

Telekomunikasi Indonesia Tbk (TLKM)

Rencana Aksi Korporasi untuk Meningkatkan Nilai Perusahaan



TLKM membukukan kinerja positif selama 2020, laba bersih tumbuh double digit sebesar 11,5%. Di topang oleh pendapatan yang tumbuh 0,7% yoy dan margin biaya yang lebih rendah di level 68,1%. Disamping itu, Aksi korporasi yang dilakukan anak usaha TLKM akan melanjutkan trend positif untuk TLKM. Kami optimis *top* dan *bottom line* TLKM akan lebih solid di 2021.

Kinerja Memuaskan di Tahun 2020.

- TLKM membukukan pendapatan Rp136,5 triliun, tumbuh 0,7% yoy/ 10,4% qoq. Vs Rp135,6 triliun di 2019.
- Segmen Data, Internet dan Jasa IT berkontribusi paling besar 52,0% terhadap pendapatan TLKM.
- Selama pandemi Covid-19 berlangsung, segmen Indihome mendapat berkah. Naik 21,2% yoy/6,2% qoq jadi Rp22,2 triliun di 2020.
- Data Trafik dan Base Transceiver Station (BTS) tumbuh 43,8% yoy dan 8,9% yoy.
- Biaya operasi, *maintenance* dan jasa telco yang turun 18,1% yoy, mampu menurunkan rasio beban operasional ke level 68,1% di 2020.
- FY20, TLKM berhasil membukukan Laba Bersih sebesar Rp20,8 triliun, tumbuh 11,5% yoy.

Strategi Bisnis Yang Kuat di 2021.

- TLKM akan diuntungkan dari nilai hasil Investasi dari PT Aplikasi Karya Anak bangsa (Gojek) pasca PT Telekomunikasi Selular (Telkomsel/ anak usaha TLKM) menyuntik dana senilai USD150 juta pada 4Q20.
- Jika Terealisasi, nilai estimasi emisi yang tinggi dari Initial Public Offering (IPO) PT Dayamitra Telekomunikasi (Mitratel/ anak usaha TLKM) di akhir 2021 akan meningkatkan nilai perusahaan untuk TLKM.
- Fundamental bisnis Telkomsel akan kuat di 2021, setelah perjanjian jual beli bersyarat 6.050 menara telkomsel ke Mitratel selesai di kuartal-I 2021 dengan nilai investasi sebesar Rp10,3 triliun.
- Jumlah pelanggan kami estimasi akan meningkat, pasca telkomsel berhasil memenangkan seleksi lelang pita frekuensi radio 2,3 Ghz untuk mendukung jaringan 5G.

Mempertahankan BUY dengan Target Harga 4.400.

- Kami mempertahankan Rating BUY untuk saham TLKM dengan target harga lebih tinggi di Rp4.400 untuk 12 bulan kedepan.
- Mempertimbangkan bisnis TLKM yang solid di 2020 sejalan dengan estimasi, kami memproyeksikan pertumbuhan disisi *top* maupun *bottom line* yang lebih solid di 2021.
- Target Harga kami merefleksikan nilai EV/EBITDA di level 5,8x; lebih tinggi dibandingkan dengan rata-rata 1 tahun di level 5,2x/ lebih rendah dari EV/EBITDA 5 tahun di level 6,3x.
- Saat ini saham TLKM diperdagangkan di level EV/EBITDA 5,0x.

Telekomunikasi Indonesia Tbk | Summary (IDR bn)

	2019A	2020A	2021F	2022F
Revenue	135,567	136,462	143,274	152,457
Growth	3.7%	0.7%	5.0%	6.4%
Net Profit	18,663	20,804	23,716	24,973
Growth	3.5%	11.5%	14.0%	5.3%
EPS (IDR)	188	210	239	252
P/E	20.3x	15.8x	18.4x	17.5x
P/BV	3.2x	2.7x	3.4x	3.2x
EV/EBITDA	6.5x	5.3x	6.3x	5.8x
ROE	15.9%	17.2%	18.4%	18.1%
DER	0.4x	0.5x	0.6x	0.6x
Dividend yield	4.3%	4.7%	3.9%	4.2%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

Company Report | May 05, 2021

BUY

Target Price (IDR)	4,400
Consensus Price (IDR)	4,144
TP to Consensus Price	+6.2%
vs. Last Price	+37.1%

Shares data

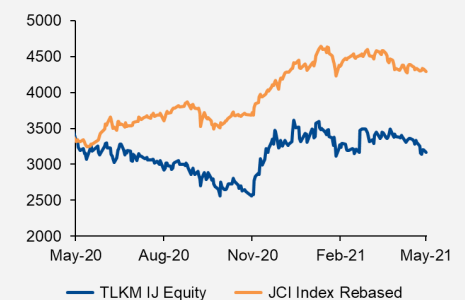
Last Price (IDR)	3,210
Price date as of	May 04, 2020
52 wk range (Hi/Lo)	3,640 / 2,540
Free float	47.9%
Outstanding Shares (mn)	99,062
Market Cap (IDR bn)	316,008
Market Cap (USD mn)	21,905
Avg. Trd Vol - 3M (mn)	99.4
Avg. Trd Val - 3M (bn)	332.3
Foreign Ownership	27.5%

Infrastructure

Telecommunication

Bloomberg	TLKM IJ
Reuters	TLKM.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-9.2%	-5.7%	-9.2%	-4.5%
Rel. Ret	-3.7%	-0.3%	-6.7%	-33.8%

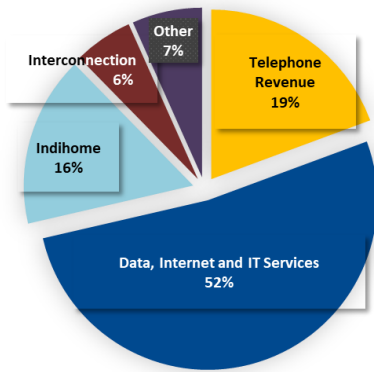
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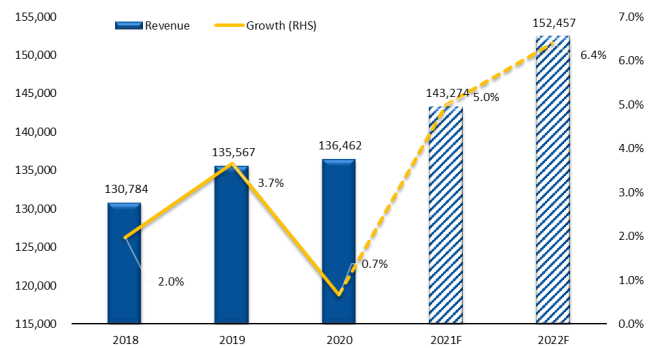
Performance Highlights

Revenue Contribution FY20



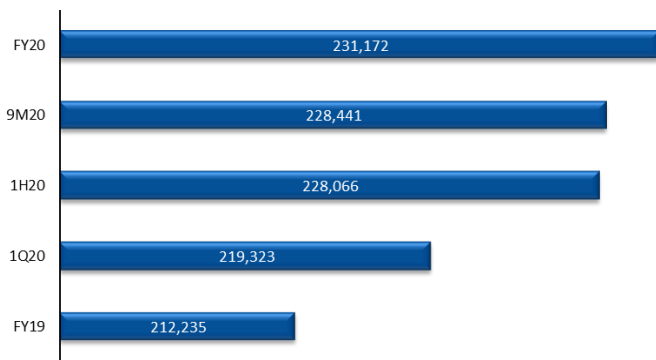
Source: Company, NHKSI Research

Revenue Projections (bn)



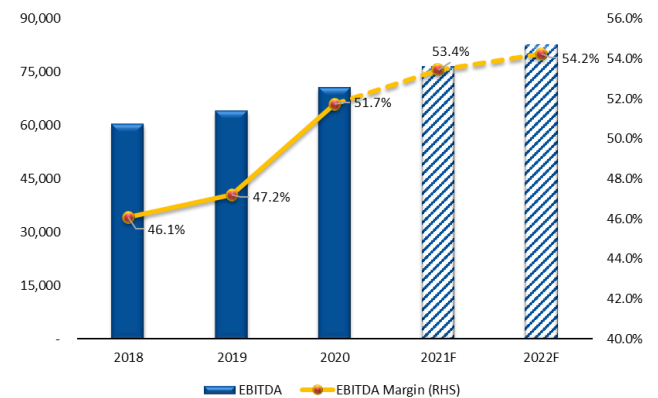
Source: Company, NHKSI Research

Base Transceiver Station (BTS)



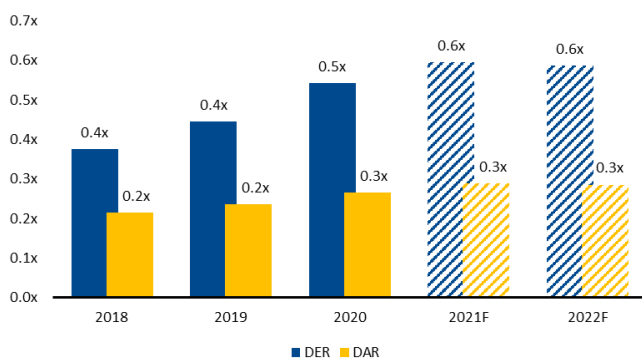
Source: Company, NHKSI Research

EBITDA & EBITDA Margin (bn)



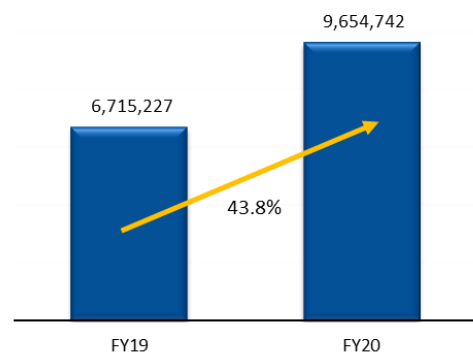
Source: Company, NHKSI Research

DER and DAR



Source: Company, NHKSI Research

Traffic Data (TB)



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 akhir tahun 2020 telah melayani 169,5 juta pelanggan.

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									
TLKM	21,905	17,734	9,378	1,430	11.47%	15.2%	20.6%	5.4x	3.1x
EXCL	1,509	4,865	1,771	(57)	N/A	-3.2%	-4.1%	3.9x	1.1x
ISAT	2,345	4,508	1,919	(49)	N/A	-2.6%	-5.8%	4.4x	2.8x
Singapore									
Singtel	30,439	34,378	11,354	1,206	13.54%	10.6%	6.13%	9.5x	1.5x
Malaysia									
Maxis	8,715	5,455	2,122	326	-7.10%	15.4%	19.38%	11.9x	5.1x
DiGi.Com	7,944	2,036	1,472	277	-18.94%	18.8%	186.00%	10.8x	55.4x
Axiata Group	8,259	16,904	5,763	87	-74.95%	1.5%	2.16%	6.3x	1.9x
Thailand									
Advanced Info Service	16,305	11,674	5,670	881	-10.05%	15.5%	40.13%	7.3x	7.1x
True Corp	3,486	20,588	4,421	34	-81.40%	0.8%	1.00%	7.3x	1.3x
Total Access Comm.	2,487	5,810	2,555	143	-16.99%	5.6%	20.64%	5.1x	3.9x
Phillipine									
PLDT	5,668	11,993	3,650	490	7.83%	13.4%	21.40%	5.8x	2.4x
Globe Telecom	5,070	7,077	3,237	375	-16.57%	11.6%	22.50%	6.2x	3.0x

Source: Bloomberg, NHKSI Research

Multiple Valuation

TLKM is trade at area average (5.0x) Forward EV/EBITDA



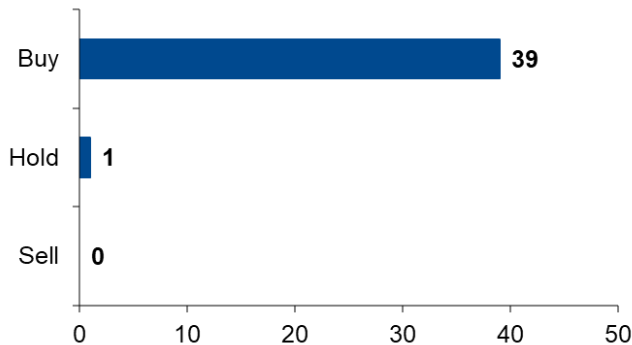
Source: NHKSI Research

TLKM & IDXINFRA



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
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%
11/13/2020	Buy	3,800 (12 Month)	3,040	3,868	+25.0%	-1.8%
05/05/2021	Buy	4,400 (12 Month)	3,210	4,144	+37.1%	+6.2%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT

(IDR bn)	2019/12	2020/12	2021/12F	2022/12F
Revenue	135,567	136,462	143,274	152,457
<i>Growth</i>	3.7%	0.7%	5.0%	6.4%
COGS	-	-	-	-
Gross Profit	135,567	136,462	143,274	152,457
<i>Gross Margin</i>	-	-	-	-
Operating Expenses	(93,087)	(92,871)	(94,561)	(100,621)
EBIT	42,480	43,591	48,713	51,835
<i>EBIT Margin</i>	31.3%	31.9%	34.0%	34.0%
Depreciation	21,511	26,996	27,841	30,839
EBITDA	63,991	70,587	76,554	82,674
<i>EBITDA Margin</i>	47.2%	51.7%	53.4%	54.2%
Interest Expenses	(4,572)	(4,816)	(5,333)	(5,966)
EBT	37,908	38,775	43,381	45,869
Income Tax	(10,316)	(9,212)	(10,306)	(10,897)
Minority Interest	(8,929)	(8,759)	(9,358)	(9,998)
Net Profit	18,663	20,804	23,716	24,973
<i>Growth</i>	3.5%	11.5%	14.0%	5.3%
<i>Net Profit Margin</i>	13.8%	15.2%	16.6%	16.4%

BALANCE SHEET

(IDR bn)	2019/12	2020/12	2021/12F	2022/12F
Cash	18,242	20,589	28,555	34,243
Receivables	11,797	11,339	15,123	16,093
Inventories	585	983	745	791
Total Current Assets	41,722	46,503	58,788	66,412
Net Fixed Assets	156,973	179,489	185,648	192,809
Other Non Current Assets	22,513	20,951	22,142	23,561
Total Non Current Assets	179,486	200,440	207,790	216,371
Total Assets	221,208	246,943	266,578	282,783
Payables	31,513	34,555	33,835	36,276
ST Bank Loan	18,215	24,680	28,726	29,996
Total Current Liabilities	58,369	69,093	72,980	77,358
LT Debt	33,869	40,782	47,468	49,566
Total Liabilities	103,958	126,054	137,547	145,119
Capital Stock	7,664	7,664	7,664	7,664
Retained Earnings	91,489	94,489	100,993	107,842
Shareholders' Equity	117,250	120,889	129,031	137,664

CASH FLOW STATEMENT

(IDR bn)	2019/12	2020/12	2021/12F	2022/12F
Operating Cash Flow	45,927	49,625	47,079	56,985
Investing Cash Flow	(38,069)	(47,950)	(35,191)	(39,419)
Financing Cash Flow	(5,844)	3,248	(3,922)	(11,877)
Net Changes in Cash	2,014	4,923	7,966	5,688

Source: Company Data, NHKSI Research

PROFITABILITY & STABILITY

	2019/12	2020/12	2021/12F	2022/12F
ROE	15.9%	17.2%	18.4%	18.1%
ROA	8.4%	8.4%	8.9%	8.8%
Inventory Turnover	187.5x	192.4x	192.4x	192.8x
Receivables Turnover	9.5x	9.2x	9.5x	9.5x
Payables Turnover	4.3x	4.2x	4.2x	4.2x
Dividend Yield	4.3%	4.7%	3.9%	4.2%
Payout Ratio	87.0%	73.4%	72.6%	72.6%
DER	0.4x	0.5x	0.6x	0.6x
Net Gearing	0.5x	0.6x	0.7x	0.7x
Equity Ratio	0.5x	0.5x	0.5x	0.5x
Debt Ratio	0.2x	0.3x	0.3x	0.3x
Financial Leverage	1.8x	2.0x	2.1x	2.1x
Current Ratio	0.7x	0.7x	0.8x	0.9x
Quick Ratio	0.5x	0.5x	0.6x	0.7x
Par Value (IDR)	50	50	50	50
Total Shares (mn)	99,062	99,062	99,062	99,062
Share Price (IDR)	3,830	3,310	4,400	4,400
Market Cap (IDR tn)	379	328	436	436

VALUATION INDEX

	2019/12	2020/12	2021/12F	2022/12F
Price/Earnings	20.3x	15.8x	18.4x	17.5x
Price/Book Value	3.2x	2.7x	3.4x	3.2x
PE/EPS Growth	5.8x	1.4x	1.3x	3.3x
EV/EBITDA	6.5x	5.3x	6.3x	5.8x
EV (IDR bn)	413,250	372,769	483,513	481,192
Revenue CAGR (3-Yr)	5.2%	2.1%	3.1%	4.0%
Net Profit CAGR (3-Yr)	-1.2%	-2.1%	9.6%	10.2%
Basic EPS (IDR)	188	210	239	252
BVPS (IDR)	1,184	1,220	1,303	1,390
DPS (IDR)	164	154	174	183

OWNERSHIP

Top Shareholders	%
Rep. of Indonesia	52.1
Bank of New York	4.1
Vanguard Group Inc	1.5
JPMorgan Chase & Co	1.4
By Geography	%
Indonesia	72.5
United States	13.8
Luxembourg	5.0
Ireland	2.0
Others	6.8

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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