Kalbe Farma (KLBF): IDR 1,590 — BUY, SSI TP: IDR 1800; Cons. TP: IDR 1,665

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Your Lifelong Investment Partner

2Q24 Results: 31 July 2024

(IDR Bn)	2Q24	2Q23	QoQ (%)	YoY (%)	6M24	6M23	YoY (%)	SSI (%)	Cons (%)
Revenue	7,965	7,310	-4.8	9.0	16,328	15,179	7.6	51.2	50.1
Gross Profit	3,143	2,956	-5.4	6.3	6,464	6,176	4.7	50.8	50.0
Operating Profit	1,073	878	-12.0	22.3	2,293	2,027	13.1	54.6	56.1
Net Profit	818	673	-17.2	21.4	1,805	1,529	18.1	54.7	57.7
Key Ratios									
GPM (%)	39.5	40.4	-	-	39.6	40.7	-	-	-
OPM (%)	13.5	12.0	-	-	14.0	13.4	-	-	-
NPM (%)	10.3	9.2	-	-	11.1	10.1	-	-	-

SWOT Analysis of the Results (Above)

Strength
In 2Q24, prescription pharma revenue grew +5.6% QoQ and +20.2% YoY, most likely driven by higher sales volumes; 2Q24 nutritional margin increased to 51.6% (1Q24: 51.2%; 2Q23: 47.8%) thanks to lower raw material prices (skim milk price fell -7% YTD); lower wages and marketing costs resulted in higher EBIT margin

Weakness
2Q24 consumer health margin declined to 59.7% (1Q24: 63.6%; 2Q23: 53.9%), which we attribute to IDR depreciation raising raw materials prices, sales down-trading and changes in top-line mix

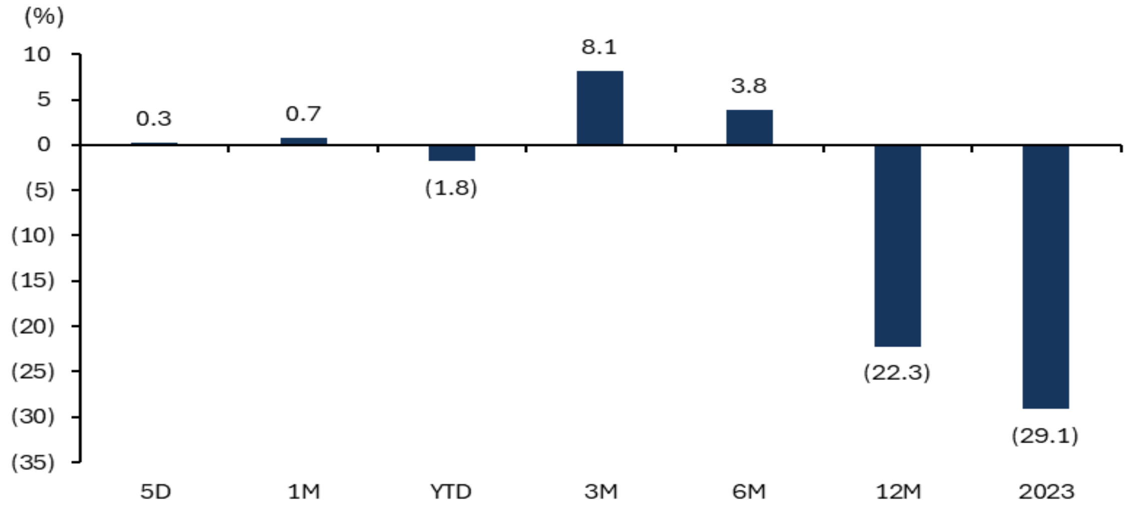
Opportunity
Upcoming La-Nina, rainy season, and consumer tendency to self-medicate due to weak purchasing power may help boost sales of OTC and healthcare products; potential earnings upgrade and market underperformance provide buying opportunities

Threat
Challenging economic conditions may dampen consumer purchasing power and limit price increases while IDR weakness may further apply pressure on GPM

Peer Comparables

Company Ticker	Market Cap (IDR Tn)	Rating	Last Price (IDR)	2024F P/B (x)	P/E (x)	Div. Yield (%)	EPS Gwt (%)	ROE (%)
ICBP IJ	127.4	BUY	10,925	2.6	15.5	2.9	13.0	21.2
INDF IJ	53.8	BUY	6,125	0.8	5.3	5.5	24.5	16.1
KLBF IJ	**74.5**	**BUY**	**1,590**	**3.4**	**24.2**	**1.8**	**17.8**	**14.2**
SIDO IJ	21.8	BUY	725	3.4	21.1	7.5	24.0	32.5
UNVR IJ	93.1	HOLD	2,440	30.0	20.4	4.5	4.8	131.0
Sector	***371***			***9.4***	***17.3***	***3.7***	***14.2***	***47.3***

Relative YTD Performance vs JCI



Sources: Company, Bloomberg, SSI Research

Analysts: Jonathan Guyadi, Belva Monica