

TLKM recorded 4Q25 revenue of IDR 37.1T (+1.4% QoQ, -1.7% YoY) and closed FY25 at IDR 146.7T (-2.2% YoY), as weakness across most segments — voice, interconnection, and network services — was only partially offset by a recovery in data & internet. At the operational level, opex rose +10.1% YoY & +15.8% in 4Q25 to IDR 31.7T, driven by a surge in D&A (+41.9% QoQ, +26.7% YoY) on accelerated asset depreciation and higher personnel costs from the Early Retirement Program. This weighed heavily on operating profit, which contracted to IDR 5.5T (-41.0% QoQ, -39.2% YoY), with OPM compressing sharply to 14.7% (vs. 25.3% in 3Q25). Net profit declined to IDR 2T (-57.8% QoQ, -57.1% YoY), with NPM at 5.5% (vs. 13.1% in 3Q25). On a full-year basis, FY25 net profit stood at IDR 17.8T (-20.5% YoY), with NPM at 12.1% (vs. 14.9% in FY24). Looking ahead, management guides for normalized revenue growth of 1–3% in FY26, implying a gradual recovery from the -2.2% reported in FY25.

Business Segmentation: Better ARPU in 4Q25 for Telkomsel but Flat Performance for IndiHome

- Better 4Q25 Performance - Rising ARPU drives quarterly growth in data & internet.** TLKM's mobile (Telkomsel) ARPU rose to IDR 45k (+3.6% QoQ & +2.3% YoY) in 4Q25, with total customer remained relatively stable (-1% QoQ, -2.1% YoY), lifting data & internet segment revenue to IDR 25.2T (+13.1% QoQ, +11.6% YoY). The quarterly uplift was further supported by an accounting reclassification of Telkomsel's product services. On a full-year basis, however, segment revenue remained broadly flat (-0.5% YoY), as intensifying competition and structural shifts in mobile usage behavior continued to weigh on Telkomsel's digital business (-1.9% YoY).
- IndiHome Under Pressure as Competition and Behavioral Shifts Erode ARPU.** IndiHome revenue declined to IDR 6.4T in 4Q25 (-1.4% QoQ, -3.0% YoY), with FY25 revenue broadly flat at IDR 26.2T (-0.5% YoY). The weakness tracks a deteriorating ARPU trajectory (-2.7% QoQ, -10.1% YoY), we view this trend as not only aligned with customers increasingly opting for lower-priced internet packages, but also reflecting intensifying competition within the FBB industry, as evidenced by competitive market dynamics, selective customer acquisition, and a structural shift in customer preference toward internet-only packages.
- Network & other Telco services faces quarterly distortion from one-off items.** FY25 revenue was broadly flat at IDR 13.5T (+0.2% YoY), supported by solid performance in solution services, network, and payment solutions. The sharp 4Q25 decline to IDR 2.2T (-42.1% QoQ) is largely technical, driven by the deconsolidation of the e-health business (AdMedika) ahead of divestment and an accounting reclassification related to Telkomsel's product solutions services.

Operational Performance : Expenses Surging Up Driven by D&A – Accounting Treatment & G&A Expenses

- Surging D&A expense due to changes in accounting treatment.** D&A expense rose sharply in 4Q25 (+41.9% QoQ, +26.7% YoY), driven by accelerated depreciation following a reclassification of drop cable and select network assets, bringing FY25 D&A expenses rose +10.15% YoY to IDR 37.6T (FY24: IDR 34.2T). Useful economic lives were revised from 25 years to approximately 5–10 years, better reflecting industry-standard accounting practices. The change is also expected to produce a more representative asset valuation in the context of TLKM's planned fiber asset spin-off into PT Telkom Infrastruktur Indonesia (Infranexia) which will be completed in 3Q26.
- Opex further pressured by personnel and G&A expenses.** Beyond the D&A expense surge, opex rose to IDR 4.5T (+16.5% QoQ, +10.1% YoY), further pressured by higher personnel costs associated with an Early Retirement Program (ERP) covering 612 employees. G&A expenses came in at IDR 1.6T (-3.8% QoQ, +22.8% YoY), with the quarterly decline attributable to improved B2B subscription collections. On a full-year basis, FY25 G&A expenses grew by 6% YoY, primarily reflecting higher provision bookings at Telkomsel for Indihome B2C and postpaid mobile segment. Bring all together, 4Q25 operating profit dragged down to IDR 5.5T (-41% QoQ, -39.2% YoY) and brought the FY25 operating profit to IDR 34.6T (-16.4% YoY).

Management's Guidance for FY26 & Our Forecast View

- Aiming for a better EBITDA margin & normalized performance.** Management guides for normalized revenue growth of 1–3% in FY26, a modest recovery from the -2.2% in FY25. EBITDA margin is targeted above 50% (FY25: 49%), reflecting management's confidence. Capex intensity is expected to be at around 17–19% of revenue, suggesting no material step-up in the network investment. Based on the latest guidance, we project TLKM's FY26F revenue to grow by +1.2% YoY, supported by improving ARPU, particularly from Telkomsel, alongside a more disciplined monetization strategy. We also expect FY26 to mark the beginning of earnings normalization, driven by improving operational efficiency and a healthier cost structure. Consequently, we forecast FY26F net profit to recover to IDR 23.7T (+32.8% YoY).

Upgrade to “Buy” Recommendation with Target Price of IDR 3,700 (Upside +20.1%)

- NHKS Research upgrades its recommendation on Telkom Indonesia (TLKM) from Hold to Buy with a target price of IDR 3,700/share, implying a valuation of 5.4x F-EV/EBITDA (+1 standard deviation above its 3-year historical average).** We view TLKM's current valuation as attractive, supported by relatively limited broader selling pressure reflected in its recent price action, as well as its defensive characteristics which position the stock as a portfolio hedge amid heightened volatility in the Indonesian equity market. Beyond its resilient and stable business profile, TLKM's strategic initiatives including operational streamlining, value unlocking from fiber assets through Infranexia, and expansion of its data center business could provide positive medium-term catalysts as the company transitions into a more mature business phase.
- In the near term, we see several positive catalysts that could justify a rerating for TLKM, including the successful execution of operational efficiency initiatives, alongside potential improvements in ARPU and yield in line with a recovering industry environment.** On the other hand, key downside risks include weaker consumer purchasing power which may dampen demand for data services, intensifying competition among telecom operators particularly on pricing, as well as potential delays in TLKM's business transformation process.

PT Telekomunikasi Indonesia Tbk. | Summary (IDR Billions)

In IDR Bn	2024 A	2025 F	2026 F	2027 F
Revenue	146,742	148,559	151,044	154,697
Revenue Growth	-2.2%	1.2%	1.7%	2.4%
EBITDA	72,297	75,060	76,412	78,475
Net Profit	17,814	23,661	23,782	24,134
EPS (IDR)	180	239	240	244
Growth	-24.7%	32.8%	0.5%	1.5%
BVPS (IDR)	1,520	1,689	1,738	1,787
EBITDA Margin	49.3%	50.5%	50.6%	50.7%
NPM	12.1%	15.9%	15.7%	15.6%
ROE	11.8%	14.1%	13.8%	13.6%
ROA	6.2%	8.0%	7.7%	7.5%
P/E Ratio	17.1x	15.5x	15.4x	15.2x
P/BV Ratio	2.0x	2.2x	2.1x	2.1x
EV/EBITDA	4.6x	5.3x	5.3x	5.2x
Dividend yield	6.9%	5.2%	5.2%	5.3%

Source : Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

Company Report | 20th May 2026

Buy

Target Price (IDR)	3,700
Consensus Price	3,795
TP to Consensus Price	-2.5%
Potential Upside	+20.1%

Shares Data

Last Price (IDR)	3,170
Price date as of	19 th May 2026
52 wk range (Hi/Lo)	3,990 / 2,560
Free Float (%)	47.5
Outstanding sh (mn)	99,062
Market Cap (IDR bn)	314,027
Market Cap (USD mn)	17,750
Avg. Trd Vol – 3M (mn)	109.96
Avg. Trd Vol – 3M (IDR Bn)	340.33
Foreign Ownership	39.0%

Sector

Infrastructure

Sub-Sector

Telecommunication

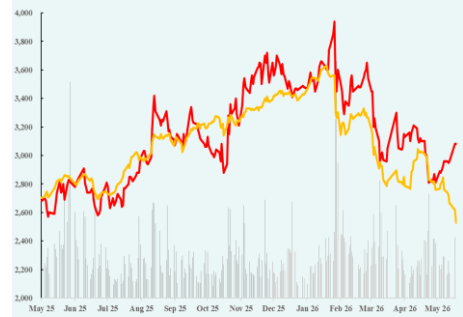
Bloomberg

TLKM IJ Equity

Reuters

TLKM JK

Shares Price Performance



	YTD	1M	3M	12M
Abs.Ret	-11.2%	-0.6%	-11.5%	+9.2%
Rel.Ret	-15.9%	+15.9%	+11.5%	+20.0%

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4Q25 | FY25 : Quarterly Income Statement – Operational Review For TLKM

(In IDR Billion)		FY24	FY25	YoY Growth	4Q24	3Q25	4Q25	QoQ Growth	YoY Growth				
TLKM Income Statement FY25													
Revenue	IDR	149,967	IDR	146,742	-2.15%	IDR	37,748	IDR	36,613	IDR	37,125	1.4%	-1.7%
Operation, Maintenance & Teleco. Services	IDR	(41,202)	IDR	(41,234)	0.08%	IDR	(11,225)	IDR	(10,524)	IDR	(10,950)	4.0%	-2.4%
Interconnection Expense	IDR	(6,880)	IDR	(7,018)	2.01%	IDR	(1,872)	IDR	(1,466)	IDR	(1,357)	-7.4%	-27.5%
Personnel Expense	IDR	(16,807)	IDR	(16,362)	-2.65%	IDR	(3,651)	IDR	(3,828)	IDR	(4,459)	16.5%	22.1%
G&A Expense	IDR	(6,225)	IDR	(6,601)	6.04%	IDR	(1,301)	IDR	(1,661)	IDR	(1,598)	-3.8%	22.8%
Selling & Marketing Expense	IDR	(3,824)	IDR	(3,287)	-14.04%	IDR	(1,297)	IDR	(847)	IDR	(909)	7.3%	-29.9%
D&A	IDR	(34,181)	IDR	(37,649)	10.15%	IDR	(9,931)	IDR	(8,869)	IDR	(12,582)	41.9%	26.7%
Other Income (Expenses)	IDR	605	IDR	57	-90.58%	IDR	532	IDR	(146)	IDR	205	-240.4%	-61.5%
Operational Expenses	IDR	(108,514)	IDR	(112,094)	3.30%	IDR	(28,745)	IDR	(27,341)	IDR	(31,650)	15.8%	10.1%
Operational Profit	IDR	41,453	IDR	34,648	-16.42%	IDR	9,003	IDR	9,272	IDR	5,475	-41.0%	-39.2%
OPM (Operating Profit Margin)		27.6%		23.6%		23.9%		25.3%		14.7%			
Finance Income	IDR	1,367	IDR	1,661	21.51%	IDR	347	IDR	398	IDR	376	-5.5%	8.4%
Finance Costs	IDR	(5,208)	IDR	(5,206)	-0.04%	IDR	(1,351)	IDR	(1,384)	IDR	(1,175)	-15.1%	-13.0%
Share of Gain Long Term Investment in Asso. (Loss)	IDR	3	IDR	(1)	-133.33%	IDR	(1)	IDR	(1)	IDR	4	-500.0%	-500.0%
Earning Before Tax	IDR	37,615	IDR	31,102	-17.31%	IDR	7,998	IDR	8,285	IDR	4,680	-43.5%	-41.5%
OPM		25.1%		21.2%		21.2%		22.6%		12.6%			
Income Tax Expenses	IDR	(8,118)	IDR	(6,644)	-18.16%	IDR	(1,522)	IDR	(1,816)	IDR	(817)	-55.0%	-46.3%
Minority Interest	IDR	(7,094)	IDR	(6,644)	-6.34%	IDR	(1,748)	IDR	(1,660)	IDR	(1,833)	10.4%	4.9%
Net Profit	IDR	22,403	IDR	17,814	-20.48%	IDR	4,728	IDR	4,809	IDR	2,030	-57.8%	-57.1%
NPM (Net Profit Margin)		14.9%		12.1%		12.5%		13.1%		5.5%			
EBITDA	IDR	74,556	IDR	71,650	-3.90%	IDR	17,929	IDR	18,287	IDR	17,262	-5.6%	-3.7%
EBITDA Margin		49.7%		48.8%		47.5%		49.9%		46.5%			

Operational Performance Data		FY24	FY25	YoY Growth	4Q24	3Q25	4Q25	QoQ Growth	YoY Growth				
TLKM : Telekomunikasi Indonesia													
Indihome B2C Subs. (Thousand)		9,612	10,324	7.41%	9,612	10,261	10,324	0.6%	7.4%				
Indihome ARPU (IDR Thousand)	IDR	237.6	IDR	213.6	-10.10%	IDR	232.9	IDR	209.8	IDR	204.0	-2.8%	-12.4%
Telkomsel Mobile Customer Base (Thousand)		159,389	156,100	-2.06%	159,389	157,587	156,100	-0.9%	-2.1%				
Telkomsel ARPU (IDR Thousand)	IDR	45.2	IDR	41.8	-7.52%	IDR	44.0	IDR	43.4	IDR	45.0	3.7%	2.3%
Data Payload (in PB)		19,908	22,895	15.00%	5,355	5,622	5,832	3.7%	8.9%				

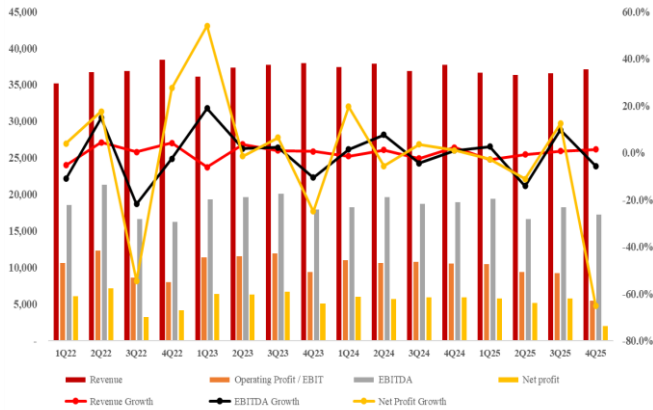
TLKM Revenue Breakdown		FY24	FY25	YoY Growth	4Q24	3Q25	4Q25	QoQ Growth	YoY Growth				
Revenue in IDR Bn.													
Data Internet & Service	IDR	90,533	IDR	90,044	-0.54%	IDR	22,625	IDR	22,319	IDR	25,242	13.1%	11.6%
IndiHome	IDR	26,262	IDR	26,119	-0.54%	IDR	6,636	IDR	6,480	IDR	6,388	-1.4%	-3.7%
SMS, Fixed & Cellular Voice	IDR	10,544	IDR	8,135	-22.85%	IDR	2,652	IDR	1,862	IDR	1,427	-23.4%	-46.2%
Interconnection	IDR	9,187	IDR	8,972	-2.34%	IDR	2,312	IDR	2,145	IDR	1,865	-13.1%	-19.3%
Network and Other Services	IDR	13,441	IDR	13,472	0.23%	IDR	3,523	IDR	3,807	IDR	2,203	-42.1%	-37.5%
Total Revenue	IDR	149,967	IDR	146,742	-2.15%	IDR	37,748	IDR	36,613	IDR	37,125	1.4%	-1.7%

Source : TLKM, NHKSI Research

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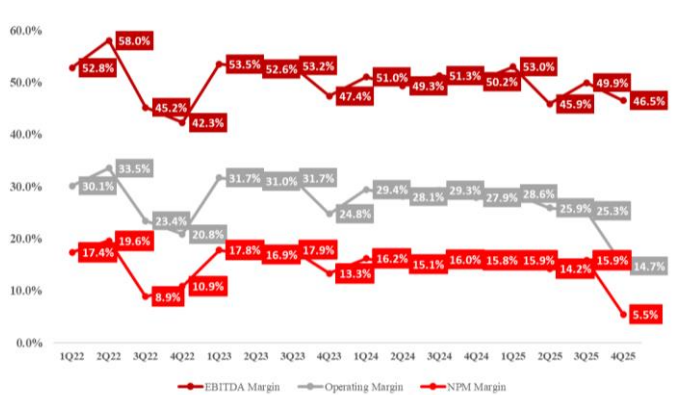
Performance Highlight For TLKM

Exhibit 1. TLKM Quarterly Financial Performance (In IDR Billion)



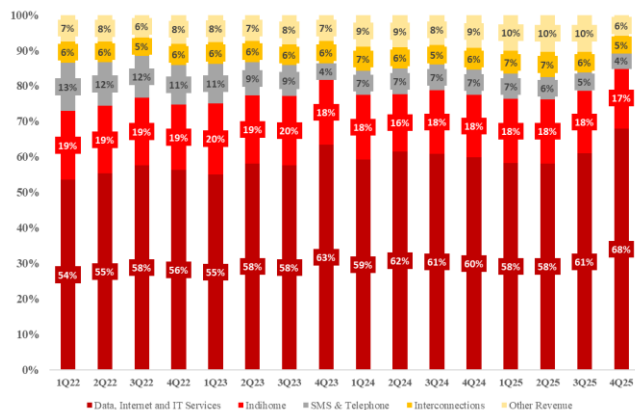
Source : TLKM, NHKSI Research

Exhibit 2. TLKM Profitability Margin Ratio (In %)



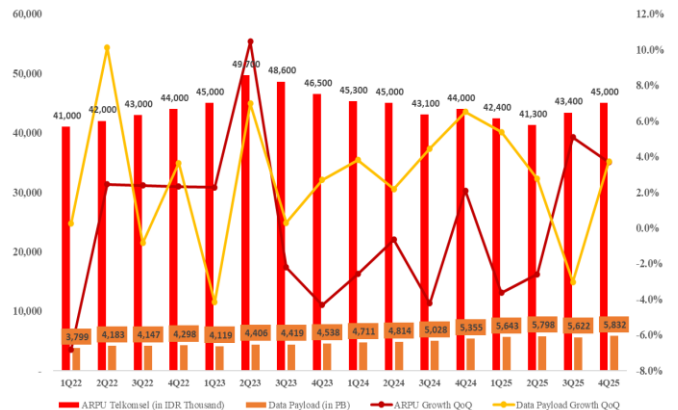
Source : TLKM, NHKSI Research

Exhibit 3. TLKM 's Revenue Breakdown (In %)



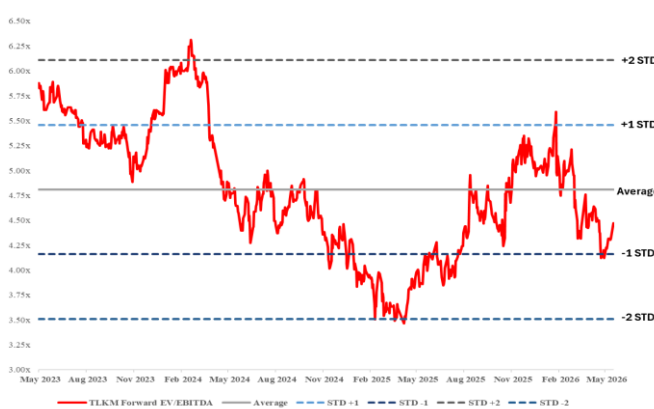
Source : TLKM, NHKSI Research

Exhibit 4. Telkomsel Data Payload & ARPU



Source : TLKM, NHKSI Research

Exhibit 5. TLKM Forward 3-Year EV / EBITDA



Source : TLKM, NHKSI Research

Please consider the rating criteria & important disclaimer

Summary of TLKM's Financials & Forecast

INCOME STATEMENT

(IDR Bn)	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	146,742	148,559	151,044	154,697
Growth (% y/y)	-2.2%	1.2%	1.7%	2.4%
Operating Expenses	(112,094)	(106,553)	(108,618)	(111,415)
Operating Profit	34,648	42,006	42,427	43,282
Growth (% y/y)	-19.4%	21.2%	1.0%	2.0%
Operating Profit Margin	23.61%	28.28%	28.09%	27.98%
Depreciation & Amortization	37,649	33,054	33,985	35,193
EBITDA	72,297	75,060	76,412	78,475
Growth (% y/y)	-4.4%	3.8%	1.8%	2.7%
EBITDA Margin	49.27%	50.53%	50.59%	50.73%
Other Finance Income (Expenses)	(3,546)	(1,692)	(1,943)	(2,072)
EBT	31,102	40,313	40,483	41,210
Income Tax	(6,644)	(8,869)	(8,906)	(9,066)
Non-controlling Interest	(6,644)	(7,783)	(7,795)	(8,010)
Net Profit	17,814	23,661	23,782	24,134
Growth (% y/y)	-24.7%	32.8%	0.5%	1.5%
Net Profit Margin (NPM)	12.14%	15.93%	15.75%	15.60%

BALANCE SHEET

(IDR Bn)	2025/12A	2026/12F	2027/12F	2028/12F
Cash	35,426	37,415	41,155	45,760
Trade Receivables	11,223	11,803	12,084	12,503
Inventories	901	1,072	1,055	1,074
Other Current Assets	14,216	16,017	17,265	18,513
Fixed Asset	193,414	195,841	199,572	205,136
Other Non-Current Assets	32,579	35,150	38,476	39,830
Total Assets	287,759	297,299	309,606	322,816
Trade Payables	33,724	33,517	33,486	33,694
ST Debt	30,265	24,676	27,242	30,155
Other Current Liabilities	9,959	9,308	8,657	8,006
LT Debt	44,646	45,827	50,592	56,002
Other Non-Current Liabilities	18,628	16,673	17,499	17,925
Total Liabilities	137,222	130,001	137,475	145,783
Capital Stock & APIC	7,263	7,263	7,263	7,263
Retained Earnings	113,193	129,665	134,422	139,248
Other Equity	30,081	30,370	30,446	30,522
Total Shareholders' Equity	150,537	167,298	172,130	177,033

CASH FLOW STATEMENT

(IDR Bn)	2025/12A	2026/12F	2027/12F	2028/12F
Operating Cash Flow	55,681	62,490	64,596	66,571
Investing Cash Flow	(36,894)	(25,552)	(27,000)	(28,552)
Financing Cash Flow	(57,743)	(45,218)	(31,620)	(30,907)
Net Changes in Cash	(38,956)	(8,280)	5,976	7,111

Source : TLKM, Bloomberg & NHKSI Research

PROFITABILITY & STABILITY

	2025/12A	2026/12F	2027/12F	2028/12F
ROE	11.8%	14.1%	13.8%	13.6%
ROA	6.2%	8.0%	7.7%	7.5%
Cash Dividend (IDR bn)	21,047	18,929	19,026	19,307
Dividend Yield (%)	6.9%	5.2%	5.2%	5.3%
Payout Ratio (%)	118.1%	80.0%	80.0%	80.0%
DER	0.91x	0.78x	0.80x	0.82x
Net Gearing	0.50x	0.42x	0.45x	0.49x
LT Debt to Equity	29.7%	27.4%	29.4%	31.6%
Capitalization Ratio	33.2%	29.6%	31.1%	32.7%
Equity Ratio	52.3%	56.3%	55.6%	54.8%
Debt Ratio	47.7%	43.7%	44.4%	45.2%
Financial Leverage	1.91x	1.84x	1.79x	1.81x
Current Ratio	84%	98%	103%	108%
Par Value (IDR)	90	90	90	90
Total Shares (mn)	99,062	99,062	99,062	99,062
Share Price (IDR)	3,080	3,700	3,700	3,700
Market Cap (IDR tn)	305.1	366.5	366.5	366.5

VALUATION INDEX

	2025/12A	2026/12F	2027/12F	2028/12F
Price / Earnings	17.1x	15.5x	15.4x	15.2x
Price / Book Value	2.0x	2.2x	2.1x	2.1x
Price / Revenue	2.1x	2.5x	2.4x	2.4x
PE / EPS Growth	-0.7x	0.5x	30.1x	10.3x
EV / EBITDA	4.6x	5.3x	5.3x	5.2x
EV / EBIT	8.0x	9.5x	9.5x	9.4x
EV (IDR bn)	344,597	399,618	403,209	406,927
Revenue CAGR (3-Yr)	0.8%	0.3%	0.4%	1.0%
EPS CAGR (3-Yr)	-10.4%	4.5%	-1.1%	0.7%
Basic EPS (IDR)	180	239	240	244
BVPS (IDR)	1,520	1,689	1,738	1,787
Revenue PS (IDR)	1,481	1,500	1,525	1,562
DPS (IDR)	212	191	192	195

OWNERSHIP

By Geography	% Shareholders	%
Indonesia	61.02 Danantara Holding	51.57
United States	17.65 Bank of New York Mellon Co	5.94
United Kingdom	3.24 BPJS Ketnagakerjaan	2.40
Others	18.09 Others	40.09

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NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication
2. Rating system based on a stock's potential upside from the date of publication

- Buy : Greater than 15%
- Overweight : +5% to 15%
- Hold : -5% to +5%
- Underweight : -5% to -15%
- Sell : Less than -15%



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