

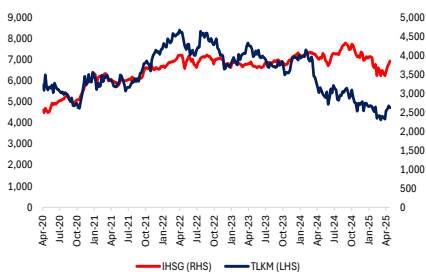


**BUY**

Price (May 7 <sup>th</sup> , 25)	2,620
Target Price	2,950
Potential Upside	12.60%
Market Cap	259.54 T
Number of Share	99.06 B
52w Lo/Hi	2,050 / 3,280

Source : IDX | Phintraco Sekuritas Research  
| as of May 7<sup>th</sup>, 2025

**IHSG vs TLKM**



Source : IDX

Shareholder	%
PT Biro Klasifikasi	52.4%
Public	40.3%

Source : Company | as of fin. statement FY2024

EPS Consensus vs Forecast			
	AT	Consensus*	%Diff
2025F	226	248	-8.87%
2026F	238	262	-9.16%

Source : \*Bloomberg | as of May, 2025

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**PT Telkom Indonesia (Persero) Tbk**

(TLKM.JK / TLKM.IJ)

**Soft Start, Brighter Ahead**

**TLKM posted revenue of IDR36.64 trillion in 1Q25 (-2.9% QoQ; -2.1% YoY)**, in line with our expectations (Phintas: 23.72%) as well as consensus (Cons: 23.60%). The decline was mainly driven by the weaker performance of the Data, Internet & IT Services segment, which contracted 5.42% YoY (-2.44% QoQ) to IDR22.07 trillion. In contrast, the IndiHome segment posted growth of +0.41% QoQ (+3.45% YoY) to IDR6.66 trillion, supported by an expanding customer base. On the operational side, general and administrative expenses rose significantly by 18.83% YoY (+39.20% QoQ) to IDR1.80 trillion, in line with the low season effect in 1Q24 and the continued provisioning of B2C IndiHome receivables. On the other hand, the company's efficiency strategy was reflected in lower marketing expenses, which dropped -40.90% QoQ (-3.53% YoY) to IDR766 billion, driven by seasonal factors and fewer working days. In addition, TLKM booked investment gains of IDR308 billion. Despite the revenue decline, TLKM managed to record EBITDA of IDR18.23 trillion (-0.92% QoQ ; -6.12% YoY), with an EBITDA margin of 49.76% (vs 48.75% in 4Q24; 51.89% in 1Q24). Meanwhile, net profit reached IDR5.81 trillion (-2.75% QoQ; -4.01% YoY), with a net margin of 15.90%. These results were relatively in line with our expectations and consensus (Phintas: 25.92% ; Cons: 24.26%).

**From an operational perspective**, the deliberate churn elimination strategy led to a decline in Telkomsel's subscriber base to 158.8 million (-0.9% YoY), but also drove improved customer quality, as reflected in a 6.2% YoY increase in postpaid subscribers to 9.8 million. Moreover, amid intense competition in the mobile market and macroeconomic uncertainty that weighed on consumer purchasing power, blended ARPU declined to IDR42.4k (vs IDR44k in 4Q24; IDR45k in 1Q24). Nevertheless, data consumption remained solid, growing 5.3% QoQ (+19.78% YoY) to reach 5,778 petabytes. On the other hand, the IndiHome segment delivered stronger performance, adding around ~230 thousand new net subscribers, with convergence penetration reaching 55%. On the infrastructure side, the total number of BTS rose to 278 thousand units (+8.1% YoY), of which 1,910 were 5G BTS (+169.1% YoY).

**The pricing adjustment strategy for starter packs implemented by the three telecom players** is expected to restore market rationality and support long-term profitability improvements. The price adjustments are anticipated to gradually drive ARPU growth, although this will likely be accompanied by a decline in the subscriber base. As such, we project revenue growth of 1.68% YoY / 2.46% YoY (*mgmt: lower-single-digit in FY25E*) in FY25E and FY26F. The relatively flat growth is expected to bring the EBITDA margin to 49.87% in FY25E, before improving to 50.37% in FY26F (*mgmt: 50-52% in FY25E*). Given the combination of modest revenue growth and elevated interest expenses, we estimate TLKM will post a net profit of approximately IDR22.41 trillion, with a net profit margin of 14.69%.

**We maintain our BUY recommendation for TLKM with a new target price of IDR2,950 (prev IDR3,500)**, implying a forward 12-Month EV/EBITDA of 4.55x/4.33x for FY25F/FY26F. Currently, TLKM is trading at a trailing 5-year EV/EBITDA (STD-2: 3.92x), reflecting a 22.7% discount to the 5-year average. We see growth potential for the company, with the prospect of improved performance moving forward. Additionally, TLKM's stock is currently trading at a discount, with the buyback plan and expected dividends serving as supportive factors. **Downside risks** include: 1) ARPU pressure due to price competition, 2) high competition intensity, and 3) weakened consumer purchasing power.

## Financial Highlight

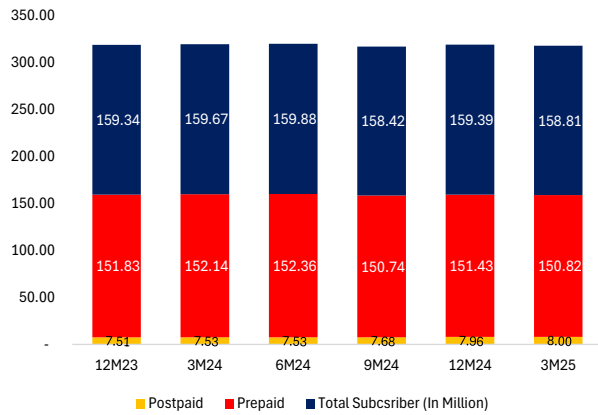
Table 1. Financial Performance TLKM 3M25

PT Telkom Indonesia (Persero) Tbk												
(in Billion IDR)	3M24	3M25	YoY	1Q24	4Q24	1Q25	QoQ	YoY	Phintas Estimate	%Phintas	Cons	%Cons
<b>Revenue</b>	<b>37,429</b>	<b>36,639</b>	<b>-2.11%</b>	<b>37,429</b>	<b>37,748</b>	<b>36,639</b>	<b>-2.94%</b>	<b>-2.11%</b>	<b>152,491</b>	<b>24.03%</b>	<b>151,566</b>	<b>24.69%</b>
Cellular voice	1,629	1,467	-9.94%	1,629	1,307	1,467	12.24%	-9.94%				
SMS	761	961	26.28%	761	1,156	961	-16.87%	26.28%				
Data, Internet & IT Service (excl. SMS)	23,339	22,074	-5.42%	23,339	22,625	22,074	-2.44%	-5.42%				
Indihome	6,441	6,663	3.45%	6,441	6,636	6,663	0.41%	3.45%				
<b>Operating Expenses</b>	<b>(26,093)</b>	<b>(26,462)</b>	<b>1.41%</b>	<b>(26,093)</b>	<b>(27,739)</b>	<b>(26,462)</b>	<b>-4.60%</b>	<b>1.41%</b>	<b>(109,943)</b>	<b>24.07%</b>	<b>(108,039)</b>	<b>24.15%</b>
Depreciation & Ammortization	(8,085)	(8,055)	-0.37%	(8,085)	(8,393)	(8,055)	-4.03%	-0.37%				
Op, Maintenance, And Telco Service Expenses	(9,625)	(9,608)	-0.18%	(9,625)	(11,225)	(9,608)	-14.41%	-0.18%				
Personnel Expenses	(4,128)	(4,158)	0.73%	(4,128)	(3,651)	(4,158)	13.89%	0.73%				
G&A Expenses	(1,524)	(1,811)	18.83%	(1,524)	(1,301)	(1,811)	39.20%	18.83%				
Interconnection expenses	(1,937)	(2,064)	6.56%	(1,937)	(1,872)	(2,064)	10.26%	6.56%				
Marketing expenses	(794)	(766)	-3.53%	(794)	(1,297)	(766)	-40.94%	-3.53%				
<b>Operating Profit</b>	<b>11,336</b>	<b>10,177</b>	<b>-10.22%</b>	<b>11,336</b>	<b>10,009</b>	<b>10,177</b>	<b>1.68%</b>	<b>-10.22%</b>	<b>42,548</b>	<b>23.92%</b>	<b>43,527</b>	<b>26.04%</b>
<b>EBITDA</b>	<b>19,421</b>	<b>18,232</b>	<b>-6.12%</b>	<b>19,421</b>	<b>18,402</b>	<b>18,232</b>	<b>-0.92%</b>	<b>-6.12%</b>	<b>76,054</b>	<b>23.97%</b>	<b>76,698</b>	<b>25.32%</b>
<b>Net Profit</b>	<b>6,053</b>	<b>5,810</b>	<b>-4.01%</b>	<b>6,053</b>	<b>5,974</b>	<b>5,810</b>	<b>-2.75%</b>	<b>-4.01%</b>	<b>22,406</b>	<b>25.93%</b>	<b>23,941</b>	<b>25.28%</b>
<b>Profitability Ratio</b>												
Operating Profit Margin (OPM)	30.29%	27.78%		30.29%	26.52%	27.78%			27.90%		28.72%	
EBITDA Margin	51.89%	49.76%		51.89%	48.75%	49.76%			49.87%		50.60%	
Net Profit Margin (NPM)	16.17%	15.86%		16.17%	15.83%	15.86%			14.69%		15.80%	
<b>Operational Data</b>												
IndiHome Customer ('000)	10,309	11,031	7.00%									
IndiHome B2C Customer ('000)	8,916	9,842	10.39%									
<b>Indihome ARPU ('000)</b>	<b>242.70</b>	<b>223.80</b>	<b>-7.79%</b>	<b>242.70</b>	<b>232.90</b>	<b>223.80</b>	<b>-3.91%</b>	<b>-7.79%</b>				
Postpaid	7,526	7,995	6.23%									
Prepaid	152,142	150,816	-0.87%									
<b>Total Subscriber</b>	<b>159,668</b>	<b>158,811</b>	<b>-0.54%</b>									
ARPU - Blended ('000 IDR)	45.30	42.40	-6.40%	45.30	44.00	42.40	-3.64%	-6.40%				
Consumption Data (PB)	4,824	5,778	19.78%	4,824	5,484	5,778	5.36%	19.78%				

Source : Company | Phintraco Sekuritas Research | Bloomberg

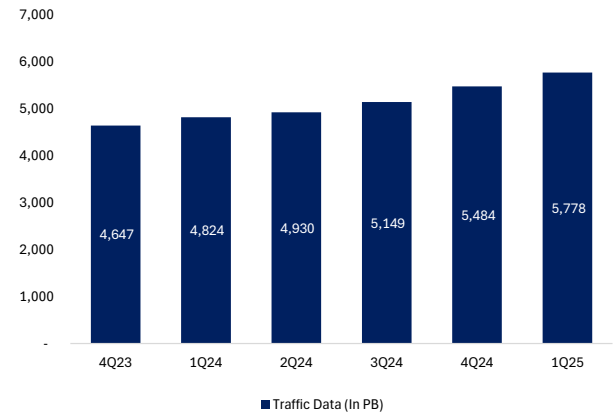
**Key Operational Highlight**

Figure 1. TLKM'S Subscriber



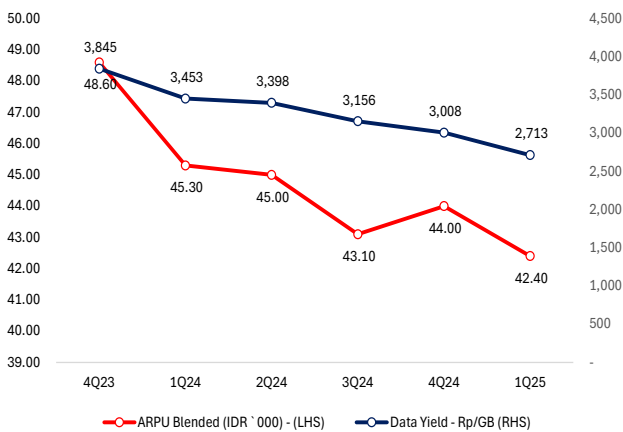
Source : Company Presentation | Phintraco Sekuritas Research

Figure 2. TLKM'S Traffic Data



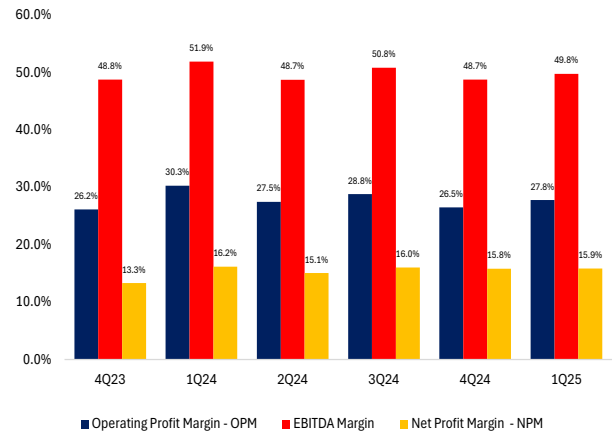
Source : Company Presentation | Phintraco Sekuritas Research

Figure 3. TLKM'S ARPU Blended and Data Yield Trend



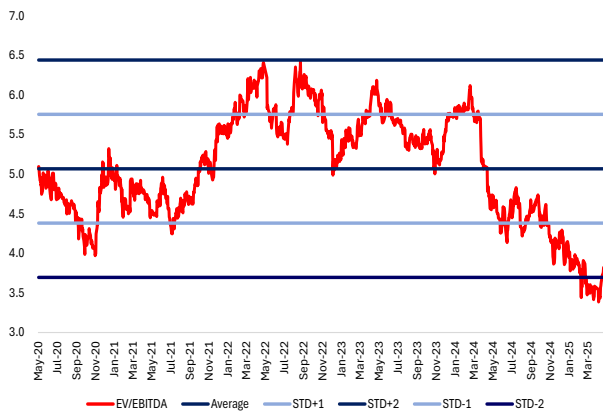
Source : Company Presentation | Phintraco Sekuritas Research

Figure 4. Margin Ratios



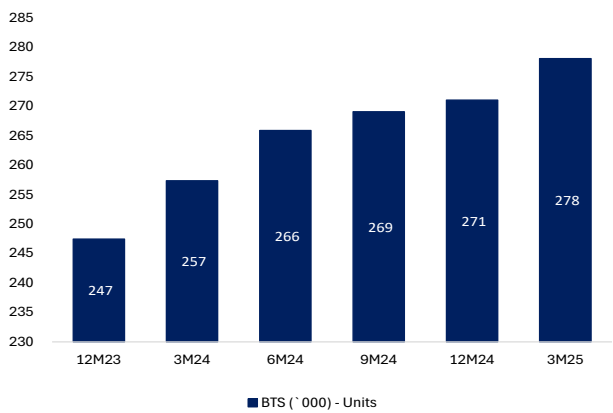
Source : Company Presentation | Phintraco Sekuritas Research

Figure 5. EV/EBITDA Band 5-Years



Source : Bloomberg | Phintraco Sekuritas Research

Figure 6. TLKM'S BTS



Source : Company Presentation | Phintraco Sekuritas Research

## Financial Projection

(in Billion Rupiah)

BALANCE SHEET	FY23	FY24	FY25E	FY26F	FY27F
<b>Asset</b>					
Cash & cash equivalents	29,007	33,905	34,467	33,549	33,240
Accounts Receivable	10,667	12,193	10,901	10,499	11,450
<b>Total Current Assets</b>	<b>55,613</b>	<b>63,080</b>	<b>62,593</b>	<b>61,697</b>	<b>63,029</b>
Fixed Assets	180,755	180,566	182,728	184,714	186,754
Long Term Investment	8,162	8,335	8,475	8,684	9,038
<b>Total Non Current Assets</b>	<b>231,429</b>	<b>236,595</b>	<b>239,859</b>	<b>243,171</b>	<b>247,225</b>
<b>Total Asset</b>	<b>287,042</b>	<b>299,675</b>	<b>302,452</b>	<b>304,868</b>	<b>310,253</b>
<b>Liabilities</b>					
Account Payables	18,608	15,336	19,709	20,186	20,598
Current Maturities Of Lt Borrowings	10,276	15,866	13,955	12,582	11,564
<b>Total Current Liabilities</b>	<b>71,568</b>	<b>76,767</b>	<b>77,660</b>	<b>76,005</b>	<b>75,522</b>
LT debt - net of current maturities	27,773	25,518	22,444	20,236	18,599
Lease liabs	14,850	18,468	16,244	14,645	13,461
<b>Total Non Current Liabilities</b>	<b>58,912</b>	<b>60,418</b>	<b>55,076</b>	<b>51,672</b>	<b>49,536</b>
<b>Total Liabilities</b>	<b>130,480</b>	<b>137,185</b>	<b>132,736</b>	<b>127,677</b>	<b>125,057</b>
<b>Equity</b>	<b>156,562</b>	<b>162,490</b>	<b>169,716</b>	<b>177,191</b>	<b>185,196</b>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

CASH FLOW	FY23	FY24	FY25E	FY26F	FY27F
<b>Cash Flow from Operating</b>					
Net Income	24,560	23,461	22,406	23,542	25,956
Depreciation & Amortization	9,165	9,179	14,670	29,491	14,976
Working Capital	(1,735)	(4,897)	5,690	6,542	(554)
Others	(1,610)	(944)	(267)	(665)	(675)
<b>Net-CFFO</b>	<b>30,380</b>	<b>26,799</b>	<b>42,498</b>	<b>58,909</b>	<b>39,703</b>
<b>Cash Flow from Investing</b>					
CAPEX	(16,591)	(8,990)	(16,832)	(33,639)	(17,016)
Others	(3,868)	(5,355)	(1,101)	(2,428)	(2,013)
<b>Net-CFFI</b>	<b>(20,459)</b>	<b>(14,345)</b>	<b>(17,934)</b>	<b>(36,067)</b>	<b>(19,029)</b>
<b>Cash Flow from Financing</b>					
Short Term Debt	3,527	7,381	(3,961)	(6,807)	(2,109)
Long Term Debt	1,556	1,363	(5,298)	(9,105)	(2,821)
Change in other non-current liabilities	72	1,070	946	2,822	3,184
Equity	-	(401)	-	-	-
<b>Net-CFFF</b>	<b>(12,861)</b>	<b>(7,556)</b>	<b>(24,003)</b>	<b>(23,199)</b>	<b>(20,983)</b>
<b>NET CASH FLOW</b>	<b>(2,940)</b>	<b>4,898</b>	<b>562</b>	<b>(356)</b>	<b>(309)</b>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

INCOME STATEMENT	FY23	FY24	FY25E	FY26F	FY27F
<b>Revenue</b>	<b>149,216</b>	<b>149,967</b>	<b>152,491</b>	<b>156,245</b>	<b>162,616</b>
<i>Growth</i>	<i>1.30%</i>	<i>0.50%</i>	<i>1.68%</i>	<i>2.46%</i>	<i>4.08%</i>
<b>Operating Expenses</b>	<b>(104,300)</b>	<b>(107,581)</b>	<b>(109,943)</b>	<b>(112,601)</b>	<b>(115,295)</b>
<b>Operating Profit</b>	<b>44,916</b>	<b>42,386</b>	<b>42,548</b>	<b>43,644</b>	<b>47,320</b>
<i>Operating Profit Margin</i>	<i>30.10%</i>	<i>28.26%</i>	<i>27.90%</i>	<i>27.93%</i>	<i>29.10%</i>
<b>EBITDA</b>	<b>77,579</b>	<b>75,029</b>	<b>76,054</b>	<b>78,700</b>	<b>83,944</b>
<i>EBITDA Margin</i>	<i>51.99%</i>	<i>50.03%</i>	<i>49.87%</i>	<i>50.37%</i>	<i>51.62%</i>
<b>EBIT</b>	<b>44,385</b>	<b>42,806</b>	<b>42,548</b>	<b>43,644</b>	<b>47,320</b>
<i>EBIT Margin</i>	<i>29.75%</i>	<i>28.54%</i>	<i>27.90%</i>	<i>27.93%</i>	<i>29.10%</i>
<b>Finance Cost</b>	<b>(4,652)</b>	<b>(5,208)</b>	<b>(5,268)</b>	<b>(5,100)</b>	<b>(4,641)</b>
<b>EBT</b>	<b>40,794</b>	<b>38,965</b>	<b>38,457</b>	<b>39,715</b>	<b>43,829</b>
<i>EBT Margin</i>	<i>27.34%</i>	<i>25.98%</i>	<i>25.22%</i>	<i>25.42%</i>	<i>26.95%</i>
<b>Net Profit</b>	<b>24,560</b>	<b>23,461</b>	<b>22,406</b>	<b>23,542</b>	<b>25,956</b>
<i>Net Profit Margin</i>	<i>16.46%</i>	<i>15.64%</i>	<i>14.69%</i>	<i>15.07%</i>	<i>15.96%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

RATIOS	FY23	FY24	FY25E	FY26F	FY27F
<b>Profitability Ratio (%)</b>					
<i>OPM</i>	30.10%	28.26%	27.90%	27.93%	29.10%
<i>EBITDA Margin</i>	51.99%	50.03%	49.87%	50.37%	51.62%
<i>NPM</i>	16.46%	15.64%	14.69%	15.07%	15.96%
<i>ROA</i>	8.56%	7.83%	7.41%	7.72%	8.37%
<i>ROAA</i>	8.74%	8.00%	7.44%	7.79%	8.44%
<i>ROE</i>	15.69%	14.44%	13.20%	13.29%	14.02%
<i>ROAE</i>	16.06%	14.71%	13.49%	13.86%	14.33%
<b>Activity Ratio (X)</b>					
<i>Inventory Turnover</i>	149.66	150.85	142.34	142.34	146.19
<i>Receivables Turnover</i>	13.99	13.99	13.99	14.88	14.20
<i>Payables Turnover</i>	5.61	5.63	5.58	5.58	5.60
<i>Days of Inventory</i>	2.41	2.39	2.53	2.53	2.46
<i>Days of Receivables</i>	25.74	25.74	25.74	24.19	25.35
<i>Days of Payables</i>	64.23	63.96	64.54	64.54	64.32
<i>Cash Operating Cycle</i>	158.05	159.21	150.75	151.64	154.79
<b>Leverage Ratio (x)</b>					
<i>DER</i>	0.44x	0.47x	0.40x	0.34x	0.30x
<i>DAR</i>	0.24x	0.26x	0.22x	0.20x	0.18x
<i>Interest Bearing Debt (In IDR Bn)</i>	68,124	76,868	67,609	60,956	56,026
<i>Net Debt (In IDR Bn)</i>	39,117	42,963	33,142	27,407	22,786
<i>Net Gearing Ratio</i>	0.25x	0.26x	0.20x	0.15x	0.12x
<i>Interest Coverage Ratio (ICR)</i>	9.54x	8.22x	8.08x	8.56x	10.20x
<i>Net Debt / EBITDA</i>	0.50x	0.57x	0.44x	0.35x	0.27x
<b>Liquidity Ratio (X)</b>					
<i>Current Ratio</i>	0.78x	0.82x	0.81x	0.81x	0.83x
<i>Quick Ratio</i>	0.76x	0.81x	0.79x	0.80x	0.82x
<i>Cash Ratio</i>	0.37x	0.38x	0.36x	0.37x	0.39x
<b>Price Ratio</b>					
<i>Price per Share at the end of the year</i>	2,950	2,950	2,950	2,950	2,950
<i>Outstanding Shares (in Billion)</i>	99	99	99	99	99
<i>EPS (IDR) (annualized)</i>	248	237	226	238	262
<i>BVPS (IDR)</i>	1,580	1,640	1,713	1,789	1,869
<i>PER(X)</i>	11.90x	12.46x	13.04x	12.41x	11.26x
<i>PBV(X)</i>	1.87x	1.80x	1.72x	1.65x	1.58x
<i>EV/EBITDA (annualized)</i>	4.54x	4.74x	4.55x	4.33x	4.02x
<b>Dividend</b>					
<i>DPS</i>	167.60	178.50	178.50	178.50	178.50
<i>DPR</i>	80.0%	72.0%	80.0%	80.0%	80.0%
<i>Div. Yield</i>	5.63	5.99	5.99	5.99	5.99

Source : Company | Phintraco Sekuritas Research

## Glossarium

BVPS	: <i>Book Value per Share</i>
CFFF	: <i>Cash Flow from Financing</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFO	: <i>Cash Flow from Operating</i>
DPR	: <i>Dividend Payout Ratio</i>
DPS	: <i>Dividend per Share</i>
EBIT	: <i>Earning Before Interes &amp; Tax</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation &amp; Amortization</i>
EPS	: <i>Earning per Share</i>
EV	: <i>Enterprise Value</i>
NPM	: <i>Net Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
OPM	: <i>Operating Profit Margin</i>
PBT	: <i>Profit Before Tax</i>
PBV	: <i>Price to Book Value</i>
PER	: <i>Price to Earning Ratio</i>
ROA	: <i>Return on Asset</i>
ROAA	: <i>Return on Average Asset</i>
ROE	: <i>Return on Equity</i>
ROAE	: <i>Return on Average Equity</i>



# PHINTRACO SEKURITAS

## Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of  $> +10\%$  over the next 12 months.
- Hold : The stock is expected to give total return of  $> 0\%$  to  $\leq +10\%$  over the next 12 months.
- Sell : The stock is expected to give total return of  $< 0\%$  over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

**PHINTRACO SEKURITAS**

**Kantor Cabang & Mitra GI BEI**



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