PT Tower Bersama Infrastructure Tbk

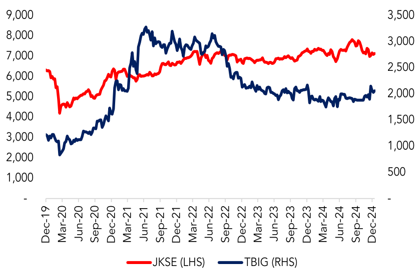
(TBIG.JK / TBIG.IJ)

HOLD

Price (Jan 21st, 25)	2,090
Target Price	2.250
Potential Upside	7.66%
Market Cap	47.23 T
Number of Share	22.60 B
52w Lo/Hi	1,600 / 2,150

Source : IDX | Phintraco Sekuritas Research | as of Jan 21st, 2025

IHSG vs TBIG



Source : IDX

Shareholder	%
Bersama Digital Infrastructure Pte Ltd	80.34
PT Wahana Anugerah Sejahtera	9.44
Public	9.55

Source : Company | as of fin. statement FY2023

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2025F	77.68	79.27	-2.00
2026F	95.25	87.30	8.99

*Source : *marketscreener | as of Jan 21st, 2025*

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Balancing Challenges and Growth Potential Amidst a Moderate Outlook

TBIG reported revenue of IDR 1.71 trillion in 3Q24 (+0.17% YoY; +2.37% QoQ). On the cost side, the company managed to keep the growth in cost of revenues within a low single-digit range, with costs totaling IDR 499 billion (-0.95% YoY; +3.01% QoQ). While the number of tenants grew by 2.35% YTD, reaching 42.4 thousand, the growth remained relatively limited. This was insufficient to offset the decline in TBIG's tenancy ratio, which stood at 1.84x for 9M24, due to the ongoing consolidation between ISAT and Hutchison throughout 2024. On the bottom line, TBIG posted EBITDA of IDR 1.46 trillion (+1.66% YoY; +0.35% QoQ), with an EBITDA margin of 85.63% in 3Q24 (86.08% in 2Q24; 86.23% in 3Q23). Finally, TBIG's net income reached IDR 437 billion (+1.63% YoY; -16.45% QoQ), supported by a forex gain of IDR 17 billion in 3Q24.

We anticipate that the tower sector will face several headwinds in the near future. The ongoing consolidation among telecommunications operators is likely to reduce the addition of new tenants, as operators will focus on relocating overlapping tenants. This situation is further exacerbated by several liabilities that are due in 2025. In addition, high interest rates will continue to exert pressure on net profit margins, although there is an expectation of monetary policy easing in 2025. However, we believe that the impact of this easing is unlikely to be significant enough to alleviate pressure in the short term.

We expect the company's topline performance to improve gradually, with a moderate growth projection of 8.08% in 2025F. This increase will be driven by the fiber segment, which is expected to show significant growth in 2024 (8.10%) and 2025 (11.50%). However, we anticipate tenant growth to remain relatively flat, with a projected total of 43 thousand tenants by 2025, while the tenancy ratio is expected to slightly decrease to 1.79x.

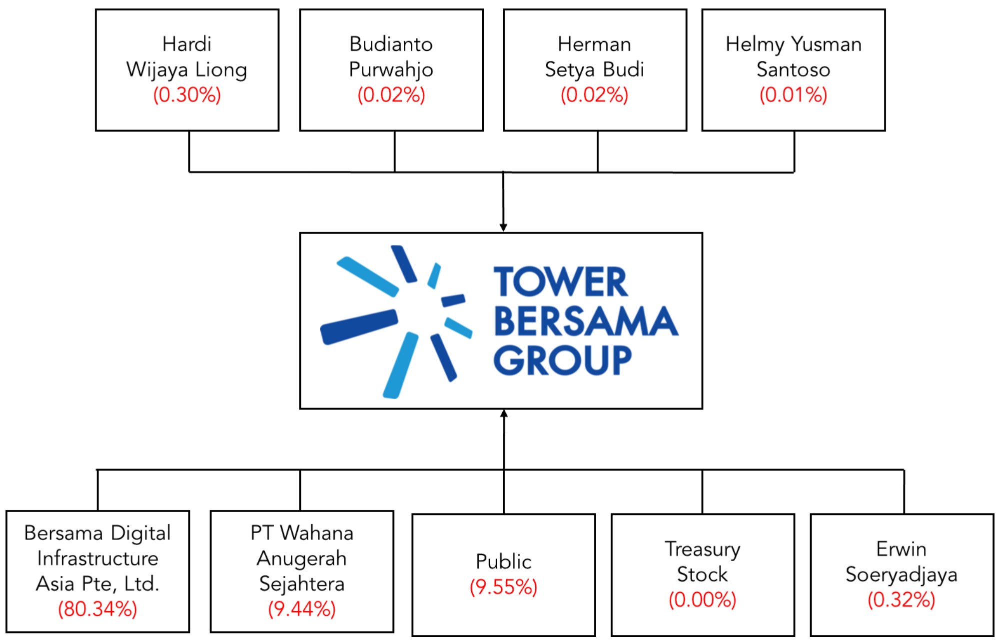
We initiate coverage on TBIG with a HOLD rating and a target price of IDR 2,250, implying an upside potential of 7.66%, which reflects an EV/EBITDA multiple of 12.50x for FY25F. Our valuation is based on a combination of DCF (70%) and EV/EBITDA multiple (30%). The HOLD rating is assigned considering the moderate sentiment we expect to prevail throughout 2025. Challenges such as ongoing telecommunications operator consolidation and relatively high interest rates are projected to limit TBIG's growth potential. Upside risks include: (1) A reduction in interest rates, and (2) a low level of overlapping tenants.

Table of Content

Company Profile

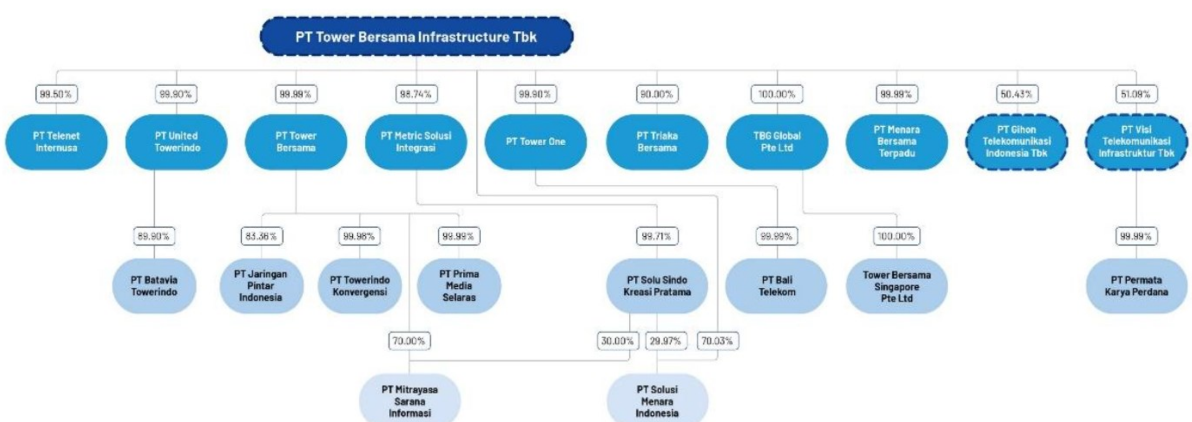
PT Tower Bersama Infrastructure Tbk (TBIG), founded in 2004, listed its shares on the Indonesia Stock Exchange on October 26, 2010. Today, TBIG has become one of the leading players in the telecommunications tower infrastructure sector, with over 20,000 towers spread across Indonesia. TBIG's core business focuses on three main services: telecommunications tower leasing, Distributed Antenna System (DAS), and telecommunications infrastructure solutions. All of these play a crucial role in supporting network expansion, improving signal quality, and enhancing telecommunications services through innovative infrastructure solutions.

Figure 1. Shareholders Composition TBIG



Source : Company | Phintraco Sekuritas Research

Figure 2. Structure Organization Composition TBIG

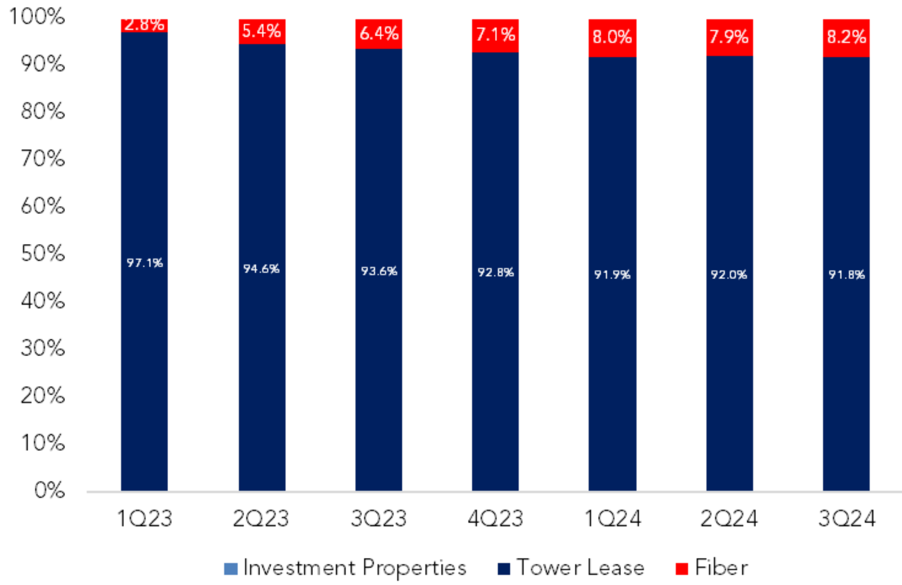


Source : Company

Company Profile

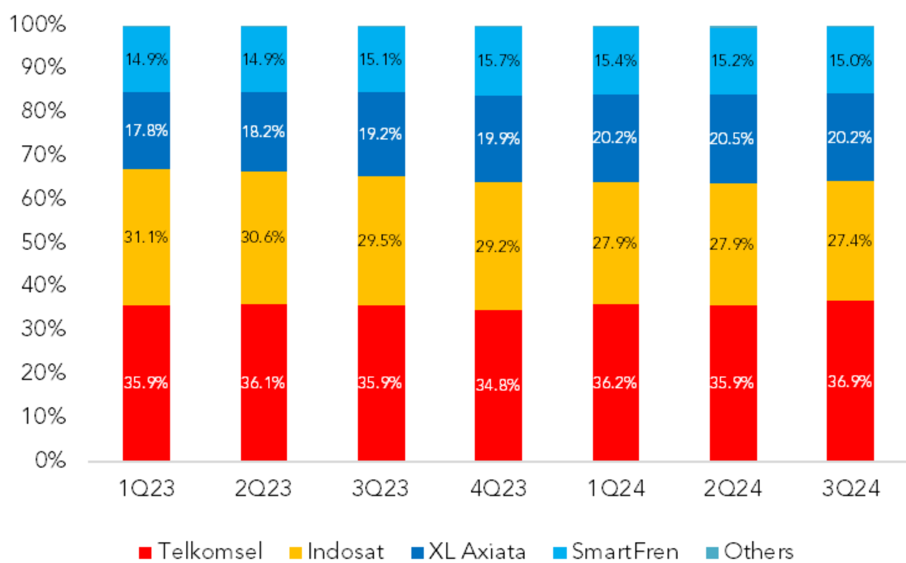
Majority of TBIG's revenue comes from tower leasing, which has consistently accounted for over 90% of its revenue in recent quarters. The main contributor to tower leasing remains Telkomsel, which steadily contributes around 34-36% of total revenue. Meanwhile, Indosat's contribution has shown a slight decline due to its ongoing consolidation with Hutchison. Additionally, Smartfren and XL also provide stable contributions, each ranging from 14-15% and 17-20%, respectively. On the other hand, the fiber segment has shown significant strengthening, with its contribution reaching 8.20% by 3Q24. We expect that the fiber segment will become a new growth engine for the company moving forward.

Figure 3. TBIG Breakdown Revenue 1Q23 - 3Q24



Source : Company | Phintraco Sekuritas Research

Figure 4. TBIG Customer Breakdown 1Q23 - 3Q24



Source : Company | Phintraco Sekuritas Research

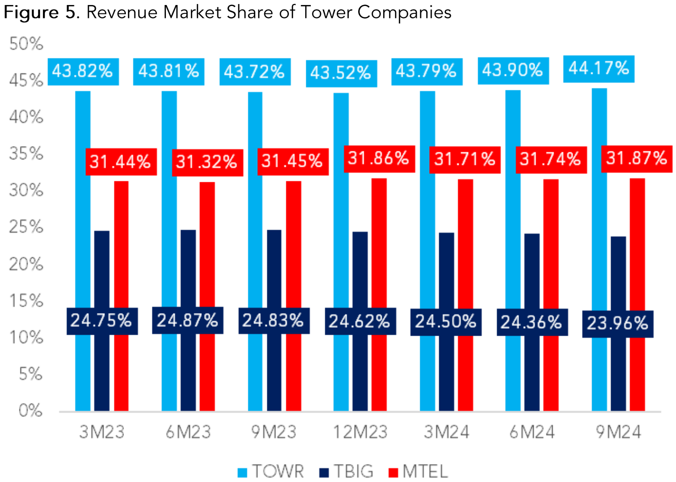
Industry Overview

The telecommunications tower industry is currently caught between two opposing dynamics. On one hand, the trends of digitalization and the adoption of 5G technology serve as key catalysts for telecommunications operators to increase their tower counts, enabling faster and broader networks. This opens up positive growth opportunities, with demand expected to continue rising. However, on the other hand, consolidation in the telecommunications operator market is likely to exert some pressure on tower company performance.

Historically, the tower sector has faced short-term pressure due to telecommunications operator consolidation. For example, the consolidation between XL-Axis and Indosat-Hutchison results in overlapping sites, forcing operators to relocate several sites. This could reduce the number of tenants, ultimately limiting revenue growth from tower leasing. Nevertheless, once consolidation is complete, the sector typically experiences post-consolidation growth, which generally takes about 1-3 years to fully materialize.

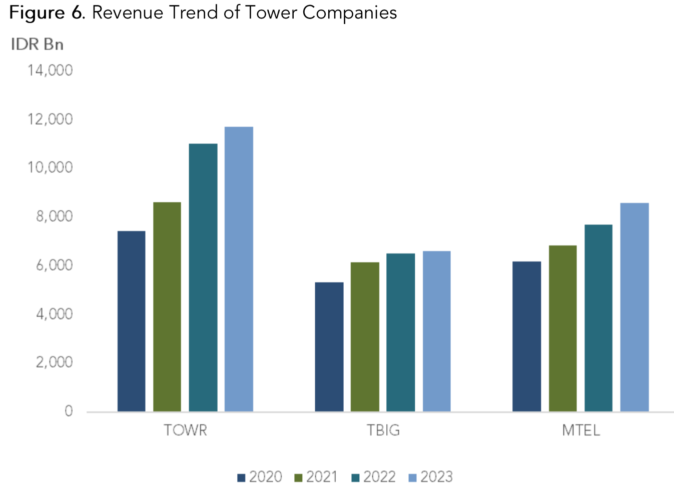
The effects of mergers between telecommunications operators can vary depending on the extent to which tower companies rely on the operators involved in the consolidation process. Companies with high dependency on these operators typically face more significant performance declines compared to those with more diversified tenant bases. For example, the merger between Indosat and Hutchison has had a considerable impact on tower companies like TOWR and TBIG, as both Indosat and Hutchison contribute approximately 30-35% of each company's revenue. In contrast, other tower companies such as MTEL have proven to be more resilient to this consolidation, as the contributions from Indosat and Hutchison account for only around 19-20% of its revenue.

Figure 5. Revenue Market Share of Tower Companies



Source : Company | Phintraco Sekuritas Research

Figure 6. Revenue Trend of Tower Companies



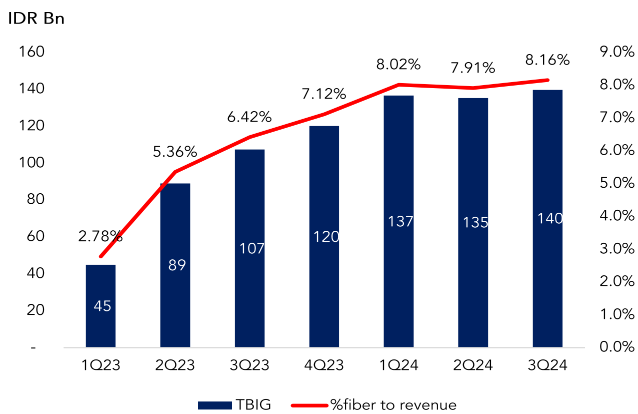
Source : Company | Phintraco Sekuritas Research

Industry Overview

Mergers among telecommunications operators often result in revenue stagnation in the short term due to the consolidation of overlapping tenants. This situation forces tower companies to innovate and explore new revenue streams in order to survive. One key strategy is diversification into the fiber optic business, given the high demand for high-speed data connectivity in the era of digitalization and 5G technology adoption.

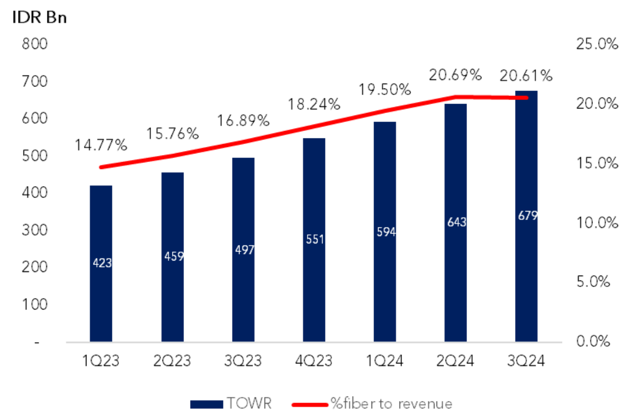
The fiber optic segment's contribution to tower companies' total revenue shows a positive trend. TOWR, with the largest fiber ownership as of 9M24, has managed to maintain consistent growth in its fiber revenue contribution, rising from 14.77% in 1Q23 to 20.61% in 3Q24. Meanwhile, TBIG has shown gradual growth, with fiber’s contribution increasing from 2.78% in 1Q23 to 8.16% in 9M24. Lastly, MTEL has also recorded a fiber contribution to revenue of approximately 4% as of 9M24. Although the fiber optic segment currently represents a relatively small portion of total revenue, it holds significant potential to become a key growth driver in the future.

Figure 6. Revenue Trend of Fiber Segment TBIGs



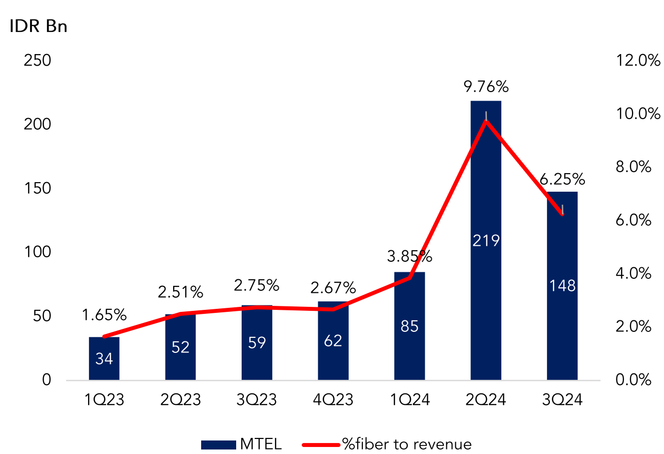
Source : Company | Phintraco Sekuritas Research

Figure 7. Revenue Trend of Fiber Segment TOWRs



Source : Company | Phintraco Sekuritas Research

Figure 8. Revenue Trend of Fiber Segment MTELs

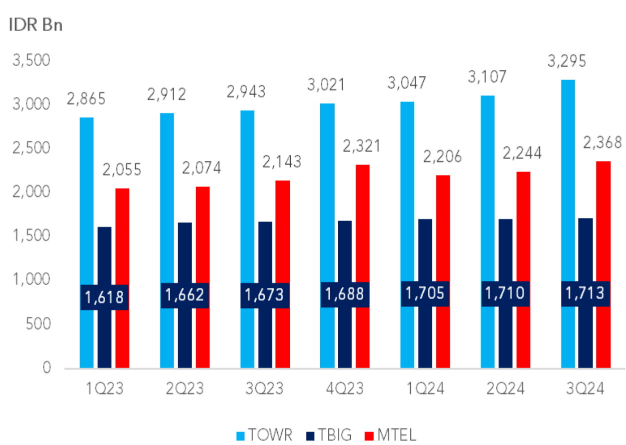


Source : Company | Phintraco Sekuritas Research

Industry Overview

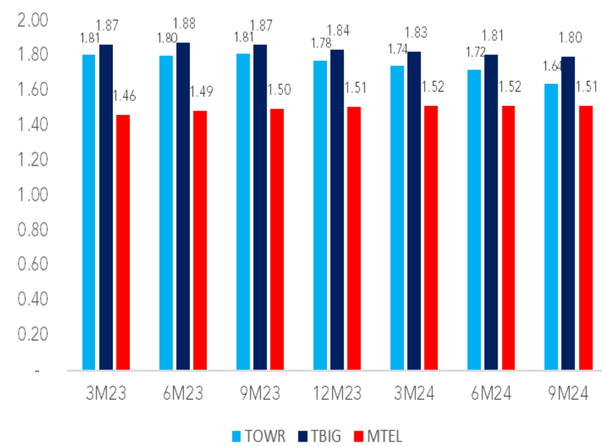
Overall, the topline performance of tower companies in 3Q24 shows mixed results. TOWR reported revenue of IDR 3.29 trillion (+11.96% YoY, +6.05% QoQ), while MTEL and TBIG posted revenues of IDR 2.34 trillion (+10.48% YoY, +5.54% QoQ) and IDR 1.7 trillion (+2.37% YoY, +0.17% QoQ), respectively. In terms of tenant count, TOWR experienced significant growth of 7.15% YTD, with a total of 58.40 thousand tenants (+7.22% YoY) as of 9M24. MTEL and TBIG also showed positive performance, albeit more moderate, with growth of 3.52% YTD (total tenants of 59.40 thousand, +6.69% YoY) and 3.21% YTD (total tenants of 42.40 thousand, +2.35% YoY), respectively. While all three tower companies recorded positive growth, the pace of growth remains relatively limited. The growth in the number of tenants is not significant enough to offset the decline in tenancy ratios. The decline in tenancy ratios is due to the ongoing consolidation of ISAT and Hutchison throughout 2024, which has impacted the overall tenant count.

Figure 9. Revenue Trend of Tower Companies 1Q23 — 3Q24



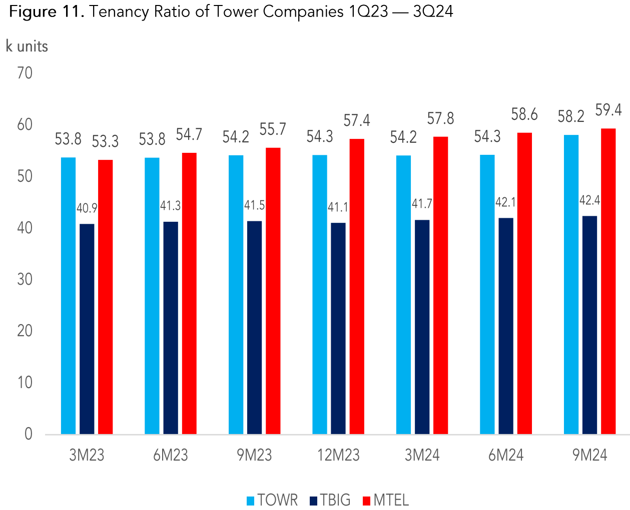
Source : Company | Phintraco Sekuritas Research

Figure 10. Numbers Tenant of Tower Companies 1Q23 — 3Q24



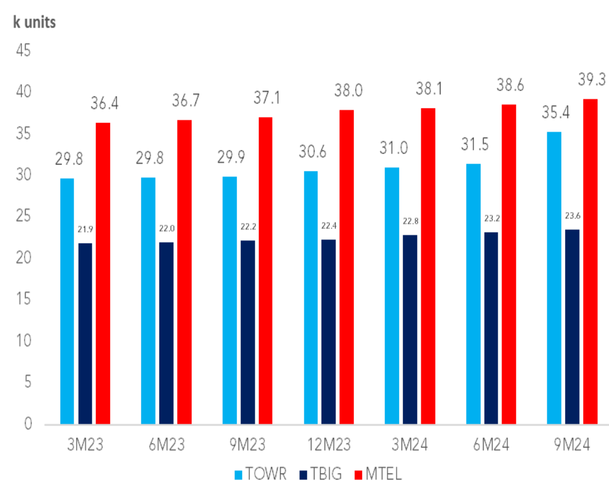
Source : Company | Phintraco Sekuritas Research

Figure 11. Tenancy Ratio of Tower Companies 1Q23 — 3Q24



Source : Company | Phintraco Sekuritas Research

Figure 12. Numbers Tower of Tower Companies 1Q23 — 3Q24



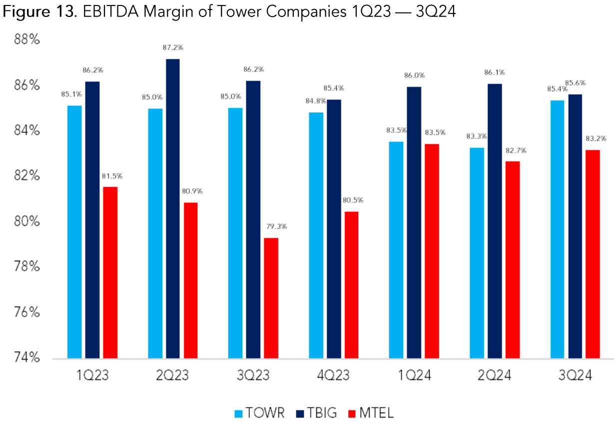
Source : Company | Phintraco Sekuritas Research

Industry Overview

Financial performance of tower companies in 3Q24 showed varied results, particularly in areas such as cost of revenues, EBITDA, and net profit. TBIG recorded the highest and most consistent EBITDA margin among the three companies, at 85.63% in 3Q24, although it slightly decreased compared to the previous quarter. On the other hand, TOWR posted EBITDA of IDR 2.81 trillion in 3Q24. Although its EBITDA margin fluctuated throughout 2024, TOWR managed to improve its EBITDA margin to 85.35% in 3Q24. MTEL showed solid performance, continuously posting EBITDA growth along with rising EBITDA margins in recent quarters, reaching an EBITDA margin of 83.18% in 3Q24.

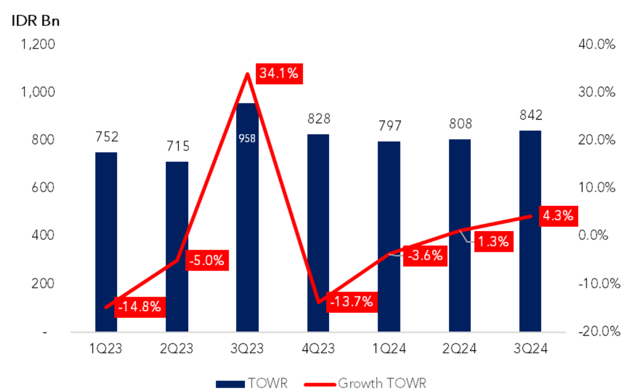
In terms of net profit, TOWR led with a net profit of IDR 842 billion (-12.10% YoY, +4.30% QoQ) in 3Q24, followed by MTEL, which recorded IDR 468 billion (+14.80% YoY, -13.80% QoQ). Meanwhile, TBIG posted IDR 437 billion (+1.60% YoY, -16.50% QoQ). Overall, the success of the tower companies in posting net profit growth in 3Q24 can be attributed to their ability to optimize revenue and manage costs efficiently. MTEL and TOWR managed to sustain stable revenue growth while maintaining solid EBITDA margins. Meanwhile, although TBIG faced challenges, it still recorded positive performance, though its growth was more moderate compared to its peers.

Figure 13. EBITDA Margin of Tower Companies 1Q23 — 3Q24



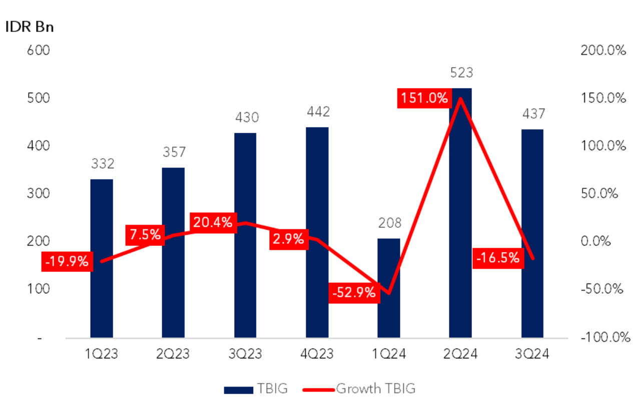
Source : Company | Phintraco Sekuritas Research

Figure 14. Net Profit Trend of TOWR 1Q23 — 3Q24



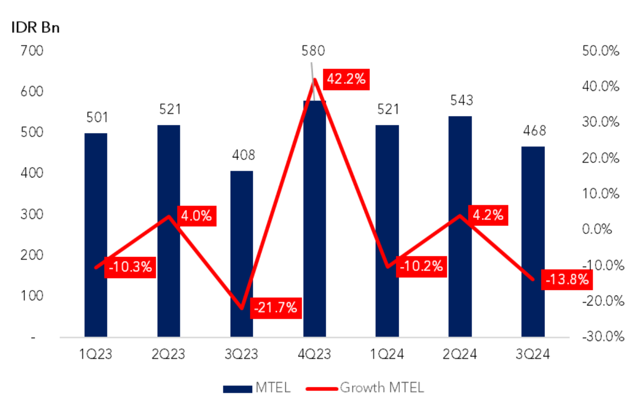
Source : Company | Phintraco Sekuritas Research

Figure 15. Net Profit Trend of TBIG 1Q23 — 3Q24



Source : Company | Phintraco Sekuritas Research

Figure 16. Net Profit Trend of MTEL 1Q23 — 3Q24



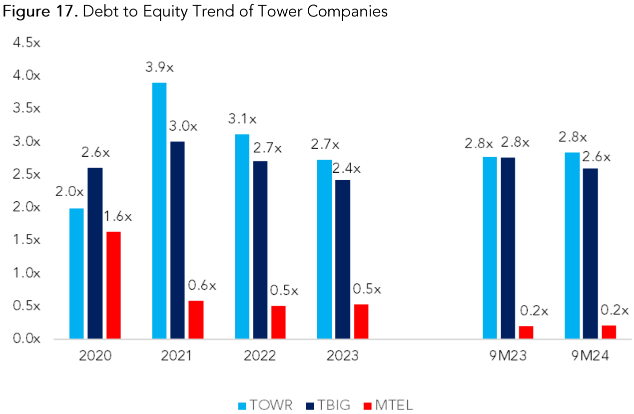
Source : Company | Phintraco Sekuritas Research

Investment Thesis

We have identified several key factors that are expected to be major drivers of the sector's direction in the short to long term. Amidst high interest rates, the ongoing dynamics of mergers and consolidation, and the government's vision of infrastructure development, the sector will face various challenges as well as opportunities for growth

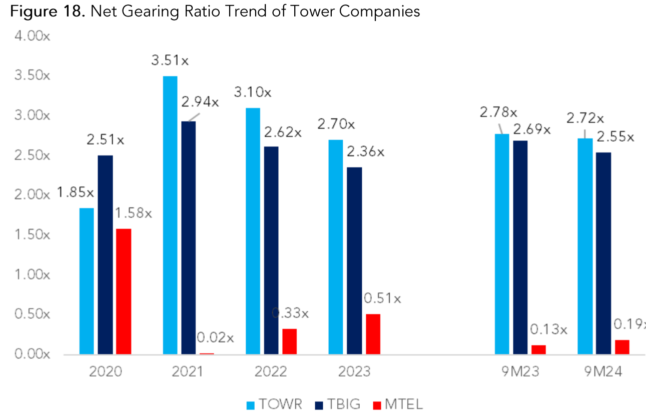
In the current high interest rate environment, companies with debt-based capital structures face challenges in maintaining financial performance stability. The elevated interest rates result in higher funding costs, which creates pressure on the companies' net profit margins. While there is an expectation of monetary easing, we believe that the policy in 2025 will likely be more moderate, and its impact will be relatively limited, making it insufficient to alleviate the existing pressures. We anticipate that the combination of ongoing operator consolidation and persistently high interest rates will continue to exert negative pressure on the sector, thus restraining growth potential in the near term. From a solvency ratio perspective, tower companies like TBIG have a debt-to-equity ratio (DER) of 2.6x as of 9M24 (vs. 2.8x for TOWR in 9M24; 0.2x for MTEL in 9M24), with a net gearing ratio of 2.55x (vs. 2.72x for TOWR in 9M24; 0.19x for MTEL in 9M24), which is considered at a safe level. On the other hand, TBIG is also facing several debt obligations maturing in 2025, which could pose an additional challenge in maintaining liquidity.

Figure 17. Debt to Equity Trend of Tower Companies



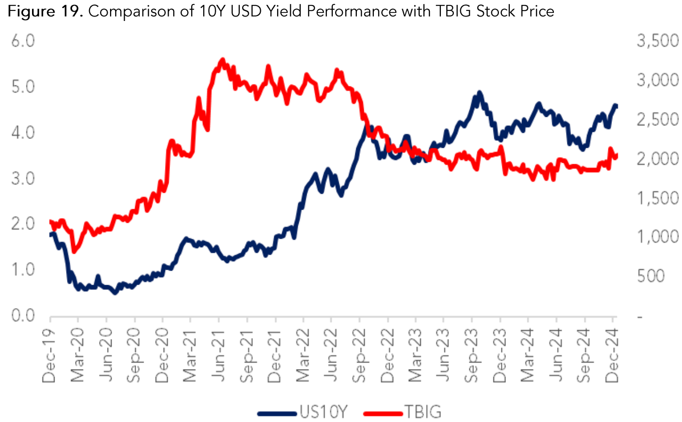
Source : Company | Phintraco Sekuritas Research

Figure 18. Net Gearing Ratio Trend of Tower Companies



Source : Company | Phintraco Sekuritas Research

Figure 19. Comparison of 10Y USD Yield Performance with TBIG Stock Price



Source : Company | Phintraco Sekuritas Research

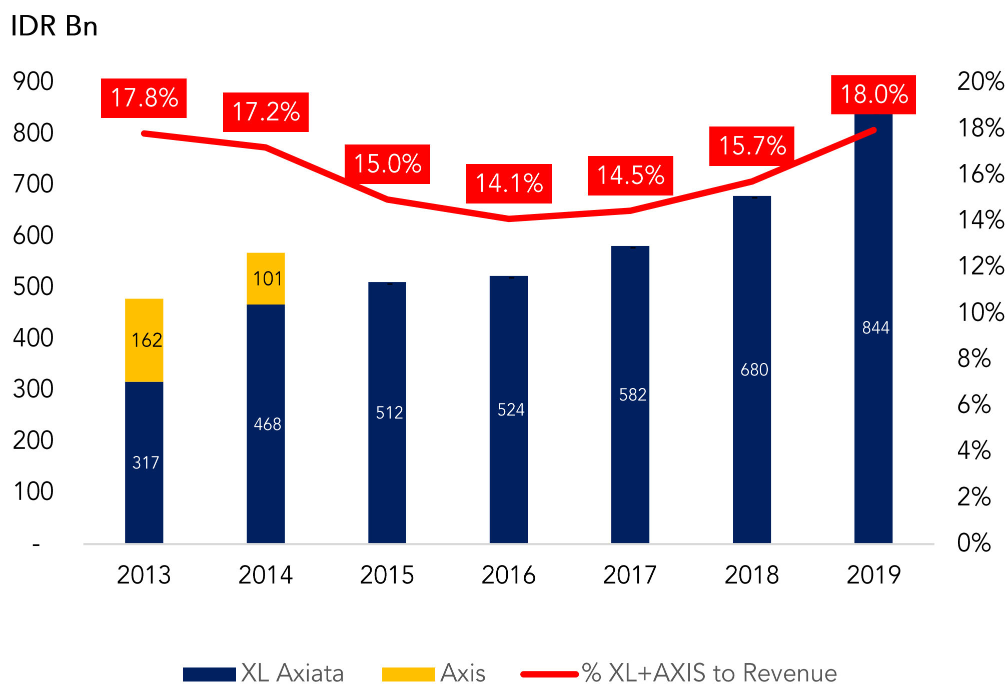
Investment Thesis

Telecommunication sector consolidation continues, with the next wave expected to occur in the second quarter of 2025. The merger between XL and FREN, while offering positive long-term prospects, is expected to present short-term challenges for tower companies. Historically, mergers and acquisitions have had an impact on tower company performance, as seen in 2014 when XL acquired Axis, and in 2022 when ISAT merged with Hutchison, which affected companies like TBIG.

From 2014 to 2016, although TBIG's revenue continued to show growth, the growth rates were moderate, generally in the low-to-mid single digits. However, after the consolidation process was completed, TBIG's revenue growth picked up again, with XL's contribution to TBIG's revenue also increasing (XL Pre-Acquisition of AXIS 17.8% in 2013 vs. XL Post-Acquisition of AXIS 18.0% in 2019). A similar trend was observed with the consolidation between ISAT and Hutch, which led to relatively flat topline performance for TBIG in recent years.

Given these conditions, we anticipate that the XL and FREN merger, which is expected to be effective in 2Q25, will have a similar impact on TBIG. We expect that in the coming years, TBIG's topline growth will return to a moderate pace, ranging in the low-to-mid single digits.

Figure 20. Contribution of EXCL Pre-Acquisition and Post-Acquisition to TBIG Revenue

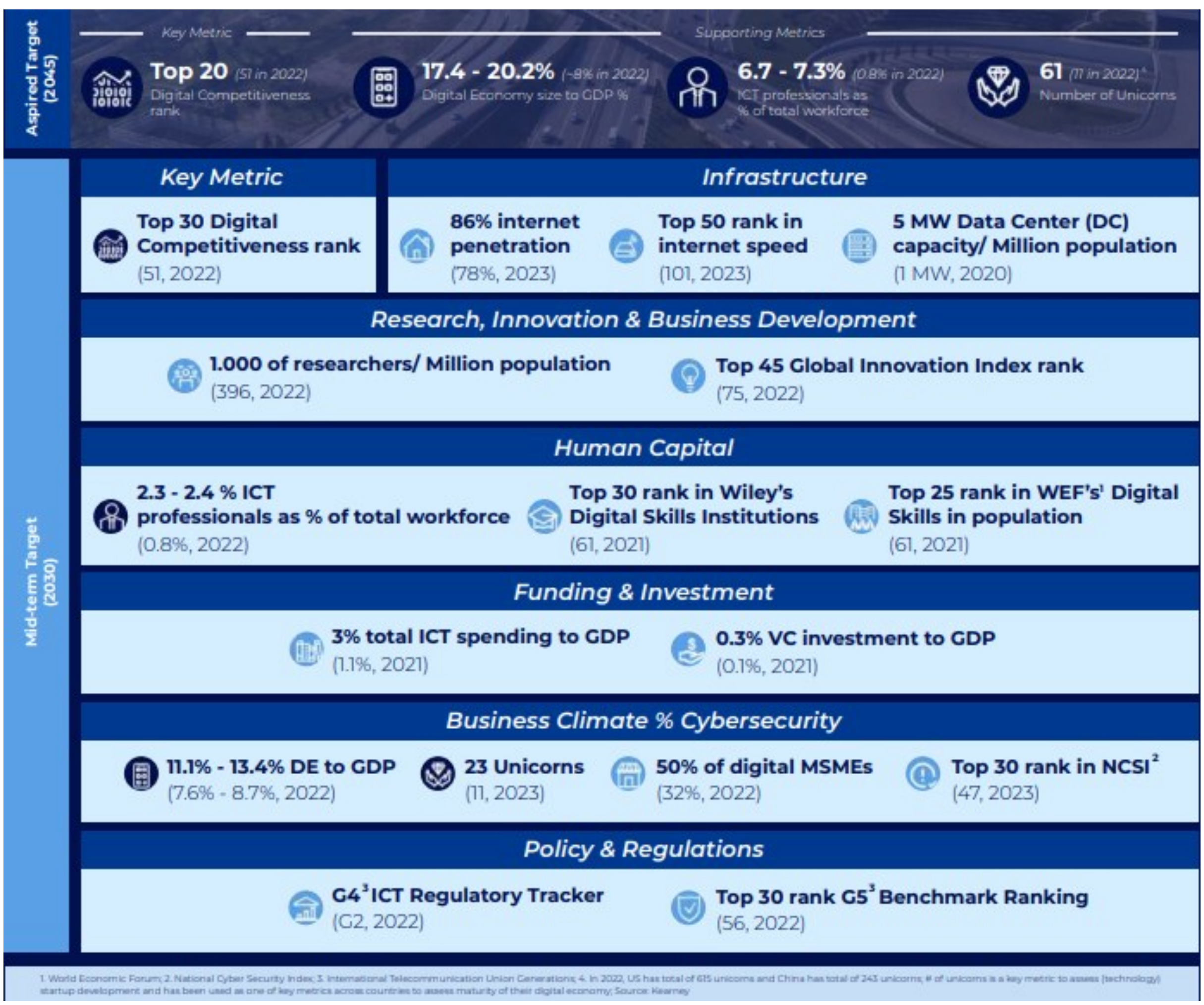


Source : Company | Phintraco Sekuritas Research

Investment Thesis

Despite ongoing challenges from operator consolidation and high interest rates, the government is providing opportunities through its digital infrastructure enhancement programs to support Indonesia's broader vision of becoming the world's fifth-largest economy by 2045. To achieve this vision, the development of digital infrastructure is a key priority in the Indonesia Digital Economy Development Roadmap 2030. The primary focus of this roadmap is to expand and improve infrastructure to facilitate better internet access, with ambitious targets to increase internet penetration in Indonesia to 86% by 2030 (up from 78% in 2023). Additionally, the government is committed to improving internet speeds, aiming to place Indonesia in the top 50 globally (currently ranked 101st in 2023). Lastly, the government plans to increase data center capacity to 5 MW by 2030 (compared to 1 MW in 2020). Overall, these initiatives will create significant growth opportunities for tower companies, with projected infrastructure demand growth of around 8-10% annually.

Figure 21. Government Infrastructure Pillar Targets



Source : Kominfo

Investment Thesis

Table 1. Breakdown of Government Infrastructure Pillar Targets

Imperative 1A: Building inclusive high-speed internet access through advanced connectivity solutions		
Initiative 1.A.1: Increase fiber optic and 5G coverage in productive areas		
Description	**Potential Impact**	**Target Time**
I. Building 5G networks in *tier* 1 and *tier* 2 cities to expand 5G coverage II. Connecting households and businesses with FTTx (Fiber) coverage III. Connecting the entire Special Economic Zone (SEZ) with *a fibre* broadband *network*	Increase high-speed broadband internet coverage (>25 Mbps) across productive areas	• 2025: 5G coverage in 15 *tier* 1 cities and 20% *fixed broadband penetration* • 2027: 5G coverage in 38 *tier* 2 cities and 26% *fixed broadband penetration* • 2030: 5G coverage in 76 *tier* 2 cities and 34% fixed broadband penetration
Initiative 1.A.2: Connecting rural areas with high-speed internet		
Description	**Potential Impact**	**Target Time**
I. Build a 4G BTS tower covering all areas in the city in tier 3 and *tier* 4 II. Enabling satellite connectivity (including *low eath orbit* or LEO). To cover the 3T areas (Disadvantaged, Frontier and Outermost)	Enable inclusive internet access in all regions in Indonesia by covering 100% of the population connected to the 4G network	• 2025: 56% of villages with strong 4G signals • 2027: 74% of villages with strong 4G signals. *Low Earth Orbit* (LEO) Satellite Launched • 2027 : 100% of villages with strong 4G signals including through LEO satellites
Initiative 1.A.3: Provide additional radio frequency spectrum for broadband services to keep up with technological developments		
Description	**Potential Impact**	**Target Time**
Increasing the availability of adequate radio frequency spectrum for telecommunication network operators, by paying attention to technological developments.	Availability of radio frequency spectrum that is more suitable for the implementation of new wireless technologies	• 2025: 3.5 MHz per million population. • 2027: 6.0 MHz per million population. • 2030: 9.0 MHz per million population.
Initiative 1.A.4: Establishing a Center of Excellence for Future Internet Technologies		
Description	**Potential Impact**	**Target Time**
Building a center of excellence Future Internet Technologies national (including small cell 5G, 5G Open RAN, 6G, 6G Open RAN, National Web3 platform) with Objectives to facilitate cooperation between various stakeholders Interests include government, industry, academia, NGOs, and others, in order to Innovating in the field of technology next generation.	Use *case* can show Benefits/Impact from having technology Connectivity advanced for business.	• 2025: Developed a 5G Small Cells Pilot. • 2027: Developed a 5G Open RAN pilot. • 2030: Developed a 6G Open RAN Pilot.

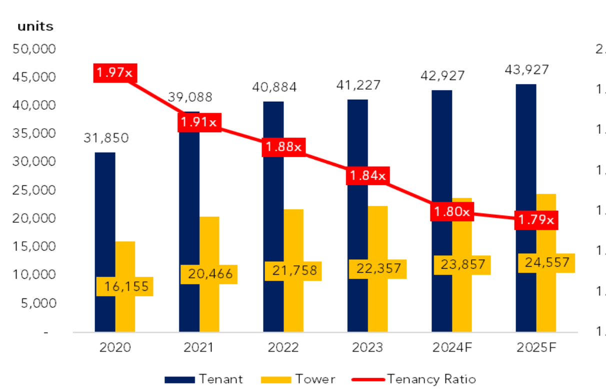
Source : Kominfo

Financial Analysis

TBIG's tenant growth has shown a relatively stagnant trend since 2021, with limited growth from 39,000 tenants in 2021 to 41,000 tenants in 2023. This stagnation in tenant growth is closely linked to the ongoing consolidation between Indosat and Hutchison, which has limited the need for new tenant expansions as the focus has shifted to relocating overlapping tenants. This situation has contributed to a decrease in TBIG's tenancy ratio from 1.91x in 2021 to 1.84x in 2023. Looking ahead, the second wave of consolidation is expected to present additional challenges for TBIG. We estimate that tenant additions will remain relatively flat, increasing to only 43,000 tenants by 2025. Additionally, with relatively flat tenant additions and the potential for overlapping tenants between FREN and EXCL, we project that TBIG's tenancy ratio will slightly decrease to 1.79x.

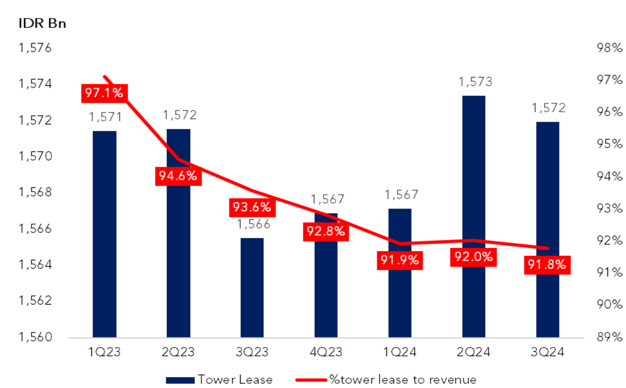
As of 9M24, TBIG's revenue stands at IDR 5.13 trillion, showing a modest increase of 3.51%. This slowdown is attributed to the stagnation in tenant growth and the decline in tenancy ratio, which has dampened the contribution from tower leasing to overall revenue. Going forward, we expect gradual improvement in the company's topline performance, with a moderate growth forecast of 8.08%, reaching IDR 7.2 trillion in 2025. This growth will be driven by the strengthening contribution of the fiber segment to revenue, which, although still small in 2023 (5.4%), is expected to increase to 8.10% in 2024F and reach 11.50% in 2025F.

Figure 22. Forecasting TBIG's Tenant Revenue and Tenancy Ratio.



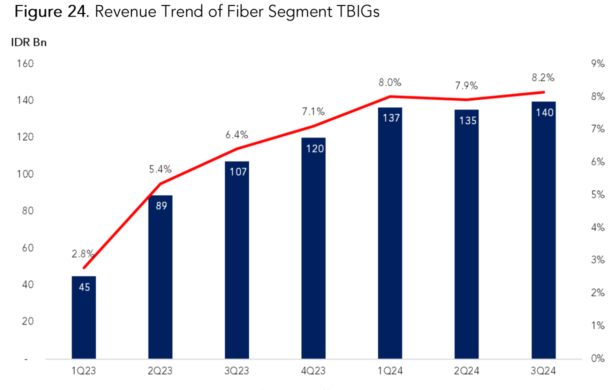
Source : Company | Phintraco Sekuritas Research

Figure 23. Revenue Trend of Tower Lease Segment TBIGs



Source : Company | Phintraco Sekuritas Research

Figure 24. Revenue Trend of Fiber Segment TBIGs

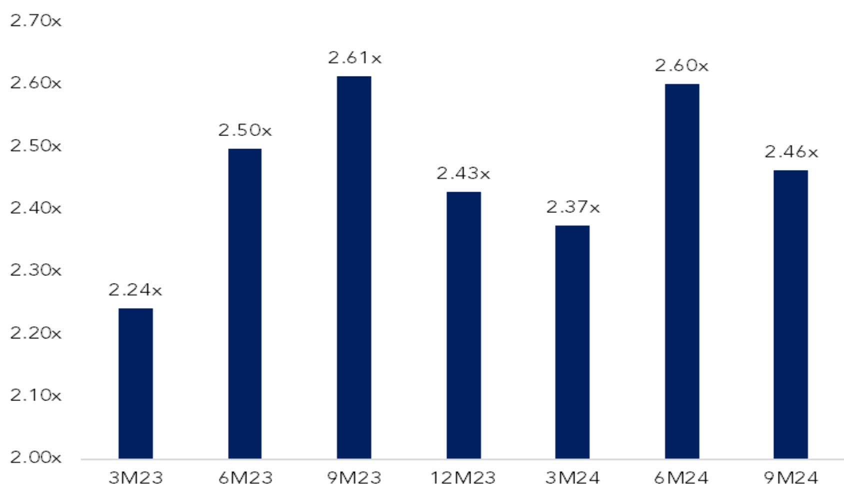


Source : Company | Phintraco Sekuritas Research

Financial Analysis

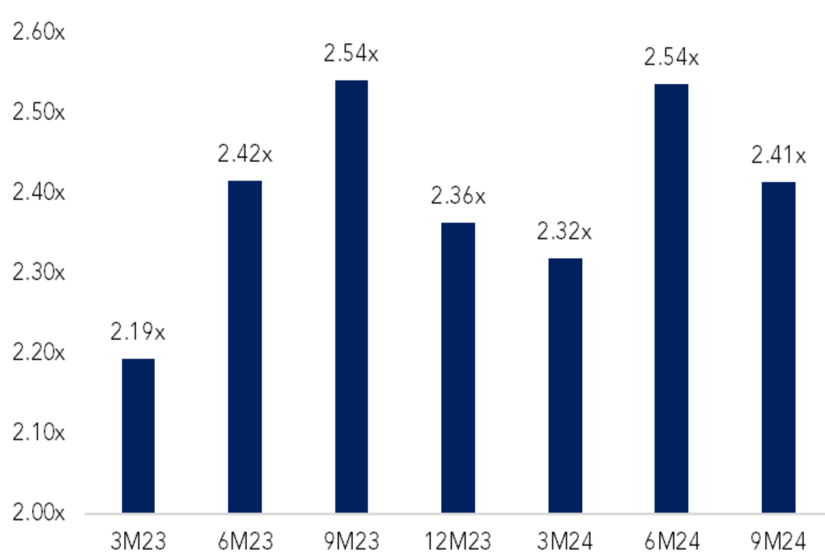
Although TBIG has shown improvement in its capital structure with a reduction in the Debt-to-Equity Ratio (DER) from 2.61x in 9M23 to 2.46x in 9M24, the company's Net Gearing Ratio has also shown a steady decline from 2.54x in 9M23 to 2.41x in 9M24. However, despite these improvements, TBIG still faces challenges related to the upcoming bond maturities. A series of bonds, including the Sustainable Bonds V Phase IV Series B (IDR 721 billion), the Sustainable Bonds III Phase B (IDR 500 billion), and the Sustainable Bonds VI Phase III (IDR 2.7 trillion), which are all due in 2025, require TBIG to prepare sufficient liquidity to meet its obligations.

Figure 25. Debt to Equity Ratio Trend of TBIGs



Source : Company | Phintraco Sekuritas Research

Figure 26. Net Gearing Ratios Trend of TBIGs



Source : Company | Phintraco Sekuritas Research

Valuation

We initiate coverage on TBIG with a HOLD rating and a target price of IDR 2,250, implying an upside potential of 7.66%. This target is based on a combination of DCF and EV/EBITDA multiple valuation. We assign a HOLD rating considering a relatively moderate sentiment throughout 2025, which we expect will have a slight impact on the company's performance. The challenges faced, including the consolidation of telecom operators and high interest rate policies, which are expected to persist until 2025, could limit growth potential for TBIG. Upside risks include: (1) A reduction in interest rates (2) Low overlapping tenants.

Figure 27. DCF Valuation Summary

DCF SUMMARY	2025 F	2026 F	2027 F	2028 F	2029 F
	1	2	3	4	5
EBIT	4,508	5,042	5,856	6,778	7,848
Add (+) Depreciation	(24)	52	38	43	38
Less (-) Tax	(841)	(1,031)	(1,317)	(1,646)	(2,029)
Less (-) Capex	(1,586)	(1,757)	(1,833)	(1,901)	(1,747)
Change in WC	335	(560)	(245)	(242)	(496)
FCF	**2,392**	**1,745**	**2,500**	**3,033**	**3,613**
Discount Factor	1.0	1.1	1.1	1.1	1.2
Present Value	2,311	1,629	2,255	2,643	3,042
Enterprise Value	**84,051**				
(-) Net Debt	(30,019)				
(-) Minority Interest	(687)				
Equity Value	**53,345**				
Outstanding Shares	22.66				
Fair Value	**2,354**	**2,350**			

Source : Phintraco Sekuritas Research

Figure 28. Multiple Valuation Summary

MULTIPLE VALUATION	
EV/EBITDA 25F	12.50
EBITDA 25F	6,099
EV 25F	76,240
NET DEBT 25F	30,019
MINORITY 25F	687
M.CAP 25	45,534
Outs. Shares	23
Target Price	**2,010**

Source : Phintraco Sekuritas Research

Figure 29. Blended Valuation Summary

TARGET PRICE			
Fair Value	**2,350**		
Multiple Valuation	**2,010**		
	Weight	**Fair Value**	**TP**
DCF Valuation Target	70%	1,645	**2,250**
Multiple Valuation	30%	603	

Source : Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)

BALANCE SHEET	FY21	FY22	FY23	FY24E	FY25F
Asset					
Cash	629	966	801	777	645
Accounts Receivable	614	309	1,734	1,744	1,371
Total Current Assets	3,021	3,566	5,258	5,299	4,822
Fixed Assets	33,638	34,428	35,923	37,205	38,815
Total Non Current Assets	38,849	39,574	41,709	42,505	43,700
Total Asset	**41,870**	**43,140**	**46,966**	**47,803**	**48,522**
Liabilities					
Trade Payables	50	279	197	259	243
Lease liabilities	175	127	229	232	233
Short Term Notes	5,465	5,915	5,960	6,058	6,089
Bank Loans	149	206	4,686	4,763	4,787
Total Current Liabilities	8,432	8,728	15,258	15,523	15,199
Long Term Notes	17,677	18,678	17,868	18,162	18,255
Lease liabilities	504	533	645	656	659
Bank Loans	5,455	4,160	627	637	641
Total Non Current Liabilities	23,649	23,491	19,348	19,663	19,749
Total Liabilities	**32,081**	**32,220**	**34,605**	**35,187**	**34,947**
Equity	**9,789**	**10,920**	**12,361**	**12,617**	**13,575**

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

CASH FLOW	FY21	FY22	FY23	FY24E	FY25F
Cash Flow from Operating					
Net Income	1,549	1,638	1,560	1,472	1,760
Depreciation & Amortization	(2)	37	290	333	(24)
Working Capital	(291)	139	(1,425)	2	335
Others	(363)	(117)	(515)	(4)	(7)
Net-CFFO	**892**	**1,697**	**(89)**	**1,803**	**2,063**
Cash Flow from Investing					
CAPEX	(4,897)	(827)	(1,786)	(1,614)	(1,586)
Others	(656)	65	(639)	486	415
Net-CFFI	**(5,553)**	**(762)**	**(2,425)**	**(1,129)**	**(1,171)**
Cash Flow from Financing					
Short Term Debt	(5,121)	458	4,627	179	57
Long Term Debt	10,232	(264)	(4,231)	314	100
Change in other non-current liabilities	(121)	2,498	739	-	-
Equity	(327)	(482)	(1,099)	(1,248)	(1,178)
Net-CFFF	4,342	(598)	2,348	(698)	(1,025)
NET CASH FLOW	**(318)**	**337**	**(166)**	**(23)**	**(132)**

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

INCOME STATEMENT		FY21	FY22	FY23	FY24E	FY25F
Revenue		**6,180**	**6,524**	**6,641**	**6,680**	**7,220**
	Growth	*15.99%*	*5.58%*	*1.78%*	*0.60%*	*8.08%*
Cost of Revenues		(1,473)	(1,783)	(1,902)	(1,992)	(2,079)
Gross Profit		**4,707**	**4,741**	**4,738**	**4,688**	**5,141**
	Gross Profit Margin	*76.17%*	*72.67%*	*71.35%*	*70.18%*	*71.20%*
EBITDA		5,429	5,662	5,728	5,672	6,099
	EBITDA Margin	*87.85%*	*86.78%*	*86.25%*	*84.91%*	*84.48%*
EBIT		4,344	4,220	4,176	4,123	4,508
	EBIT Margin	*70.30%*	*64.69%*	*62.88%*	*61.72%*	*62.44%*
Finance Cost		(2,136)	(1,829)	(1,826)	(1,916)	(1,860)
EBT		**2,221**	**2,405**	**2,370**	**2,227**	**2,663**
	EBT Margin	*35.93%*	*36.87%*	*35.69%*	*33.34%*	*36.89%*
Net Profit		**1,549**	**1,638**	**1,560**	**1,472**	**1,760**
	Net Profit Margin	*25.07%*	*25.10%*	*23.50%*	*22.04%*	*24.38%*

Source : Company | Phintraco Sekuritas Research

Figure 30. EV EBITDA Band

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

RATIOS	FY21	FY22	FY23	FY24E	FY25F
Profitability Ratio (%)					
GPM	76.17%	72.67%	71.35%	70.18%	71.20%
OPM	69.68%	65.64%	63.76%	61.72%	62.44%
EBITDA Margin	87.85%	86.78%	86.25%	84.91%	84.48%
NPM	25.07%	25.10%	23.50%	22.04%	24.38%
ROA	3.70%	3.80%	3.32%	3.08%	3.63%
ROAA	3.95%	3.85%	3.46%	3.11%	3.65%
ROE	15.82%	15.00%	12.62%	11.67%	12.97%
ROAE	16.23%	15.82%	13.40%	11.79%	13.44%
Activity Ratio (X)					
Inventory Turnover	27.29	10.50	12.31	11.33	11.80
Receivables Turnover	10.06	21.11	3.83	3.83	5.27
Payables Turnover	29.65	6.39	9.67	7.70	8.57
Days of Inventory	35.78	17.05	93.99	93.99	68.34
Days of Receivables	35.78	17.05	93.99	93.99	68.34
Days of Payables	12.14	56.33	37.22	46.78	42.00
Cash Operating Cycle	7.70	25.22	6.47	7.47	8.50
Leverage Ratio (x)					
DER	3.01x	2.71x	2.43x	2.42x	2.26x
DAR	0.70x	0.69x	0.64x	0.64x	0.63x
Interest Bearing Debt ***(In IDR Bn)***	29,425	29,619	30,015	30,508	30,664
Net Debt ***(In IDR Bn)***	28,796	28,653	29,214	29,730	30,019
Net Gearing Ratio	2.94x	2.62x	2.36x	2.36x	2.21x
Interest Coverage Ratio (ICR)	2.03x	2.31x	2.29x	2.15x	2.42x
Net Debt / EBITDA	5.30x	5.06x	5.10x	5.24x	4.92x
Liquidity Ratio (X)					
Current Ratio	0.36x	0.41x	0.34x	0.34x	0.32x
Quick Ratio	0.33x	0.34x	0.31x	0.30x	0.28x
Cash Ratio	0.28x	0.30x	0.29x	0.29x	0.27x
Price Ratio					
Price per Share at the end of the year	2,950	2,300	2,090	2,250	2,250
Outstanding Shares (in Billion)	23	23	23	23	23
EPS (IDR) (annualized)	432	482	546	557	599
BVPS (IDR)	68	72	69	65	78
PER(X)	43.15x	31.82x	30.35x	34.63x	28.96x
PBV(X)	6.83x	4.77x	3.83x	4.04x	3.76x
EV/EBITDA (annualized)	17.71x	14.37x	13.48x	14.34x	13.39x
Dividend					
DPS	30.55	36.00	60.29	55.10	51.99
DPR	0.74	0.53	0.83	0.80	0.80
Div. Yield	0.23	0.35	0.65	0.55	0.52

Source : Company | Phintraco Sekuritas Research

Glossarium

CFFO	: *Cash Flow from Operating*
CFFI	: *Cash Flow from Investing*
CFFF	: *Cash Flow from Financing*
EBITDA	: *Earning Before Interest, Tax, Depreciation & Amortization*
EBIT	: *Earning Before Interes & Tax*
EBT	: *Earning Before Tax*
OPM	: *Operating Profit Margin*
NPM	: *Net Profit Margin*
ROA	: *Return on Asset*
ROE	: *Return on Equity*
EPS	: *Earning per Share*
BVPS	: *Book Value per Share*
RPS	: *Revenue per Share*
PER	: *Price to Earning Ratio*
PBV	: *Price to Book Value*
DPS	: *Dividend per Share*
DPR	: *Dividend Payout Ratio*
EV	: *Enterprise Value*

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Rating for Stocks :

Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.

Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.

Sell : The stock is expected to give total return of < 0% over the next 12 months.

Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"

Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

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