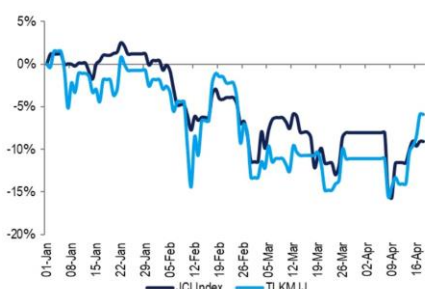


Stock Data

Target price	Rp2,750
Prior TP	Rp2,750
Current price	2.550
Upside/downside	7,8%
Shares outstanding (mn)	99.062
Market cap (Rp bn)	252.609
Free float	44%
Avg. 6m daily T/O (Rp bn)	296

Price Performance

	3M	6M	12M
Absolute	(4,14)	(17,74)	(19,05)
Relative to JCI	6,22	(0,57)	(9,89)
52w low/high (Rp)	2,310 – 3,510		



Major Shareholders

Republic of Indonesia	52.1%
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In line FY24 results with soft data yield

- FY24 revenue was in line, supported by non-data revenue. FY24 mobile data yield was soft and still declined by 5% qoq in 4Q24.
- FY24 EBITDA and core NP were Rp75tr (-3.3% yoy) and Rp23.4tr (-7.1% yoy), respectively, and came in line with our and consensus estimates.
- We retain our HOLD call for TLKM. We anticipate 1Q25F results could be soft while soft FY24 data yield may also lead to potential earnings cut.

In line FY24 mobile revenue, supported by non-data revenue

Total implied mobile revenue was Rp24.5tr in 4Q24 (+2.3% qoq) and Rp98tr in FY24 (-2.0% yoy), in line with our estimate, including Rp10.5tr legacy revenue (above our estimate – 116%), Rp78.3tr mobile data revenue (slightly below our estimate), and interconnection revenue of Rp9.2tr (in line with our estimate). At the end of FY24, mobile subscribers stood at 159.4mn, in line with our estimate, improving by 1% from the end of 9M24. This led to improved 4Q24 ARPU to Rp44k/month (+2.1% qoq) with FY24 ARPU of Rp44.4k/month (-6.5% yoy). The miss in mobile data revenue was attributed to a miss in data yield of Rp3.6/MB in 4Q24, which declined by 5% qoq, leading to FY24 data yield of Rp3.8/MB (-12% yoy, or 96% of our estimate). We previously estimated mobile data yield could improve by 11.4% qoq in 4Q24. Meanwhile, average monthly data traffic per subscriber in FY24 was in line with our estimate, at 13.2GB (13% yoy or +1.5GB yoy).

In line FTTH revenue in FY24

Indihome B2C revenue was Rp9.7tr in 4Q24 (-1.3% qoq), with FY24 revenue of Rp26.3tr (-9% yoy), in line with our estimates. Indihome blended ARPU was Rp232.9k in 4Q24 (-0.8% qoq), while FY24 ARPU was Rp237.6 (-6.0% yoy), also in line with our estimate. At the end of FY24, total subscribers stood at 10.8mn (+7% yoy), with a net add of 769k subscribers, in line with ours.

Retain HOLD call with potential earnings downgrade

Overall, FY24 results was in line. 4Q24 total revenue was Rp37.7tr (+2.2% qoq), with FY24 revenue of Rp149.9tr (+0.5% yoy), in line with our/consensus estimates. 4Q24 EBITDA was Rp18.4tr (-1.9% qoq), with FY24 EBITDA of Rp75.0tr (-3.3% yoy), also in line with our/consensus estimates. 4Q24 EBITDA margin was 48.7%, while FY24 EBITDA margin stood at 50%, in line with our estimate. 4Q24 core NP was Rp5.3tr (-7.8% qoq), with FY24 core NP of Rp23.4tr (-7.1% yoy), in line with our and consensus estimates. However, we maintain our HOLD call for TLKM with an unchanged TP of Rp2,750/sh. We expect a soft 1Q25F ([see our previous note](#)), while the soft FY24 data yield could also potentially lead to earnings downgrade in FY25F.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	149,216	149,967	155,376	160,045	165,699
EBITDA	77,579	75,029	80,009	82,618	85,722
EBITDA growth	-2%	-3%	7%	3%	4%
Core net profit	25,172	23,396	23,851	24,053	25,611
Core EPS	254	236	241	243	259
Core EPS growth	-2%	-7%	2%	1%	6%
ROE	16%	15%	14%	14%	14%
PER (x)	10.0	10.8	10.6	10.5	9.9
Adjusted EV/EBITDA (x)	4.1	4.3	3.7	3.7	3.6
Dividend yield	7%	7%	8%	8%	8%
Forecast change			N/A	N/A	N/A
IPS vs Cons.			93%	89%	84%

Source: Company, Indo Premier

Share price closing as of: 17 April 2025

Fig. 1: FY24 results review

In Rp bn, unless otherwise stated	FY24A	FY24F	% YoY	4Q24A	4Q24F	% YoY	3Q24A	% QoQ	% FY24 vs. IPSe	% FY24 vs. Cons
Revenue	149,967	149,608	1%	37,748	37,389	-1%	36,927	2%	100%	99%
Operating expenses	(107,581)	(107,210)	3%	(27,739)	(27,368)	-1%	(27,739)	0%	100%	
Operating profit	42,386	42,398	-6%	10,009	10,021	1%	10,009	0%	100%	
EBITDA	75,029	75,575	-3%	18,402	18,948	-1%	18,402	0%	99%	98%
Other income/(expense)	(3,233)	(4,232)	-22%	(473)	(1,472)	-67%	(473)	0%	76%	
Pre-tax profit	39,153	38,166	-4%	9,536	8,549	12%	9,536	0%	103%	
Taxes	(8,410)	(8,397)	-2%	(1,814)	(1,801)	7%	(1,814)	0%	100%	
Net profit	23,649	22,614	-4%	5,974	4,939	18%	5,974	0%	105%	
Core profit	23,396	23,109	-7%	5,331	5,043	-3%	5,331	0%	101%	98%
Margin (%)										
EBITDA margin	50.0%	50.5%		48.7%	50.7%		49.8%			
Core net margin	15.6%	15.4%		14.1%	13.5%		14.4%			
Operational data - Mobile										
Data traffic (PB)	20,386	20,159	14%	5,484	5,257	18%	5,149	7%	101%	
Avg. monthly data traffic/subs (GB)	13	13	13%	-	-	-	-	-	101%	
Data yield (Rp/MB) - implied	3.8	4.0	-12%	3.6	4.2	-22%	3.7	-5%	96%	
Blended ARPU (Rp k/month) - implied	44.4	44.5	-7%	44.0	46.2	-5%	43	2%	100%	
Mobile subs (mn people) - implied	159.4	159.8	0%	160.4	159.9	0%	157.0	2%	100%	
Operational data - FBB										
FBB ARPU (Rp k/month) - implied	237.6	234.1	-6%	232.9	227.6	-8%	239.2	-3%	102%	
FBB subs (k) - implied	10,818.0	10,935.0	8%	10,901.0	10,935.1	8%	10,907.0	0%	99%	
Nett add/(reduction) of subs (k) - yoy	769.0	886.0	-8%	-	-	-	-	-	87%	

Source: Company, Indo Premier

Fig. 2: FY24 revenue compared to our estimates

Revenue breakdown	FY24A	FY24F	% of IPS
Total mobile revenue	98,017	98,806	99%
Legacy	10,544	9,102	116%
Data	78,286	80,637	97%
Interconnection	9,187	9,067	101%
Indihome - B2C	26,262	25,848	102%
Others	25,688	24,954	103%
Total revenue	149,967	149,608	100%

Source: Company report, Indo Premier

Fig. 3: Telco sector valuation comparisons – based on 17 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\$mn)	(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	14,966	2,550	2,750	10.8	10.7	10.1	1.5	1.5	1.4	4.1	4.0	3.9	4.1	4.0	3.9	4.3	4.1	3.9	0.2	0.2	0.2	14.0	13.7	14.1	3.5			
Indosat Ooredoo Hutchison	ISAT IJ Equity	3,315	1,735	2,220	9.3	8.0	7.3	1.4	1.3	1.2	3.7	3.4	3.2	3.9	3.6	3.4	3.6	3.4	3.1	0.3	0.3	0.2	14.9	15.8	16.2	16.9			
XL Axiata	EXCL IJ Equity	2,351	2,180	2,820	15.1	13.6	11.9	1.1	1.0	1.0	3.3	3.0	2.6	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		20,632																											
Simple average					11.7	10.8	9.7	1.3	1.3	1.2	3.7	3.5	3.2	3.9	3.8	3.6	3.3	3.1	2.9	0.3	0.2	0.2	12.0	12.3	12.8	12.4			
Median					10.8	10.7	10.1	1.4	1.3	1.2	3.7	3.4	3.2	3.9	3.6	3.4	3.6	3.4	3.1	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	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	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	1.2	1.0	1.0	25.5	25.1	24.0	5.8
Total		25,128												6.9	6.9	6.7	5.9	5.7	n.a	0.7	0.7	n.a	0.7	0.7	n.a	14.6	14.6	n.a	11.5
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)	(2.0)	(1.7)	(1.8)	25.9	20.0	17.7	(11.2)
Reliance Jio	RELIANCE IN Equity	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	0.3	0.2	0.2	8.5	9.2	9.6	11.2
Total		332,651												14.4	12.4	10.6	13.3	25.0	12.5	0.0	(0.1)	(0.4)	0.0	(0.1)	(0.4)	19.5	17.8	18.3	24.7
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	3.8	3.2	n.a	20.4	21.3	23.8	32.1
Total		37,600												8.1	7.9	7.5	6.3	6.1	7.7	2.7	2.2	1.2	2.7	2.2	1.2	29.8	30.7	32.4	20.5
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. 4: Sector's forward PE band



Source: Company, Indo Premier

Fig. 5: Sector's forward PB band



Source: Company, Indo Premier

Fig. 6: Sector's forward EV/EBITDA band



Source: Company, Indo Premier

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



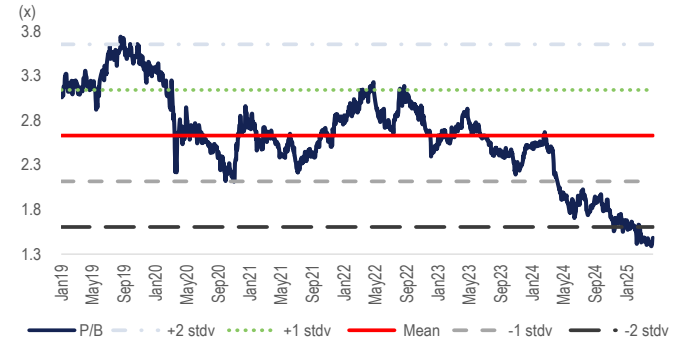
Source: Company, Indo Premier

Fig. 8: TLKM's forward PE band



Source: Company, Indo Premier

Fig. 9: TLKM's forward PB band



Source: Company, Indo Premier

Fig. 10: TLKM's forward EV/EBITDA band



Source: Company, Indo Premier

Fig. 11: TLKM's forward adjusted EV/EBITDA band



Source: Company, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	149,216	149,967	155,376	160,045	165,699
Operating expenses	(104,300)	(107,581)	(111,042)	(115,503)	(120,150)
Operating profit	44,916	42,386	44,334	44,542	45,549
EBITDA	77,579	75,029	80,009	82,618	85,722
Net interest	(3,591)	(3,841)	(4,228)	(3,890)	(3,915)
Forex gain (loss)	(36)	136	-	-	-
Others	(495)	472	(635)	(635)	(635)
Pre-tax income	40,794	39,153	39,471	40,016	40,999
Income tax	(8,586)	(8,410)	(8,684)	(8,804)	(9,020)
Minority interest	(7,648)	(7,094)	(7,432)	(7,655)	(6,863)
Net income	24,560	23,649	23,356	23,558	25,116
Core net profit	25,172	23,396	23,851	24,053	25,611

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalents	29,007	33,905	18,940	14,633	13,879
Receivables	10,667	12,193	12,948	13,337	13,808
Other current assets	15,939	16,982	16,022	16,065	16,110
Total current assets	55,613	63,080	47,909	44,035	43,797
Fixed assets	180,755	180,566	194,133	198,593	201,784
Other non-current assets	50,674	56,029	61,491	66,143	70,371
Total non-current assets	231,429	236,595	255,624	264,736	272,155
Total assets	287,042	299,675	303,534	308,771	315,952
Payables	18,608	15,336	19,895	20,694	21,527
Other current liab.	27,459	28,549	26,136	25,464	24,786
Lease liabilities	5,575	5,491	6,614	6,614	6,614
Current portion of LT loans	19,926	27,391	24,324	23,990	23,990
Total current liab.	71,568	76,767	76,969	76,762	76,917
Lease liabilities	14,850	18,468	22,975	24,167	24,924
Long term loans	27,773	25,518	20,543	19,922	19,922
Other LT liab.	16,289	16,432	16,289	16,289	16,289
Total liabilities	130,480	137,185	136,776	137,140	138,052
Equity	17,303	17,161	17,303	17,303	17,303
Retained earnings	118,441	124,933	128,637	133,510	139,779
Minority interest	20,818	20,396	20,818	20,818	20,818
Total SHE + minority int.	156,562	162,490	166,758	171,631	177,900
Total liabilities & equity	287,042	299,675	303,534	308,771	315,952

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net income	24,560	23,649	23,356	23,558	25,116
Depr. & amortization	15,892	12,944	35,662	38,063	40,160
Changes in working capital	(2,827)	(5,864)	169	367	316
Others	22,956	-	-	-	-
Cash flow from operating	60,581	30,729	59,187	61,988	65,592
Capex (i.e. FA and RoU)	(25,995)	(17,792)	(46,775)	(47,175)	(47,579)
Others	(10,914)	795	(665)	(672)	(678)

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash flow from investing	(36,909)	(16,997)	(47,440)	(47,846)	(48,257)
Loans	3,319	5,210	(2,887)	(955)	-
Lease	1,114	3,534	1,925	1,191	757
Equity	756	(564)	-	-	-
Dividends	(16,603)	(17,683)	(18,091)	(18,685)	(18,846)
Others	(15,153)	669	-	-	-
Cash flow from financing	(26,567)	(8,834)	(19,053)	(18,449)	(18,089)
Changes in cash	(2,895)	4,898	(7,306)	(4,307)	(754)

Key Ratios	2023A	2024A	2025F	2026F	2027F
EBITDA margin	52%	50%	51%	52%	52%
Pre-tax margin	27%	26%	25%	25%	25%
Net margin	16%	16%	15%	15%	15%
ROA	9%	8%	8%	8%	8%
ROE	16%	15%	14%	14%	14%
ROIC	18%	16%	16%	15%	15%
Acct. receivables TO (days)	23	30	30	30	30
Acct. payables TO (days)	64	65	65	65	65
Net debt/EBITDA (inc. leases) (x)	0.5	0.6	0.7	0.7	0.7
Net debt/EBITDA (ex. leases) (x)	0.2	0.3	0.3	0.4	0.4
Interest coverage (x)	10	8	10	11	11

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

ANALYSTS CERTIFICATION

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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