

Telekomunikasi Indonesia Tbk (TLKM)

Indihome Tumbuh Selama Masa Pandemi



Company Report | August 19, 2020

Secara YoY pada 1H20 Pendapatan dari segmen Data Internet dan Indihome mencatatkan pertumbuhan positif selama masa pandemi COVID19 dengan masing-masing persentase sebesar 6,8% dan 19,1%. Namun, adanya kanibalisasi dari OTT dan persaingan yang ketat dari mobile operator membuat pendapatan perseroan dari segmen SMS, Telepon Seluler anjlok 27,5%. Hal ini menyebabkan laba bersih perseroan masih tertekan pada kuartal pertama 2020.

Laba Bersih Turun Tipis 0,8% YoY. Perseroan mencatatkan penurunan pendapatan sebesar 3,6% YoY dan 5,3% QoQ turun menjadi Rp66,9 triliun 1H20, Rp32,7 triliun 2Q20. Kanibalisasi dari aplikasi *instant messaging* (OTT) dan persaingan yang semakin ketat antar *mobile operator* membuat pendapatan SMS, Telepon dan Telepon Seluler anjlok 27,5% YoY menjadi Rp13 triliun. Disisi lain, pertumbuhan pendapatan di segmen Data internet masih sesuai ekspektasi kami bahwa selama masa PSBB transisi perseroan akan terus membukukan pertumbuhan hingga 2H20. tercatat pendapatan segmen Data internet dan Indihome 1H20 tumbuh 6,8% YoY dan 19,1% YoY.

Penurunan dari pendapatan menyebabkan laba bersih perseroan selama 1H20 turun tipis 0.8% YoY. Namun, secara kuartalan (2Q20) perseroan masih membukukan pertumbuhan laba bersih sebesar 5,6% YoY menjadi Rp5,1 triliun. Sehingga dari itu, kami masih optimis hingga 2H20 perseroan masih akan membukukan pendapatan sebesar Rp71,8 triliun. (menuju 51,8% dari Pendapatan FY20E)

Persaingan Ketat Membuat Pelanggan Perseroan Turun. Perseroan mencatatkan penurunan jumlah subscriber hingga kuartal pertama 2020 sebesar 6,4% YTD menjadi 160 juta pelanggan vs 171 juta pelanggan FY19. menurunnya subscriber menggerakkan Perseroan melalui anak Usaha (Telkomsel) mengeluarkan paket baru Unlimited (UL) Max di 65 kota pada 24 juli 2020 dengan harga terendah mulai dari Rp18.000 untuk 3GB hingga Rp120.000 untuk 55GB. Dengan masih berjalannya masa transisi PSBB, perseroan bertekad untuk terus menambah jumlah produk baru untuk segmen data internet guna untuk mempertahankan jumlah pelanggan. Perseroan hingga kini masih mempertahankan harga premium diatas para pesaingnya dengan tetap memperhatikan kualitas maupun kapasitas jaringan yang unggul.

Kami mempertahankan Rating BUY dengan Target Harga Rp3.800. Kami kembali mempertahankan rekomendasi BUY untuk saham TLKM dengan target harga yang sama Rp3.800 dengan mempertimbangkan data trafik yang meningkat di masa transisi PSBB. Hal ini akan meningkatkan kontribusi segmen data internet terhadap pertumbuhan pendapatan perseroan hingga 2H20. Berdasarkan estimasi kami, pendapatan segmen data internet akan tumbuh 17,9% dengan kontribusi sebesar 58% pada 2H20E.

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	69,660	75,480
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%	50.2%	50.8%
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	5.2x
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

Buy

Target Price (IDR) 3,800

Consensus Price (IDR)	3,926
TP to Consensus Price	-3.2%
vs. Last Price	+24.6%

Shares data

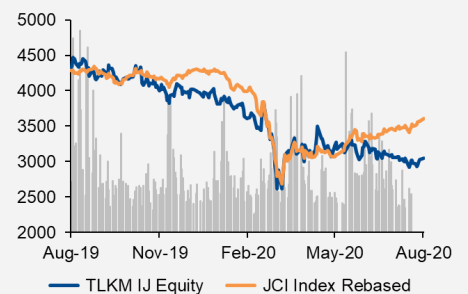
Last Price (IDR)	3,050
Price date as of	August 18, 2020
52 wk range (Hi/Lo)	4,440 / 2,417
Free float	47.9%
Outstanding sh.(mn)	99,062
Market Cap (IDR bn)	302,140
Market Cap (USD mn)	20,442
Avg. Trd Vol - 3M (mn)	146.0
Avg. Trd Val - 3M (bn)	456.1
Foreign Ownership	28.2%

Infrastructure

Telecommunication

Bloomberg	TLKM IJ
Reuters	TLKM.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-23.2%	-0.3%	-5.3%	-28.7%
Rel. Ret	-7.2%	-4.6%	-22.7%	-13.0%

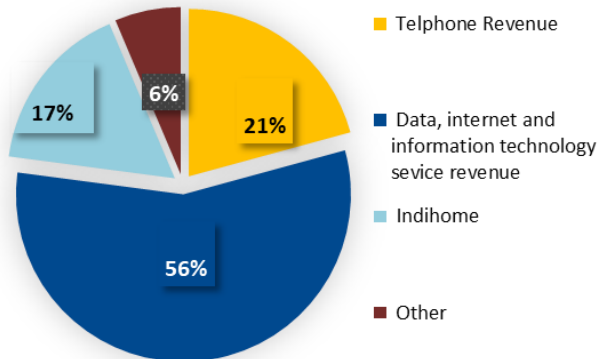
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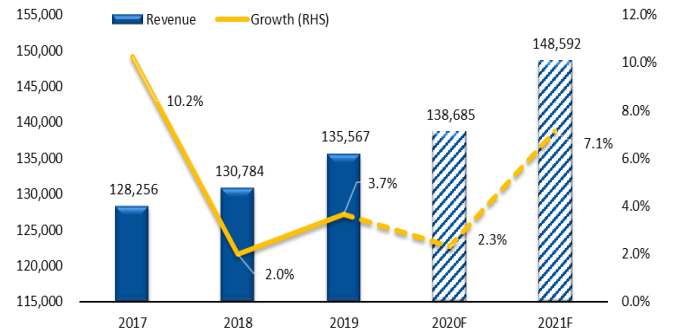
Performance Highlights

Revenue Contribution 1H20



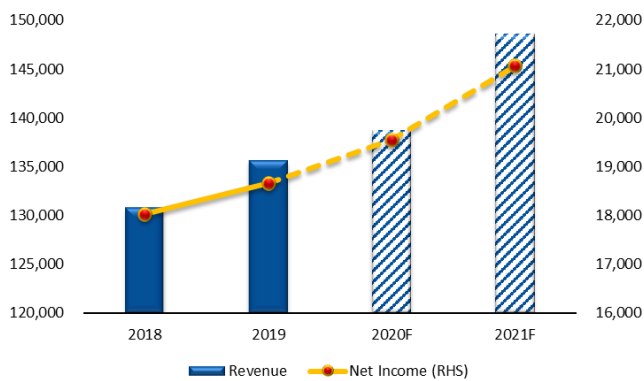
Source: Company, NHKSI Research

Revenue Projections (bn)



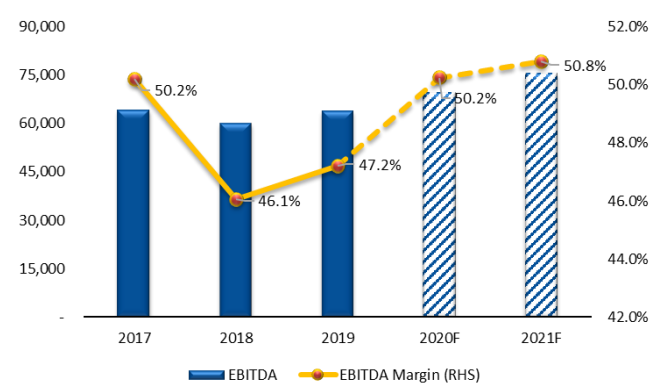
Source: Company, NHKSI Research

Revenue & Net Income (bn)



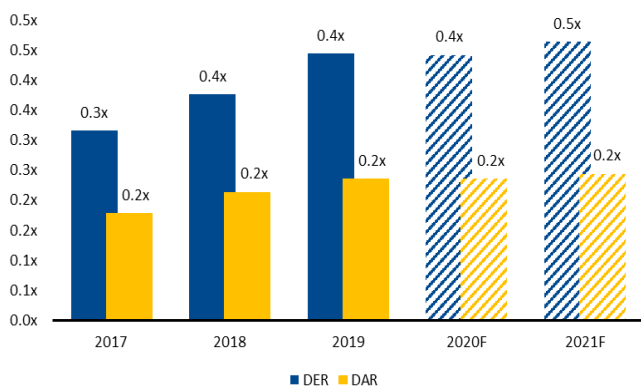
Source: Company, NHKSI Research

EBITDA & EBITDA Margin (bn)



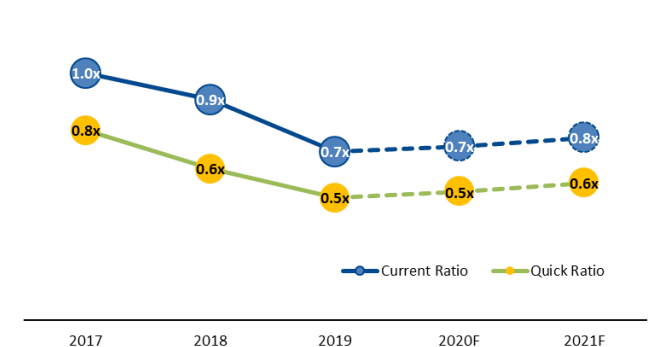
Source: Company, NHKSI Research

DER and DAR



Source: Company, NHKSI Research

Current Ratio and Quick Ratio



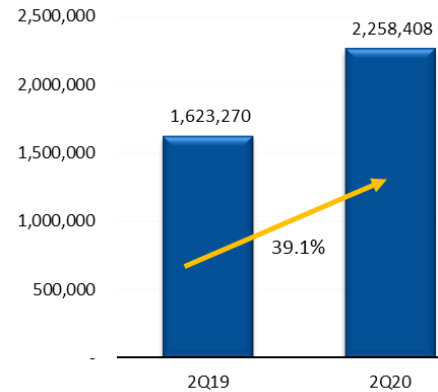
Source: Company, NHKSI Research



PT Telekomunikasi Indonesia (Persero) Tbk (Telkom) merupakan Badan Usaha Milik Negara (BUMN) yang mempunyai lini bisnis dibidang jasa layanan telekomunikasi dan jaringan di wilayah Indonesia. Pemegang saham mayoritas Telkom yaitu Pemerintah Republik Indonesia sebesar 52,1% dan 47,9% dikuasai publik. Telkom listing di dua negara, di Bursa Efek Indonesia diperdagangkan dengan kode “TLKM” sedangkan di New York Stock Exchange dengan kode “TLK”.

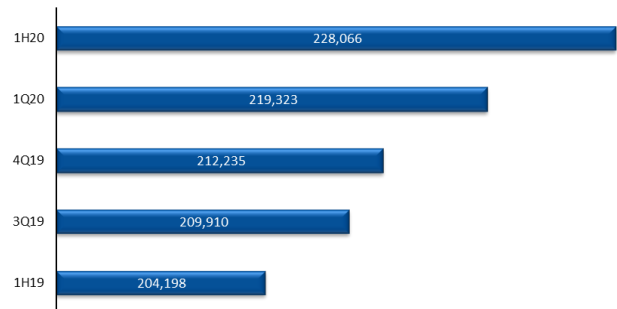
Telkom mulai saat ini membagi bisnisnya menjadi 3 Digital Business Domain: Digital Connectivity (Fiber to the x (FTTx), 5G, Software Defined Networking (SDN)/ Network Function Virtualization (NFV)/ Satellite); Digital Platform (Data Center, Cloud, Internet of Things (IoT), Big Data/ Artificial Intelligence (AI), Cybersecurity), dan Digital Services (Enterprise, Consumer). Telkom hingga Juni 2020 telah melayani 160 juta pelanggan.

Traffic Data (TB)



Source: Company, NHKSI Research

Base Transceiver Station (BTS)



Source: Company, NHKSI Research

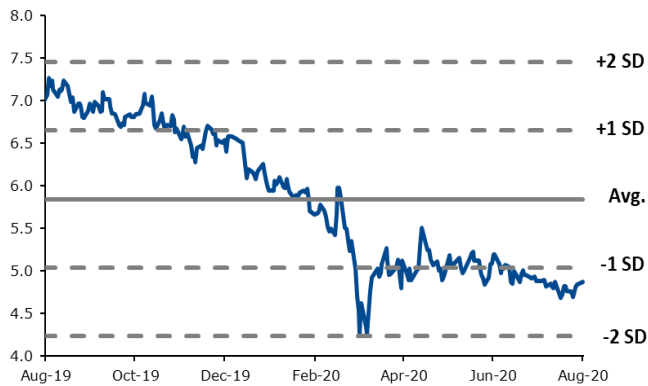
2Q20 Review (IDR bn)

	2Q19	3Q19	4Q19	1Q20	2Q20				
					Actual	Estimate	y-y	q-q	surprise
Revenue	34,505	33,286	32,936	34,194	32,662		-5.3%	-4.5%	
Gross Profit	34,505	33,286	20,609	34,840	32,662		-5.3%	-4.5%	
EBIT	10,181	11,244	8,940	11,929	10,324		1.4%	-13.5%	
<i>EBIT Margin</i>	22.6%	33.8%	27.1%	34.9%	31.6%				
EBITDA	12,227	17,036	14,859	18,778	17,402		8.7%	-7.3%	
<i>EBITDA Margin</i>	38.2%	51.2%	45.1%	54.9%	53.3%				
Net Profit	4,854	5,381	2,204	5,862	5,127		5.6%	-12.5%	
<i>Net Margin</i>	9.3%	16.2%	6.7%	17.1%	15.7%				

Source: Bloomberg, NHKSI Research

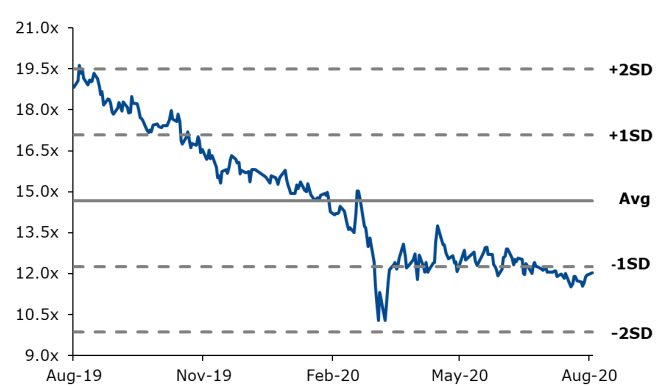
Multiple Valuation

TLKM is trade at area -1SD Forward EV/EBITDA band



Source: NHKSI Research

TLKM is trade at area -1SD Forward P/E band



Source: NHKSI Research

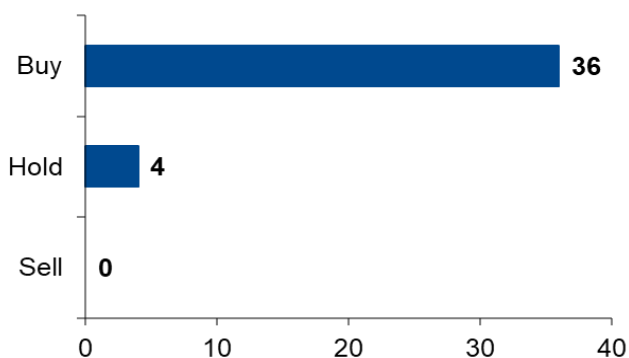
Rating and Target Price Update

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%
07/22/2020	Buy	3,800 (12 Month)	3,070	3,983	+23.8%	-4.6%
08/19/2020	Buy	3,800 (12 Month)	3,050	3,926	+24.6%	-3.2%

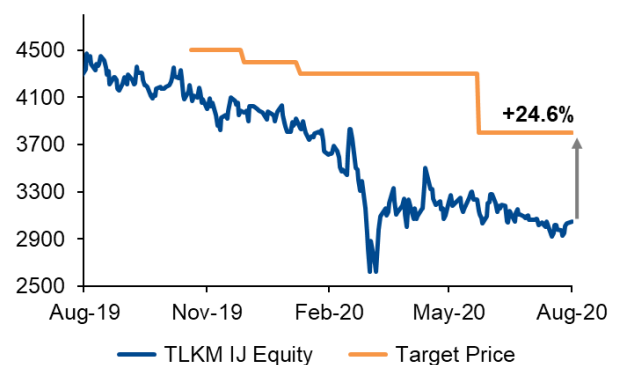
Source: NHKSI Research, Bloomberg

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
Revenue	130,784	135,567	138,685	148,592
<i>Growth</i>	2.0%	3.7%	2.3%	7.1%
COGS	-	-	-	-
Gross Profit	130,784	135,567	138,685	148,592
<i>Gross Margin</i>	-	-	-	-
Operating Expenses	(91,939)	(93,087)	(94,306)	(101,043)
EBIT	38,845	42,480	44,379	47,550
<i>EBIT Margin</i>	29.7%	31.3%	32.0%	32.0%
Depreciation	21,406	21,511	25,281	27,931
EBITDA	60,251	63,991	69,660	75,480
<i>EBITDA Margin</i>	46.1%	47.2%	50.2%	50.8%
Interest Expenses	(2,440)	(4,572)	(4,414)	(4,610)
EBT	36,405	37,908	39,965	42,940
Income Tax	(9,426)	(10,316)	(10,876)	(11,685)
Minority Interest	(8,947)	(8,929)	(9,540)	(10,192)
Net Profit	18,032	18,663	19,550	21,062
<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	18,450	22,947
Receivables	11,414	11,797	14,639	15,685
Inventories	717	585	721	770
Total Current Assets	43,268	41,722	44,885	51,269
Net Fixed Assets	143,248	156,973	165,692	175,761
Other Non Current Assets	19,680	22,513	23,031	24,676
Total Assets	206,196	221,208	233,608	251,706
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
Total Liabilities	88,893	103,958	108,767	119,197
Capital Stock	7,408	7,664	7,664	7,664
Retained Earnings	90,995	91,489	97,502	103,451
Shareholders' Equity	117,303	117,250	124,841	132,509

CASH FLOW STATEMENT

(IDR bn)	2018/12	2019/12	2020/12E	2021/12F
Operating Cash Flow	32,724	46,198	43,041	50,387
Investing Cash Flow	(33,411)	(38,069)	(34,518)	(39,645)
Financing Cash Flow	(15,701)	(5,844)	(8,587)	(6,244)
Net Changes in Cash	(16,388)	2,285	(63)	4,498

Source: Company Data, NHKSI Research

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%	73.7%	77.2%
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	5.2x
EV/EBIT	10.2x	9.7x	8.8x	8.2x
EV (IDR bn)	397,303	412,979	390,389	392,185
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	71.8	Rep. of Indonesia 52.1
United States	14.3	Bank of New York 4.5
Luxembourg	4.9	Vanguard Group Inc 1.7
Ireland	2.2	Blackrock 1.2

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