Telekomunikasi Indonesia Tbk (TLKM)

Outlook Positif Bisnis Digital dan Seluler

TLKM mencatatkan kinerja positif dari segmen-segmen pendapatan di 9M21. Segmen data dan internet mencatatkan pertumbuhan +6.1% YoY ke IDR60.245 miliar, didukung pangsa pasar yang kuat (59,2% dari total pasar domestik) dan pertumbuhan stabil jumlah pengguna (2,2% YoY) ke 173,5 juta. Segmen IndiHome naik 21,9% YoY ke IDR19,6 triliun. Selain itu, *data traffic* naik 50,4% YoY ke 9,812 petabytes.

Pendapatan Meningkat Meskipun Beban Operasional Naik

- Pendapatan 9M21 tumbuh menjadi IDR104,6 triliun (6,1% YoY), didukung pertumbuhan stabil segmen data dan internet serta IndiHome yang mencakup 75,1% total pendapatan. Laba bersih naik 13,1% ke IDR18,8 triliun.
- Kontributor pendapatan lain yang lebih kecil, seperti jasa telekomunikasi, tumbuh 38,1% YoY.
- Meskipun beban operasional naik 4,5% YoY ke IDR23,84 triliun, EBIT naik 10,4% YoY ke IDR12,87 triliun. Kami yakin bahwa ini disebabkan oleh pertumbuhan yang lebih tinggi dalam berbagai segmen dibandingkan dengan pengeluaran.

Pendorong Pertumbuhan bagi Kinerja TLKM

- TLKM memiliki 245.710 *Base Transceiver Station* (BTS) hingga September 2021, tumbuh 7,6% YoY dengan 192.047 unit 3G/4G BTS. TLKM adalah pemilik BTS terbanyak di Indonesia.
- Pada 9M21, segmen Indihome tetap menjadi kontributor kedua terbesar, menyumbangkan 22,1% dari total pendapatan.
- Disisi lain, tambahan 450.000 pengguna baru selama 9 bulan, menjadi 8,4 juta pengguna, serta ARPU yang naik 2,2% QoQ menjadi IDR270.000/pengguna.
- Sejak awal 2021, TLKM memperkuat segmen Bisnis Digital (*cloud computing* dan *e-payment*) dengan mengkonsolidasi 26 *data center* di seluruh Asia, untuk memfasilitasi *data transfer* yang lebih baik melalui *cloud software* milik TLKM untuk klien korporatnya. Sejak November 2020, TLKM berinvestasi di Go-Jek (Aplikasi Karya Anak Bangsa) sebesar USD450 juta, dan telah memperoleh laba IDR350 miliar dalam periode 1 tahun.

Mempersiapkan Aset MTEL Sebelum Spin-off

- Mitratel berencana untuk menggunakan dana yang didapatkan dari IPO untuk membeli 6.000 unit Menara telekomunikasi. Kami yakin bahwa ini akan mendorong pertumbuhan organic bagi MTEL dan meningkatkan rasio sewa. MTEL saat ini memiliki lebih dari 28.000 Menara telekomunikasi, pemilik terbesar secara domestik. Seperti yang sudah direncanakan, setelah IPO, MTEL akan menjadi entitas terpisah yang fokus pada bisnis penyewaan menara.

Rekomendasi BUY dengan target price IDR4.940

- Saat ini, Price Earnings Ratio (17,8x) TLKM berada di bawah perkiraan FY22 kami (21,4x), namun kami melihat spin-off Mitratel dan pertumbuhan segmen Indihome menjadi basis katalis kenaikan harga TLKM.
- Target price merefleksikan *implied* EV/EBITDA 5,4x karena kami yakin bahwa pertumbuhan TLKM yang stabil adalah hasil dari *recurring income* asset-asetnya dengan perkiraan FY22 ROE dan EPS TLKM sebesar 15,8% dan IDR228 per saham.

Telekomunikasi Indonesia Tbk | Summary (IDR bn)

	2020A	2021A	2022F	2023F
Revenue	136,645	142,325	145,716	146,055
Growth	0.8%	4.2%	2.4%	0.2%
Net Profit	20,725	29,222	22,539	22,404
Growth	17.8%	13.2%	13.3%	13.7%
EPS (IDR)	209	225	228	226
P/E	19.6x	18.1x	21.7x	19.9x
P/BV	2.7x	3.0x	3.2x	2.9x
EV/EBITDA	5.5x	5.4x	5.3x	5.3x
ROE	17.0%	16.4%	15.7%	14.9%
ROA	8.3%	8.6%	8.4%	8.0%
Dividend yield	4.6%	4.0%	4.0%	4.0%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH KORINDO SEKURITAS INDONESIA

Company Report | Dec 3, 2021

BUY

Target Price (IDR)	**4,940**
Consensus Price (IDR)	4,670
TP to Consensus Price	+5.7%
Potential Upside	+19.9%

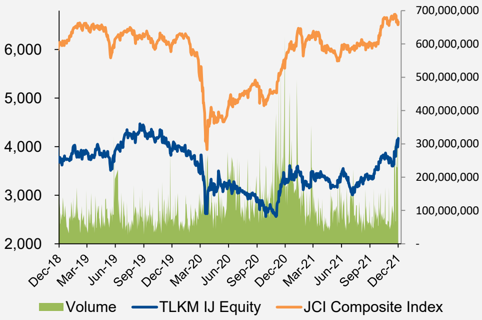
Shares data

Last Price (IDR)	4,120
Price date as of	Dec 3, 2021
52 wk range (Hi/Lo)	4,190 / 3,000
Free float	47.9%
Outstanding Shares (mn)	99,062
Market Cap (IDR bn)	410,117
Market Cap (USD mn)	28,462
Avg. Trd Vol - 3M (mn)	95.9
Avg. Trd Val - 3M (bn)	381.2
Foreign Ownership	26.7%

Infrastructure
Telecommunication

Bloomberg	**TLKM IJ**
Reuters	**TLKM.JK**

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	25.7%	11.8%	22.7%	26.6%
Rel. Ret	15.6%	11.4%	15.3%	13.4%

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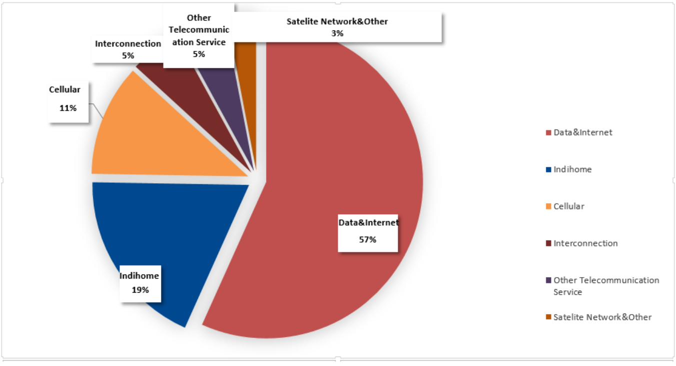
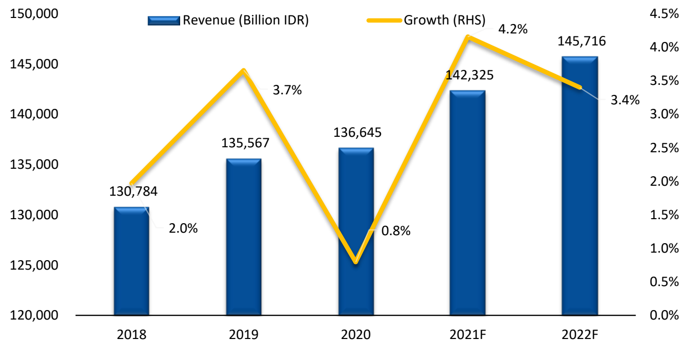
Performance Highlights

Revenue Breakdown 3Q21



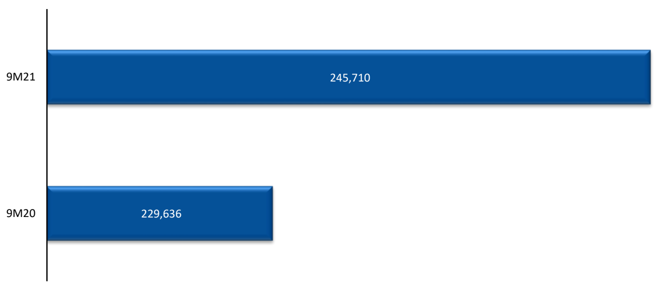
Source: Company, NHKSI Research

Revenue Projections



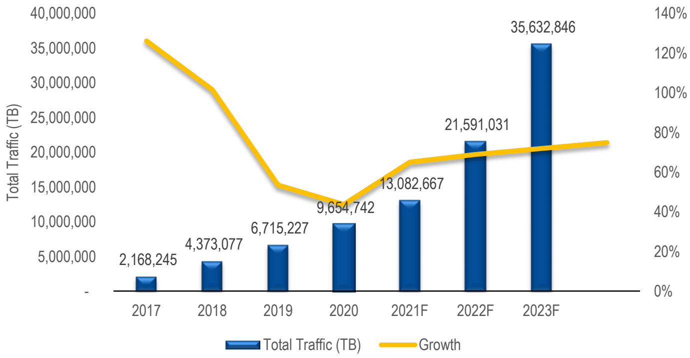
Source: Company, NHKSI Research

9M21 Base Transceiver Station (BTS)



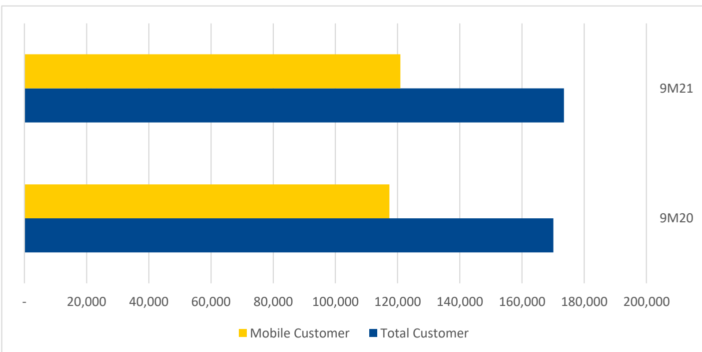
Source: Company, NHKSI Research

Traffic Data (in Terabytes)



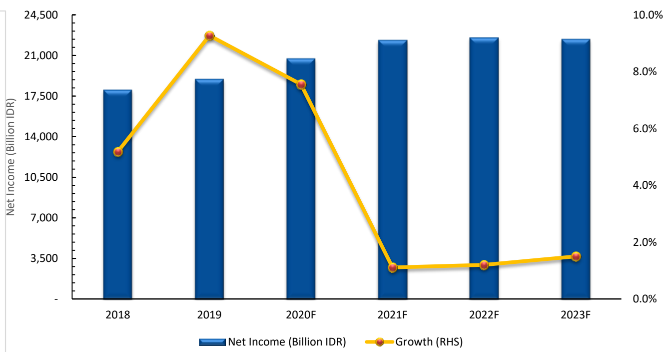
Source: Company, NHKSI Research

Number of Customers



Source: Company, NHKSI Research

Net Earnings & Growth



Source: Company, NHKSI Research

PT Telekomunikasi Indonesia (Persero) Tbk (Telkom) merupakan Badan Usaha Milik Negara (BUMN) yang mempunyai lini bisnis di bidang 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 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). Hingga kuartal pertama 2021, TLKM melayani 164,7 juta pelanggan.

ASEAN Telecommunication Operators

Company	Market Cap (USD mn)	Asset (USD mn)	Revenue YTD (USD mn)	Net Profit YTD (USD mn)	Net Profit Growth LTM	Net Profit Margin	ROE	EV/ EBITDA LTM	P/BV
Indonesia									
TLKM	25,531	17,217	7,394	1,841	12.81%	17.5%	22.8%	5.5x	3.4x
EXCL	2,265	4,795	1,371	69	-9.3%	4.4%	-3.3%	4.6x	1.6x
ISAT	2,527	4,878	1,676	402	25.14%	2.5%	36.5%	3.0x	2.0x
Singapore									
Singtel	28,138	35,713	11,457	406	-48.47%	3.5%	2.08%	16.2x	1.4x
Malaysia									
Maxis	8,178	5,455	2,122	326	-7.10%	15.4%	19.38%	11.9x	4.9x
DiGi.Com	7,773	2,036	1,472	277	-18.94%	18.8%	186.00%	10.8x	55.3x
Axiata Group	8,297	16,904	5,807	61	-72.56%	1.0%	1.53%	5.7x	2.0x
Thailand									
Advanced Info Service	15,529	11,674	5,670	881	-10.05%	15.5%	40.13%	7.3x	7.1x
True Corp	3,125	20,588	4,474	20	-84.16%	0.5%	0.75%	7.3x	1.2x
Total Access Comm.	2,139	5,810	2,555	143	-16.99%	5.6%	20.64%	5.1x	3.5x
Phillipine									
PLDT	5,496	11,993	3,784	494	11.28%	13.0%	22.21%	5.5x	2.5x
Globe Telecom	5,258	7,077	3,312	394	-12.72%	11.9%	22.23%	6.2x	3.1x

Source: Bloomberg, NHKSI Research

Multiple Valuation

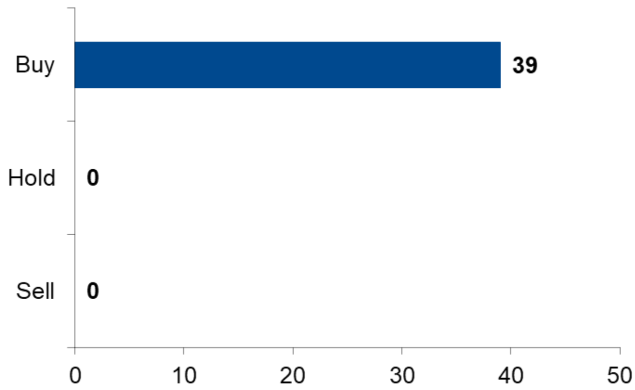
TLKM 3-Year PE Ratio

Source: NHKSI Research

TLKM 3-Year EV/EBITDA

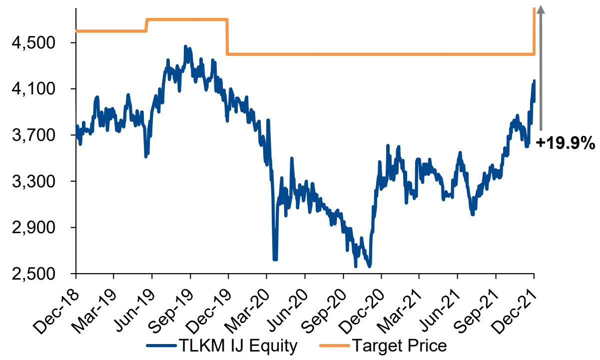
Source: Bloomberg, NHKSI Research

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%
07/14/2021	Buy	4,400 (12 Month)	3,070	4,156	+43.3%	+5.9%
2/12/2021	Buy	4,940 (12 Month)	4,160	4,676	+19.9%	+5.7%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT

(IDR bn)	2020/12	2021/12F	2022/12F	2023/12F
Revenue	**136,645**	**142,325**	**145,716**	**146,055**
Growth	*0.8%*	*4.2%*	*2.4%*	*0.2%*
COGS	-	-		
Gross Profit	**136,645**	**142,325**	**145,716**	**146,055**
Gross Margin	-	-		
Operating Expenses	(92,919)	(96,781)	(99,087)	(99,317)
EBIT	**43,726**	**45,544**	**46,629**	**46,738**
EBIT Margin	*32.0%*	*32.0%*	*32.0%*	*32.0%*
Depreciation	25,281	27,931	**30,739**	**33,457**
EBITDA	**69,008**	**73,475**	**77,369**	**80,195**
EBITDA Margin	50.5%	51.6%	53.1%	54.9%
Interest Expenses	(4,414)	(4,110)	(4,866)	(5,154)
EBT	**39,313**	**41,434**	**41,763**	**41,583**
Income Tax	(9,828)	(10,359)	**(10,441)**	**(10,396)**
Minority Interest	(8,759)	(8,784)	(8,784)	(8,784)
Net Profit	**20,725**	**22,292**	**22,539**	**22,404**
Growth	*17.8%*	*13.2%*	13.2%	13.2%
Net Profit Margin	*15.2%*	*15.7%*	15.5%	15.3%

BALANCE SHEET

(IDR bn)	2020/12	2021/12F	2022/12F	2023/12F
Cash	21,786	19,399	24,547	28,837
Receivables	14,424	15,023	15,381	15,417
Inventories	710	738	756	762
Total Current Assets	**47,833**	**46,527**	**52,322**	**56,680**
Net Fixed Assets	165,692	175,761	180,021	186,564
Other Non Current Assets	34,692	36,134	36,995	37,081
Total Assets	**248,217**	**258,237**	**270,472**	**281,235**
Payables	34,555	33,907	34,385	34,366
ST Bank Loan	24,780	21,501	22,693	24,039
LT Debt	40,782	39,979	42,196	44,698
Total Liabilities	**125,975**	**122,320**	**126,848**	**130,741**
Capital Stock	7,664	7,664	7,664	7,664
Retained Earnings	94,000	100,372	106,206	111,038
Shareholders' Equity	**122,242**	**135,917**	**143,624**	**150,495**

CASH FLOW STATEMENT

(IDR bn)	2020/12	2021/12F	2022/12F	2023/12F
Operating Cash Flow	65,717	64,222	53,354	55,797
Investing Cash Flow	(35,862)	(39,442)	(35,861)	(40,086)
Financing Cash Flow	(27,753)	(17,618)	(11,026)	(11,646)
Net Changes in Cash	**2,102**	**7,162**	**6,467**	**4,065**

PROFITABILITY & STABILITY

	2020/12	2021/12F	2022/12F	2023/12F
ROE	17.0%	16.4%	15.7%	14.9%
ROA	8.3%	8.6%	8.3%	8.0%
ROIC	17.4%	17.3%	17.0%	16.5%
Cash Dividend (IDR bn)	15,399	14,321	13,319	12,386
Dividend Yield	4.6%	4.0%	4.0%	4.0%
Payout Ratio	74.3%	64.2%	59.1%	55.3%
DER	53.6%	45.2%	45.2%	45.7%
LT Debt to Equity	33.4%	29.4%	29.4%	29.7%
Equity Ratio	49.2%	52.6%	53.1%	53.5%
Debt Ratio	50.8%	47.4%	46.9%	46.5%
Current Ratio	69.1%	70.8%	77.4%	82.2%
Par Value (IDR)	50	50	50	50
Total Shares (mn)	99,062	99,062	99062	99,062
Share Price (IDR)	3,360	4,075	4,940	4,503
Market Cap (IDR tn)	333	346	346	346

VALUATION INDEX

	2020/12	2021/12F	2022/12F	2023/12F
Price/Earnings	19.6x	18.1x	21.7x	19.9x
Price/Book Value	2.7x	3.0x	3.4x	3.0x
Price/Sales	2.4x	2.5x	2.5x	2.5x
PE/EPS Growth	1.1x	1.4x	1.6x	1.5x
EV/EBITDA	5.5x	5.4x	5.4x	5.4x
EV/EBIT	8.6x	9.8x	8.4x	8.4x
EV (IDR bn)	376,625	445,781	393,994	393,551
Basic EPS (IDR)	209	225	228	226
Diluted EPS (IDR)	209	228	228	228
BVPS (IDR)	1,234	1,372	1,450	1,519
Sales PS (IDR)	1,379	1,437	1,471	1,474
DPS (IDR)	155	145	134	125

OWNERSHIP

By Geography	%	Shareholders	%
Indonesia	72.6	Republic of Indonesia	52.1
United States	16.0	Bank of New York Mellon	4.8
Luxembourg	3.6	Vanguard Group	1.8
Ireland	1.9	Black Rock Inc	1.7

Source: Company Data, NHKSI Research

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%