

XL Axiata Tbk (EXCL)

Pertumbuhan Top & Bottom Line di 3Q20

EXCL membukukan kinerja cemerlang pada Q3/20 dengan mencatatkan pertumbuhan pendapatan dan laba bersih kuartalan sebesar 1,7% YoY dan 53,5% YoY. Meningkatnya pertumbuhan dari *top* dan *bottom line* perseroan tak lepas dari dorongan segmen data yang mencatatkan peningkatan sebesar 7,6% YoY menjadi Rp5,4 triliun selama periode Juli-September 2020. Disamping itu, dengan adanya penerapan IFRS 16 perseroan juga mampu menekan biaya sebesar 3,2% YoY.

Top dan Bottom Line Tumbuh Sejalan. Pendapatan Perseroan pada Q3/20 tumbuh 1,7% YoY menjadi Rp6,6 triliun vs Rp Rp6,5 triliun pada Q3/19. Pertumbuhan didorong oleh konsistennya peningkatan dari segmen data sebesar 7,6% YoY menjadi Rp5,4 triliun selama juli-september vs Rp5,1 triliun pada periode yang sama tahun 2019. Perseroan berhasil meningkatkan efisiensi biaya, dengan biaya selama Q3/20 berhasil ditekan sebesar 3,2% YoY, 2,9% QoQ. Peningkatan efisiensi berasal dari penekanan di segmen biaya infrastruktur yang berhasil di tekan menjadi Rp1,9 triliun (-21,5% YoY, -8,2% QoQ) efek dari dampak adopsi IFRS 16. Hal ini tentu membuat laba bersih perusahaan melonjak 53,5% YoY, 48,1% QoQ menjadi Rp331,4 miliar vs Rp216,0 miliar pada Q3/19.

Pelanggan dan Trafik Data Naik Sesuai dengan Harapan Kami. Perseroan mencatatkan pertumbuhan pelanggan hingga akhir kuartal III-2020 sebesar 2,6% YoY, 0,3% YTD menjadi 56,9 juta pelanggan. Trafik data juga naik per akhir september menjadi 3.496 *Petabyte* vs 2.386 *Petabyte* pada Q3/19 atau naik 46,5% YoY efek dari pemberian subsidi data internet untuk kalangan pengajar dan pelajar. Kami melihat dengan memanfaatkan momentum ditengah masih berlakukannya PSBB di beberapa wilayah, perseroan masih dapat meningkatkan pertumbuhan trafik data dan pelanggannya.

Serapan Capex Sudah 72,4% dari Estimasi. Perseroan telah menyerap belanja modal sebesar Rp5,1 triliun atau sudah mencapai 72,4% dari estimasi kami pada kuartal III-2020. kami mengestimasi serapan belanja modal perseroan akan berada di Rp7,0 triliun hingga akhir 2020. kami melihat dana capex sebagian besar dialokasikan untuk penambahan BTS untuk jaringan 4G. Hingga Q3/20 perseroan mencatatkan pertumbuhan BTS untuk jaringan 4G sebesar 35,0% YoY, 31,8% YTD menjadi 53.055 BTS. Dengan meningkatnya kebutuhan trafik data, kami menilai penambahan BTS di jaringan 4G masih akan terus dilakukan.

Mempertahankan BUY dengan Target Harga 3.350. Kami mempertahankan rating BUY dengan target harga 3,350 hingga 12 bulan kedepan dengan mencerminkan nilai EV/EBITDA di level 5,3x. Kinerja *top line* dan *bottom line* yang solid di kuartal III-2020 membuat kami tetap optimis hingga akhir 2020 perseroan masih akan terus mencatatkan pertumbuhan khususnya di segmen data. Saat ini saham EXCL secara valuasi EV/EBITDA di perdagangan di level 4,0x, dengan rata-rata 5 tahun berada di level 5,4x.

XL Axiata Tbk | Summary (IDR bn)

	2018	2019	2020 F	2021 F
Revenue	22,939	25,133	27,283	28,613
<i>Revenue growth</i>	0.3%	9.6%	8.6%	4.9%
EBITDA	8,584	9,702	12,056	12,207
Net profit	(3,297)	713	1,629	1,855
EPS (IDR)	N/A	67	152	173
BVPS (IDR)	1,716	1,786	1,941	2,115
EBITDA margin	37.4%	38.6%	44.2%	42.7%
NPM	-14.4%	2.8%	6.0%	6.5%
ROE	-18.0%	3.7%	7.8%	8.2%
ROA	-5.7%	1.1%	2.5%	2.6%
DER	1.3x	1.4x	1.5x	1.4x
P/BV	1.7x	1.8x	1.7x	1.6x
EV/EBITDA	6.3x	6.5x	5.3x	5.3x
DPS (IDR)	-	-	-	-
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

BUY

Target Price (IDR)	3,350
Consensus Price (IDR)	3,390
TP to Consensus Price	-1.2%
vs. Last Price	+45.7%

Shares data

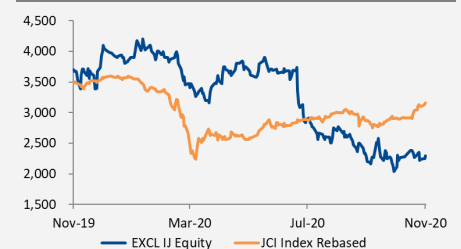
Last Price (IDR)	2,300
Price date as of	Nov. 18, 2020
52 wk range (Hi/Lo)	3,590 / 1,315
Free float	33.6%
Outstanding sh.(mn)	10,706
Market Cap (IDR bn)	24,624
Market Cap (USD mn)	1,745
Avg. Trd Vol - 3M (mn)	24.7
Avg. Trd Val - 3M (bn)	54.4
Foreign Ownership	99.1%

Infrastructure

Telecommunication

Bloomberg	EXCL IJ
Reuters	EXCL.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-27.0%	8.0%	-8.7%	-33.9%
Rel. Ret	-15.2%	-0.4%	-13.7%	-24.7%

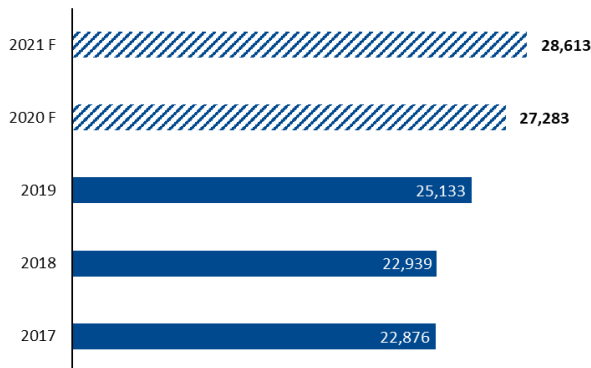
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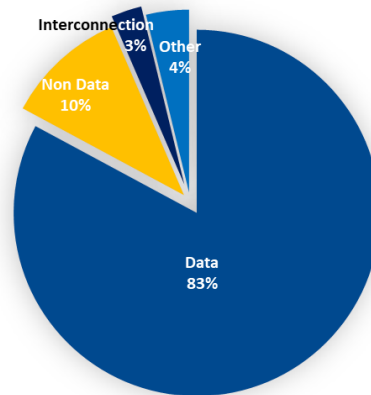
Performance Highlights

Revenue Projections



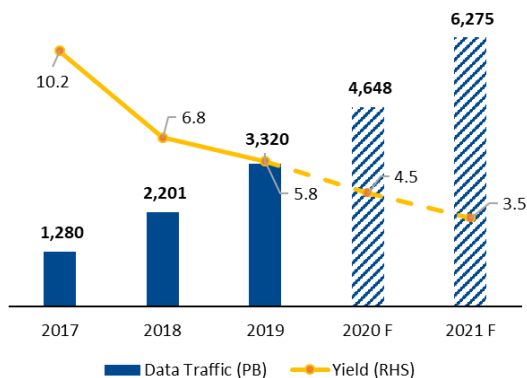
Source: Company, NHKSI Research

Revenue Contributions 3Q20



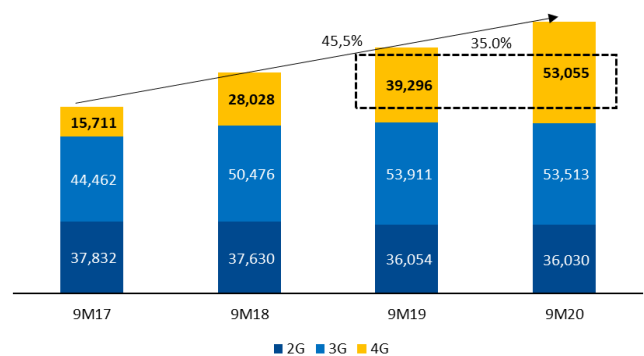
Source: Company, NHKSI Research

Data Traffic (PB) and Yield (IDR/MB)



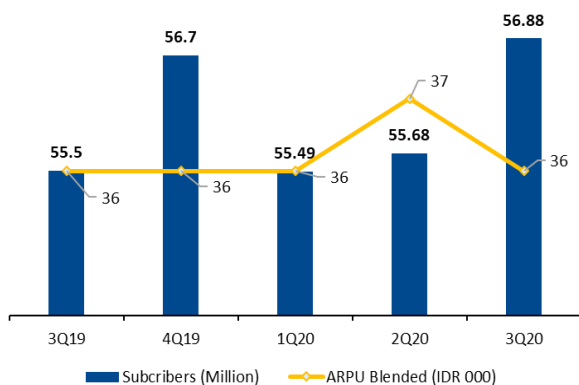
Source: Company, NHKSI Research

BTS Quantity



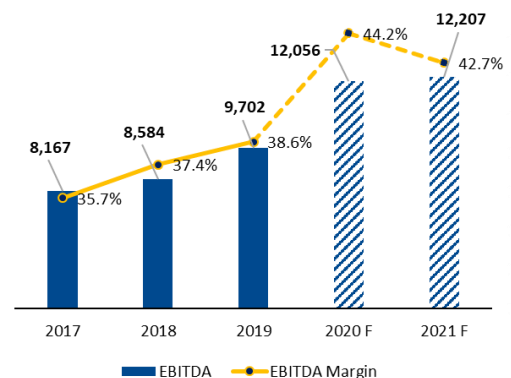
Source: Company, NHKSI Research

Subscribers and ARPU Blended



Source: Company, NHKSI Research

EBITDA Margin (bn)



Source: Bloomberg, Company, NHKSI Research

Forward EV/EBITDA Trade in -1SD



Source: Bloomberg, NHKSI Research

EXCL vs JAKINF



Source: Bloomberg, NHKSI Research

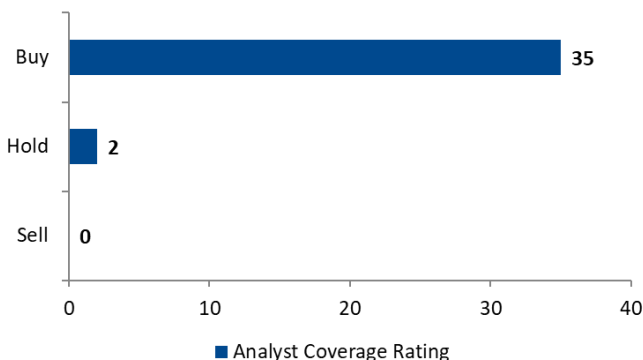
Rating and Target Price Update

Target Price

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
07/03/2020	Buy	3,350 (Dec 2020)	2,720	3,395	+23.2%	-1.3%
09/11/2020	Buy	3,350 (12 Month)	2,040	3,455	+64.2%	-3.0%
11/16/2020	Buy	3,350 (12 Month)	2,300	3,390	+45.7%	-1.2%

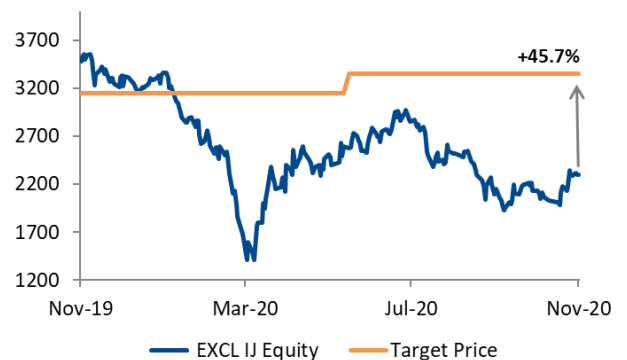
Source: NHKSI Research, Bloomberg

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2018/12	2019/12	2020/12E	2021/12F
Revenue	22,939	25,133	27,283	28,613
<i>Growth</i>	<i>0.3%</i>	<i>9.6%</i>	<i>8.6%</i>	<i>4.9%</i>
COGS	-	-	-	-
Gross Profit	22,939	25,133	27,283	28,613
Operating Expenses	(25,710)	(21,858)	(22,224)	(24,209)
Operating Profit	(2,771)	3,274	5,059	4,404
<i>OP Margin</i>	<i>N/A</i>	<i>13.0%</i>	<i>18.5%</i>	<i>15.4%</i>
Financial Cost	(1,746)	(2,243)	(2,306)	(2,464)
Finance Income	487	111	208	533
EBIT	(4,396)	1,144	2,961	2,473
<i>EBIT Margin</i>	<i>N/A</i>	<i>4.6%</i>	<i>10.9%</i>	<i>8.6%</i>
Income Tax	1,099	(432)	(1,333)	(618)
EAT	(3,297)	713	1,629	1,855
Non Controlling Interest	-	-	-	-
Net Profit	(3,297)	713	1,629	1,855
<i>Growth</i>	<i>N/A</i>	<i>N/A</i>	<i>128.6%</i>	<i>13.9%</i>
<i>Net Profit Margin</i>	<i>-14.4%</i>	<i>2.8%</i>	<i>6.0%</i>	<i>6.5%</i>

BALANCE SHEET

(IDR bn)	2018/12	2019/12	2020/12E	2021/12F
Cash	1,047	1,603	2,682	3,713
Receivables	569	663	701	743
Inventories	189	75	130	134
Total Current Assets	7,059	7,146	8,306	9,391
Net Fixed Assets	36,760	42,082	43,232	46,627
Other Non Current Asset:	13,796	13,498	13,809	14,137
Total Assets	57,614	62,725	65,346	70,155
Trade Payables	9,106	8,042	8,177	8,907
Lease Liabilities	1,249	1,997	2,124	1,621
LT Loan	8,043	4,267	4,247	4,539
Total Liabilities	39,271	43,603	44,562	47,515
Capital Stock	1,069	1,069	1,069	1,069
Retained Earnings	5,125	5,851	7,513	9,369
Shareholders' Equity	18,343	19,122	20,785	22,640

CASH FLOW STATEMENT

(IDR bn)	2018/12	2019/12	2020/12E	2021/12F
Operating Cash Flow	8,629	8,983	9,356	10,361
Investing Cash Flow	(12,474)	(11,386)	(8,393)	(11,460)
Financing Cash Flow	2,437	3,741	115	2,129
Net Changes in Cash	(1,408)	1,338	1,079	1,031

Source: Company Data, NHKSI Research

PROFITABILITY & STABILITY

	2018/12	2019/12	2020/12E	2021/12F
ROE	N/A	3.7%	7.8%	8.2%
ROA	N/A	1.1%	2.5%	2.6%
Cash Dividend (IDR bn)	-	-	-	-
Dividend Yield	0.0%	0.0%	0.0%	0.0%
Payout Ratio	-	-	-	-
DAR	0.4x	0.4x	0.5x	0.5x
DER	1.3x	1.4x	1.5x	1.4x
LT Debt to Equity	43.8%	22.3%	20.4%	20.0%
Equity Ratio	31.8%	30.5%	31.8%	32.3%
Debt Ratio	40.0%	42.9%	46.4%	46.2%
Current Ratio	0.4x	0.3x	0.4x	0.4x
Quick Ratio	0.4x	0.3x	0.4x	0.4x
Cash Ratio	0.1x	0.1x	0.1x	0.2x
Par Value (IDR)	100	100	100	100
Total Shares (mn)	10,688	10,706	10,706	10,706
Share Price (IDR)	2,960	3,150	3,350	3,350
Market Cap (IDR tn)	31.6	33.7	35.9	35.9

VALUATION INDEX

	2018/12	2019/12	2020/12E	2021/12F
Price/Earnings	N/A	47.3x	22.0x	19.3x
Price/Book Value	1.7x	1.8x	1.7x	1.6x
Price/Sales	1.4x	1.3x	1.3x	1.3x
PE/EPS Growth	N/A	N/A	0.2x	1.4x
EV/EBITDA	6.3x	6.5x	5.3x	5.3x
EV/Sales	2.3x	2.5x	2.3x	2.3x
EV (IDR bn)	53,660	62,797	63,521	64,575
Sales CAGR (3-Yr)	0.1%	5.6%	6.0%	7.6%
EPS CAGR (3-Yr)	370.2%	23.7%	63.0%	-182.5%
Basic EPS (IDR)	N/A	67	152	173
Diluted EPS (IDR)	N/A	67	152	173
BVPS (IDR)	1,716	1,786	1,941	2,115
Sales PS (IDR)	2,146	2,348	2,548	2,673
DPS (IDR)	-	-	-	-

OWNERSHIP

By Geography	% Shareholders	%
Malaysia	87.6	Axiata Investment 66.3
United States	5.5	Norges Bank 1.5
Norway	2.0	Vanguard Group Inc 1.2
Luxembourg	1.2	Brandes Investment 1.1

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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