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KEY HIGHLIGHTS

Small/Mid Cap Highlights

Dayamitra Telekomunikasi (MTEL IJ/NOT RATED/Rp665)

3Q23 EBITDA and net income up 12% yoy and 22% yoy respectively.

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TRADERS' CORNER

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Dayamitra Telekomunikasi (MTEL IJ): Technical BUY

Bumi Resources (BUMI IJ): Technical BUY

REGIONAL MARKET

Market	Close	+ / -	Chg (%)
MSCI Indonesia	7,109.7	3.5	0.0
MSCI Asia-Ex Japan	602.8	3.7	0.6
KLCI	1,445.2	-	-
FSSTI	3,106.7	-	-
SET	1,387.1	(2.4)	(0.2)
Hang Seng	17,426.2	223.0	1.3
Nikkei	32,585.1	17.0	0.1
Shanghai Comp	3,046.5	7.6	0.2
Dow Jones	34,337.9	54.8	0.2

Source: Bloomberg

INDONESIA STOCK EXCHANGE

	Level	+ / -	Chg (%)
Index	6,838.3	29.0	0.4
LQ-45	901.2	(0.5)	(0.1)
Value (US\$m)	491.2	(1.9)	(0.4)

FOREIGN TRADE IN IDX

Net (US\$m)	Buy	Sell	Total (%)
(6.9)	156.1	163.0	32.5

TOP TRADING TURNOVER

Company	Price (Rp)	Chg (%)	5-day ADT (Rpb)
Bank Rakyat Indonesia	5,025	(1.0)	512.7
Bank Central Asia	8,875	0.6	396.6
Barito Pacific	1,150	(2.1)	350.0
GoTo Gojek Tokopedia	79	3.9	346.2
Amman Mineral	7,100	4.0	318.8

TOP GAINERS

Company	Price (Rp)	Chg (%)	5-day ADT (Rpb)
MD Pictures	2,910	17.8	26.7
Petrindo Jaya Kreasi	7,000	7.7	149.5
Trimegah Bangun Persada	1,070	7.5	27.1
Solusi Tunas	39,900	6.4	0.01
Pantai Indah Kapuk Dua	4,370	5.3	29.9

TOP LOSERS

Company	Price (Rp)	Chg (%)	5-day ADT (Rpb)
Bank Jago	1,950	(5.3)	51.3
Mitra Adiperkasa	1,610	(4.5)	50.5
Adaro Minerals	1,125	(4.3)	29.2
Allo Bank Indonesia	1,235	(3.1)	1.4
Chandra Asri	2,910	(3.0)	102.2

*ADT: Average daily turnover

COMMODITY TREND

	13 Nov 23 Closing	Chg (%) 1-day	1-mth
Forex (Rp/US\$)	15,701	0.0	0.1
Crude Oil NYMEX (US\$/bbl)	78.26	1.4	(10.8)
Coal Fut Newc (US\$/tonne)	122.00	(1.0)	n.a.
Nickel 3M LME	17,257	0.0	(7.0)
Tin 3M LME	24,603	0.0	(1.9)
Gold SPOT (US\$/oz)	1,940	(0.0)	0.4
CPO Fut Msia (MYR/tonne)	3,673	0.0	(0.2)

Source: Bloomberg, UOB Kay Hian

SMALL/MID CAP HIGHLIGHTS

Dayamitra Telekomunikasi (MTEL IJ)

3Q23 EBITDA And Net Income Up 12% yoy and 22% yoy Respectively

MTEL booked 3Q23 EBITDA growth of 12% yoy (in line with consensus expectation), primarily driven by higher tower leasing revenue. It estimates additional revenue from Telkomsel's contract renewal (3-5% to MTEL's 3Q23 revenue) in 4Q23. MTEL's number of tenants in outer Java regions booked attractive growth, including Bali and Nusa Tenggara (18% yoy). According to Bloomberg, MTEL trades at 9.4x 2024F EV/EBITDA.

WHAT'S NEW

- **Revenue from Telkomsel and Indosat jumped 14% yoy and 18% yoy respectively in 9M23.** Dayamitra Telekomunikasi's (MTEL) 9M23 revenue rose 12% yoy, mainly driven by revenue from Telkomsel and Indosat. Combined revenue from Indosat and XL Axiata grew 15% yoy, with that from Telkomsel being slightly higher (14% yoy). MTEL previously acquired 6,000 towers from Telkomsel using the sales-and-lease-back scheme in Aug 22. MTEL also acquired 997 towers from Indosat in Mar 23. MTEL maintains its targeted 2023 growth of 11% yoy for both revenue and EBITDA.
- **MTEL estimates Rp70b-100b additional revenue in 4Q23** from Telkomsel's contract renewal. MTEL stated that Telkomsel's renewal contract is usually signed in 4Q, bringing a positive seasonal effect to MTEL's 4Q revenue. The estimated additional revenue of Rp70b-100b in 4Q23 accounts for 3-5% of MTEL's 3Q23 revenue.
- **Number of tenants up 14% yoy in Sulawesi and 12% yoy in Kalimantan for 9M23.** MTEL expects tenancy ratio to reach 1.54x in 2023, higher than 1.50x in 9M23. MTEL previously mentioned that its growth would be driven by an increase in the number of tenants for its outer Java towers. In 9M23, the following three regions saw the fastest yoy growth in tenancies: a) Bali and Nusa Tenggara: +17% yoy, b) Sulawesi: +14% yoy, and c) Kalimantan: +12% yoy.
- **9M23 net debt to EBITDA of 1.96x is lower than industry's average (5.1x).** MTEL believes its outlook remains relatively stable (despite the current macroeconomic conditions) thanks to its net debt to EBITDA level and no exposure to foreign exchange loan. MTEL already increased its fixed-interest-rate loan portion to 42% in 9M23 from 39% at end-22 to manage the impact from the rising interest rate environment. MTEL will monitor market conditions in determining the portion of loan with fixed and floating interest rates.

KEY FINANCIALS

Year to 31 Dec (Rpb)	2018	2019	2020	2021	2022
Net turnover	4,522	5,326	6,187	6,870	7,729
EBITDA	2,107	2,436	3,676	4,890	5,709
Operating profit	1,148	1,267	1,522	2,432	2,696
Net profit (rep./act.)	450	493	602	1,381	1,785
Net profit (adj.)	450	493	602	1,381	1,785
EPS (Rp)	n.a.	n.a.	n.a.	16.5	21.0
PE (x)	n.a.	n.a.	n.a.	40.2	31.7
P/B (x)	n.a.	n.a.	n.a.	1.7	1.6
EV/EBITDA (x)	33.8	29.2	19.4	14.6	12.5
Dividend yield (%)	n.a.	n.a.	n.a.	1.7	n.a.
Net margin (%)	9.9	9.3	9.7	20.1	23.1
Net debt/(cash) to equity (%)	239.4	108.9	158.2	2.5	33.0
Interest cover (x)	2.3	1.8	2.1	2.7	2.6
ROE (%)	n.a.	9.3	7.6	6.6	5.3
Consensus net profit	-	-	-	-	-
UOBKH/Consensus (x)	-	-	-	-	-

Source: MTEL, Bloomberg, UOB Kay Hian

NOT RATED

Share Price	Rp665
Target Price	n.a.
Upside	n.a.

COMPANY DESCRIPTION

PT Dayamitra Telekomunikasi (Mitratel) is a fully owned subsidiary of PT Telkom Indonesia (Persero) Tbk. Mitratel provides and manages telecommunication infrastructure since 2008. It has the largest tower portfolio in Indonesia.

STOCK DATA

GICS sector	Telecommunication
Bloomberg ticker:	MTEL IJ
Shares issued (m):	83,539.3
Market cap (Rpb):	55,553.6
Market cap (US\$m):	3,536.2
3-mth avg daily t'over (US\$m):	2.0

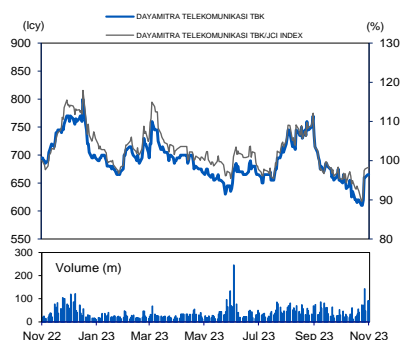
Price Performance (%)

52-week high/low			Rp800/Rp610	
1mth	3mth	6mth	1yr	YTD
1.5	(5.7)	0.0	(5.7)	(16.9)

Major Shareholders

	%
PT Telekomunikasi Indonesia Tbk.	71.85
FY23 NAV/Share (Rp)	-
FY23 Net Debt/Share (Rp)	-

PRICE CHART



Source: Bloomberg

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STOCK IMPACT

- **3Q23 revenue up 14% yoy.** This was mainly driven by higher tower leasing revenue (+13.7% yoy). MTEL's 3Q23 revenue only grew slightly by 3% qoq. This is somewhat aligned with tenancies' growth trend (+2% qoq). We note MTEL acquired 54 towers (<1% of MTEL's 9M23 number of towers) from XL Axiata (EXCL) in Sep 23. 98% of the acquired towers would be leased back to EXCL.

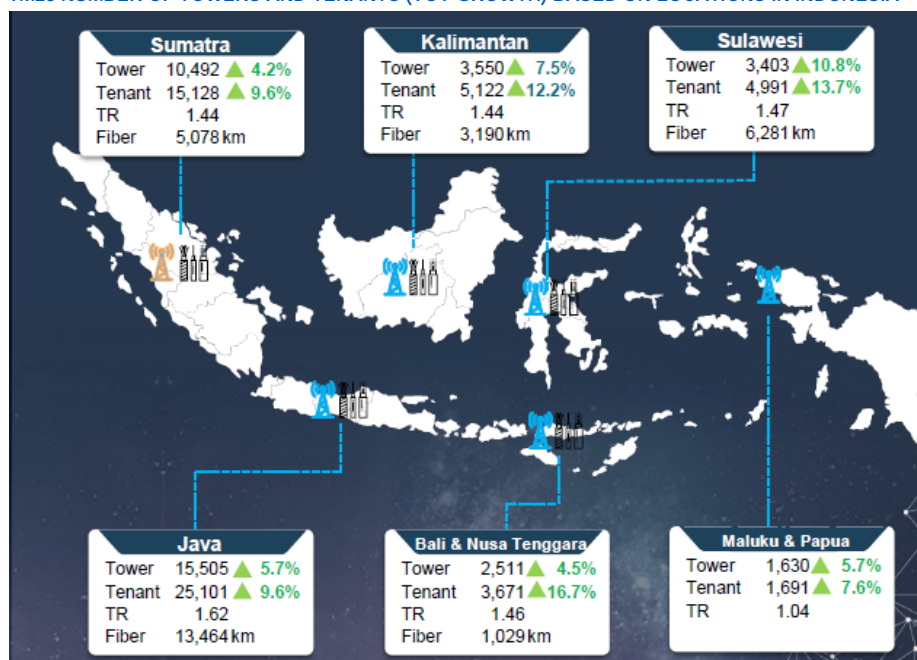
3Q23 RESULTS

Year to 31 Dec (Rpb)	3Q22	2Q23	3Q23	qoq	yoy	9M22	9M23	yoy
Sales	1,881	2,075	2,143	3.3%	14.0%	5,607	6,273	11.9%
EBITDA	1,514	1,677	1,701	1.4%	12.4%	4,402	5,054	14.8%
Operating Profit	689	833	878	5.5%	27.5%	2,240	2,659	18.7%
Net Profit	335	521	408	-21.8%	21.6%	1,227	1,430	16.5%
Margin				qoq (in bp)	yoy (in bp)			yoy (in bp)
EBITDA Margin	80.5%	80.8%	79.4%	(148)	(115)	78.5%	80.6%	206
Opr. Margin	36.6%	40.1%	41.0%	83	435	39.9%	42.4%	244
Net Margin	17.8%	25.1%	19.0%	(610)	119	21.9%	22.8%	91

Source: MTEL, UOB Kay Hian

- **Tower leasing:** 9M23 revenue grew 13.7% yoy, mainly thanks to a higher number of tenancies. MTEL's tenancies grew by 11% yoy in 9M23, faster than MTEL's number of towers (6% yoy). Thus, this helped to raise MTEL's tenancy ratio by 4.2% to 1.5x in 9M23. Tower leasing contributed 83% of MTEL's 9M23 revenue, slightly higher than 9M22 (82%).

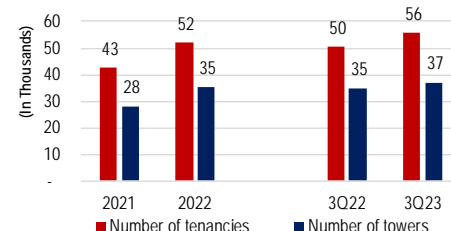
9M23 NUMBER OF TOWERS AND TENANTS (YOY GROWTH) BASED ON LOCATIONS IN INDONESIA



Source: MTEL

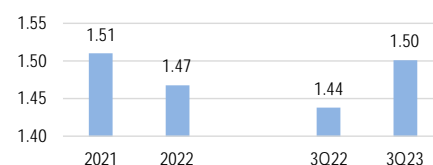
- **Fibre revenue:** MTEL booked fibre revenue of Rp145b in 9M23 (vs none in 9M22). 3Q23 revenue from fibre rose 14% qoq. Fibre revenue contributed 2% of MTEL's 9M23 revenue. MTEL's length of fibre optic grew 7% yoy to around 29,000 km in 3Q23.

NUMBER OF TENANCIES AND TOWERS



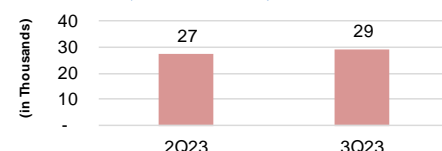
Source: MTEL, UOB Kay Hian

TENANCY RATIO



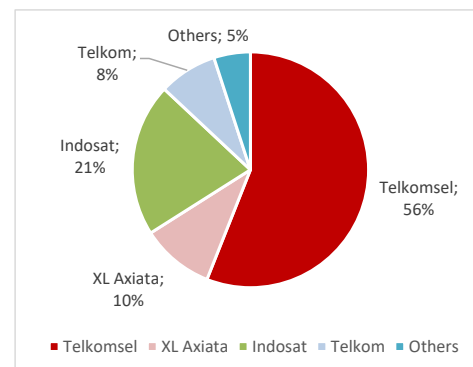
Source: MTEL, UOB Kay Hian

FIBRE OPTIC (LENGTH IN KM)



Source: MTEL, UOB Kay Hian

9M23 REVENUE CONTRIBUTION BY CUSTOMERS



Source: MTEL, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Rpb)	2019	2020	2021	2022
Net turnover	5,326	6,187	6,870	7,729
EBITDA	2,436	3,676	4,890	5,709
Deprec. & amort.	1,169	2,154	2,458	3,013
EBIT	1,267	1,522	2,432	2,696
Other income (expenses)	630	810	821	736
Associate contributions	0	0	0	0
Net interest income/(expense)	0	0	0	0
Pre-tax profit	637	712	1,611	1,960
Tax	(144)	(110)	(230)	(175)
Minorities	0	0	0	0
Net profit	493	602	1,381	1,785
Net profit (adj.)	493	602	1,381	1,785

BALANCE SHEET

Year to 31 Dec (Rpb)	2019	2020	2021	2022
Fixed assets	9,984	14,509	20,651	34,852
Other LT assets	1,021	2,706	1,740	1,574
Cash/ST investment	316	347	516	19,133
Other current assets	1,733	2,529	2,378	2,170
Total assets	13,053	20,091	25,285	57,728
ST debt	817	1,676	3,987	2,828
Other current liabilities	2,860	3,255	3,361	3,648
LT debt	6,407	7,094	9,446	17,131
Other LT liabilities	83	335	329	476
Shareholders' equity	2,886	7,731	8,163	33,646
Minority interest	0	0	0	0
Total liabilities & equity	13,053	20,091	25,285	57,728

CASH FLOW

Year to 31 Dec (Rpb)	2019	2020	2021	2022
Operating	893	3,289	4,536	5,127
Pre-tax profit	637	712	1,611	1,960
Tax	(144)	(110)	(230)	(175)
Deprec. & amort.	1,169	2,154	2,458	3,013
Working capital changes	(689)	208	428	686
Other operating cashflows	(80)	325	269	(357)
Investing	(6,295)	(5,181)	(12,597)	(10,893)
Capex (growth)	(4,468)	(4,602)	(12,406)	(10,482)
Investments	0	0	0	0
Financing	(1,827)	(579)	(191)	(411)
Dividend payments	5,409	2,061	26,678	(7,028)
Proceeds from borrowings	(90)	(103)	(2,181)	(966)
Others/interest paid	4,444	0	25,463	(664)
Net cash inflow (outflow)	2,219	6,010	11,194	4,530
Beginning cash & cash equivalent	(1,102)	(3,845)	(7,798)	(13,228)
Changes due to forex impact	(62)	(0)	0	3,300
Ending cash & cash equivalent	7	169	18,617	(12,794)

KEY METRICS

Year to 31 Dec (%)	2019	2020	2021	2022
Profitability				
EBITDA margin	46.6	45.7	59.4	71.2
Pre-tax margin	13.4	12.0	11.5	23.5
Net margin	9.9	9.3	9.7	20.1
ROA	n.a.	3.0	2.7	3.3
ROE	n.a.	9.3	7.6	6.6
Growth				
Turnover	n.a.	17.8	16.2	11.0
EBITDA	n.a.	15.6	50.9	33.0
Pre-tax profit	n.a.	5.4	11.7	126.4
Net profit	n.a.	9.7	22.0	129.4
Net profit (adj.)	n.a.	9.7	22.0	129.4
EPS	n.a.	n.a.	n.a.	n.a.
Leverage				
Debt to total capital	71.5	53.1	62.2	37.2
Debt to equity	250.3	113.4	164.5	59.3
Net debt/(cash) to equity	239.4	108.9	158.2	2.5
Interest cover (x)	2.3	1.8	2.1	2.7

TRADERS' CORNER



Source: Amibroker

Dayamitra Telekomunikasi (MTEL IJ)

Technical BUY with 6% potential return

Resistance: Rp680, Rp700

Support: Rp635, Rp600

Stop-loss: Rp630

Share price closed with slight gains and formed a neutral candlestick. Momentum is looking more positive, as the increasing trading volume signals more bullishness ahead. That said, we expect more upside pressure to take place and price could challenge the resistance level at Rp680 and Rp700. Technical indicator RSI is sloping upwards and above its centre line, while the MACD is on a bullish crossover. Buy at Rp660 and take profit at Rp700.

Approximate timeframe: 2-4 weeks.



Source: Amibroker

Bumi Resources (BUMI IJ)

Technical BUY with 6% potential return

Resistance: Rp114, Rp117

Support: Rp107, Rp105

Stop-loss: Rp106

Share price closed with strong gains and formed a bullish candlestick. As price rebounded with higher trading volume, there could be more rallies ahead and price could challenge the resistance at Rp114 and Rp117. Technical indicator RSI is sloping upwards and coming out from its oversold zone, while the MACD has just formed a bullish crossover signal. Buy at Rp110 and take profit at Rp117.

Approximate timeframe: 2-4 weeks.

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