

RESEARCH COMMENTARY**EXCL (Buy, TP: Rp2,800) - Sellside analyst call with XLSmart; Key takeaways:**

- XLSmart reiterated the merger benefits from a) scale and commercial presence b) network synergies, c) ecosystem support from the shareholders.
- XLSmart emphasized a) the larger scale of the new XLSmart and how important it is amid technology advancements, b) the in country telco consolidation experience of Axiata shareholder, c) the deep knowledge of Sinar Mas conglomerate in the local economy d) 20years+ telco experience for each director in XLSmart
- Categorizing the benefits into shareholders, industry, customers and employees. Special focus on ICT and enterprise revenue growth with 22% CAGR 2023-28.
- No plans to reduce the workforce. The nominee CEO of the the mergeCo aims to maintain the current operational momentum. Personnel is not immaterial cost, but the synergies focus is on the network.
- Network synergies will be realized by decommissioning overlapped tower sites. On aggregate there are 67,000 sites of which 20-30% are overlapped or circa 13,000-15,000. Management has no timeline as to when this process will be concluded. Between April and June 2025, the company will discuss with tower providers and vendors for the decommissioning and guided that it will incur network synergies from 2H25.
- XLSmart did not confirm they will return any of the 900MHz spectrum. It still argues based on 152MHz spectrum holding post merger (excl. 900MHz is 137MHz).
- XLSmart will maintain separately the 3 different brands XL, Axis, Smartfren. Each one has a distinct target market. XL has a more premium value, Axis is closer to the youth segment, FREN is focused on the big cities. (Niko Margaronis & Kafi Ananta – BRIDS)

THR for Ojol Drivers and Workers: Government Mandates and Gojek and Grab Responses

- President Prabowo Subianto appealed to platform companies to provide THR in cash to their driver partners..
- Affected drivers: Approximately 250,000 full-time ojol drivers and 1-1.5 million part-time drivers.
- Minister of Manpower will issue a circular (SE) that Regulates THR payments for ojol drivers. Includes sanctions for app-based transportation companies (applicators) that do not comply
- Gojek response: Introduces "Tali Asih Hari Raya" ProgramGojek launched the "Tali Asih Hari Raya" program, providing direct cash assistance in the form of Bonus Hari Raya (BHR) before Idul Fitri. The bonus is given to eligible driver-partners who meet specific criteria. GoTo (Gojek's parent company) treats this financial disbursement as a goodwill effort, ensuring it remains manageable within the company's capacity.
- Grab: Introduces "Bonus Hari Raya" (BHR) Program. Bonus amount is based on: Driver activity, Order completion rate, Number of days and hours online and Driver rating.
- Additionally Grab launches the "Traktir Driver" program: Encourages customers to tip drivers without deductions, ensuring drivers receive the full amount. (Company, Katadata)

Comment: GOTO treats this cash assistance as goodwill effort for the drivers, a form of investment we believe to maintain that goes to improve the well-being of its drivers. GOTO emphasizes this amount is within the company's capacity and hence manageable. Tomorrow on the 12th of March GOTO will conduct its earnings call and potentially provide details. (Niko Margaronis & Kafi Ananta – BRIDS)

LOCAL NEWS**President Prabowo Urges Ride-Hailing Apps to Provide Holiday Bonuses for Drivers**

President Prabowo Subianto has called on all ride-hailing companies to provide cash holiday bonuses for online motorcycle taxi (ojol) drivers during Eid al-Fitr 2025, based on their work activity. Prabowo noted that there are 250,000 active online courier drivers and around 1 to 1.5 million part-time drivers. The Ministry of Manpower will regulate the bonus amount. Minister of Manpower, Yassierli stated that the regulation regarding ojol holiday allowances (THR) is in its finalization stage. He added that they are working on a formula to categorize transportation services, service types, and working hours to address the complexities of THR distribution for ojol drivers. (Detik)

Maxim Rejects THR Demands, Proposes Alternative Holiday Assistance

Maxim has stated that it does not align with the demands for holiday bonuses (THR) for its driver-partners, citing regulatory constraints, including Minister of Manpower Regulation No. 5 of 2021 and Ministry of Transportation Regulations No. 12 of 2019 and No. 118 of 2018. The company is currently in discussions with the Ministry of Manpower (Kemnaker) to find an appropriate solution but argues that implementing THR within a short timeframe is unfeasible. Maxim also emphasized that it lacks the financial capacity to provide THR under current regulations and economic conditions. Instead, the company will offer "holiday assistance" in the form of staple goods and other necessities rather than cash bonuses. (InvestorDaily)

Komdigi Eliminates 1.3 Million Negative Contents, Online Gambling Dominates

Between October 20, 2024, and March 8, 2025, the Ministry of Digital Communications (Kemkomdigi) successfully handled 1,352,401 negative contents, largely due to public reports via aduankonten.id. Of these, 233,552 were related to pornography, with websites accounting for 219,578 cases and platform X (Twitter) ranking second with 10,173 cases. Meanwhile, 1,118,849 cases were linked to online gambling, primarily from websites and IP addresses (1,017,274 cases), followed by Meta (Facebook/Instagram) with 46,207 cases. To enhance enforcement, Kemkomdigi will strengthen its AI-based monitoring system for faster detection of negative content and improve coordination with global digital platforms to ensure more efficient actions. (Bisnis)

BNI Partners with VinFast to Strengthen Indonesia's EV Ecosystem

Bank Negara Indonesia (BNI) has officially partnered with Vietnamese electric vehicle (EV) manufacturer VinFast. As part of this collaboration, BNI will provide consultation services and facilitate VinFast and other Vingroup ecosystem companies in accessing various transactional banking products and services. Additionally, BNI will support business partners in developing green infrastructure, aligning with VinFast's mission to expand the electric vehicle ecosystem. (Kontan)

VIDA Supports Superbank in Accelerating Digital Onboarding

VIDA, a leading digital identity verification provider in Indonesia, is driving the acceleration of Superbank's digital onboarding process. Within just four months of its launch in 2024, Superbank successfully acquired over 2 million customers, thanks to VIDA's secure, fast, and regulatory-compliant digital identity solutions. VIDA's advanced verification technology has significantly reduced onboarding time, enabling Superbank to rapidly onboard new customers without compromising security measures. (Kontan)

P2P Fintech Association Targets 10% Profit Growth in 2025

The Indonesian Joint Funding Fintech Association (AFPI) has set a conservative 10% profit growth target for the P2P lending industry in 2025, citing ongoing challenges from unstable global and national economic conditions. As of January 2025, outstanding loan disbursement grew by 29.94% yoy to Rp78.5tr, while the aggregate bad loan ratio (TWP90) remained stable at 2.52%, improving from 2.60% in December 2024. In 2024, the industry recorded a post-tax profit of Rp1.65tr, a significant 245% yoy increase from Rp478.15bn in December 2023. (Bisnis)

Telkomsel and Pegatron 5G Partner to Develop Smart Manufacturing in Batam

Telkomsel and Pegatron 5G, the 5G business unit of global electronics manufacturer Pegatron, have signed a Memorandum of Understanding (MoU) at the Mobile World Congress (MWC) 2025 in Barcelona to develop smart manufacturing solutions in Indonesia. This partnership aims to drive digital transformation in the manufacturing sector by implementing advanced 5G-enabled solutions at PT Pegaunihan Technology Indonesia, Pegatron's subsidiary in Batam. Leveraging Telkomsel's cutting-edge 5G network, the initiative will integrate IoT and automation into production processes, enhancing efficiency and innovation in Indonesia's industrial landscape. (Kontan)

TOWR has proposed a rights issue for approval through an EGMS to be held on April 23, 2025. The details of the rights issue will be released approx. 10 days before the EGMS.

https://www.idx.co.id/StaticData/NewsAndAnnouncement/ANNOUNCEMENTSTOCK/From_EREP/202503/d09a6e3161_10e7d102c1.pdf

OTHER FOREIGN TREND

China Unveils Zuchongzhi-3: The World's Most Powerful Quantum Supercomputer

China has taken a major leap in the global quantum computing race with the unveiling of Zuchongzhi-3, the world's most powerful quantum supercomputer. With 105 qubits, it surpasses Google's Sycamore and achieves quantum advantage six orders of magnitude beyond previous benchmarks, solving problems in seconds that would take classical supercomputers billions of years. The breakthrough fuels China's push toward error correction, scaling qubits to thousands, and advancing applications in AI, logistics, and encryption. This comes as Amazon, Microsoft, and Google also make strides in quantum technology, intensifying competition between the U.S. and China in shaping the future of computing. (SosMed)

China just pulled ahead in the quantum race with **Zuchongzhi-3** - a 105-qubit machine that makes **Google's Sycamore** processor look **slow**.

Researchers say this quantum beast performs calculations **one million times faster** than Google's latest results & **15 orders of magnitude beyond** the best supercomputers.

Absolutely mindblowing.



Amazon touts its first quantum computing chip a week after Microsoft's unveiling

Amazon has unveiled its first quantum computing chip, Ocelot, just a week after Microsoft introduced its own quantum processor, marking a new milestone in the tech industry's quantum race. Designed to build highly efficient hardware systems, Ocelot is part of Amazon's long-term plan to offer quantum computing access through its cloud division. The announcement follows Microsoft's publication in Nature detailing its quantum advancements, highlighting the growing competition among tech giants to push the boundaries of quantum computing innovation. (CNBC)

Trump Says US Talking to Four Different Groups on Sale of TikTok

U.S. President Donald Trump stated on Sunday that his administration was in discussions with four different groups regarding the sale of Chinese-owned social media platform TikTok, emphasizing that all options were viable. When asked aboard Air Force One whether a deal was imminent, Trump responded, "it could," adding that many parties were interested and that all four groups were strong contenders. Meanwhile, the uncertainty surrounding TikTok has drawn interest from several potential buyers, including former Los Angeles Dodgers owner Frank McCourt, with analysts estimating the platform's value at up to US\$50bn. TikTok and its parent company ByteDance have yet to comment on the matter. (Reuters)

Gmail Gains Gemini-Powered "Add to calendar" Button

Google's latest Workspace update introduces a Gemini-powered "Add to Calendar" button in Gmail, allowing users to create calendar appointments with a single click. Positioned next to the existing summarize button, this new feature detects meeting-related discussions in email threads and provides a shortcut to schedule events instantly. Functionally, it mirrors the process of opening the Gemini panel and requesting an appointment, streamlining scheduling for users. However, the button will not appear for emails that already integrate with Google Calendar, such as dining reservations and flight bookings, which are automatically added without AI assistance. (ArsTechnica)

Chinese "Starlink" launching in over 30 countries

Chinese satellite broadband provider SpaceSail, also known as "Qianfan" or "G60 Starlink," is rapidly expanding its low-Earth orbit (LEO) constellation and could outpace SpaceX's Starlink in launching services in South Africa. Since its first satellite launch in August 2024, SpaceSail has deployed 72 satellites and aims to reach 648 by 2025, with a long-term goal of 15,000 by 2030. While Starlink currently dominates with around 7,000 satellites and over five million users worldwide, SpaceSail plans to begin commercial broadband services this year, potentially entering markets that have restricted Starlink due to political or sovereignty concerns. (Mybroadband)

Microsoft's Relationship With OpenAI Is Not Looking Good

Microsoft is scaling back its reliance on OpenAI, testing AI models from xAI, Meta, and DeepSeek as potential replacements for ChatGPT in its Copilot assistant, while also developing its own AI reasoning models for commercial use. This shift follows earlier signs of strain in their partnership, including OpenAI's decision to partner with Oracle and SoftBank for cloud computing, ending Microsoft's exclusivity. Despite these moves, Microsoft remains a major investor in OpenAI, and the two companies continue to collaborate, though recent developments suggest both are seeking greater independence in the evolving AI landscape. (SosMed)

Grab Partners with Autonomous Technology Companies to Assess Impact of Autonomous Vehicles in Southeast Asia

Grab, Southeast Asia's leading superapp, today announced the signing of new Memoranda of Understanding (MoUs) with four prominent autonomous technology companies: Autonomous A2Z, Motional, WeRide and Zelos. These partnerships aim to explore the impact and potential role of autonomous vehicles (AVs). As part of the MoUs, Grab will assess various autonomous technologies for delivery and mobility, such as shuttles, buses, cars and bots. The key focus areas of these studies are: Safety and Accident Reduction, Job Creation and Workforce Transition, and Commercial Sustainability. (Company)

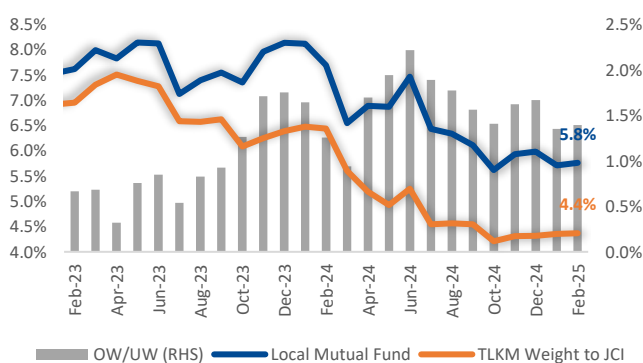
Valuation Table

Company	Mkt Cap (US\$mn)	PER (x)			PBV (x)			EV/EBITDA (x)			ROE (%)		
		24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F
Telco													
EXCL IJ	1,829.4	15.6	12.7	11.1	1.1	1.0	0.9	4.2	4.0	3.8	6.7	8.0	9.0
ISAT IJ	3,128.1	9.5	8.4	7.2	1.5	1.3	1.0	3.9	3.6	3.4	15.9	15.8	17.0
TLKM IJ	14,898.9	10.0	9.3	8.8	1.7	1.6	1.5	3.9	3.7	3.6	17.0	17.3	17.4
Weighted average		10.4	9.5	8.8	1.6	1.5	1.4	3.9	3.7	3.6	15.9	16.2	16.5
Median		10.0	9.3	8.8	1.5	1.3	1.0	3.9	3.7	3.6	15.9	15.8	17.0
Tower													
TOWR IJ	1,706.8	8.2	7.5	7.0	1.4	1.3	1.1	7.3	7.0	6.6	18.6	17.7	17.2
TBIG IJ	3,046.0	31.3	29.1	27.8	4.0	3.8	3.7	13.6	13.1	12.7	13.1	13.4	13.3
MTEL IJ	3,231.6	23.9	21.7	20.4	1.5	1.5	1.4	9.2	8.7	8.2	6.3	6.8	7.1
Weighted average		23.4	21.5	20.4	2.4	2.3	2.2	10.5	10.0	9.6	11.5	11.6	11.7
Median		23.9	21.7	20.4	1.5	1.5	1.4	9.2	8.7	8.2	13.1	13.4	13.3

Company	Mkt Cap (US\$mn)	EV/Net Revenue (x)			P/ Net Revenue (x)		
		24F	25F	26F	24F	25F	26F
Technology							
GOTO IJ	5,995.94	5.22	4.63	4.10	6.45	5.73	5.07
BELI IJ	3,345.38	2.63	2.92	2.55	2.65	2.94	2.57
BUKA IJ	854.60	(0.87)	(0.85)	(0.81)	2.89	2.81	2.69
Weighted average		3.9	3.6	3.2	4.9	4.6	4.0
Median		2.6	2.9	2.6	2.9	2.9	2.7

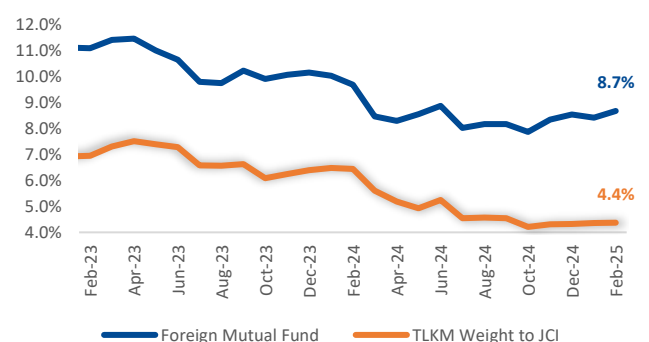
Foreign & Local Positioning

Exhibit 1. TLKM's Domestic Fund Positioning

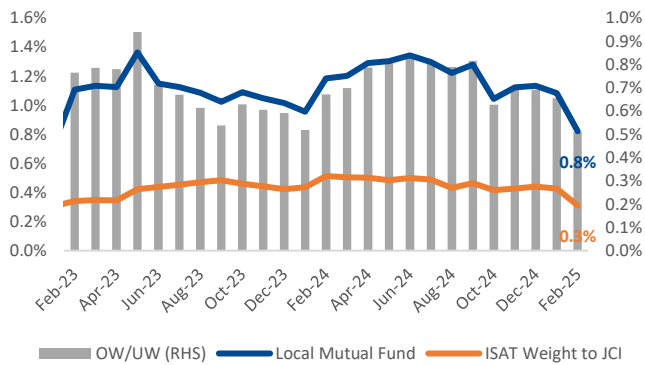


Source: KSEI, BRIDS

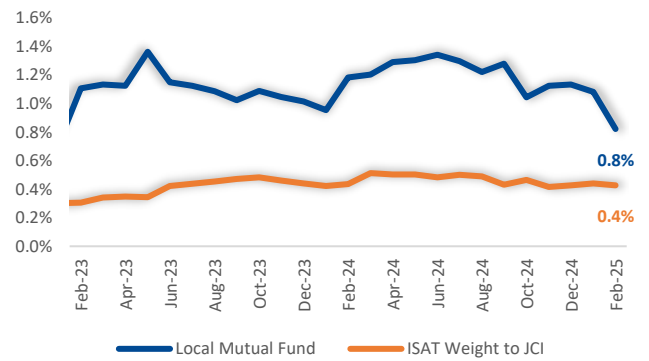
Exhibit 2. TLKM's Foreign Ownership



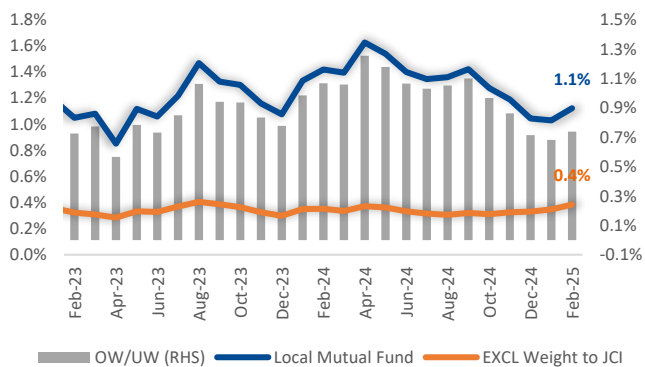
Source: KSEI, BRIDS

Exhibit 3. ISAT's Domestic Fund Positioning


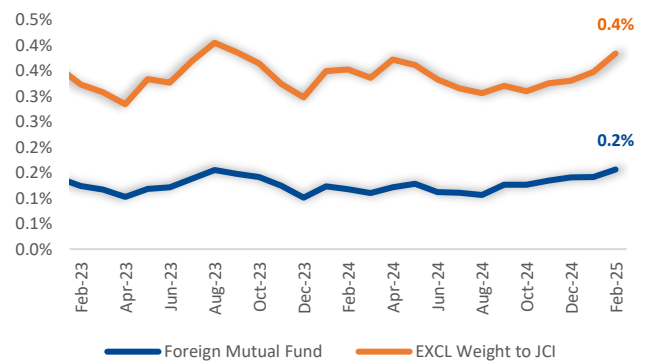
Source: KSEI, BRIDS

Exhibit 4. ISAT's Foreign Ownership


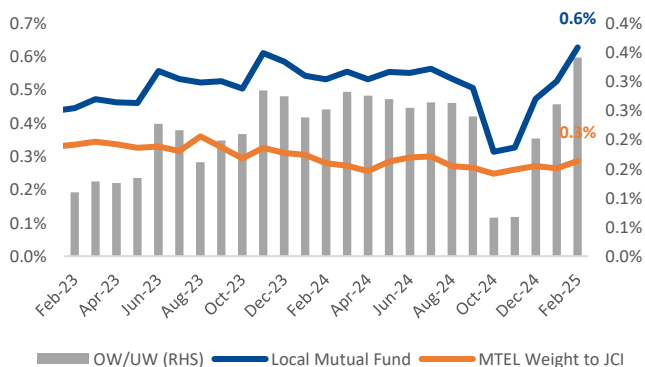
Source: KSEI, BRIDS

Exhibit 5. EXCL's Domestic Fund Positioning


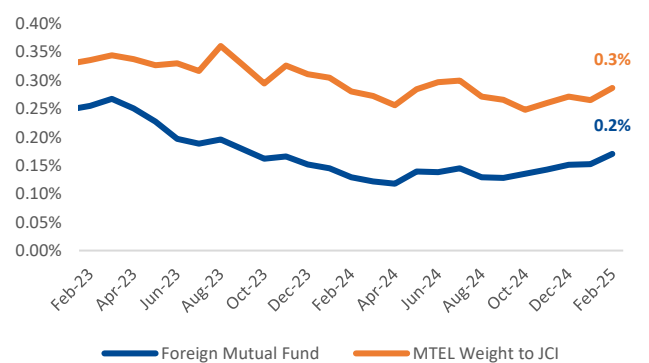
Source: KSEI, BRIDS

Exhibit 6. EXCL's Foreign Ownership


Source: KSEI, BRIDS

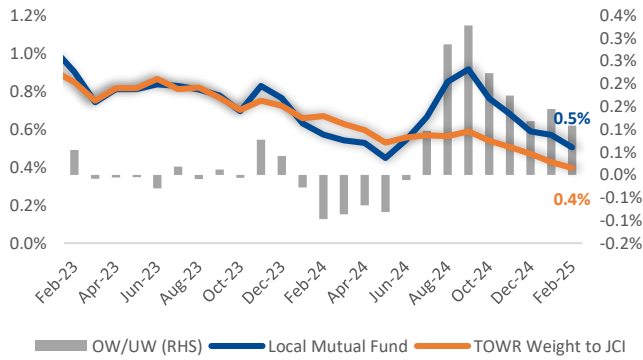
Exhibit 7. MTEL's Domestic Fund Positioning


Source: KSEI, BRIDS

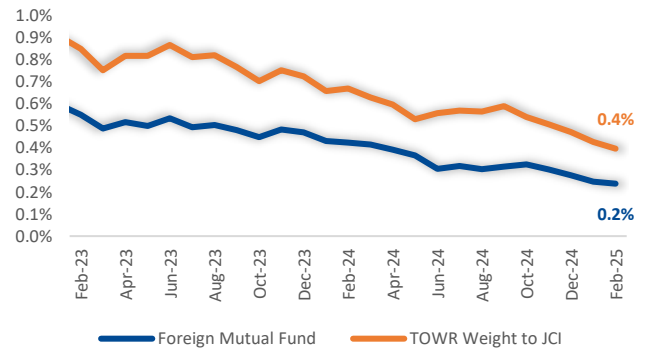
Exhibit 8. MTEL's Foreign Ownership


Source: KSEI, BRIDS

Exhibit 9. TOWR's Domestic Fund Positioning
Exhibit 10. TOWR's Foreign Ownership

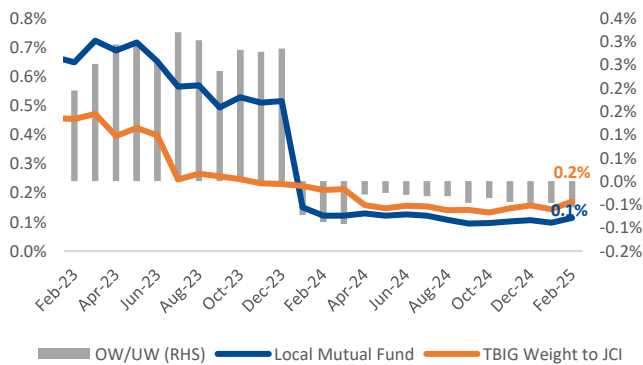


Source: KSEI, BRIDS



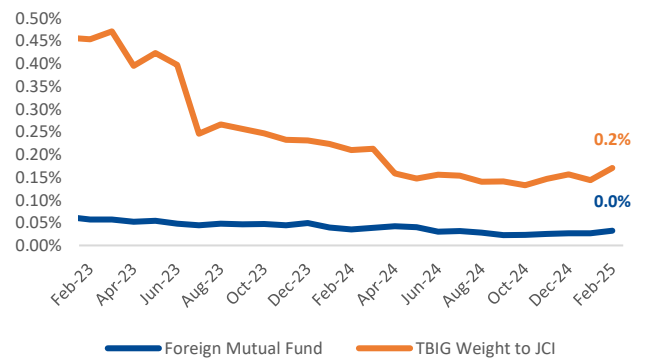
Source: KSEI, BRIDS

Exhibit 11. TBIG's Domestic Fund Positioning



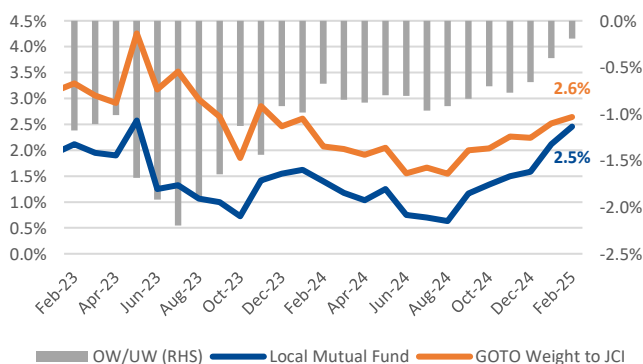
Source: KSEI, BRIDS

Exhibit 12. TBIG's Foreign Ownership



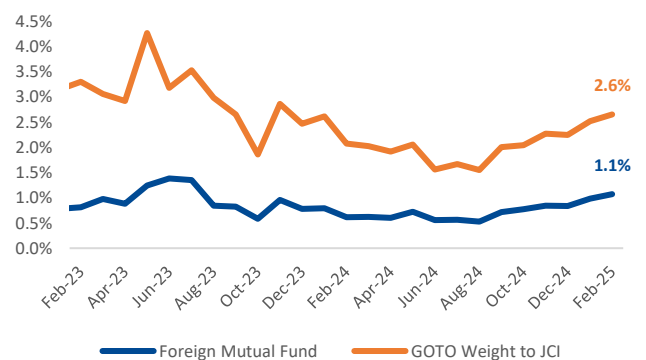
Source: KSEI, BRIDS

Exhibit 13. GOTO's Domestic Fund Positioning



Source: KSEI, BRIDS

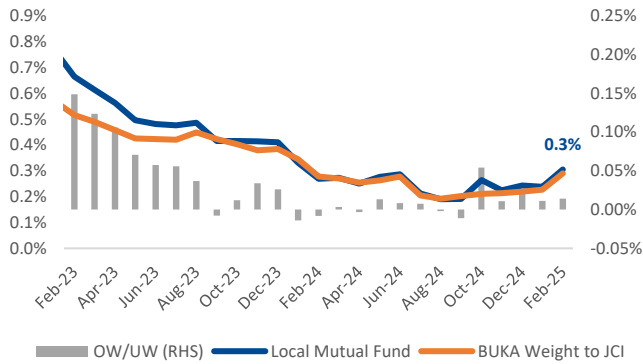
Exhibit 14. GOTO's Foreign Ownership



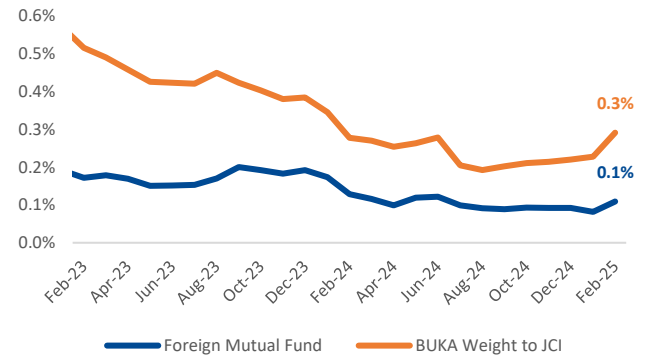
Source: KSEI, BRIDS

Exhibit 15. BUKA's Domestic Fund Positioning

Exhibit 16. BUKA's Foreign Ownership

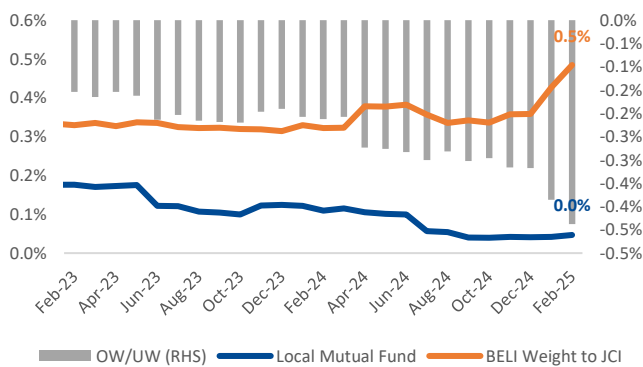


Source: KSEI, BRIDS



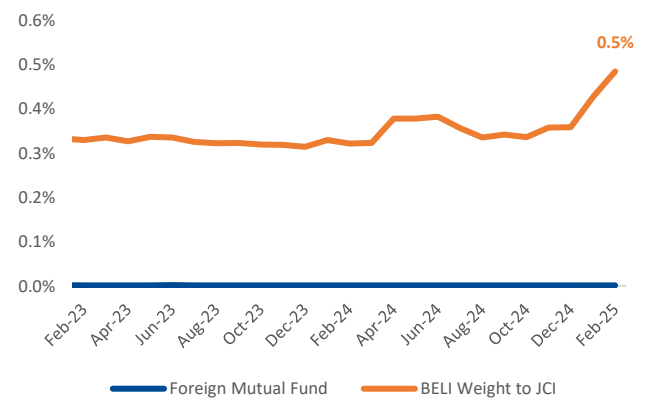
Source: KSEI, BRIDS

Exhibit 17. BELI's Domestic Fund Positioning



Source: KSEI, BRIDS

Exhibit 18. BELI's Foreign Ownership



Source: KSEI, BRIDS