

TLKM delivered consolidated revenue of IDR 37.2T in IQ26, growing a modest +1.5% YoY, broadly inline with management guidance, with growth anchored squarely in Telkomsel's digital business, which expanded +8.8% YoY and drove Data, Internet & IT services line up +10.9% YoY to IDR 23.6T on the back of disciplined pricing execution and rising ARPU to IDR 45.1k (+6.4% YoY), other segments, however, still continue to cap top-line momentum. Net income reported at IDR 4.3T (-21.7% YoY), which decline largely due to non-cash story, driven by depreciation adjustment of IDR 498B and GOTO MTM loss of IDR 309B. Excluding them, normalized net profit for IQ26 stood at IDR 5.1T (-3.7% YoY). EBITDA margins of 48.3%, slightly below management target. Overall, IQ26 performance remains in line with management target. Beyond earnings, TLKM also maintained healthy cash flow driven by OCF recovery and continued capex discipline. We maintain our "Buy" recommendation on TLKM in IDR 3,700 / share.

**Business Segmentation: Continued recovery in mobile ARPU, while IndiHome & SMS, Fixed and Cellular Voice still faces pressure**

- **ARPU recovery continued in IQ26.** TLKM's ARPU rose to IDR 45.1k in IQ26 (4Q25: IDR 45k, 1Q25: IDR 42.4k), leading the B2C revenue to increase by 2.3% to IDR 27T. Data, internet & IT service has driven the increase of this B2C revenue which grew by 13.9% YoY, supported by the industry mobile recovery, traffic rationalization and product simplification.
- **Continuing pressure in IndiHome ARPU and Declining in SMS, Fixed & Cellular Voice.** Revenue pressure in the fixed broadband segment persists, with IndiHome recorded IQ26 declined to IDR 6.38T (-0.2% QoQ & -4.3% YoY). This decline was driven by the softer ARPU (-8.9% YoY, -0.1% QoQ), reflecting ongoing competitive pricing dynamics and continued optimization of entry-level packages. The SMS, fixed and cellular voice revenue also decreased to IDR 1.5T in YoY basis (+5.5% QoQ & -41.4% YoY) as accelerating OTT substitution and the broader migration toward data-driven communication render traditional messaging increasingly obsolete.
- **Fiber and digital ecosystem starts to accelerate.** B2B Infrastructure delivered steady 6.8% YoY growth to IDR 2.4T, anchored by accelerating MTEL-FTTT penetration that positions the segment as a durable recurring revenue driver amid Indonesia's ongoing tower densification cycle. On the international front, voice hubbing normalization continued to weigh on the segment, nudging revenue down 1.2% YoY to IDR 2.8T despite resilient subsea cable growth, while the standout of the quarter was the Others/Ancillary segment, surging 34.5% YoY to IDR 1.9T on the back of e-payment and digital gaming momentum — offering an early but meaningful glimpse into the company's digital ecosystem ambitions.

**Operational Performance : Maintaining Stable Opex in QoQ Basis Amid YoY Increase**

- **Marketing expense declined as disciplined spending applied.** The marketing expense recorded IDR 715bn in IQ26 (-21.3% QoQ, -6.7% YoY), primarily due to higher promotion during holiday season in the previous quarter. Altogether, marketing expenses only accounted for 1.9% of TLKM's total revenue, in line with historical average on 2-3%.
- **Well controlled operating expenses.** Opex rose by 4.4% YoY in IQ26, with O&M expenses climbing to IDR 11.1T (+15.5% YoY), driven by higher network operating activities, though the QoQ increase was contained at 1.3%, reflecting management control and cost optimization. On the other side, personnel expense declined to IDR 4T (-9.6% QoQ, -3.1% YoY) on the back of a reduced headcount of 18,539 FTEs (1Q25: 19,712), with a sharper 9.6% QoQ drop attributable to the IDR 937B Early Retirement Program cost booked in 4Q25.
- **Surging D&A expense due to accounting adjustment.** Depreciation adjustment on the estimated useful lives of several fixed asset of IDR 498B has led D&A expenses to IDR 8.7T (+3.8% YoY) in IQ26. TLKM also recorded other expense, amounted to IDR 343B, of which IDR 309B was unrealized GOTO investment market-to-market loss and partially cushioned by forex gain.

**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 with EBITDA margin targeted above 50% (vs. 48.3% in IQ26) and capex intensity held steady at 17-19% of revenue — signaling execution focus over incremental network spend. In line with this, we project FY26F revenue growth of +1.2% YoY, underpinned by continued ARPU improvement at Telkomsel and a more disciplined monetization approach. We view FY26 as the beginning of a meaningful earnings normalization cycle, as operational efficiency gains and a healthier cost structure feed through to the bottom line — forecasting FY26F net profit recovery to IDR 23.7T (+32.8% YoY).

**Maintain "Buy" Recommendation with Target Price of IDR 3,700 (Upside +29.4%)**

- **NHKS Research maintains its "Buy" recommendation on Telkom Indonesia (TLKM) 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 also 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	15.9x	15.5x	15.4x	15.2x
P/BV Ratio	1.9x	2.2x	2.1x	2.1x
EV/EBITDA	4.3x	5.3x	5.3x	5.2x
Dividend yield	7.4%	5.2%	5.2%	5.3%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Report | 15<sup>th</sup> June 2026

Buy

Target Price (IDR)	3,700
Consensus Price	3,563
TP to Consensus Price	+3.8%
Potential Upside	+29.4%

Shares Data

Last Price (IDR)	2,860
Price date as of	12 <sup>th</sup> June 2026
52 wk range (Hi/Lo)	3,990 / 2,350
Free Float (%)	47.5
Outstanding sh (mn)	99,062
Market Cap (IDR bn)	290,252
Market Cap (USD mn)	16,404
Avg. Trd Vol – 3M (mn)	144.41
Avg. Trd Vol – 3M (IDR Bn)	423.88
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	-17.6%	-3.1%	-5.3%	+2.9%
Rel.Ret	+15.6%	+11.7%	+15.3%	+21.7%

Leonardo Lijuwardi

Leonardo.Lijuwardi@nhsec.co.id

Gwenda Deanita

## 1Q26 : Quarterly Income Statement – Operational Review For TLKM

(In IDR Billion)		1Q25	1Q26	YoY Growth	1Q25	4Q25	1Q26	QoQ Growth	YoY Growth
<b>TLKM Income Statement 1Q26</b>									
Revenue	IDR	36,639	IDR 37,189	1.50%	IDR 36,639	IDR 37,125	IDR 37,189	0.2%	1.5%
Operation, Maintenance & Teleco. Services	IDR	(9,608)	IDR (11,097)	15.50%	IDR (9,608)	IDR (10,950)	IDR (11,097)	1.3%	15.5%
Interconnection Expense	IDR	(2,064)	IDR (1,818)	-11.92%	IDR (2,064)	IDR (1,357)	IDR (1,818)	34.0%	-11.9%
Personnel Expense	IDR	(4,158)	IDR (4,029)	-3.10%	IDR (4,158)	IDR (4,459)	IDR (4,029)	-9.6%	-3.1%
G&A Expense	IDR	(1,811)	IDR (1,560)	-13.86%	IDR (1,811)	IDR (1,598)	IDR (1,560)	-2.4%	-13.9%
Selling & Marketing Expense	IDR	(766)	IDR (715)	-6.66%	IDR (766)	IDR (909)	IDR (715)	-21.3%	-6.7%
D&A	IDR	(8,377)	IDR (8,698)	3.83%	IDR (8,377)	IDR (12,582)	IDR (8,698)	-30.9%	3.8%
Other Income (Expenses)	IDR	311	IDR (343)	-210.29%	IDR 311	IDR 205	IDR (343)	-267.3%	-210.3%
<b>Operational Expenses</b>	<b>IDR</b>	<b>(26,473)</b>	<b>IDR (28,260)</b>	<b>6.75%</b>	<b>IDR (26,473)</b>	<b>IDR (31,650)</b>	<b>IDR (28,260)</b>	<b>-10.7%</b>	<b>6.8%</b>
<b>Operational Profit</b>	<b>IDR</b>	<b>10,166</b>	<b>IDR 8,929</b>	<b>-12.17%</b>	<b>IDR 10,166</b>	<b>IDR 5,475</b>	<b>IDR 8,929</b>	<b>63.1%</b>	<b>-12.2%</b>
OPM (Operating Profit Margin)		27.7%	24.0%		27.7%	14.7%	24.0%		
Finance Income	IDR	420	IDR 342	-18.57%	IDR 420	IDR 376	IDR 342	-9.0%	-18.6%
Finance Costs	IDR	(1,316)	IDR (1,021)	-22.42%	IDR (1,316)	IDR (1,175)	IDR (1,021)	-13.1%	-22.4%
Share of Gain Long Term Investment in Asso. (Loss)	IDR	(2)	IDR (2)		IDR (2)	IDR 4	IDR (2)	-150.0%	0.0%
<b>Earning Before Tax</b>	<b>IDR</b>	<b>9,268</b>	<b>IDR 8,248</b>	<b>-11.01%</b>	<b>IDR 9,268</b>	<b>IDR 4,680</b>	<b>IDR 8,248</b>	<b>76.2%</b>	<b>-11.0%</b>
	OPM	25.3%	22.2%		25.3%	12.6%	22.2%		
Income Tax Expenses	IDR	(1,932)	IDR (2,194)	13.56%	IDR (1,932)	IDR (817)	IDR (2,194)	168.5%	13.6%
Minority Interest	IDR	(1,787)	IDR (1,710)	-4.31%	IDR (1,787)	IDR (1,833)	IDR (1,710)	-6.7%	-4.3%
<b>Net Profit</b>	<b>IDR</b>	<b>5,549</b>	<b>IDR 4,344</b>	<b>-21.72%</b>	<b>IDR 5,549</b>	<b>IDR 2,030</b>	<b>IDR 4,344</b>	<b>114.0%</b>	<b>-21.7%</b>
NPM (Net Profit Margin)		15.1%	11.7%		15.1%	5.5%	11.7%		
<b>EBITDA</b>	<b>IDR</b>	<b>17,645</b>	<b>IDR 16,946</b>	<b>-3.96%</b>	<b>IDR 19,421</b>	<b>IDR 17,262</b>	<b>IDR 16,946</b>	<b>-1.8%</b>	<b>-12.7%</b>
EBITDA Margin		48.2%	45.6%		53.0%	46.5%	45.6%		

Operational Performance Data		1Q25	1Q26	YoY Growth	1Q25	4Q25	1Q26	QoQ Growth	YoY Growth
<b>TLKM : Telekomunikasi Indonesia</b>									
Indihome   B2C Subs. (Thousand)		9,842	10,327	4.9%	9,842	10,324	10,327	0.0%	4.9%
Indihome   ARPU (IDR Thousand)	IDR	223.8	IDR 204.0	-8.8%	IDR 223.8	IDR 204.0	IDR 204.0	0.0%	-8.8%
Telkomsel   Mobile Customer Base (Thousand)		158,811	153,700	-3.2%	158,811	156,100	153,700	-1.5%	-3.2%
Telkomsel   ARPU (IDR Thousand)	IDR	42.4	IDR 45.1	6.4%	IDR 42.4	IDR 45.0	IDR 45.1	0.2%	6.4%
Data Payload (in PB)		5,643	5,770	2.3%	5,643	5,832	5,770	-1.1%	2.3%

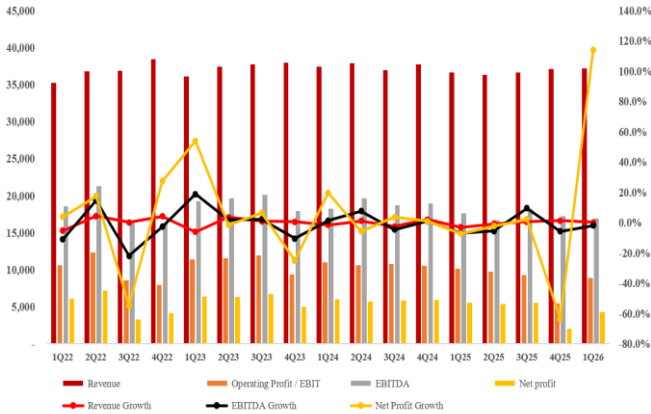
TLKM Revenue Breakdown		1Q25	1Q26	YoY Growth	1Q25	4Q25	1Q26	QoQ Growth	YoY Growth
<b>Revenue in IDR Bn.</b>									
Data Internet & Service	IDR	21,331	IDR 23,646	10.85%	IDR 21,331	IDR 25,242	IDR 23,646	-6.3%	10.9%
IndiHome	IDR	6,663	IDR 6,378	-4.28%	IDR 6,663	IDR 6,388	IDR 6,378	-0.2%	-4.3%
SMS, Fixed & Cellular Voice	IDR	2,570	IDR 1,506	-41.40%	IDR 2,570	IDR 1,427	IDR 1,506	5.5%	-41.4%
Interconnection	IDR	2,396	IDR 2,217	-7.47%	IDR 2,396	IDR 1,865	IDR 2,217	18.9%	-7.5%
Network and Other Services	IDR	3,679	IDR 3,442	-6.44%	IDR 3,679	IDR 2,203	IDR 3,442	56.2%	-6.4%
<b>Total Revenue</b>	<b>IDR</b>	<b>36,639</b>	<b>IDR 37,189</b>	<b>1.50%</b>	<b>IDR 36,639</b>	<b>IDR 37,125</b>	<b>IDR 37,189</b>	<b>0.2%</b>	<b>1.5%</b>

Source : TLKM, NHKSI Research

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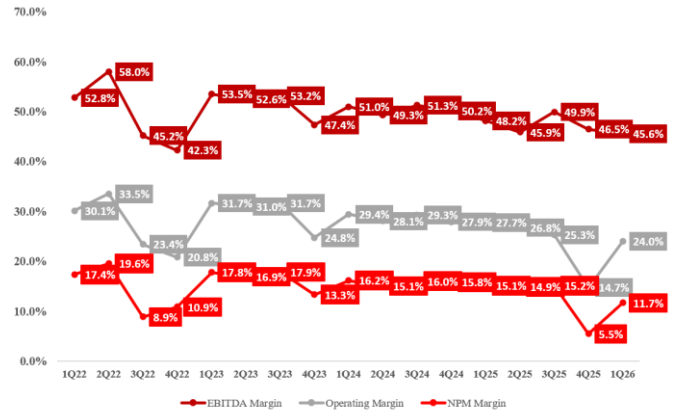
**Performance Highlight For TLKM**

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



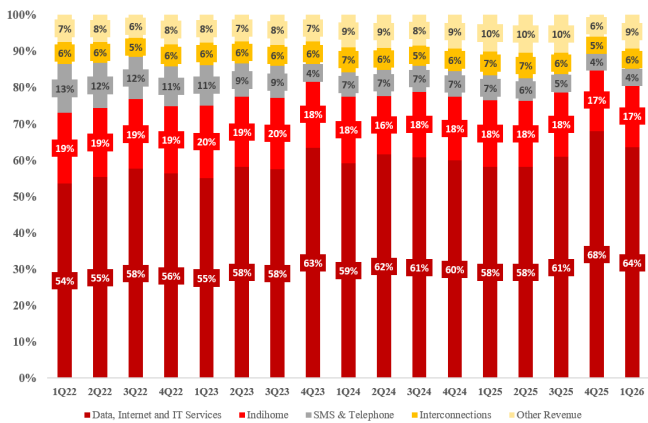
Source : TLKM, NHKSI Research

**Exhibit 2. TLKM Profitability Margin Ratio (In %)**



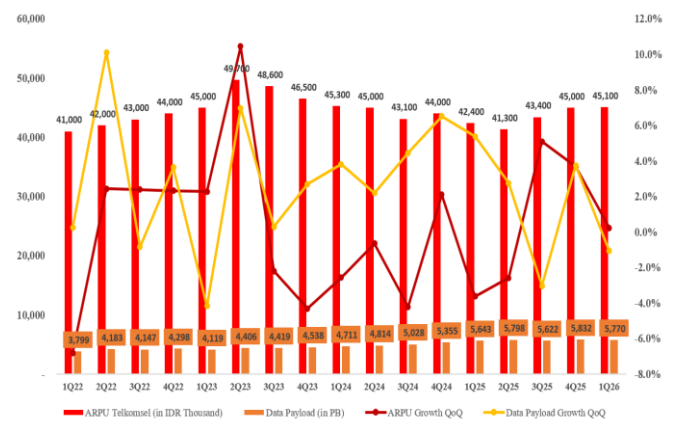
Source : TLKM, NHKSI Research

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



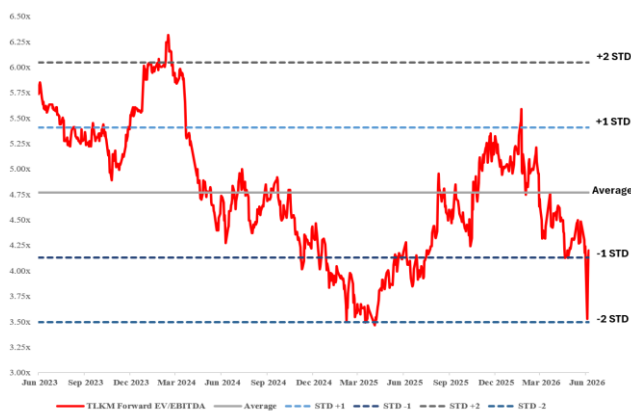
Source : TLKM, NHKSI Research

**Exhibit 4. Telkomsel Data Payload & ARPU**



Source : TLKM, NHKSI Research

**Exhibit 5. TLKM Forward 3-Year EV / EBITDA**



Source : TLKM, NHKSI Research

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## Summary of TLKM's Financials & Forecast

### INCOME STATEMENT

(IDR Bn)	2025/12A	2026/12F	2027/12F	2028/12F
<b>Revenue</b>	<b>146,742</b>	<b>148,559</b>	<b>151,044</b>	<b>154,697</b>
Growth (% y/y)	-2.2%	1.2%	1.7%	2.4%
Operating Expenses	(112,094)	(106,553)	(108,618)	(111,415)
<b>Operating Profit</b>	<b>34,648</b>	<b>42,006</b>	<b>42,427</b>	<b>43,282</b>
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
<b>EBITDA</b>	<b>72,297</b>	<b>75,060</b>	<b>76,412</b>	<b>78,475</b>
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)
<b>EBT</b>	<b>31,102</b>	<b>40,313</b>	<b>40,483</b>	<b>41,210</b>
Income Tax	(6,644)	(8,869)	(8,906)	(9,066)
Non-controlling Interest	(6,644)	(7,783)	(7,795)	(8,010)
<b>Net Profit</b>	<b>17,814</b>	<b>23,661</b>	<b>23,782</b>	<b>24,134</b>
Growth (% y/y)	-24.7%	32.8%	0.5%	1.5%
Net Profit Margin (NPM)	12.14%	15.93%	15.75%	15.60%

### 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 (%)	7.4%	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)	2,860	3,700	3,700	3,700
Market Cap (IDR tn)	283.3	366.5	366.5	366.5

### 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
<b>Total Assets</b>	<b>287,759</b>	<b>297,299</b>	<b>309,606</b>	<b>322,816</b>
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
<b>Total Liabilities</b>	<b>137,222</b>	<b>130,001</b>	<b>137,475</b>	<b>145,783</b>
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
<b>Total Shareholders' Equity</b>	<b>150,537</b>	<b>167,298</b>	<b>172,130</b>	<b>177,033</b>

### VALUATION INDEX

	2025/12A	2026/12F	2027/12F	2028/12F
Price / Earnings	15.9x	15.5x	15.4x	15.2x
Price / Book Value	1.9x	2.2x	2.1x	2.1x
Price / Revenue	1.9x	2.5x	2.4x	2.4x
PE / EPS Growth	-0.6x	0.5x	30.1x	10.3x
EV / EBITDA	4.3x	5.3x	5.3x	5.2x
EV / EBIT	7.5x	9.5x	9.5x	9.4x
EV (IDR bn)	322,803	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

### 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)
<b>Net Changes in Cash</b>	<b>(38,956)</b>	<b>(8,280)</b>	<b>5,976</b>	<b>7,111</b>

### 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 Ketenagakerjaan	2.40
Others	18.09	Others	40.09

Source : TLKM, Bloomberg & NHKSI Research

Please consider the rating criteria & important disclaimer

## 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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