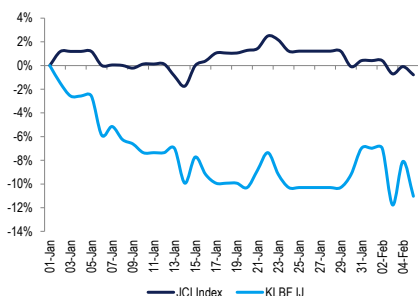


StockData

Target price	Rp1,780
Prior TP	Rp1,780
Current price	Rp1,210
Upside/downside	+47%
Shares outstanding (mn)	46,875
Marketcap (Rpbn)	56,719
Free float	40%
Avg. 6m daily T/O (Rpbn)	50

Price Performance

	3M	6M	12M
Absolute	-24.4%	-26.4%	-21.7%
Relative to JCI	-18.1%	-25.0%	-18.6%
52w low/high (Rp)	1,200 – 1,750		



Major Shareholders

PT Ladang Ira Panen	10.5%
PT Gira Sole Prima	10.3%
PT Santa Seha Sanadi	10.1%
PT Diptanala Bahana	9.5%
PT Lucasta Murni Cemerlang	9.5%
PT Bina Arta Charisma	8.2%

Andrianto Saputra

PT Indo Premier Sekuritas
andrianto.saputra@ipc.co.id
+62 21 5088 7168 ext. 712

Nicholas Bryan

PT Indo Premier Sekuritas
nicholas.bryan@ipc.co.id
+62 21 5088 7168 ext. 722

4Q24F indicative results: In-line on both revenue and bottom-line

- FY24 net profit of Rp3.2tr (+17.3% yoy) was in-line with our/consensus estimates at 98/102%. FY24 revenue of Rp32.6tr was also in-line.
- 4Q24 GPM may improve by 274bps qoq, driven by consumer health sales growth of +6.9% qoq (vs. Pharma/Nutritional's -1.7/-1.0% qoq).
- Maintain BUY rating with unchanged TP to Rp1,780/sh.

FY24 indicative results: in-line earnings

KLBF may book FY24 net profit of Rp3.2tr (+17.3% yoy) and this shall be in-line with ours/consensus estimate at 98/102%. Revenue grew by 7.2% yoy to Rp32.6tr, also in-line. To note, FY24 revenue growth was driven by volume (+5% yoy), while ASP/new product launch at 1.5/0.7%. FY24 GPM is expected to improve by +97bps yoy to 39.8%. FY24 opex to sales ratio increased by +40bps yoy to 27.1% as KLBF increased its marketing activity on consumer and nutritional segments.

4Q24 GPM improvement on the back of better sales mix

KLBF booked 4Q24 sales of Rp8.4tr (+6.6% yoy/+6.3% qoq) as this was driven by pharmaceuticals and consumer health segment with growth of +18.4% yoy and 15.8% yoy. On the other side, Nutritional segment growth declined by -8.4% yoy amid downtrading as most of KLBF's Nutritional products are premium product. We note that consumer health sales growth which carries the highest GPM among segments improved by +6.9% qoq (vs. Pharma/Nutritional's -1.7/-1.0% qoq). Thus, the sales mix change leads to GPM improvement of 274bps qoq to 41.3% along with raw material improvement. With US\$ appreciation against Rupiah (+6.6% qoq), we estimate forex gain was at c.Rp53bn. In sum, 4Q24 net profit to reach Rp862bn (+22.7% yoy/+50.3% qoq).

FY25F outlook: pharma segment as the growth engine

KLBF guided FY25F sales/net profit to grow at 8-10% yoy (Fig. 2). In terms of segments, pharmaceutical segment remained the growth engine with low-teens growth (biosimilar and unbranded generics to grow by 15-20% yoy). Concurrently, distribution segment is estimated to grow by 9-12%, driven by capitalizing on the local content requirement, while consumer health and nutritional are expected to grow at 8-10% and mid-single digit, respectively. Moreover, KLBF has established the JV with China company to secure raw material (API) in Jul24, resulting in lower % of COGS linked to US\$ at 20% (vs. 29% previously). Hence, KLBF expects GPM to sustain in FY25F.

Maintain BUY with unchanged TP of Rp1,780

In sum, we maintain our BUY rating for KLBF with unchanged TP of Rp1,780/sh based on 22.5x FY25F PE (-0.5 s.d. from its 7yr mean). Key risks are depreciating Rupiah.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	28,934	30,449	33,229	35,872	38,789
EBITDA	4,908	4,350	4,986	5,538	5,948
Net profit	3,382	2,767	3,316	3,710	3,995
Net profit growth	1.9%	-15.0%	19.9%	11.9%	7.7%
ROE	15.6%	12.2%	13.7%	14.1%	14.2%
PER (x)	17.4	20.5	17.1	15.3	14.2
EV/EBITDA (x)	11.0	12.4	10.7	9.6	8.8
Dividend yield	3.0%	3.2%	2.8%	3.3%	3.7%
Forecast change				0%	0%
IPS vs. consensus				107%	107%

Source: Company, IndoPremier

Share price closing as of: 05 February 2025

Fig. 1: KLBF's 4Q24 indicative result

(Rp bn)	4Q24	4Q23	% YoY	3Q24	% QoQ	12M24	12M23	% YoY	IPS FY24F	% IPS	Cons FY24F	% Cons
Net sales	8,410	7,888	6.6%	7,911	6.3%	32,649	30,449	7.2%	33,229	98%	32,681	100%
COGS	(4,934)	(4,968)	-0.7%	(4,858)	1.6%	(19,656)	(18,626)	5.5%				
Gross profit	3,476	2,920	19.0%	3,052	13.9%	12,993	11,823	9.9%	13,004	100%	12,849	101%
Operating cost	(2,333)	(1,941)	20.2%	(2,343)	-0.4%	(8,848)	(8,130)	8.8%				
EBIT	1,143	979	16.7%	709	61.2%	4,145	3,694	12.2%	4,262	97%	4,127	100%
Others	12	(28)	-142.5%	(32)	N/A	0	(108)	N/A				
PBT	1,053	955	10.3%	725	45.3%	4,145	3,606	14.9%				
Tax	(216)	(250)	-13.5%	(159)	36%	(912)	(828)	10.2%				
Minorities	11	(3)	N/A	8	44%	(7)	(12)	-41.6%				
Net profit	862	702	22.7%	573	50.3%	3,240	2,767	17.1%	3,316	98%	3,181	102%
Margin (%)												
Gross margin	41.3%	37.0%		38.6%		39.8%	38.8%					
EBIT margin	13.6%	12.4%		9.0%		12.7%	12.1%					
Net margin	10.2%	8.9%		7.2%		9.9%	9.1%					
Opex to sales	27.7%	24.6%		29.6%		27.1%	26.7%					
Segment information												
Revenue breakdown												
Pharmaceuticals	2,339	1,976	18.4%	2,380	-1.7%	9,235	8,222	12.3%				
Consumer Health	1,030	889	15.8%	963	6.9%	4,315	4,049	6.6%				
Nutritionals	2,020	2,205	-8.4%	2,039	-1.0%	8,198	8,372	-2.1%				
Distribution	3,022	2,819	7.2%	2,528	19.5%	10,901	9,807	11.2%				

Source: Company, Bloomberg, Indo Premier

Fig. 2: KLBF FY25F guidance (USDIDR assumption at 16,100)

FY25F Guidance	
Revenue grow th	8-10%
Capex	Rp 1tr
Net Profit grow th	8-10%
DPR	45-55%
Segmental revenue growth	
Pharmaceutical	Low teens
Consumer Health	8-10%
Nutritionals	Mid single digit
Distribution and Logistics	9-12%

Source: Company, Indo Premier

Fig. 3: KLBF is currently trading at 15.9x 12M forward P/E, or around 2.0 s.d. below its historical 7-year mean



Source: Bloomberg, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net Revenue	28,934	30,449	33,229	35,872	38,789
Cost of Sales	(17,229)	(18,626)	(20,225)	(21,636)	(23,348)
Gross Profit	11,704	11,823	13,004	14,236	15,442
SG&A Expenses	(7,473)	(8,130)	(8,742)	(9,463)	(10,300)
Operating Profit	4,231	3,694	4,262	4,773	5,142
Net Interest	27	(7)	31	31	31
Forex Gain (Loss)	156	0	0	0	0
Others-Net	9	(108)	0	0	0
Pre-Tax Income	4,459	3,606	4,320	4,831	5,200
Income Tax	(1,009)	(828)	(992)	(1,109)	(1,194)
Minorities	(68)	(12)	(12)	(12)	(12)
Net Income	3,382	2,767	3,316	3,710	3,995

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & Equivalent	3,950	3,232	3,961	4,617	5,266
Receivable	4,614	4,652	5,538	5,979	6,465
Inventory	7,027	6,792	7,503	8,026	8,661
Other Current Assets	1,119	1,241	1,263	1,305	1,351
Total Current Assets	16,710	15,918	18,265	19,928	21,744
Fixed Assets - Net	7,957	7,978	7,982	7,951	7,885
Goodwill	0	0	0	0	0
Non-Current Assets	10,531	11,140	11,790	12,206	12,582
Total Assets	27,241	27,058	30,055	32,134	34,326

ST Loans	706	121	0	0	0
Payable	2,681	1,691	2,247	2,404	2,594
Other Payables	446	369	443	473	511
Current Portion of LT Loans	150	179	0	0	811
Total Current Liab.	4,431	3,243	3,413	3,651	4,751
Long Term Loans	287	298	811	811	0
Other LT Liab.	426	396	396	396	396
Total Liabilities	5,144	3,938	4,620	4,858	5,147

Equity	469	469	469	469	469
Retained Earnings	20,498	21,507	23,253	25,083	26,974
Minority Interest	1,712	1,701	1,713	1,724	1,736
Total SHE + Minority Int.	22,097	23,120	25,435	27,276	29,179
Total Liabilities & Equity	27,241	27,058	30,055	32,134	34,326

Source: Company, Indo Premier

*Indicative result on income statement

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
EBIT	4,231	3,694	4,262	4,773	5,142
Depr. & Amortization	160	(289)	724	765	806
Changes in Working Capital	(3,389)	(557)	(1,149)	(768)	(878)
Others	(936)	(915)	(1,215)	(1,051)	(1,136)
Cash Flow From Operating	65	1,932	2,622	3,720	3,934
Capital Expenditure	(601)	(678)	(689)	(689)	(689)
Others	(689)	(659)	(404)	(493)	(493)
Cash Flow From Investing	(1,290)	(1,337)	(1,093)	(1,182)	(1,182)
Loans	559	(545)	213	0	0
Equity	0	0	0	0	0
Dividends	(1,718)	(1,950)	(1,570)	(1,881)	(2,103)
Others	(895)	(5)	557	0	0
Cash Flow From Financing	(2,054)	(2,500)	(801)	(1,881)	(2,103)
Changes in Cash	(3,123)	(1,904)	728	657	649

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross Margin	40.5%	38.8%	39.1%	39.7%	39.8%
Operating Margin	14.6%	12.1%	12.8%	13.3%	13.3%
Pre-Tax Margin	15.4%	11.8%	13.0%	13.5%	13.4%
Net Margin	11.7%	9.1%	10.0%	10.3%	10.3%
ROA	12.8%	10.2%	11.6%	11.9%	12.0%
ROE	15.6%	12.2%	13.7%	14.1%	14.2%
Acct. Receivables TO (days)	51.5	55.5	60.8	60.8	60.8
Inventory TO (days)	128.3	135.4	135.4	135.4	135.4
Payable TO (days)	53.6	42.8	40.6	40.6	40.6
Debt to Equity	5.2%	2.6%	3.2%	3.0%	2.8%
Interest Coverage Ratio (x)	76.8	38.8	74.5	83.5	89.9
Net Gearing	-12.7%	-11.4%	-12.4%	-14.0%	-15.3%

Source: Company, Indo Premier

INVESTMENT RATINGS

BUY : Expected total return of 10% or more within a 12-month period
HOLD : Expected total return between -10% and 10% within a 12-month period
SELL : Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.