

Tower Bersama Infrastructure Tbk (TBIG)

Potensi Akuisisi Menara Lebih Terbatas



Kinerja TBIG terlihat solid selama kuartal I-2021, Top dan Bottom Line tumbuh double digit masing-masing 12,7% YoY dan 16,4% YoY. Hutchison 3 dan FREN menambah sewa menaranya (30,8% YoY dan 27,4% YoY). Potensi pertumbuhan pendapatan dari sewa menara ke FREN akan tercerminkan di semester 1 ini, pasca TBIG berhasil akuisisi 3.000 menara IBST pada April 2021.

Adanya Penurunan Kontribusi Sewa Menara Tsel, Kinerja Tetap Solid.

- Pendapatan TBIG tumbuh 12,7% YoY jadi Rp1,4 triliun selama kuartal pertama di 2021 vs Rp1,3 triliun di 1Q20.
- Kontribusi pendapatan terbesar masih dari sewa menara ke Tsel sebesar 37,8%, kontribusi ini tercatat turun dibanding tahun lalu sebesar 40,6%.
- Sedangkan, Hutchison 3 kini menambah sewa menara ke TBIG dengan mencatatkan pertumbuhan terbesar sebesar 30,8% YoY. Kontribusi juga ikut meningkat menjadi 15,7%. Kami melihat pertumbuhan ini didorong oleh seiring meningkatnya pelanggan Hutchison Tri.
- Penurunan biaya operasional 1,5% YoY membuat pendapatan operasional tumbuh 4,0% YoY dan Operating Profit Margin (OPM) solid di 69,0%.
- Laba bersih TBIG tumbuh 16,4% YoY jadi Rp265,9 miliar vs Rp228,5 miliar di 1Q20.

Potensi Kenaikan Pendapatan dari Akuisisi Menara IBST.

- TBIG dan PT Inti Bangun Sejahtera Tbk (IBST) telah selesai melakukan transaksi jual beli 3.000 menara senilai Rp4,0 triliun pada awal april lalu. Kami menilai adanya peralihan menara akan menambah pendapatan sewa menara ke TBIG.
- FREN merupakan kontributor utama pendapatan IBST sebesar 54,4% selama 1Q21. Sehingga, kami optimis dari adanya pengalihan menara ke TBIG kontribusi FREN terhadap sewa menara TBIG akan tumbuh di tahun ini.

Net Debt/EBITDA Relatif Tinggi.

- Saat ini TBIG memiliki nilai Net Debt/EBITDA di level 5,2x, kami menilai nilai ini sudah cukup tinggi, dibandingkan dengan nilai Net Debt to EBITDA rata-rata industri yang berada di level 3,6x.
- Dengan tingginya nilai Net Debt/EBITDA, kami menilai kedepan jumlah ekspansi menara TBIG akan lebih terbatas.
- Estimasi kami, hingga tahun 2021 nilai Net Debt/EBITDA TBIG berada di level 4,9x.

Memberikan Rating HOLD dengan Target Harga di Rp3.240.

- Nilai Net Debt/EBITDA yang cukup tinggi membuat kami memberikan rating HOLD untuk TBIG di target harga di 3.240.
- Target harga kami mencerminkan nilai EV/EBITDA di level 19,2x, rata-rata 1 tahun di level 14,5x. Saat ini TBIG diperdagangkan di level EV/EBITDA 17,2x.

Tower Bersama Infrastructure Tbk | Summary (IDR bn)

	2019A	2020A	2021F	2022F
Revenue	4,699	5,328	5,797	5,833
Growth	8.8%	13.4%	8.8%	0.6%
Net Profit	819	1,010	1,240	1,142
Growth	20.4%	23.2%	22.8%	-7.9%
EPS (IDR)	36	45	55	50
P/E	34.0x	36.6x	59.2x	64.3x
P/BV	5.0x	4.0x	7.4x	7.0x
EV/EBITDA	12.7x	13.1x	19.2x	19.3x
ROE	14.8%	10.9%	12.5%	10.9%
DER	4.2x	2.6x	2.6x	2.6x
Dividend Yield	10.8%	8.2%	4.1%	4.2%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

Company Report | July 23, 2021

HOLD

Target Price (IDR)	3,240
Consensus Price (IDR)	3,051
TP to Consensus Price	+6.2%
Potential Upside	+4.2%

Shares data

Last Price (IDR)	3,110
Price date as of	July 22, 2021
52 wk range (Hi/Lo)	3,440 / 1,155
Free float	62.0%
Outstanding sh.(mn)	22,657
Market Cap (IDR bn)	70,463
Market Cap (USD mn)	4,863
Avg. Trd Vol - 3M (mn)	72.0
Avg. Trd Val - 3M (bn)	203.6
Foreign Ownership	14.7%

Infrastructure

Telecommunication Towers

Bloomberg	TBIG IJ
Reuters	TBIG.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	81.3%	23.4%	20.1%	153.9%
Rel. Ret	80.8%	16.9%	17.7%	133.8%

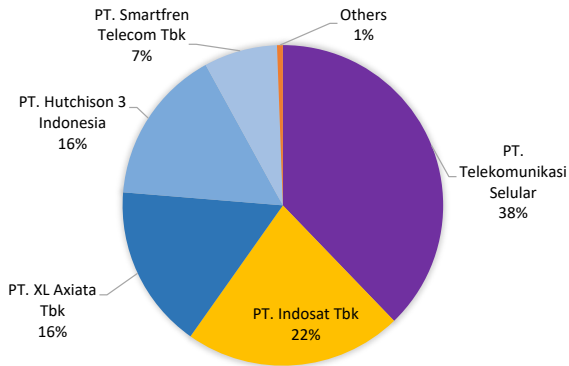
Restu Pamungkas

+62 21 5088 9133

restu.pamungkas@nhsec.co.id

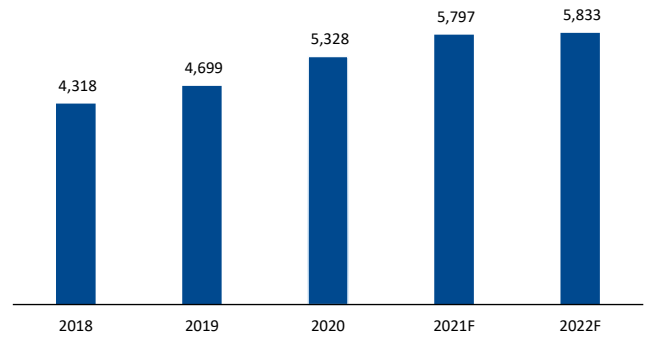
Performance Highlights

Revenue Contribution 1Q21



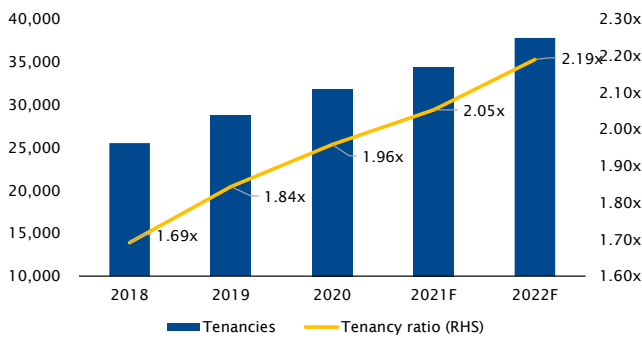
Source: Company, NHKSI Research

Revenue Projection (bn)



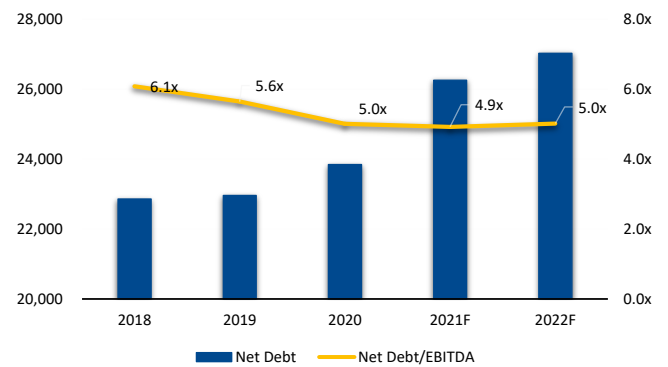
Source: Company, NHKSI Research

Tenancy Ratio



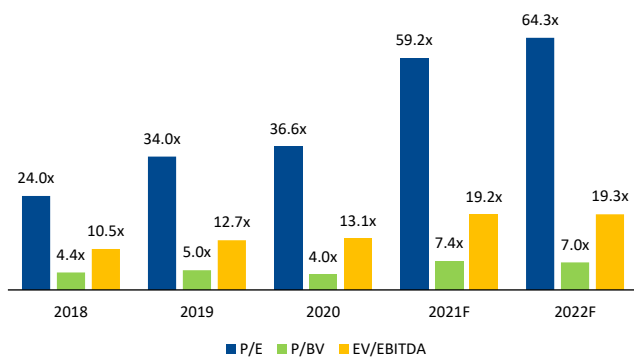
Source: Company, NHKSI Research

Net Debt/EBITDA



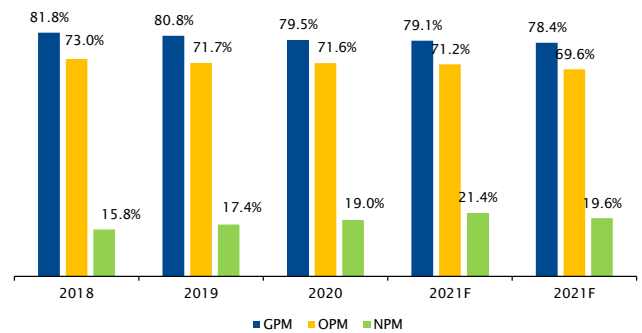
Source: Company, NHKSI Research

Multiple Valuation



Source: Company, NHKSI Research

TBIG Margins



Source: Bloomberg, Company, NHKSI Research



PT Tower Bersama Infrastructure Tbk ("TBIG") merupakan perusahaan induk dari Tower Bersama Group. TBIG didirikan pada tahun 2004 dan sahamnya tercatat di Bursa Efek Indonesia sejak tanggal 26 Oktober 2010.

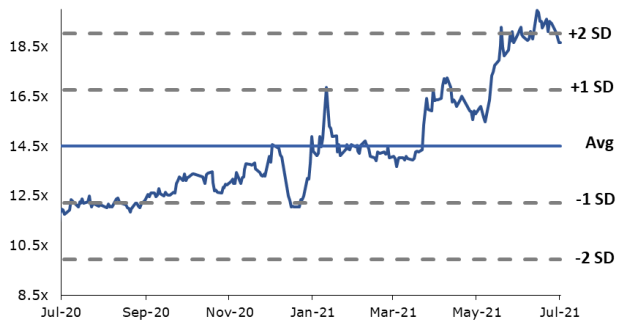
Tower Bersama Group merupakan salah satu dari dua perusahaan menara independen terbesar di Indonesia. Kegiatan usaha utama Perseroan adalah menyewakan tower space pada sites sebagai tempat pemasangan perangkat telekomunikasi milik penyewa untuk transmisi sinyal berdasarkan skema perjanjian sewa jangka panjang melalui Entitas Anak. Perseroan juga menyediakan akses untuk operator telekomunikasi ke jaringan repeater dan IBS milik Perseroan sehingga dapat memancarkan jaringan sistem telekomunikasi di gedung-gedung perkantoran dan pusat-pusat perbelanjaan yang terletak pada wilayah perkotaan.

Asia Peers Comparison

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									
TBIG	5,002	2,623	377	72	26.15%	19.1%	15.2%	15.1x	7.5x
TOWR	4,611	2,460	521	214	30.05%	41.0%	30.8%	12.0x	6.0x
CENT	598	548	80	(47)	N/A	-59.1%	-26.4%	N/A	3.7x
SUPR	628	865	135	50	130.34%	37.1%	20.8%	7.8x	2.4x
IBST	466	748	78	4	-49.37%	4.8%	0.9%	19.9x	1.1x
China									
China Tower Corp	24,009	51,688	11,766	933	23.09%	7.9%	3.49%	4.6x	0.8x
Xinjiang Comm	1,021	2,238	1,083	19	-27.86%	1.8%	5.39%	N/A	2.6x
Changshu Fengfan Power	714	727	380	34	N/A	8.9%	9.04%	N/A	1.8x
Hubei Kaile Science	1,206	1,926	1,248	69	-31.99%	5.5%	7.11%	N/A	1.1x
China Maachinery E.	1,938	7,816	2,771	172	-45.90%	6.2%	6.58%	N/A	0.7x

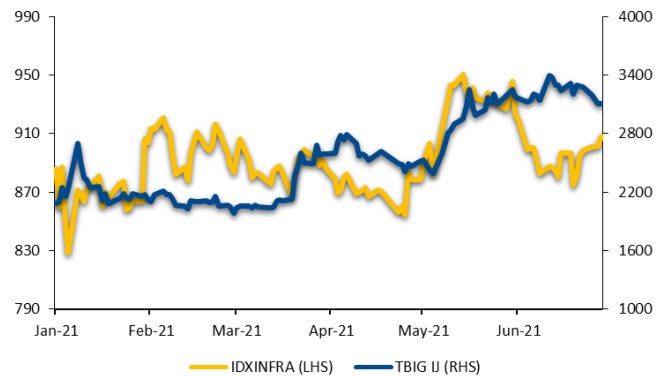
Source: Bloomberg, NHKSI Research

Forward EV/EBITDA Trade in +2SD area



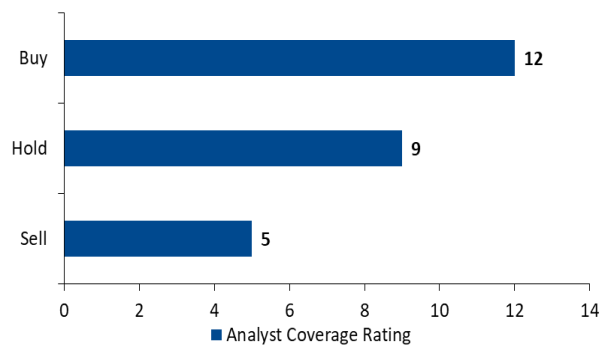
Source: Bloomberg

TBIG IJ & JAKINF



Source: 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	Potential Upside	vs Consensus
08/11/2020	Hold	1,400 (12 Month)	1,290	1,390	+8.5%	+0.8%
11/04/2020	Overweight	1,565 (12 Month)	1,460	1,512	+7.2%	+3.5%
07/23/2021	Hold	3,240 (12 Month)	3,110	3,051	+4.2%	+6.2%

Source: NHKSI Research, Bloomberg

Financial Summary

INCOME STATEMENT

(IDR bn)	2019/12	2020/12	2021/12F	2022/12F
Revenue	4,699	5,328	5,797	5,833
<i>Growth</i>	8.8%	13.4%	8.8%	0.6%
Cost of Revenue	(903)	(1,093)	(1,209)	(1,258)
Gross Profit	3,795	4,235	4,588	4,575
<i>Gross Margin</i>	80.8%	79.5%	79.1%	78.4%
Operating Expenses	(426)	(419)	(459)	(518)
EBIT	3,369	3,816	4,129	4,057
<i>EBIT Margin</i>	71.7%	71.6%	71.2%	69.6%
EBITDA	3,972	4,573	5,127	5,134
<i>EBITDA Margin</i>	84.5%	85.8%	88.4%	88.0%
Interest Expenses	(2,017)	(2,135)	(2,350)	(2,419)
EBT	1,223	1,509	1,684	1,546
Income Tax	(356)	(443)	(491)	(451)
Minority Interest	(47)	(57)	(47)	(47)
Net Profit	819	1,010	1,147	1,048
<i>Growth</i>	20.4%	23.2%	22.8%	-7.9%
<i>Net Profit Margin</i>	17.4%	19.0%	19.8%	18.0%

BALANCE SHEET

(IDR bn)	2019/12	2020/12	2021/12F	2022/12F
Cash	525	947	1,012	1,265
Receivables	467	711	773	778
Inventories	18	118	60	61
Total Current Assets	2,377	3,227	3,320	3,580
Net Fixed Assets	24,649	28,738	31,636	32,576
Other Non Current Assets	3,846	1,941	2,049	2,049
Total Non Current Assets	28,495	33,294	36,300	37,240
Total Assets	30,872	36,521	39,620	40,820
Payables	248	571	621	532
ST Debt	2,147	6,900	6,565	6,758
Total Current Liabilities	4,514	13,778	14,627	14,873
LT Debt	14	-	-	-
Total Liabilities	25,348	27,217	29,682	30,360
Capital Stock	453	453	453	453
Retained Earnings	1,611	2,204	2,839	3,360
Shareholders' Equity	5,523	9,304	9,938	10,460

CASH FLOW STATEMENT

(IDR bn)	2019/12	2020/12	2021/12F	2022/12F
Operating Cash Flow	669	1,216	2,070	1,072
Investing Cash Flow	(1,472)	(4,928)	(3,102)	(970)
Financing Cash Flow	1,057	3,945	1,807	151
Net Changes in Cash	255	233	775	253

Source: Company Data, NHKSI Research

PROFITABILITY & STABILITY

	2019/12	2020/12	2021/12F	2022/12F
ROE	14.8%	10.9%	12.5%	10.9%
ROA	2.7%	2.8%	3.1%	2.8%
Inventory Turnover	265.3x	45.0x	96.0x	96.0x
Receivables Turnover	6.1x	5.5x	5.5x	5.5x
Payables Turnover	16.3x	9.0x	9.0x	10.6x
Dividend Yield	10.8%	8.2%	4.1%	4.2%
Payout Ratio	0.0%	0.0%	0.0%	0.0%
DER	4.2x	2.6x	2.6x	2.6x
Net Gearing	4.6x	2.7x	2.8x	2.7x
Equity Ratio	0.2x	0.3x	0.3x	0.3x
Debt Ratio	0.7x	0.7x	0.7x	0.7x
Financial Leverage	6.5x	4.5x	4.0x	3.9x
Current Ratio	0.5x	0.2x	0.2x	0.2x
Quick Ratio	0.3x	0.1x	0.1x	0.2x
Par Value (IDR)	50	50	50	50
Total Shares (mn)	22,657	22,657	22,657	22,657
Share Price (IDR)	1,230	1,630	3,240	3,240
Market Cap (IDR tn)	27,868	36,931	73,409	73,409

VALUATION INDEX

	2019/12	2020/12	2021/12F	2022/12F
Price/Earnings	34.0x	36.6x	59.2x	64.3x
Price/Book Value	5.0x	4.0x	7.4x	7.0x
PE/EPS Growth	1.7x	1.6x	2.6x	-8.1x
EV/EBITDA	12.7x	13.1x	19.2x	19.3x
EV (IDR bn)	50,303	59,831	98,657	99,175
Revenue CAGR (3-Yr)	8.2%	9.8%	10.3%	7.5%
Net Income CAGR (3-Yr)	-14.0%	-24.2%	22.1%	11.7%
Basic EPS (IDR)	36	45	55	50
BVPS (IDR)	244	411	439	462
DPS (IDR)	27	27	25	31

OWNERSHIP

	%
Top Shareholders	
PT Wahana Anugerah S.	34.2
Provident Capital Indo	22.2
Vanguard Group Inc.	1.5
Janus Henderson Gr.	1.1
By Geography	
Indonesia	85.3
United States	6.2
Norway	1.3
Ireland	0.5
Others	6.6

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%

DISCLAIMER

This document is strictly confidential and is being supplied to you solely for your information. The recipients of this report must make their own independent decisions regarding any securities or financial instruments mentioned herein. This document may not be quoted, reproduced, exhibited, redistributed, transmitted, edited, translated, or published, in whole or in part, for any purpose without notice. Any failure to comply with this restriction may constitute a violation of civil or criminal laws.

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein. All rights reserved by PT NH Korindo Sekuritas Indonesia.