

# Telekomunikasi Indonesia Tbk. (TLKM)

## Mencetak Pertumbuhan Yang Stabil & Berkelanjutan



Company Report | 02 April, 2024

# Buy

<b>Target Price (IDR)</b>	<b>4,550</b>
Consensus Price (IDR)	4,459
TP to Consensus Price vs. Last Price	+2.0% +31.5%

### Shares data

Last Price (IDR)	3,460
Price date as of	01 April 2024
52 wk range (Hi/Lo)	4,500 / 3,390
Free float	47.86%
Outstanding Shares (mn)	99,062
Market Cap (IDR bn)	340,774
Market Cap (USD mn)	21,413
Avg. Trd Vol - 3M (mn)	102.49
Avg. Trd Val - 3M (bn)	400.31
Foreign Ownership	27.39%

### Infrastructure

#### Telecommunication

Bloomberg	TLKM.IJ
Reuters	TLKM.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-13.3%	-11.7%	-13.3%	-14.8%
Rel. Ret	-11.0%	-9.6%	-11.0%	-19.9%

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Untuk periode FY23, pendapatan TLKM bertumbuh +1.3% YoY menjadi IDR 149.22T secara YoY (FY22: IDR 147.31T). Operating Profit meningkat naik +12.1% YoY menjadi IDR 44.38T (FY22: IDR 39.58T). Nilai EBITDA secara YoY menurun sejumlah -1.79% YoY menjadi IDR 77.58T (FY22: IDR 78.99T). Net profit dari TLKM secara YoY mengalami kenaikan +18.3% YoY menjadi IDR 24.56T di FY23 (FY22: IDR 20.75T). Pendapatan dari TLKM ditopang dan ditunjang oleh pertumbuhan dari segmen Data, dimana segmen Data bertumbuh pasca suksesnya merger Tsel-IndiHome dan inisiasi FMC yang membuahkan hasil serta upselling dan cross-selling dari layanan Tsel. Selain itu, berkat adanya merger Tsel-Indihome, beberapa pos biaya cukup terbantu akibat adanya efisiensi pasca merger.

#### Pendapatan TLKM Berada di Level Stabil

- Pertumbuhan Pendapatan di FY23 ini sebagian besar disumbang oleh segmen Data, Internet & IT Services yang bertumbuh +6.5% YoY menjadi IDR 87.44T (FY22: IDR 82.10T) dan segmen Indihome bertumbuh +2.7% YoY menjadi IDR 28.78T (FY22: IDR 28.02T). Segmen Legacy (SMS, Fixed & Cellular Voice) menurun -30.3% YoY menjadi IDR 12.47T (FY22: IDR 17.90T) dikarenakan adanya peralihan perubahan perilaku konsumen yang lebih mengarah pada aplikasi Instant Messaging (OTT). Berdasarkan ulasan manajemen, Segmen Legacy diprediksikan masih mengalami penurunan -28-30% YoY dan mulai stabil dalam jangka waktu 1-2 tahun ke depan. Segmen lain di FY23 seperti Interconnection mengalami pertumbuhan +7.0% YoY menjadi IDR 9.07T dan Segmen lain-lain (Jaringan dan layanan lain (Sewa Menara)) mengalami pertumbuhan +5.9% YoY menjadi IDR 11.45T.
- Biaya Operasional TLKM Per periode FY23 naik +4.9% YoY menjadi IDR 71.64T (FY22: IDR 68.31T) dimana biaya O&M (Operation dan Maintenance) sebagai kontributor terbesar dari Opex yang mengalami kenaikan 4% YoY menjadi IDR 39.72T (FY22: IDR 38.18T) disebabkan oleh penggunaan frekuensi spektrum yang lebih tinggi untuk meningkatkan kualitas jaringan TLKM. Selain itu, di periode ini biaya lain yang berkontribusi meningkatkan Opex TLKM di FY23 ini adalah biaya segmen Interconnection, +17% YoY menjadi IDR 6.1T (FY22: IDR 5.85T) yang ditujukan untuk mengembangkan segmen wholesale voice di skala internasional. Biaya marketing berhasil tertekan -10% YoY menjadi IDR 3.53T di FY23 (FY22: IDR 3.93T) akibat efisiensi sukses dari pasca merger Tsel-Indihome dan efek sinergitas FMC yang dilakukan TLKM.

#### Kinerja Operasional Tsel : Profiabilitas yang Stabil & Peningkatan Bisnis Digital yang Berkelanjutan

- Pendapatan Telkomsel FY23 (Exc Indihome B2C) relatif stabil di angka IDR 89.14T (FY22: IDR 89.04T). Pendapatan masih ditopang segmen Digital Business yang mencetak pertumbuhan +7.6% YoY menjadi IDR 78.47T di FY23 yang didukung oleh pertumbuhan penggunaan data yang sehat dan ditopang oleh peningkatan layanan digital dan upselling. Peningkatan segmen Digital tersebut membantu mengimbangi dampak penurunan segmen Legacy (SMS dan Phonecall) yang mulai ditinggalkan akibat perubahan fase perilaku komunikasi serta dari implementasi IFRS (IFRS 15) pada proses pasca integrasi bisnis lama. Intergrasi IndiHome ke Telkomsel juga mulai berlangsung di FY23, dimana membukukan Pendapatan IDR 13.22T di FY23. Net Profit dari Telkomsel bertumbuh 19% YoY pasca integrasi IndiHome ke Telkomsel menjadi IDR 21.88T di FY23 (FY22: IDR 18.37T).
- Berdasarkan kinerja operasional Tsel terkait dengan jumlah pelanggan, adapun jumlah pelanggan dari Telkomsel secara YoY naik sebesar +1.6% dan QoQ +0.7% menjadi 159.3 juta (FY22: 156.81 juta & 3Q23: 158.3 juta) dimana terbantukan oleh aktivitas upselling—cross-selling dari FMC. Jumlah basis pelanggan yang sudah mulai stabil pasca merger Tsel-IndiHome ini juga terlihat dengan adanya peningkatan produktivitas dan kualitas pelanggan yang ditunjukkan melalui angka ARPU (Average Revenue Per User) Tsel yang meningkat cukup solid sebesar 7.5% YoY menjadi 47.5k/User (FY22 : 44.2k/User).

#### Rekomendasi Buy dengan Target Price IDR 4,550 (+31.5% Upside Potential)

- NHKS Research mempertahankan Rating BUY untuk saham TLKM dalam 12 bulan kedepan. Adapun target harga kami merefleksikan nilai FY23 F EV/EBITDA di level 6.2x (Average last 3 Years). Rekomendasi ini didukung dengan performa kinerja yang lebih efisien, pertumbuhan stabil konsolidasi Tsel-IndiHome dengan angka ARPU yang menguat (Baik ARPU Tsel dan IndiHome). Yang menjadi risiko dari call ini adalah intensitas risiko persaingan dan kompetisi di industri Telekomunikasi yang semakin ketat.

### Telekomunikasi Indonesia Tbk | Summary (IDR bn)

	2023/12A	2024/12F	2025/12F	2026/12F
<b>Revenue</b>	149,216	156,653	163,748	170,323
<b>Revenue growth</b>	1.3%	5.0%	4.5%	4.0%
<b>EBITDA</b>	77,579	82,186	88,039	93,469
<b>Net profit</b>	24,560	26,864	27,919	28,716
<b>EPS (IDR)</b>	248	271	282	290
<b>EPS growth</b>	18.3%	9.4%	3.9%	2.9%
<b>BVPS (IDR)</b>	1,580	1,654	1,737	1,828
<b>EBITDA margin</b>	52.0%	52.5%	53.8%	54.9%
<b>NPM</b>	16.5%	17.1%	17.1%	16.9%
<b>ROE</b>	15.7%	16.4%	16.2%	15.9%
<b>ROA</b>	8.6%	9.1%	9.1%	9.0%
<b>ROIC</b>	15.7%	16.1%	16.3%	16.4%
<b>P/E</b>	14.0x	16.8x	17.7x	19.0x
<b>P/BV</b>	2.2x	2.8x	2.9x	3.0x
<b>EV/EBITDA</b>	5.8x	6.3x	6.2x	6.0x
<b>DPS (IDR)</b>	198	216	219	221
<b>Dividend yield</b>	5.7%	4.8%	4.4%	4.0%

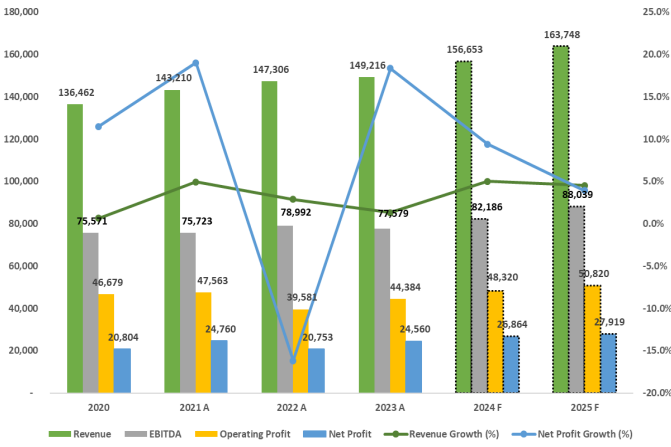
Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

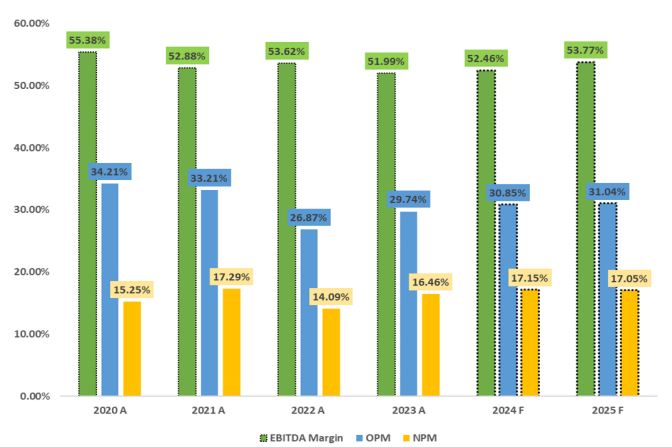
# Performance Highlights

## TLKM Profitability (In IDR Billion)



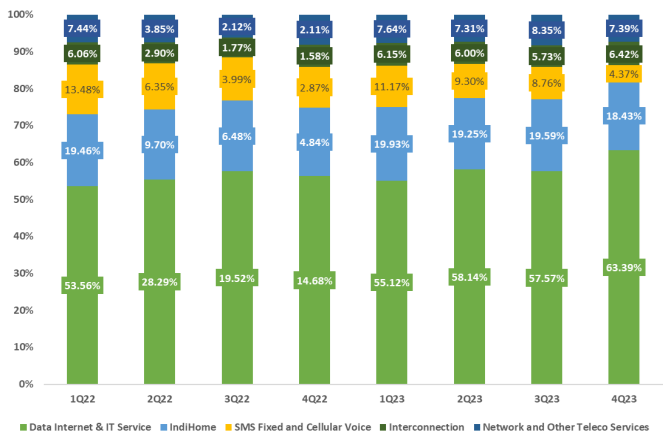
Source: Company, NHKSI Research

## TLKM Profitability Margin (In %)



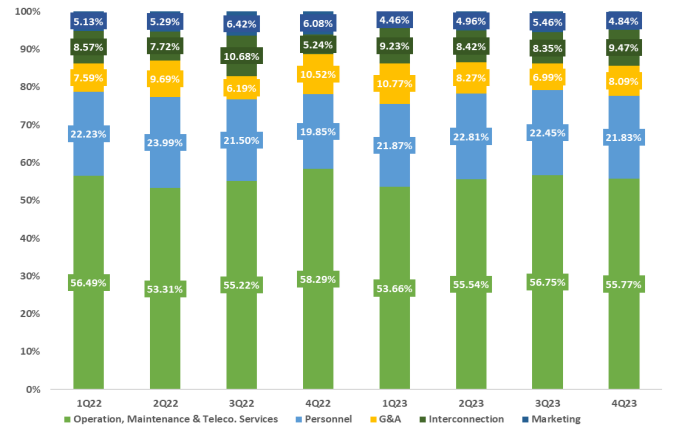
Source: Company, NHKSI Research

## Revenue Contribution Per Segment (Quarterly)



Source: Company, NHKSI Research

## Opex Breakdown Per Category (Quarterly)



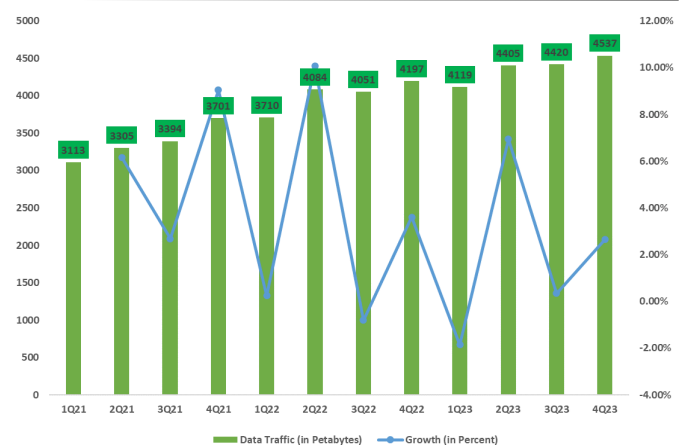
Source: Company, NHKSI Research

## F-EV/EBITDA | Last 3-Years



Source: Company, NHKSI Research

## Tsel Traffic Mobile Data (In Petabytes)



Source: Company, NHKSI Research

## Summary of Financials

### INCOME STATEMENT

(IDR Bn)	2023/12A	2024/12F	2025/12F	2026/12F
<b>Revenue</b>	<b>149,216</b>	<b>156,653</b>	<b>163,748</b>	<b>170,323</b>
<i>Growth</i>	1.3%	5.0%	4.5%	4.0%
<b>Gross Profit</b>	<b>149,216</b>	<b>156,653</b>	<b>163,748</b>	<b>170,323</b>
Operating Expenses	(104,832)	(108,334)	(112,928)	(117,548)
<b>EBIT</b>	<b>44,384</b>	<b>48,320</b>	<b>50,820</b>	<b>52,776</b>
<i>Growth</i>	12.1%	8.9%	5.2%	3.8%
<i>EBIT Margin</i>	29.7%	30.8%	31.0%	31.0%
Depreciation	32,663	33,866	37,219	40,693
<b>EBITDA</b>	<b>77,579</b>	<b>82,186</b>	<b>88,039</b>	<b>93,469</b>
<i>Growth</i>	-1.8%	5.9%	7.1%	6.2%
<i>EBITDA Margin</i>	52.0%	52.5%	53.8%	54.9%
Interest Expenses	(3,590)	(3,945)	(4,401)	(4,591)
<b>EBT</b>	<b>40,794</b>	<b>44,375</b>	<b>46,420</b>	<b>48,185</b>
Income Tax	(8,586)	(9,340)	(9,770)	(10,142)
Minority Interest	(7,648)	(8,171)	(8,730)	(9,327)
<b>Net Profit</b>	<b>24,560</b>	<b>26,864</b>	<b>27,919</b>	<b>28,716</b>
<i>Growth</i>	18.3%	9.4%	3.9%	2.9%
<i>Net Profit Margin</i>	16.5%	17.1%	17.1%	16.9%

### PROFITABILITY & STABILITY

	2023/12A	2024/12F	2025/12F	2026/12F
ROE	15.7%	16.4%	16.2%	15.9%
ROA	8.6%	9.1%	9.1%	9.0%
ROIC	15.7%	16.1%	16.3%	16.4%
Cash Dividend (IDR bn)	19,648	21,434	21,702	21,880
Dividend Yield	5.7%	4.8%	4.4%	4.0%
Payout Ratio	80.0%	79.8%	77.7%	76.2%
DER	83.3%	80.5%	78.8%	75.8%
Net Gearing	0.53	0.56	0.54	0.51
LT Debt to Equity	28.0%	31.4%	30.4%	28.5%
Capitalization Ratio	29.7%	30.9%	30.2%	28.9%
Equity Ratio	54.5%	55.4%	55.9%	56.9%
Debt Ratio	23.1%	24.8%	24.2%	23.1%
Financial Leverage	183.8%	181.9%	179.6%	177.3%
Current Ratio	77.7%	90.7%	102.1%	121.5%
Par Value (IDR)	50	50	50	50
Total Shares (mn)	99,062	99,062	99,062	99,062
Share Price (IDR)	3,460	4,550	5,000	5,500
Market Cap (IDR tn)	342.8	450.7	495.3	544.8

### BALANCE SHEET

(IDR Bn)	2023/12A	2024/12F	2025/12F	2026/12F
Cash	29,007	32,589	40,478	53,946
Receivables	15,685	14,795	15,920	17,032
Inventories	997	821	858	894
<b>Total Current Assets</b>	<b>55,613</b>	<b>58,625</b>	<b>68,147</b>	<b>83,200</b>
Net Fixed Assets	198,974	203,108	203,889	198,196
Other Non Current Assets	32,455	34,073	35,616	37,046
<b>Total Assets</b>	<b>287,042</b>	<b>295,805</b>	<b>307,651</b>	<b>318,442</b>
Payables	43,501	36,859	38,340	40,151
ST Bank Loan	22,492	21,915	22,256	21,966
LT Debt	43,772	51,434	52,233	51,552
<b>Total Liabilities</b>	<b>130,480</b>	<b>131,956</b>	<b>135,562</b>	<b>137,314</b>
Capital Stock	7,664	7,664	7,664	7,664
Retained Earnings	118,441	123,871	130,088	136,924
<b>Shareholders' Equity</b>	<b>156,562</b>	<b>163,849</b>	<b>172,089</b>	<b>181,128</b>

### VALUATION INDEX

	2023/12A	2024/12F	2025/12F	2026/12F
Price/Earnings	14.0x	16.8x	17.7x	19.0x
Price/Book Value	2.2x	2.8x	2.9x	3.0x
Price/Sales	2.3x	2.9x	3.0x	3.2x
PE/EPS Growth	0.8x	1.8x	4.5x	6.7x
EV/EBITDA	5.8x	6.3x	6.2x	6.0x
EV/EBIT	10.1x	10.7x	10.8x	10.7x
EV (IDR bn)	450,346	516,258	549,135	564,414
Sales CAGR (3-Yr)	3.0%	3.0%	3.6%	4.5%
EPS CAGR (3-Yr)	5.7%	2.8%	10.4%	5.3%
Basic EPS (IDR)	248	271	282	290
Diluted EPS (IDR)	248	271	282	290
BVPS (IDR)	1,580	1,654	1,737	1,828
Sales PS (IDR)	1,506	1,581	1,653	1,719
DPS (IDR)	198	216	219	221

### CASH FLOW STATEMENT

(IDR bn)	2023/12A	2024/12F	2025/12F	2026/12F
Operating Cash Flow	51,846	54,937	65,251	69,880
Investing Cash Flow	(43,957)	(39,618)	(39,543)	(36,430)
Financing Cash Flow	(12,403)	(11,737)	(17,820)	(19,981)
<b>Net Changes in Cash</b>	<b>(4,514)</b>	<b>3,582</b>	<b>7,889</b>	<b>13,468</b>

### OWNERSHIP

By Geography	% Shareholders	%	
Indonesia	72.61	Rep. of Indonesia	52.09
United States	15.92	Bank of New York	3.76
Luxembourg	3.17	Vanguard Group Inc.	2.00
Others	8.30	Others	42.15

Source: Bloomberg, 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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