

# XL Axiata Tbk (EXCL)

Akselerasi Kinerja 1Q20 Sesuai Ekspektasi

Company Report | July 3, 2020

## Buy

**Dec 2020 TP (IDR) 3,350**

Consensus Price (IDR)	3,395
TP to Consensus Price	-1.3%
vs. Last Price	+23.2%

### Shares data

Last Price (IDR)	2,720
Price date as of	July 02, 2020
52 wk range (Hi/Low)	3,730 / 1,315
Free float	33.8%
Outstanding sh.(mn)	10,076
Market Cap (IDR bn)	29,120
Market Cap (USD mn)	2,016
Avg. Trd Vol - 3M (mn)	16.6
Avg. Trd Val - 3M (bn)	40.8
Foreign Ownership	99.1%

### Infrastructure

#### Telecommunication

Bloomberg	EXCL IJ
Reuters	EXCL.JK

EXCL mencatatkan kinerja positif pada 1Q20, dimana peningkatan permintaan penggunaan data masih menjadi kontribusi utama terhadap pertumbuhan pendapatan. Disisi lain dengan adanya aksi penjualan sewa balik menara pada kuartal pertama mampu melonjokkan laba bersih perseroan menjadi Rp1,5 triliun. Kami mengestimasi pendapatan FY20 mencapai Rp27,3 triliun. Berdasarkan asumsi tersebut kami merekomendasikan BUY dengan target harga Rp3.350, setara EV/EBITDA di level 5,4x.

**Kinerja 1Q20.** EXCL (Perseroan) mencatatkan pertumbuhan pendapatan pada 1Q20 sebesar 8,9% (YoY) menjadi Rp6,5 triliun, kontribusi terbesar masih ditopang oleh peningkatan permintaan penggunaan data. Secara YoY peningkatan data tumbuh 18,3% dan berkontribusi sebesar 80,1% terhadap pertumbuhan pendapatan perseroan. Selama kuartal pertama perseroan mampu menekan *cost*-nya menjadi Rp4,3 triliun (23,1% YoY) ditambah perseroan juga membukukan keuntungan penjualan sewa balik menara pada kuartal pertama senilai Rp1,6 triliun, membuat laba bersih perseroan melonjak menjadi Rp1,5 triliun.

**Eksansi Jaringan Masih Menjadi Andalan.** Perseroan sejauh ini masih melanjutkan rencana ekspansi jaringannya dengan menganggarkan belanja modal sebesar Rp7,5 triliun pada tahun ini. Sebagian besar belanja modal akan digunakan untuk memperluas jangkauan infrastruktur jaringan di luar pulau Jawa dengan penambahan jaringan 4G di 2000 titik dan melanjutkan fiberisasi jaringan di 300 kota. Mengingat semakin meningkatnya permintaan penggunaan data akibat masih berlanjutnya kebijakan PSBB hingga kuartal kedua, kami memperkirakan pendapatan perseroan di kuartal kedua tahun ini masih dengan trend tumbuh. Sehingga dari itu, kami optimis pendapatan perseroan akan tumbuh pada tahun ini sebesar 8,6% YoY.

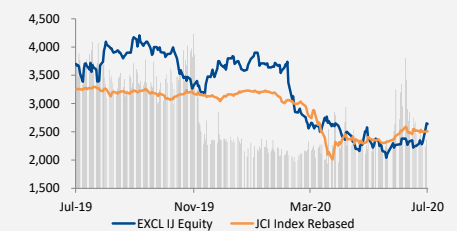
**Jumlah Pelanggan dan ARPU Blended naik secara YoY.** Perseroan mencatatkan pertumbuhan jumlah pelanggan dan *Average Revenue Per User* (ARPU) pada 1Q20 sebesar 55,49 juta orang (0,8% YoY) dan Rp36.000 (9,1% YoY). Tercermin dari naiknya trafik data perseroan pada 1Q20 sebesar 41%.

**Diperdagangkan Cukup Murah, EV/EBITDA EXCL di -1SD.** Pada 1Q20 perseroan telah memiliki *Base Transceiver Station* (BTS) yang beroperasi dengan total 133.536 tumbuh 9,3% YoY. Kami optimis perseroan akan mencatatkan pertumbuhan penjualan pada tahun 2020 dengan perkiraan kami sebesar Rp27,3 triliun. Saat ini EXCL diperdagangkan dengan EV/EBITDA di level 4,9x, tergolong cukup murah dibandingkan dengan rata-rata EV/EBITDA 3 tahun terakhir di level 6,2x. Dengan Demikian, Kami merekomendasikan BUY dengan target harga Rp3.350 yang setara di level 5,4x EV/EBITDA FY20.

### XL Axiata Tbk | Summary (IDR bn)

	2018	2019	2020 F	2021 F
Revenue	22,939	25,133	27,283	28,613
Revenue growth	0.3%	9.6%	8.6%	4.9%
EBITDA	8,584	9,702	12,056	12,207
Net profit	(3,297)	713	1,510	1,535
EPS (IDR)	(308)	67	141	143
BVPS (IDR)	1,716	1,786	1,930	2,074
EBITDA margin	37.4%	38.6%	44.2%	42.7%
NPM	-14.4%	2.8%	5.5%	5.4%
ROE	-18.0%	3.7%	7.3%	6.9%
ROA	-5.7%	1.1%	2.3%	2.2%
DER	1.3x	1.4x	1.5x	1.5x
P/BV	1.7x	2.0x	1.7x	1.6x
EV/EBITDA	6.3x	6.5x	5.4x	5.5x
DPS (IDR)	-	-	-	-
Dividend yield	0.0%	0.0%	0.0%	0.0%

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-13.3%	6.2%	33.2%	-8.7%
Rel. Ret	8.7%	4.9%	24.7%	14.3%

### Restu Pamungkas

+62 21 5088 9133

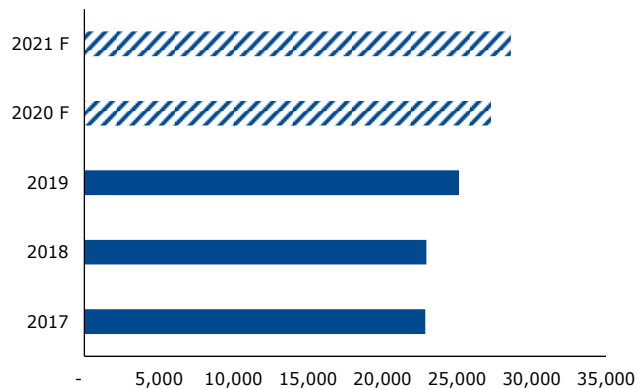
[restu.pamungkas@nhsec.co.id](mailto:restu.pamungkas@nhsec.co.id)

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

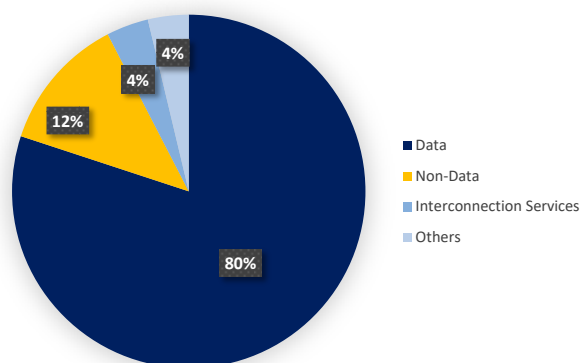
# Performance Highlights

## Revenue Projections



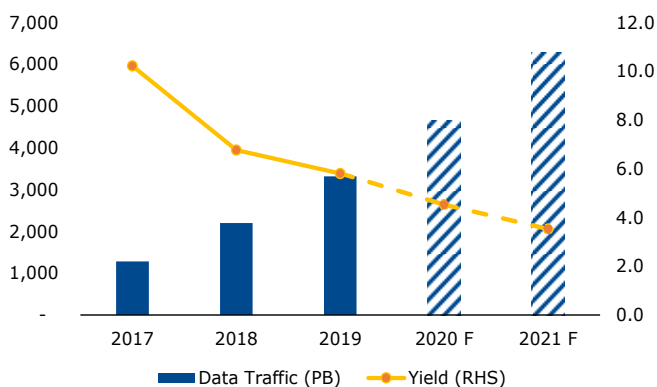
Source: Company, NHKSI Research

## Revenue Contributions 1Q20



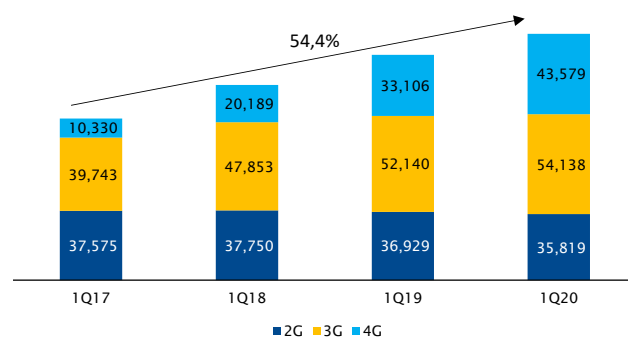
Source: Company, NHKSI Research

## Data Traffic (PB) and Yield (IDR/MB)



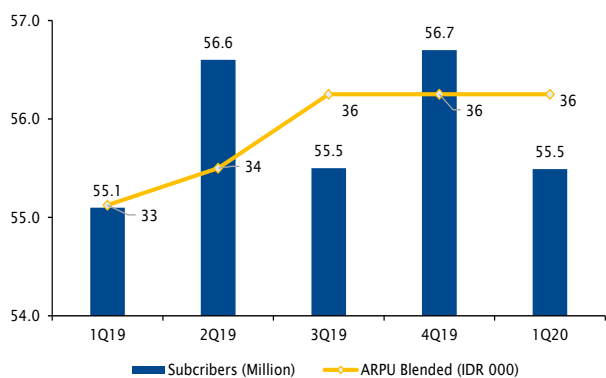
Source: Company, NHKSI Research

## BTS Quantity



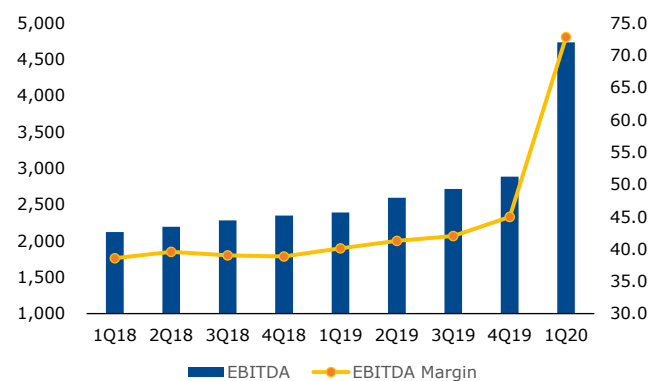
Source: Company, NHKSI Research

## Subscribers and ARPU Blended



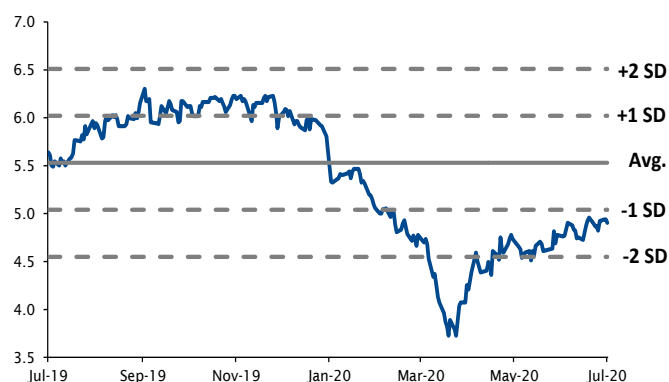
Source: Company, NHKSI Research

## EBITDA Margin



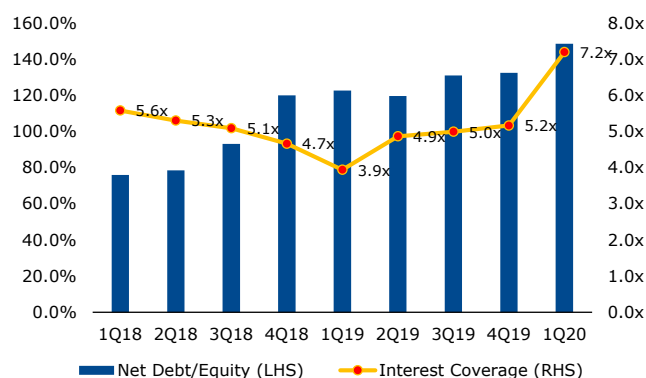
Source: Bloomberg, Company, NHKSI Research

### Forward EV/EBITDA Trade in -1SD



Source: NHKSI research

### Leverage



Source: Bloomberg, Company, NHKSI Research

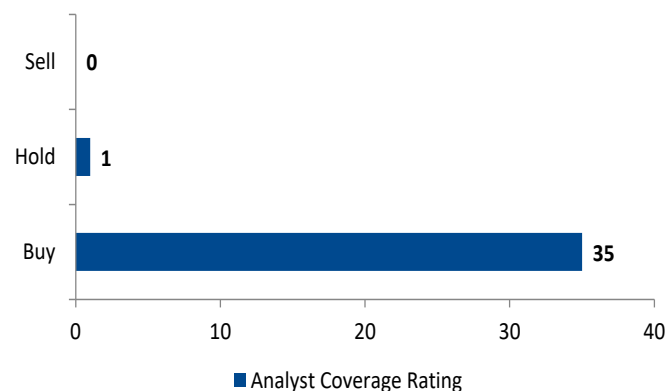
## Rating and Target Price Update

### Target Price

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
07/03/2020	Buy	3,350 (Dec 2020)	2,720	3,395	+23.2%	-1.3%

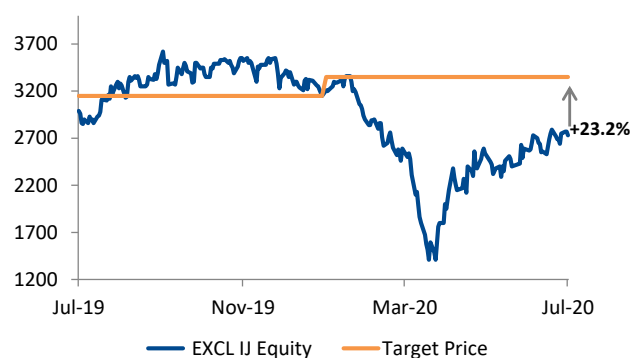
Source: NHKSI research, Bloomberg

### Analyst Coverage Rating



Source: Bloomberg

### Closing and Target Price



Source: NHKSI research

### NH Korindo Sekuritas Indonesia (NHKSI) stock ratings

1. Period: End of year target price
2. Rating system based on a stock's absolute return from the date of publication
  - Buy : Greater than +15%
  - Hold : -15% to +15%
  - Sell : Less than -15%

## Financial Summary

### INCOME STATEMENT

(IDR bn)	2018/12	2019/12	2020/12E	2021/12F
<b>Revenue</b>	<b>22,939</b>	<b>25,133</b>	<b>27,283</b>	<b>28,613</b>
Growth	0.3%	9.6%	8.6%	4.9%
COGS	-	-	-	-
<b>Gross Profit</b>	<b>22,939</b>	<b>25,133</b>	<b>27,283</b>	<b>28,613</b>
Operating Expenses	(25,710)	(21,858)	(22,357)	(24,371)
<b>Operating Profit</b>	<b>(2,771)</b>	<b>3,274</b>	<b>4,926</b>	<b>4,242</b>
OP Margin	-12.1%	13.0%	18.1%	14.8%
Financial Cost	(1,746)	(2,243)	(2,389)	(2,558)
Finance Income	487	111	208	363
<b>EBIT</b>	<b>(4,396)</b>	<b>1,144</b>	<b>2,745</b>	<b>2,047</b>
EBIT Margin	-19.2%	4.6%	10.1%	7.2%
Income Tax	1,099	(432)	(1,235)	(512)
<b>EAT</b>	<b>(3,297)</b>	<b>713</b>	<b>1,510</b>	<b>1,535</b>
Non Controlling Interest	-	-	-	-
<b>Net Profit</b>	<b>(3,297)</b>	<b>713</b>	<b>1,510</b>	<b>1,535</b>
Growth	N/A	N/A	111.9%	1.7%
Net Profit Margin	-14.4%	2.8%	5.5%	5.4%

### BALANCE SHEET

(IDR bn)	2018/12	2019/12	2020/12E	2021/12F
Cash	1,047	1,603	1,826	2,457
Receivables	569	663	701	743
Inventories	189	75	131	135
<b>Total Current Assets</b>	<b>7,059</b>	<b>7,146</b>	<b>7,450</b>	<b>8,136</b>
Net Fixed Assets	36,760	42,082	44,993	48,620
Other Non Current Asset	13,796	13,498	13,809	14,137
<b>Total Assets</b>	<b>57,614</b>	<b>62,725</b>	<b>66,252</b>	<b>70,893</b>
Trade Payables	9,106	8,042	8,226	8,967
Lease Liabilities	1,249	1,997	2,200	1,683
LT Loan	8,043	4,267	4,400	4,712
<b>Total Liabilities</b>	<b>39,271</b>	<b>43,603</b>	<b>45,587</b>	<b>48,692</b>
Capital Stock	1,069	1,069	1,069	1,069
Retained Earnings	5,125	5,851	7,394	8,930
<b>Shareholders' Equity</b>	<b>18,343</b>	<b>19,122</b>	<b>20,666</b>	<b>22,201</b>

### CASH FLOW STATEMENT

(IDR bn)	2018/12	2019/12	2020/12E	2021/12F
Operating Cash Flow	8,629	8,983	9,419	10,214
Investing Cash Flow	(12,474)	(11,386)	(10,287)	(11,854)
Financing Cash Flow	2,437	3,741	1,091	2,270
<b>Net Changes in Cash</b>	<b>(1,408)</b>	<b>1,338</b>	<b>223</b>	<b>631</b>

### PROFITABILITY & STABILITY

	2018/12	2019/12	2020/12E	2021/12F
ROE	-18.0%	3.7%	7.3%	6.9%
ROA	-5.7%	1.1%	2.3%	2.2%
Cash Dividend (IDR bn)	-	-	-	-
Dividend Yield	0.0%	0.0%	0.0%	0.0%
Payout Ratio	-	-	-	-
DAR	0.4x	0.4x	0.5x	0.5x
DER	1.3x	1.4x	1.5x	1.5x
LT Debt to Equity	43.8%	22.3%	21.3%	21.2%
Equity Ratio	31.8%	30.5%	31.2%	31.3%
Debt Ratio	40.0%	42.9%	47.4%	47.5%
Current Ratio	0.4x	0.3x	0.3x	0.3x
Quick Ratio	0.4x	0.3x	0.3x	0.3x
Cash Ratio	0.1x	0.1x	0.1x	0.1x
Par Value (IDR)	100	100	100	100
Total Shares (mn)	10,688	10,706	10,706	10,706
Share Price (IDR)	2,960	3,150	3,350	3,350
Market Cap (IDR tn)	31.6	33.7	35.9	35.9

### VALUATION INDEX

	2018/12	2019/12	2020/12E	2021/12F
Price/Earnings	-9.6x	47.3x	23.8x	23.4x
Price/Book Value	1.7x	1.8x	1.7x	1.6x
Price/Sales	1.4x	1.3x	1.3x	1.3x
PE/EPS Growth	N/A	N/A	0.2x	13.9x
EV/EBITDA	6.3x	6.5x	5.4x	5.5x
EV/Sales	2.3x	2.5x	2.4x	2.3x
EV (IDR bn)	53,660	62,797	65,469	67,067
Sales CAGR (3-Yr)	0.1%	5.6%	6.0%	7.6%
EPS CAGR (3-Yr)	370.2%	23.7%	59.0%	-177.5%
Basic EPS (IDR)	(308)	67	141	143
Diluted EPS (IDR)	(308)	67	141	143
BVPS (IDR)	1,716	1,786	1,930	2,074
Sales PS (IDR)	2,146	2,348	2,548	2,673
DPS (IDR)	-	-	-	-

### OWNERSHIP

By Geography	% Shareholders	%
Malaysia	86.9	Axiata Investment 66.3
United States	6.7	Norges Bank 1.5
Norway	2.0	Vanguard Group Inc 1.2
Luxembourg	1.4	Dimensional Fund 1.1

Source: Company Data, NHKSI Research

### DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entity 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 suitable for all investors. Although the information here is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, respective employees, and agents disclaim 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 liable for errors, omissions, misstatements, negligence, inaccuracy arising herefrom.

All rights reserved by PT NH Korindo Securities Indonesia