FINANCIAL PERFORMANCE EVALUATION OF PT. TELEKOMUNIKASI INDONESIA, TBK. AND PT. INDOSAT, TBK.

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Abstract: Two telecommunications companies in Indonesia have their names listed in Indonesian Stock Exchange (IDX) namely, PT. Indosat, Tbk. (ISAT) and PT Telekomunikasi Indonesia (TLKM) have enlivened the telecommunication industry. This study aims to evaluate the performance of two telecommunications companies in Indonesia by assessing, comparing and analyzing fundamentally, technically and news or company policies occurred in the field during 2017 - May 2018. In Fundamental Analysis, the two companies are categorized as companies that have a good financial condition. However, in the second semester of 2017, telecommunication companies experienced a significant decline in market value, which was contrary to the fundamental analysis. If viewed from a technical perspective, this telecommunication service company has good prospects for the future. Company policy or news is also one of the determining factors for the increase or decrease in stock prices. The overall results of the study concluded that TLKM shares have a fundamental, and technical, that is better than ISAT, while news and company policies can be investors' supporting data in determining stock purchases.

Keywords: Telecommunications, Indonesia, and Finance

INTRODUCTION

The use of telecommunication equipment in Indonesia is growing along with the change of time. This can be demonstrated by the transformation of conversation media in which previously the only choice was telephone-based credit, but now internet technology has become an alternative choice. The development of internet technology has a significant impact, especially in terms of digital communication media as evidenced by the increasing number of gadgets and cellular telephones users, the advancement of cellular telephone technology, the existence of online applications and increasingly adequate internet networks. The increasing growth of the internet as a digital communication tool has further increased the electronic business in the world.

Based on a survey conducted by the Indonesian Internet Service Providers Association (APJII) in 2017 (Teknopreneur, 2017), the growth of internet user penetration in Indonesia has grown to 143.26 million people, which this number is equivalent to 54.7% of the total population in Indonesia. When compared with internet users in 2016, the number of internet users had increased by 10.56 million from initially 132.7 million. This was reported by Henry K. Soemartono, Secretary General of APJII in Jakarta on February 19th, 2018 at the seminar of "Indonesian Internet User Penetration and Behavior 2017."