

# XL Axiata

**BUY** (unchanged)

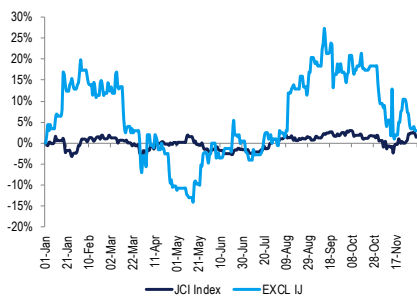
Company Update | Telecommunications | EXCL IJ | 7 December 2023

## Stock Data

Target price	Rp3,100
Prior TP	Rp3,400
Current price	Rp2,140
Upside/downside	45%
Shares outstanding (mn)	13,128
Market cap (Rp bn)	28,095
Free float	33%
Avg. 6m daily T/O (Rp bn)	34

## Price Performance

	3M	6M	12M
Absolute	-13.4%	6.7%	-9.2%
Relative to JCI	-13.3%	4.2%	-7.5%
52w low/high (Rp)	1,730-2,560		



## Major Shareholders

Axiata Investments	66.3%
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## Positive development on LINK transaction; maintain Buy

- EXCL to acquire 750k FTTH subs from LINK but details remain limited.
- EXCL also places an additional 2mn homes-passed order for the next two years; while LINK could potentially seek strategic investors.
- We continue to believe that this transaction should bode well for EXCL. Awaiting further details on the transaction. Reaffirm Buy.

### EXCL to acquire 750k FTTH subs from LINK

EXCL announced the signing of a non-binding agreement with Link Net (LINK) for the acquisition of 750k subs of LINK's B2C FTTH business (2<sup>nd</sup> largest in the country). Details are yet to be announced, pending regulatory and shareholders' approvals (transaction to be completed in 1H24). However, assuming: 1) revenue of Rp3.0tr (FY22 blended ARPU of Rp337k/month for 750k subs); 2) EBITDA margin of 35-45% (vs. EBITDA margin of global fiberco: 30-40%; and LINK/IndiHome pre-carve out: 45/50%); and 3) transaction valuation of Rp2.7mn/sub (same as ISAT-MNC Play; see our [note](#)); we estimate a total transaction value and valuation of around Rp2.0tr and 1.5-1.9x EV/EBITDA, lower than the implied EV/EBITDA valuation of ISAT-MNC play at 2.3x EV/EBITDA and IndiHome pre-carve out at 4.2x.

### More clarity on rollout; LINK could potentially seek strategic investors

From Axiata's 2023 investor day, we noted that: 1) LINK currently has c.3.4mn homes-passed and is on-track to reach 4.4mn in FY24F (i.e. fulfilling its ongoing 1mn build-to-suit orders from EXCL); 2) through this agreement, EXCL also places an additional 2mn homes-passed order for the next two years (i.e. LINK's homes-passed to reach 6.4mn in FY25F); 3) LINK aims to reach 8.4mn homes-passed by FY26F; 4) funding for the currently ongoing orders is already secured, but further fundings are still needed for the new orders (management mentioned the possibility of taking strategic investors onboard, which should help to reduce investors' concern on the potential cash outflow); and 5) post-FY25/26F, LINK could potentially adopt a multi-tenant model, whereby it opens up its assets for third-party lease.

### Generally positive for EXCL; about 3-8% FY24-25F EBITDA accretion

We continue to believe that this transaction should bode well for EXCL, as: 1) according to management, LINK ownership structure is likely to remain unchanged and it could potentially be a non-cash transaction, which implies minimal impact on EXCL's BS; 2) the asset-light model means EXCL can rollout homes-passed with limited capex burden and risk, as LINK assumes the infraco role and payment for LINK will likely depend on homes-connected (and not homes-passed); and 3) an instant access to about 3.4mn homes-passed and 750k subs should help EXCL to jump-start its FTTH business (i.e. XL Home; c.8% market share post-transaction, on our estimates) and unlock FMC synergies. We estimate revenue/EBITDA accretion of 4-9%/3-8% in FY24-25F (see fig. 4). As it is likely to be a non-cash transaction, we also believe that this transaction could potentially be earnings accretive.

### Reiterate Buy on EXCL, with an unchanged TP of Rp3,100

EXCL's fundamentals are intact, in our view, and this transaction should bode well for the company. The consolidation should also help to support a healthier FTTH/FMC competition in the long-run. While we await more details on the transaction, we maintain BUY with an unchanged TP of Rp3,100. Risks: unfavorable deal terms and competition.

Financial Summary (Rp bn)	2021A	2022A	2023F	2024F	2025F
Revenue	26,754	29,142	32,148	34,187	35,987
EBITDA	13,287	14,235	15,760	16,980	18,004
EBITDA growth	1.7%	7.1%	10.7%	7.7%	6.0%
Net profit	1,288	1,109	1,361	1,690	2,096
EPS (Rp)	98	84	104	129	160
EPS growth	246.6%	-13.9%	22.7%	24.2%	24.0%
ROE	6.4%	4.3%	5.1%	6.1%	7.3%
PER (x)	22.0	25.6	20.8	16.8	13.5
EV/EBITDA (x)	5.1	4.7	4.5	4.2	3.9
Dividend yield	1.2%	1.9%	2.0%	2.4%	3.3%
IPS vs. consensus		N/A	N/A	N/A	N/A

Sources: Company, Indo Premier

Share price closing as of: 6 December 2023

Fig. 1: Homes-passed and # of subscribers

In k users	Homes passed	Subscribers
IndiHome	30,000	9,801
FirstMedia	3,400	750
MNC Play	1,500	325
MyRepublic	1,740	304
Biznet	2,200	500
XL Home	1,200	206
Indosat Hifi	400	25
Market share	Homes passed	Subscribers
IndiHome	74%	82%
FirstMedia	8%	6%
MNC Play	4%	3%
MyRepublic	4%	3%
Biznet	5%	4%
XL Home	3%	2%
Indosat Hifi	1%	0%

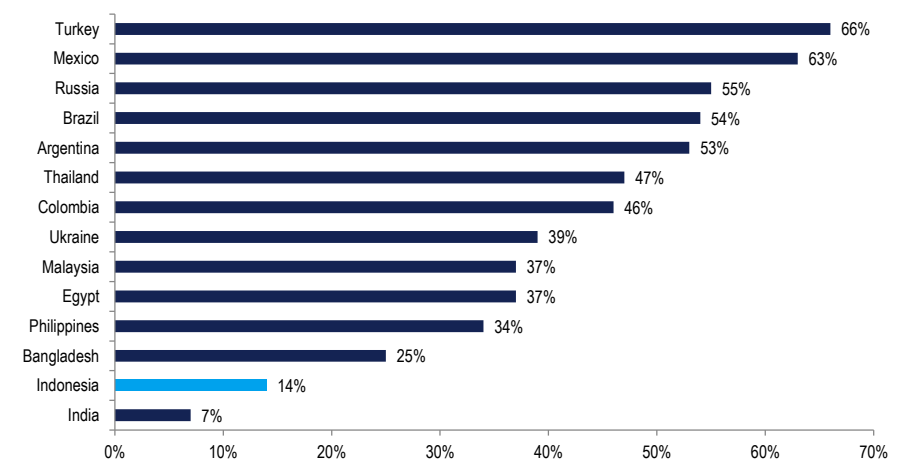
Source: Various News, Company, Indo Premier

Fig. 2: FTTH providers' current coverage

Home-passed locations		
Provinces	Cities	
XL Home	Bali, Central Java, East Java, Jabodetabek, Kalimantan, Sulawesi, West Java	75 cities
Link Net	Bali, Central Java, East Java, Jabodetabek, Sumatra, West Java	Bali, Bandung, Batam, Cikampek, Cilegon, Cirebon, Gresik, Jabodetabek, Jogja, Kediri, Malang, Medan, Purwakarta, Semarang, Serang, Sidoarjo, Solo, Surabaya, Tegal
IndiHome	34 provinces	496 cities
MNC Play	Jabodetabek, West Java, Central Java, East Java, Sumatra	Jakarta, Bandung, Semarang, Surabaya, Malang, Medan and others

Source: Various News, Company, Indo Premier

Fig. 3: Indonesia has one of the lowest fixed broadband penetration rates among ASEAN countries (2021)



Source: McKinsey Analysis, Oxford Economics, Analysis Mason, Indo Premier

Fig. 4: EXCL-LINK pro forma

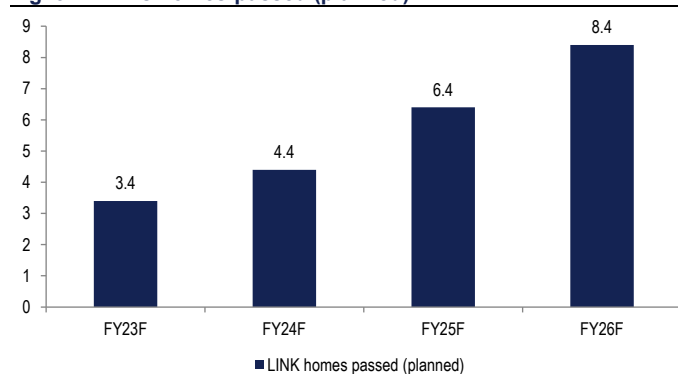
(Rp bn)	Projection period		Assumptions
	FY24F	FY25F	
EXCL standalone revenue	34,187	35,987	
LINK standalone revenue	3,033	3,336	FY22 ARPU of Rp337k/month for 750k subs; +10% yoy in FY25F
<b>Proforma combined revenue</b>	<b>35,703</b>	<b>39,323</b>	Half a year impact in FY24F (transaction completed at end-2Q24F)
EXCL standalone EBITDA	16,980	18,004	
EBITDA margin (%)	49.7%	50.0%	
LINK standalone EBITDA	1,062	1,168	35% EBITDA margin
EBITDA margin (%)	35.0%	35.0%	
<b>Proforma combined EBITDA</b>	<b>17,510</b>	<b>19,172</b>	Half a year impact in FY24F (transaction completed at end-2Q24F)
EBITDA margin (%)	49.0%	48.8%	
Revenue accretion/(dilution)	4.4%	9.3%	
EBITDA accretion/(dilution)	3.1%	6.5%	

EXCL standalone revenue	34,187	35,987	
LINK standalone revenue	3,033	3,336	FY22 ARPU of Rp337k/month for 750k subs; +10% yoy in FY25F
<b>Proforma combined revenue</b>	<b>35,703</b>	<b>39,323</b>	Half a year impact in FY24F (transaction completed at end-2Q24F)
EXCL standalone EBITDA	16,980	18,004	
EBITDA margin (%)	49.7%	50.0%	
LINK standalone EBITDA	1,365	1,501	45% EBITDA margin
EBITDA margin (%)	45.0%	45.0%	
<b>Proforma combined EBITDA</b>	<b>17,662</b>	<b>19,506</b>	Half a year impact in FY24F (transaction completed at end-2Q24F)
EBITDA margin (%)	49.5%	49.6%	
Revenue accretion/(dilution)	4.4%	9.3%	
EBITDA accretion/(dilution)	4.0%	8.3%	

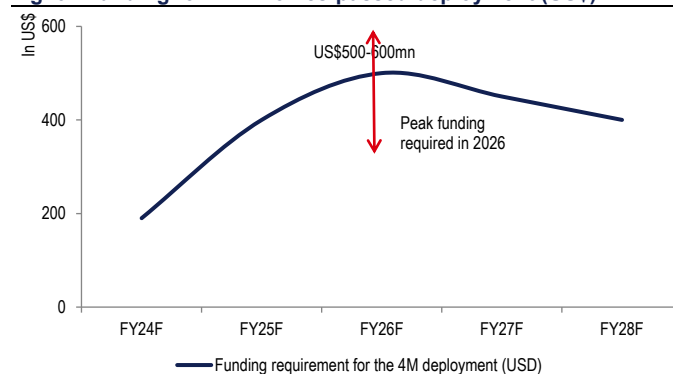
Source: Company, Indo Premier

Fig. 5: LINK's homes-passed (planned)



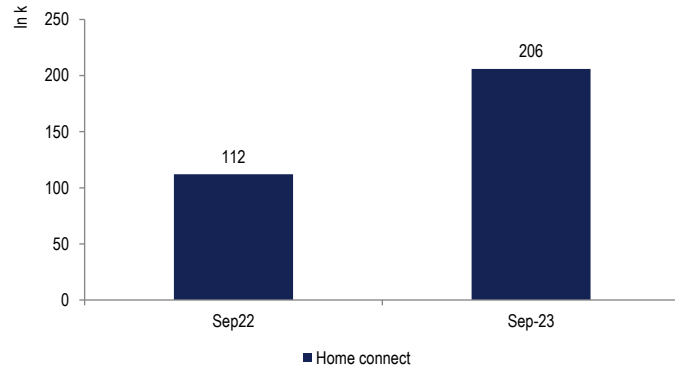
Source: Company, Indo Premier

Fig. 6: Funding for 4mn homes-passed deployment (US\$)



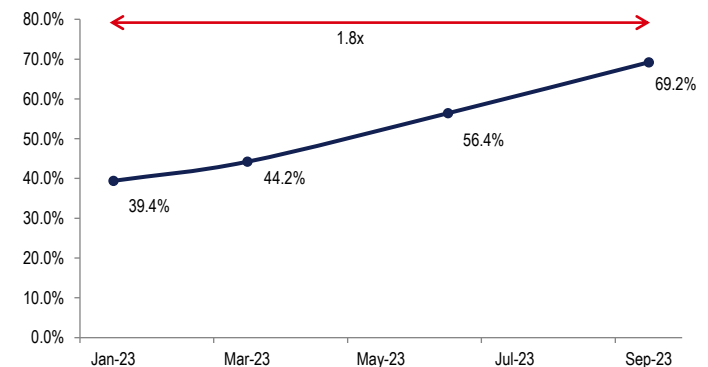
Source: Company, Indo Premier

Fig. 7: XL Home's homes-connected



Source: Various News, Company, Indo Premier

Fig. 8: EXCL's convergence penetration



Source: Various News, Company, Indo Premier

Fig. 9: LINK IJ – 3Q23 results summary

LINK 3Q23 results (Rp bn)	9M23	9M22	yoy%	3Q23	3Q22	yoy%	2Q23	qoq%
Revenue	2,932	3,190	-8%	968	1,081	-10%	986	-2%
<b>Expenses</b>								
Depreciation expenses	(1,207)	(1,056)	14%	(413)	(365)	13%	(411)	0%
Network & other direct expenses	(593)	(585)	1%	(192)	(200)	-4%	(182)	5%
G&A expenses	(263)	(201)	31%	(3)	107	-103%	(107)	-97%
Salaries & employee benefits expenses	(332)	(317)	5%	(104)	(112)	-8%	(129)	-20%
Sales & marketing expenses	(248)	(232)	7%	(88)	(73)	20%	(82)	7%
Impairment of trade receivables	(186)	(211)	-12%	(186)	(211)	-12%	-	NA
Amortisation expenses	(51)	(46)	12%	(17)	(16)	5%	(17)	0%
Other income/expenses	4	(5)	-178%	(3)	(10)	-67%	(2)	41%
<b>Operating profit</b>	<b>54</b>	<b>537</b>	<b>-90%</b>	<b>(38)</b>	<b>201</b>	<b>-119%</b>	<b>56</b>	<b>-168%</b>
<b>EBITDA</b>	<b>1,312</b>	<b>1,639</b>	<b>-20%</b>	<b>392</b>	<b>582</b>	<b>-33%</b>	<b>484</b>	<b>-19%</b>
Finance income	5	4	24%	1	1	11%	4	-78%
Finance expenses	(366)	(207)	77%	(132)	(66)	100%	(125)	6%
<b>PBT</b>	<b>(307)</b>	<b>335</b>	<b>-192%</b>	<b>(169)</b>	<b>136</b>	<b>-225%</b>	<b>(65)</b>	<b>161%</b>
Income tax expenses	33	(89)	-8%	24	(31)	-177%	(5)	-601%
<b>Profit for the year</b>	<b>(274)</b>	<b>246</b>	<b>-211%</b>	<b>(146)</b>	<b>105</b>	<b>-238%</b>	<b>(70)</b>	<b>109%</b>
Non-controlling interests	(0)	(0)	0%	(0)	-	NA	-	NA
<b>Net profit</b>	<b>(274)</b>	<b>246</b>	<b>-211%</b>	<b>(146)</b>	<b>105</b>	<b>-238%</b>	<b>(70)</b>	<b>109%</b>
<b>Operating margin</b>	<b>1.8%</b>	<b>16.8%</b>		<b>-3.9%</b>	<b>18.6%</b>		<b>5.7%</b>	
<b>EBITDA margin</b>	<b>44.7%</b>	<b>51.4%</b>		<b>40.5%</b>	<b>53.8%</b>		<b>49.0%</b>	
<b>Net margin</b>	<b>-9.3%</b>	<b>7.7%</b>		<b>-15.0%</b>	<b>9.7%</b>		<b>-7.1%</b>	

Source: Company, Indo Premier

Fig. 10: Fixed broadband package comparisons

Packages	Link Net	IndiHome	MNC Play	MyRepublic	Biznet	XL Home e
Price for 20-30 Mbps equivalent product	N/A	<b>Rp370k</b> (30 Mbps) 77 channels, Indihome TV, HBO GO	<b>Rp339k</b> (30 Mbps) 73 Channels, Vision+	<b>Rp16k</b> (30 Mbps) 73 Channels, Vidio Platinum, WeTV VIP	N/A	<b>Rp259k</b>
		<b>Rp340k</b> (30 Mbps) 77 channels, Indihome TV,				
		<b>Rp455k</b> (30 Mbps) 77 channels, Indihome TV, Catchplay+, Vidio, Disney+, WeTV				
Price for 30-40 Mbps equivalent product	N/A	<b>Rp485k</b> (40 Mbps) 77 channels, Indihome TV, Catchplay+, Vidio, Disney+, WeTV, HBO GO	N/A	N/A	N/A	N/A
Price for 40-50 Mbps equivalent product	<b>Rp295k</b> (50 Mbps) 94 TV Channels, 1 Streamtainment	<b>Rp505k</b> (50 Mbps) 77 channels, Indihome TV, Catchplay+, Vidio, Disney+, WeTV, HBO GO	<b>Rp459k</b> (50 Mbps) 73 Channels, Vidio+	<b>Rp400k</b> (50 Mbps) 75 Channels, Vidio Platinum, WeTV VIP	N/A	<b>Rp334k</b>
Price for 50-100 Mbps equivalent product	N/A	N/A	<b>Rp709k</b> (100 Mbps) 73 Channels, Vision+	<b>Rp483k</b> (100 Mbps) 75 Channels, Vidio Platinum, WeTV VIP	<b>Rp575k</b> (100 Mbps) 56 channels IPTV	<b>Rp399k</b>

Source: Company, Indo Premier

Fig. 11: Telcos with significant fixed broadband business comps

	P/E			EV/EBITDA			Div' Yield		
	23F	24F	25F	23F	24F	25F	23F	24F	25F
<b>Asia Average</b>	<b>17.0</b>	<b>16.3</b>	<b>15.4</b>	<b>7.1</b>	<b>6.8</b>	<b>6.5</b>	<b>5.1</b>	<b>3.5</b>	<b>4.1</b>
Converge Information and Communactions	7.1	6.6	6.1	4.1	3.8	3.5	0.0	2.0	4.1
China Telecom Corp Ltd	14.4	13.0	11.8	3.2	3.0	2.9	0.7	0.9	0.9
TIME dotCom Bhd	20.8	18.7	17.1	10.3	9.3	8.5	14.5	4.6	4.7
Telekom Malaysia Bhd	12.2	12.9	13.1	5.2	5.1	5.0	3.8	3.9	4.0
NETLINK NBN TRUST	30.3	30.2	28.8	13.0	12.9	12.7	6.3	6.3	6.7
<b>Middle East Average</b>	<b>14.2</b>	<b>14.1</b>	<b>13.1</b>	<b>6.9</b>	<b>6.6</b>	<b>6.4</b>	<b>2.3</b>	<b>2.5</b>	<b>2.9</b>
Saudi Telecom Co	14.2	14.1	13.1	7.7	7.3	7.0	4.3	4.5	5.0
Telecom Italia SpA/Milano	n.a	n.a	n.a	6.1	5.9	5.7	0.3	0.5	0.8
<b>Europe Average</b>	<b>6.7</b>	<b>12.0</b>	<b>3.2</b>	<b>4.6</b>	<b>4.3</b>	<b>4.1</b>	<b>4.3</b>	<b>4.7</b>	<b>4.9</b>
BT Group PLC	7.2	18.1	1.0	4.1	4.1	4.0	5.7	5.4	5.5
Telecom Egypt Co	6.2	5.8	5.4	5.0	4.6	4.1	2.9	4.0	4.3
<b>Global Average</b>	<b>14.1</b>	<b>14.9</b>	<b>12.0</b>	<b>6.5</b>	<b>6.2</b>	<b>5.9</b>	<b>4.3</b>	<b>3.6</b>	<b>4.0</b>

Source: Bloomberg, Indo Premier

Fig. 12: Fixed broadband comps

	P/E			EV/EBITDA			Div' Yield		
	23F	24F	25F	23F	24F	25F	23F	24F	25F
<b>Indonesia Average</b>									
Link Net Tbk PT	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
<b>Asia Pacific Average</b>	<b>12.1</b>	<b>11.4</b>	<b>15.5</b>	<b>6.4</b>	<b>6.0</b>	<b>5.7</b>	<b>4.9</b>	<b>3.9</b>	<b>4.8</b>
Converge Information and Commu	7.1	6.6	6.1	4.1	3.8	3.5	0.0	2.0	4.1
Globe Telecom Inc	12.7	12.4	11.7	6.9	6.6	6.3	5.8	5.7	6.0
GTPL Hathway Ltd	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Information & Communication Networks PCL	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Nippon Telegraph & Telephone Corp	12.3	12.1	11.6	7.4	7.1	6.9	2.9	3.1	3.2
SKY Network Television Ltd	7.6	7.0	6.6	2.4	2.3	2.2	6.0	7.3	9.3
TIME dotCom Bhd	20.8	18.7	17.1	10.3	9.3	8.5	14.5	4.6	4.7
True Corp PCL	n.a	n.a	40.0	7.6	7.1	6.6	0.0	0.6	1.3
<b>Europe Average</b>	<b>7.5</b>	<b>7.0</b>	<b>7.5</b>	<b>5.9</b>	<b>5.8</b>	<b>5.8</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>
Euskaltel SA	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Telenet Group Holding NV	7.5	7.0	7.5	5.9	5.8	5.8	4.6	4.6	4.6
<b>Europe Average</b>	<b>9.3</b>	<b>16.3</b>	<b>6.4</b>	<b>6.8</b>	<b>6.6</b>	<b>6.4</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>
Cable One Inc	13.3	22.0	0.8	7.0	7.0	6.7	2.2	2.3	2.5
Charter Communications Inc	12.1	11.1	10.6	7.4	7.1	6.8	0.0	0.0	0.0
Cogeco Communications Inc	6.8	6.7	3.0	5.4	5.4	5.3	3.9	4.1	4.6
Comcast Corp	10.5	10.2	10.0	6.9	6.7	6.5	2.8	3.0	3.2
Liberty Global PLC	(7.3)	n.a	n.a	8.3	8.0	7.9	0.0	0.0	0.0
Liberty Latin America Ltd	20.3	31.5	7.5	6.1	5.7	5.4	0.4	0.0	0.0
<b>Global Average</b>	<b>10.3</b>	<b>13.2</b>	<b>11.0</b>	<b>6.6</b>	<b>6.3</b>	<b>6.0</b>	<b>3.3</b>	<b>2.9</b>	<b>3.4</b>

Source: Bloomberg, Indo Premier

Fig. 13: Telco comps

	P/E			EV/EBITDA			Div' Yield		
	23F	24F	25F	23F	24F	25F	23F	24F	25F
<b>Indonesia Average</b>	<b>16.1</b>	<b>14.1</b>	<b>12.7</b>	<b>5.4</b>	<b>5.1</b>	<b>4.8</b>	<b>4.2</b>	<b>5.0</b>	<b>5.5</b>
Telkom Indonesia Persero Tbk	14.8	13.7	12.7	5.5	5.2	5.0	4.8	5.5	5.9
XL Axiata Tbk	21.9	16.4	13.1	4.5	4.2	4.0	2.2	2.9	3.6
Indosat Tbk	20.7	15.5	12.3	5.3	4.8	4.4	1.8	2.7	3.7
<b>Asia Average</b>	<b>25.8</b>	<b>18.1</b>	<b>15.8</b>	<b>7.6</b>	<b>7.0</b>	<b>6.5</b>	<b>2.3</b>	<b>2.7</b>	<b>3.1</b>
China United Network Communication Co Ltd	16.6	14.6	13.0	3.4	3.3	3.1	2.8	4.7	5.5
Shanghai AirHub Co Ltd	61.8	48.6	39.0	11.3	10.3	9.1	0.1	0.2	0.2
HKBN Ltd	18.8	9.5	6.7	6.1	5.5	5.2	11.7	13.9	15.7
China Telecom Corp Ltd	14.4	13.0	11.8	3.2	3.0	2.9	0.7	0.9	0.9
Vodafone Idea Ltd	n.a	n.a	n.a	16.9	14.6	13.9	0.0	0.0	0.0
Bharti Airtel Ltd	50.9	29.4	22.5	10.3	9.0	8.0	0.5	0.8	1.2
Tata Communications Ltd	35.2	26.6	19.4	12.8	10.8	9.4	1.2	1.3	1.3
SK Telecom Co Ltd	10.1	9.7	9.0	3.7	3.7	3.7	6.6	6.8	6.9
LG Uplus Corp	6.5	6.3	6.0	3.1	3.0	3.0	6.3	6.8	7.3
KT Corp	7.5	6.8	6.3	3.1	3.0	3.0	5.9	6.2	6.4
Axiata Group Bhd	47.2	30.3	20.5	5.8	5.6	5.3	3.9	3.9	4.3
Maxis Bhd	23.4	22.0	20.7	10.1	9.8	9.6	4.0	4.4	4.6
PLDT Inc	8.6	8.3	8.3	5.7	5.3	5.1	7.8	7.5	7.8
Singapore Telecommunications Ltd	15.9	13.9	12.2	12.6	11.9	11.4	5.4	5.9	6.4
StarHub Ltd	14.1	12.3	11.2	6.3	6.0	5.7	5.1	6.0	6.6
Omani Qatari Telecommunication	n.a	n.a	n.a	n.a	n.a	n.a	9.2	9.2	9.2
Telekom Malaysia Bhd	12.2	12.9	13.1	5.2	5.1	5.0	3.8	3.9	4.0
Advanced Info Service PCL	22.8	20.9	19.0	8.4	7.8	7.5	3.7	4.1	4.5
True Corp PCL	n.a	n.a	40.0	7.6	7.1	6.6	0.0	0.6	1.3
Jasmine International PCL	245.5	14.4	7.6	7.5	7.2	7.1	n.a	1.5	4.5
Globe Telecom Inc	12.7	12.4	11.7	6.9	6.6	6.3	5.8	5.7	6.0
<b>Europe Average</b>	<b>13.5</b>	<b>27.7</b>	<b>2.3</b>	<b>6.3</b>	<b>6.0</b>	<b>5.7</b>	<b>5.5</b>	<b>5.6</b>	<b>5.9</b>
Orange SA	10.3	9.7	9.0	5.5	5.4	5.2	6.5	6.7	6.9
Deutsche Telekom AG	13.7	30.6	0.8	6.8	6.3	6.0	3.4	3.8	4.2
Telefonica Deutschland Holding	32.2	32.6	1.0	4.4	4.3	4.6	7.6	5.9	5.5
Vodafone Group PLC	11.3	30.2	3.9	5.6	5.6	5.4	9.7	8.9	9.0
Telenor ASA	9.6	24.5	4.1	7.5	7.1	6.8	8.0	7.9	8.0
Telia Co AB	20.2	29.7	(2.0)	6.4	6.1	5.9	7.7	7.7	7.9
Telefonica SA	12.6	33.9	1.0	5.1	5.1	5.0	7.4	7.3	7.5
<b>North America Average</b>	<b>12.9</b>	<b>16.4</b>	<b>5.7</b>	<b>8.0</b>	<b>7.6</b>	<b>7.3</b>	<b>4.3</b>	<b>4.8</b>	<b>5.0</b>
T-Mobile US Inc	21.1	15.9	14.2	9.8	9.1	8.5	0.4	1.7	2.0
Verizon Communications Inc	8.3	17.1	1.1	6.9	6.8	6.7	6.8	6.9	7.1
AT&T Inc	7.0	16.3	(0.5)	6.7	6.5	6.4	6.5	6.5	6.6
<b>Global Average</b>	<b>26.7</b>	<b>19.3</b>	<b>11.5</b>	<b>7.0</b>	<b>6.5</b>	<b>6.2</b>	<b>4.8</b>	<b>5.0</b>	<b>5.4</b>

Source: Bloomberg, Indo Premier

Income Statement (Rp bn)	2021A	2022A	2023F	2024F	2025F
Net revenue	26,754	29,142	32,148	34,187	35,987
Cost of sales	-	-	-	-	-
<b>Gross profit</b>	26,754	29,142	32,148	34,187	35,987
SG&A Expenses	(23,423)	(25,484)	(27,407)	(29,027)	(30,340)
<b>Operating profit</b>	3,331	3,658	4,741	5,159	5,646
<b>EBITDA</b>	13,287	14,235	15,760	16,980	18,004
Net interest	(2,290)	(2,666)	(2,748)	(2,790)	(2,757)
Forex gain (loss)	10	(61)	(16)	(34)	(36)
Others	658	422	(321)	(205)	(216)
<b>Pre-tax income</b>	1,708	1,353	1,655	2,130	2,638
Income tax	(420)	(232)	(281)	(426)	(528)
Minority interest	-	(12)	(13)	(14)	(14)
<b>Net income</b>	1,288	1,109	1,361	1,690	2,096

Balance Sheet (Rp bn)	2021A	2022A	2023F	2024F	2025F
Cash & Equivalent	2,664	5,184	4,094	3,955	2,338
Receivable	610	852	1,233	1,311	1,380
Other Current Assets	4,459	4,372	4,383	4,524	4,664
<b>Total Current Assets</b>	7,733	10,408	9,710	9,790	8,383
Fixed assets	51,912	60,474	57,813	57,813	57,813
Other non-current assets	13,108	16,396	18,035	19,839	21,823
<b>Non-Current Assets</b>	65,020	76,869	75,849	77,652	79,636
<b>Total Assets</b>	72,753	87,278	85,559	87,442	88,019
Payable	10,705	11,491	9,762	10,339	10,806
Other Payables	3,973	3,941	3,350	3,383	3,349
Current Portion of LT Loans	6,276	10,919	7,894	7,946	7,764
<b>Total Current Liab.</b>	20,954	26,351	21,006	21,668	21,920
Long Term Loans	29,372	33,041	35,963	36,198	35,370
Other LT Liab.	2,338	2,112	2,010	1,986	1,973
<b>Total Liabilities</b>	52,665	61,504	58,979	59,852	59,263
Equity	13,154	18,093	18,093	18,093	18,093
Retained Earnings	6,934	7,550	8,356	9,366	10,532
<b>Total SHE + Minority Int.</b>	-	131	131	131	131
<b>Total Liabilities &amp; Equity</b>	20,089	25,774	26,580	27,590	28,756

Sources: Company, Indo Premier



Cash Flow Statement (Rp bn)	2021A	2022A	2023F	2024F	2025F
Net Income	1,288	1,109	1,361	1,690	2,096
Depr. & Amortization	9,952	10,550	11,019	11,820	12,358
Changes in Working Capital	1,599	599	(2,713)	392	224
Others	(123)	(3,503)	(1,729)	(1,814)	(1,982)
<b>Cash Flow From Operating</b>	<b>12,716</b>	<b>8,756</b>	<b>7,938</b>	<b>12,089</b>	<b>12,695</b>
Capital Expenditure	(14,706)	(19,139)	(8,359)	(11,820)	(12,358)
Others	4	27	-	-	-
<b>Cash Flow From Investing</b>	<b>(14,702)</b>	<b>(19,112)</b>	<b>(8,359)</b>	<b>(11,820)</b>	<b>(12,358)</b>
Loans	2,021	8,311	(102)	286	(1,010)
Equity	(14)	5,058	(13)	(14)	(14)
Dividends	(338)	(544)	(555)	(680)	(929)
Others	-	-	-	-	-
<b>Cash Flow From Financing</b>	<b>1,669</b>	<b>12,825</b>	<b>(670)</b>	<b>(408)</b>	<b>(1,954)</b>
<b>Changes in Cash</b>	<b>(301)</b>	<b>2,520</b>	<b>(1,090)</b>	<b>(139)</b>	<b>(1,616)</b>

Key Ratios	2021A	2022A	2023F	2024F	2025F
Gross margin	100.0%	100.0%	100.0%	100.0%	100.0%
EBITDA margin	49.7%	48.8%	49.0%	49.7%	50.0%
Pre-tax margin	6.4%	4.6%	5.1%	6.2%	7.3%
Net margin	4.8%	3.8%	4.2%	4.9%	5.8%
ROA	1.8%	1.3%	1.6%	1.9%	2.4%
ROE	6.4%	4.3%	5.1%	6.1%	7.3%
ROIC	6.5%	6.2%	7.2%	7.7%	8.2%

Acct. receivables TO (days)	8	9	14	14	14
Acct. payables - other TO (days)	141	141	141	141	141
Net debt/EBITDA (inc. leases) (x)	2.5	2.7	2.5	2.4	2.3
Net debt/EBITDA (ex. leases) (x)	0.6	0.5	0.3	0.2	0.1
Interest coverage (x)	1.4	1.3	1.7	1.8	2.0

Sources: Company, Indo Premier

**INVESTMENT RATINGS**

BUY : Expected total return of 10% or more within a 12-month period  
HOLD : Expected total return between -10% and 10% within a 12-month period  
SELL : Expected total return of -10% or worse within a 12-month period

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