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TELEKOM INDONESIA BY PT. XL AXIATA

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ABSTRACT
XL began out its enterprise as a wellknown buying and selling and offerings enterprise on 6 October 1989 beneathneath the call PT Grahametropolitan Lestari. In 1996, XL input the telecommunications quarter after acquiring a GSM 900 running license and formally released GSM offerings. To achieve this goal, research was carried out with using pure quantitative research and then to process the data used descriptive quantitative research. Secondary data sources in this study from the internet or research from another author. Then secondary data is also obtained from previous articles. Secondary data sources from this research are documents from articles, and journals about merger. On December 26, 2013, XL signed an settlement to collect AXIS. Conditional income buy settlement (CSPA) carried out with Saudi Telecom Company (STC) and Teleglobal Investment BV (Teleglobal), that's a subsidiary of STC. XL is stated to be paying the cost the agreed nominal proportion and could pay a part of the debt and obligations AXIS. There is a significant effect of acquisition on the stock market value PT. XL axiata tbk. at three years (12 Quarterly) after the acquisition. XL stock market value axiata tbk. experienced a decrease in the average value, from 44,860,462,622,714.59 to 37,496,902,892,475.75.

Keyword: *Strategic Analysis, The Acquisition, Telekom Indonesia.*

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INTRODUCTION

1. Company Profile

XL began out its enterprise as a wellknown buying and selling and offerings enterprise on 6 October 1989 beneathneath the call PT Grahametropolitan Lestari (Kemp, 2014). In 1996, XL input the telecommunications quarter after acquiring a GSM 900 running license and formally released GSM offerings (Hasan et al., 2014). Thus, XL will become a non-public enterprise the primary in Indonesia to offer cell cellphone offerings. At a later time, thru a cooperation settlement with the Rajawali Group and 3 overseas investors (NYNEX, AIF and Mitsui), the call of the Company become modified to PT Excelcomindo Pratama (Tholib,2018). On September 2005, XL carried out an Initial Public Offering (IPO) and registered stocks at the Jakarta Stock Exchange (JSX) that's now called the Stock Exchange Indonesia (IDX)(JANUAR, TUGIMAN, DRS, & CRMP, 2018). At that time, XL become a subsidiary of Indocel Holding Sdn. Bhd., Now called Axiata Investments (Indonesia) Sdn. Bhd., Which all stocks are owned through TM International Sdn(Setyawan, Wijaya, & Ramli, 2013). Bhd. (TMI) thru TM International (L) Limited. In 2009, TMI modified its call to Axiata Group Berhad (Axiata) and withinside the equal 12 months PT Excelcomindo Pratama Tbk. alternate call have become PT XL Axiata Tbk. for the sake of synergy. Currently, the bulk of XL. stocks owned through Axiata thru Axiata Investments (Indonesia) Sdn. Bhd (66. Forty three percent) and the relaxation is held through the public (33.fifty seven percent).

2. Definition of Acquisition

In Law Number forty of 2007 regarding Limited Liability Companies (hereinafter known as UUPT), is defined concerning the definition of acquisition(BARKATULLAH, 2017). An expropriation primarily based totally on Article 1 variety eleven of the Company Law is a “criminal act which accomplished through a criminal entity or character to take over stocks(Kraakman, 2017)

Limited Liability Company (hereinafter known as PT) which resulted withinside the switch of manage over the PT. Meanwhile, primarily based totally on Government Regulation Number fifty seven Year 2010 Mergers Or Mergers Of Business Entities And Acquisitions Of Shares Companies That Can Lead To Monopolistic Practices And 313 Jurists(Ramaswamy, 1997).

The definition of acquisition is “a criminal act accomplished through a enterprise actor to take over the stocks of a enterprise entity which ends withinside the switch of manage over the enterprise entity". Acquisition is an motion this is allowed through law.

Law Number five of 1999 regarding Prohibition of Monopolistic Practices and Business Competition. Unhealthy (hereinafter known as Law No. five/1999), so long as the motion is accomplished entirely for the motive of enterprise development(Aulakh & Kirkpatrick, 2016). However the motion additionally has a bad effect this is circuitously felt through minority shareholders, employees, lenders and customers(DeAngelo & DeAngelo, 2000). Losses on customers may be felt due to the purchase is through lowering a enterprise that because of enterprise competition(Reichheld & Schefter, 2000).

METHODS

To achieve this goal, research was carried out with using pure quantitative research and then to process the data used descriptive quantitative research(Gelo, Braakmann, & Benetka, 2008). Secondary data sources in this study from the internet or research from another author. Then secondary data is also obtained from previous articles. Secondary data sources from this research are documents from articles, and journals about merger.

RESULTS AND DISCUSSION

Acquisition Analysis

On December 26, 2013, XL signed an settlement to collect AXIS. Conditional income buy settlement (CSPA) carried out with Saudi Telecom Company (STC) and Teleglobal Investment BV (Teleglobal), that's a subsidiary of STC. XL is stated to be paying the cost the agreed nominal proportion and could pay a part of the debt and obligations AXIS(PUSPITASARI, 2015). This conditional sale and buy settlement consists of numerous things, namely:

1) Teleglobal will sell 95 percent stake in AXIS to XL. 100 percent AXIS company value is valued at US$865 million, with book records AXIS is net of debt and zero cash position (cash free and debt free). Price The payment will be used to pay the par value of AXIS shares, as well as pay AXIS debts and obligations.
2) The transaction will be completed after obtaining government approval related to and approval of XL shareholders through the general meeting of shareholders extraordinary shares (EGMS).
3) The transaction will also be completed if there is no change in ownership spectrum.

On March 20, 2014, XL has completed the acquisition agreement. AXIS with transaction value of USD 865 million. This agreement is marked by the signing of the document transaction settlement on March 19, 2014 between XL and STC. With the completion of this transaction, then XL has officially completed the acquisition process and become the majority shareholder in AXIS. XL's main goal is to use additional spectrum at 1,800 Mhz so that it can be used for build a data network. The 1,800 MHz frequency itself as the source of the future for data services using 4G technology. Even though the company only has 7.5 MHz at that frequency, therefore PT. XL axiata must get extra 1,800 MHz frequency by acquiring Axis, this is a strategic step to get that frequency. Another benefit is that two active brands were launched last year and now it's much higher than before the acquisition, two brands it serves two societies with different segments. The following are the benefits of acquiring Axis claimed by EXCL:

a. More than 65 million customers get a better service quality and wider network coverage.
b. The transaction supports the development of the Indonesian telecommunications industry, as well as being a reference for business expansion that focuses on growth and spending efficient capital.
c. Support government programs to realize the National Broadband Plan.
d. Addresses the problems faced by EXCL through additional spectrum capacity for EXCL
e. Improving the quality of customer service and maximizing network significant for both 2G and 3G.
f. Better utilization of assets, especially for BTS EXCL and towers network equipment, with a significant reduction in capital expenditure (CAPEX) and operating expenses (OPEX)
g. Strengthening EXCL's business position in the telecommunications operator business in Indonesia, both in the scale of operations and business scale is now larger.
h. The number of EXCL customers and community will be even bigger.
i. Stronger and more effective data services for the youth segment.
j. The mutually beneficial business between EXCL and AXIS, which
k. enabling revenue synergies and cost efficiencies in various areas.
l. Meanwhile, the benefit for AXIS itself is saving from bankruptcy.

Table 1. Movement of XL axiata shares prior to acquisition

Tahun	Bulan	Harga Saham	Saham Beredar	Total Ekuitas	L/EPS
2011	Maret	5375,83	8.508.000.000	12.480.615.000.000	89
	Juni	6066,3	8.518.566.332	12.373.423.000.000	179
	September	4907,29	8.518.566.332	13.039.329.000.000	257
	Desember	4463,42	8.518.566.332	13.692.512.000.000	332
2012	Maret	4981,27	8.518.566.332	13.268.033.000.000	78
	Juni	6066,3	8.526.276.611	14.077.760.000.000	171
	September	6559,5	8.526.276.611	14.816.542.000.000	258
	Desember	5.474,47	8.526.276.611	15.370.036.000.000	324
2013	Maret	5178,55	8.526.276.611	15.626.042.000.000	37
	Juni	4759,34	8.534.490.667	14.938.432.000.000	79
	September	4192,16	8.534.490.667	15.203.777.000.000	107
	Desember	5129,23	8.534.490.667	15.300.147.000.000	121

Table 2. XL axiata stock movement after acquisition

Tahun	Bulan	Harga Saham	Saham Beredar	Total Ekuitas	L/EPS
2014	Maret	4340,12	8.534.490.667	14.470.969.000.000	44
	Juni	5030,59	8.534.490.667	13.052.991.000.000	-57
	September	6115,62	8.534.490.667	13.963.351.000.000	-107
	Desember	4798,79	8.534.490.667	14.047.974.000.000	-95
2015	Maret	4350	8.534.490.667	13.283.434.000.000	-89
	Juni	3685	8.541.381.670	13.241.797.000.000	-100
	September	2615	8.541.381.670	13.619.961.000.000	-59
	Desember	3650	8.541.381.670	14.091.635.000.000	-3
2016	Maret	4000	8.541.381.670	14.269.918.000.000	20
	Juni	3670	10.687.960.423	21.017.926.000.000	6
	September	2700	10.687.960.423	20.944.783.000.000	16
	Desember	2310	10.687.960.423	21.209.145.000.000	38

XL axiata stock movement prior to the acquisition has a share price the lowest was in September 2013 at 4192.16 and the highest share price was at September 2012 at a price of 6559.5. While the movement of XL axiata shares after the acquisition had the lowest share price in December 2016 at the price of 2310 and the highest share price in September 2014 at the price of 6115.62. Two years after the acquisition, XL Axiata suffered a loss per share base. In the third year after the acquisition of EPS, XL axiata shares only obtained a meager profit of 38 at the end of the year, in the three quarters of the year(Tjay & Rahardja, 2007).

At the same time, EPS XL axiata only gets a small profit. In the first quarter of 20 per share, in the second quarter of 6 per share, in the third quarter of 16 per share. Meanwhile, in the 3 years prior to the acquisition, XL axiata shares always received profit both quarterly and at the end of the year. Stock investors, make the stock as an indicator in measuring the value of a company in the market capital. The value of the company is the selling price of the company that is considered feasible by the company potential investor so that he wants to pay it, if a company is to be sold. For a company that sells its shares to the public, the indicator of company value is the price of shares traded on the stock exchange. Seeing trends from XL axiata finances which continued to decline in the two years following the acquisition, and only obtained Low EPS in the third year. Also, XL Axiata's stock price tends to low, will be a stock consideration in buying XL axiata (EXCL) shares. To minimize losses, it is necessary to look at the value of the stock first.

Market value variables (market value)

1) The number of samples of observations on the market value of the shares of PT. XL axiata.tbk for the period before and after the acquisition is as much as 12 quarters of the observation sample.
2) The average market value of PT. XL axiata.tbk in the previous 12 quarters acquisition amounted to 44,860,462,622,714.6
3) The average market value of PT. XL axiata.tbk in the 12 quarter period after acquisition decreased from 44,860,462,622,714.6 per 12 quarters before acquisitions to 37,496,902,892,476 per 12 quarters.
4) During the period of 12 quarters prior to the acquisition, the market value of the shares of PT. XL axiata.tbk reached the lowest value of 35,777,950,394.57 in a matter of 1 quarter period.
5) During the 12-quarter period prior to the acquisition, the market value of the shares of PT. XL axiata.tbk has reached the highest value in the first quarter of 55,928,111,429,855.

6) During the 12 quarter period following the acquisition, the lowest value in 1 quarter of market value shares of PT. XL axiata.tbk decreased, from 35,777,950,394,571 to 30,097,296,549,760 in 1 quarter lowest market value during the period after the acquisition.
7) During the 12 quarter period following the acquisition, the highest value in 1 quarter of market value shares of PT. XL axiata.tbk decreased, from 55,928,111,429,855 to 46,090,431,502,227 in 1 quarter market value during the period after acquisition.

Effect of Acquisition on the Market Value of PT. XL axiata tbk

The market value of a stock is equal to the market capitalization value of the stock alone. Acquisitions have an economic motive whose long-term goal is to achieve increased value for the company and shareholders(Kane, 2000). Therefore, all activities and decision makers should be directed to achieve a position corporate strategy in order to provide a competitive advantage for the company. there is a significant effect of acquisition on the stock market valuePT. XL axiata tbk. at three years (12 Quarterly) after th e acquisition. XL stock market value axiata tbk. experienced a decrease in the average value, from 44,860,462,622,714.59 to 37,496,902,892,475.75.

Intrinsic value variable

In this study, the researcher used the Price Earning Ratio value approach in knowing the intrinsic value of shares. Based on the table above, it can be explained several statements, namely:

1) The number of samples of observations on the intrinsic value of PT. XL axiata.tbk for the period before and after the acquisition is as much as 12 quarters of the observation sample.
2) The average value of the intrinsic value of PT.XLaxiata.tbk's shares in the 12-quarter period before acquisition was 45.67.
3) The average value of the intrinsic value of shares of PT. XL axiata.tbk in the period of 12 quarters after the acquisition decreased from 45.67 per 12 quarters before the acquisition to -33.50 per 12 quarters after acquisition or in 12 quarters period after acquisition, shares of PT. XL axiata. tbk suffered a loss.
4) During the period of 12 quarters prior to the acquisition, the intrinsic value of the shares of PT. XL axiata.tbk reached its lowest value of 13 in a matter of 1 quarter period.
5) During the period of 12 quarters prior to the acquisition, the intrinsic value of the shares of PT. XL axiata.tbk has reached its highest score in 1 quarter of 140.
6) During the 12-quarter period following the acquisition, the lowest value in 1 quarter of the value intrinsic shares of PT. XL axiata.tbk decreased, from 13 to -1217 in 1 quarter count of lowest intrinsic value during the period after acquisition.
7) During the period of 12 quarters after the acquisition, the highest value in 1 quarter value intrinsic shares of PT. XL axiata.tbk has increased, from 140 to 612 in 1 quarter count of intrinsic value over the period following acquisition.

Table 3. XL axiata Share Value Movement for the period 2011 – 2016

Periode	Triwulan	BV	MV	PER
1	1	1467	45.737.561.640.000	60
1	2	1453	51.676.178.939.812	34
1	3	1531	41.803.075.375.360	19
1	4	1607	38.021.939.337.575	13
1	1	1558	42.433.278.912.602	64
1	2	1651	51.722.951.805.309	35
1	3	1738	55.928.111.429.855	25
1	4	1803	46.676.845.518.621	17
1	1	1833	44.153.749.743.894	140
1	2	1750	40.618.542.811.080	60
1	3	1781	35.777.950.394.571	39
1	4	1793	43.775.365.563.896	42
2	1	1696	37.040.713.633.660	99
2	2	1529	43.564.905.024.048	-88
2	3	1636	46.090.431.502.227	-57
2	4	1646	42.933.523.404.504	-51
2	1	1556	37.125.034.401.450	-49
2	2	1550	34.464.475.038.450	-37
2	3	1595	36.642.527.364.300	-44
2	4	1650	31.474.991.453.950	-1217
2	1	1671	34.165.526.680.000	200
2	2	1967	30.097.296.549.760	612
2	3	1960	37.138.594.904.950	169
2	4	1984	39.224.814.752.410	61

Information:
Period 1 = Before acquisition
Period 2 = After Acquisition
Quarter 1 = March
Quarter 2 = June
Quarter 3 = September
Quarter 4 = December

CONCLUSION

There is a significant effect of acquisition on the stock market value PT. XL axiata tbk. at three years (12 Quarterly) after the acquisition. XL stock market value axiata tbk. experienced a decrease in the average value, from 44,860,462,622,714.59 to 37,496,902,892,475.75. Thus, this study succeeded in proving the first hypothesis which states that there is a significant difference to the market value of PT. XL axiata. tbk after the acquisition. The results of this study indicate that for 3 years (12 quarters) after the acquisition there was a significant change in the market value of shares of PT. XL axiata tbk.

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