

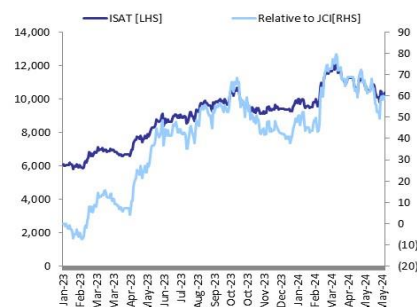
Overweight

(Maintained)

TLKM relative to JCI Index



ISAT relative to JCI Index



Source: Bloomberg

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Selective competition and limited Starlink threat imply a constructive outlook; maintain OW.

- Our survey reveals that TSEL's launch of TSEL Lite and non-Lite packs is targeted toward select segments; hence a marginal impact on IOH/XL.
- We expect Starlink to play a complementary role in Indonesia's remote areas, but shall offer inferior overall value to residential customers.
- We maintain OW as the sector's outlook remains constructive; ISAT is our top pick on the strongest earnings potential in 2Q24.

TSEL focus on 30day small quotas, fitting well with its FMC narrative.

Our latest price survey reveals that TSEL offers reloads starting from Rp19.9k for 30day Hot Promo Lite 6GBs in an effort to entice TSEL Lite subscribers to keep consuming. The 30day Hot Promo Lite/ Non-Lite 15GBs (which is above the avg. monthly usage/sub) is priced at Rp28k/31k. Moreover, it is offered at a price as low as Rp14k (30day Combo Sakti 6GBs, yields Rp2.3k/GB) to encourage TSEL legacy users to adopt more data consumption. TSEL also offers Internet Sakti 12GB at Rp33k, hence enticing the user with free OTT subscriptions. Overall, we believe these offerings fit with TSEL's narrative to grab the low-end users who may potentially become FMC users with Indihome.

TSEL positioning at the low-end shall have a marginal impact on IOH/XL.

Indosat's 30-day packs start at 3GB/5GB for Rp23k/35k, and XL's 30-day packs start at 13+7GB for Rp54.5k and 16GB for Rp59.9k, with the flagship products' nominal prices relatively unchanged in Apr-May24. While we see TSEL positioning itself at the low end/low usage segment (through TSEL Lite sims and existing portfolio), these offerings are observed in young vintage sims (2-12months) and do not occur for older vintage SIMs or high usage customers. The lack of retaliation from IOH and XL, as shown in our survey, suggests that TSEL's low-end focus shall be seen to have only a marginal potential impact on the conduct of IOH/ XL, who target productive users.

Neutral stance on Starlink: its role is complementary.

Satellites incl. Starlink provide coverage in rural areas with acute connectivity limitations, underserved by telcos. While Starlink Leo-satellite's lower latency potentially has a higher commercial value for residential users, it has finite capacity. Furthermore, the ~6,000 Starlink satellites aim for global connectivity instead of being country-specific, while local players can scale up network capacity efficiently and have established distribution networks with a comprehensive user ecosystem (*exh. 11,12*). Thus, we believe the satellite service will complement the terrestrial telco infras and the potential LT advances in satellite technology remain questionable.

Maintain Sector OW rating; our pecking order is: ISAT> EXCL > TLKM

We conclude that TSEL's conduct does not appear to come in direct competition with its peers while concerns on Starlink are overdone. We maintain our sector OW rating with a preference for ISAT (Buy, TP Rp13,300) on the highest earnings upside potential in 2Q24 and EXCL (Buy, TP Rp3,300) as our second pick amid pending potentially value-accretive corporate actions. We maintain our Buy rating on TLKM (TP Rp4,400) on potential value generation from its superior coverage and fiber investments.

Company	Rec	Target Price (Rp)	P/E (x)		EV/EBITDA (x)		P/BV (x)		ROAE %		Dividend yield %	
			FY24F	FY25F	FY24F	FY25F	FY24F	FY25F	FY24F	FY25F	FY24F	FY25F
Telkom Indonesia	BUY	4,400	11.8	11.3	4.0	3.8	2.0	1.9	18.0	17.7	6.0	6.1
Indosat Ooredoo Hutchison	BUY	13,300	15.8	13.0	4.5	4.1	2.4	2.2	16.3	17.7	3.2	5.4
XL Axiata	BUY	3,300	14.2	12.2	4.3	4.1	1.1	1.0	4.9	7.8	2.1	3.5

Selective competition implies a constructive outlook

TSEL's focus on 30day small quotas; fits well with its FMC narrative.

TSEL offers reloads starting from Rp19.9k for 30day Hot Promo Lite 6GBs in an effort to entice TSEL Lite subscribers to keep consuming. The 30day Hot Promo Lite/ Non-Lite 15GBs (which is above the avg. monthly usage/sub) is priced at Rp28k/31k. Moreover, it is priced as low as Rp14k (30day Combo Sakti 6GBs, yields Rp2.3k/GB) to encourage TSEL legacy users to adopt more data consumption. TSEL also offers Internet Sakti 12GB at Rp33k, hence enticing the user with free OTT subscriptions. Overall, we believe these fit nicely with TSEL's narrative to capture the low-end users who potentially become FMC users with Indihome, splitting usage between fixed and mobile networks.

Indosat's 30-day packs start at 3GB/5GB for Rp23k/35k, and XL's 30-day packs start at 13+7GB for Rp54.5k and 16GB for Rp59.9k, with the flagship products' nominal prices relatively unchanged in Apr-May24. Hence, we see that TSEL is positioning at the left-hand side of the grouping of up to <20Gb packages for the 30day validity, as we see in exhibit 1, whilst in exhibit 2 no such discernible positioning is observed.

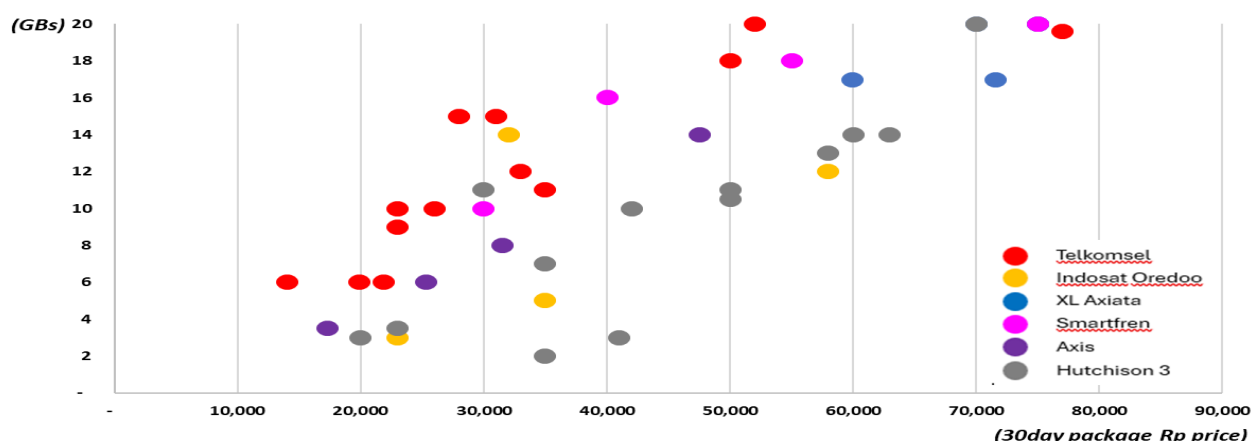
TSEL positioning at the low-end shall have a marginal impact on IOH/XL.

While we see TSEL positioning itself at the low end/low usage segment (through TSEL Lite sims and existing portfolio), these offerings are observed in young vintage sims (2-12months) and do not occur for older vintage SIMs or high usage customers as per our survey among several sims. The lack of retaliation from IOH and XL, as shown in our survey, suggests that TSEL's low-end focus shall be seen to have only a marginal potential impact on the conduct of IOH/ XL, whose strategies are tilted towards the acquisition and maintenance of users that are relatively more productive.

Local ISPs are more fit to adjust their product portfolios according to consumer needs.

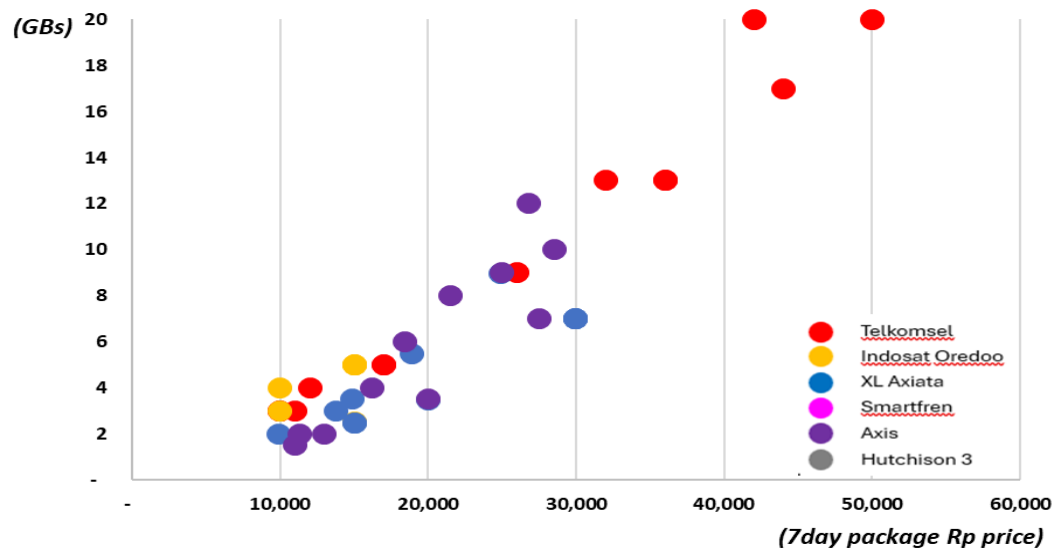
Terrestrial ISPs are in a position to offer a more comprehensive consumer service combining cellular connectivity as well as home entertainment solutions compared to Starlink's satellite naked connectivity service. As per exhibit 3, Starlink offers only one price point for residential customers positioning at the right hand side of the fixed internet offerings grouping, hence less affordable with little room for differentiation in utility and pricing.

Exhibit 1. Below <20GB offerings 30day offerings by all operators (TSEL selectively positions at the LHS of the grouping).



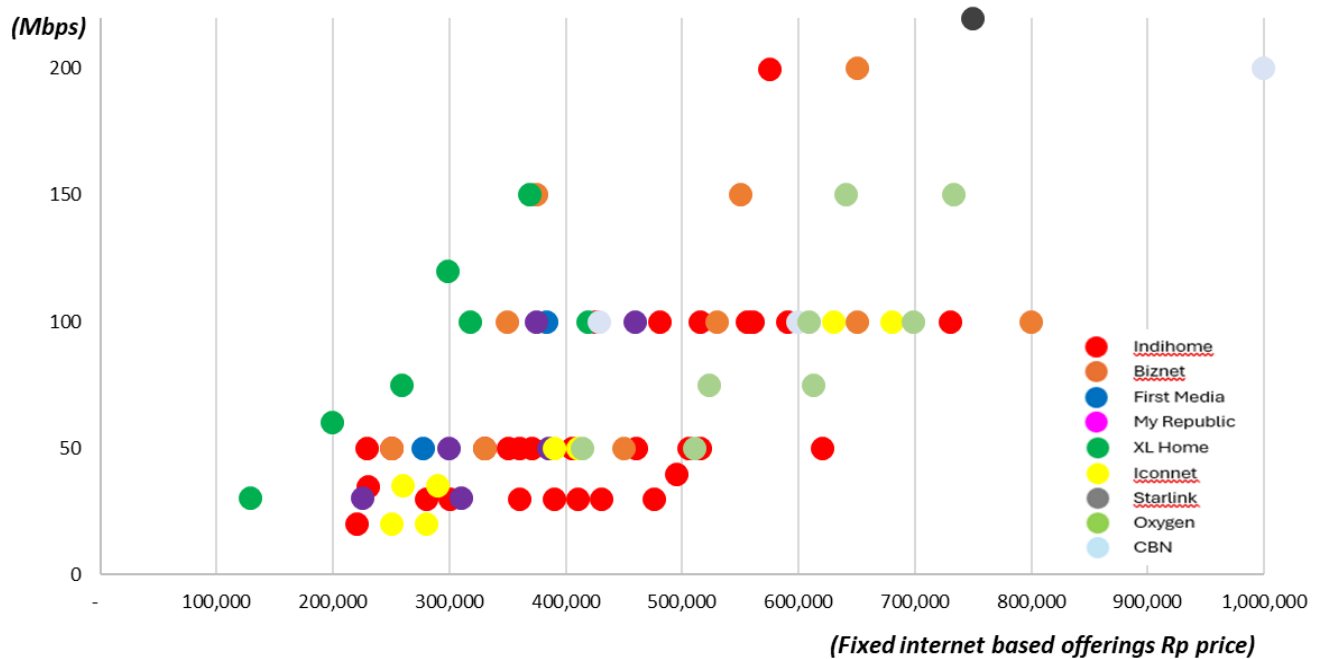
Source: Company, BRIDS Estimates

Exhibit 2. Below <20GB offerings 7day offerings by all operators



Source: Company, BRIDS Estimates

Exhibit 3. Fixed broadband internet based offerings (incl. naked internet, 2-play, 3-play combos)



Source: Company, BRIDS Estimates

Exhibit 4. Telkomsel 30day Internet Sakti, 30day Combo Sakti from existing product portfolio, and 30day Combo Special (appears only TSEL Lite) offerings

Telkomsel (key offerings)	total GBs Mar 2024	total GBs Apr 2024	total GBs May 2024	Prices Mar-24	Prices Apr- 24	Prices May-24	Δ % Apr - May'24	yield/gb Mar'24	yield/gb Apr'24	yield/gb May'24
Internet Sakti (On and off plan depending on the user profile)										
Internet Sakti 3GB 7day (Silver)	3.0	3.0	3.0	11,000	11,000	11,000	0%	3,667	3,667	3,667
Internet Sakti 5GB 7day (Silver)	5.0	5.0	5.0	17,000	17,000	17,000	0%	3,400	3,400	3,400
Internet Sakti 9GB 7day (Silver)	9.0	9.0	9.0	26,000	26,000	26,000	0%	2,889	2,889	2,889
Internet Sakti 13GB 7day (Silver)	13.0	13.0	13.0	36,000	36,000	36,000	0%	2,769	2,769	2,769
Internet Sakti, Prime & WeTV, 12GB 30day (Silver)	12.0	12.0	12.0	33,000	33,000	33,000	0%	2,750	2,750	2,750
Internet Sakti, Prime & WeTV, 18GB 30day (Silver)	18.0	18.0	18.0	50,000	50,000	50,000	0%	2,778	2,778	2,778
Internet Sakti, Prime & WeTV, 20GB 30day (Silver)	20.0	20.0	20.0	52,000	52,000	52,000	0%	2,600	2,600	2,600
Internet Sakti, Prime & WeTV, 25GB 30day (Silver)	25.0	25.0	25.0	63,000	63,000	63,000	0%	2,520	2,520	2,520
Internet Sakti, Prime & WeTV, 39GB 30day (Silver)	39.0	39.0	39.0	87,000	87,000	87,000	0%	2,231	2,231	2,231
Internet Sakti 27GB 7day (GOLD)	27.0	27.0	27.0		67,000	67,000	0%	-	2,481	2,481
Internet Sakti 32GB 7day (GOLD)		32.0	32.0		76,000	76,000	0%		2,375	2,375
Internet Sakti 38GB 7day (GOLD)	38.0	38.0	38.0		88,000	88,000	0%	-	2,316	2,316
Internet Sakti 104GB (GOLD) 30day		104.0	104.0		217,000	217,000	0%		2,087	2,087
Internet Sakti 109GB (GOLD) 30day		109.0	109.0		227,000	227,000	0%		2,083	2,083
Internet Sakti Ekstra Youtube 81GB 30 days (GOLD)		81.0	81.0		112,000	112,000	0%		1,383	1,383
Internet Sakti Ekstra Youtube 85GB 30 days (GOLD)		85.0	85.0		122,000	122,000	0%		1,435	1,435
Internet Sakti Ekstra Youtube 91GB 30 days (GOLD)		91.0	91.0		133,000	133,000	0%		1,462	1,462
Internet Sakti Ekstra Youtube 95GB 30 days (GOLD)		95.0	95.0		143,000	143,000	0%		1,505	1,505
Internet Sakti Ekstra Youtube 99GB 30 days (GOLD)		99.0	99.0		153,000	153,000	0%		1,545	1,545
Internet Sakti 13GB 7 days (GOLD)		13.0	13.0		36,000	36,000	0%		2,769	2,769
Internet Sakti 17GB 7 days (GOLD)		17.0	17.0		44,000	44,000	0%		2,588	2,588
Internet Sakti 20GB 7 days (GOLD)		20.0	20.0		50,000	50,000	0%		2,500	2,500
Combo SAKTI (includes legacy) Subscribers categorized as Silver < Gold < Platinum < Diamond										
Combo SAKTI MAX 6GB 30day			6.0		14,000	14,000	0%	#DIV/0!	#DIV/0!	2,333
Combo SAKTI MAX (Prime & WeTV) 9GB 30day			9.0		23,000	23,000	0%	#DIV/0!	#DIV/0!	2,556
Combo SAKTI MAX (Prime & WeTV) 14GB 30day			14.0		32,000	32,000	0%	#DIV/0!	#DIV/0!	2,286
Combo SAKTI (Prime & WeTV) 32GB 30day	32.0	32.0	32.0		65,000	65,000	0%	-	2,031	2,031
Combo SAKTI (Prime & WeTV) 35GB 30day	35.0	35.0	35.0		70,000	70,000	0%	-	2,000	2,000
Combo SAKTI 35GB 30day (Silver)	35.0	35.0	35.0		90,000	90,000	0%	-	2,571	2,571
Combo SAKTI 48GB 30day (Silver)	48.0	48.0	48.0		116,000	116,000	0%	-	2,417	2,417
Combo SAKTI + Vidio 48GB 30days (Silver)	48.0	48.0	48.0		126,000	126,000	0%	-	2,625	2,625
Combo SAKTI MAX 7GB 7days (GOLD)		7.0	7.0		32,000	32,000	0%			4,571
Combo SAKTI MAX 12GB 7days (GOLD)		12.0	12.0		50,000	50,000	0%			4,167
Combo SAKTI 21GB 7day (GOLD)	21.0	21.0	21.0		48,000	48,000		-	-	2,286
Combo SAKTI 26GB 7day (GOLD)		26.0	26.0		52,000				2,000	-
Combo SAKTI 55GB 30 days (GOLD)		55.0	55.0		136,000	136,000	0%			
Combo SAKTI 100GB 30 day (GOLD)	100.0	100.0	100.0		209,000	209,000	0%	-	2,090	2,090
Combo SAKTI 74GB 30day (GOLD)	74.0	74.0	74.0			166,000		-	-	2,243
Combo SAKTI 85GB 30day (GOLD)		85.0	85.0		188,000				2,212	-
Combo SAKTI 126 GB 30day (GOLD)	126.0	126.0	126.0		217,000	217,000	0%	-	1,722	1,722
Combo SAKTI 79GB 30 day (GOLD)	79.0	79.0	79.0		174,000	174,000	0%	-	2,203	2,203
Combo SAKTI 133GB 30 day (GOLD)			133.0			229,000				1,722
Combo Special (appears only in TSEL LITE packs)										
Combo 4GB 7day			4.0			12,000				3,000
Combo 11GB 30day			11.0			31,000				2,818

Source: Company, BRIDS Estimates

Exhibit 5. Telkomsel 30day Hot Promo offerings (primarily offered for young vintages TSEL Lite), Paket Seru 30day offerings, 30day Kuwota for youth segment.

Telkomsel (key offerings)	total GBs Mar 2024	total GBs Apr 2024	total GBs May 2024	Prices Mar-24	Prices Apr- 24	Prices May-24	Δ % Apr - May'24	yield/gb Mar'24	yield/gb Apr'24	yield/gb May'24
Hot Promos in Telkomsel Lite starter packs.										
Hot Promo Lite Bulanan 6GB 30day	6.0	6.0	6.0		19,900	19,900	0%	-	3,317	3,317
Hot Promo Bulanan 6GB 30day	6.0	6.0	6.0	21,900	21,900	21,900	0%	3,650	3,650	3,650
Hot Promo Lite Bulanan 10GB 30day	10.0	10.0	10.0		23,000	23,000	0%	-	2,300	2,300
Hot Promo Bulanan 10GB 30day	10.0	10.0	10.0	25,000	25,000	26,000	4%	2,500	2,500	2,600
Hot Promo Bulanan (& Prime Video) 11GB 30day	11.0	11.0	11.0		35,000	35,000	0%	-	3,182	3,182
Hot Promo Lite Bulanan 15GB 30day	15.0	15.0	15.0		28,000	28,000	0%	-	1,867	1,867
Hot Promo Bulanan 15GB 30day	15.0	15.0	15.0	30,000	30,000	31,000	3%	2,000	2,000	2,067
Hot Promo Lite Bulanan 24GB 30day	24.0	24.0	24.0		40,000	40,000	0%	-	1,667	1,667
Hot Promo Bulanan 24GB 30day	24.0	24.0	24.0	42,000	42,000	43,000	2%	1,750	1,750	1,792
Hot Promo Lite Bulanan 40GB 30day	40.0	40.0	40.0		63,000	63,000	0%	-	1,575	1,575
Hot Promo Bulanan 40GB 30day	40.0	40.0	40.0	65,000	65,000	68,000	5%	1,625	1,625	1,700
Hot Promo Lite Bulanan 60GB 30day	60.0	60.0	60.0		81,000	81,000	0%	-	1,350	1,350
Hot Promo Bulanan 60GB 30day	60.0	60.0	60.0	83,000	83,000	86,000	4%	1,383	1,383	1,433
Hot Promo Mingguan 2GB 7day	2.0	2.0	2.0	10,000				5,000	-	-
Hot Promo Mingguan 5GB 7day	5.0	5.0	5.0	17,000	17,000	17,000	0%	3,400	3,400	3,400
Hot Promo Mingguan 13GB 7day	13.0	13.0	13.0	32,000	32,000	32,000	0%	2,462	2,462	2,462
Hot Promo Mingguan 20GB 7day	20.0	20.0	20.0	42,000	42,000	42,000	0%	2,100	2,100	2,100
Hot Promo Mingguan 27GB 7day	27.0	27.0	27.0	52,000	52,000	52,000	0%	1,926	1,926	1,926
Hot Promo 3Harian 1.5GB 3day	1.5			8,000				5,333	#DIV/0!	#DIV/0!
Hot Promo 3Harian 2.5GB 3day		2.5	2.5		10,000	10,000	0%	#DIV/0!	4,000	4,000
Hot Promo 3Harian 6.5GB 3day		6.5	6.5		17,000	17,000	0%	#DIV/0!	2,615	2,615
Hot Promo 3Harian 9GB 3day		9.0	9.0		22,000	22,000	0%	#DIV/0!	2,444	2,444
Hot Promo 3Harian 12GB 3day		12.0	12.0		27,000	27,000	0%	#DIV/0!	2,250	2,250
Paket Super Seru										
Super seru 25GB, 28day	25.0	25.0	25.0	50,000	50,000	50,000	0%	2,000	2,000	2,000
Super seru 50GB, 28day	30.0	30.0	30.0	75,000	75,000	75,000	0%	2,500	2,500	2,500
Super seru 80GB, 28day	80.0	80.0	80.0	100,000	100,000	100,000	0%	1,250	1,250	1,250
Super seru 80GB +viu+weTV+prime , 28day	80.0	80.0	80.0	110,000	110,000	110,000	0%	1,375	1,375	1,375
Super seru 125GB, 28day	125.0	125.0	125.0	150,000	150,000	150,000	0%	1,200	1,200	1,200
Super seru 125GB +viu+weTV+prime , 28day	125.0	125.0	125.0	160,000	160,000	160,000	0%	1,280	1,280	1,280
Super seru 150GB, 28day			150.0			180,000				1,200
Super seru 170GB, 28day	170.0	170.0	170.0	200,000	200,000	200,000	0%	1,176	1,176	1,176
Super seru 170GB +viu+weTV+prime , 28day		170.0	170.0		210,000	210,000	0%		1,235	1,235
Super seru 210GB 220 GB, 28day	210.0	210.0	220.0	250,000	250,000	250,000	0%	1,190	1,190	1,136
Super seru 250GB 260GB, 28day	250.0	250.0	260.0	300,000	300,000	300,000	0%	1,200	1,200	1,154
Super seru 100GB, 28day	100.0	100.0	100.0			120,000		-	-	1,200
Super seru 210GB +viu+weTV+prime , 28day			210.0			260,000				1,238
Kuwota (Shani,Freya, Zee, Gracia, Marsha, Kathrina, Adel, Indah, Flora, Christy)										
Kuwota JKT48 5GB, 30day	5.0	5.0	5.0	60,000	60,000	60,000		12,000	12,000	12,000

Source: Company, BRIDS Estimates

Exhibit 6. Indosat IM3 30day Freedom Internet offerings

Indosat Data Plans - DKI Jakarta - (selected)	Total GB (Mar'24)	Total GB (Apr'24)	Total GB (May'24)	Prices Mar'24	Prices Apr'24	Prices May'24	Δ %	yield/gb Mar'24	yield/gb Apr'24	yield/gb May'24
FREEDOM INTERNET 30day										
Freed. Int. 7GB 9GB 6.5 5GB 30day	5.0	5.0	5.0	35,000	35,000	35,000	0.0%	7,000	7,000	7,000
Freed. Int. 3GB 5GB 4GB 3GB 30day	3.0	3.0	3.0	23,000	23,000	23,000	0.0%	7,700	7,700	7,700
Freed. Int. 13GB 14GB 16GB 12GB 30day	12.0	12.0	12.0	58,000	58,000	58,000	0.0%	4,800	4,800	4,800
Freed. Int. 21GB 25GB 38GB 28GB 24GB 30day	24.0	24.0	24.0	92,000	92,000	92,000	0.0%	3,800	3,800	3,800
Freed. Int. 35GB 30 day incl. Vidio Diamond	35.0	35.0	35.0	115,000	115,000	115,000	0.0%	3,300	3,300	3,300
Freed. Int. 30GB 42GB 60GB 50GB 30day - Vidio Diamond	50.0	50.0	50.0	120,000	120,000	120,000	0.0%	2,400	2,400	2,400
Freed. Int. 70GB 30 day - Vidio Diamond	70.0	70.0	70.0	140,000	140,000	140,000	0.0%	2,000	2,000	2,000
Freed. Int. 150GB 30 day - Vidio Diamond	150.0	150.0	150.0	150,000	150,000	150,000	0.0%	1,000	1,000	1,000
Freed. Int. 100GB 90 day - Vidio Diamond	100.0	100.0	100.0	250,000	250,000	250,000	0.0%	2,500	2,500	2,500
Freed. Int. 200GB 180 day - Vidio Diamond	200.0	200.0	200.0	450,000	450,000	450,000	0.0%	2,300	2,300	2,300
Freed. Int. 400GB 360 day - Vidio Diamond	400.0	400.0	400.0	850,000	850,000	850,000	0.0%	2,100	2,100	2,100

Source: Company, BRIDS Estimates

Exhibit 7. Hutchison 3 30day selected offerings (AON, Kombo Spesial, AddOn, Happy, Happy Flex, Hot Sales, Pasti Murah)

Hutchison Tri 3 - Selected programs	Total GB (Mar'24)	Total GB (Apr'24)	Total GB (May'24)	Prices Mar'24	Prices Apr'24	Prices May'24	Δ %	yield/gb Mar'24	yield/gb Apr'24	yield/gb May'24
Long validity data packs - Masa aktif kartu AlwaysON (AON)										
AON 3GB 2-5 3GB	3	3	3	23,000	23,000	23,000	0%	7,667	7,667	7,667
AON 3-5GB 4GB	4	4	4	29,000	29,000	29,000	0%	7,250	7,250	7,250
AON 6GB 7GB	7	7	7	46,000	46,000	46,000	0%	6,571	6,571	6,571
AON 9GB 10GB	10	10	10	58,000	58,000	58,000	0%	5,800	5,800	5,800
AON 12GB 14GB	14	14	14	69,000	69,000	69,000	0%	4,929	4,929	4,929
AON 32 40GB	40	40	40	114,000	114,000	114,000	0%	2,850	2,850	2,850
UNLIMITED + AON 26GB	26	26	26	84,000	84,000	84,000	0%	3,231	3,231	3,231
Internet Kombo Spesial 2G/3G/4G										
Combo 2GB 30day	2	2	2	35,000	35,000	35,000	0%	17,500	17,500	17,500
Combo 3GB 30day	3	3	3	41,000	41,000	41,000	0%	13,667	13,667	13,667
Combo 32GB 30day	32	32	32	87,000	87,000	87,000	0%	2,719	2,719	2,719
Combo 38GB 30day	38	38	38	98,000	98,000	98,000	0%	2,579	2,579	2,579
AddOn										
AddOn "HOME" 32GB 30day	32	32	32	87,000	87,000	87,000	0%	2,719	2,719	2,719
AddOn "HOME" 38GB 30day	38	38	38	98,000	98,000	98,000	0%	2,579	2,579	2,579
AddOn "HOME" 60GB 30day	60	60	60	125,000	125,000	125,000	0%	2,083	2,083	2,083
AddOn "HOME" 120GB 30day	220	220	220	250,000	250,000	250,000	0%	1,136	1,136	1,136
AddOn "HOME" 150GB 30day	150	150	150	300,000	300,000	300,000	0%	2,000	2,000	2,000
Paket HAPPY										
Kuota Happy 3.5GB 30day	4	4	4	23,000	23,000	23,000	0%	6,571	6,571	6,571
Kuota Happy 7GB 30day	7	7	7	35,000	35,000	35,000	0%	5,000	5,000	5,000
Kuota Happy 11 10.5GB 30day	11	11	11	50,000	50,000	50,000	0%	4,545	4,545	4,545
Kuota Happy 20GB 30day	20	20	20	70,000	70,000	70,000	0%	3,500	3,500	3,500
Kuota Happy 11GB 13Gb 30day	14			60,000				4,444		
Kuota Happy 12GB 19-14 13.5GB 30day	14	14	14	60,000	60,000	60,000	0%	4,286	4,286	4,286
Kuota Happy 25GB 26GB 35 30GB 30day	30	30	30	80,000	80,000	80,000	0%	2,667	2,667	2,667
Kuota Happy 42GB 30 day	42	42	42	100,000	100,000	100,000	0%	2,381	2,381	2,381
Kuota Happy 52GB 30day	52	52	52	120,000	120,000	120,000	0%	2,308	2,308	2,308
Kuota Happy 55 50GB 30day	50	50	50	115,000	115,000	115,000	0%	2,300	2,300	2,300
Kuota Happy 75GB 30 day	75	75	75	150,000	150,000	150,000	0%	2,000	2,000	2,000
Offers - HOT SALES										
Hot Sale 130GB, 30day	130	130	130	150,000	150,000	150,000	0%	1,154	1,154	1,154
Hot Sale 117GB, 30day	117	117	117	125,000	125,000	125,000	0%	1,068	1,068	1,068
Hot Sale 52 GB, 30 day	52	52	52			80,000				
Hot Sale 55GB 47 42GB, 30 day	47	47	47	100,000	100,000	100,000	0%	2,128	2,128	2,128
Hot Sale 11GB 18GB 11GB 10.5GB, 30 day	11	11	11	50,000	50,000	50,000	0%	4,545	4,545	4,545
Hot Sale 33GB 35GB 30GB, 30 day	30	30	30	80,000	80,000	80,000	0%	2,667	2,667	2,667
Paket HAPPY Flex (30day)										
3GB	3	3	3	20,000	20,000	20,000	0%	6,667	6,667	6,667
10GB	10	10	10	42,000	42,000	42,000	0%	4,200	4,200	4,200
20GB	20	20	20	70,000	70,000	70,000	0%	3,500	3,500	3,500
30GB	30	30	30	80,000	80,000	80,000	0%	2,667	2,667	2,667
40GB	40	40	40	91,000	91,000	91,000	0%	2,275	2,275	2,275
50GB	50	50	50	106,000	106,000	106,000	0%	2,120	2,120	2,120
60GB	60	60	60	125,200	125,200	125,200	0%	2,087	2,087	2,087
70GB	70	70	70	142,400	142,400	142,400	0%	2,034	2,034	2,034
80GB	80	80	80	155,000	155,000	155,000	0%	1,938	1,938	1,938
90GB	90	90	90	165,000	165,000	165,000	0%	1,833	1,833	1,833
100GB	100	100	100	150,000	150,000	150,000	0%	1,500	1,500	1,500
110GB	110	110	110	189,000	189,000	189,000	0%	1,718	1,718	1,718
120GB	120	120	120	202,000	202,000	202,000	0%	1,683	1,683	1,683
130GB	130	130	130	215,000	215,000	215,000	0%	1,654	1,654	1,654
140GB	140	140	140	228,000	228,000	228,000	0%	1,629	1,629	1,629
150GB	150	150	150	240,000	240,000	240,000	0%	1,600	1,600	1,600
Pasti Murah										
8GB 30day			8			25,000				3,125
11GB 30day	11	11	11		40,000	30,000	-25%		3,636	2,727
20 25GB 30day	20	20	25	50,000	50,000	50,000	0%	2,500	2,500	2,000
35GB 30day	35	35	35			60,000				1,714
65 60GB 30day	60	65	65	100,000	100,000	100,000	0%	1,667	1,538	1,538
90 85GB 30day	90	90	90	130,000	130,000	130,000	0%	1,444	1,444	1,444

Source: Company, BRIDS Estimates

Exhibit 8. XL 30day flagship XTRA COMBO Regular & VIP, 30day Akrab and 30day XTRA Combo Flex offerings

XL Axiata selected data packages only through myXL app	Total GB (Mar'24)	Total GB (Apr'24)	Total GB (May'24)	Prices Mar'24	Prices Apr'24	Prices May'24	Promo Price Mar'24	Promo Price Apr'24	Promo Price May'24	Δ %	yield/gb Mar'24	yield/gb Apr'24	yield/gb May'24
30day Combo = incl. 20-30mins voice and/or SMS Kuota Antigangus = Quota Rollover Productivity apps = WA, Map, Conference, Education, Work													
30 DAY - XTRA COMBO PLUS Regular Unlimited WA (phone 1 Gold -status)													
20GB 19GB Offering													
XTRA Combo Plus 28GB 18 19GB 25GB 17GB 20GB 30day	17	17	17	59,900	59,900	59,900	50,915			0.0%	2,995	3,524	3,524
30GB Offering													
XTRA Combo Plus 48GB 29 30GB 42GB 30GB 31GB 30day	30	30	30	89,900	89,900	89,900	67,425			0.0%	2,248	2,997	2,997
44GB Offering													
XTRA Combo Plus 75GB 42 44GB 68GB 44GB 48GB 30day	48	48	48	134,000	134,000	134,000	113,900	107,200		25.0%	2,373	2,233	2,792
76GB Offering													
XTRA Combo Plus 120GB 71 76GB 96GB 76GB 81GB 30day	76	76	76	182,000	182,900	182,900	164,610			0.0%	2,166	2,407	2,407
112GB Offering													
XTRA Combo Plus 175GB 107 112GB 142GB 115GB 117GB 30day	115	115	115	244,900	244,900	244,900	232,655		146,940	-40.0%	2,023	2,130	1,278
30 DAY - XTRA COMBO PLUS VIP Network & Antihangus (Phone 1 Gold status)													
XTRA Combo VIP 20 18 19GB 25GB 19GB 20GB 30day	17	17	17	71,500	71,500	71,500	42,900			0.0%	2,524	4,206	4,206
XTRA Combo VIP 30 29 30GB 42GB 30GB 31GB 30day	30	30	30	99,800	99,800	99,800	74,850			0.0%	2,495	3,327	3,327
XTRA Combo VIP 50 42 44GB 68GB 44GB 48GB 30day	48	48	48	141,000	141,000	141,000	112,800	112,800		25.0%	2,350	2,350	2,938
XTRA Combo VIP 76 71 76GB 96GB 76GB 81GB 30day	76	76	76	192,000	192,000	192,000	163,650			0.0%	2,153	2,526	2,526
XTRA Combo VIP 116 107 112GB 142GB 112GB 117GB 30day	115	115	115	253,500	253,500	253,500	228,150		152,100	-40.0%	1,984	2,204	1,323
XTRA Combo VIP 30GB, Gopay Special Package													
30 DAY - Akrab for shared use & UL Productivity apps, UL on-net (phone 1, Gold)													
Akrab 2-members 14-98GB 18-98 16GB 22GB 18GB 17GB 30day	17	17	17	57,500	57,500	57,500				0.0%	3,382	3,382	3,382
Akrab 2-members 25-46 23GB 31GB 24GB 23GB 26GB 30day	23	23	23	77,500	77,500	77,500				0.0%	3,370	3,370	3,370
Akrab 2-members 33GB 37 35GB 49GB 37GB 34GB 39GB 30day	34	34	34	110,000	110,000	110,000		93,500		-29.4%	3,235	2,750	1,941
Akrab 3-members 75GB 81GB 111GB 84GB 76.5GB 90GB 30day	77	77	77	180,000	180,000	180,000			66,000	-15.0%	2,353	2,353	2,000
Akrab 4-members 100GB bonus48GB 148 156GB 204GB 156GB 172GB 30day	154	154	154	280,000	280,000	280,000	224,000		266,000	-5.0%	1,455	1,818	1,727
Akrab 4-members 216GB Bonus19GB 288 296GB 352GB 296GB 284GB 316GB	284	284	284	450,000	450,000	450,000	405,000			0.0%	1,426	1,585	1,585
Xtra Combo Flex													
Xtra Combo Flex S		3.5	3.5		23,000	23,000				0.0%		6,571	6,571
Xtra Combo Flex S+	6.0	6.5	6.5	35,000	35,000					0.0%	5,833	5,385	5,385
Xtra Combo Flex M	8.0	9.0	9.0	46,000	46,000					0.0%	5,750	5,111	5,111
Xtra Combo Flex M+	0	10	10		50,000	50,000				0.0%		5,000	5,000
Xtra Combo Flex L	13	15	15	70,000	70,000	70,000				0.0%	5,385	4,667	4,667
Xtra Combo Flex L+	0	20	20		80,000	80,000				0.0%		4,000	4,000
Xtra Combo Flex XL	21	32	32	100,000	100,000	100,000				0.0%	4,762	3,125	3,125
Xtra Combo Flex XXL	45	55	55	140,000	140,000	140,000				0.0%	3,111	2,545	2,545
Xtra Combo Flex XXXL	80	0	0	168,000							2,100		

Source: Company, BRIDS Estimates

Exhibit 9. AXIS (youth and blue collar worker brand) 30day Bronet and OWSEM offerings

AXIS Key offerings	Total GB (Mar'24)	Total GB (Apr'24)	Total GB (May'24)	Prices Mar'24	Prices Apr'24	Prices May'24	Δ %	yield/gb Mar'24	yield/gb Apr'24	yield/gb May'24
AXIS BRONET 24 Jam 30day										
Bronet 1GB 3-5GB 1GB 3.5GB 30day	3.5	3.5	3.5	17,300	17,300	17,300	0.0%	4,900	4,900	4,900
Bronet 2GB 6GB 2GB 6GB 30day	6.0	6.0	6.0	25,300	25,300	25,300	0.0%	4,200	4,200	4,200
Bronet 3GB 8GB 3GB 8GB 30day	8.0	8.0	8.0	31,500	31,500	31,500	0.0%	3,900	3,900	3,900
Bronet 5GB 11GB 5GB 14GB 30day	14.0	14.0	14.0	47,500	47,500	47,500	0.0%	3,400	3,400	3,400
Bronet 8 16 8GB 21GB 30day	21.0	21.0	21.0	63,800	63,800	63,800	0.0%	3,000	3,000	3,000
Bronet 10GB 30GB 30day	30.0	30.0	30.0	75,900	75,900	75,900	0.0%	2,500	2,500	2,500
Bronet 12GB 36GB 30day	36.0	36.0	36.0	85,100	85,100	85,100	0.0%	2,400	2,400	2,400
AXIS Owsem - unlimited games*										
Owsem 16GB 30day	16.0	16.0	16.0	40,900	40,900	40,900	0.0%	2,600	2,600	2,600
Owsem 24GB 30day	24.0	24.0	24.0	50,900	50,900	50,900	0.0%	2,100	2,100	2,100
Owsem 40GB 30day	40.0	40.0	40.0	60,900	60,900	60,900	0.0%	1,500	1,500	1,500
Owsem 64GB 30day	64.0	64.0	64.0	76,400	76,400	76,400	0.0%	1,200	1,200	1,200
Owsem 120GB 30day	120.0	120.0	120.0	96,700	96,700	96,700	0.0%	800	800	800

Source: Company, BRIDS Estimates

Exhibit 10. Smartfren key 30day offerings (Unlimited, Gokil Max, Power Up, Unlimited Non Stop).

Smartfren data plans PREPAID (selected) - DKI Jakarta	Total GB (Mar'24)	Total GB (Apr'24)	Total GB (May'24)	Prices Mar'24	Prices Apr'24	Prices May'24	Δ %	yield/gb Mar'24	yield/gb Apr'24	yield/gb May'24
"Smartfren Unlimited"										
UL Pro FUP/D:0.75GB 28 30day	19.6	19.6	19.6	77,000	77,000	77,000	0.0%	3,900	3,900	3,900
UL FUP/D:1GB + 1GB 28 30day	56.0	56.0	56.0	100,000	100,000	100,000	0.0%	1,800	1,800	1,800
UL FUP/D:1.5GB + 1.5GB 28 30day	84.0	84.0	84.0	120,000	120,000	120,000	0.0%	1,400	1,400	1,400
UL FUP/D: 4GB 30day				160,000	160,000	160,000	0.0%	4,000	4,000	4,000
Gokil Max (quotas may vary per region)										
Paket Gokil Combo DANA 55GB 30 day	55.0	55.0	55.0	30,000	30,000	30,000	0.0%	500	500	500
Paket Gokil Combo DANA 90GB 30 day	90.0	90.0	90.0	60,000	60,000	60,000	0.0%	700	700	700
Paket Gokil Combo DANA 127GB 30 day	127.0	127.0	127.0	90,000	90,000	90,000	0.0%	700	700	700
POWER-UP										
POWER UP 60GB, 30Day	60.0	60.0	60.0	100,000	100,000	100,000	0.0%	1,700	1,700	1,700
POWER UP 90GB, 30Day	90.0	90.0	90.0	150,000	150,000	150,000	0.0%	1,700	1,700	1,700
POWER UP 120GB, 30Day	120.0	120.0	120.0	200,000	200,000	200,000	0.0%	1,700	1,700	1,700
Unlimited NONSTOP - Remain online if run out of quota										
Unlimited Nonstop 6GB 30day	10.0	10.0	10.0	38,500	38,500	38,500	0.0%	3,900	3,900	3,900
Unlimited Nonstop 12GB 30day	18.0	18.0	18.0	55,000	55,000	55,000	0.0%	3,100	3,100	3,100
Unlimited Nonstop 30GB 30day	30.0	30.0	30.0	77,000	77,000	77,000	0.0%	2,600	2,600	2,600
Unlimited Nonstop 45GB 30day	45.0	45.0	45.0	110,000	110,000	110,000	0.0%	2,400	2,400	2,400
Unlimited Nonstop 60GB 30day	60.0	60.0	60.0	137,500	137,500	137,500	0.0%	2,300	2,300	2,300

Source: Company, BRIDS Estimates

We deem Starlink a limited threat which offers inferior value compared to terrestrial ISP services

Neutral stance on Starlink: its role is complementary.

Satellites incl. Starlink provide coverage in rural areas with acute connectivity limitations (e.g., Indonesia's archipelago, underserved by telcos due to unviable economics). Starlink's Leo-satellite offers lower latency vs. a Geo-satellite and thus potentially has a higher commercial value for residential users. However, a Leo-satellite has finite capacity: a) additional satellite causes spectrum interference, leading to diminishing returns for the constellation, b) the satellite itself has finite capacity. The ~6,000 Starlink satellites aim for global connectivity instead of being country-specific, whilst local players can scale up network capacity efficiently and have established distribution networks with a comprehensive user ecosystem (*comparisons in exh. 9,10*). Thus, we believe the satellite service will complement the terrestrial telco infras and the potential LT advances in satellite technology remain questionable.

Telco valuation experiences in neighboring countries.

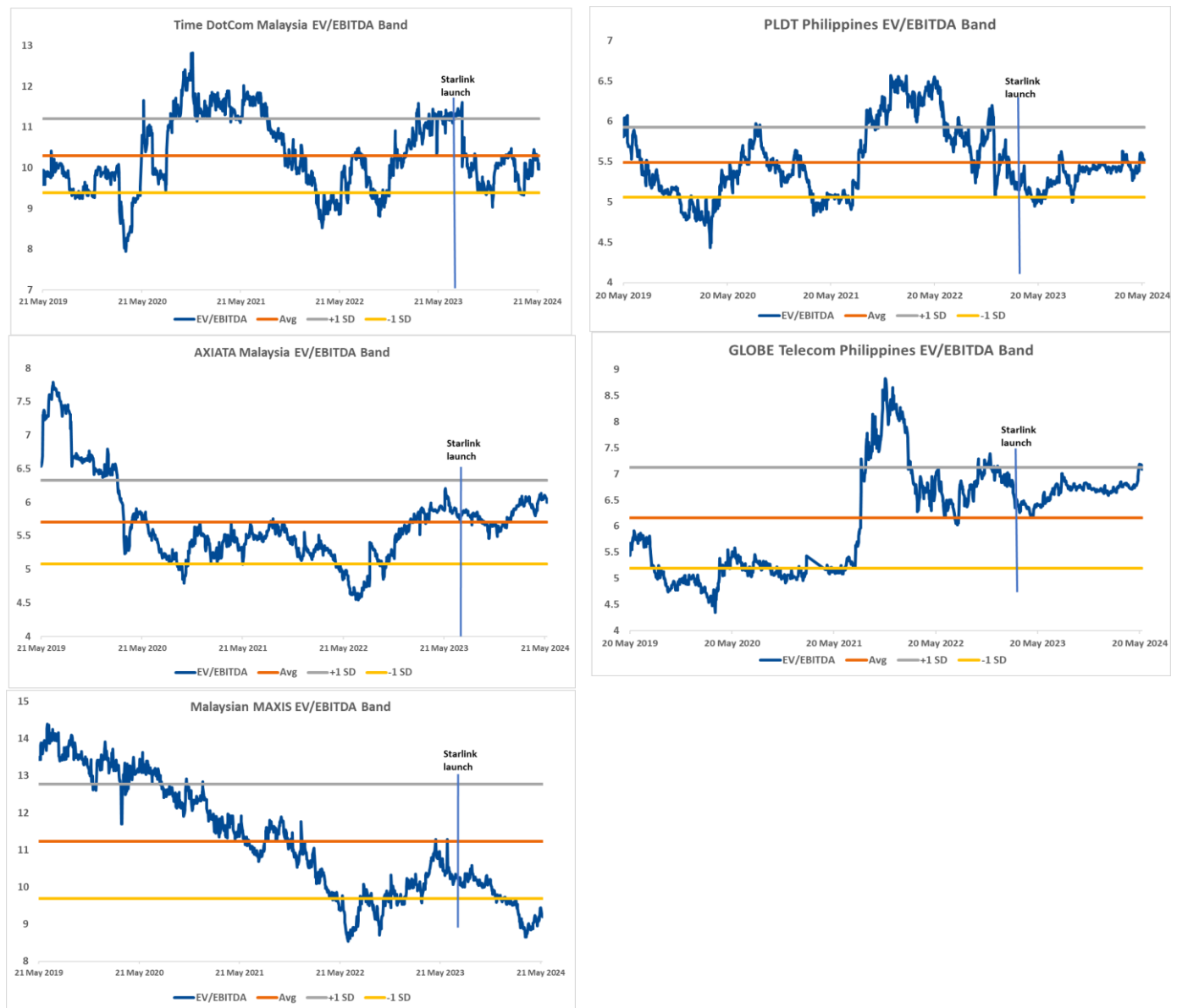
Previously, Starlink has launched its services in Malaysia during July 2023 and in Philippines during February 2023. Based on their EV/EBITDA valuation charts of the local telco incumbents, there is a possibility that the launch of Starlink may have affected the valuation of the Malaysian entities in the short term, followed by a period of stabilization in multiple valuations. Similarly, Starlink may have potentially affected the telco valuations in the Philippines but this was followed by a recovery period in valuations.

Exhibit 11. Comparison between fixed BB ISPs select offerings versus Starlink's Residential offering at Rp750k/month

	Starlink	Orbit Telkomsel	Indihome FMC	XL Satu Fiber	Oxygen	CBN	MyRepublic	IOH HiFi	FiberStar	Biznet	First Media	Iconnet	MNC Play
Technology Type	Satellite based	Cellular based	Fiber optic	Fiber optic	Fiber optic	Fiber optic	Fiber optic	Fiber optic	Fiber optic	Fiber optic	Fiber coaxial	Fiber optic	Fiber optic
Equipment Cost	4,680,000 - 7,800,000	699,000	Provided by ISP	Provided by ISP	Provided by ISP	Provided by ISP	Provided by ISP	Provided by ISP	Provided by ISP	Provided by ISP	Provided by ISP	Provided by ISP	Provided by ISP
Speed Rate (up to Mbps)	40-220	21.6	100	150	150	250	500	500	150	300	200	100	200
Monthly Charge	750,000	325,000 - 400,000	730,000	369,000	641,000	799,000	685,000	655,000	711,400	700,000	665,000	399,000	779,000
Consumption Limit (GB)	unlimited for now	250	FUP	unlimited	unlimited	unlimited	unlimited	unlimited	unlimited	unlimited	unlimited	unlimited	unlimited
Mobile Quota (GB)	n.a	n.a	15 for 6 simcards, Onnet Voice & SMS, 20GB for ORBIT	25 for 2 simcards	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
TV Content Offering	n.a	n.a	Indihome TV Package	n.a	Free STB	Dens.TV & Vision+	WeTV VIP	Catchplay+ Lite	Android STB	Biznet IPTV	Add-on OTT/STB	Add-on OTT/STB	Android STB

Source: Company, BRIDS Estimates

Exhibit 12. EV/EBITDA valuation bands for Malaysia and Philippines operators prior/post Starlink launch

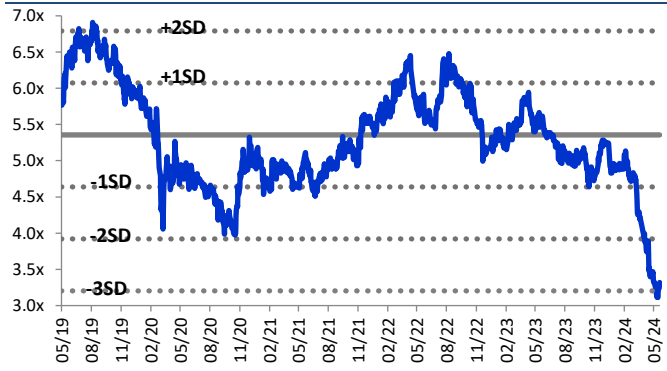


Source: Bloomberg, BRIDS

Maintain Sector OW rating; our pecking order: ISAT > EXCL > TLKM

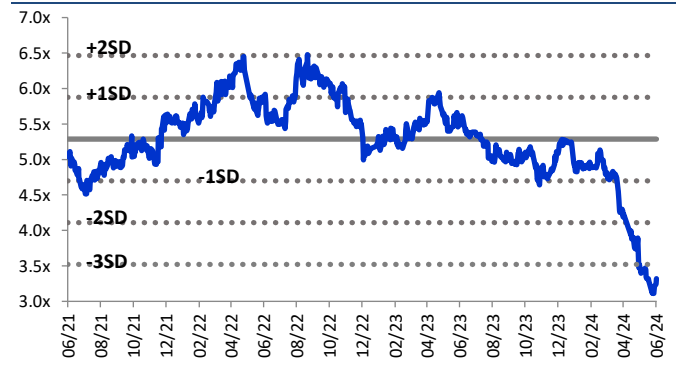
We conclude that TSEL's conduct does not appear to come in direct competition with its peers and the concerns on Starlink are overdone. We maintain our sector OW rating with a preference for ISAT (Buy, TP Rp13,300) on the highest earnings upside potential in 2Q24 and EXCL (Buy, TP Rp3,300) as our second pick amid pending potentially value-accretive corporate actions. We maintain our Buy rating on TLKM (TP Rp4,400) on potential value generation from its superior coverage and fiber investments in the coming quarters.

Exhibit 13. TLKM IJ forward 5-year EV/EBITDA band



Source: Company, BRIDS Estimates

Exhibit 14. TLKM IJ forward 3-year EV/EBITDA band



Source: Company, BRIDS Estimates

Exhibit 15. ISAT IJ forward 5-year EV/EBITDA band



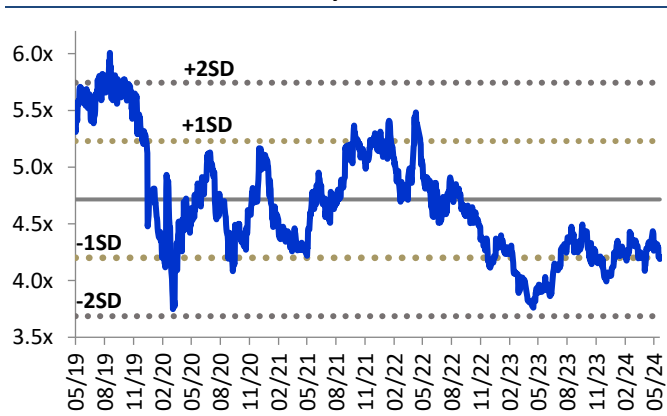
Source: Company, BRIDS Estimates

Exhibit 16. ISAT IJ forward 3-year EV/EBITDA band



Source: Company, BRIDS Estimates

Exhibit 17. EXCL IJ forward 5-year EV/EBITDA band



Source: Company, BRIDS Estimates

Exhibit 18. EXCL IJ forward 3-year EV/EBITDA band



Source: Company, BRIDS Estimates

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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