

PT Telekomunikasi Indonesia (Persero) Tbk

BUY

Telecommunication
6 November 2025

Price	IDR	3,540
Target	IDR	4,000
JKSE Index		8,318.53



Stock code

Bloomberg code	TLKM IJ
Market cap (in Bn)	350,680
52-week high	3,630
52-week low	2,050
Free Float (%)	30.00%

Major Share Holders (%)

PT Biro Klasifikasi Indonesia	52.09%
Public	47.91%

USD/IDR-YE

2024	16,193
2025F (6m-avg)	16,407

Analyst:
Eka Rahmawati Rahman
eka.Rahmah@binaartha.com

Investment Considerations

Mobile ARPU hike as market repair

- Telkom Indonesia (TLKM) reported revenue of IDR 36.6 trillion in Q3-2025, down -0.9% YoY but improving +0.7% QoQ, driven mainly by stronger mobile ARPU. For 9M-2025, revenue declined -2.3% YoY to IDR 109.6 trillion.
- The Data, Internet & IT Services segment fell -1.8% YoY but improved +4.8% QoQ to IDR 23.01 trillion, as digital business remained soft while “market repair” efforts—product simplification and yield-focused pricing—supported recovery in mobile performance. Despite a decline in data traffic (-3.0% QoQ to 5,757 PB), mobile ARPU improved to IDR 43,000 (vs IDR 41,000 in Q2-2025) as operators maintained rational pricing. Mobile subscribers slipped -0.5% QoQ to 157.58 million, impacted by churn from starter-pack rationalization.
- IndiHome revenue declined -2.6% YoY and -1.6% QoQ to IDR 6.48 trillion amid weak consumer sentiment and affordability challenges. The subscriber base grew +7.5% YoY to 11.54 million, but ARPU dropped -9.4% YoY to IDR 216,700 due to shifting preference to broadband-only packages over bundled IPTV + telephony.
- With gradual mobile recovery but continued pressure on fixed broadband, management revised FY25 revenue guidance from flattish to slightly contracting, while maintaining the EBITDA margin target at ~50%.

Spin Off of TLKM’s fiber assets

- TLKM moved forward with its fiber-asset spin-off into PT Telkom Infrastruktur Indonesia (TIF), signing a conditional agreement on 20 October 2025 involving asset transfers totaling IDR 79 trillion.
- Phase 1 covers 56% of infrastructure assets valued at IDR 35.78 trillion, pending shareholder approval at the 12 December 2025 EGM, and targeted to complete by 26 January 2026. Phase 2 is planned for completion by 2H-2026.
- Transferred assets include 83,000 km of backbone and ~500,000 km of access fiber (FTTx reach). TIF is expected to generate IDR 26 trillion revenue and IDR 9–10 trillion EBITDA. The spin-off aims to sharpen TLKM’s focus on business development, improve asset efficiency, and unlock fiber-network value. TLKM also plans to invite a strategic partner to take a 20–30% stake in TIF.

Q3 2025 Results: Margin contracted

- Net profit was IDR 4.84 trillion, down -18.2% YoY and -5.8% QoQ, with NPM contracting to 13.2%. Operating expenses increased +3.9% YoY to IDR 27.3 trillion, driven by higher personnel costs (+4.3% YoY), general & administrative (+6.1% YoY) from higher provisions, and +9.2% depreciation & amortization due to InfraCo-linked asset changes.
- Excluding unrealized items, core net income fell -11.3% YoY to IDR 5.5 trillion.

Valuation: Maintain BUY, TP IDR 4,000 (+13% Upside)

- We maintain our BUY call with a target price of IDR 4,000, implying +13% upside, based on 17× forward P/E.

Financial Highlights	2021A	2022A	2023A	2024A	2025F	2026F
Revenue (IDR Bn)	143.210	147.306	149.216	149.967	149.404	152.962
EBITDA (IDR Bn)	79.301	72.749	77.579	75.027	75.376	78.031
Net Income (IDR Bn)	24.760	20.753	24.561	23.649	22.137	23.854
EPS (IDR)	250	209	248	239	223	241
PBV (x)	3	3	3	2	3	3
PER (x)	16	18	16	11	18	17
ROE (%)	20%	16%	18%	17%	16%	17%
ROA (%)	9%	8%	9%	8%	7%	8%
Tot. Debt / Equity (x)	1,1	1,0	1,0	1,0	1,0	1,0
Current Ratio (X)	0,9	0,8	0,8	0,8	0,7	0,7

Revenue Breakdown YoY

Revenue Breakdown (IDR Bn)	9M2024	9M2025	YoY	2Q2025	3Q2025	QoQ
Data, Internet & IT Services	67.908	64.802	-4,6%	21.152	22.319	5,5%
SMS, Fixed and Cellular Voice	7.892	6.708	-15,0%	2.276	1.862	-18,2%
IndiHome	19.626	19.731	0,5%	6.588	6.480	-1,6%
Interconnection	6.875	7.107	3,4%	2.566	2.145	-16,4%
Network and Other Telco Services	9.918	11.269	13,6%	3.783	3.807	0,6%
Total Revenue	112.219	109.617	-2,3%	36.365	36.613	0,7%

Source: Company

TLKM Operation Performance

Key Indicators	9M2024	9M2025	YoY %	2Q2025	3Q2025	QoQ %
Mobile Customer Base (000)	158.416	157.587	-0,5%	158.428	157.587	-0,5%
IndiHome B2C (000)	9.376	10.261	9,4%	10.061	10.261	2,0%
ARPU Mobile (000)	45	42	-4,7%	41	43	5,3%
ARPU IndiHome B2C (000)	239	217	-9,4%	217	210	-3,3%
BTS on Air (Units)	269.066	288.295	7,1%	280.434	288.295	2,8%
Data Payload (TB)	14.902.623	17.472.811	17,2%	5.937.521	5.757.242	-3,0%

Source: Company

Income Statement in IDR. Billion QoQ

Income Statement (IDR. Bn)	1Q2025	2Q2025	3Q2025	QoQ	3Q2024	YoY	9M2024	9M2025	YoY
Revenue	36.639	36.365	36.613	0,7%	36.927	-0,9%	112.219	109.617	-2,3%
Cost of revenue	-26.151	-26.948	-27.345	1,5%	-26.112	4,7%	-79.769	-80.444	0,8%
Operating Profit	10.488	9.417	9.268	-1,6%	10.815	-14,3%	32.450	29.173	-10,1%
Others income/ (Expense)	-898	-866	-987	14,0%	-1.121	-12,0%	-2.833	-2.751	-2,9%
Profit Before Tax	9.590	8.551	8.281	-3,2%	9.694	-14,6%	29.617	26.422	-10,8%
Taxes	-1.993	-2.051	-1.783	-13,1%	-2.097	-15,0%	-6.596	-5.827	-11,7%
NIAT	7.597	6.500	6.498	0,0%	7.597	-14,5%	23.021	20.595	-10,5%
Non-controlling Interest	-1.787	-1.364	-1.660	21,7%	-1.683	-1,4%	-5.346	-4.811	-10,0%
Net Income	5.810	5.136	4.838	-5,8%	5.914	-18,2%	17.675	15.784	-10,7%
EPS (in IDR)	59	52	49	-5,8%	60	-18,2%	178	159	-10,7%
Core Net Income	6.533	5.610	5.509	-1,8%	6.214	-11,3%	18.643	16.700	-10,4%
OPM	28,6%	25,9%	25,3%		29,3%		28,9%	26,6%	
NPM	15,9%	14,1%	13,2%		16,0%		15,8%	14,4%	
Core NPM	17,8%	15,4%	15,0%		16,8%		16,6%	15,2%	

Source: Company & Binaartha

Income Statement in IDR Billion YoY

Income Statement (IDR. Bn)	2021A	2022A	2023A	2024A	2025F	2026F
Revenue	143.210	147.306	149.216	149.967	149.404	152.962
Cost of revenue	-95.647	-107.725	-104.832	-106.976	-109.065	-110.133
Operating Profit	47.563	39.581	44.384	42.991	40.339	42.829
Others income/ (Expense)	-3.885	-3.242	-3.590	-3.838	-3.436	-3.518
Profit Before Tax	43.678	36.339	40.794	39.153	36.903	39.311
Taxes	-9.730	-8.659	-8.585	-8.410	-8.192	-8.727
NIAT	33.948	27.680	32.209	30.743	28.710	30.584
Non-controlling Interest	-9.188	-6.927	-7.648	-7.094	-6.574	-6.730
Net Income	24.760	20.753	24.561	23.649	22.137	23.854
EPS (in IDR)	249,9	209,5	247,9	238,7	223,5	240,8
EBITDA	79.301	72.749	77.579	75.027	75.376	78.031

Source: Company & Binaartha

Cash Flow in IDR. Billion YoY

Cash Flow (In IDR Bn)	2021A	2022A	2023A	2024A	2025F	2026F
Net Income	24.760	20.753	24.561	23.649	22.137	23.854
Depreciation	24.718	25.576	24.838	24.231	24.231	24.926
Change in WC	2.986	1.113	-2.316	2.630	12.932	-6.092
WC						
Current Assets	22.966	23.110	26.606	29.175	26.338	26.965
Current Liabilities	69.131	70.388	71.568	76.767	86.862	81.397
WC	-46.165	-47.278	-44.962	-47.592	-60.524	-54.432
Cash From Operating Activities	52.464	47.442	47.083	50.510	59.300	42.688
Change in Non-current Asset	-40.185	-29.804	-36.132	-29.397	-27.612	-31.548
Cash From Investing Activities	-40.185	-29.804	-36.132	-29.397	-27.612	-31.548
Long-term Debts	5.758	-8.988	442	-2.255	-119	605
Others Noncurrent Liabilities	-65	1.876	2.928	3.761	-3.380	2.132
Equity	-250	-16.890	-17.261	-17.721	-26.639	-18.152
Cash From Financing Activities	5.443	-24.002	-13.891	-16.215	-30.138	-15.415
Net Changes in Cash	17.722	-6.364	-2.940	4.898	1.550	-4.275
Beginning Balance	20.589	38.311	31.947	29.007	33.905	35.455
Ending Balance	38.311	31.947	29.007	33.905	35.455	31.180

Source: Company & Binaartha

Statement of Financial Position in IDR Billion YoY

Statement of Financial Position (In IDR Bn)	2021A	2022A	2023A	2024A	2025F	2026F
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	38.311	31.947	29.007	33.905	35.455	31.180
Trade Accounts Receivable	8.510	8.634	10.667	12.190	12.144	12.433
Others Current Assets	14.456	14.476	15.939	16.985	14.193	14.531
Total Current Assets	61.277	55.057	55.613	63.080	61.792	58.145
NONCURRENT ASSETS						
Fixed Assets	165.026	173.329	180.755	180.566	185.748	191.078
Intangible Assets	7.506	8.302	8.731	9.442	9.407	9.631
Other Noncurrent Assets	43.375	38.504	41.943	46.587	44.821	45.889
Total Noncurrent Assets	215.907	220.135	231.429	236.595	239.976	246.598
TOTAL ASSETS	277.184	275.192	287.042	299.675	301.768	304.742
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Short-term Bank Loans	20.248	17.049	19.926	27.391	35.196	29.917
Trade Payables	17.170	24.321	18.608	15.336	18.790	17.821
Accruals	15.885	15.445	13.079	14.192	13.103	13.415
Others Current Liabilities	15.828	13.573	19.955	19.848	19.774	20.244
Total Current Liabilities	69.131	70.388	71.568	76.767	86.862	81.397
NONCURRENT LIABILITIES						
Long-term bank	36.319	27.331	27.773	25.518	25.399	26.004
Others Noncurrent Liabilities	26.335	28.211	31.139	34.900	31.520	33.652
Total Noncurrent Liabilities	62.654	55.542	58.912	60.418	56.919	59.655
TOTAL LIABILITIES	131.785	125.930	130.480	137.185	143.781	141.053
Non-controlling interest	23.753	20.004	20.818	20.396	20.484	21.415
EQUITY	121.646	129.258	135.744	142.094	137.503	142.275
TOTAL LIABILITIES & EQUITY	277.184	275.192	287.042	299.675	301.768	304.742

Source: Company & Binaartha

Ratio Highlights YoY

Growth (% YoY)	2021A	2022A	2023A	2024A	2025F	2026F
Revenue	5%	3%	1%	1%	0%	2%
OP	9%	-17%	12%	-3%	-6%	6%
EBITDA	10%	-8%	7%	-3%	0%	4%
NP	19%	-16%	18%	-4%	-6%	8%
EPS	19%	-16%	18%	-4%	-6%	8%

Profitability

Operating Margin(%)	33%	27%	30%	29%	27%	28%
EBITDA margin(%)	55%	49%	52%	50%	50%	51%
NET Profit margin(%)	17%	14%	16%	16%	15%	16%
ROA(%)	9%	8%	9%	8%	7%	8%
ROE(%)	20%	16%	18%	17%	16%	17%

Stability

Tot debt/ equity (x)	1,1	1,0	1,0	1,0	1,0	1,0
Current Ratio (x)	0,9	0,8	0,8	0,8	0,7	0,7
Cash Ratio (x)	0,6	0,5	0,4	0,4	0,4	0,4

Per Share data

EPS (IDR)	250	209	248	239	223	241
PBV (x)	3	3	3	2	3	3
PER (x)	16	18	16	11	18	17
EBITDA/share	801	734	783	757	761	788

Source: Company & Binaartha

Stock Ratings:

- Buy : a recommendation to purchase the security with upside potential of **9,50% or greater**
Hold : a recommendation to neither buy nor sell a security with upside potential of **4,75%- 9,49%**.
Sell : a recommendation to close out a long position in a security with upside potential **below 4,74%**.

RESEARCH TEAM
(62 21) 520 6678 ext. 611

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