

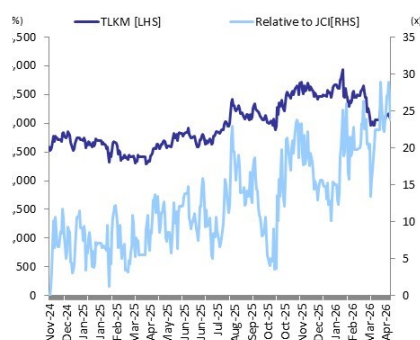
# Buy

(Maintained)

Tactical (3M): N

Last Price (Rp)	3,160	
Target Price (Rp)	4,000	
Previous TP (Rp)	4,000	
Upside/Downside	+26.6%	
No. of Shares (mn)	100,800	
Mkt Cap (Rpbn/US\$mn)	318,528/18,726	
Avg, Daily T/O (Rpbn/US\$mn)	383.1/22.5	
Free Float (%)	47.8	
Major Shareholder (%)	Indonesia Govr	
	52.1	
EPS Consensus (Rp)	2025F	2026F
BRIDS	210.8	223.9
Consensus	221.9	240.2
BRIDS/Cons (%)	(5.0)	(6.8)
	2027F	
	237.4	
	253.6	
	(6.4)	

## TLKM relative to JCI Index



Source: Bloomberg

## Telkom Indonesia (TLKM IJ)

### Potential Icon+ Consolidation to Reignite Infranexia's Value Unlocking Story

- We view the planned consolidation of PLN Icon Plus fiber as a post-restatement repositioning to rebuild scale and restore growth.
- PLN Icon Plus' 400k km fiber network and 1.2mn HC could add meaningful scale, with an estimated Rp2.6tr EBITDA contribution.
- This move supports further value unlock, with a targeted sell-down at 9-12x EV/EBITDA, we estimate fair value at Rp4,100-4,500.

#### Reinforcing fiber base to enhance post-restatement investment appeal

TLKM has received direction from Danantara to consolidate fiber assets from PLN Icon Plus, based on media report. While this aligns with the broader objective of streamlining overlapping SOE infrastructure, we believe the initiative also serves a strategic purpose in enhancing InfraNexia's investment profile following the recent fiber asset restatement, which may have reduced perceived organic growth headroom. We expect the addition of PLN's fiber assets to restore scale and strengthen monetization potential for strategic investor entry. The consolidation may shift the timing of partner entry into the next year, although engagement with potential investors is likely to continue in parallel as the asset base is further strengthened.

#### PLN Icon plus adds material scale to Infranexia's expansion

PLN Icon Plus operates an extensive fiber network spanning over 400k km nationwide, supporting 1.2mn home-connect and 2.7mn home-passes, while also serving enterprises, government, and PLN's internal electricity-related connectivity. As of FY24, the company recorded total revenue of Rp6.9tr, of which Rp4.9tr was from telco services. In 1H25, total revenue reached Rp3.6tr, with estimated telco revenue of Rp2.7tr. On an annualized basis, we estimate FY25F telco revenue /EBITDA at Rp5.4tr /Rp2.6tr. This implies that PLN Icon Plus could contribute c.26% incremental EBITDA relative to InfraNexia's standalone base.

#### Maintain Buy, TP: Rp4,000; Value unlock from consolidation plan

We maintain our Buy rating with a TP of Rp4,000, based on +1SD of 5.8x EV/EBITDA, blended with DCF. At this stage, the discussions appear to be more focused on asset consolidation rather than corporate acquisitions. While the ultimate impact will depend on consolidation structure, assuming PLN Icon Plus fiber assets are injected and fully consolidated into Infranexia, we estimate proforma EBITDA to reach Rp12.7tr. With TLKM targeting to sell 20-30% stake in Infranexia at 9-12x EV/EBITDA, we estimate potential upside to TLKM's fair value at Rp4,100-4,500 (Exh. 5). Key risk includes larger-than-expected fiber asset value adjustments / impairments.

#### Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	149,216	149,967	145,551	152,547	158,419
EBITDA (Rpbn)	77,579	75,029	73,159	77,410	81,039
EBITDA Growth (%)	(1.8)	(3.3)	(2.5)	5.8	4.7
Net Profit (Rpbn)	24,560	23,649	20,884	22,180	23,520
EPS (Rp)	247.9	238.7	210.8	223.9	237.4
EPS Growth (%)	18.3	(3.7)	(11.7)	6.2	6.0
BVPS (Rp)	1,370.3	1,434.4	1,431.4	1,468.4	1,506.2
DPS (Rp)	181.9	178.5	212.5	187.6	199.3
PER (x)	12.7	13.2	15.0	14.1	13.3
PBV (x)	2.3	2.2	2.2	2.2	2.1
Dividen yield (%)	5.8	5.6	6.7	5.9	6.3
EV/EBITDA	4.6	4.8	4.9	4.6	4.4

Source: TLKM, BRIDS Estimates

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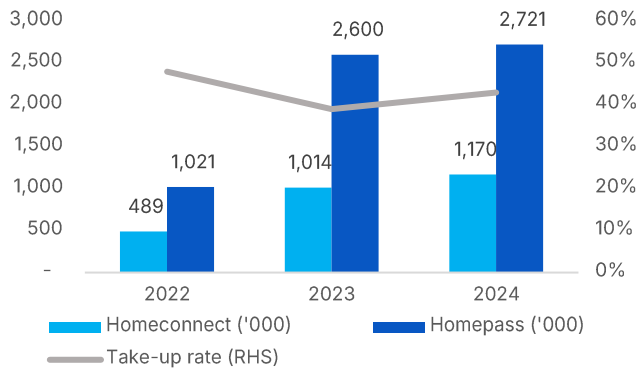
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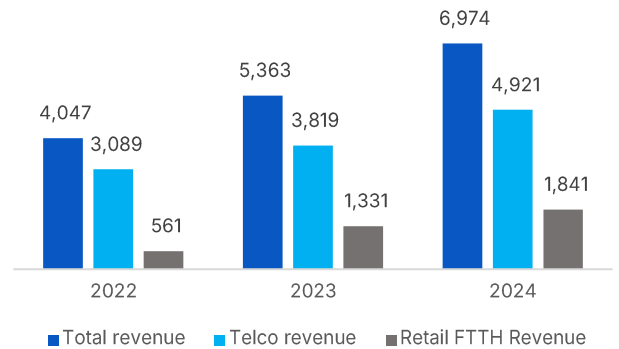
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**Exhibit 1. IconNet FTTH operational metrics**



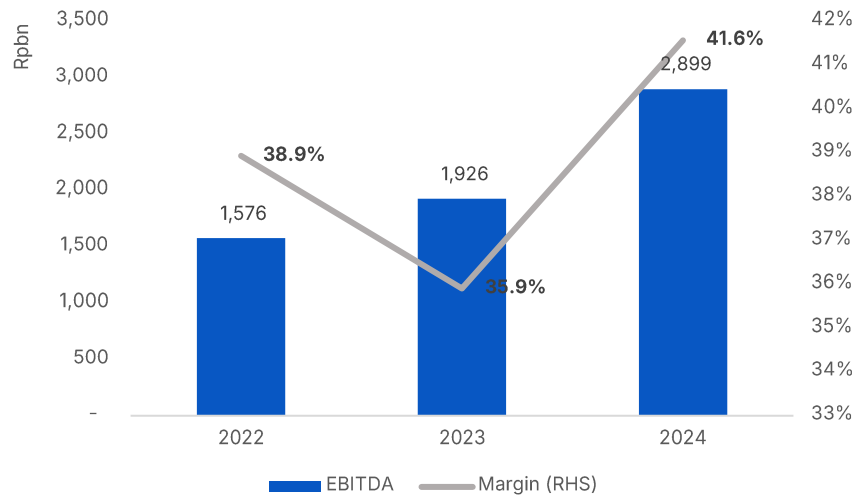
Source: Company

**Exhibit 2. PLN Icon Plus telco revenue (Rpbn)**



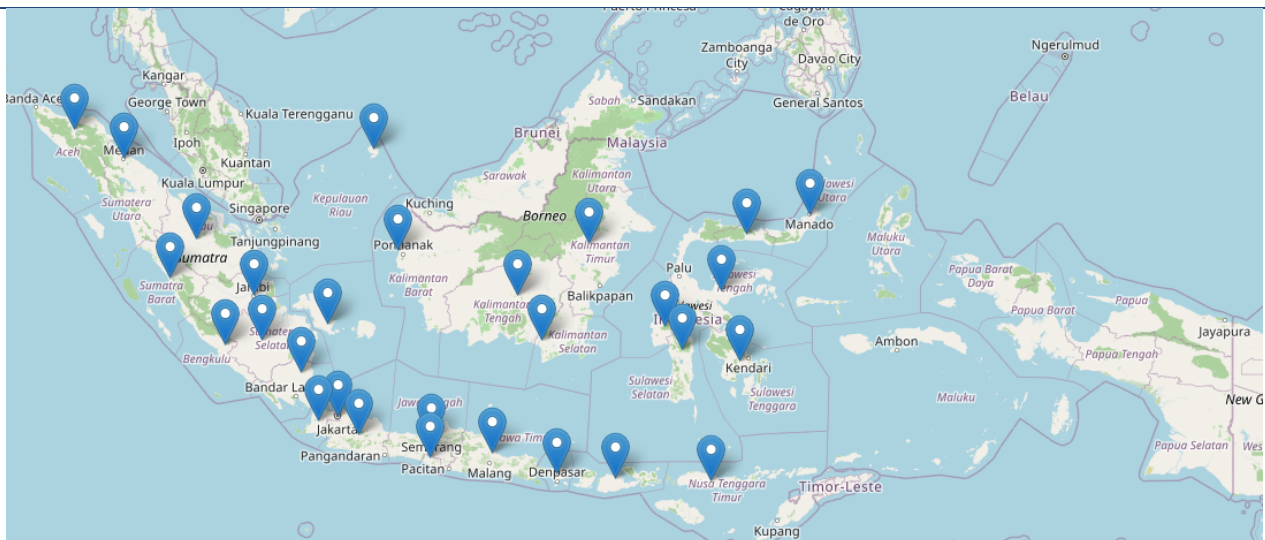
Source: Company

**Exhibit 3. PLN Icon Plus EBITDA and margin**



Source: Company

**Exhibit 4. PLN Icon Plus fiber network footprint**



Source: Company

## Exhibit 5. TLKM SOTP valuation post PLN Icon Plus consolidation (9-12x EV/EBITDA)

	Method	26F EBITDA Est. (Rpbn)	Enterprise Value (Rpbn)	Ownership	Valuation (Rpbn)
Telkomsel	5yr EV/EBITDA target (5.8x)	57,213	331,835	70%	232,285
MTEL	5yr EV/EBITDA mean (9.5x)	8,095	76,901	72%	55,369
NeutraDC	Bloomberg (US\$1bn-1.5bn)	-	21,840	100%	21,840
Enterprise business and others	EV/EBITDA target (5.8x)	5,065	29,379	100%	29,379
<i>InfraCo*</i>	<i>Target EV/EBITDA (9x)</i>	<i>12,685</i>	<i>114,167</i>	<i>100%</i>	<i>114,167</i>
<i>InfraCo*</i>	<i>Target EV/EBITDA (12x)</i>	<i>12,685</i>	<i>152,222</i>	<i>100%</i>	<i>152,222</i>

	9x EV/EBITDA	12x EV/EBITDA
<b>Total Valuation</b>	<b>453,039</b>	<b>491,094</b>
Net Debt	46,124	46,124
<b>Implied Equity Value</b>	<b>406,915</b>	<b>444,970</b>
Out shares (Mn)	99,062	99,062
<b>Implied Per Share Value</b>	<b>4,100</b>	<b>4,500</b>

\*Infranexia standalone EBITDA of Rp9-10tr; PLN Icon Plus estimated EBITDA of Rp2.7tr

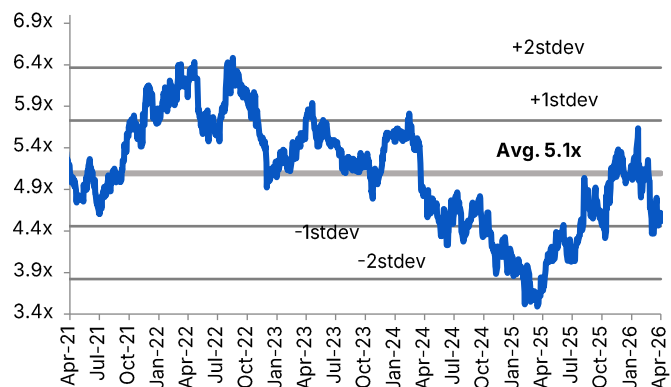
Source: Company, Bloomberg, BRIDS Estimates

## Exhibit 6. Telco peers valuation

Company	Rec.	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		EV/EBITDA (x)		PBV (x)		ROE (%)		Dividend yield (%)	
				'26F	'27F	'26F	'27F	'26F	'27F	'26F	'27F	'25F	'26F
EXCL	BUY	3,500	56,784	n.a	20.0	5.4	5.0	2.0	1.8	-6.5	9.7	n.a	n.a
ISAT	BUY	3,000	69,984	10.8	8.9	4.3	4.1	1.8	1.6	17.1	19.1	4.7	6.0
TLKM	BUY	4,000	313,037	14.1	13.3	4.6	4.4	2.2	2.1	15.4	16.0	5.9	6.3
WIFI	BUY	4,400	12,263	31.3	8.8	9.8	3.9	1.6	1.4	5.3	16.9	n.a	n.a
<b>Weighted average</b>				<b>10.4</b>	<b>13.6</b>	<b>4.6</b>	<b>4.4</b>	<b>2.0</b>	<b>1.9</b>	<b>11.3</b>	<b>15.4</b>	<b>5.3</b>	<b>6.2</b>
<b>Simple average</b>				<b>18.7</b>	<b>12.7</b>	<b>6.1</b>	<b>4.3</b>	<b>1.9</b>	<b>1.7</b>	<b>7.8</b>	<b>15.4</b>	<b>5.3</b>	<b>6.2</b>

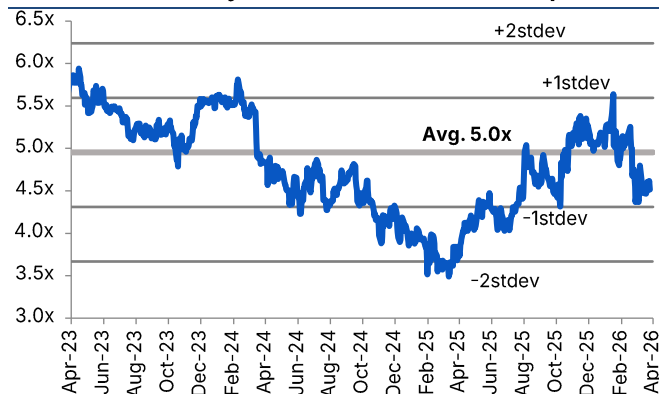
Source: Company, BRIDS Estimates

**Exhibit 7. TLKM 5-yr forward EV/EBITDA multiple band**



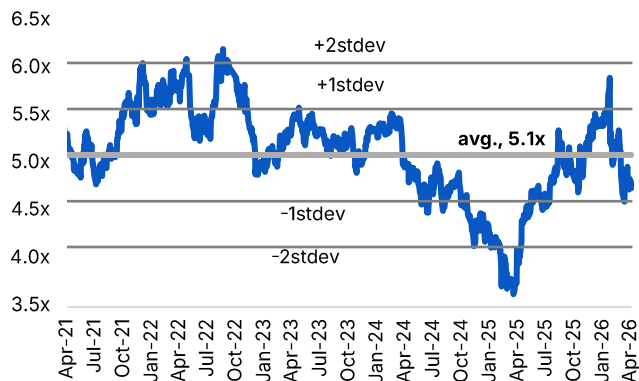
Source: Bloomberg, BRIDS Estimates

**Exhibit 8. TLKM 3-yr forward EV/EBITDA multiple band**



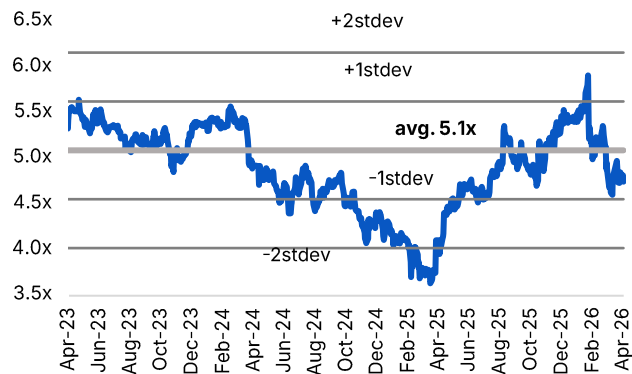
Source: Bloomberg, BRIDS Estimates

**Exhibit 9. Sector 5-yr forward EV/EBITDA multiple band**



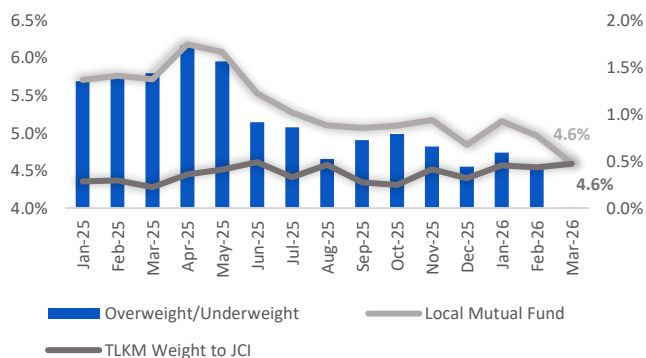
Source: Bloomberg, BRIDS Estimates

**Exhibit 10. Sector 3-yr forward EV/EBITDA multiple band**



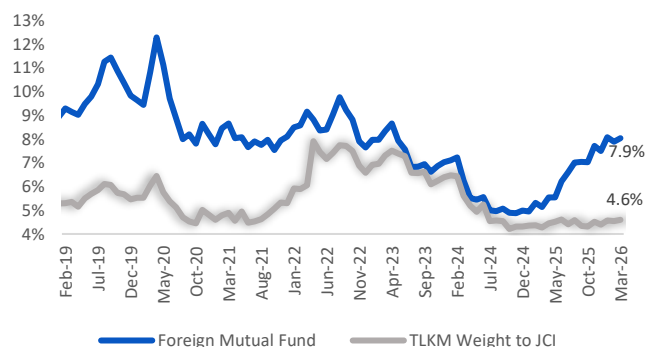
Source: Bloomberg, BRIDS Estimates

**Exhibit 11. TLKM's domestic fund positioning**



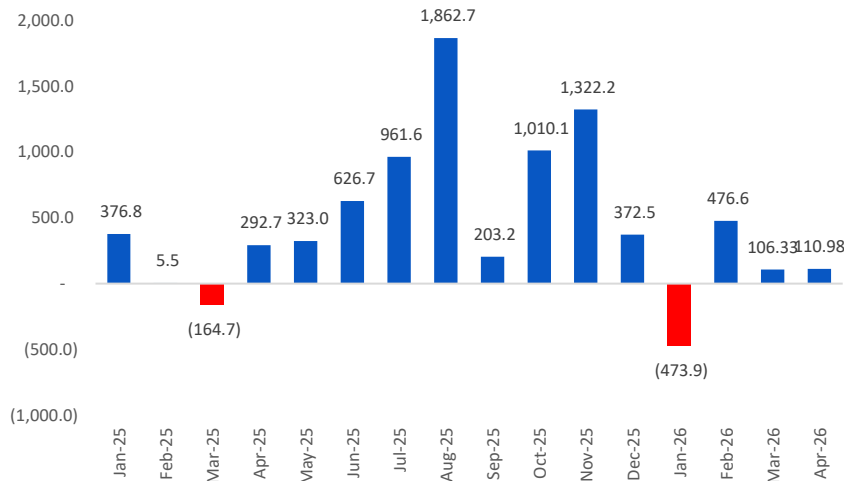
Source: KSEI, BRIDS

**Exhibit 12. TLKM's foreign ownership**



Source: KSEI, BRIDS

**Exhibit 13. TLKM's monthly foreign flow (Rpbn)**



Source: IDX, Bloomberg, BRIDS

**Exhibit 14. Income Statement**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
<b>Revenue</b>	<b>149,216</b>	<b>149,967</b>	<b>145,551</b>	<b>152,547</b>	<b>158,419</b>
COGS	(91,918)	(94,627)	(93,724)	(97,210)	(100,231)
<b>Gross profit</b>	<b>57,298</b>	<b>55,340</b>	<b>51,827</b>	<b>55,337</b>	<b>58,188</b>
<b>EBITDA</b>	<b>77,579</b>	<b>75,029</b>	<b>73,159</b>	<b>77,410</b>	<b>81,039</b>
<b>Oper. profit</b>	<b>44,384</b>	<b>42,991</b>	<b>39,350</b>	<b>42,275</b>	<b>44,504</b>
Interest income	1,061	1,367	1,265	1,197	1,260
Interest expense	(4,652)	(5,208)	(4,820)	(4,560)	(4,799)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	1	3	0	0	0
Other Income (Expenses)	0	0	0	0	0
<b>Pre-tax profit</b>	<b>40,794</b>	<b>39,153</b>	<b>35,795</b>	<b>38,912</b>	<b>40,964</b>
Income tax	(8,586)	(8,410)	(7,689)	(8,358)	(8,799)
Minority interest	(7,648)	(7,094)	(7,222)	(8,373)	(8,645)
<b>Net profit</b>	<b>24,560</b>	<b>23,649</b>	<b>20,884</b>	<b>22,180</b>	<b>23,520</b>
<b>Core Net Profit</b>	<b>24,560</b>	<b>23,649</b>	<b>20,884</b>	<b>22,180</b>	<b>23,520</b>

**Exhibit 15. Balance Sheet**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	29,007	33,905	17,707	24,572	29,737
Receivables	10,667	12,193	11,093	11,627	12,074
Inventory	997	1,096	1,016	1,065	1,105
Other Curr. Asset	13,281	14,601	13,530	14,181	14,727
Fixed assets - Net	212,070	216,918	222,215	225,494	228,632
Other non-curr.asset	19,359	19,677	19,518	19,598	19,558
<b>Total asset</b>	<b>287,042</b>	<b>299,675</b>	<b>286,044</b>	<b>297,712</b>	<b>306,988</b>
ST Debt	19,926	27,391	21,333	22,572	23,631
Payables	24,871	15,336	14,884	15,600	16,200
Other Curr. Liabilities	26,771	34,040	29,510	30,929	32,119
Long Term Debt	27,773	24,392	22,730	24,051	25,179
Other LT. Liabilities	31,139	36,026	33,583	34,804	34,193
<b>Total Liabilities</b>	<b>130,480</b>	<b>137,185</b>	<b>122,040</b>	<b>127,956</b>	<b>131,323</b>
Shareholder's Funds	135,744	142,094	141,802	145,461	149,209
Minority interests	20,818	20,396	22,201	24,295	26,456
<b>Total Equity &amp; Liabilities</b>	<b>287,042</b>	<b>299,675</b>	<b>286,044</b>	<b>297,712</b>	<b>306,988</b>

**Exhibit 16. Cash Flow**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	24,560	23,649	20,884	22,180	23,520
Depreciation and Amort.	32,663	32,643	33,809	35,134	36,536
Change in Working Capital	(5,193)	(4,835)	(2,411)	691	778
Other Oper. Cash Flow	3,591	3,841	3,555	3,363	3,539
<b>Operating Cash Flow</b>	<b>55,621</b>	<b>55,298</b>	<b>55,837</b>	<b>61,369</b>	<b>64,373</b>
Capex	(28,977)	(18,388)	(39,106)	(38,414)	(39,673)
Others Inv. Cash Flow	(130)	1,049	1,424	1,118	1,299
<b>Investing Cash Flow</b>	<b>(29,107)</b>	<b>(17,339)</b>	<b>(37,682)</b>	<b>(37,296)</b>	<b>(38,374)</b>
Net change in debt	6,247	8,971	(10,163)	3,782	1,575
New Capital	0	(401)	0	0	0
Dividend payment	(18,016)	(17,683)	(21,047)	(18,586)	(19,740)
Other Fin. Cash Flow	(3,896)	(4,845)	(3,144)	(2,402)	(2,670)
<b>Financing Cash Flow</b>	<b>(15,665)</b>	<b>(13,958)</b>	<b>(34,354)</b>	<b>(17,207)</b>	<b>(20,834)</b>
<b>Net Change in Cash</b>	<b>10,849</b>	<b>24,001</b>	<b>(16,198)</b>	<b>6,866</b>	<b>5,165</b>
Cash - begin of the year	31,947	29,007	33,905	17,707	24,572
Cash - end of the year	29,007	33,905	17,707	24,572	29,737

**Exhibit 17. Key Ratio**

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
<b>Growth (%)</b>					
Sales	1.3	0.5	(2.9)	4.8	3.8
EBITDA	(1.8)	(3.3)	(2.5)	5.8	4.7
Operating profit	12.1	(3.1)	(8.5)	7.4	5.3
Net profit	18.3	(3.7)	(11.7)	6.2	6.0
<b>Profitability (%)</b>					
Gross margin	38.4	36.9	35.6	36.3	36.7
EBITDA margin	52.0	50.0	50.3	50.7	51.2
Operating margin	29.7	28.7	27.0	27.7	28.1
Net margin	16.5	15.8	14.3	14.5	14.8
ROAA	8.7	8.1	7.1	7.6	7.8
ROAE	18.5	17.0	14.7	15.4	16.0
<b>Leverage</b>					
Net Gearing (x)	0.1	0.1	0.2	0.1	0.1
Interest Coverage (x)	9.5	8.3	8.2	9.3	9.3

Source: TLKM, BRIDS Estimates

# Equity Research – Company Update

Thursday, 09 April 2026

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## INVESTMENT RATING

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

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