

XL Axiata Tbk (EXCL)

Ekspektasi Kinerja Akan Solid di 2021

BUY

Target Price (IDR)	3,150
Consensus Price (IDR)	3,446
TP to Consensus Price	-8.6%
vs. Last Price	+47.9%

Shares data

Last Price (IDR)	2,130
Price date as of	Feb. 22, 2021
52 wk range (Hi/Lo)	3,070 / 1,315
Free float	33.6%
Outstanding sh.(mn)	10,706
Market Cap (IDR bn)	22,804
Market Cap (USD mn)	1,616
Avg. Trd Vol - 3M (mn)	66.4
Avg. Trd Val - 3M (bn)	170.3
Foreign Ownership	99.1%

Infrastructure

Telecommunication

Bloomberg	EXCL IJ
Reuters	EXCL.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-33.6%	-12.3%	-12.3%	-15.5%
Rel. Ret	-33.2%	-11.5%	-23.0%	-23.2%

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Pendapatan EXCL tumbuh 3,5% YoY di sepanjang 2020. Namun, melonjaknya beban penyusutan dan keuangan membuat laba bersih EXCL tertekan 47,9% YoY. Segmen data yang masih solid, membuat kami optimis terhadap top dan bottom line di 2021/2022.

Beban Penyusutan Melonjak, Laba Bersih Tertekan.

- EXCL membukukan pertumbuhan pendapatan 3,5% YoY jadi Rp26,0 triliun di 2020 vs Rp25.1 triliun di 2019.
- Beban penyusutan melonjak 69,6% YoY, 114,6% QoQ jadi Rp12,4 triliun vs Rp7,4 triliun di 2019. Pasca pengurangan masa manfaat BTS 3G di 2020.
- Beban keuangan juga naik 19,0% jadi Rp2,6 triliun vs Rp1,9 triliun di 2019.
- Laba bersih tertekan 47,9% YoY jadi Rp371,6 miliar di 2020, dengan catatan EXCL mengalami rugi bersih di kuartal IV-2020 sebesar Rp1,7 triliun.

Data Internet Meningkat Sesuai Ekspektasi Selama Masa Pandemi.

- Segmen data tumbuh 10,9% YoY jadi Rp21,4 triliun vs Rp19,3 triliun FY19. Efek dari meningkatnya jumlah penggunaan data internet selama masa pandemi COVID19.
- Trafik data tumbuh 46,7% YoY di 2020 jadi 4.869 PB vs 3.320 PB di 2019
- Jumlah pelanggan XL meningkat 2,1% YoY, 1,8% QoQ., pasca subsidi data internet yang diberikan pemerintah untuk kalangan pelajar.
- Disamping itu, selama masa pandemi penetrasi smartphone juga tumbuh 4% YoY di 2020 dan 1% di Kuartal IV-2020.

Top dan Bottom Line diproyeksikan akan Kuat di 2021/2022.

- Kami mengestimasi pendapatan dan laba bersih EXCL akan menguat di 2021/2022. dengan estimasi pendapatan Rp27,0 triliun/Rp28,3 triliun dan laba bersih Rp782 miliar/Rp855 miliar pada 2021/2022.
- Segmen data masih akan tumbuh positif, didorong oleh meningkatnya kebutuhan internet di Indonesia seiring dengan pembatasan kegiatan sosial yang terus diterapkan oleh pemerintah.
- Ekspansi jaringan 4G masih akan dilakukan guna menyambut kehadiran 5G yang akan datang.

Mempertahankan BUY dengan Target Harga 3.150.

- Kami tetap mempertahankan rating BUY untuk saham EXCL dengan target harga turun di 3.150 untuk 12 bulan kedepan.
- Implikasi EV/EBITDA target harga kami masih rendah pada kisaran 3,8x; dibandingkan dengan rata-rata 5 tahun pada level 5,3x.

XL Axiata Tbk | Summary (IDR bn)

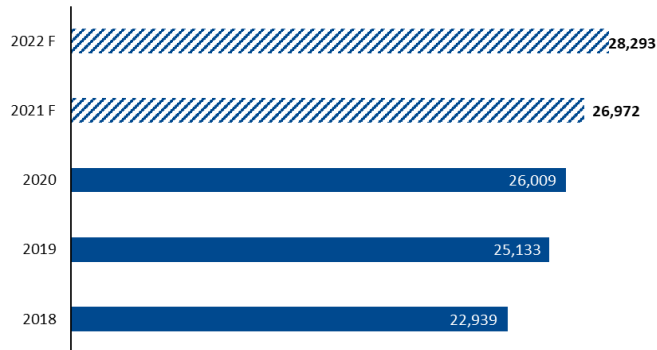
	2019A	2020F	2021F	2022F
Revenue	25,133	26,009	26,972	28,293
Growth	9.6%	3.5%	3.7%	4.9%
Net profit	713	372	782	855
Growth	N/A	-47.9%	110.4%	9.3%
EPS	67	35	73	80
ROE	3.7%	1.9%	3.9%	4.2%
DER	1.4x	1.8x	1.4x	1.2x
P/BV	1.8x	1.5x	1.7x	1.6x
EV/EBITDA	5.9x	4.6x	3.8x	3.4x
Dividend Yield	0.0%	0.7%	0.3%	0.7%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

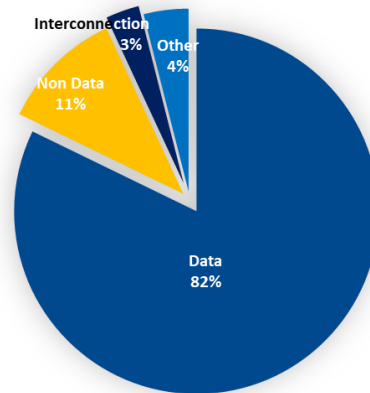
Performance Highlights

Revenue Projections



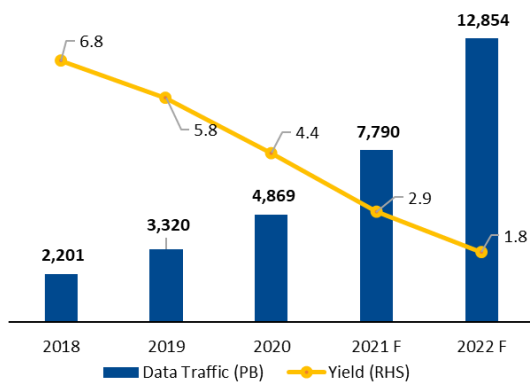
Source: Company, NHKSI Research

Revenue Contributions FY20



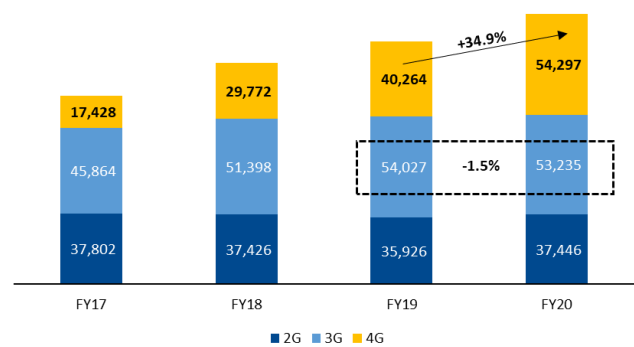
Source: Company, NHKSI Research

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



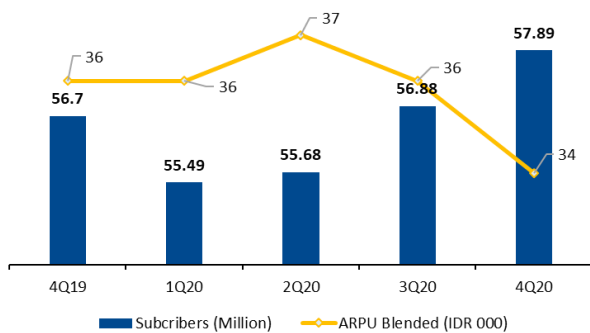
Source: Company, NHKSI Research

BTS Quantity



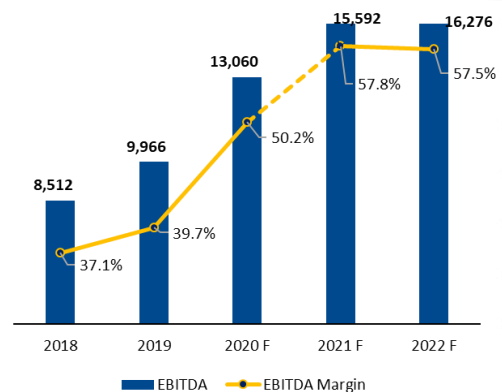
Source: Company, NHKSI Research

Subscribers and ARPU Blended



Source: Company, NHKSI Research

EBITDA Margin (bn)



Source: Company, NHKSI Research



PT XL Axiata Tbk (EXCL) merupakan perusahaan seluler swasta pertama di Indonesia. 66.4% saham XL dimiliki oleh Axiata Investment (Indonesia) yang tergabung dalam Axiata Group Berhad dan public sebesar 33,6%. Saat ini XL telah memiliki 54,297 BTS jaringan 4G, 53,235 jaringan 3G dan 37,446 jaringan 2G. Jumlah pelanggan tumbuh 2,1% menjadi 57,9 juta pelanggan di tahun 2020. Hingga kini, XL masih terus berinovasi dan menjadi operator telekomunikasi pertama di Indonesia yang meluncurkan 4,5G.

Di Operator Telekomunikasi ASEAN, EXCL memiliki nilai PBV yang paling murah sebesar 1,2x di ikuti oleh perusahaan dari Thailand (True Corp) yang juga memiliki PBV 1,2x. EV/EBITDA EXCL 4,0x masih lebih murah dibanding nilai rata-rata kompetitor di ASEAN yang berada di level 7,1x, di ikuti oleh kompetitor dalam negeri seperti ISAT 4,4x dan TLKM 4,6x.

ASEAN Telecommunication Operators

Company	Market Cap (USD mn)	Asset (USD mn)	Revenue LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Growth LTM	Net Profit Margin	ROE LTM	EV/EBITDA LTM	P/BV
Indonesia									
EXCL	1,675	4,865	1,787	26	-47.85%	1.4%	1.9%	4.0x	1.2x
TLKM	23,284	15,975	9,182	1,305	-6.79%	14.2%	18.8%	4.6x	3.2x
ISAT	2,289	4,508	1,919	(49)	N/A	-2.6%	-5.8%	4.4x	2.7x
Singapore									
Singtel	29,393	34,378	11,354	1,206	3.54%	10.6%	6.13%	9.5x	1.4x
Malaysia									
Maxis	9,093	5,241	2,205	337	-0.63%	15.3%	19.99%	13.4x	5.2x
DiGi.Com	7,268	2,036	1,465	291	-14.79%	19.8%	192.91%	12.3x	48.5x
Axiata Group	7,756	16,265	5,743	226	N/A	3.9%	5.88%	5.0x	2.0x
Thailand									
Advanced Info Service	16,549	11,674	5,530	878	-12.04%	15.9%	37.88%	7.4x	6.6x
True Corp	3,489	17,610	4,471	45	-56.89%	1.0%	1.34%	8.2x	1.2x
Total Access Comm.	2,446	5,810	2,521	163	-0.44%	6.5%	20.73%	5.0x	3.0x
Phillipine									
PLDT	5,824	10,355	3,499	521	40.60%	14.9%	23.40%	5.4x	2.5x
Globe Telecom	5,521	6,002	3,239	407	-3.37%	12.6%	24.26%	5.7x	3.2x

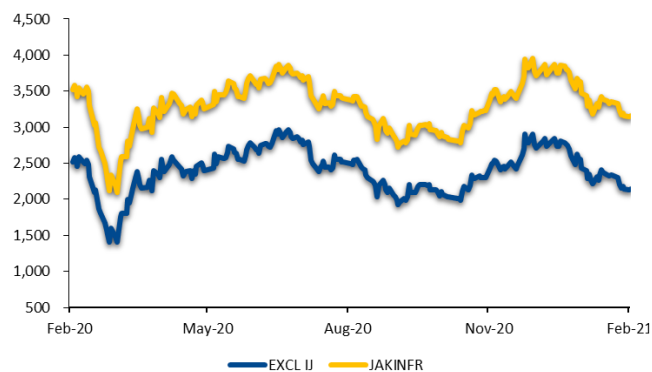
Source: Bloomberg

Forward EV/EBITDA Trade in 3.3x



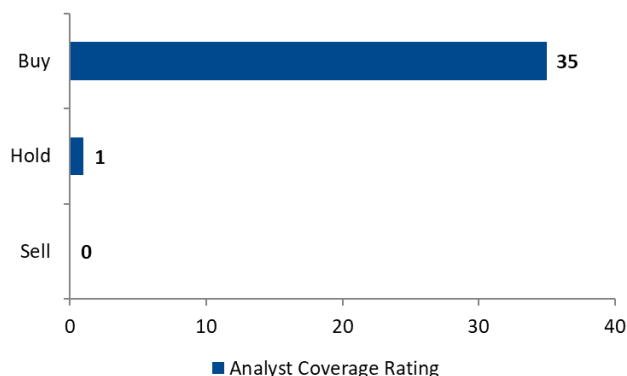
Source: Bloomberg, NHKSI Research

EXCL vs JAKINF



Source: Bloomberg, NHKSI Research

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: 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%
02/23/2020	Buy	3,150 (12 Month)	2,130	3,446	+47,9%	-8,6%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT

(IDR bn)	2019/12	2020/12	2021/F	2022/12F
Revenue	25,133	26,009	26,972	28,293
Growth	9.6%	3.5%	3.7%	4.9%
COGS	-	-	-	-
Gross Profit	25,133	26,009	26,972	28,293
Gross Margin	-	-	-	-
Operating Expenses	(21,858)	(23,377)	(23,908)	(25,203)
Operating Profit	3,274	2,632	3,064	3,090
OP Margin	13.0%	10.1%	11.4%	10.9%
Financial Cost	(2,243)	(2,668)	(2,344)	(2,177)
Finance Income	111	183	297	198
EBIT	1,144	146	1,016	1,110
EBIT Margin	4.6%	0.6%	3.8%	3.9%
Income Tax	(432)	225	(234)	(255)
EAT	713	372	782	855
Non Controlling Interest	-	-	-	-
Net Profit	713	372	782	855
Growth	N/A	-47.9%	110.4%	9.3%
Net Profit Margin	2.8%	1.4%	2.9%	3.0%

BALANCE SHEET

(IDR bn)	2019/12	2020/12	2021/F	2022/12F
Cash	1,603	2,966	1,981	2,156
Receivables	663	450	482	493
Inventories	75	143	147	155
Total Current Assets	7,146	7,571	6,629	6,826
Net Fixed Assets	42,082	47,162	44,454	40,868
Other Non Current Assets	13,498	13,011	13,315	13,635
Total Non Current Assets	55,580	60,174	57,769	54,503
Total Assets	62,725	67,745	64,398	61,329
Trade Payables	8,042	7,379	7,547	7,955
Lease Liabilities	1,997	4,667	2,046	1,794
LT Loan	4,267	5,536	5,536	4,369
Total Current liabilities	21,293	18,857	21,121	20,509
Total Liabilities	43,603	48,607	44,591	40,901
Capital Stock	1,069	1,071	1,069	1,069
Retained Earnings	5,851	5,969	6,640	7,261
Shareholders' Equity	19,122	19,137	19,806	20,428

CASH FLOW STATEMENT

(IDR bn)	2019/12	2020/12	2021/F	2022/12F
Operating Cash Flow	8,235	11,838	13,437	14,430
Investing Cash Flow	(11,386)	(16,342)	(10,123)	(9,920)
Financing Cash Flow	3,707	5,907	(4,298)	(4,335)
Net Changes in Cash	556	1,402	(984)	175

Source: Company Data, NHKSI Research

PROFITABILITY & STABILITY

	2019/12	2020/12	2021/F	2022/12F
ROE	3.7%	1.9%	3.9%	4.2%
ROA	1.1%	0.5%	1.2%	1.4%
Inventory Turnover	293.0x	163.0x	163.0x	163.0x
Receivables Turnover	32.9x	46.4x	45.0x	46.2x
Payables Turnover	2.7x	3.2x	3.2x	3.2x
Dividend Yield	0.0%	0.7%	0.3%	0.7%
Payout Ratio	-	0.0	0.0	0.0
DER	1.4x	1.8x	1.4x	1.2x
Net Gearing	0.2x	0.3x	0.3x	0.2x
Equity Ratio	30.5%	28.2%	30.8%	33.3%
Debt Ratio	42.9%	49.6%	42.8%	39.4%
Financial Leverage	3.2x	3.4x	3.4x	3.1x
Current Ratio	0.3x	0.4x	0.3x	0.3x
Quick Ratio	0.3x	0.4x	0.3x	0.3x
Par Value (IDR)	100	100	100	100
Total Shares (mn)	10,688	10,689	10,688	10,688
Share Price (IDR)	3,150	2,730	3,150	3,150
Market Cap (IDR tn)	33,667	29,181	33,667	33,667

VALUATION INDEX

	2019/12	2020/12	2021/F	2022/12F
Price/Earnings	47.2x	78.5x	43.1x	39.4x
Price/Book Value	1.8x	1.5x	1.7x	1.6x
PE/EPS Growth	N/A	-1.6x	0.4x	4.2x
EV/EBITDA	5.9x	4.6x	3.8x	3.4x
EV (IDR bn)	58,993	59,843	59,263	55,703
Revenue CAGR (3-Yr)	3.4%	-1.9%	-4.3%	3.2%
Net Income CAGR (3-Yr)	23.8%	-148.3%	3.1%	32.0%
Basic EPS (IDR)	67	35	73	80
BVPS (IDR)	1,789	1,790	1,853	1,911
DPS (IDR)	-	20	10	22

OWNERSHIP

Top Shareholders	%
Axiata Investment	66.3
Norges Bank	1.5
Brandes Investment	1.1
Vanguard Group	1.0
By Geography	%
Malaysia	87.6
United States	5.3
Norway	2.0
Indonesia	0.9
Others	4.2

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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