

Sarana Menara Nusantara Tbk (TOWR)

Pendapatan Bertumbuh Tertekan Beban Bunga

Hasil tahun 2022, TOWR membukukan kenaikan pendapatan 27,8% di mana secara YoY naik menjadi IDR 11,035T. Adapun EBITDA naik 28% secara YoY menjadi IDR 9,516T (FY21: IDR 7,434T). Sayangnya, beban keuangan meningkat 80.4% secara YoY di tahun 2022 ke IDR 2,392T (FY21 : IDR 1,370T). Kontribusi dari beban keuangan yaitu beban bunga yang cukup signifikan inilah yang menyebabkan net profit cukup tergerus. Net Profit FY 2022 cukup flattish berada di angka IDR 3,442T (FY21: IDR 3,427T ; +0,4%).

Beban Keuangan Meningkat Namun Pendapatan Segmen Masih Bisa Bertumbuh di Semua Divisi

- Secara segmentasi, segmen menara menjadi penyumbang nominal terbesar kenaikan pendapatan, yaitu sebesar IDR 8,606T di FY22 (FY21: IDR 7,101T, +21.2% YoY). Adapun dari segmen FTTC, merupakan segmen yang mencetak pertumbuhan growth drastis menjadi IDR 1,179T di FY22 (FY21: IDR 620B, +90.2 YoY). Segmen bisnis connectivity mengalami kenaikan 36.8% secara YoY menjadi IDR 1,251T (FY21: IDR 914B). Dari segi performa operasional juga terlihat masih stabil dan solid di mana level GPM selama 3 tahun terakhir masih stabil berada di angka 72-73% dengan EBITDA Margin FY22 berada di angka 86.2%, masih relatif stabil dari tahun 2020 (FY20 dan FY21: 86.0%, 86.1%).
- Adapun mengenai data operasional asset, alami kenaikan dengan jumlah Menara di FY21 tercatat sebanyak 28,698, naik 3.5% menjadi 29,794 unit di FY 22 dan jumlah Penyewa (Tenancy) relatif tetap. Level Tenancy Ratio di tahun 2022 berada di angka 1.81 (FY 21: 1.88, -3.72% YoY), namun masih stabil bertengger di kisaran 1.8-1.9x selama 3 tahun terakhir.
- Net Profit menjadi tergerus diakibatkan beban keuangan yang meningkat drastis, di mana kenaikan beban keuangan terbesar disokong oleh kenaikan beban bunga yang cukup tinggi dan obligasi. Beban bunga bank naik 79,1% menjadi IDR 1,871T di FY 22 (FY21: IDR 1,045T). Untuk beban bunga obligasi naik menjadi IDR 309B (FY21 : IDR 132B). Hal ini menyebabkan level NPM turun cukup dalam di tahun 2022 menjadi 31.2% (FY21: 39.7%, - 8.5% YoY), penurunan yang cukup jauh di angka rata-rata 5 tahun terakhir akibat beban bunga yang cukup signifikan.

Segmen FTTC sebagai Driver Growth untuk TOWR yang Baru Selain Menara

- FTTC (Fiber to The Tower, fiber optics) merupakan segmen yang cukup meningkatkan value dan utilitas jaringan dari TOWR, di mana diprediksikan peningkatan lonjakan data dan penggunaan jaringan 4G akan membutuhkan banyak menara dan fiber. Adapun posisi saat ini, jumlah jaringan FTTC yang kini beroperasi naik 112.6% menjadi 149,811 kms di tahun 2022 (FY 2021: 70,465 kms).
- Kami menilai bahwa segmen ini bisa menjadi salah satu growth driver baru dari TOWR di mana antara peningkatan pemasangan tersebut selaras dengan pertumbuhan pendapatan yang sangat signifikan dengan YoY bertumbuh hampir naik 2 kali lipat menjadi IDR 1,179T di tahun 2022 (FY2021 : IDR 620B, +90.2% YoY). Selain itu, segmen ini mengalami kenaikan kontribusi proporsi terhadap keseluruhan revenue TOWR setiap tahunnya (FY 2022: 10.7% dari total revenue, FY 2020-2021: 4.5%, 7.2%).

Rekomendasi Buy dengan TP di Level IDR 1,300 (+39.0% Upside)

- NHKS Research memberikan rating Buy untuk TOWR dengan target harga IDR 1,300 dan potensi upside +39% yang mencerminkan FY2023 12.8x Forward EV/EBITDA. Valuasi TOWR saat ini berada di angka yang cukup menarik dan cukup atraktif di mana saat ini TOWR diperdagangkan di bawah rata-rata EV/EBITDA selama 3 tahun terakhir secara historis. Selain itu, valuasi cukup menarik mengingat TOWR secara EV/EBITDA juga diperdagangkan lebih rendah daripada peersnya di Indonesia.
- Adapun hal lain yang mendukung call ini adalah efisiensi serta peningkatan growth revenue dari non-tower business. Hal yang menjadi risiko dari call TOWR ini adalah rate dan beban bunga yang cukup tinggi dan fluktuatif kurs serta situasi ekonomi makro yang kurang baik di mana situasi tersebut terlihat cukup memukul TOWR di tahun 2022.

Sarana Menara Nusantara Tbk | Summary (IDR bn)

	2022/12F	2023/12F	2024/12F	2025/12F
Revenue	11,036	11,700	12,384	13,032
Revenue growth	5.8%	5.2%	11.3%	11.2%
EBITDA	9,517	9,650	10,174	10,657
Net profit	3,442	3,629	3,811	4,152
EPS (IDR)	67	71	75	81
EPS growth	0.4%	5.4%	5.0%	9.0%
BVPS (IDR)	283	322	366	417
EBITDA margin	86.2%	82.5%	82.2%	81.8%
NPM	31.2%	31.0%	30.8%	31.9%
ROE	23.8%	22.1%	20.4%	19.5%
ROA	5.2%	5.1%	4.8%	5.1%
P/E	13.9x	16.4x	5.8x	12.6x
P/BV	3.3x	4.0x	3.7x	3.6x
EV/EBITDA	9.8x	12.8x	12.2x	11.8x
DPS (IDR)	24	30	31	31
Dividend yield	2.5%	2.3%	2.2%	2.1%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

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Company Report | Apr. 6, 2023

Buy

Target Price (IDR)	1,300
Consensus Price (IDR)	1,336
TP to Consensus Price	-2.7%
Potential Upside	+39.0%

Shares data

Last Price (IDR)	935
Price date as of	Apr. 5, 2023
52 wk range (Hi/Lo)	1,295 / 870
Free float (%)	37.57
Outstanding sh.(mn)	51,015
Market Cap (IDR bn)	47,699
Market Cap (USD mn)	3,195
Avg. Trd Vol - 3M (mn)	28.911
Avg. Trd Val - 3M (bn)	30.177
Foreign Ownership	26.77%

Infrastructure

Telecommunication Towers

Bloomberg	TOWR.IJ
Reuters	TOWR.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-18.7%	-7.0%	-18.3%	-10.5%
Rel. Ret.	-18.4%	-7.2%	-21.0%	-6.1%

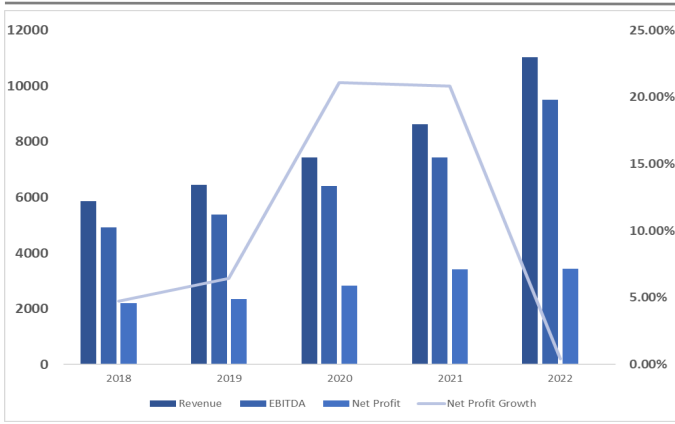
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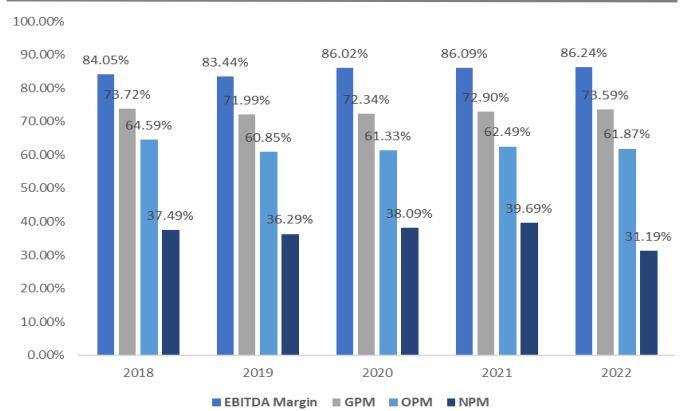
Performance Highlights

Financial Performance (IDR Billion)



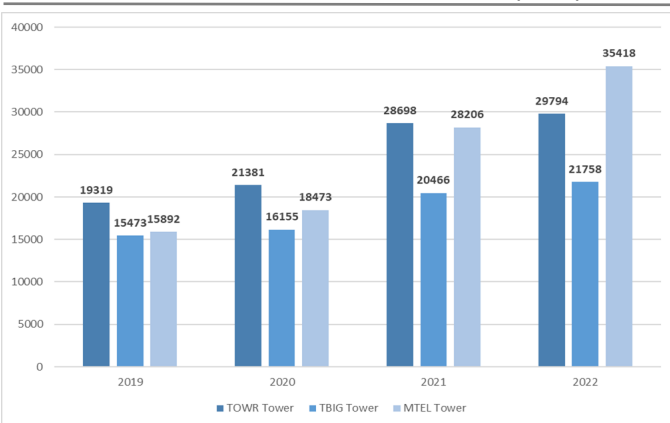
Source: Company, NHKSI Research

Margin Ratios (%)



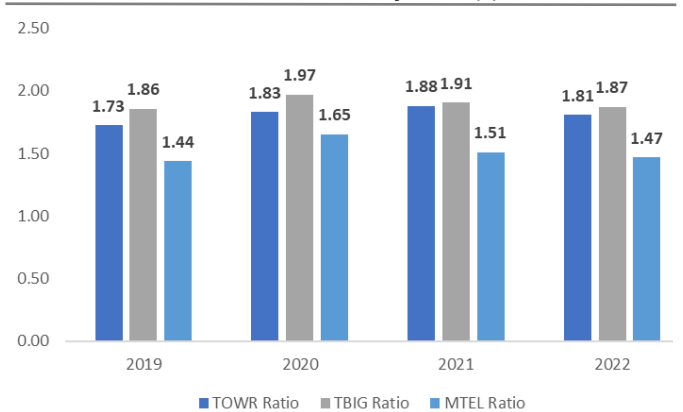
Source: Company, NHKSI Research

TOWR and Indonesian Peers Number of Towers (Units)



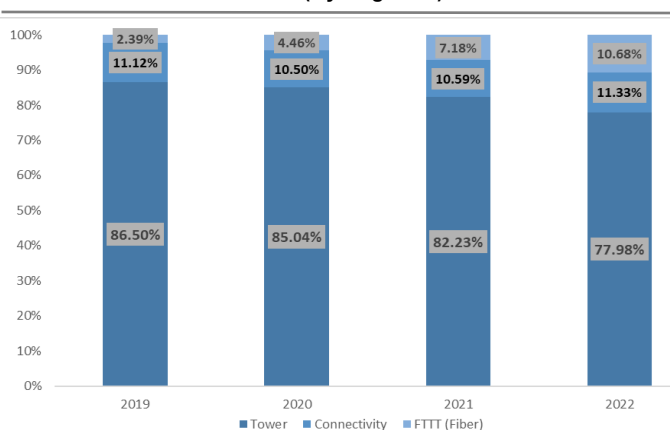
Source: Company, NHKSI Research

TOWR and Indonesian Peers Tenancy Ratio (x)



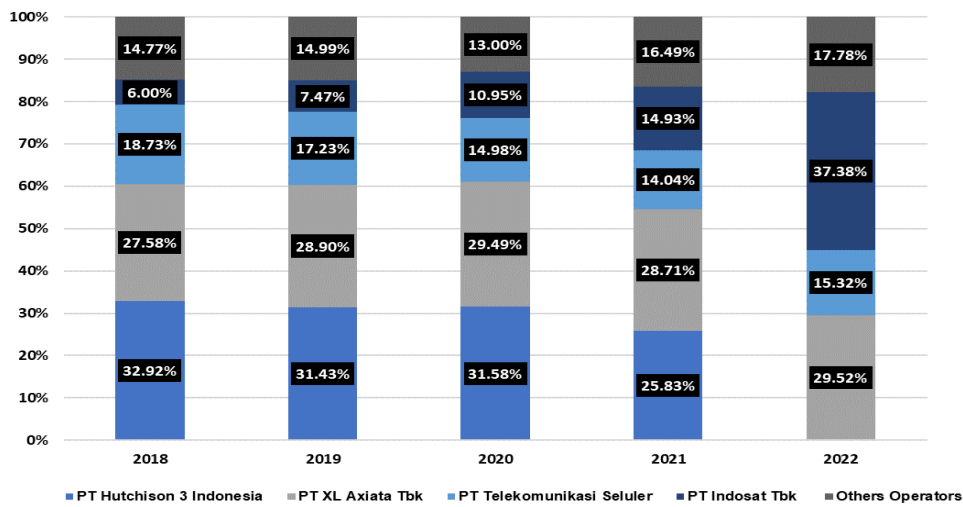
Source: Company, NHKSI Research

Revenue TOWR Breakdown (By Segment)



Source: Company, NHKSI Research

Revenue Breakdown (By Operators)



Notes: In January 2022, Indosat and Hutchison 3 Ind. Officially merged.

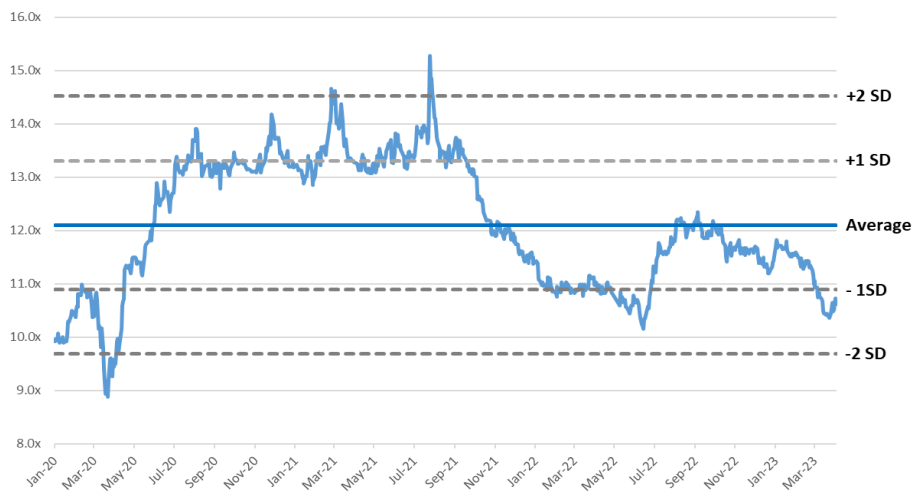
Source: Company, NHKSI Research

TOWR, TBIG and MTEL EV/EBITDA Comparison



Source: Company, NHKSI Research

TOWR F-EV/EBITDA



Source: Company, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2022/12F	2023/12F	2024/12F	2025/12F
Revenue	11,036	11,700	12,384	13,032
<i>Growth</i>	5.8%	5.2%	11.3%	11.2%
Cost of Revenue	(2,914)	(3,185)	(3,379)	(3,595)
Gross Profit	8,121	8,515	9,005	9,437
<i>Gross Margin</i>	73.6%	72.8%	72.7%	72.4%
Operating Expenses	(1,294)	(1,406)	(1,528)	(1,658)
EBIT	6,828	7,109	7,477	7,779
<i>EBIT Margin</i>	61.9%	60.8%	60.4%	59.7%
Depreciation	(2,307)	(2,541)	(2,697)	(2,878)
EBITDA	9,517	9,650	10,174	10,657
<i>EBITDA Margin</i>	86.2%	82.5%	82.2%	81.8%
Interest Expenses	2,392	2,456	2,579	2,553
EBT	4,459	4,672	4,927	5,342
Income Tax	(963)	(1,028)	(1,099)	(1,173)
Minority Interest	(55)	(15)	(17)	(16)
Net Profit	3,442	3,629	3,811	4,152
<i>Growth</i>	0.4%	5.4%	5.0%	9.0%
<i>Net Profit Margin</i>	31.2%	31.0%	30.8%	31.9%

BALANCE SHEET

(IDR bn)	2022/12F	2023/12F	2024/12F	2025/12F
Cash	343	1,497	6,118	4,695
Receivables	2,616	2,048	2,133	2,244
Total Current Assets	3,651	3,990	8,726	7,410
Net Fixed Assets	37,152	40,207	41,430	43,151
Other Non Current Assets	5,543	8,489	25,479	24,822
Total Non Current Assets	61,974	66,645	69,939	74,206
Total Assets	65,625	70,635	78,665	81,616
Payables	862	1,327	1,408	1,498
Curr Maturities of LT Debt	8,450	8,873	9,888	9,879
Total Current Liabilities	14,446	15,668	17,198	17,602
LT Debt	26,866	31,442	35,038	35,004
Total Liabilities	51,193	54,193	59,979	60,344
Capital Stock + APIC	21	21	21	21
Retained Earnings	14,635	16,710	18,955	21,540
Shareholders' Equity	14,432	16,442	18,686	21,272

CASH FLOW STATEMENT

(IDR bn)	2022/12F	2023/12F	2024/12F	2025/12F
Operating Cash Flow	4,884	6,409	5,388	5,883
Investing Cash Flow	(4,601)	(5,893)	(4,606)	(5,690)
Financing Cash Flow	(3,482)	704	3,838	(1,616)
Net Changes in Cash	(3,199)	1,220	4,621	(1,423)

PROFITABILITY & STABILITY

	2022/12F	2023/12F	2024/12F	2025/12F
ROE	23.85%	22.07%	20.40%	19.52%
ROA	5.24%	5.14%	4.84%	5.09%
Receivables Turnover	4.2x	5.7x	5.8x	5.8x
Payables Turnover	3.4x	2.4x	2.4x	2.4x
Dividend Yield	2.5%	2.3%	2.2%	2.1%
Payout Ratio	34.9%	42.8%	41.1%	37.7%
DER	3.1x	2.9x	2.8x	2.5x
Net Gearing	3.1x	2.8x	2.8x	2.4x
Equity Ratio	0.2x	0.2x	0.2x	0.3x
Debt Ratio	0.7x	0.7x	0.7x	0.6x
Financial Leverage	4.0x	3.9x	4.7x	4.1x
Current Ratio	0.3x	0.3x	0.5x	0.4x
Par Value (IDR)	50	50	50	50
Total Shares (mn)	51,015	51,015	51,015	51,015
Share Price (IDR)	935	1,300	1,365	1,487
Market Cap (IDR tn)	47,699	66,319	69,644	75,882

VALUATION INDEX

	2022/12F	2023/12F	2024/12F	2025/12F
Price/Earnings	13.9x	18.3x	18.3x	18.3x
Price/Book Value	3.3x	4.0x	3.7x	3.6x
PE/EPS Growth	32.4x	3.4x	3.6x	2.0x
EV/EBITDA	9.8x	12.8x	12.2x	11.8x
EV (IDR bn)	93,603	123,273	124,054	125,426
Revenue CAGR (3-Yr)	19.6%	16.3%	12.8%	5.7%
Net Income CAGR (3-Yr)	13.7%	8.6%	3.6%	6.5%
Basic EPS (IDR)	67	71	75	81
BVPS (IDR)	283	322	366	417
DPS (IDR)	24	30	31	31

OWNERSHIP

	%
Shareholders	
PT Sapta Adhikari Investama	54.42
PT Dwimuria Investama Andalana	5.00
Vanguard Group Inc	1.55
Others	39.03
By Geography	
Indonesia	73.23
United States	12.30
Luxembourg	1.10
Others	13.37

Source: Company Data, Bloomberg, 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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