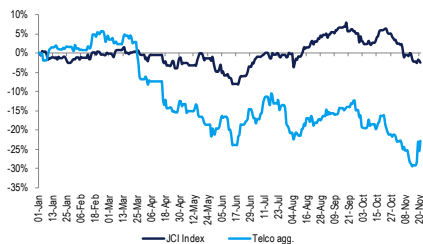


Sector Index Performance

	3M	6M	12M
Absolute	-6.9%	-5.2%	-16.2%
Relative to JCI	-1.4%	-4.0%	-19.6%



Summary Valuation Metrics

EV/EBITDA (x)	2024F	2025F	2026F
ISAT IJ	4.7	4.3	4.0
TLKM IJ	4.4	4.3	4.1
EXCL IJ	4.2	4.0	3.7

P/E (x)	2024F	2025F	2026F
ISAT IJ	15.4	13.5	11.8
TLKM IJ	11.4	10.9	10.2
EXCL IJ	15.2	13.0	11.1

Div. Yield	2024F	2025F	2026F
ISAT IJ	2.3%	2.6%	3.7%
TLKM IJ	5.9%	7.0%	7.3%
EXCL IJ	2.1%	3.6%	5.0%

Nov24 survey: TLKM headline price hike signals positive industry trend

- TLKM adjusted headline prices across the board by c.5-10% on its modern channels, while traditional channel likely to follow in Dec24.
- FREN also increased its package prices for Unlimited/Kuota by c.+5.5 to 8.9%, while EXCL reduces its bonus quota by -11 to -33%.
- First Media FMC offering consolidates to XL Satu lite FMC, while XL Satu lite currently is reorganizing its product offerings to be re-launched.

Price hikes from Tsel and FREN, followed by adjustments in EXCL

After the recent price adjustment from ISAT in Oct24 (c.+5%), other players have also had price adjustments in Nov24. Based on our survey Tsel have adjusted headline prices across its offerings by (c.+6%) i.e. its Internet Max (c.+2.5%), Weekly (c.+7.0%), Ketenangan Utama (c.+9.3%), Harian (c.+7.6%) and Telkomsel Lite (c.+3.0%) packages. Recall that in May24 Tsel had selectively hiked some of its packages by c.3-5% via personalized offering (see our previous [note](#)). According to the company, adjustments have been made to the modern channel by c.5-10%, while traditional channel is likely to follow as execution will take time and its full impact will likely be seen in Dec24. On the other hand, EXCL has also adjusted its offering by reducing its bonus quota on its Xtra Combo Plus and Mini packages by -11 to -33%, hence its data yield also increased by +12 to +50%, while FREN has increased prices of Unlimited (c.5.5%) and Kuota (c.8.9%) packages.

Price hikes and seasonality to support 4Q24 ARPU improvement

The timing of the price hikes in Nov24 should have a positive impact to 4Q24 ARPU. Supported by a strong seasonality in 4Q24 (regional election and year-end festivities), price adjustment in 4Q24 was in-line with our expectations (see our previous [note](#)). In addition, based on our channel checks, telcos saw a relatively decent traffic growth in 3Q24 coming into 4Q24 (as consumption did not deteriorate further).

FTTH/FMC: First Media FMC consolidates XL Satu Lite, while XL Satu Lite reorganizes its product offering for FMC

Based on our FTTH/FMC survey, we noted that First Media's FMC offering have been consolidated to XL Satu's FMC offering, while XL Satu's product offering is currently being reorganized and reviewed, before it is relaunched to offer FMC services. We do not see any price or speed adjustments for the other FTTH/FMC players in Nov24. The competitive landscape in the FTTH/FMC space remains intense as price cuts occurred earlier on in the year across all providers on its value packages (15-50 Mbps).

Maintain Overweight

We reaffirm our Overweight stance on the telco sector, as we think competitive dynamics are generally moving in the right direction, while the recent price hikes from Tsel signal a positive sign for the industry as it hiked headline prices for the first time in FY24, we continue to expect to see better industry dynamics following monetization efforts from 3Q-4Q24. Risks: 1) competition; 2) higher rates; and 3) weak purchasing power.

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Fig. 1: Indo Premier's Nov24 mobile data package price survey

Carrier/brand	Products	Period (days)	Price and/or quota adjustments (MoM)	Data yield impact (MoM)
Tsel	InternetMax 0.5GB	30	Headline price increased by +5.9%	+5.9%
	InternetMax 0.5GB	30	Headline price increased by +3.2%	+3.2%
	InternetMax 1GB	30	Headline price increased by +2.3%	+2.3%
	InternetMax 1.5GB	30	Headline price increased by +1.5%	+1.5%
	InternetMax 2GB	30	Headline price increased by +1.2%	+1.2%
	InternetMax 3GB	30	Headline price increased by +1.3%	+1.3%
	Weekly 1.5GB	7	Headline price increased by +6.9%	+6.9%
	Weekly 2.5GB	7	Headline price increased by +8.3%	+8.3%
	Weekly 3.5GB	7	Headline price increased by +7.3%	+7.3%
	Weekly 6GB	7	Headline price increased by +6.0%	+6.0%
	Weekly 17GB	7	Headline price increased by +6.5%	+6.5%
	Kuota Ketengan Utama 0.5GB	1	Headline price increased by +12.5%	+12.5%
	Kuota Ketengan Utama 4GB	1	Headline price increased by +8.0%	+8.0%
	Kuota Ketengan Utama 22GB	3	Headline price increased by +7.3%	+7.3%
	Kuota Harian 2.5GB	3	Headline price increased by +8.3%	+8.3%
	Kuota Harian 3.5GB	3	Headline price increased by +6.9%	+6.9%
	Kuota Harian 8GB	3	Headline price increased by +7.7%	+7.7%
	Telkomsel lite 6GB		Headline price increased by +8%	+8.0%
	Telkomsel lite 10GB		Headline price increased by +11%	+11.0%
	Telkomsel lite 15GB		Headline price increased by +3%	+3.0%
	Telkomsel lite 24GB		Headline price decreased by -4%	-4.0%
	Telkomsel lite 40GB		Headline price decreased by -3%	-3.0%
	Telkomsel lite 60GB		Headline price increased by +1%	+1.0%
by.U	All packages		No adjustments	N/A
XL Axiata	Xtra Combo Plus Regular 10GB	30	Bonus quota decreased by 3.5GB	30.4%
	Xtra Combo Plus Regular 20GB	30	Bonus quota decreased by 3.0GB	13.0%
	Xtra Combo Plus Regular 32GB	30	Bonus quota decreased by 6.0GB	16.7%
	Xtra Combo Plus Regular 52GB	30	Bonus quota decreased by 7.0GB	11.9%
	Xtra Combo Plus Regular 75GB	30	Bonus quota decreased by 15.0GB	17.6%
	Xtra Combo Plus VIP 10GB	30	Bonus quota decreased by 3.5GB	30.4%
	Xtra Combo Plus VIP 20GB	30	Bonus quota decreased by 3.0GB	13.0%
	Xtra Combo Plus VIP 32GB	30	Bonus quota decreased by 6.0GB	16.7%
	Xtra Combo Plus VIP 52GB	30	Bonus quota decreased by 7.0GB	11.9%
	Xtra Combo Plus VIP 75GB	30	Bonus quota decreased by 15.0GB	17.6%
	Xtra Combo Mini 1GB	7	Bonus quota decreased by 0.5GB	33.3%
	Xtra Combo Mini 3GB	7	Bonus quota decreased by 3.0GB	50.0%
Axis	All packages		No adjustments	N/A
Indosat	All packages		No adjustments	N/A
Tri	All packages		No adjustments	N/A
Smartfren	Unlimited (Daily) 7GB	7	Headline price increased by +1.8%	+1.8%
	Unlimited (Nonstop) 2GB	10	Headline price increased by +13.6%	13.6%
	Unlimited (Nonstop) 3GB	14	Headline price increased by +6.1%	6.1%
	Unlimited (Nonstop) 30GB	30	Headline price increased by +2.7%	2.7%
	Unlimited (Nonstop) 45GB	30	Headline price increased by +3.2%	3.2%
	Internet Volume 2GB	30	Headline price increased by +21.2%	21.2%
	Internet Volume 3GB	7	Headline price increased by +6.9%	6.9%
	Internet Volume 8GB	28	Headline price increased by +4.7%	4.7%
	Internet Volume 10GB	30	Headline price increased by +3.0%	3.0%

Source: Indo Premier Survey

Fig. 2: Indo Premier's Nov24 fixed-broadband package price survey

FTTH provider	Products	Price and/or speed limit adjustments (MoM)	Rp/Mbps impact (MoM)
Indihome	All packages	No adjustments	N/A
MyRepublic	All packages	No adjustments	N/A
First Media	All packages	No adjustments	N/A
Biznet	All packages	No adjustments	N/A
XL Axiata	All packages	No adjustments	N/A
CBN	All packages	No adjustments	N/A
MNC Play	All users moved to Indosat Hifi	N/A	N/A
Oxygen	All packages	No adjustments	N/A
ICON+	All packages	No adjustments	N/A
BaliFiber	All packages	No adjustments	N/A
Indosat Hifi	All packages	No adjustments	N/A

Source: Indo Premier Survey

Fig. 3: Indo Premier's Nov24 FMC package price survey

Carrier/brand	Products	Price and/or FUP adjustments (MoM)	Data yield impact (MoM)
EXCL-LINK	Consolidated to XL Satu Lite	No adjustments	N/A
XL Satu Lite	XL Satu Lite revamping its packages, have not revealed new prices and details	No adjustments	N/A
Indihome- Smooa	All packages	No adjustments	N/A
Tsel-IndiHome	All packages	No adjustments	N/A

Source: Indo Premier Survey

Fig. 4: Telkomsel lite price change – Tier 1 Cities

Total quota (GB)	Mainquota	Bonus quota	Price (Rp)	Total data yield (Rp/MB)	New Price (Rp)	New Total data yield (Rp/GB)	Change in price	Change in data yield
6	1	5	25,000	4.2	27,000	4.5	8%	8%
10	2	8	28,000	2.8	31,000	3.1	11%	11%
15	2	13	35,000	2.3	36,000	2.4	3%	3%
24	3.5	20.5	50,000	2.1	48,000	2.0	-4%	-4%
40	6	34	75,000	1.9	73,000	1.8	-3%	-3%
60	8	52	90,000	1.5	91,000	1.5	1%	1%

Source: Indo Premier Survey

Fig. 5: Telkomsel lite price change – Tier 2 Cities

Total quota (GB)	Mainquota	Bonus quota	Price (Rp)	Total data yield (Rp/MB)	New Price (Rp)	New Total data yield (Rp/GB)	Change in price	Change in data yield
4	1	3	25,000	6.3	27,000	6.8	8%	8%
7	2	5	28,000	4.0	31,000	4.4	11%	11%
10	2	8	35,000	3.5	36,000	3.6	3%	3%
18	3.5	14.5	50,000	2.8	48,000	2.7	-4%	-4%
35	6	29	75,000	2.1	73,000	2.1	-3%	-3%
50	8	42	90,000	1.8	91,000	1.8	1%	1%

Source: Indo Premier Survey

Fig. 6: Telkomsel lite price change – Tier 3 Cities

Total quota (GB)	Mainquota	Bonus quota	Price (Rp)	Total data yield (Rp/MB)	New Price (Rp)	New Total data yield (Rp/GB)	Change in price	Change in data yield
3	1	2	25,000	8.3	27,000	9.0	8%	8%
4	2	2	28,000	7.0	31,000	7.8	11%	11%
5	2	3	35,000	7.0	36,000	7.2	3%	3%
9	3.5	5.5	50,000	5.6	48,000	5.3	-4%	-4%
18	6	12	75,000	4.2	73,000	4.1	-3%	-3%
26	8	18	90,000	3.5	91,000	3.5	1%	1%

Source: Indo Premier Survey

Fig. 7: Telkomsel lite price change – Tier 4 Cities

Total quota (GB)	Mainquota	Bonus quota	Price (Rp)	Total data yield (Rp/MB)	New Price (Rp)	New Total data yield (Rp/GB)	Change in price	Change in data yield
1	1	0		0.0	27,000	27.0		
1.5	1.5	0		0.0	31,000	20.7		
2	2	0		0.0	36,000	18.0		
3.5	3.5	0	50,000	14.3	48,000	13.7	-4%	-4%
6	6	0	75,000	12.5	73,000	12.2	-3%	-3%
8	8	0	90,000	11.3	91,000	11.4	1%	1%

Source: Indo Premier Survey

Fig. 8: FY24 price hikes calendar

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Tsel				Tsel introduced "Rejeki Seru," w hich offers vouchers for data package purchases at >Rp50k (available until 30Apr24)	Selective price hikes of c.3-5% across Combo Sakti, Internet Max, and Hot Promo						Price increase on its modern channel, across Internet Max/ Ketenangan Utama/ Harian/ Telkomsel Lite offerings by c.3-9%
XL Axiata				EXCL offered a number of special add-ons (available until 17Apr24)				EXCL increased its popular products' prices by c.5%, on average, nationwide			Bonus quota reduction from -11 to -33%
Indosat				ISAT introduced seasonal data packages (available until 30Apr24) w ith total quota of 50/80/150GB and headline prices of Rp 120/140/150k w ith 30-days validity period				ISAT increased its products' prices by c.5%, on average, on modern channel	ISAT increased its products' prices by c.5%, on average, on traditional channel		
											Increased prices on its Unlimited/Kuota packages by c.5-9%

Source: Indo Premier Survey

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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