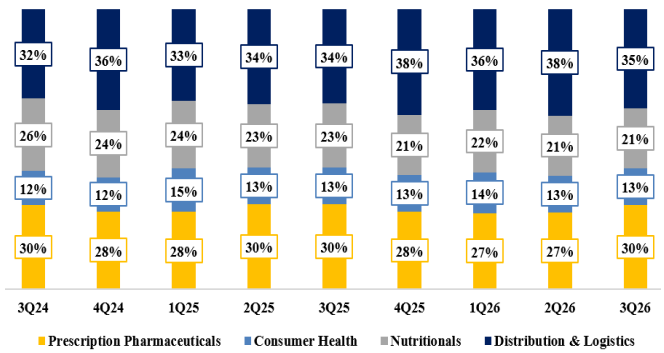
Source: Company, NHKSI Research

Exhibit 3. KLBF Margin Performance (3Q24-3Q26)



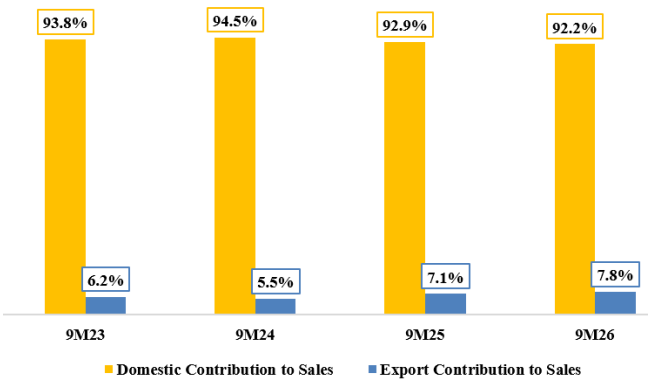
Source: Company, NHKSI Research

Exhibit 4. KLBF Revenue by Segment (3Q24-3Q26)



Source: Company, NHKSI Research

Exhibit 5. KLBF Domestic & Export Contribution



Source: Company, NHKSI Research

Exhibit 6. KLBF 3-Year P/E Band



Source: Company, NHKSI Research

Summary of KLBF's Financials & Forecast

INCOME STATEMENT

IDR bn	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Revenue	**35,325**	**39,064**	**42,351**	**45,576**
Growth %	8.3%	10.6%	8.4%	7.6%
COGS	(21,269)	(24,406)	(26,662)	(28,846)
Gross Profit	**14,056**	**14,658**	**15,689**	**16,729**
Gross Margin	39.8%	37.5%	37.0%	36.7%
Operating Expenses	(9,417)	(10,002)	(10,844)	(11,669)
EBIT	**4,582**	**4,716**	**4,911**	**5,130**
EBIT Margin	13.0%	12.1%	11.6%	11.3%
EBITDA	5,411	5,606	5,859	6,143
EBITDA Margin	15.3%	14.4%	13.8%	13.5%
Finance Expenses	(51)	(39)	(29)	(29)
EBT	**4,778**	**4,936**	**5,223**	**5,531**
Income Tax	(1,034)	(1,092)	(1,156)	(1,224)
Net Profit	**3,665**	**3,707**	**3,923**	**4,154**
Growth %	13.1%	1.2%	5.8%	5.9%
Net Profit Margin	10.4%	9.5%	9.3%	9.1%

PROFITABILITY & STABILITY

	FY25/12A	FY26/12F	FY27/12F	FY28/12F
ROE	15.7%	14.3%	13.9%	13.5%
ROA	11.9%	11.3%	11.0%	10.7%
Inventory Turnover	3.2x	3.3x	3.3x	3.3x
Receivables Turnover	6.8x	6.9x	7.1x	7.0x
Payables Turnover	10.4x	10.5x	10.8x	10.8x
Cash Conversion Cycle	134.3	128.4	128.8	129.4
Dividend Yield	1.7%	3.2%	3.4%	3.5%
Dividend Payout Ratio	24.7%	42.3%	42.3%	42.3%
DER	1.2%	1.1%	1.0%	0.9%
Net Debt/Equity	-16.3%	-20.0%	-23.6%	-26.9%
Current Ratio	3.5x	4.3x	4.5x	4.7x
Quick Ratio	2.2x	2.7x	2.9x	3.1x
Total Shares (mn)	45,287	45,063	45,063	45,063
Share Price (IDR)	1,205	1,100	1,100	1,100
Market Cap (IDR bn)	54,570	49,569	49,569	49,569

BALANCE SHEET

IDR bn	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Cash	4,331	5,776	7,337	9,037
Receivables	5,651	5,815	6,305	6,785
Inventories	6,985	7,738	8,453	9,146
Other Current Assets	1,540	1,540	1,540	1,540
Total Current Assets	**18,508**	**20,870**	**23,636**	**26,508**
Net Fixed Assets	8,333	8,330	8,314	8,316
Other Non Current Assets	3,858	3,710	3,765	3,829
Total Non Current Assets	**12,191**	**12,041**	**12,079**	**12,145**
Total Assets	**30,699**	**32,910**	**35,714**	**38,653**
Trade Payables	2,403	2,472	2,700	2,921
ST Bank Loan	112	112	112	112
Other Current Liabilities	2,821	2,261	2,410	2,557
Total Current Liabilities	**5,336**	**4,845**	**5,223**	**5,590**
LT Debt (bank, lease, convertible)	164	164	164	164
Other Non Current Liabilities	470	470	470	470
Total Non Current Liabilities	**635**	**635**	**635**	**635**
Total Liabilities	**5,971**	**5,480**	**5,857**	**6,225**
Capital Stock & APIC	350	350	350	350
Retained Earnings	25,343	28,145	30,499	32,992
Shareholders' Equity	**23,312**	**25,929**	**28,283**	**30,777**

VALUATION INDEX

	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Price / Earnings	14.9x	13.4x	12.6x	11.9x
Price / Book Value	2.3x	1.9x	1.8x	1.6x
PE to Growth	1.0x	8.1x	2.2x	2.0x
EPS Growth	15%	2%	6%	6%
EV/EBITDA	9.3x	7.9x	7.3x	6.6x
EV/EBIT	11.0x	9.3x	8.7x	8.0x
EV (IDR bn)	50,538	44,092	42,530	40,830
Sales CAGR (3-Year)	8%	9%	9%	9%
Net Income CAGR (3-Year)	1%	10%	7%	4%
Basic EPS (IDR)	81	82	87	92
BVPS (IDR)	515	575	628	683
DPS (IDR)	20	35	37	39

CASH FLOW STATEMENT

IDR bn	FY25/12A	FY26/12F	FY27/12F	FY28/12F
Operating Cash Flow	3,271	3,236	4,092	4,411
Investing Cash Flow	(800)	(650)	(890)	(975)
Financing Cash Flow	(2,869)	(1,142)	(1,640)	(1,736)
Net Changes in Cash	**(398)**	**1,444**	**1,561**	**1,700**

OWNERSHIP

Shareholders	**%**
PT Ladang Ira Panen	10.5%
PT Gira Sole Prima	10.3%
PT Santa Seha Sanadi	10.1%
PT Lucasta Murni Cemerlang	9.5%
PT Diptanala Bahana	9.3%
PT Bina Arta Charisma	8.2%
PT Kalbe Farma Tbk	3.7%
Public (each <5%)	38.4%
By Geography	**%**
Indonesia	87.4%
United States	5.0%
Others	7.6%

Source: Company, Bloomberg & NHKSI Research

Please consider the rating criteria & important disclaimer

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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