

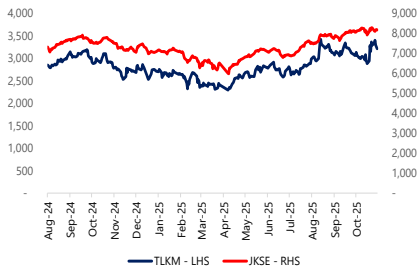


HOLD

Price (Nov 12 th , 25)	3,500
Target Price	3,750
Potential Upside	7.14%
Market Cap	346.72 T
Number of Share	99.06 B
52w Lo/Hi	2,050 / 3,280

Source : IDX | Phintraco Sekuritas Research
| as of Nov 12th, 2025

IHSG vs TLKM



Source : IDX

Shareholder	%
PT Danantara Asset Management	52.4%
Public	40.3%

Source : Bloomberg

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2025F	210	239.51	-12.3%
2026F	227	241.59	-6.2%

Source : Bloomberg

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PT Telkom Indonesia (Persero) Tbk (TLKM.JK / TLKM.IJ)

IDX30 | ISSI | Kompas100

Earnings Normalization in Progress, Structural Upside Intact

TLKM delivered a more moderate set of results in 3Q25, with signs of easing pressure across its core segments. The company reported revenue of IDR36.61 trillion (+0.68% QoQ; -0.85% YoY), bringing cumulative 9M25 revenue to IDR109.62 trillion (-2.32% YoY). The voice and SMS segments continued to contract sharply, declining -35.89% YoY and -29.99% YoY in 3Q25, reflecting the ongoing migration of customer behavior toward OTT-based services. Meanwhile, the Data, Internet & IT Services segment showed a meaningful recovery, posting a solid +9.36% QoQ rebound after several quarters of weakness. This improvement was supported by product simplification initiatives and the harmonization of starter pack pricing to IDR35,000 for 3GB. As a result, blended ARPU rose to IDR43,400 in 3Q25 (+5.09% QoQ; -1.36% YoY), although both subscriber base and data consumption dipped slightly at -3.04% QoQ and -0.53% QoQ, respectively. IndiHome performance remained relatively stable, with revenue reaching IDR19.73 trillion (+0.54% YoY in 9M25). The segment recorded healthy customer growth of +7.54% YoY, reaching 11.54 million subscribers as of 9M25. On the other hand, IndiHome ARPU continued to face pressure, declining to IDR216,700 (-9.41% YoY), reflecting a rising proportion of customers opting for standalone internet packages without TV or fixed-line bundles.

The increase in operating expenses outpacing revenue growth once again weighed on TLKM's profitability in 3Q25. Operating expenses rose by +2.09% QoQ (+3.45% YoY) to IDR27.20 trillion, driven primarily by higher depreciation and amortization, which accelerated by +8.92% QoQ (+9.21% YoY) following the expedited write-down of non-productive assets. Nonetheless, efficiency gains were still visible through lower personnel and interconnection costs, which declined by -2.27% QoQ and -31.21% QoQ respectively, in line with reduced legacy traffic and a smaller workforce resulting from the Early Retirement Program (ERP). These cost pressures ultimately flowed through to the bottom line. EBITDA stood at IDR18.29 trillion (+2.34% QoQ; -2.52% YoY), with the marginal QoQ improvement largely attributable to accelerated depreciation, which helped lift the EBITDA margin slightly to 49.95% (vs. 49.14% in 2Q25). However, the improvement was insufficient to offset the broader cost burden and rising non-operating expenses, which continued to cap profitability recovery. Net profit weakened further to IDR4.81 trillion (-6.89% QoQ; -18.68% YoY), with the net profit margin compressing to 13.13% in 3Q25 (vs. 16.02% in 3Q24).

TLKM's product simplification strategy and adjustments to starter pack pricing have begun to yield positive results, as reflected in the recovery of the Data, Internet & IT Services segment, which rebounded +9.4% QoQ after several quarters of weakness (1Q25: -2.9% QoQ; 2Q25: -0.7% QoQ). These initiatives also supported a +5.09% QoQ increase in blended ARPU to IDR43,400, while simultaneously driving a healthier subscriber base increasingly anchored by higher-value users. With this segment contributing roughly ~59% of total revenue, sustained strength in data services will be critical to TLKM's earnings recovery trajectory, particularly as legacy revenues continue to decline in line with customer migration toward OTT platforms. Additionally, IndiHome offers medium-term growth potential, supported by Indonesia's still-low fixed broadband penetration and the expected monetization uplift from FMC adoption through enhanced bundling propositions.

We reiterate our HOLD recommendation on TLKM with a higher target price of IDR3,750 (Prev IDR2,950), reflecting our roll-forward valuation to FY26F and adjustments to long-term assumptions. We believe the company's product simplification initiatives provide a solid foundation for a more sustainable profitability recovery. Additionally, the expansion of fixed broadband services and the planned spin-off of Telkom InfraCo (TIF) are expected to enhance operational efficiency and unlock long-term asset monetization opportunities. **Upside risks** to our call include: (1) a faster-than-expected recovery in data monetization driven by ARPU uplift, (2) better-than-anticipated traction in fixed broadband, and (3) accelerated value crystallization from the InfraCo spin-off.

Financial Highlight

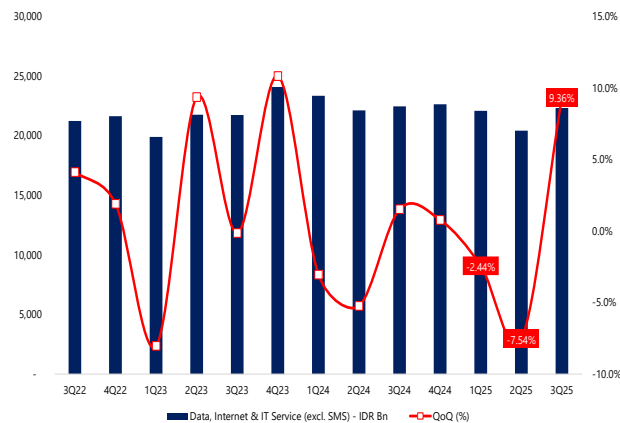
Table 1. Financial & Operational Performance TLKM 9M25

PT Telkom Indonesia (Persero) Tbk - TLKM												
(in Billion IDR)	9M24	9M25	YoY	3Q24	2Q25	3Q25	QoQ	YoY	Phintas Estimate	%Phintas	Cons	%Cons
Revenue	112,219	109,617	-2.32%	36,927	36,365	36,613	0.68%	-0.85%	147,092	75%	151,566	72.3%
Cellular voice	4,770	3,680	-22.85%	1,527	1,234	979	-20.66%	-35.89%				
SMS	2,649	2,462	-7.06%	987	810	691	-14.69%	-29.99%				
Data, Internet & IT Service (excl. SMS)	67,908	64,802	-4.57%	22,453	20,409	22,319	9.36%	-0.60%				
Indihome	19,626	19,731	0.54%	6,654	6,588	6,480	-1.64%	-2.61%				
Operating Expenses	(79,842)	(80,296)	0.57%	(26,289)	(26,639)	(27,195)	2.09%	3.45%	(108,177)	74%	(108,039)	74.3%
Depreciation & Ammortization	(24,250)	(25,067)	3.37%	(8,121)	(8,143)	(8,869)	8.92%	9.21%				
Op, Maintenance, And Telco Service Expenses	(29,977)	(30,284)	1.02%	(10,513)	(10,152)	(10,524)	3.66%	0.10%				
Personnel Expenses	(13,156)	(11,903)	-9.52%	(3,671)	(3,917)	(3,828)	-2.27%	4.28%				
G&A Expenses	(4,924)	(5,003)	1.60%	(1,566)	(1,531)	(1,661)	8.49%	6.07%				
Interconnection expenses	(5,008)	(5,661)	13.04%	(1,462)	(2,131)	(1,466)	-31.21%	0.27%				
Marketing expenses	(2,527)	(2,378)	-5.90%	(956)	(765)	(847)	10.72%	-11.40%				
Operating Profit	32,377	29,321	-9.44%	10,638	9,726	9,418	-3.17%	-11.47%	38,915	75%	43,527	67.4%
EBITDA	56,627	54,388	-3.95%	18,759	17,869	18,287	2.34%	-2.52%	72,421	75%	76,698	70.9%
Net Profit	17,675	15,784	-10.70%	5,914	5,165	4,809	-6.89%	-18.68%	20,799	76%	23,941	65.9%
Profitability Ratio												
Operating Profit Margin (OPM)	28.85%	26.75%		28.81%	26.75%	25.72%			26.46%		28.72%	
EBITDA Margin	50.46%	49.62%		50.80%	49.14%	49.95%			49.23%		50.60%	
Net Profit Margin (NPM)	15.75%	14.40%		16.02%	14.20%	13.13%			14.14%		15.80%	
Operational Data												
IndiHome Customer ('000)	10,735	11,544	7.54%									
IndiHome B2C Customer ('000)	9,376	10,261	9.44%									
Indihome ARPU ('000)	239.20	216.70	-9.41%									
Postpaid	7,682	8,168	6.33%									
Prepaid	150,735	149,418	-0.87%									
Total Subscriber	158,417	157,586	-0.52%									
ARPU - Blended ('000 IDR)	44.50	42.40	-4.72%									
Consumption Data (PB)	14,903	17,473	17.25%									
BTS ('000 Units)	218	234	7.15%									

Source : Company | Phintraco Sekuritas Research | Bloomberg

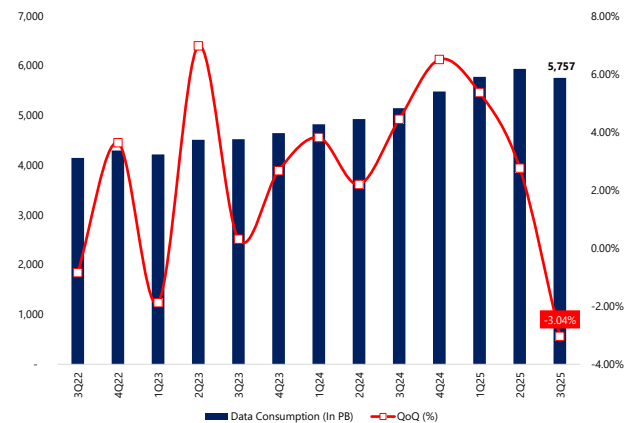
Key Operational Highlight

Figure 1. TLKM'S Subscriber



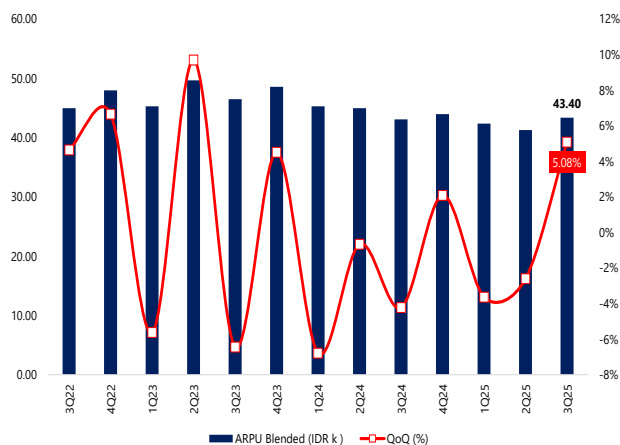
Source : Company | Phintraco Sekuritas Research

Figure 2. TLKM'S Traffic Data



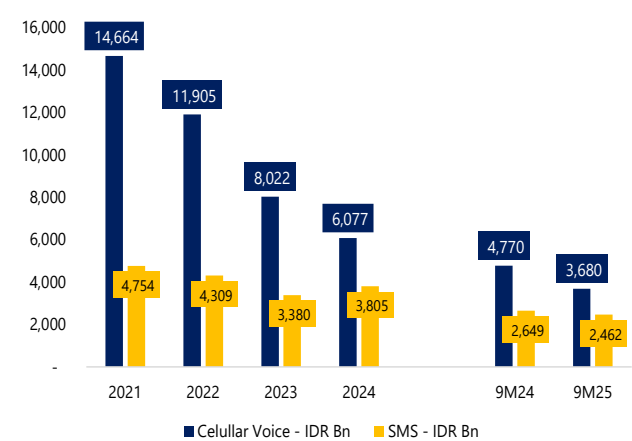
Source : Company | Phintraco Sekuritas Research

Figure 3. TLKM'S ARPU Blended Trend



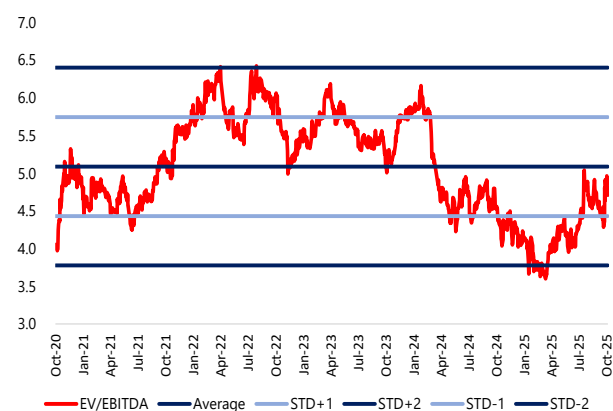
Source : Company | Phintraco Sekuritas Research

Figure 4. Cellular Voice and SMS Revenue Trend



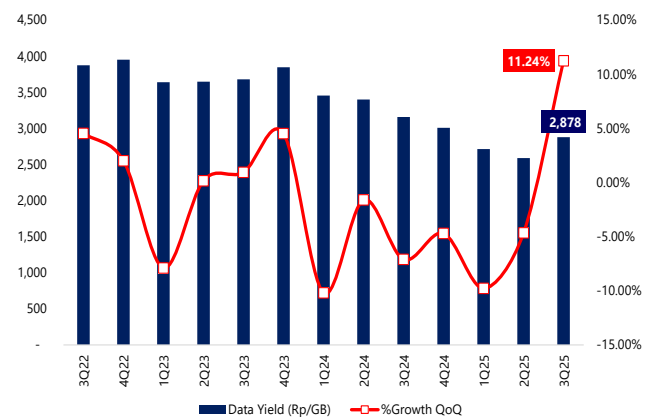
Source : Company | Phintraco Sekuritas Research

Figure 5. EV/EBITDA Band 5-Years



Source : Bloomberg | Phintraco Sekuritas Research

Figure 4. Data Yield IDR /GB



Source : Company | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)

BALANCE SHEET	FY23	FY24	FY25E	FY26F	FY27F
Asset					
Cash & cash equivalents	29,007	33,905	34,179	36,649	40,842
Accounts Receivable	10,667	12,193	10,515	10,771	11,057
Total Current Assets	55,613	63,080	61,310	64,402	69,337
Fixed Assets	180,755	180,566	182,728	183,765	184,925
Long Term Investment	8,162	8,335	8,175	8,374	8,596
Total Non Current Assets	231,429	236,595	238,181	240,395	242,747
Total Asset	287,042	299,675	299,491	304,798	312,084
Liabilities					
Account Payables	18,608	15,336	19,393	19,566	19,859
Current Maturities Of Lt Borrowings	10,276	15,866	14,709	14,413	14,123
Total Current Liabilities	71,568	76,767	77,879	78,121	78,573
LT debt - net of current maturities	27,773	25,518	23,658	23,182	22,714
Lease liabs	14,850	18,468	17,122	16,777	16,439
Total Non Current Liabilities	58,912	60,418	56,587	56,151	55,775
Total Liabilities	130,480	137,185	134,466	134,272	134,348
Equity	156,562	162,490	165,025	170,526	177,736

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

CASH FLOW	FY23	FY24	FY25E	FY26F	FY27F
Cash Flow from Operating					
Net Income	24,560	23,461	20,799	22,461	24,085
Depreciation & Amortization	9,165	9,179	14,670	14,744	14,828
Working Capital	(1,735)	(4,897)	5,797	(71)	(25)
Others	(1,610)	(944)	305	(379)	(424)
Net-CFFO	30,380	26,799	41,570	36,755	38,465
Cash Flow from Investing					
CAPEX	(16,591)	(8,990)	(16,832)	(15,781)	(15,988)
Others	(3,868)	(5,355)	576	(1,177)	(1,192)
Net-CFFI	(20,459)	(14,345)	(16,256)	(16,958)	(17,179)
Cash Flow from Financing					
Short Term Debt	3,527	7,381	(2,397)	(613)	(602)
Long Term Debt	1,556	1,363	(3,207)	(820)	(806)
Change in other non-current liabilities	72	1,070	(1,753)	1,789	1,999
Equity	-	(401)	-	-	-
Net-CFFF	(12,861)	(7,556)	(25,040)	(17,327)	(17,092)
NET CASH FLOW	(2,940)	4,898	274	2,470	4,193

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

INCOME STATEMENT	FY23	FY24	FY25E	FY26F	FY27F
Revenue	149,216	149,967	147,092	150,671	154,671
<i>Growth</i>	<i>1.30%</i>	<i>0.50%</i>	<i>-1.92%</i>	<i>2.43%</i>	<i>2.65%</i>
Operating Expenses	(104,300)	(107,581)	(108,177)	(109,643)	(111,279)
Operating Profit	44,916	42,386	38,915	41,029	43,392
<i>Operating Profit Margin</i>	<i>30.10%</i>	<i>28.26%</i>	<i>26.46%</i>	<i>27.23%</i>	<i>28.05%</i>
EBITDA	77,579	75,029	72,421	75,995	79,837
<i>EBITDA Margin</i>	<i>51.99%</i>	<i>50.03%</i>	<i>49.23%</i>	<i>50.44%</i>	<i>51.62%</i>
Finance Cost	(4,652)	(5,208)	(5,359)	(4,856)	(4,668)
EBT	40,794	38,965	34,728	37,503	40,215
<i>EBT Margin</i>	<i>27.34%</i>	<i>25.98%</i>	<i>23.61%</i>	<i>24.89%</i>	<i>26.00%</i>
Net Profit	24,560	23,461	20,799	22,461	24,085
<i>Net Profit Margin</i>	<i>16.46%</i>	<i>15.64%</i>	<i>14.14%</i>	<i>14.91%</i>	<i>15.57%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

RATIOS	FY23	FY24	FY25E	FY26F	FY27F
Profitability Ratio (%)					
OPM	30.10%	28.26%	26.46%	27.23%	28.05%
EBITDA Margin	51.99%	50.03%	49.23%	50.44%	51.62%
NPM	16.46%	15.64%	14.14%	14.91%	15.57%
ROA	8.56%	7.83%	6.94%	7.37%	7.72%
ROAA	8.74%	8.00%	6.94%	7.43%	7.81%
ROE	15.69%	14.44%	12.60%	13.17%	13.55%
ROAE	16.06%	14.71%	12.70%	13.39%	13.83%
Activity Ratio (X)					
Days of Receivables	25.74	25.74	25.74	25.74	25.74
Days of Payables	64.23	63.96	64.54	64.24	64.25
Cash Operating Cycle	158.05	159.21	150.75	155.90	155.20
Leverage Ratio (x)					
DER	0.44x	0.47x	0.43x	0.41x	0.38x
DAR	0.24x	0.26x	0.24x	0.23x	0.22x
Interest Bearing Debt (In IDR Bn)	68,124	76,868	71,264	69,831	68,422
Net Debt (In IDR Bn)	39,117	42,963	37,085	33,181	27,580
Net Gearing Ratio	0.25x	0.26x	0.22x	0.19x	0.16x
Interest Coverage Ratio (ICR)	9.54x	8.22x	7.26x	8.45x	9.30x
Net Debt / EBITDA	0.50x	0.57x	0.51x	0.44x	0.35x
Liquidity Ratio (X)					
Current Ratio	0.78x	0.82x	0.79x	0.82x	0.88x
Quick Ratio	0.76x	0.81x	0.77x	0.81x	0.87x
Cash Ratio	0.37x	0.38x	0.35x	0.36x	0.36x
Price Ratio					
Price per Share at the end of the year	3,877	2,994	3,750	3,750	3,750
Outstanding Shares (in Billion)	99	99	99	99	99
EPS (IDR) (annualized)	248	237	210	227	243
BVPS (IDR)	1,580	1,640	1,666	1,721	1,794
PER(X)	15.64x	12.64x	17.86x	16.54x	15.42x
PBV(X)	2.45x	1.83x	2.25x	2.18x	2.09x
EV/EBITDA (annualized)	5.72x	4.80x	5.92x	5.59x	5.26x
Dividend					
DPS	167.60	178.50	178.50	178.50	178.50
DPR	80.0%	72.0%	80.0%	80.0%	80.0%
Div. Yield	4.32%	5.96%	4.76%	4.76%	4.76%

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 & Tax</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation & 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>



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Rating for Stocks :

- Buy : The stock is expected to give return of more than 10% over the next 12 months.
- Hold : The stock is expected to give return of between -10% and 10% over the next 12 months.
- Sell : The stock is expected to give total return of $< -10\%$ 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"

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Kantor Cabang & Mitra GI BEI



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