

Telekomunikasi Indonesia Tbk (TLKM)

Kinerja Masih Baik & Menunggu Katalis

TLKM mencatatkan performa yang cukup baik, di mana pendapatan bertumbuh 2.5% menjadi IDR 36.090T secara YoY (1Q22: IDR 35.208T) dan begitu pula dengan peningkatan Operating Profit 7.7% menjadi 11.431T YoY (1Q22: IDR 10.611T). Net profit masih bertumbuh 5% secara YoY menjadi IDR 6.424T (1Q22: IDR 6.118T). Net Profit Margin di 1Q 2023 berada di angka 24.8%, meningkat 3.2% YoY. Nilai EBITDA secara YoY menurun sejumlah 2.4% menjadi IDR 11.968T (1Q22: IDR 12.268T) di mana level EBITDA margin ada di angka 55.7% (Turun 2% YoY).

Pendapatan Bertumbuh 2.5% secara YoY dan Net Profit Bertumbuh 5.0% YoY

- Adapun untuk kontributor terbesar penyumbang pendapatan untuk 1Q23 adalah segmen Data, Internet & IT Services masih bertumbuh 5.5% secara YoY menjadi IDR 19.892T (1Q22: IDR 18.856T) kemudian disusul oleh segmen Indihome yang berperan sebagai driver growth dari TLKM ini bertumbuh 5% YoY menjadi IDR 7.192T (1Q22: IDR 7.192T). Segmen Interconnection bertumbuh 4% secara YoY menjadi IDR 2.219T (1Q22: IDR 2.133T) dan Network and Other Services bertumbuh 5.2% menjadi IDR 2.757T YoY (1Q22: IDR 2.621T). Segmen yang mengalami penurunan adalah segmen SMS, Fixed and Cellular Voice yang menurun sejumlah 15.1% secara YoY menjadi IDR 4.030T (1Q 22: IDR 4.747T) disebabkan karena salah satunya oleh kanibalisasi akibat OTT (Instant Messaging).
- Berdasarkan kinerja operasional terkait dengan jumlah pelanggan, adapun jumlah pelanggan dari Telkomsel (TSEL) turun secara YoY sebesar 13.7% menjadi 151.066 juta (1Q22: 174.955 juta) yang disebabkan oleh pembersihan pelanggan yang bertujuan untuk mengoptimalkan jumlah pelanggan yang lebih produktif. Adapun untuk jumlah pelanggan Indihome meningkat 7% secara YoY menjadi 9.352 juta (1Q 22: 8.737 juta).
- Adapun untuk jumlah beban operasional meningkat secara YoY 0.25% menjadi IDR 24.659T (1Q22: 24.597T), di mana peningkatan terbesar ini disumbang oleh beban gaji yang bertumbuh 6.3% menjadi IDR 3.739T (1Q22: IDR3.516T) dan beban administrasi umum yang bertumbuh 53.5% YoY menjadi IDR 1.842T (1Q22: IDR 1.200T) di mana peningkatan ini disebabkan oleh peningkatan aktivitas bisnis serta jasa konsultasi untuk transformasi TLKM.

Five Bold Moves

- TLKM meluncurkan strategi Five Bold Moves untuk membangun keunggulan kompetitif di bidang konektivitas digital, platform digital, dan layanan digital. Strategi ini bertujuan untuk memperkuat posisi Perseroan sebagai perusahaan telekomunikasi digital kelas dunia, dengan tujuan jangka panjang untuk menciptakan nilai yang lebih tinggi bagi pemangku kepentingan Perseroan. Dengan strategi ini, diharapkan Telkom Group dapat melakukan diversifikasi dan memperluas pangsa pasar dari bentuk B2B bisnis sekaligus dapat mempertahankan posisi sebagai pemimpin pasar B2C Telco. Saat ini, TLKM fokus pada FMC (Saat ini melalui CSA antara Telkom dan TSEL), InfraCo (Infrastruktur), dan DC Co (Data Center) sambil tetap mengembangkan fundamental untuk B2B Digital inisiatif IT Service Co dan DigiCo.

Rekomendasi Buy dengan Target Price IDR 5.000 (+22.9%)

- NHKS Research mempertahankan Rating BUY untuk saham TLKM dengan target harga lebih tinggi di IDR5.000 dan upside 22.9% untuk 12 bulan kedepan. Target harga kami merefleksikan nilai FY23 F EV/EBITDA di level 6.7x.
- Adapun katalis yang menarik untuk TLKM ini adalah *unlock value* akibat dari *spin-off* segmen Indihome ke Telkomsel, di mana kepemilikan TLKM di Telkomsel nantinya menjadi 69.9% pasca transaksi ini, dengan sisanya dimiliki masih oleh Singtel dengan persentase sebesar 30.1%. Diharapkan pasca merger Indihome dan TSEL akan ada peningkatan kualitas produk dan layanan yang lebih baik akibat adanya perubahan strategi bisnis industri telekomunikasi berupa sinergi konvergensi yang dilakukan oleh pemain telekomunikasi pasca COVID ini (Sebelumnya, di Bulan Juni 2022 EXCL melakukan transaksi dan strategi bisnis serupa, mengakuisi Link Net Tbk. (LINK)). Adapun yang menjadi risiko dari *call* ini adalah kompetisi antar industri telekomunikasi yang lebih ketat dan intens.

Telekomunikasi Indonesia Tbk | Summary (IDR bn)

	2022/12F	2023/12F	2024/12F	2025/12F
Revenue	147,306	155,393	166,931	185,034
<i>Sales growth</i>	5.5%	7.4%	10.8%	12.9%
EBITDA	72,836	80,546	87,904	97,046
Net profit	20,753	26,366	28,381	31,912
EPS (IDR)	209	266	286	322
<i>EPS growth</i>	-16.2%	27.0%	7.6%	12.4%
BVPS (IDR)	1,507	1,579	1,663	1,764
EBITDA margin	49.4%	51.8%	52.7%	52.4%
NPM	14.1%	17.0%	17.0%	17.2%
ROE	13.9%	16.9%	17.2%	18.3%
ROA	7.5%	9.3%	9.5%	10.1%
ROIC	14.4%	16.2%	16.7%	17.8%
P/E	19.9x	18.0x	18.2x	17.1x
P/BV	2.8x	3.0x	3.1x	3.1x
EV/EBITDA	6.1x	6.4x	6.3x	5.8x
DPS (IDR)	168	212	221	243
<i>Dividend yield</i>	4.0%	4.4%	4.3%	4.4%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

NH KORINDO SEKURITAS

Company Report | May. 10, 2023

BUY

Target Price (IDR)	5,000
Consensus Price (IDR)	4,937
TP to Consensus Price vs. Last Price	+1.26%
	+22.9%

Shares data

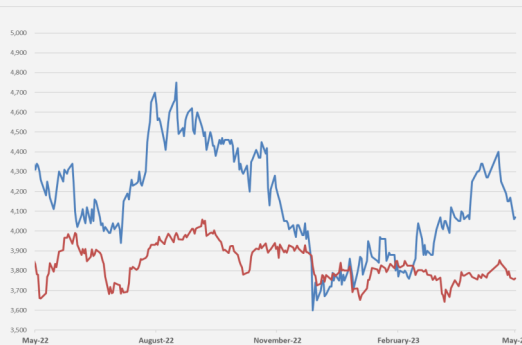
Last Price (IDR)	4,070
Price date as of	May 9, 2023
52 wk range (Hi/Lo)	4,770 / 3,570
Free float	47.9%
Outstanding Shares (mn)	99,062
Market Cap (IDR bn)	403,183
Market Cap (USD mn)	27,329
Avg. Trd Vol - 3M (mn)	86.7
Avg. Trd Val - 3M (bn)	352.92
Foreign Ownership	28.6%

Infrastructure

Telecommunication

Bloomberg	TLKM.IJ
Reuters	TLKM.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	7.1%	-5.3%	8.0%	-5.6%
Rel. Ret	8.1%	-5.5%	9.7%	-3.7%

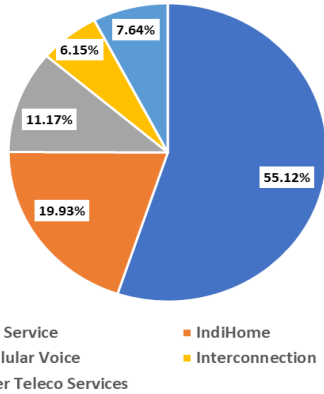
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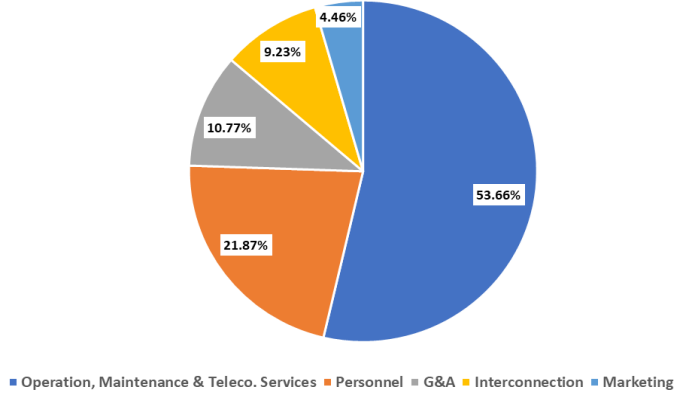
Performance Highlights

Revenue Breakdown 1Q23



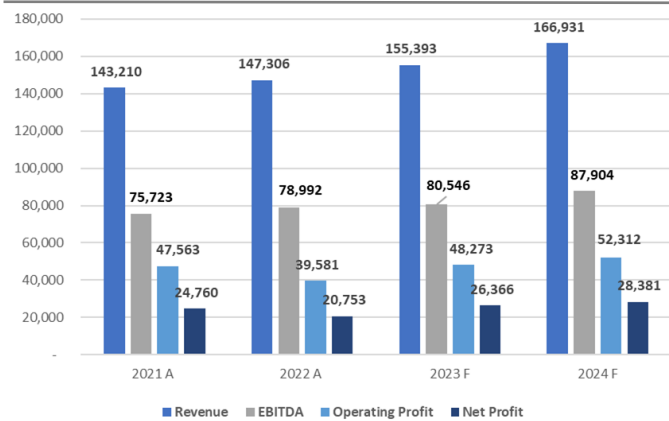
Source: Company, NHKSI Research

Operating Expenses Breakdown 1Q23



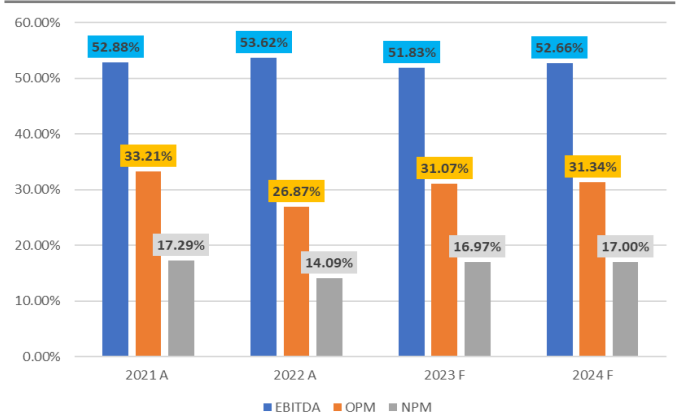
Source: Company, NHKSI Research

Revenue & Net Income (IDR Bn)



Source: Company, NHKSI Research

Profitability Margin (%)



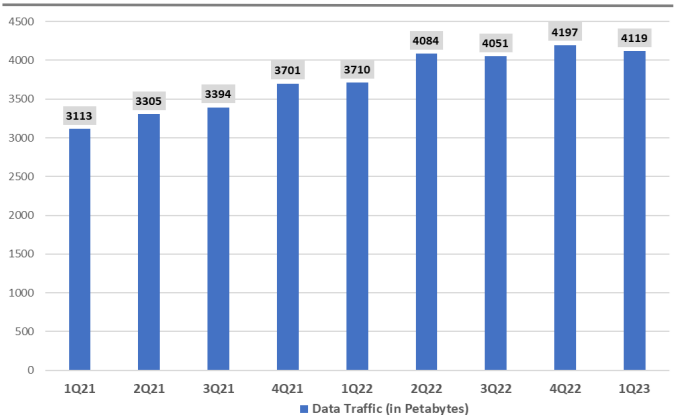
Source: Company, NHKSI Research

F-EV/EBITDA | Last 3-Years



Source: Company, NHKSI Research

TLKM Traffic Mobile Data (In Petabytes)



Source: Company, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR Bn)	2022/12F	2023/12F	2024/12F	2025/12F
Revenue	147,306	155,393	166,931	185,034
<i>Growth</i>	5.5%	7.4%	10.8%	12.9%
Gross Profit	147,306	155,393	166,931	185,034
Operating Expenses	(107,725)	(107,120)	(114,618)	(127,047)
EBIT	39,581	48,273	52,312	57,986
<i>EBIT Margin</i>	26.9%	31.1%	31.3%	31.3%
Depreciation	33,255	32,273	35,592	39,060
EBITDA	72,836	80,546	87,904	97,046
<i>EBITDA Margin</i>	49.4%	51.8%	52.7%	52.4%
Interest Expenses	(3,242)	(3,942)	(4,672)	(5,001)
EBT	36,339	44,330	47,640	52,985
Income Tax	(8,659)	(10,563)	(11,352)	(12,626)
Minority Interest	(6,927)	(7,401)	(7,907)	(8,448)
Net Profit	20,753	26,366	28,381	31,912
<i>Growth</i>	-16.2%	27.0%	7.6%	12.4%
<i>Net Profit Margin</i>	14.1%	17.0%	17.0%	17.2%

PROFITABILITY & STABILITY

	2022/12F	2023/12F	2024/12F	2025/12F
ROE	13.9%	16.9%	17.2%	18.3%
ROA	7.5%	9.3%	9.5%	10.1%
ROIC	14.4%	16.2%	16.7%	17.8%
Cash Dividend (IDR bn)	16,602	21,025	21,930	24,040
Dividend Yield	4.0%	4.4%	4.3%	4.4%
Payout Ratio	80.0%	79.7%	77.3%	75.3%
DER	84.4%	81.5%	81.6%	80.9%
Net Gearing	0.61	0.71	0.72	0.66
LT Debt to Equity	27.6%	31.7%	31.3%	29.5%
Capitalization Ratio	28.9%	31.1%	30.9%	29.6%
Equity Ratio	54.2%	55.1%	55.1%	55.3%
Debt Ratio	22.0%	24.9%	24.6%	23.3%
Financial Leverage	182.2%	196.6%	196.8%	187.5%
Current Ratio	78.2%	89.6%	100.5%	117.3%
Par Value (IDR)	50	50	50	50
Total Shares (mn)	99,062	99,062	99,062	99,062
Share Price (IDR)	4,170	4,800	5,200	5,500
Market Cap (IDR tn)	413.1	475.5	515.1	544.8

BALANCE SHEET

(IDR Bn)	2022/12F	2023/12F	2024/12F	2025/12F
Cash	31,947	31,063	39,315	53,106
Receivables	12,685	14,676	16,229	18,503
Inventories	1,144	815	874	971
Total Current Assets	55,057	56,344	66,936	84,238
Net Fixed Assets	189,809	195,535	197,943	193,883
Other Non Current Assets	30,326	31,991	34,366	38,093
Total Assets	275,192	283,870	299,245	316,215
Payables	46,032	36,563	39,053	43,627
ST Bank Loan	19,431	21,098	21,989	22,002
LT Debt	41,218	49,516	51,607	51,637
Total Liabilities	125,930	127,483	134,463	141,444
Capital Stock	7,664	7,664	7,664	7,664
Retained Earnings	111,897	117,238	123,689	131,561
Shareholders' Equity	149,262	156,387	164,782	174,771

VALUATION INDEX

	2022/12F	2023/12F	2024/12F	2025/12F
Price/Earnings	19.9x	18.0x	18.2x	17.1x
Price/Book Value	2.8x	3.0x	3.1x	3.1x
Price/Sales	2.8x	3.1x	3.1x	2.9x
PE/EPS Growth	-1.2x	0.7x	2.4x	1.4x
EV/EBITDA	6.1x	6.4x	6.3x	5.8x
EV/EBIT	11.2x	10.7x	10.5x	9.8x
EV (IDR bn)	441,791	515,050	549,405	565,374
Sales CAGR (3-Yr)	2.8%	4.4%	5.2%	7.9%
EPS CAGR (3-Yr)	3.6%	8.2%	4.7%	15.4%
Basic EPS (IDR)	209	266	286	322
Diluted EPS (IDR)	209	266	286	322
BVPS (IDR)	1,507	1,579	1,663	1,764
Sales PS (IDR)	1,487	1,569	1,685	1,868
DPS (IDR)	168	212	221	243

CASH FLOW STATEMENT

(IDR bn)	2022/12F	2023/12F	2024/12F	2025/12F
Operating Cash Flow	54,478	47,269	64,509	72,639
Investing Cash Flow	(37,483)	(39,664)	(40,375)	(38,727)
Financing Cash Flow	(26,820)	(8,489)	(15,882)	(20,121)
Net Changes in Cash	(9,825)	(884)	8,252	13,791

OWNERSHIP

By Geography	% Shareholders	%
Indonesia	71.38	Rep. of Indonesia 52.09
United States	14.50	Bank of New York 4.17
Luxembourg	4.53	Vanguard Group Inc 1.92
Others	9.59	Others 41.82

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%

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