INDOPREMIER

# Telekomunikasi Indonesia

**BUY** *(unchanged)*

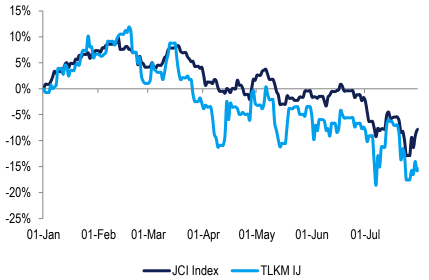
***Company Update | Telecommunications | TLKM IJ | 25 September 2025***

**Stock Data**

| | |
|---|---|
| **Target price** | **Rp3,800** |
| *Prior TP* | *Rp3,700* |
| Current price | 3,120 |
| *Upside/downside* | 20% |
| Shares outstanding (mn) | 99.062 |
| Market cap (Rp bn) | 309,074 |
| Free float | 48% |
| Avg. 6m daily T/O (Rp bn) | 317 |

**Price Performance**

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute | 19.1 | 33.3 | -2.2 |
| Relative to JCI | 1.4 | 4.4 | -6.1 |
| 52w low/high (Rp) | | | 2,290-3,250 |




**Major Shareholders**

| | |
|---|---|
| Republic of Indonesia | 52.1% |

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## 3Q25F preview: expecting sequential qoq improvement; upgrading our TP

- We estimate EBITDA in 3Q25F could improve by +6% qoq, supported by higher mobile ARPU and a stable subscriber base.
- The latest management changes shall be supportive, while efficiency and restructuring initiatives are on track.
- We retain our BUY call on TLKM with higher TP of Rp3,800.

**3Q25F results preview: expecting improvement**

Based on our monthly survey, the average TSEL ARPU in 3Q25 improved by +13%/+27% for SIM cards with monthly spending of <Rp50k/>Rp50k, respectively. Assuming ARPU improves by 6% qoq, with data yield/traffic rising by 1%/5% qoq and a stable subscriber base, we estimate 3Q25F EBITDA at Rp18.9tr (+6% qoq), in line with consensus estimates.

**Latest management change is a positive**

On 16 Sep 2025, TLKM, through an EGMS, named Andy Kelana, founding partner of a law firm in Indonesia formed in 2001, as the new legal and compliance director. Andy is expected to safeguard the company's restructuring and planned corporate actions. TLKM also appointed Willy Saelan as director of human capital, ex-HR Director of UNVR IJ (BUY, TP Rp1,850), replacing Henry Chistiadi, who resigned effective 5th Sep25. Willy is expected to further improve efficiency, employee structure, and KPIs. Meanwhile, the company relieved Muhammad Awaluddin of his duties as Deputy CEO. It also dismissed Ismail from his role as commissioner and appointed Ira Novianti, ex- President Director of UNVR IJ during 2020–24, as an independent commissioner.

**On-track efficiency and restructuring plans – retain our BUY call**

Our discussion with TLKM indicates it remains on track to achieve Rp6tr in total savings: Rp3tr in opex and Rp3tr in capex, with potential upside to Rp8tr. Our model now assumes FY25F opex and revenue to decline by -2%/-1% yoy, respectively. The company is on track with its 50% asset transfer to InfraCo, targeting full completion next year. Post-transfer, TLKM may recycle part of its stake in InfraCo, which could support higher dividends. Additionally, TLKM also holds Rp50–60tr in property assets (book value) that could be monetized. It is also progressing with the divestment of Ad Medika, expected to generate proceeds of US$80–100mn. Overall, these developments are positive for TLKM. We lift our FY25–27F EBITDA estimates by 1-2%, driven by higher mobile revenue and lower opex. We retain our BUY call with a higher TP of Rp3,800 (5.8x EV/EBITDA FY26F).

| Financial Summary (Rp bn) | 2023A | 2024A | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| Revenue | 149,216 | 149,967 | 147,805 | 151,874 | 156,492 |
| EBITDA | 77,579 | 75,029 | 75,712 | 77,702 | 79,845 |
| EBITDA growth | -2% | -3% | 1% | 3% | 3% |
| Core net profit | 25,172 | 23,396 | 23,345 | 23,940 | 24,438 |
| Core EPS | 254 | 236 | 236 | 242 | 247 |
| Core EPS growth | -2% | -7% | 0% | 3% | 2% |
| ROE | 16% | 15% | 14.1% | 14.0% | 13.8% |
| PER (x) | 12.3 | 13.2 | 13.2 | 12.9 | 12.6 |
| Adjusted EV/EBITDA (x) | 4.9 | 5.1 | 5.0 | 4.8 | 4.7 |
| Dividend yield | 5% | 6% | 6.1% | 6% | 6% |
| Forecast change | | | N/A | N/A | N/A |
| IPS vs. consensus | | | 100% | 99% | 97% |

*Source: Company, Indo Premier* *Share price closing as of: 25 September 2025*

**Fig. 1: TLKM 3Q25F results preview**

| In Rp bn, unless otherwise state | 3Q25F* | 3Q24 | % YoY | 2Q25 | % QoQ | 9M25 | 9M24 | % YoY | IPS FY25F | % of IPS | Cons FY25F | % of Cons |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **36,714** | **36,927** | **-1%** | **36,365** | **1%** | **109,718** | **112,219** | **-2%** | **147,805** | **74%** | **150,367** | **73%** |
| Legacy revenue | 2,273 | 2,667 | -15% | 2,276 | 0% | 7,119 | 7,892 | -10% | | | | |
| Data revenue - inc indihome | 22,571 | 22,453 | 1% | 21,152 | 7% | 65,054 | 67,908 | -4% | | | | |
| Other revenue | 11,869 | 11,807 | 1% | 12,937 | -8% | 37,544 | 36,419 | 3% | | | | |
| Operating expenses | (26,050) | (26,289) | -1% | (26,639) | -2% | (79,151) | (79,842) | -1% | | | | |
| **Operating profit** | **10,663** | **10,638** | **0%** | **9,726** | **10%** | **30,566** | **32,377** | **-6%** | | | | |
| **EBITDA** | **18,969** | **18,759** | **1%** | **17,869** | **6%** | **55,070** | **56,627** | **-3%** | **75,712** | **73%** | **75,428** | **73%** |
| Other income/(expense) | (1,013) | (944) | 7% | (1,179) | -14% | (2,779) | (2,760) | 1% | | | | |
| **Pre-tax profit** | **9,650** | **9,694** | 0% | **8,547** | 13% | 27,787 | 29,617 | -6% | | | | |
| Taxes | (2,123) | (2,097) | **1%** | (2,018) | **5%** | **(6,134)** | **(6,596)** | **-7%** | | | | |
| **Net profit** | **5,985** | **5,914** | **1%** | **5,165** | **16%** | **16,960** | **17,675** | **-4%** | | | | |
| **Core profit** | **5,822** | **5,784** | **1%** | **5,658** | **3%** | **16,988** | **18,066** | **-6%** | **23,345** | **73%** | **23,239** | **73%** |
| | | | | | | | | | | | | |
| **Margin (%)** | | | | | | | | | | | | |
| Operating margin | 29.0% | 28.8% | 24 | 26.7% | 230 | 27.9% | 28.9% | (99) | | | | |
| EBITDA margin | 51.7% | 50.8% | 87 | 49.1% | 253 | 50.2% | 50.5% | (27) | | | | |
| Core net margin | 15.9% | 15.7% | 19 | 15.6% | 30 | 15.5% | 16.1% | (62) | | | | |
| | | | | | | | | | | | | |
| **Operational data - Mobile** | | | | | | | | | | | | |
| Data traffic (PB) | 6,234 | 5,149 | 21% | 5,938 | 5% | 17,950 | 14,903 | | | | | |
| Data yield (Rp/MB) | 3.1 | 3.7 | -17% | 3.1 | 1% | - | 3.9 | | | | | |
| Blended ARPU (Rp k/month) - implied | 44 | 43 | 1% | 41 | 6% | 44 | 45 | | | | | |
| Mobile subs (mn people) - implied | 158.4 | 158.4 | 0% | 158.4 | 0% | 158 | 158 | | | | | |
| | | | | | | | | | | | | |
| **Operational data - FBB** | | | | | | | | | | | | |
| FBB ARPU (Rp k/month) - implied | 186 | 235 | -21% | 190 | -2% | 186 | 239 | | | | | |
| FBB subs (k) - implied | 11,884 | 10,907 | 9% | 11,318 | 5% | 11,884 | 10,735 | | | | | |

**preview*

*Source: Indo Premier*

**Fig. 2: TLKM management changes**

| Position | Current | Previous | Experience / Notes |
|---|---|---|---|
| **BOARD OF DIRECTORS** | | | |
| CEO | Dini Siswarini | Dini Siswarini | |
| Deputy CEO | - | Muhammad Awaluddin | |
| Director of Legal and Compliance* | Andy Kelana | - | Founding partner of Adnan Kelana Haryanto & Hermanto |
| CFRO | Arthur Angelo Syallendra | Arthur Angelo Syallendra | |
| Director of Enterprise & Business Services | Veranita Yosephine | Veranita Yosephine | |
| Director of Networks | Nanang Hendarno | Nanang Hendarno | |
| Director of Business Strategy & Performance | Seno Soemadji | Seno Soemadji | |
| Director of Human Capital* | Willy Saelan | Henry Christiadi | Director of Human Resources at Unilever Indonesia (2016-2025) |
| Director of IT | Faizat Rochmad Djoemadi | Faizat Rochmad Djoemadi | |
| Director of Wholesale & International Services | Honesti Basyir | Honesti Basyir | |
| **BOARD OF COMMISSIONERS** | | | |
| President Commissioner | Angga Raka Prabowo | Angga Raka Prabowo | |
| Commissioner | Ossy Dermawan | Ossy Dermawan | |
| Commissioner | - | Ismail | |
| Commissioner | Rionald Silaban | Rionald Silaban | |
| Commissioner | Silmy Karim | Silmy Karim | |
| Commissioner | Rizal Mallarangeng | Rizal Mallarangeng | |
| Independent Commissioner* | Ira Novianti | - | President Director of Unilever Indonesia (2020-2024) |
| Independent Commissioner | Yohanes Surya | Yohanes Surya | |
| Independent Commissioner | Deswandhy Agusman | Deswandhy Agusman | |

*New appointment

*Source: Indo Premier*

**Fig. 3: Forecast changes**

| In Rp bn, unless otherwise stated | | | | | | | Change, % | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY25F | FY26F | FY27F | FY25F | FY26F | FY27F | FY25F | FY26F | FY27F |
| **Profit & Loss** | | | | | | | | | |
| Revenue | 146,401 | 150,517 | 155,100 | 147,805 | 151,874 | 156,492 | 1% | 1% | 1% |
| Operating expense | (106,362) | (109,840) | (113,437) | (105,318) | (108,471) | (112,376) | -1% | -1% | -1% |
| EBIT | 40,039 | 40,677 | 41,662 | 42,487 | 43,403 | 44,116 | 6% | 7% | 6% |
| EBITDA | 74,585 | 76,962 | 79,375 | 75,712 | 77,702 | 79,845 | 2% | 1% | 1% |
| Other income/(expense) | (4,155) | (4,083) | (3,878) | (4,155) | (4,083) | (3,878) | 0% | 0% | 0% |
| Pre-tax profit | 35,884 | 36,595 | 37,784 | 38,332 | 39,320 | 40,238 | 7% | 7% | 6% |
| Taxes | (7,895) | (8,051) | (8,313) | (8,433) | (8,650) | (8,852) | 7% | 7% | 6% |
| Net profit | 21,654 | 22,031 | 22,742 | 23,492 | 24,086 | 24,584 | 8% | 9% | 8% |
| Core profit | 21,507 | 21,884 | 22,596 | 23,345 | 23,940 | 24,438 | 9% | 9% | 8% |
| EPS | 219 | 222 | 230 | 237 | 243 | 248 | 8% | 9% | 8% |
| Core EPS (Rp) | 217 | 221 | 228 | 236 | 242 | 247 | 9% | 9% | 8% |
| **Annual growth, %** | | | | | | | | | |
| Revenue | -2% | 3% | 3% | -1% | 3% | 3% | | | |
| EBIT | -6% | 2% | 2% | 0% | 2% | 2% | | | |
| EBITDA | -1% | 3% | 3% | 1% | 3% | 3% | | | |
| Pretax profit | -8% | 2% | 3% | -2% | 3% | 2% | | | |
| Net profit | -8% | 2% | 3% | -1% | 3% | 2% | | | |
| Core net profit | -8% | 2% | 3% | 0% | 3% | 2% | | | |
| EPS | -8% | 2% | 3% | -1% | 3% | 2% | | | |
| Core EPS (Rp) | -8% | 2% | 3% | 0% | 3% | 2% | | | |
| **Profitability, %** | | | | | | | | | |
| EBIT margin | 27% | 27% | 27% | 29% | 29% | 28% | | | |
| EBITDA margin | 51% | 51% | 51% | 51% | 51% | 51% | | | |
| Net profit margin | 15% | 15% | 15% | 16% | 16% | 16% | | | |
| Core net profit margin | 15% | 15% | 15% | 16% | 16% | 16% | | | |

*Source: Indo Premier*

**Fig. 4: Forecast changes**

| Operational data | Previous | | | Current | | | Change, % | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY25F | FY26F | FY27F | FY25F | FY26F | FY27F | FY25F | FY26F | FY27F |
| **Mobile** | | | | | | | | | |
| Data traffic (PB) | 21,712 | 23,123 | 24,626 | 24,496 | 26,088 | 27,784 | 13% | 13% | 13% |
| Data yield (Rp/MB) | 3.5 | 3.4 | 3.3 | 3.1 | 3.1 | 3.0 | -10% | -10% | -10% |
| Blended ARPU (Rp k/month) | 43.1 | 44.3 | 46.1 | 44.0 | 45.3 | 47.0 | 2% | 2% | 2% |
| Mobile subs (mn people) | 156.4 | 156.4 | 156.4 | 156.4 | 156.4 | 156.4 | 0% | 0% | 0% |
| | | | | | | | | | |
| **FBB** | | | | | | | | | |
| FBB ARPU (Rp k/month) | 224.44 | 213.22 | 202.56 | 219.82 | 208.83 | 198.39 | -2% | -2% | -2% |
| FBB subs (k) | 11,618 | 12,418 | 13,218 | 11,678 | 12,478 | 13,278 | 1% | 0% | 0% |
| | | | | | | | | | |
| **Other** | | | | | | | | | |
| BTS | 295,185 | 318,823 | 341,964 | 293,775 | 316,313 | 338,660 | 0% | -1% | -1% |
| | | | | | | | | | |
| **Annual growth, %** | | | | | | | | | |
| Data traffic (PB) | 7% | 6% | 6% | 20% | 6% | 6% | | | |
| Data yield (Rp/MB) | -10% | -2% | -2% | -19% | -2% | -2% | | | |
| Blended ARPU (Rp k/month) | -3% | 3% | 4% | -1% | 3% | 4% | | | |
| Mobile subs (mn people) | -2% | 0% | 0% | -2% | 0% | 0% | | | |
| | | | | | | | | | |
| FBB ARPU (Rp k/month) | -6% | -5% | -5% | -7% | -5% | -5% | | | |
| FBB subs (k) | 7% | 7% | 6% | 8% | 7% | 6% | | | |

*Source: Indo Premier*

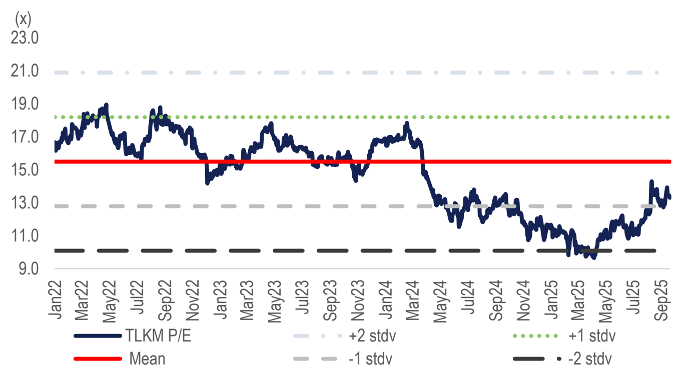
**Fig. 5: Sector's forward EV/EBITDA band**


*Source: Company, Indo Premier*

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

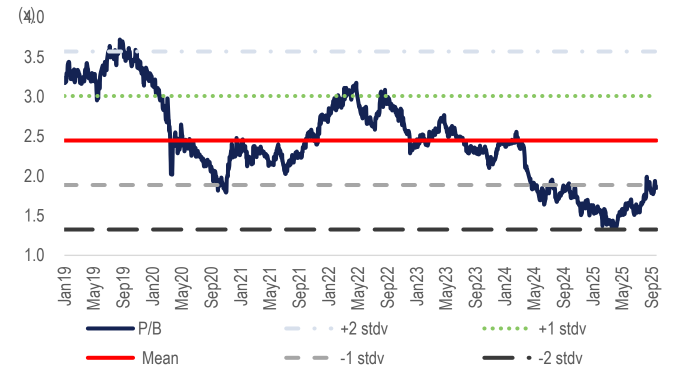

*Source: Company, Indo Premier*

**Fig. 7: TLKM's forward PE band**




*Source: Company, Indo Premier*

**Fig. 8: TLKM's forward PB band**




*Source: Company, Indo Premier*

**Fig. 9: TLKM's forward EV/EBITDA band**


*Source: Company, Indo Premier*

**Fig. 10: 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 | 147,805 | 151,874 | 156,492 |
| Cost of sales | - | - | - | - | - |
| **Gross profit** | **149,216** | **149,967** | **147,805** | **151,874** | **156,492** |
| Operating expenses | (104,300) | (107,581) | (105,318) | (108,471) | (112,376) |
| **Operating profit** | **44,916** | **42,386** | **42,487** | **43,403** | **44,116** |
| **EBITDA** | **77,579** | **75,029** | **75,712** | **77,702** | **79,845** |
| Net interest | (3,591) | (3,841) | (4,343) | (4,271) | (4,066) |
| Forex gain (loss) | (36) | 136 | - | - | - |
| Others | (495) | 472 | 188 | 188 | 188 |
| **Pre-tax income** | **40,794** | **39,153** | **38,332** | **39,320** | **40,238** |
| Income tax | (8,586) | (8,410) | (8,433) | (8,650) | (8,852) |
| Minority interest | (7,648) | (7,094) | (6,407) | (6,583) | (6,801) |
| **Net income** | **24,560** | **23,649** | **23,492** | **24,086** | **24,584** |
| **Core net profit** | **25,172** | **23,396** | **23,345** | **23,940** | **24,438** |

| Balance Sheet (Rp bn) | 2023A | 2024A | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| Cash & equivalents | 29,007 | 33,905 | 38,131 | 40,223 | 42,585 |
| Receivables | 10,667 | 12,193 | 11,265 | 11,575 | 11,927 |
| Other current assets | 15,939 | 16,982 | 16,973 | 17,444 | 17,982 |
| **Total current assets** | **55,613** | **63,080** | **66,370** | **69,242** | **72,494** |
| Fixed assets | 180,755 | 180,566 | 180,073 | 179,508 | 178,627 |
| Other non-current assets | 50,674 | 56,029 | 60,926 | 66,439 | 71,732 |
| **Total non-current assets** | **231,429** | **236,595** | **240,999** | **245,947** | **250,359** |
| **Total assets** | **287,042** | **299,675** | **307,369** | **315,189** | **322,853** |
| | | | | | |
| Payables | 18,608 | 15,336 | 16,090 | 16,572 | 17,169 |
| Other current liab. | 27,459 | 28,549 | 28,099 | 28,238 | 28,423 |
| Lease liabilities | 5,575 | 5,491 | 6,824 | 6,824 | 6,824 |
| Current portion of LT loans | 19,926 | 27,391 | 26,531 | 26,531 | 26,531 |
| **Total current liab.** | **71,568** | **76,767** | **77,544** | **78,165** | **78,946** |
| Lease liabilities | 14,850 | 18,468 | 24,362 | 25,553 | 26,311 |
| Long term loans | 27,773 | 25,518 | 22,348 | 22,348 | 22,348 |
| Other LT liab. | 16,289 | 16,432 | 16,195 | 16,641 | 17,147 |
| **Total liabilities** | **130,480** | **137,185** | **140,449** | **142,707** | **144,752** |
| | | | | | |
| Equity | 17,303 | 17,161 | 17,018 | 17,287 | 17,592 |
| Retained earnings | 118,441 | 124,933 | 129,505 | 134,799 | 140,114 |
| Minority interest | 20,818 | 20,396 | 20,396 | 20,396 | 20,396 |
| **Total SHE + minority int.** | **156,562** | **162,490** | **166,920** | **172,481** | **178,101** |
| **Total liabilities & equity** | **287,042** | **299,675** | **307,369** | **315,189** | **322,853** |

*Source: Company, Indo Premier*

| Cash Flow Statement (Rp bn) | 2023A | 2024A | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| Net income | 24,560 | 23,649 | 23,492 | 24,086 | 24,584 |
| Depr. & amortization | 15,892 | 12,944 | 33,146 | 34,218 | 35,644 |
| Changes in working capital | (3,477) | (5,864) | 1,484 | 91 | 149 |
| Others | 22,956 | - | - | - | - |
| **Cash flow from operating** | **59,931** | **30,729** | **58,122** | **58,395** | **60,377** |
| Capital expenditure | (25,995) | (17,792) | (37,834) | (38,631) | (39,450) |
| Others | (10,914) | 795 | 41 | (784) | (864) |

| Cash Flow Statement (Rp bn) | 2023A | 2024A | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| **Cash flow from investing** | **(36,909)** | **(16,997)** | **(37,794)** | **(39,415)** | **(40,314)** |
| Loans | 3,319 | 5,210 | (4,030) | - | - |
| Lease | 1,114 | 3,534 | 7,227 | 1,191 | 757 |
| Equity | 756 | (564) | (143) | 269 | 305 |
| Dividends | (16,603) | (17,683) | (18,919) | (18,793) | (19,269) |
| Others | (14,039) | 669 | (237) | 446 | 506 |
| **Cash flow from financing** | **(25,453)** | **(8,834)** | **(16,102)** | **(16,888)** | **(17,701)** |
| **Changes in cash** | **(2,431)** | **4,898** | **4,226** | **2,092** | **2,362** |

| Key Ratios | 2023A | 2024A | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| EBITDA margin | 52% | 50% | 51% | 51% | 51% |
| Pre-tax margin | 27% | 26% | 26% | 26% | 26% |
| Net margin | 16% | 16% | 16% | 16% | 16% |
| ROA | 9% | 8% | 8% | 8% | 8% |
| ROE | 16% | 15% | 14% | 14% | 14% |
| ROIC | 18% | 16% | 16% | 16% | 16% |
| Acct. receivables TO (days) | 23 | 27 | 27 | 27 | 27 |
| Acct. payables TO (days) | 64 | 57 | 55 | 55 | 55 |
| | | | | | |
| Net debt/EBITDA (inc. leases) (x) | 0.5 | 0.6 | 0.6 | 0.5 | 0.5 |
| Net debt/EBITDA (ex. leases) (x) | 0.2 | 0.3 | 0.1 | 0.1 | 0.1 |
| Interest coverage (x) | 10 | 8 | 7 | 8 | 8 |

*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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