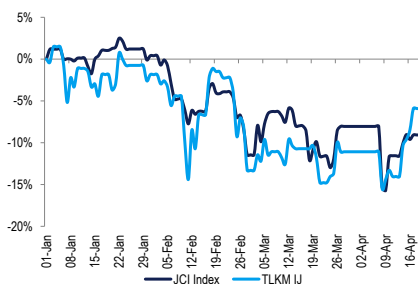


Stock Data

Target price	Rp2,750
Prior TP	Rp2,750
Current price	2.570
Upside/downside	7.0%
Shares outstanding (mn)	99.062
Market cap (Rp bn)	254,590
Free float	48%
Avg. 6m daily T/O (Rp bn)	296

Price Performance

	3M	6M	12M
Absolute	-2.3%	-17.1%	-18.4%
Relative to JCI	7.9%	-0.0%	-9.4%
52w low/high (Rp)	2,290 – 3,250		



Major Shareholders

Republic of Indonesia	52.1%
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FY25F growth may remain muted amid soft data yield; maintain Hold

- In FY25F, TLKM guides for stabilizing mobile ARPU outlook though data yield could remain soft.
- It guides for a low single digit revenue growth with stabilizing EBITDA margin, ranging at 50-52%. This is in-line with our revised estimates.
- Retain our HOLD call. Despite muted growth outlook, potential higher DPR and share buyback could be supportive for ST stock performance.

Stabilizing mobile ARPU outlook though data yield to remain soft

During the earnings call, TLKM guided for stabilizing mobile ARPU, though data yield could remain soft in FY25F amid challenging macro environment and persistent competition. More positively, after increasing the entry starter pack price, it is in the process of simplifying its package offerings to support ARPU improvement. However, we view this may take some time to materialize. We cut our FY25-27F data yield estimates by 4% p.a. to Rp3.6-3.8k/MB (-2% yoy p.a.), but maintain our FY25-27F subscriber estimates at 159.8mn p.a., flat vs FY24. We also keep our data traffic forecast unchanged, implying 14-16 GB/subscriber (+7% yoy p.a., +0.9-1GB p.a.) in FY25-27F. These revisions result in a -3% to -7% change in FY25-27F ARPU. We estimate FY25F ARPU at Rp45.5k (+2% yoy).

Pricing in more conservative FTTH assumptions

TLKM targets subscriber growth of up to 1mn p.a. but gave no clear ARPU guidance. We now estimate FY25-27F net subscriber additions at 800k p.a. (1-2% lower than previous estimates), in-line with the past two-year average. We also cut FY25-27F ARPU assumptions by 4-13% to Rp202.6-224.4k/month, implying -5% yoy. This reflects potential lower ARPU from lower Indihome pricing and a higher share of EzNet subscribers.

Retain our HOLD call

Overall, we slightly cut FY25-27F core NP by 1-2%. We estimate growth in FY25F to remain muted, with 4% yoy EBITDA and 1% yoy core NP. We estimate for 51% EBITDA margin, in-line with its guidance. On a more positive note, TLKM plans a higher DPR (see [Fig.1](#) for sensitivity) and targets lower capex-to-revenue at 17-19% (vs. LT mean: 23%). It also plans a share buyback of up to Rp3tr within May25 - May26, pending AGM approval on 27th of May 2025 which shall support short-term stock performance. We retain our HOLD call with an unchanged TP of Rp2,750, now based on 4.4x 12M fwd EV/EBITDA (1.5x below its LT mean). Key risks: worse-than-expected mobile and FTTH performances.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	149,216	149,967	152,996	157,802	163,124
EBITDA	77,579	75,029	77,994	80,425	83,522
EBITDA growth	-2%	-3%	4%	3%	4%
Core net profit	25,172	23,396	23,573	23,838	25,120
Core EPS	254	236	238	241	254
Core EPS growth	-2%	-7%	1%	1%	5%
ROE	16%	15%	14%	14%	14%
PER (x)	10.1	10.9	10.8	10.7	10.1
Adjusted EV/EBITDA (x)	4.1	4.3	4.1	3.9	3.7
Dividend yield	7%	7%	7%	7%	8%
Forecast change			-1.2%	-0.9%	-1.9%
IPS vs Cons.			95%	91%	94%

Source: Company, Indo Premier

Share price closing as of: 21 April 2025

Fig. 1: Dividend sensitivity based on FY24 earnings (yield is based on last closing price)

DPR	Value	Yield
70%	16,554	6.5%
75%	17,737	7.0%
80%	18,919	7.4%
85%	20,102	7.9%
90%	21,284	8.4%
95%	22,467	8.8%
100%	23,649	9.3%

Source: Indo Premier

Notes: highlighted ratio is our assumption

Fig. 2: Unchanged TP of Rp2,750/share

Adjusted EV/EBITDA valuation	
Debt (Rp bn)	51,565.67
Market cap (Rp bn)	275,238.74
Cash (Rp bn)	37,988.15
Minority interest (Rp bn)	20,396.00
Adj. EBITDA (Rp bn)	70,920.24
Implied EV (Rp bn)	309,212.26
Adjusted EV /EBITDA (x)	4.4
TP/sh (Rp)	2,778.44
Last px (Rp)	2,570
Potential upside/downside	8%

Source: Indo Premier

Fig. 3: Earnings forecast change

In Rp bn, unless otherwise stated	Previous			Current			Change, %		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Profit & Loss									
Revenue	155,376	160,045	165,699	152,996	157,802	163,124	-2%	-1%	-2%
Operating expense	(111,042)	(115,503)	(120,150)	(109,548)	(113,662)	(117,314)	-1%	-2%	-2%
EBIT	44,334	44,542	45,549	43,448	44,140	45,809	-2%	-1%	1%
EBITDA	80,009	82,618	85,722	77,994	80,425	83,522	-3%	-3%	-3%
Other income/(expense)	(4,863)	(4,525)	(4,550)	(4,434)	(4,508)	(4,203)	-9%	0%	-8%
Pre-tax profit	39,471	40,016	40,999	39,015	39,633	41,606	-1%	-1%	1%
Taxes	(8,684)	(8,804)	(9,020)	(8,583)	(8,719)	(9,153)	-1%	-1%	1%
Core profit	23,851	24,053	25,611	23,573	23,838	25,120	-1%	-1%	-2%
Core EPS (Rp)	241	243	259	238	241	254	-1%	-1%	-2%
Annual growth, %									
Revenue	4%	3%	4%	2%	3%	3%			
EBIT	5%	0%	2%	3%	2%	4%			
EBITDA	7%	3%	4%	4%	3%	4%			
Pretax profit	1%	1%	2%	0%	2%	5%			
Net profit	-1%	1%	7%	0%	1%	5%			
Core net profit	2%	1%	6%	1%	1%	5%			
EPS	-1%	1%	7%	0%	1%	5%			
Core EPS (Rp)	2%	1%	6%	1%	1%	5%			
Profitability, %									
EBIT margin	29%	28%	27%	28%	28%	28%			
EBITDA margin	51%	52%	52%	51%	51%	51%			
Net profit margin	15%	15%	15%	16%	15%	15%			
Core net profit margin	15%	15%	15%	15%	15%	15%			

Source: Company, Indo Premier

Fig. 4: Operational forecast change

Operational data	Previous			Current			Change, %		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Mobile									
Data traffic (PB)	21,772	23,296	24,927	21,772	23,296	24,927	0%	0%	0%
Data yield (Rp/MB)	3.9	3.8	3.8	3.8	3.7	3.6	-4%	-4%	-4%
Blended ARPU (Rp k/month)	48.8	48.8	50.5	45.5	47.1	49.2	-7%	-4%	-3%
Mobile subs (mn people)	159.8	159.8	159.8	159.8	159.8	159.8	0%	0%	0%
FBB									
FBB ARPU (Rp k/month)	234.05	234.05	234.05	224.44	213.22	202.56	-4%	-9%	-13%
FBB subs (k)	11,785	12,635	13,485	11,618	12,418	13,218	-1%	-2%	-2%
Other									
BTS	304,278	331,797	358,743	295,185	318,823	341,964	-3%	-4%	-5%
Annual growth, %									
Data traffic (PB)	7%	7%	7%	7%	7%	7%			
Data yield (Rp/MB)	2%	-2%	-2%	-2%	-2%	-2%			
Blended ARPU (Rp k/month)	10%	0%	4%	2%	4%	4%			
Mobile subs (mn people)	0%	0%	0%	0%	0%	0%			
FBB ARPU (Rp k/month)	-1%	0%	0%	-6%	-5%	-5%			
FBB subs (k)	9%	7%	7%	7%	7%	6%			
BTS	12%	9%	8%	9%	8%	7%			

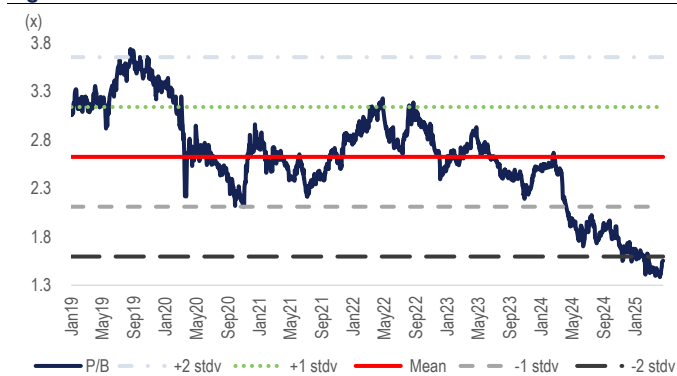
Source: Company, Indo Premier

Fig. 5: Revenue breakdown forecast change

In Rp bn, unless otherwise stated	Previous			Current			Change, %		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Revenue breakdown									
Total mobile revenue	102,605	105,934	110,283	99,193	102,356	106,531	49%	49%	48%
Legacy	8,192	7,373	7,373	8,192	7,373	7,373	0%	0%	0%
Data	85,346	89,494	93,843	81,934	85,916	90,092	-4%	-4%	-4%
Interconnection	9,067	9,067	9,067	9,067	9,067	9,067	0%	0%	0%
Indihome - B2C	28,641	30,707	32,773	27,076	27,493	27,801	-5%	-10%	-15%
Others	24,130	23,404	22,643	26,727	27,953	28,791	11%	19%	27%
Total revenue	155,376	160,045	165,699	152,996	157,802	163,124	-2%	-1%	-2%
Annual growth, %									
Total mobile revenue	5%	3%	4%	2%	3%	3%			
Legacy	-22%	-10%	0%	-22%	-10%	0%			
Data	9%	5%	5%	5%	5%	5%			
Interconnection	-1%	0%	0%	-1%	0%	0%			
Indihome - B2C	9%	7%	7%	3%	2%	1%			
Others	-6%	-3%	-3%	4%	5%	3%			

Source: Company, Indo Premier

Fig. 6: TLKM – forward P/B band



Source: Company, Indo Premier

Fig. 7: TLKM – forward P/E band



Source: Company, Indo Premier

Fig. 8: TLKM – forward EV/EBITDA band



Source: Company, Indo Premier

Fig. 9: TLKM – forward adjusted EV/EBITDA Band



Source: Company, Indo Premier

Fig. 10: Telco sector valuation comparisons – based on 21 April 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	2,570	2,750	10.8	10.7	10.1	1.5	1.5	1.4	4.1	3.9	3.7	4.1	3.9	3.8	4.3	4.2	4.0	0.2	0.2	0.2	14.0	13.7	14.1	3.5	
Indosat Ooredoo Hutchison	ISAT IJ Equity	3,315	1,680	2,220	9.0	7.7	7.0	1.3	1.2	1.1	3.6	3.3	3.1	3.8	3.6	3.4	3.5	3.2	3.0	0.3	0.3	0.2	14.9	15.8	16.2	16.9	
XL Axiata	EXCL IJ Equity	2,351	2,120	2,820	14.7	13.2	11.5	1.0	1.0	0.9	3.2	2.9	2.6	3.7	3.6	3.4	1.9	1.8	1.7	0.3	0.2	0.1	7.0	7.5	8.1	16.8	
Total		20,632																									
Simple average					11.5	10.5	9.6	1.3	1.2	1.2	3.6	3.4	3.1	3.9	3.7	3.5	3.2	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	1.3	1.2	1.1	3.6	3.3	3.1	3.8	3.6	3.4	3.5	3.2	3.0	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	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	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	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	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	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	6.3	6.1	7.7	2.7	2.2	1.2	29.8	30.7	32.4	20.5	

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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