

# Telekomunikasi Indonesia Tbk (TLKM)

Peluang Bisnis Digital Di Tengah COVID-19

Dari sisi Konsumer, Pendapatan dari Indihome menjadi penopang utama dari pertumbuhan pendapatan Perseroan sebesar Rp18,3 triliun (28,1% YoY) diiringi oleh pendapatan segmen data, internet dan pendapatan jasa IT sebesar Rp72,8 triliun (11,0% YoY). Kami mengestimasi pendapatan FY20 mencapai Rp138,7 triliun sementara rasio P/E FY20 di level 19,3x. Kami berdasarkan fakta tersebut merekomendasikan BUY dengan target harga Rp3.800.

**Kinerja FY19.** Perseroan mencatat penjualan pada FY19 sebesar Rp135,6 triliun, naik Rp4,8 triliun atau 3,7% YoY. Kenaikan tersebut ditopang oleh peningkatan pendapatan dari Indihome menjadi Rp18,3 triliun atau naik 28,1% dari pendapatan FY18 sebesar Rp14,3 triliun dan peningkatan penjualan segmen data, internet, dan pendapatan jasa IT menjadi Rp72,8 triliun atau naik 11,0% YoY. *Cost control* Perseroan terlihat masih terjaga, beban operasi, pemeliharaan dan jasa telekomunikasi turun 3,6% YoY atau turun sebesar Rp1,6 triliun. Penurunan ini menandakan bahwa Perseroan tetap konsisten dengan upaya pemeliharaan biaya sampai dengan akhir tahun 2019, sehingga daripada itu Laba bersih Perseroan tercatat naik 3,5% YoY atau menjadi Rp18,7 triliun.

**EBITDA Margin Telkomsel Stabil 54%.** Anak usaha TLKM, yakni Telkomsel membukukan kenaikan pendapatan dan laba bersih Rp 91,1 triliun (2,1% YoY) dan Rp25,8 triliun (1,0% YoY) dengan EBITDA margin stabil sebesar 54%. Pertumbuhan ditopang oleh transformasi bisnis digital yang melonjak seiring dengan banyaknya pemakaian trafik pelanggan. Dinamika pasar saat ini juga mempertimbangkan dampak yang tidak dapat dipungkiri yaitu COVID19 yang mewabah sejak maret 2020 di Indonesia termasuk ke sektor telekomunikasi dengan memunculkan peluang dari kebutuhan pelanggan terhadap layanan digital meyakinkan bahwa Telkomsel akan terus menjadi pemimpin pasar dan memberikan peluang yang lebih baik untuk pertumbuhan dari layanan data dan digital di masa depan industri telekomunikasi.

**Valuasi.** Kami optimis ditengah pandemi COVID-19 kinerja Perseroan akan tetap stabil pada 2020 tercermin dari kemampuan Perseroan dalam memaksimalkan *cost* selama 2019. Sejauh ini Perseroan masih memimpin di sektor telekomunikasi dengan basis pengguna terbesar di Indonesia yang mencapai 171,1 juta pelanggan. Kami merekomendasikan BUY kembali dengan target harga Rp3.800 berbasis *Discounted Cash Flow* (DCF) yang setara di level 19,3x rasio forward P/E FY20. Kami menurunkan target dari sebelumnya dengan pertimbangan adanya kemungkinan penurunan kas pada bulan juli 2020, untuk pembayaran jatuh tempo obligasi Perseroan.

## Telekomunikasi Indonesia Tbk | Summary (IDR bn)

	2018	2019	2020 F	2021 F
Sales	130,784	135,567	138,685	148,592
<i>Sales growth</i>	2.0%	3.7%	2.3%	7.1%
EBITDA	60,251	63,991	69,366	74,747
Net profit	18,032	18,663	19,550	21,062
EPS (IDR)	182	188	197	213
<i>EPS growth</i>	-17.1%	24.1%	14.4%	12.4%
BVPS (IDR)	1,184	1,184	1,260	1,338
EBITDA margin	46.1%	47.2%	50.0%	50.3%
NPM	13.8%	13.8%	14.1%	14.2%
ROE	15.4%	15.9%	15.7%	15.9%
ROA	8.7%	8.4%	8.4%	8.4%
ROIC	17.8%	18.3%	17.9%	17.8%
P/E	20.6x	20.3x	19.3x	17.9x
P/BV	3.2x	3.2x	3.0x	2.8x
EV/EBITDA	6.6x	6.5x	5.6x	5.1x
DPS (IDR)	168	164	137	153
<i>Dividend yield</i>	4.5%	4.3%	3.6%	4.0%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia



Company Report | June 3, 2020

## Buy

<b>Dec 2020 TP (IDR)</b>	<b>3,800</b>
Consensus Price (IDR)	4,179
TP to Consensus Price	-9.1%
vs. Last Price	+16.9%

### Shares data

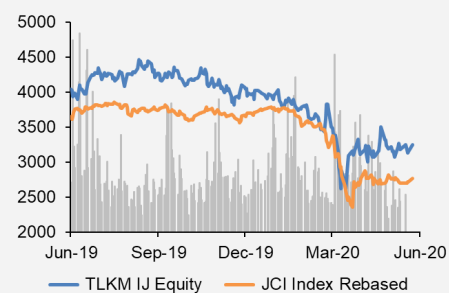
Last Price (IDR)	3,250
Price date as of	June 03, 2020
52 wk range (Hi/Lo)	4,500 / 2,450
Free float	47.9%
Outstanding sh.(mn)	99,062
Market Cap (IDR bn)	321,952
Market Cap (USD mn)	22,717
Avg. Trd Vol - 3M (mn)	123.1
Avg. Trd Val - 3M (bn)	390.1
Foreign Ownership	29.3%

### Infrastructure

#### Telecommunication

Bloomberg	TLKM IJ
Reuters	TLKM.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-18.1%	-2.1%	3.8%	-19.6%
Rel. Ret	4.9%	-7.4%	-3.1%	3.4%

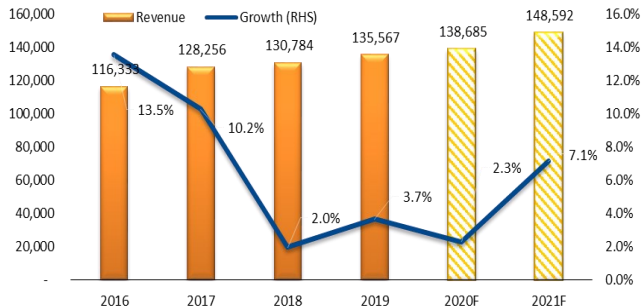
### Restu Pamungkas

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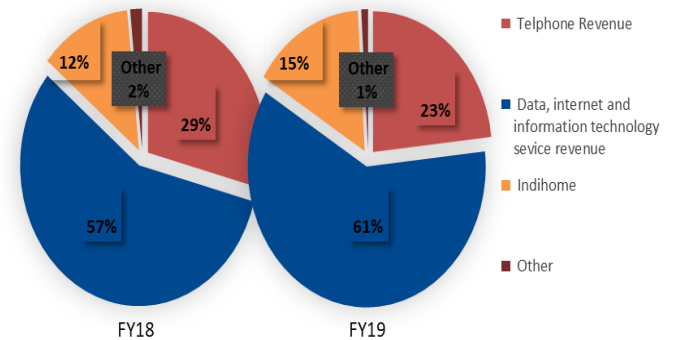
# Performance Highlights

## Revenue Projection | 2016 - 2021F



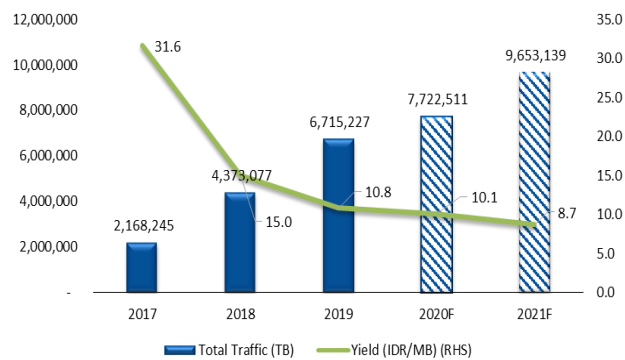
Source: Company, NHKSI Research

## Revenue Contributions YoY | FY18 - FY19



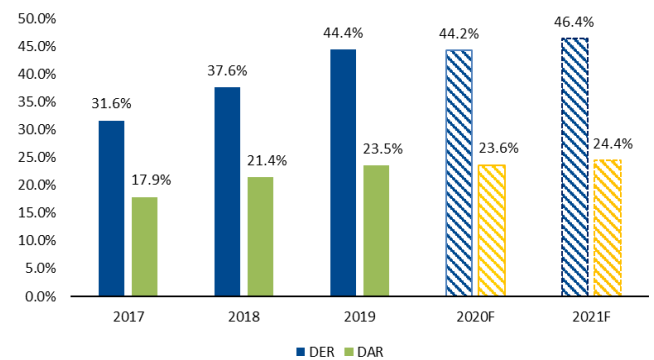
Source: Company, NHKSI Research

## Traffic (TB) and Yield (IDR/MB) | 2017 - 2021F



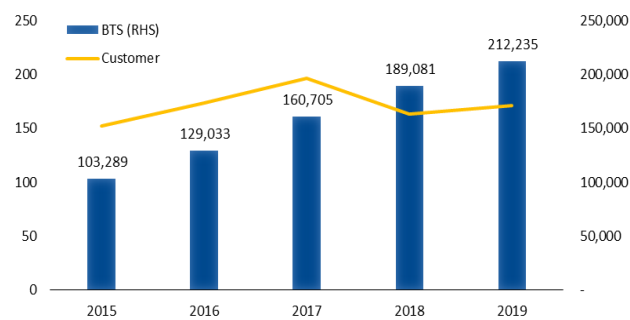
Source: Company, NHKSI Research

## DER and DAR | 2017 - 2021F



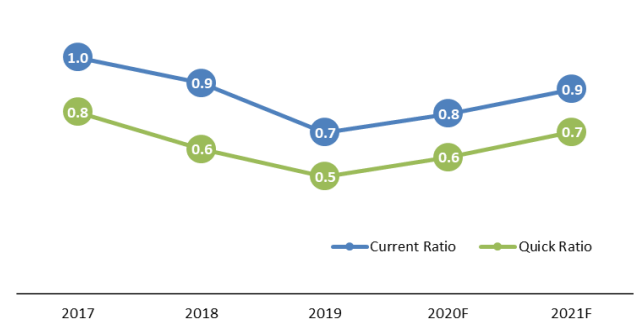
Source: Company, NHKSI Research

## Infrastructure BTS and Customers | 2015 - 2019



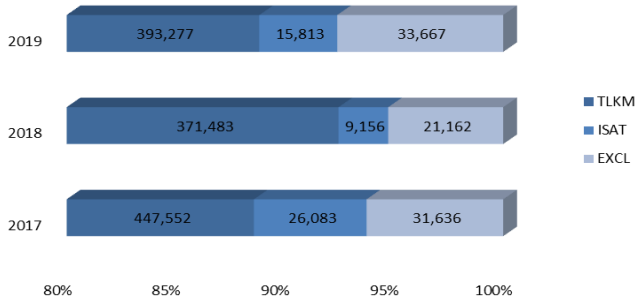
Source: Company, NHKSI Research

## Current Ratio and Quick Ratio | 2017 - 2021F



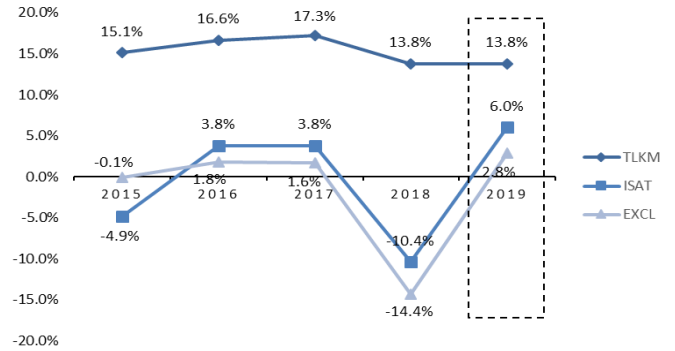
Source: Company, NHKSI Research

Market Cap. | 2017 - 2019



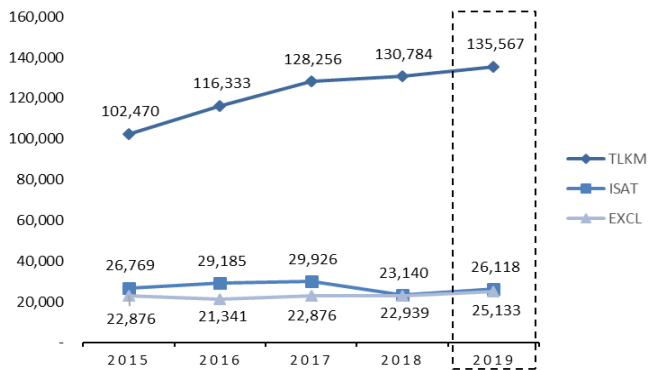
Source: Company, NHKSI Research

Net Profit Margin | 2015 - 2019



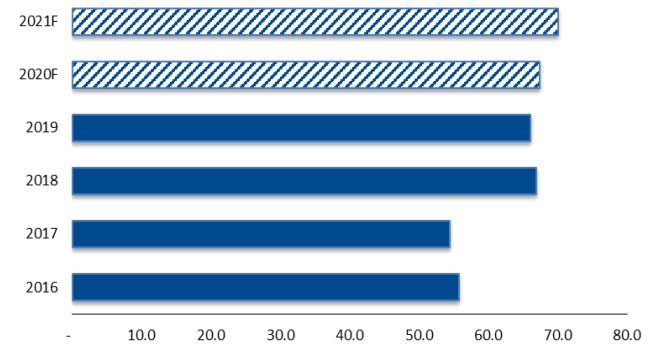
Source: Company, NHKSI Research

Revenue | 2015 - 2019



Source: Company, NHKSI Research

TLKM Blended ARPU '000/mth | 2016 - 2021F



Source: Company, NHKSI Research

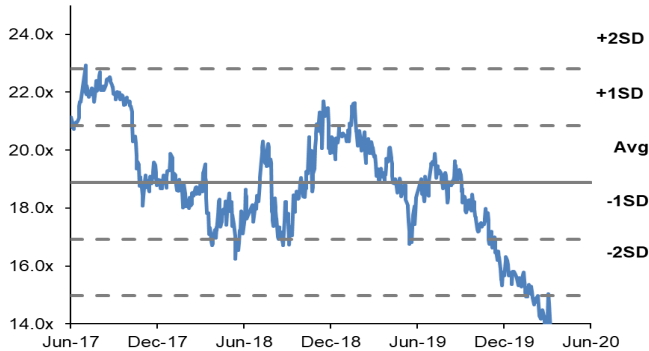
4Q19 review (IDR bn)

	4Q18	1Q19	2Q19	3Q19	4Q19				
					Actual	Estimate	y-y	q-q	surprise
Sales	31,581	34,840	34,505	33,286	32,936	30,365	4.3%	-1.1%	8.5%
Gross Profit	31,581	34,840	34,505	33,286	20,609	22,111	3.0%	-9.8%	-6.8%
EBIT	8,612	10,878	7,222	11,244	8,940	10,694	-4.9%	-20.5%	-16.4%
EBIT Margin	27.6%	33.6%	22.6%	33.8%	27.1%	35.2%	-8.8%	-19.6%	-22.9%
EBITDA	14,830	16,116	12,227	17,036	14,859	16,545	-0.5%	-12.8%	-10.2%
EBITDA Margin	47.5%	49.8%	38.2%	51.2%	45.1%	54.5%	-4.6%	-11.9%	-17.2%
Net Profit	3,800		4,854	5,381	2,204	5,567	-42.0%	-59.0%	-60.4%
Net Margin	14.4%	17.7%	9.3%	16.2%	6.7%	18.3%	-44.4%	-58.6%	-63.5%

Source: Bloomberg, NHKSI research

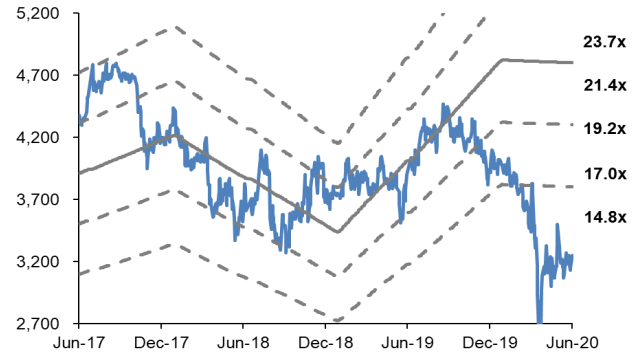
## Multiple Valuation

Forward P/E band | Last 3 years



Source: NHKSI research

Dynamic Forward P/E band | Last 3 years



Source: NHKSI research

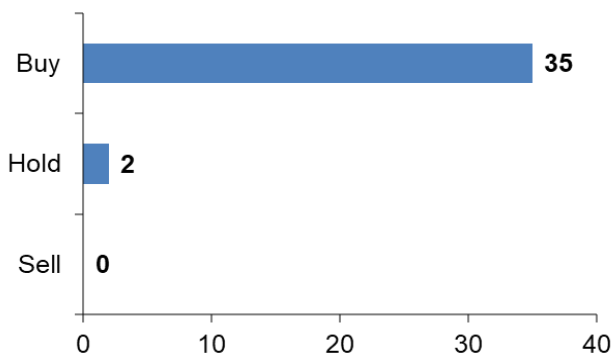
## Rating and Target Price Update

### Target Price

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
03/18/2020	Buy	4,330 (Dec 2020)	2,810	4,577	+54.1%	-5.4%
06/03/2020	Buy	3,800 (Dec 2020)	3,250	4,179	+16.9%	-9.1%

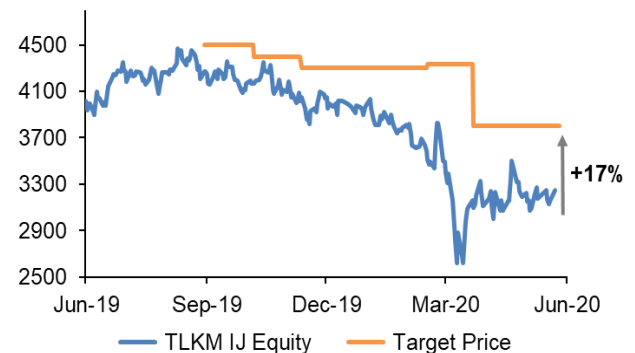
Source: NHKSI research, Bloomberg

### Analyst Coverage Rating



Source: Bloomberg

### Closing and Target Price



Source: NHKSI research

### NH Korindo Sekuritas Indonesia (NHKSI) stock ratings

1. Period: End of year target price
2. Rating system based on a stock's absolute return from the date of publication
  - Buy : Greater than +15%
  - Hold : -15% to +15%
  - Sell : Less than -15%

## Financial Summary

### INCOME STATEMENT

(IDR bn)	2018/12	2019/12	2020/12E	2021/12F
<b>Revenue</b>	<b>130,784</b>	<b>135,567</b>	<b>138,685</b>	<b>148,592</b>
<i>Growth</i>	2.0%	3.7%	2.3%	7.1%
COGS	-	-	-	-
<b>Gross Profit</b>	<b>130,784</b>	<b>135,567</b>	<b>138,685</b>	<b>148,592</b>
<i>Gross Margin</i>	-	-	-	-
Operating Expenses	(91,939)	(93,087)	(94,306)	(101,043)
<b>EBIT</b>	<b>38,845</b>	<b>42,480</b>	<b>44,379</b>	<b>47,550</b>
<i>EBIT Margin</i>	29.7%	31.3%	32.0%	32.0%
Depreciation	21,406	21,511	24,986	27,198
<b>EBITDA</b>	<b>60,251</b>	<b>63,991</b>	<b>69,366</b>	<b>74,747</b>
<i>EBITDA Margin</i>	46.1%	47.2%	50.0%	50.3%
Interest Expenses	(2,440)	(4,572)	(4,414)	(4,610)
<b>EBT</b>	<b>36,405</b>	<b>37,908</b>	<b>39,965</b>	<b>42,940</b>
Income Tax	(9,426)	(10,316)	(10,876)	(11,685)
Minority Interest	(8,947)	(8,929)	(9,540)	(10,192)
<b>Net Profit</b>	<b>18,032</b>	<b>18,663</b>	<b>19,550</b>	<b>21,062</b>
<i>Growth</i>	-18.6%	1.7%	4.8%	7.7%
<i>Net Profit Margin</i>	13.8%	13.8%	14.1%	14.2%

### BALANCE SHEET

(IDR bn)	2018/12	2019/12	2020/12E	2021/12F
Cash	18,267	18,513	22,155	31,919
Receivables	11,414	11,797	14,639	15,685
Inventories	717	585	721	770
<b>Total Current Assets</b>	<b>43,268</b>	<b>41,722</b>	<b>48,591</b>	<b>60,242</b>
Net Fixed Assets	143,248	156,973	161,987	166,789
Other Non Current Assets	19,680	22,513	23,031	24,676
<b>Total Assets</b>	<b>206,196</b>	<b>221,208</b>	<b>233,608</b>	<b>251,706</b>
Payables	29,163	31,513	32,751	35,400
ST Bank Loan	10,339	18,215	19,300	21,501
LT Debt	33,748	33,869	35,887	39,979
<b>Total Liabilities</b>	<b>88,893</b>	<b>103,958</b>	<b>108,767</b>	<b>119,197</b>
Capital Stock	7,408	7,664	7,664	7,664
Retained Earnings	90,995	91,489	97,502	103,451
<b>Shareholders' Equity</b>	<b>117,303</b>	<b>117,250</b>	<b>124,841</b>	<b>132,509</b>

### CASH FLOW STATEMENT

(IDR bn)	2018/12	2019/12	2020/12E	2021/12F
Operating Cash Flow	32,724	46,198	42,746	49,654
Investing Cash Flow	(33,411)	(38,069)	(30,518)	(33,645)
Financing Cash Flow	(15,701)	(5,844)	(8,587)	(6,244)
<b>Net Changes in Cash</b>	<b>(16,388)</b>	<b>2,285</b>	<b>3,642</b>	<b>9,765</b>

### PROFITABILITY & STABILITY

	2018/12	2019/12	2020/12E	2021/12F
ROE	15.4%	15.9%	15.7%	15.9%
ROA	8.7%	8.4%	8.4%	8.4%
ROIC	17.8%	18.3%	17.9%	17.8%
Cash Dividend (IDR bn)	16,609	16,229	13,537	15,112
Dividend Yield	4.5%	4.3%	3.6%	4.0%
Payout Ratio	92.1%	87.0%	69.2%	71.8%
DER	37.6%	44.4%	44.2%	46.4%
Net Gearing	0.4	0.5	0.5	0.6
LT Debt to Equity	28.8%	28.9%	28.7%	30.2%
Capitalization Ratio	27.3%	30.8%	30.7%	31.7%
Equity Ratio	56.9%	53.0%	53.4%	52.6%
Debt Ratio	21.4%	23.5%	23.6%	24.4%
Financial Leverage	176.4%	182.2%	187.9%	188.6%
Current Ratio	93.5%	71.5%	79.8%	90.8%
Par Value (IDR)	50	50	50	50
Total Shares (mn)	99,062	99,062	99,062	99,062
Share Price (IDR)	3,750	3,830	3,800	3,800
Market Cap (IDR tn)	371.5	379.4	376.4	376.4

### VALUATION INDEX

	2018/12	2019/12	2020/12E	2021/12F
Price/Earnings	20.6x	20.3x	19.3x	17.9x
Price/Book Value	3.2x	3.2x	3.0x	2.8x
Price/Sales	2.8x	2.8x	2.7x	2.5x
PE/EPS Growth	-1.1x	12.3x	4.1x	2.3x
EV/EBITDA	6.6x	6.5x	5.6x	5.1x
EV/EBIT	10.2x	9.7x	8.7x	8.1x
EV (IDR bn)	397,303	412,979	386,684	383,213
Sales CAGR (3-Yr)	8.5%	5.2%	2.6%	4.3%
EPS CAGR (3-Yr)	5.2%	-1.2%	-4.1%	5.3%
Basic EPS (IDR)	182	188	197	213
Diluted EPS (IDR)	182	188	197	213
BVPS (IDR)	1,184	1,184	1,260	1,338
Sales PS (IDR)	1,320	1,369	1,400	1,500
DPS (IDR)	168	164	137	153

### OWNERSHIP

By Geography	% Shareholders	%
Indonesia	71.5 Rep. of Indonesia	52.1
United States	16.0 Bank of New York	4.9
Luxembourg	4.9 Blackrock	1.7
Ireland	1.3 Vanguard Group Inc	1.7

Source: Company Data, NHKSI Research

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