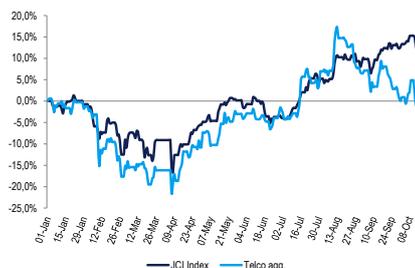


Sector Index Performance

	3M	6M	12M
Absolute	-5.9	5.1	-7
Relative to JCI	-18.8	-21.8	-13.2



Summary Valuation Metrics

Adjusted	2025F	2026F	2027F
<b>EV/EBITDA (x)</b>			
TLKM IJ	4.7	4.6	4.4
ISAT IJ	4.5	4.2	3.9
EXCL IJ	6.0	5.5	4.1
<b>P/E (x)</b>			
TLKM IJ	12.5	12.2	12.0
ISAT IJ	12.9	13.2	11.7
EXCL IJ	-101.1	85.3	17.4
<b>P/B</b>			
TLKM IJ	1.4	1.3	1.2
ISAT IJ	1.5	1.4	1.3
EXCL IJ	1.4	1.3	1.2

Expecting in-line 3Q25F results with further improvement are in the horizon

- The average mobile package pricing improved significantly in 3Q25, based on our surveys, led by EXCL, followed by TSEL.
- We expect the sector’s 3Q25F EBITDA at Rp30.7tr (+6% qoq), bringing 9M25F EBITDA to Rp88.4tr (-2% yoy), and in-line with consensus.
- We retain our OW call as further pricing improvement is on-track and hasn’t fully been priced-in.

Average mobile package prices improved significantly in 3Q25

Based on our surveys, the average mobile package price across all operators increased by +14% qoq in 3Q25. EXCL recorded the strongest improvement (+43% qoq), driven by higher XL (+46% qoq) and Smartfren (+55% qoq) package prices, while Axis declined by -13% qoq following discount removals. TSEL’s average package price rose by +13% qoq supported by higher prices for both Telkomsel and by.U packages amid changes in product offerings. Conversely, ISAT’s average package prices fell by -2% qoq, mainly due to Indosat introducing more mid-range packages, though Tri packages still improved by +3% qoq.

Expecting an in-line results outlook in 3Q25F

Assuming mobile ARPU improves by +3% qoq (driven by EXCL and TSEL) while subscribers decline by -1% qoq (driven by EXCL), we estimate aggregate 3Q25F EBITDA at Rp30.7tr (+6% qoq), bringing 9M25F EBITDA to Rp88.4tr (-2% yoy), and in line with consensus estimates. This includes: **EXCL:** 3Q25F EBITDA of Rp5.4tr (+20% qoq) – above (28% of FY25F); **TLKM:** 3Q25F EBITDA of Rp19.0tr (+6% qoq) – in line (25% of FY25F); **ISAT:** 3Q25F EBITDA of Rp6.3tr (-2% qoq) – below (24% of FY25F).

Market has yet to fully reflect operational improvement outlook

Telco share price performance was mixed during 3Q25F (ISAT: -12%, TLKM: +6%, EXCL: +12%) and YTD25 (ISAT: -26%, TLKM: +9%, EXCL: +12%). We believe this reflects diverging performance expectations among operators in FY25F — EBITDA growth for EXCL and TLKM, versus a decline for ISAT. Despite this, Indonesia’s telco MNOs still trade at 4.0–5.2x EV/EBITDA FY26F, at a discount to regional peers with similar growth prospects. (Fig 7)

Retain our OW call for the sector - further improvement expected

We retain our OW call on the sector as pricing improvements remained on track, with further gains expected by 4Q25F, and expect aggregate EBITDA to improve by +8% qoq (driven by EXCL +5% qoq, ISAT +7% qoq, and TLKM +9% qoq). For FY26F, we anticipate a continued recovery supported by stronger purchasing power and a more favorable fiscal outlook. We continue to prefer EXCL as our top pick, given its strongest growth outlook and lowest foreign ownership (29% as of Sep25 vs. ISAT at 70% and TLKM at 80%). ISAT remains our second pick, as its share price weakness has likely priced in FY25F softness, with improvement expected by 4Q25. TLKM remains our least preferred pick, despite positive developments, due to its high foreign ownership, which has increased by 4ppt over the past nine months.

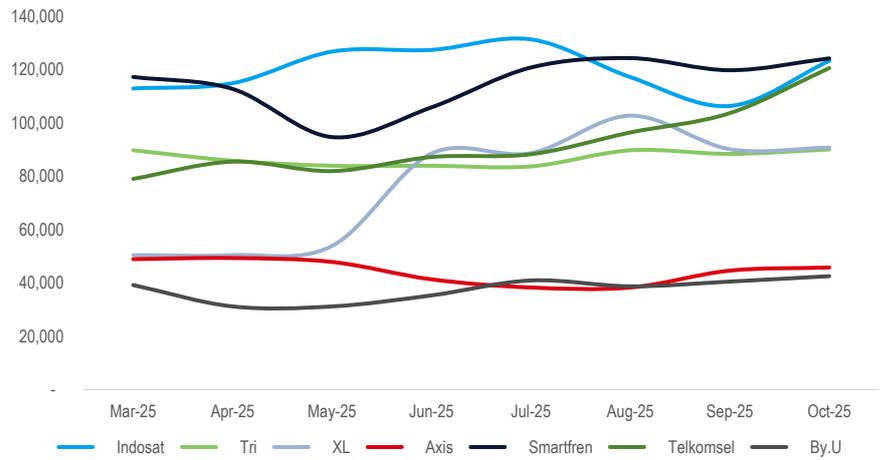
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**Fig. 1: Average all package offering prices per brand**



Source: Indo Premier

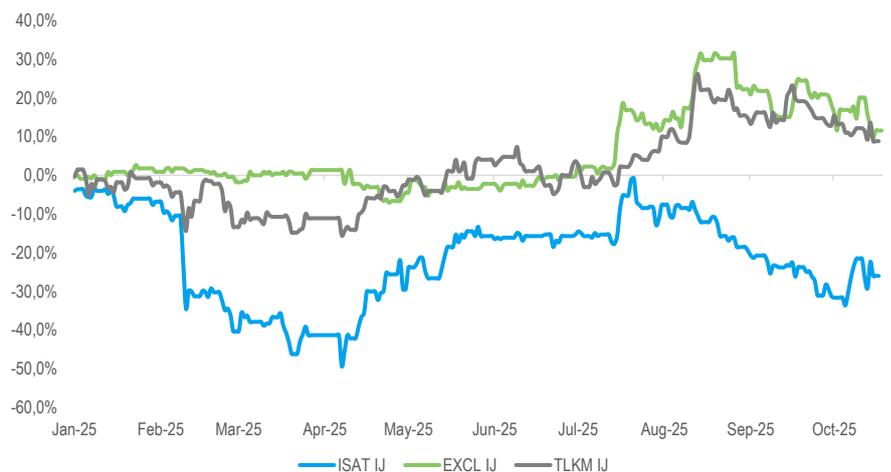
**Fig. 2: Aggregate sector earnings performance**

	3Q25F*	3Q24	% YoY	2Q25	% QoQ	9M25F*	9M24	% YoY	9M25F to ours.	9M25F to cons.	9M25F seasonality	3Q25F to ours.	3Q25F to cons.	3Q25F seasonality
Revenue	61,008	59,073	3%	60,390	1%	180,216	179,392	0%	74%	72%	74%	25%	25%	25%
ISAT	13,556	13,836	-2%	13,532	0%	40,665	41,812	-3%	74%	72%	74%	25%	24%	25%
TLKM	36,714	36,927	-1%	36,365	1%	109,718	112,219	-2%	74%	73%	74%	25%	24%	25%
EXCL	10,739	8,310	29%	10,494	2%	29,833	25,361	18%	73%	71%	74%	26%	26%	25%
EBITDA	30,667	29,686	3%	28,796	6%	88,431	89,924	-2%	73%	73%	75%	25%	25%	26%
ISAT	6,335	6,588	-4%	6,440	-2%	19,191	20,000	-4%	74%	74%	74%	24%	24%	25%
TLKM	18,969	18,759	1%	17,869	6%	55,070	56,627	-3%	73%	73%	76%	25%	25%	26%
EXCL	5,363	4,339	24%	4,487	20%	14,170	13,297	7%	72%	74%	74%	27%	28%	25%
Core NP	6,597	7,169	-8%	6,961	-5%	19,493	23,014	-15%	71%	71%	76%	24%	24%	25%
ISAT	888	1,201	-26%	1,040	-15%	3,241	3,886	-17%	70%	66%	75%	19%	18%	31%
TLKM	5,822	5,784	1%	5,658	3%	16,988	18,066	-6%	73%	73%	76%	25%	25%	25%
EXCL	(112)	184	-161%	262	-143%	(735)	1,062	-169%	163%	86%	80%	25%	13%	27%

Source: Indo Premier

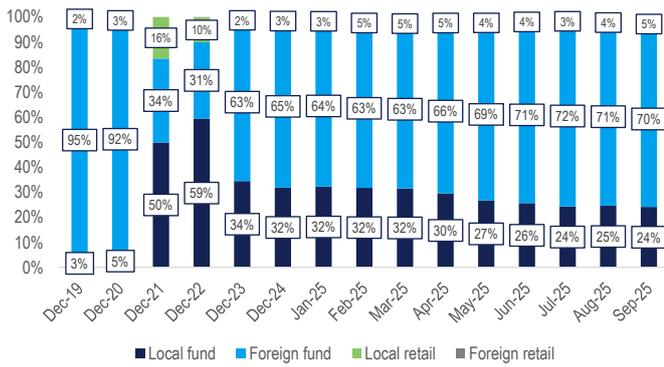
\*Notes: preview

**Fig. 3: Telco operators - share price performances reflect operational expectations**



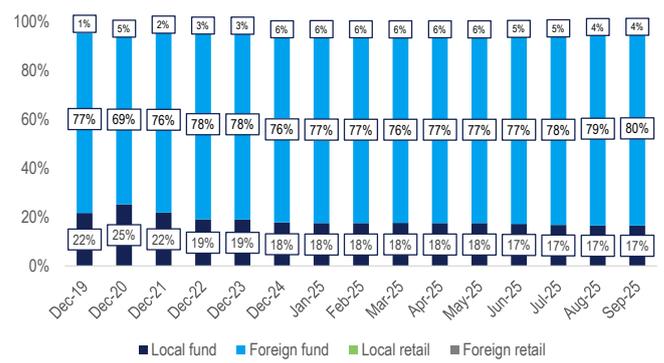
Source: Indo Premier

**Fig. 4: ISAT's share ownership**



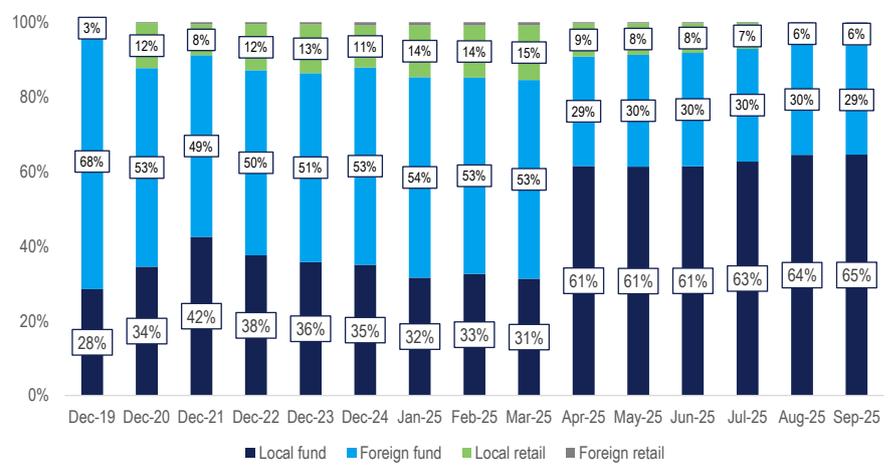
Source: KSEI, Indo Premier

**Fig. 5: TLKM's share ownership**



Source: KSEI, Indo Premier

**Fig. 6: EXCL's share ownership**



Source: KSEI, Indo Premier

**Fig. 7: Regional peers' comparison**

Company	Bloomberg Ticker	Market Cap (US\$m)	Last Price (local curr.)	Target Price	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 (%)	EBITDA CAGR (%)	
					2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F			2024-27F
<b>Indonesia</b>																												
Telkom Indonesia	TLKM IJ Equity	17,628	2,950	3,700	12.5	12.2	12.0	1.8	1.7	1.6	4.7	4.6	4.4	4.7	4.6	4.4	5.0	5.0	4.8	0.3	0.2	0.2	14.1	14.0	13.8	1.5	2.1	
Indosat Ooredoo Hutchison	ISAT IJ Equity	3,570	1,835	2,200	12.9	13.2	11.7	1.5	1.4	1.3	4.5	4.2	3.9	4.4	4.2	3.9	4.3	4.2	4.0	0.3	1.2	1.1	11.5	10.9	11.4	1.3	2.7	
XL Axiata	EXCL IJ Equity	2,756	2,510	3,500	(101.1)	85.3	17.4	1.4	1.3	1.2	6.0	5.5	4.1	5.8	5.3	4.3	1.6	1.5	1.4	2.0	2.1	1.7	(3.0)	1.6	7.2	20.3	11.7	
<b>Total</b>		<b>23,953</b>																										
<b>Simple average</b>					<b>(25.2)</b>	<b>36.9</b>	<b>13.7</b>	<b>1.6</b>	<b>1.5</b>	<b>1.4</b>	<b>5.1</b>	<b>4.8</b>	<b>4.1</b>	<b>5.0</b>	<b>4.7</b>	<b>4.2</b>	<b>3.6</b>	<b>3.6</b>	<b>3.4</b>	<b>0.9</b>	<b>1.2</b>	<b>1.0</b>	<b>7.5</b>	<b>8.8</b>	<b>10.8</b>	<b>7.7</b>	<b>1.5</b>	
<b>Median</b>					<b>12.5</b>	<b>13.2</b>	<b>12.0</b>	<b>1.5</b>	<b>1.4</b>	<b>1.3</b>	<b>4.7</b>	<b>4.6</b>	<b>4.1</b>	<b>4.7</b>	<b>4.6</b>	<b>4.3</b>	<b>4.3</b>	<b>4.2</b>	<b>4.0</b>	<b>0.3</b>	<b>1.2</b>	<b>1.1</b>	<b>11.5</b>	<b>10.9</b>	<b>11.4</b>	<b>1.5</b>	<b>1.5</b>	
<b>Malaysia</b>																												
Telekom Malaysia	T MK Equity	6,473	7		16.1	15.4	15.0	2.5	2.4	2.3				6.5	6.3	6.2	6.6	6.3	6.1	0.1	0.1	0.0	16.1	15.7	15.3	(3.3)	2.9	
Axiata Group	AXIATA MK Equity	5,715	3		44.6	36.0	27.1	1.2	1.2	1.2				6.6	7.0	6.7	3.7	4.2	3.9	0.9	0.9	0.9	3.2	4.2	5.5	(1.1)	(16.4)	
Celcomdigi Berhad	CDB MK Equity	10,296	4		25.2	22.3	20.1	2.7	2.7	2.7				9.5	9.3	9.0	9.0	8.9	8.7	0.8	0.7	0.7	11.0	12.4	13.5	16.0	4.0	
Maxis Berhad	MAXIS MK Equity	6,988	4		19.8	18.9	18.2	4.9	4.7	4.6				9.0	8.8	8.7	8.6	8.3	7.6	1.4	1.3	1.2	24.7	25.3	25.5	5.0	1.9	
<b>Total</b>		<b>29,472</b>																										
<b>Simple average</b>								<b>2.8</b>	<b>2.8</b>	<b>2.7</b>				<b>7.9</b>	<b>7.9</b>	<b>7.7</b>	<b>7.0</b>	<b>6.9</b>	<b>6.6</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>	<b>13.8</b>	<b>14.4</b>	<b>15.0</b>	<b>4.1</b>	<b>(1.9)</b>	
<b>Median</b>								<b>2.6</b>	<b>2.5</b>	<b>2.5</b>				<b>7.8</b>	<b>7.9</b>	<b>7.7</b>	<b>7.6</b>	<b>7.3</b>	<b>6.8</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>13.6</b>	<b>14.1</b>	<b>14.4</b>	<b>2.0</b>	<b>2.4</b>	
<b>India</b>																												
Bharti Airtel	BHARTI IN Equity	133,319	1,963		41.2	28.9	23.3	8.6	7.1	6.1				12.2	10.6	9.5	14.1	12.2	10.9	1.2	0.7	0.3	22.5	27.5	28.7	88.0	24.1	
Vodafone Idea	IDEA IN Equity	10,670	9		n.a	n.a	n.a	n.a	n.a	n.a				15.9	13.1	11.5	31.9	22.6	13.7	(2.2)	(2.2)	(2.7)	27.3	22.8	24.2	(14.9)	17.8	
Reliance Jio	RELIANCE IN Equity	211,248	1,379		22.7	20.6	18.3	2.0	1.8	1.7				11.6	10.3	9.3	13.2	11.8	10.5	0.2	0.2	0.1	9.1	9.3	9.8	14.8	12.3	
<b>Total</b>		<b>355,237</b>																										
<b>Simple average</b>								<b>5.3</b>	<b>4.5</b>	<b>3.9</b>				<b>13.2</b>	<b>11.3</b>	<b>10.1</b>	<b>19.7</b>	<b>15.5</b>	<b>11.7</b>	<b>(0.2)</b>	<b>(0.4)</b>	<b>(0.8)</b>	<b>19.6</b>	<b>19.9</b>	<b>20.9</b>	<b>29.3</b>	<b>18.1</b>	
<b>Median</b>								<b>5.3</b>	<b>4.5</b>	<b>3.9</b>				<b>12.2</b>	<b>10.6</b>	<b>9.5</b>	<b>14.1</b>	<b>12.2</b>	<b>10.9</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>22.5</b>	<b>22.8</b>	<b>24.2</b>	<b>14.6</b>	<b>17.8</b>	
<b>Thailand</b>																												
Advanced Info Service	ADVANC TB Equity	27,222	297		20.7	19.0	18.0	8.6	8.3	8.0				8.9	8.6	8.4	8.4	8.1	8.0	1.5	1.1	1.2	39.2	40.1	40.9	8.9	8.9	
True Corp.	TRUE TB Equity	11,926	11		18.6	15.5	12.8	3.9	3.4	n.a				7.0	6.9	6.7	4.8	4.7	n.a	3.8	3.2	2.2	20.4	21.3	23.8	32.0	32.0	
<b>Total</b>		<b>39,147</b>																										
<b>Simple average</b>								<b>6.2</b>	<b>5.9</b>	<b>8.0</b>				<b>8.0</b>	<b>7.7</b>	<b>7.5</b>	<b>6.6</b>	<b>6.4</b>	<b>8.0</b>	<b>2.7</b>	<b>2.2</b>	<b>1.7</b>	<b>29.8</b>	<b>30.7</b>	<b>32.3</b>	<b>20.5</b>	<b>20.5</b>	
<b>Median</b>								<b>6.2</b>	<b>5.9</b>	<b>8.0</b>				<b>8.0</b>	<b>7.7</b>	<b>7.5</b>	<b>6.6</b>	<b>6.4</b>	<b>8.0</b>	<b>2.7</b>	<b>2.2</b>	<b>1.7</b>	<b>29.8</b>	<b>30.7</b>	<b>32.3</b>	<b>20.5</b>	<b>20.5</b>	

Source: Indo Premier

**Fig. 8: Sector's forward P/B band**



Source: Indo Premier

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



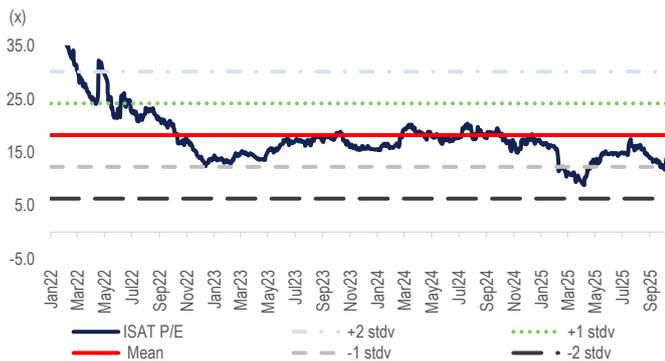
Source: Indo Premier

**Fig. 10: Sector's forward EV/EBITDA band**



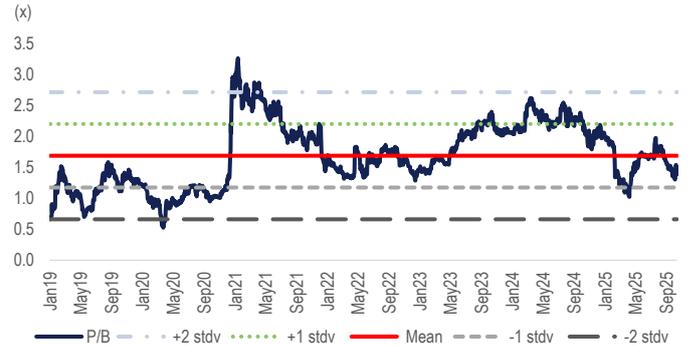
Source: Indo Premier

**Fig. 11: ISAT's forward PE band**



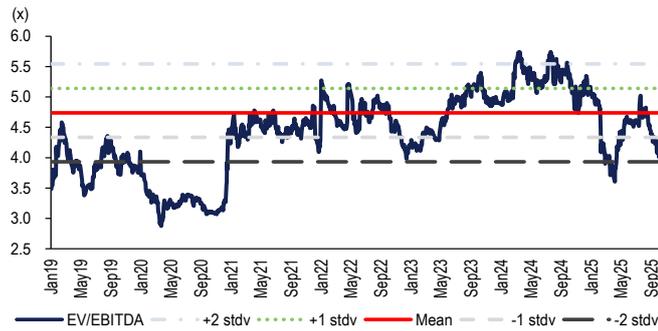
Source: Indo Premier

**Fig. 12: ISAT's forward PB band**



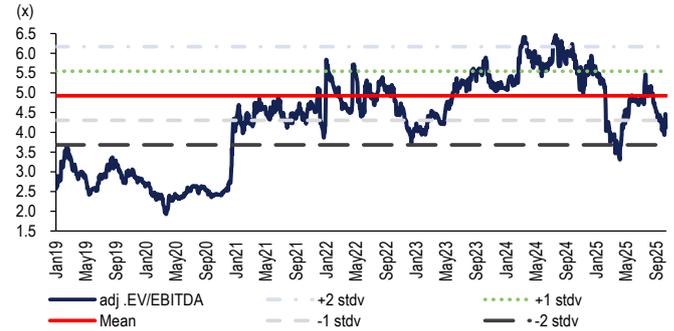
Source: Indo Premier

**Fig. 13: ISAT's forward EV/EBITDA band**



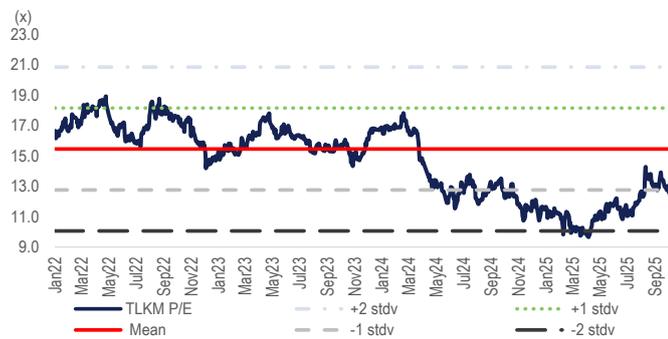
Source: Indo Premier

**Fig. 14: ISAT's forward adjusted EV/EBITDA band**



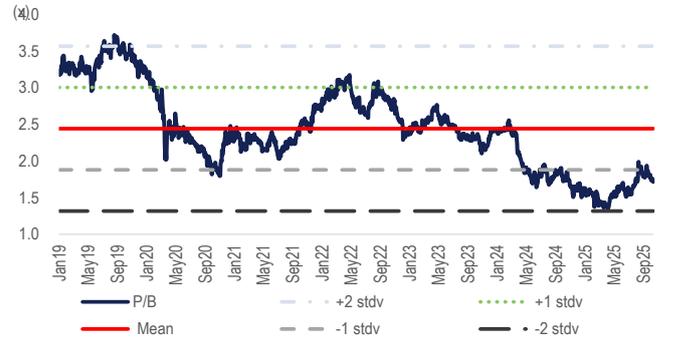
Source: Indo Premier

**Fig. 15: TLKM's forward PE band**



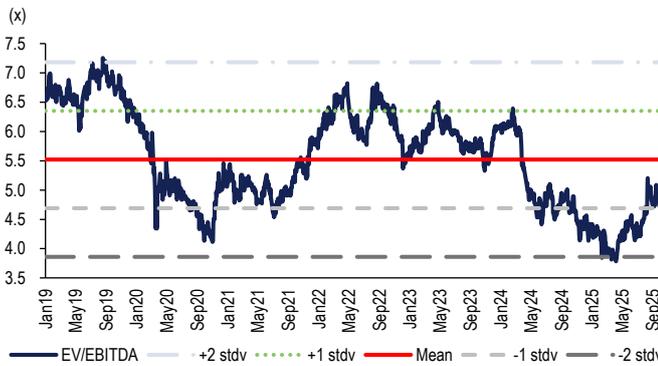
Source: Indo Premier

**Fig. 16: TLKM's forward PB band**



Source: Indo Premier

**Fig. 17: TLKM's forward EV/EBITDA band**



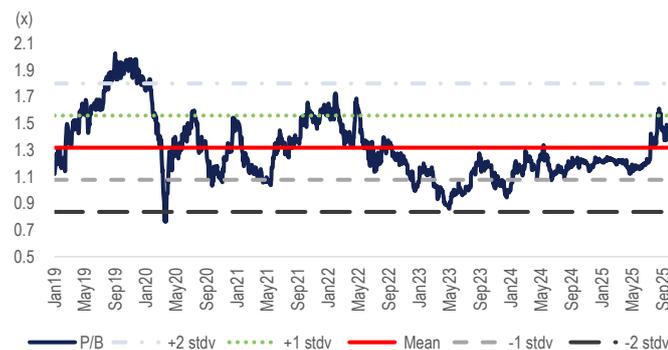
Source: Indo Premier

**Fig. 18: TLKM's forward adjusted EV/EBITDA band**



Source: Indo Premier

**Fig. 19: EXCL's forward PB band**



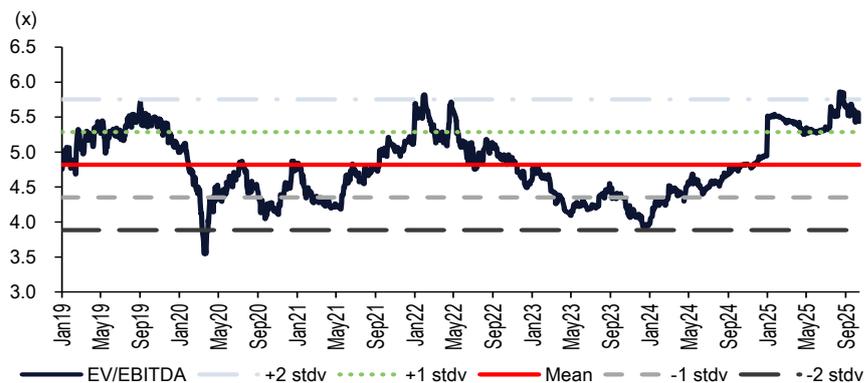
Source: Indo Premier

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



Source: Indo Premier

**Fig. 21: EXCL's forward EV/EBITDA band**



Source: 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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