

PT. Indosat Tbk.

Future Ready Network

INVESTMENT THESIS

Internet Penetration in 2020, total internet penetration has grown by 9.2%. While the use of social media increases by 9.8% in the range of January 2019 to January 2020. However, internet penetration in Indonesia is still far from the maximum reach. Until this year, internet penetration in Indonesia is still at 64% with total access to around 174 million people

Network Optimization, Optimizing the telecommunications operator network of Indosat Ooredoo. This step was carried out in line with the arrival of Ramadhan and Eid Mubarak this year, as well as labor-intensive Work From Home (WFH) due to the Covid-19 pandemic that hit Indonesia and globally.

FINANCIAL PROJECTION

Balanced Sheet. We forecast Total Asset in 2020 to grow 20.2% YoY to IDR 75.5 trillion and in 2021 increase to IDR 82.5 trillion. Total Liabilities in 2020 increase 1.2% YoY to IDR 49.7 trillion and in 2021 up 0.4% YoY to IDR 49.9 trillion. And Total Equity in 2020 grow 1.9% YoY to IDR 14.0 trillion and to IDR 14.9 trillion in 2021.

Profit & Loss. We forecast a Total Revenue in 2020 to grow 7.5% YoY to IDR 28.1 trillion and in 2021 up to IDR 28.7 trillion. EBITDA rose 27.3% YoY to IDR 12.6 trillion in 2020 and the company recorded a net loss in 1Q20 up 104.1% to IDR 605.51 billion compared to last year loss of IDR 276.28 billion.

INVESTMENT RISK

Macroeconomic Risk, Local regional or global economic condition changes which change trends, habits and demands on Indonesian telecommunication industry

Competition Risk in Telecommunication Industry, The eroding of ARPU from voice service and SMS due to data service development; Price War which erodes margin of the existing products; The eroding of revenue from international communication services.

VALUATION & RECOMMENDATION

We still maintain our **BUY** call for **ISAT with a target price of IDR 2,850**. Although we see the company to experience another net profit loss this year due to one-off restructuring staff and financial cost. Opportunity to get more revenue from the current situation, improvement in its EBITDA and continuous network development makes us optimistic with the company's future growth.

in bn IDR	FY16A	FY17A	FY18A	FY19A	FY20F	FY21F	FY22F	FY23F	FY24F
Revenue (IDR bn)	29,185	29,926	23,140	26,118	28,072	28,691	27,970	26,223	21,999
COGS (IDR bn)	11,919	12,645	12,043	12,343	12,913	13,485	13,146	11,800	9,899
Gross Profit (bn IDR)	17,266	17,282	11,096	13,775	15,159	15,206	14,824	14,423	12,099
Operating Profit (bn IDR)	3,931	3,965	(1,490)	1,999	2,526	2,283	2,225	2,611	2,190
Net Income (bn IDR)	1,105	1,136	(2,404)	1,569	(202)	(814)	(511)	962	2,261
EPS (IDR)	203	209	-442	-140	-37	-150	-94	177	416
Revenue Growth	9%	3%	-23%	13%	7%	2%	-3%	-6%	-16%
EPS Growth	181%	3%	-312%	-68%	-73%	304%	-37%	-288%	135%
ROA	5.8%	7.0%	-11.4%	7.1%	-0.3%	-1.0%	-0.6%	1.1%	2.5%
ROE	7.8%	7.7%	-19.8%	11.4%	-1.4%	-5.5%	-3.2%	6.1%	14.5%
PE Ratio	31.7	23.0	-3.8	-20.9	-76.8	-23.4	-62.8	-55.8	-59.3

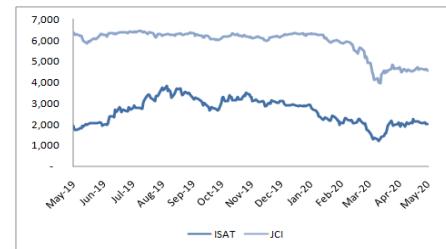
20 May 2020

Buy

Price (19/05)	IDR 2,000
Target Price	IDR 2,850
Ticker (Bloomberg)	ISAT.IJ
IDX Sector	Telco

Edo Ardiansyah

edo.ardiansyah@megasekuritas.id



Company Description:

PT Indosat Tbk provides telecommunication services. The Company offers data communication, broadband, messaging, voice calling, roaming, and networking services. Indosat serves customers worldwide.

Stock Data

52-week Range (IDR)	1,190 3,950
Mkt Cap (IDR bn)	10,841
JCI Weight	0,25%
Shares O/S (mn)	5,433 / 1,125
YTD Change	-31.4%

Share Holders:

Ooredoo Asia Pte. Ltd	65%
Republic of Indonesia	14%
Public/Others (<5%)	21%

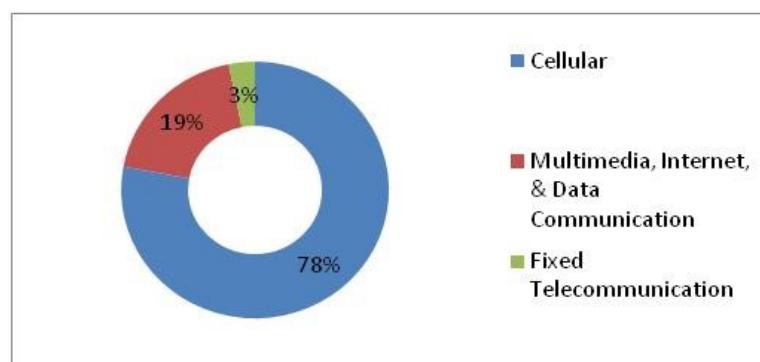
I. BUSINESS MODEL

I.1. Value Proposition

Established in 1967, PT Indosat Tbk (Indosat Ooredoo) is a leading telecommunication as well as informatics and/or convergence technology service provider in Indonesia and a member of Ooredoo Group, a global telecommunications provider. Indosat Ooredoo provides cellular, fixed data and wireless broadband services as well as fixed telecommunication or fixed voice offerings including IDD, fixed wireless and fixed phone services, and digital services. In addition, together with its subsidiaries PT Indosat Mega Media (IM2) and PT Aplikanusa Lintasarta, Indosat Ooredoo provides fixed data or Multimedia, Internet & Data Communication (MIDI) services such as IPVPN, leased line, internet services and IT services to corporate segments. Indosat Ooredoo's shares are listed on the Indonesia Stock Exchange (IDX: ISAT).

Product & Service

Indosat Ooredoo provides cellular, fixed data and wireless broadband services as well as fixed telecommunication or fixed voice offerings including IDD, fixed wireless and fixed phone services, and digital services.



Picture 1. Product & Service

Source: Company

I.1.1 Cellular

Indosat Ooredoo Offers a comprehensive range of high quality mobile voice and data service products, including wireless broadband services on GSM 900, DCS 1800, 3G and 4G-LTE cellular service. Our products include:

- Indosat Ooredoo IM3 Prepaid - Voice, SMS and Data as well as fun and exciting value added service and content without time and network limitations, at affordable price.
- Indosat Ooredoo internet - affordable daily, weekly and monthly data packages.
- Indosat Ooredoo IM3 Postpaid – premium postpaid service with best mobility and quality, as well as the widest international coverage.

Our main cellular retail brand is IM3 Ooredoo, which comes in postpaid and prepaid

Our main cellular retail brand is IM3 Ooredoo, which comes in postpaid and prepaid versions designed to liberate subscribers to use the internet freely on our fastest 4G network. The IM3 Ooredoo prepaid version has the best “all-in one” package with benefit of big internet quota and unlimited access to many apps at a base tariff of Rp1/second to all operators, while the postpaid version targets families, offering additional discount benefits for family members in line with subscriber needs.

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I.I.2 MIDI

Comprehensive suite of MIDI (Multimedia Interactive, Data, & Internet) services that are geared towards enterprise segment. These services are offered directly by Indosat Ooredoo, as well as through its subsidiaries Lintasarta and IM2. Specifically, the Company's MIDI services consist of Internet services and data communication services including high-speed point-to-point International and Domestic Leased Circuits with broadband and narrowband capacity, IPVPN (Internet Protocol-Virtual Private Network), and MPLS (Multiprotocol Label Switching)-based services. The Company also provides satellite-based services such as transponder leasing, VSAT services, and IT Services such as Disaster Recovery Center, Data Center Services and Indosat Ooredoo Cloud infrastructure-as-a-service.

Specifically, the Company's MIDI services consist of Internet services and data communication services

 <p>IPVPN</p> <p>Solusi fleksibel dalam memana e Quality Of Service (QoS) untuk aplikasi internal Anda</p>	 <p>Ethernet Link</p> <p>Ultra Speed point-to-multipoint connection, Optimalkan koneksi antar cabang</p>	 <p>Leased Circuit</p> <p>Private point-to-point connectio untuk Keamanan informasi/data perusahaan Anda</p>
 <p>Bisnis SIAP</p> <p>Optimalkan komunikasi bisnis Anda dengan All-in-One Connection</p>	 <p>IP Transit</p> <p>Koneksi dengan availabilitas tinggi, rute terpendek dan response time tercepat untuk akses ke konten provider</p>	 <p>Dedicated Internet Access</p> <p>Koneksi internet handal, harga yang kompetitif dan bandwidth yang flexible antara Domestik dan International</p>
 <p>NEXTFleet</p> <p>Solusi efektif manajemen armada</p>	 <p>IoT Connect</p> <p>Memudahkan Anda dalam mengelola dan mengoptimalkan koneksi selular dalam IoT</p>	 <p>Vehicle Telematics</p> <p>Memudahkan Anda mengelola armada operasional dengan lebih efisien dan aman.</p>

Picture 2 MIDI

Source: Company

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I.I.3 Fixed Telecommunication

Indosat Ooredoo is a leading provider of Fixed Telecommunication networks in Indonesia, with one of the most established fixed telecommunication networks in the country. This category comprises International Direct Dial (IDD), fixed wireless (FWA), and fixed line services (I-Phone). While Fixed Telecommunication services has shrunk over time as a percentage of the overall portfolio, eclipsed by the growth of internet and cellular services, it continues to make a valuable contribution to customer experience.

 <p>Cloud Voice</p> <p>Kemudahan integrasi jaringan komunikasi bisnis dengan perangkat apa saja dan dari mana saja</p>	 <p>PBX on Premises</p> <p>Solusi sistem telepon dengan menyimpan semua fasilitas perangkat di lokasi kantor Anda</p>	 <p>Indosat Phone (Ei & SIP)</p> <p>Layanan telepon tetap untuk komunikasi suara, data, maupun video</p>
 <p>Business Toll Free</p> <p>Layanan telepon bebas pulsa bagi pelanggan untuk menghubungi representative perusahaan Anda.</p>		

Picture 3 Fixed Telecommunication

Source: Company

Marketing and Distribution strategy emphasized localized marketing campaigns, and greater distribution efficiency.

I.2. Business Prospect

Company continue to see the acceleration of data uptake, and certain other areas such as the B2B business show excellent growth prospects. Company sincerely hope that the improvement in data yields during this year will continue ahead and improve conditions for the entire industry and encourage healthy growth.

Our Vision 2021 roadmap lays out a clear path for Indosat Ooredoo to achieve digital excellence and leadership in its sector. As the first step, in 2019 company will increase invest substantially in our network. New sites will be rolled out, all of which will be 4G capable with ability to be quickly upgraded to 5G. This new network capability will be accompanied by targeted local commercial campaigns and offers, all of which will continue to uphold our values of trust, transparency, and good value, and supported by appropriate human resources development and good corporate governance implementation as key elements of quality growth.

I.3. Marketing and Distribution

Supporting customer acquisition, the marketing and distribution strategy emphasized localized marketing campaigns, and greater distribution efficiency. The company worked actively with dealer and retail partners to optimize offerings for each area including by running localized marketing and promotion outreaches and ensured that Indosat Ooredoo products have good availability and are visibly displayed. At the same time, Company developed direct selling channels further especially in modern markets, among others through strategic partnerships. This ability to manage at the microchannel channel, supported by a strong internal back end, gives the team much more flexibility in targeting by geographic area and community type.

Our main marketing campaigns were the Freedom campaign in Java and the Rp1 campaign off Java, both of which were successfully received and helped to boost subscriber numbers and usage, followed by the launch of our new product 'Yellow' at the end of 2017. These together with activities successfully maintained our top three position in terms of market share and a leading telecommunications provider in Indonesia.



Picture 3 Paket Yellow & Freedom Packets

Source: Company

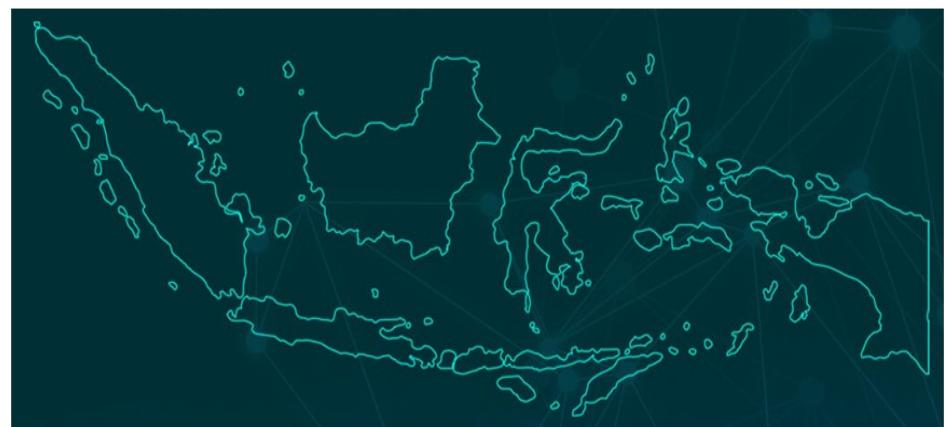
I.4. Expansion Outside Java

A major focus in 2018 was the expansion and improvement of our network off Java with the intention of increasing our retail market share there. Supported by smart promotional and commercial activity, we rolled out seamless 4G starting in Lampung. The roll out successfully improved customer experience, with enormous traffic growth showing previously unmet demand.

The 4G overlay network project

The 4G Plus rollout continued in two additional provinces, namely South Kalimantan and South Sulawesi. Almost all areas in South Kalimantan (15 districts and 75 sub-districts) and South Sulawesi (21 districts and 138 sub-districts) are now covered by the Indosat Ooredoo 4G Plus network in a testament to the Company's commitment to continuously improve network and services quality.

The 4G overlay network project will be continued in 2019 with the construction of more 4G BTS, especially in Eastern Indonesia, in order to support digital connectivity for both the retail and enterprise segments.



Picture 4. Expansion Outside Java

Source: Company, MCS Research



I.5. Revenue Streams

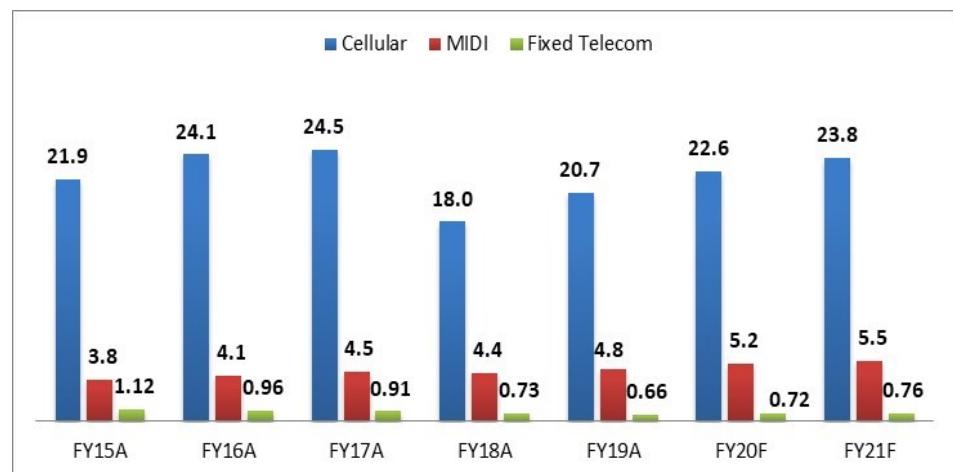
ISAT net sales came from cellular data services around 78% of the company's total revenue, followed by Multimedia Interactive services, Internet Data (MIDI) around 19%, and Fixed Telecommunication around 3%

I.5.1. Segment Revenue

Segmen Revenue Overview

We forecast revenue from the cellular segment in 2020 will grow by 10.5% YoY to the level of Rp 22.6 trillion. Whereas in MIDI revenue, we estimate that in 2020 growth will reach the level of Rp 5.2 trillion or an increase of 9.3% YoY. And on fixed telecom revenues we project a 7.3% growth to a level of Rp 72 billion in 2020 and a slight growth of 5.4% YoY to Rp76 billion in 2021.

Graph 1. New Contract



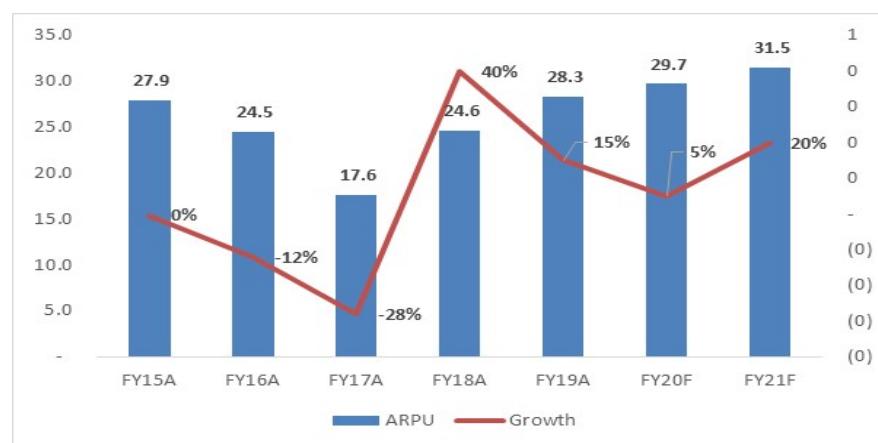
Source: Company, MCS Research

ARPU to increase 15% YoY in 2019 and 5% YoY in 2020.

I.5.2. Average Revenue per User (ARPU)

In 2019, the Average Revenue per User (ARPU) was recorded to increase by 15% YoY or Rp.28,300 per user. And in 2020 we project an Average Revenue per User (ARPU) of Rp. 29,700 per user or a growth of 5% YoY.

Graph 2. ARPU

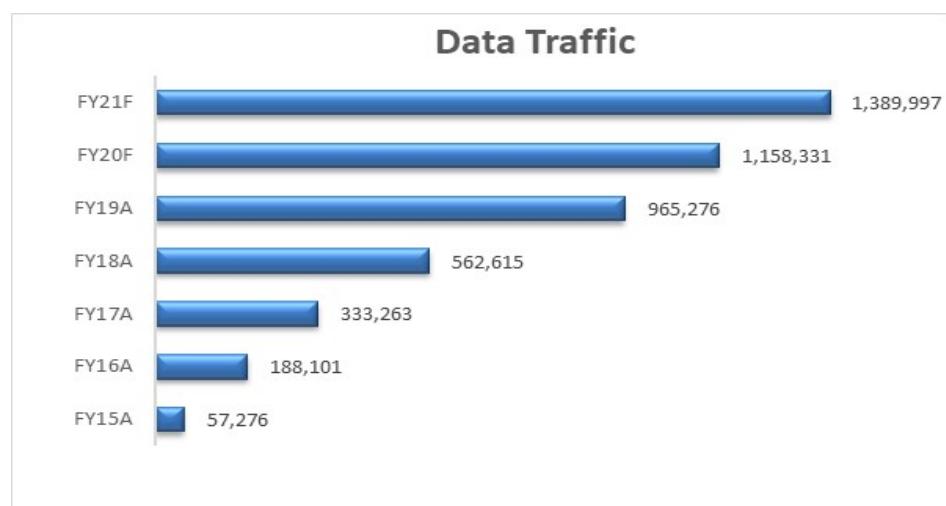


Source: Company, Bloomberg, MCS Research

I.5.3 Data Traffic

In 2019, the company operational performance in terms of data traffic will increase by 72% YoY or by 965 thousand terabytes. And in 2020 we project the company's operational performance in terms of data traffic at 1.15 million terabytes or grow 20% YoY.

Graph 3. Data Traffic



Data Traffic increase 72% YoY in 2019 and 20% YoY in 2020

Source: Company, Bloomberg, MCS Research

II. INVESTMENT THESIS

II.1. Digital and Internet Users

For Indonesia, from a total of 272.1 million people, internet users reached 175.4 million. Interestingly, the number of connected smartphones reached 338.2 million units, almost double the number of internet users. That is, almost the average Indonesian has more than one smartphone. While the number of social media users reached 160 million.

Compared to the January 2019 period, in January 2020, the number of internet users increased by 17% (an increase of 25 million people) from last year. Connected smartphones also increased by 15 million units or 4.6%. There is also the number of social media users increased by 12 million or an increase of 8.1%.



Picture 5. Indonesian Internet Users

Source: Hootsuite

II.2. Internet Penetration in 2020

total internet penetration has grown by 9.2%. While the use of social media increases by 9.8%

As a country located in the Asia Pacific region, Indonesia is a part of the total population of 4.3 billion in the region. More than half the population, around 56% or 2.42 billion of them already have internet access. And exactly half around 2.14 billion people have used social media.

In the past year, for example, total internet penetration has grown by 9.2%. While the use of social media increases by 9.8% in the range of January 2019 to January 2020. However, internet penetration in Indonesia is still far from the maximum reach. Until this year, internet penetration in Indonesia is still at 64% with total access to around 174 million people

Picture 6. Internet Penetration In 2020



Source: Hootsuite

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II.4. Indosat Ooredoo Network Optimization

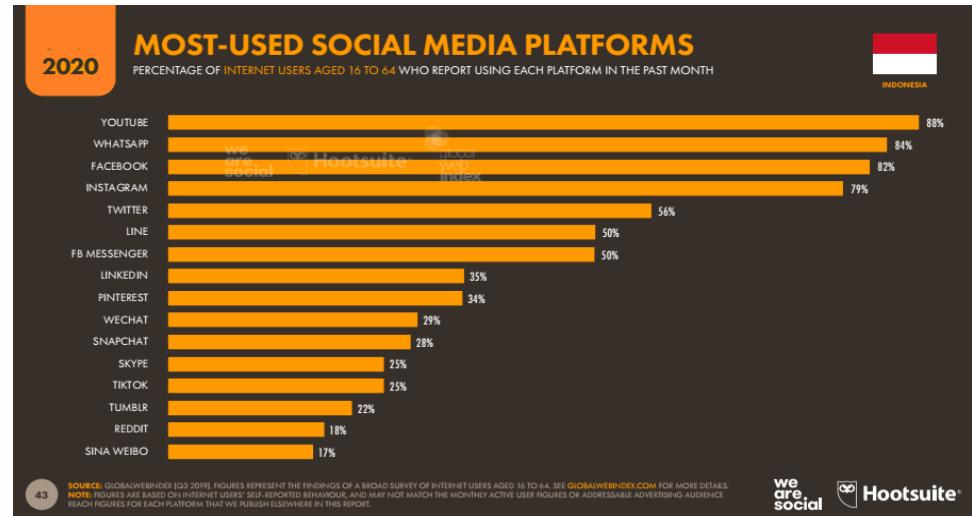
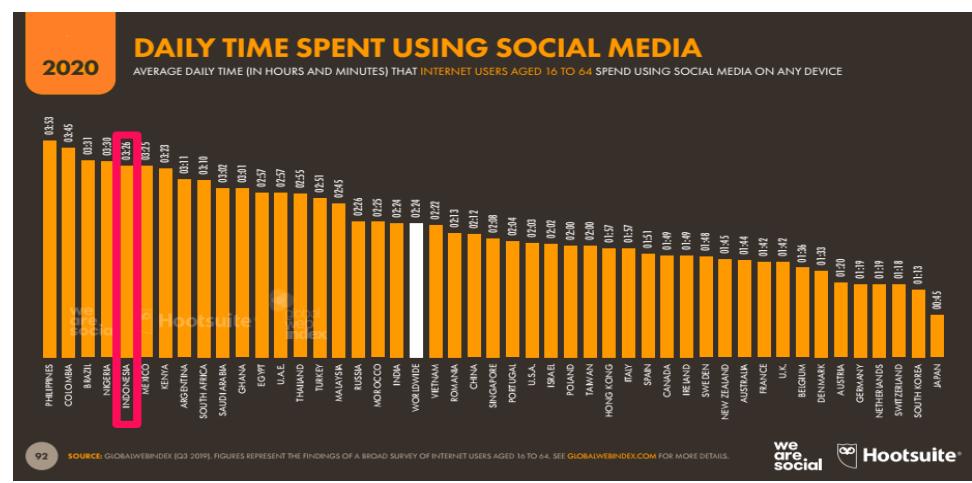
Optimizing the telecommunications operator network of Indosat Ooredoo. This step was carried out in line with the arrival of Ramadhan and Eid Mubarok this year, as well as labor-intensive Work From Home (WFH) due to the Covid-19 pandemic that hit Indonesia and globally.

Indosat Ooredoo has increased its capacity for data services by around 60%

Previously, network optimization had been carried out by Indosat since the appearance of suggestions for learning and working from home. The high telecommunications needs of customers are reflected in an increase in data traffic around 24% and telephone traffic around 11% compared to normal days.

The company said the most used applications by customers at WFH included YouTube, WhatsApp, Facebook, and Instagram. The city recorded the highest increase in traffic in the Greater Jakarta area, West Java, Central Java, and East Java.

In general, Indosat Ooredoo has increased its capacity for data services by around 60% to anticipate telecommunications needs which are predicted to increase by 20% compared to normal days, especially in a situation that has developed lately.



Picture 8. Social Media Platform

Source: Hootsuite & Investor.id

II.3. Indosat Prepare a New Satellite Schema

PT Indosat Tbk (ISAT) together with PT Pasifik Satelit Nusantara (PSN) formed a team to prepare for the launching of a new satellite as a substitute for Nusantara Nusantara Dua which failed to launch. New satellite production is estimated to take 28-30 months.

As is known, Satellite Nusantara Dua was originally prepared to replace the Palapa D satellite whose orbit period expired at the end of July 2020. At present, the Palapa D Satellite still service 23 television broadcasting institutions and 8 radios. The company and PSN will look for a temporary replacement for the satellite for a short period

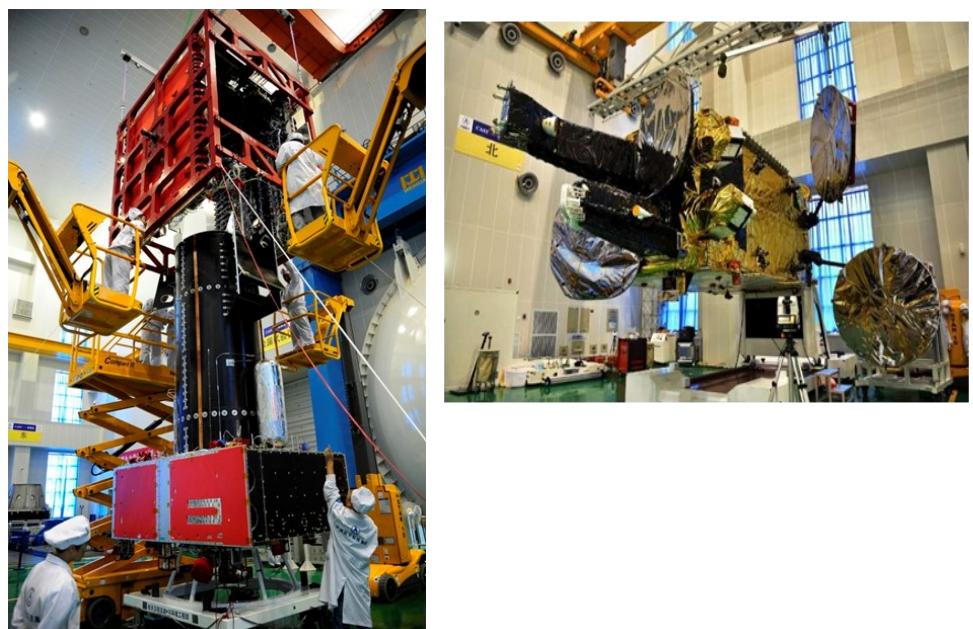
Prepare for the launching of a new satellite

Satellite Nusantara Dua was launched from Xichang Satellite Launch Center (XLSC), China on April 9 at 18.46 WIB. However, there was an anomaly in the launch process which was technically in the third stage. The satellite reportedly exploded before reaching orbit.

Indosat's management stated the loss from the launch failure will be fully borne by the insurance. Meanwhile, this satellite is the result of a joint venture company, PT Pasifik Satelit Nusa Sejahtera (PSNS) with 35% share ownership in Indosat and 65% PSN.

Nusantara Dua Satellite produced by China Great Wall Industry Corporation. The agreement process was signed earlier in May 2017. The investment value is estimated at the US \$ 200 million.

This satellite is designed with a 20x36 MHz C-band FSS transponder capacity and 9.5 gigabits per second (Gbps) HTS. This capacity allows satellites to cover regions throughout Indonesia, Asia-Pacific, to Australia for C-band transponders and throughout Indonesia for HTS.



Picture 7. Satellite Nusantara Dua

Source: psn.co.id & Investor.id

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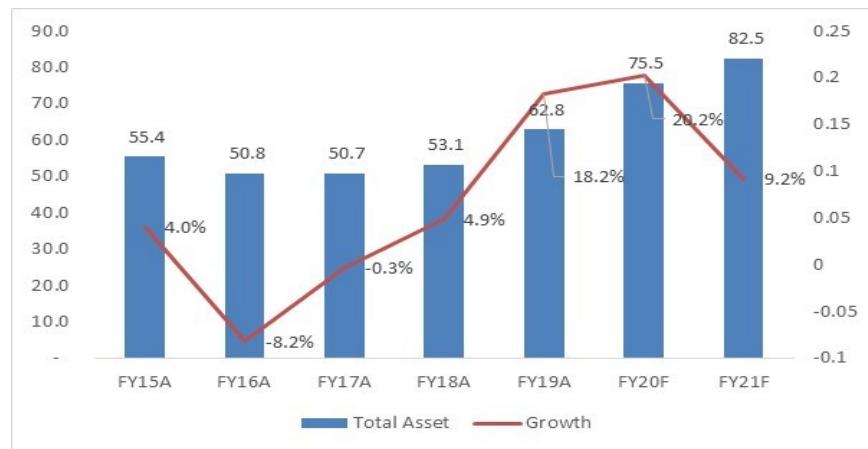
III. FINANCIAL PROJECTIONS

III.1. Balanced Sheet

Total Asset to grow CAGR 5.8% between 2015-2021.

We forecast Total Asset in 2020 to reach the level of IDR 75.5 trillion or to grow 20.2% YoY. Meanwhile, we forecast Total Asset in 2021 to increase for around 9.2% to reach the level of IDR 82.5 trillion. Between 2015 and 2021, we expect Total Asset to grow CAGR 5.8%

Graph 4. Total Assets



Source : Company, Bloomberg, MCS Research

Total Liabilities to grow CAGR 2.5% between 2015-2021.

We forecast Total Liabilities in 2020 to reach the level of IDR 49.7 trillion or to increase 1.2% YoY. Meanwhile, for the year 2021, we forecast Total Liabilities grow 0.4% YoY to IDR 49.4 trillion. Between 2015 and 2021, we expect Total Liability to grow CAGR 2.5%.

Graph 5. Total Liabilities



Source : Company, Bloomberg, MCS Research

We forecast Total Equity in 2020 to reach IDR 14.0 trillion or grow 1.9% YoY. Meanwhile, in 2021, we forecast Total Equity to increase for 6.8% YoY to IDR 14.9 trillion. Between 2015 and 2021, we expect Total Equity to grow CAGR 1.7%.

Graph 6. Total Equity

Total Equity to grow CAGR 1.7% between 2015-2021.



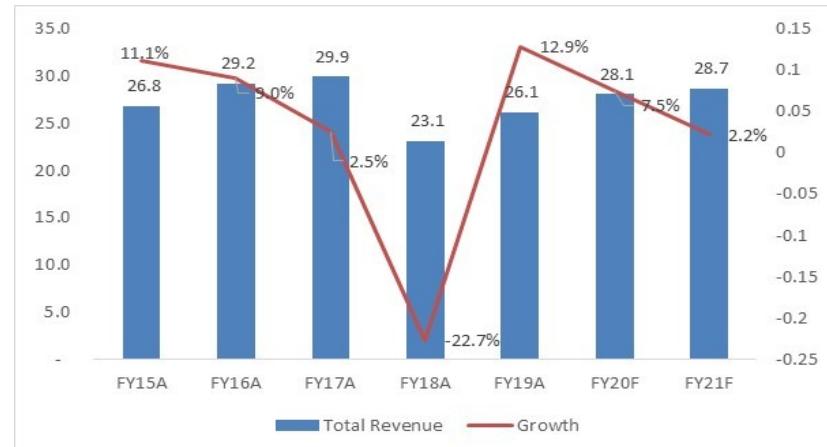
Source : Company, Bloomberg, MCS Research

III.2. Profit & Loss

We forecast Total Revenue in 2020 to reach the level of IDR 28.1 trillion or grow 7.5% YoY. Meanwhile, in 2021 we forecast Total Revenue to continue its growth by 2.2%, reaching the level of IDR 28.7 trillion. Between 2015 to 2021, we expect Total Revenue to grow CAGR 1.0%

Graph 7. Total Revenue

Revenue to grow CAGR 1.0% between 2015-2021.

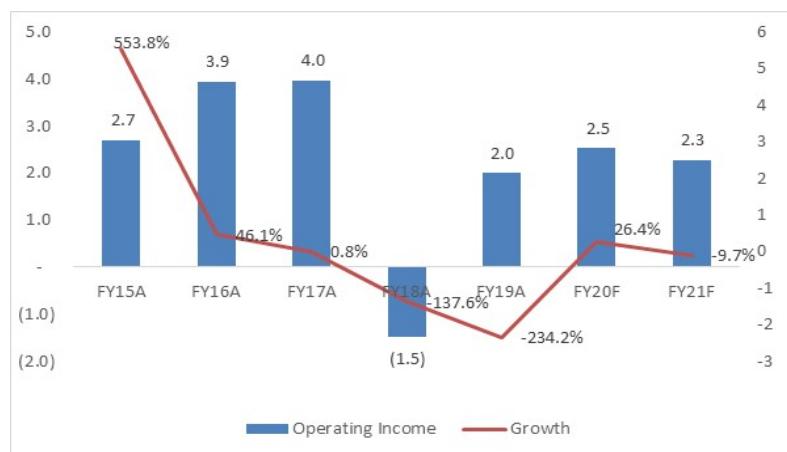


Source : Company, Bloomberg, MCS Research

We forecast Operating Income in 2020 to reach IDR 2.5 trillion or to down 26.4% YoY. Meanwhile, for 2021, we forecast Operating Income to down 9.7% YoY into IDR 2.3 trillion. Between 2015 and 2021, we forecast Operating Income to decrease by CAGR of 2.3%

Graph 8. Operating Income

Operating Income to decrease by CAGR of 2.3% between 2015-2021.



Source : Company, Bloomberg, MCS Research

We forecast EBITDA in 2020 to reach IDR 12.6 trillion or to rose 27.6% YoY. Meanwhile, for 2021, we forecast EBITDA to grow 3.5% YoY into IDR 13.0 trillion. Between 2015 and 2021, we expect EBITDA to grow CAGR 1.8%

Graph 9. EBITDA

EBITDA to grow CAGR 1.8% between 2015-2021.



Source : Company, Bloomberg, MCS Research

IV. VALUATION & RECOMMENDATION

IV.1. Valuation

We use WACC and DCF method to assess the company target price

12mo target price IDR 2,850/share.

In IDR Bn	1	2	3	4	
	2019A	2020F	2021F	2022F	2023F
EBIT	1,999	2,526	2,283	2,225	2,611
Depreciation	(6,706)	10,047	10,730	11,396	12,020
Tax	553	108	399	403	(43)
Capex	(10,582)	(9,357)	(9,564)	(9,323)	(8,741)
Change in WC	(1,387)	219	(341)	412	1,331
FCF	(16,122)	3,543	3,508	5,113	7,178
Present Value	(16,122)	3,226	2,908	3,859	4,932
Terminal Value					31,684
Equity Value	43,382				
Debt	(31,228)				
Cash	3,298				
Enterprise Value	15,452				
Fair Value (In IDR)	<u>2,850</u>				

IV.2. Recommendation

Recommendation Buy

By comparing the closing price of the Company on Tuesday (19/05) at the level of IDR 2,000 we recommend **Buy** for ISAT shares, where there is still an **upside potential of 39%** if our 12mo target price at IDR **2,850** is reached.

Following is the classification of recommendations that we issue

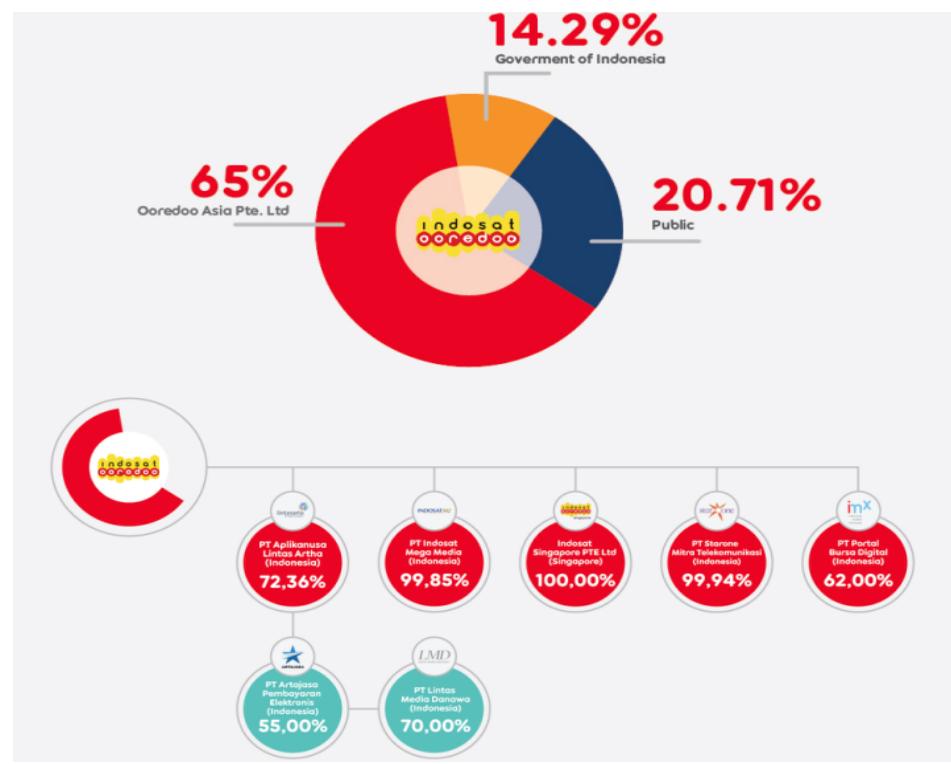
Recommendation	Potential Return
Strong Buy	>40%
Buy	10% to 39%
Neutral	0% to 9%
Reduce	<0%
No Rating	No Coverage

V. INVESTMENT RISKS

- **Macroeconomic Risk**, Local regional or global economic condition changes which change trends, habits and demands on Indonesian telecommunication industry
- **Competition Risk in Telecommunication Industry**, The eroding of ARPU from voice service and SMS due to data service development; Price War which erodes margin of the existing products; The eroding of revenue from international communication services.
- **Project Risk**, Network extension project completion time cannot keep up with the vast change of demand trend; and Fee for project implementation will potentially increase due to the vast technological change.
- **Service Risk**, Cellular network density and limited spectrum availability may hinder number of cellular customers and may cause decrease of Company cellular service quality
- **Legal Change Risk**, Vast legal and policy change related to telecommunication industry which impacts on the change of telecommunication industrial competition map.
- **Fine Risk from Legal Cases**, Fine from legal cases faced by Company which has impact on financial ability and Company image.

VI. ABOUT THE COMPANY

VI.1. Shareholders Composition



VI.2. Profil Manajemen

Board Of Commissioners	
President Commissioner	: Waled Mohamed Ebrahim Alsayed
Commissioner	: Hans Anthony Kuropatwa
Commissioner	: Hilal Suleiman Malawi
Commissioner	: Heru Pambudi
Commissioner	: Chris Kanter
Commissioner	: Andrew Kvalseth
Commissioner	: Afini Boer
Independent Commissioner	: Syed Maqbul Quader
Independent Commissioner	: Elisa Lumbantoruan
Independent Commissioner	: Wijayanto Samirin
Board Of Directors	
President Director	: Ahmad Abdulaziz A A Al Neama
Director	: Vikram Sinha
Director	: Irsad Sahroni
Director	: Eyas Naif Assaf
Director	: Arief Musta'in
Director	: Medhat El Husseiny
Director	: Ritesh Kumar Singh
Director	: Mohammed Afzal Lodhi
Director	: Bayu Hanantasena
Director	: Hendri Mulya Syam

VI.3. Corporate Information

Pertanyaan Pemegang Saham dapat dialamatkan kepada:
Shareholders inquiries should be addressed to:

Group Legal & Corporate Secretary

Divisi Investor Communications
Gedung Indosat Ooredoo Jl. Medan Merdeka Barat No. 21
Jakarta 10110, Indonesia
www.indosatooredoo.com
Tel. : +62 21 3000 3001 ext. 2615
Fax. : +62 21 3000 3757
Website : www.indosatooredoo.com
Email : investor@indosatooredoo.com;
corporate.secretary@indosatooredoo.com

Pertanyaan publik dapat dialamatkan kepada:
Public inquiries should be addressed to:

Group Corporate Communications

Email : publicrelations@indosatooredoo.com

Modal Saham (per 31 Desember 2018)

Capital Stock (as of 31 December 2018)

Modal dasar Rp2.000.000.000.000 terdiri dari 20.000.000.000 saham yang terdiri dari 1 saham Seri A dan 19.999.999.999 saham Seri B dengan nilai nominal sebesar Rp100 per saham.

Authorized Capital of Rp2,000,000,000,000 divided into 20,000,000,000 shares consisting of 1 Series A share and 19,999,999,999 Series B shares with nominal value of Rp100 per share.

Modal ditempatkan dan disetor penuh (per 31 Desember 2018)

Shares issued and fully paid (as of 31 December 2018)

5.433.933.500 saham yang terdiri dari 1 saham Seri A dan 5.433.933.499 saham Seri B dengan nilai nominal Rp543.393.350.000 yaitu:

1. Pemerintah Indonesia (1 saham Seri A dan 776.624.999 saham Seri B)
2. Ooredoo Asia Pte. Ltd. (3.532.056.600 saham Seri B)
3. Masyarakat (1.125.251.900 saham Seri B)

5,433,933,500 comprised of 1 Series A share and 5,433,933,499 Series B shares with a nominal value of Rp543,393,350,000 owned by:

1. The Government of Indonesia (1 Series A share and 776,624,999 Series B share)
2. Ooredoo Asia Pte. Ltd. (3,532,056,600 Series B shares)
3. Public (1,125,251,900 Series B shares)

Kepemilikan saham di atas 5% (per 31 Desember 2018)

Share Ownership Above 5% (as of 31 December 2018)

Ooredoo Asia Pte. Ltd (65,00%)

Pemerintah Indonesia (14,29%)

Masyarakat (20,71%)

Ooredoo Asia Pte. Ltd (65.00%)

The Government of Indonesia (14.29%)

Public (20.71%)

Appendix 1-Balanced Sheet Statement

(In Billion of IDR except Per Share)

Balance sheet	FY15	FY16	FY17	FY18	FY19A	FY20F	FY21F	FY22F	FY23F	FY24F
Total Current Assets	9,919	8,073	9,479	7,907	12,445	11,047	14,467	13,328	14,065	14,073
+ Cash & Near Cash Items	3,623	1,850	1,675	1,045	5,881	3,298	6,601	5,856	6,924	8,108
+ Short Term Investments	0	0	0	0	0	0	0	0	0	0
+ Accounts & Notes Receivable	2,730	2,707	3,846	2,926	2,994	3,450	3,475	3,341	3,176	2,652
+ Inventories	39	79	88	48	29	38	36	37	32	27
+ Other Current Assets	3,526	3,437	3,871	3,888	3,540	4,261	4,355	4,094	3,933	3,286
Total Long-Term Assets	45,470	42,765	41,182	45,233	50,368	64,462	67,988	71,540	74,754	76,484
+ Long Term Investments	38	25	11	328	319	370	378	360	343	287
Gross Fixed Assets	112,549	117,671	110,118	118,652	131,299	140,656	150,220	159,543	168,284	175,617
Accumulated Depreciation	70,728	78,593	74,226	81,752	88,546	83,900	89,604	95,166	100,380	104,753
+ Net Fixed Assets	41,822	39,078	35,892	36,899	42,753	56,589	60,437	64,188	67,705	70,655
+ Other Long Term Assets	3,610	3,661	5,279	8,006	7,296	7,502	7,173	6,993	6,706	5,542
Total Asset	55,389	50,839	50,661	53,140	62,813	75,509	82,455	84,868	88,819	90,557
Total Current Liabilities	20,053	19,087	16,200	21,040	22,129	23,095	23,552	22,746	21,085	17,646
+ Accounts Payable	764	845	872	803	607	778	779	727	681	563
+ Short Term Borrowings	7,586	8,366	5,178	7,060	7,529	7,720	8,428	8,034	7,292	6,083
+ Other Short Term Liabilities	11,703	9,875	10,150	13,178	13,993	14,598	14,345	13,985	13,111	10,999
Total Long Term Liabilities	22,072	17,575	19,645	19,963	26,976	26,607	26,358	26,103	24,601	20,584
+ Long Term Borrowings	10,775	15,309	17,458	17,886	22,580	22,984	22,092	22,219	20,831	17,475
+ Other Long Term Borrowings	11,297	2,266	2,187	2,077	4,397	3,623	4,266	3,884	3,771	3,109
Total Liabilities	42,125	36,662	35,846	41,003	49,106	49,702	49,910	48,849	45,686	38,230
+ Long Preferred Equity	0	0	0	0	0	0	0	0	0	0
+ Minority Interest	781	827	819	962	984	984	984	984	984	984
+ Share Capital & APIC	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090
+ Retained Earnings & Other Equity	10,393	11,260	11,907	9,084	10,633	10,890	11,842	12,698	12,599	12,496
Total Shareholders Equity	13,264	14,177	14,816	12,136	13,707	13,964	14,916	15,772	15,673	15,570
Total Liabilities & Equity	55,389	50,839	50,661	53,140	62,813	63,666	64,826	64,621	61,359	53,800
Book Value Per Share	2	2	3	2	2	3	3	3	3	3

Appendix 2-Profit & Loss Statement
(In Billion of IDR except Per Share)

Income Statement	FY15	FY16	FY17	FY18	FY19A	FY20F	FY21F	FY22F	FY23F	FY24F
Revenue	26,769	29,185	29,926	23,140	26,118	28,072	28,691	27,970	26,223	21,999
- Cost of Goods Sold	11,214	11,919	12,645	12,043	12,343	12,913	13,485	13,146	11,800	9,899
Gross Profit	15,555	17,266	17,282	11,096	13,775	15,159	15,206	14,824	14,423	12,099
- Operating Expenses	13,006	13,475	13,458	12,586	11,776	12,632	12,923	12,599	11,812	9,909
Operating Income	2,690	3,931	3,965	(1,490)	1,999	2,526	2,283	2,225	2,611	2,190
- Interest Expense	2,780	2,251	2,116	2,116	2,675	2,773	2,933	2,811	2,658	2,221
- Foreign Exchange Losses (Gains)	1,599	(268)	(24)	150	(75)	(21)	(30)	11	(12)	(8)
- Net Non-Operating Losses (Gains)	75	168	(20)	(159)	(108)	119	128	122	116	96
Pretax Income	(1,764)	1,780	1,893	(3,596)	(454)	149	553	453	(56)	(58)
- Income Tax Expense	(617)	516	627	(812)	(553)	(108)	(399)	(403)	43	46
Income Before XO Items	(1,163)	1,276	1,302	(2,085)	1,630	257	952	856	(99)	(103)
- Extraordinary Loss Net of Tax	0	0	0	0	0	0	0	0	0	0
- Minority Interests	147	171	166	319	61	55	138	345	863	2,158
Net Income Adjusted	393	1,105	1,136	(2,404)	1,569	(202)	(814)	(511)	962	2,261
EPS Adjusted	72	203	209	(442)	(140)	(37)	(150)	(94)	177	416
EBITDA	11,459	12,904	12,817	6,759	9,857	12,573	13,013	13,621	14,631	14,734

Appendix 3-Financial Ratio

Ratio	FY15	FY16	FY17	FY18	FY19A	FY20F	FY21F
Liquidity Ratio & Solvency							
Current Ratio	0.49	0.42	0.59	0.38	0.56	0.48	0.61
Cash Ratio	0.18	0.10	0.10	0.05	0.27	0.14	0.28
Total Debt/Equity	1.38	1.67	1.53	2.06	2.20	2.20	2.05
Total Debt/Total Assets	0.58	0.63	0.60	0.67	0.69	0.69	0.67
Interest Coverage Ratio (EBIT/I)	0.97	1.75	1.87	-0.70	0.75	0.91	0.78
Profitabilitas							
GPM	0.58	0.59	0.58	0.48	0.53	0.54	0.53
OPM	0.10	0.13	0.13	-0.06	0.08	0.09	0.08
NPM	0.01	0.04	0.04	-0.10	0.06	-0.01	-0.03
ROA	0.02	0.06	0.07	-0.11	0.07	0.00	-0.01
ROE	0.03	0.08	0.08	-0.20	0.11	-0.01	-0.05
Growth							
Revenue Growth (%)	11.1%	9.0%	2.5%	-22.7%	12.9%	7.5%	2.2%
Operating Income Growth (%)	553.8%	46.1%	0.8%	-137.6%	-234.2%	26.4%	-9.7%
Profit Before Income Tax Growth (%)	13.7%	11.0%	0.1%	-35.8%	24.1%	10.0%	0.3%
Net Income Growth (%)	-119.8%	181.4%	2.8%	-311.6%	-165.3%	-112.8%	303.8%

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