

Sector Index Performance

| | 3M | 6M | 12M |
|-----------------|-------|--------|--------|
| Absolute | -3.8% | -19.3% | -23.7% |
| Relative to JCI | 6.1% | -2.9% | -13.1% |



Summary Valuation Metrics

| Adjusted | | | |
|-----------|-------|-------|-------|
| EV/EBITDA | 2025F | 2026F | 2027F |
| (x) | | | |
| ISAT IJ | 3.5 | 3.2 | 3.0 |
| TLKM IJ | 4.0 | 3.9 | 3.8 |
| EXCL IJ | 3.3 | 3.0 | 2.7 |
| | | | |
| P/E (x) | 2025F | 2026F | 2027F |
| ISAT IJ | 8.5 | 7.4 | 6.7 |
| TLKM IJ | 10.5 | 10.4 | 9.8 |
| EXCL IJ | 15.2 | 13.6 | 11.9 |
| | | | |
| P/B (x) | 2025F | 2026F | 2027F |
| ISAT IJ | 1.3 | 1.2 | 1.1 |
| TLKM IJ | 1.5 | 1.4 | 1.4 |
| EXCL IJ | 1.1 | 1.0 | 1.0 |

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1Q25F preview: potential beat on ISAT while EXCL/TLKM may miss

- In 1Q25F, we estimate mobile data yield growth of three MNO could decline by 2% to flat yoy with stronger data traffic vs. past seasonality.
- We estimate ISAT's 1Q25F results could beat consensus, while EXCL and TLKM's results could be below the consensus estimates.
- We retain Neutral rating for the sector, and unchanged top pick (ISAT).

Estimating 1Q25F mobile data yield could decline by up to 2% yoy

We estimate that 1Q25F data yield for the three MNOs under our coverage could decline by 2% to flat yoy, in line with our survey results. ([see our Mar25 survey report](#)) We expect the higher starter pack entry price to have no impact on 1Q25 data yield, as the adjustment only took place in mid-Mar25. The impact could be delayed by 1–2 months due to existing inventory. In addition to ISAT and EXCL, TSEL has now also confirmed an increase on its starter pack entry price as of Mar25. Despite the price hikes, we believe the potential effect on the overall data yield outlook for 2Q25F remains uncertain. If low-priced starter packs with lower data yields are still available in the market, the impact on FY25F data yield may remain limited.

Estimating for higher than seasonality mobile data traffic in 1Q25F

We estimate the data yield trend in 1Q25F could be 25-25.4% of FY25F, or higher compared to the past three years mean at 23.5-23.8%. This is due to Ramadhan and Eid Fitr happened in 1Q25. News media reported data traffic for three MNOs increased by 12%-21% higher than normal during Ramadhan and Eid Fitr (i.e. TSEL by 12%, EXCL by 17%, and ISAT by 21%).

Expecting a mixed performance in the FTTH space

Our discussion with TLKM suggests that FTTH nett add of subscribers in 1Q25F was within expectation while APRU trend could decline compared to 4Q24. We assess this could be due to combined impacts of cheaper Indihome starter package priced at Rp265k (for 30Mbps), lowering price offering for some existing products by some 3%, and higher subscribers base for Eznet. For Indosat HiFi, based on our survey, it maintained unchanged price offering in 1Q25. For EXCL, we estimate FTTH ARPU could be within our expectation.

1Q25F results preview and potential risks to our estimates

In 1Q25F, we estimate TLKM's EBITDA/core NP could reach Rp18.9/5.4tr (-3%/-15% yoy) and could be below our/consensus estimates, mainly due to lower-than-expected FTTH ARPU. We estimate ISAT's EBITDA/core NP could reach Rp7.4/Rp1.9tr (+14%/+46% yoy), in line with ours but above the consensus estimate. We think potential upside/downside risks for ISAT could be from the B2B segment and data traffic growth. ISAT's data traffic during Ramadhan and Eid Fitr rose by 21% vs. +17% in FY24. We estimate EXCL's EBITDA/core NP could reach Rp4.7tr/Rp473bn (+5%/+2% yoy), in-line to our estimate but below consensus. We think potential upside/downside risks for EXCL is on the data traffic growth. Currently, we still estimate EXCL's traffic growth in FY25F to be at 6% yoy, or lower compared to peers' of 8% yoy. Overall, we retain our Neutral rating for the sector due to on-going price competition while purchasing power remained soft. We still like ISAT as our top pick in the sector, due to its clear growth path outlook.

Fig. 1: EXCL 1Q25F results preview: could be in line with our estimate, but below consensus estimates

| (in Rp bn) | 1Q25* | 1Q24 | % YoY | 4Q24 | % QoQ | % of IPS | % of Cons |
|-------------------------------------|--------------|--------------|-------------|--------------|------------|------------|------------|
| Revenue | 9,857 | 8,438 | 17% | 9,030 | 9% | 25% | 26% |
| Data and digital services | 9,257 | 7,823 | 18% | 8,201 | 13% | | |
| Other revenue | 600 | 615 | -2% | 829 | -28% | | |
| Operating expenses | (8,355) | (7,048) | 19% | (7,500) | 11% | | |
| Operating profit | 1,502 | 1,390 | 8% | 1,531 | -2% | | |
| EBITDA | 4,679 | 4,454 | 5% | 4,583 | 2% | 25% | 25% |
| Other income/(expense) | (871) | (713) | 22% | (857) | 2% | | |
| Pre-tax profit | 631 | 677 | -7% | 673 | -6% | | |
| Taxes | (151) | (130) | 17% | (161) | -6% | | |
| Net profit | 473 | 539 | -12% | 502 | -6% | | |
| Core net profit | 473 | 466 | 2% | 445 | 6% | 25% | 21% |
| Margin (%) | | | | | | | |
| EBITDA margin | 47.5% | 52.8% | (532) | 50.8% | (329) | | |
| Core net margin | 4.8% | 5.5% | (72) | 4.9% | (13) | | |
| Operational data - Mobile | | | | | | | |
| Data traffic (PB) | 2,794 | 2,609 | 7% | 2,724 | 3% | | |
| Data yield (Rp/MB) | 3.0 | 3.0 | 0% | 3.0 | 0% | | |
| Blended ARPU (Rp k/month) - implied | 46 | 43 | 6% | 46 | -1% | | |
| Mobile subs (mn people) - implied | 58.6 | 57.6 | 2% | 59.0 | -1% | | |
| Operational data - FBB | | | | | | | |
| FBB ARPU (Rp k/month) - implied | 283.0 | 250.0 | 13% | 284.8 | -1% | | |
| FBB subs (k) - implied | 1,034.0 | 252.0 | 310% | 1,024.0 | 1% | | |

*preview

Source: Company, Indo Premier

Fig. 2: ISAT 1Q25F results preview: could be in line to our estimate, but above consensus estimates. Though we estimate 1Q25F bottom line could account for 31% of our FY25F estimate, we consider this in line with our expectations. We expect lower seasonality for its bottom line in the coming quarters.

| (in Rp bn) | 1Q25* | 1Q24 | % YoY | 4Q24 | % QoQ | % of IPS | % of Cons |
|-------------------------------------|---------------|----------------|------------|---------------|------------|------------|------------|
| Revenue | 15,193 | 13,835 | 10% | 14,075 | 8% | 26% | 26% |
| Legacy revenue | 203 | 239 | -15% | 199 | 2% | | |
| Data revenue | 12,381 | 10,924 | 13% | 10,881 | 14% | | |
| Other revenue | 2,608 | 2,673 | -2% | 2,994 | -13% | | |
| Operating expenses | (11,707) | (11,058) | 6% | (11,645) | 1% | | |
| Operating profit | 3,486 | 2,778 | 26% | 2,429 | 43% | | |
| EBITDA | 7,448 | 6,509 | 14% | 6,375 | 17% | 26% | 26% |
| Other income/(expense) | (965) | (1,009) | -4% | (995) | -3% | | |
| Pre-tax profit | 2,521 | 1,769 | 43% | 1,434 | 76% | | |
| Taxes | (555) | (377) | 47% | (321) | 73% | | |
| Net profit | 1,892 | 1,295 | 46% | 1,033 | 83% | | |
| Core net profit | 1,892 | 1,292 | 46% | 977 | 94% | 31% | 34% |
| Margin (%) | | | | | | | |
| EBITDA margin | 49.0% | 47.0% | 198 | 45.3% | 373 | | |
| Core net margin | 12.5% | 9.3% | 311 | 6.9% | 551 | | |
| Operational data - Mobile | | | | | | | |
| Data traffic (PB) | 4,439 | 3,858 | 15% | 4,120 | 8% | | |
| Data yield (Rp/MB) | 2.8 | 2.8 | -2% | 2.6 | 6% | | |
| Blended ARPU (Rp k/month) - implied | 42 | 38 | 11% | 38 | 10% | | |
| Mobile subs (mn people) - implied | 94.9 | 100.9 | -6% | 90.7 | 5% | | |

*preview

Source: Company, Indo Premier

Fig. 3: TLKM 1Q25F results preview: could be below our and consensus estimates. Though we estimate 1Q25F bottom line could account for 23% of our FY25F estimate, we consider this below to our expectations. We expect potentially lower earnings outlook in the coming quarters.

| (in Rp bn) | 1Q25* | 1Q24 | % YoY | 4Q24 | % QoQ | % of IPS | % of Cons |
|-------------------------------------|---------------|---------------|-------------|---------------|------------|------------|------------|
| Revenue | 37,408 | 37,429 | 0% | 37,389 | 0% | 24% | 24% |
| Legacy revenue | 2,100 | 2,509 | -16% | 1,210 | 74% | | |
| Data revenue - inc indihome | 23,463 | 22,148 | 6% | 24,465 | -4% | | |
| Other revenue | 11,845 | 12,772 | -7% | 11,714 | 1% | | |
| Operating expenses | (27,068) | (26,093) | 4% | (27,368) | -1% | | |
| Operating profit | 10,340 | 11,336 | -9% | 10,021 | 3% | | |
| EBITDA | 18,922 | 19,421 | -3% | 18,948 | 0% | 24% | 23% |
| Other income/(expense) | (848) | (1,193) | -29% | (1,472) | -42% | | |
| Pre-tax profit | 9,493 | 10,143 | -6% | 8,549 | 11% | | |
| Taxes | (2,088) | (2,323) | -10% | (1,801) | 16% | | |
| Net profit | 5,381 | 6,053 | -11% | 4,939 | 9% | | |
| Core profit | 5,381 | 6,307 | -15% | 5,043 | 7% | 23% | 21% |
| Margin (%) | | | | | | | |
| EBITDA margin | 50.6% | 51.9% | (130) | 50.7% | (9) | | |
| Core net margin | 14.4% | 16.9% | (247) | 13.5% | 90 | | |
| Operational data - Mobile | | | | | | | |
| Data traffic (PB) | 5,487 | 4,824 | 14% | 5,257 | 4% | | |
| Data yield (Rp/MB) | 3.1 | 3.2 | -2% | 3.5 | -10% | | |
| Blended ARPU (Rp k/month) - implied | 45 | 44 | 1% | 46 | -2% | | |
| Mobile subs (mn people) - implied | 160.2 | 159.7 | 0% | 159.9 | 0% | | |
| Operational data - FBB | | | | | | | |
| FBB ARPU (Rp k/month) - implied | 187.1 | 216.5 | -14% | 197.0 | -5% | | |
| FBB subs (k) - implied | 11,414.5 | 10,569.0 | 8% | 10,935.1 | 4% | | |

*preview

Source: Company, Indo Premier

Fig. 4: Telco sector valuation comparisons – based on 16 Apr 2025 closing price

| Company | Bloomberg | Market Cap | Last Price | Target | P/E (x) | | | P/B (x) | | | Adjusted EV/EBITDA (x) | | | EV/EBITDA (x) | | | Price to Cash Flow (x) | | | Net Gearing (x) | | | ROE (%) | | | Net Profit CAGR (%) | |
|---------------------------|------------------|------------|---------------|--------|---------|-------|-------|---------|-------|-------|------------------------|-------|-------|---------------|-------|-------|------------------------|-------|-------|-----------------|-------|-------|---------|-------|-------|---------------------|--|
| | Ticker | (US\$m) | (local curr.) | Price | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F | 2024-27F | |
| Indonesia | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Telkom Indonesia | TLKM IJ Equity | 14,610 | 2,480 | 2,750 | 10.5 | 10.4 | 9.8 | 1.5 | 1.4 | 1.4 | 4.0 | 3.9 | 3.8 | 4.0 | 4.0 | 3.8 | 4.2 | 4.0 | 3.7 | 0.2 | 0.2 | 0.2 | 14.0 | 13.7 | 14.1 | 3.5 | |
| Indosat Ooredoo Hutchison | ISAT IJ Equity | 3,059 | 1,595 | 2,220 | 8.5 | 7.4 | 6.7 | 1.3 | 1.2 | 1.1 | 3.5 | 3.2 | 3.0 | 3.7 | 3.5 | 3.3 | 3.3 | 3.1 | 2.9 | 0.3 | 0.3 | 0.2 | 14.9 | 15.8 | 16.2 | 16.9 | |
| XL Axiata | EXCL IJ Equity | 1,710 | 2,190 | 2,820 | 15.2 | 13.6 | 11.9 | 1.1 | 1.0 | 1.0 | 3.3 | 3.0 | 2.7 | 3.8 | 3.6 | 3.4 | 1.9 | 1.8 | 1.8 | 0.3 | 0.2 | 0.1 | 7.0 | 7.5 | 8.1 | 16.8 | |
| Total | | 19,378 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Simple average | | | | | 11.4 | 10.5 | 9.5 | 1.3 | 1.2 | 1.1 | 3.6 | 3.4 | 3.1 | 3.8 | 3.7 | 3.5 | 3.1 | 3.0 | 2.8 | 0.3 | 0.2 | 0.2 | 12.0 | 12.3 | 12.8 | 12.4 | |
| Median | | | | | 10.5 | 10.4 | 9.8 | 1.3 | 1.2 | 1.1 | 3.5 | 3.2 | 3.0 | 3.8 | 3.6 | 3.4 | 3.3 | 3.1 | 2.9 | 0.3 | 0.2 | 0.2 | 14.0 | 13.7 | 14.1 | 16.8 | |
| Malaysia | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Telekom Malaysia | T MK Equity | 5,847 | 7 | | 14.1 | 13.7 | 12.7 | 2.2 | 2.1 | 2.1 | | | | 5.7 | 5.6 | 5.5 | 5.8 | 5.6 | n.a | (0.0) | 0.0 | n.a | 15.9 | 15.7 | n.a | 6.8 | |
| Axiata Group | AXIATA MK Equity | 3,873 | 2 | | 16.3 | 14.1 | n.a | 0.8 | 0.8 | n.a | | | | 4.9 | 4.8 | 4.6 | 1.9 | 1.9 | n.a | 0.9 | 0.9 | n.a | 4.4 | 4.9 | n.a | 28.0 | |
| Celcomdigi Berhad | CDB MK Equity | 9,282 | 3 | | 19.5 | 18.3 | 12.9 | 2.5 | 2.5 | n.a | | | | 8.6 | 8.6 | 8.6 | 8.0 | 7.8 | n.a | 0.7 | 0.7 | 0.6 | 12.5 | 12.8 | 14.8 | 5.4 | |
| Maxis Berhad | MAXIS MK Equity | 6,127 | 3 | | 17.2 | 16.7 | 16.0 | 4.4 | 4.3 | n.a | | | | 8.5 | 8.4 | 8.0 | 8.0 | 7.8 | n.a | 1.2 | 1.0 | 1.0 | 25.5 | 25.1 | 24.0 | 5.8 | |
| Total | | 25,128 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Simple average | | | | | 16.8 | 15.7 | 13.9 | 2.5 | 2.4 | n.a | | | | 6.9 | 6.9 | 6.7 | 5.9 | 5.7 | n.a | 0.7 | 0.7 | n.a | 14.6 | 14.6 | n.a | 11.5 | |
| Median | | | | | 16.7 | 15.4 | 12.9 | 2.4 | 2.3 | n.a | | | | 7.1 | 7.0 | 6.7 | 6.9 | 6.7 | n.a | 0.8 | 0.8 | n.a | 14.2 | 14.3 | n.a | 6.3 | |
| India | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bharti Airtel | BHARTI IN Equity | 127,645 | 1,823 | | 48.2 | 36.8 | 27.5 | 9.9 | 8.2 | 6.7 | | | | 14.3 | 11.9 | 10.4 | 15.3 | 13.0 | 11.5 | 1.7 | 1.0 | 0.6 | 24.0 | 24.3 | 27.6 | 74.2 | |
| Vodafone Idea | IDEA IN Equity | 9,196 | 7 | | n.a | n.a | n.a | n.a | n.a | n.a | | | | 17.2 | 14.9 | 12.2 | 12.7 | 50.8 | 15.5 | (2.0) | (1.7) | (1.8) | 25.9 | 20.0 | 17.7 | (11.2) | |
| Reliance Jio | RELIANCE IN Equi | 195,810 | 1,239 | | 23.7 | 20.6 | 18.0 | 1.9 | 1.7 | 1.7 | | | | 11.7 | 10.4 | 9.3 | 12.0 | 11.3 | 10.4 | 0.3 | 0.2 | 0.2 | 8.5 | 9.2 | 9.6 | 11.2 | |
| Total | | 332,651 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Simple average | | | | | 35.9 | 28.7 | 22.8 | 9.9 | 4.9 | 4.2 | | | | 14.4 | 12.4 | 10.6 | 13.3 | 25.0 | 12.5 | 0.0 | (0.1) | (0.4) | 19.5 | 17.8 | 18.3 | 24.7 | |
| Median | | | | | 35.9 | 28.7 | 22.8 | 9.9 | 4.9 | 4.2 | | | | 14.3 | 11.9 | 10.4 | 12.7 | 13.0 | 11.5 | 0.3 | 0.2 | 0.2 | 24.0 | 20.0 | 17.7 | 11.2 | |
| Thailand | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advanced Info Service | ADVANC TB Equity | 25,430 | 284 | | 21.5 | 19.9 | 18.6 | 8.2 | 8.0 | 7.7 | | | | 8.9 | 8.6 | 8.4 | 8.1 | 7.8 | 7.7 | 1.5 | 1.1 | 1.2 | 39.3 | 40.1 | 40.9 | 8.9 | |
| True Corp. | TRUE TB Equity | 12,171 | 12 | | 20.8 | 17.4 | 11.2 | 3.9 | 4.0 | 3.6 | | | | 7.3 | 7.1 | 6.6 | 4.5 | 4.3 | n.a | 3.8 | 3.2 | n.a | 20.4 | 21.3 | 23.8 | 32.1 | |
| Total | | 37,600 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Simple average | | | | | 21.2 | 18.6 | 14.9 | 6.0 | 6.0 | 5.7 | | | | 8.1 | 7.9 | 7.5 | 6.3 | 6.1 | 7.7 | 2.7 | 2.2 | 1.2 | 29.8 | 30.7 | 32.4 | 20.5 | |
| Median | | | | | 21.2 | 18.6 | 14.9 | 6.0 | 6.0 | 5.7 | | | | 8.1 | 7.9 | 7.5 | 6.3 | 6.1 | 7.7 | 2.7 | 2.2 | 1.2 | 29.8 | 30.7 | 32.4 | 20.5 | |

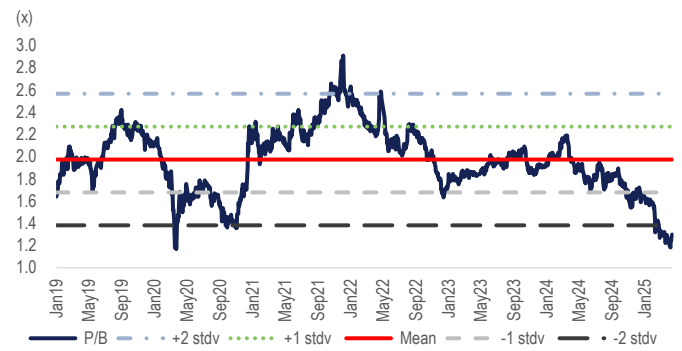
Source: Company, Indo Premier

Fig. 5: Sector's forward PE band



Source: Company, Indo Premier

Fig. 6: Sector's forward PB band



Source: Company, Indo Premier

Fig. 7: Sector's forward EV/EBITDA band



Source: Company, Indo Premier

Fig. 8: Sector's forward adjusted EV/EBITDA band



Source: Company, Indo Premier

Fig. 9: ISAT's forward PE band



Source: Company, Indo Premier

Fig. 10: ISAT's forward PB band



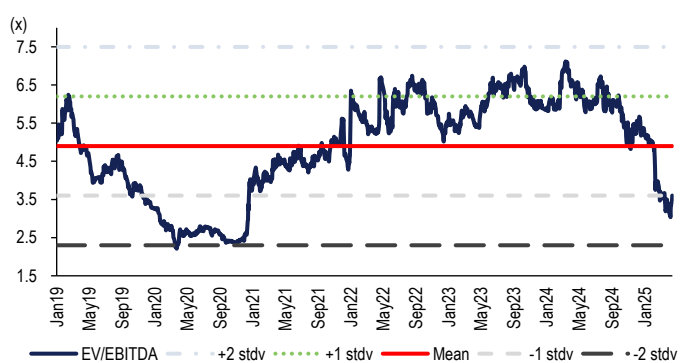
Source: Company, Indo Premier

Fig. 11: ISAT's forward EV/EBITDA band



Source: Company, Indo Premier

Fig. 12: ISAT's forward adjusted EV/EBITDA band



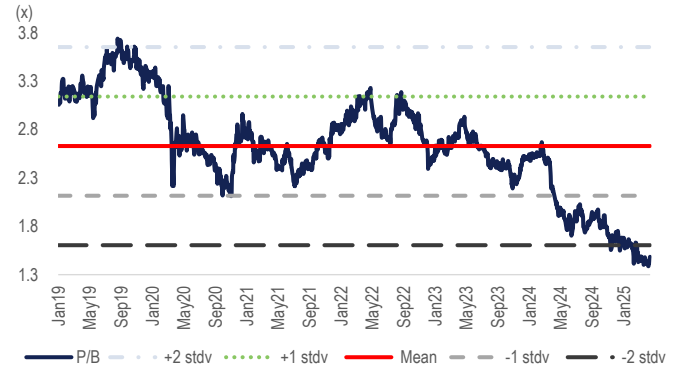
Source: Company, Indo Premier

Fig. 13: TLKM's forward PE band



Source: Company, Indo Premier

Fig. 14: TLKM's forward PB band



Source: Company, Indo Premier

Fig. 15: TLKM's forward EV/EBITDA band



Source: Company, Indo Premier

Fig. 16: TLKM's forward adjusted EV/EBITDA band



Source: Company, Indo Premier

Fig. 17: EXCL's forward PE band



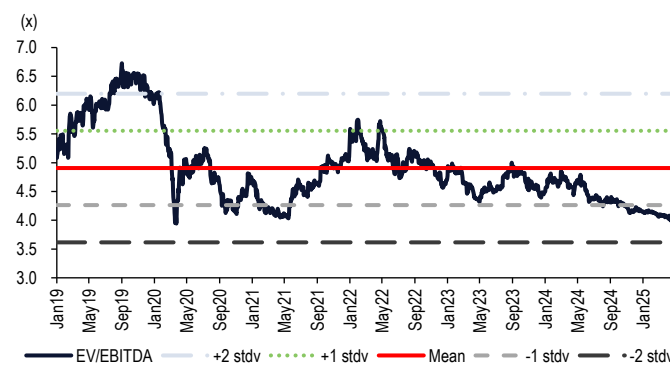
Source: Company, Indo Premier

Fig. 18: EXCL's forward PB band



Source: Company, Indo Premier

Fig. 19: EXCL's forward EV/EBITDA band



Source: Company, Indo Premier

Fig. 20: EXCL's forward adjusted EV/EBITDA band



Source: Company, Indo Premier

SECTOR RATINGS

- OVERWEIGHT : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY RATINGS

- BUY : Expected total return of 10% or more within a 12-month period
- HOLD : Expected total return between -10% and 10% within a 12-month period
- SELL : Expected total return of -10% or worse within a 12-month period

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The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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