Equity Research – Sector Update

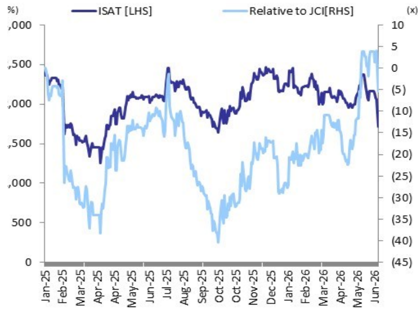
Monday, 15 June 2026

Overweight

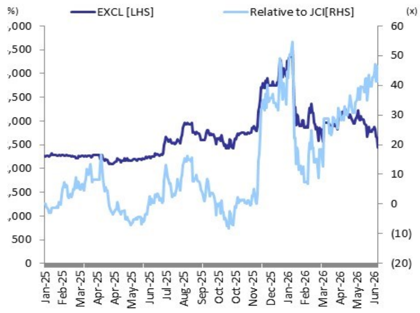
(Maintained)

Tactical (3M): **OW**

ISAT relative to JCI Index



EXCL relative to JCI Index



Source: Bloomberg

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Entering the Real 5G Era: A Gradual Monetization Path

- **Spectrum upfront cost and deployment capex should pressure MNO earnings; Monetization is unlikely to materialize immediately.**
- **Earnings drag should be cushioned by 1x upfront payment, special-case pricing, and lower 5G deployment capex vs regional history.**
- **Switch 3M Tactical to OW on ISAT/EXCL, driven by ISAT's mispriced and EXCL's priced-in merger clean-up; maintain TLKM Neutral.**

Spectrum pricing should stay anchored by fair allocation

Balanced pre-allocation of the 700MHz and 2.6GHz blocks across TLKM, ISAT, and EXCL should limit aggressive bidding and keep clearing prices near the reserve. We set **base-case spectrum cost** at Rp35.8bn/MHz for 700MHz and Rp28.5bn/MHz for 2.6GHz, which we derived from a reserve-equivalent anchor of Rp29.8bn/MHz adjusted for band economics, and with a **bull case** at Komdigi's 50% fee cap (Rp23.6bn/MHz and Rp20.9bn/MHz, respectively). A lighter 1x upfront payment further eases the cash burden, with TLKM seeing a more contained impact at an estimated Rp2.3–3.3tr fee, or 3.2–4.6% of FY26F EBITDA, vs. 6.1–9.4% impact for ISAT and EXCL.

Entering the 5G capex cycle, but softer than regional peers

Regional precedent shows network capex stepping up after the 5G spectrum cycle, with APAC players' intensity rising ~5ppt, Thailand up 9ppt, and Korea up 43% in 2019. With Indonesia's 5G connections still below 10% and coverage at 26%, we expect a similar deployment phase to begin but at a softer intensity than peers, supported by lower late-mover equipment costs and a likely reliance on NSA rather than a full 5G standalone rollout.

5G revenue upside remains a gradual story

Regional experience suggests 5G monetization comes through subscriber uptrading rather than higher data yield, as traffic growth of 1.7–2.7x outpaces the ~45% tariff premium; Korea's ARPU rose 9.9% post-launch while Thailand's only recovered after four years in 2024. In Indonesia, current 5G plans are not yet monetization-accretive as it is priced at a 5.4% discount to comparable 4G plans with 43% lower data yield. This implies the upside remains a gradual story contingent on wider coverage/ user penetration and 5G device penetration.

Switch 3M Tactical OW with ISAT and EXCL as preferred picks

Based on our assessment, we now see the spectrum cost risk as more quantifiable. This, and the recent de-rating, has us upgrading our 3M Tactical view to OW, with ISAT and EXCL as our preferred picks. While FY27F EBITDA cuts are uneven across MNOs, ISAT's current valuation at 3.9x 26F EV/EBITDA (-1.7SD 3-yr mean) appears mispriced given its intact FY26F EBITDA growth target of 5.6% yoy. EXCL also offers improving risk-reward as merger clean-up costs appear largely priced in, with synergy realization expected from FY27F onward. We maintain 3M tactical for TLKM at Neutral on weaker near-term growth, unclear margin recovery, and potential capex guidance review.

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x) 2025F	P/E (x) 2026F	P/BV (x) 2025F	P/BV (x) 2026F	ROE (%) 2026F
IOH	ISAT IJ	BUY	3,000	55,310.1	8.5	7.0	1.4	1.3	19.1
XLSmart Telecom Sejahtera	EXCL IJ	BUY	3,700	44,407.7	n/m	13.2	1.6	1.4	11.4
Telkom	TLKM IJ	BUY	3,750	232,796.2	12.1	10.6	1.8	1.8	16.9

Entering the Real 5G Era: A Gradual Monetization Path

Spectrum pricing should stay anchored by fair allocation

Auction outcome hinges more on allocation size than winner selection

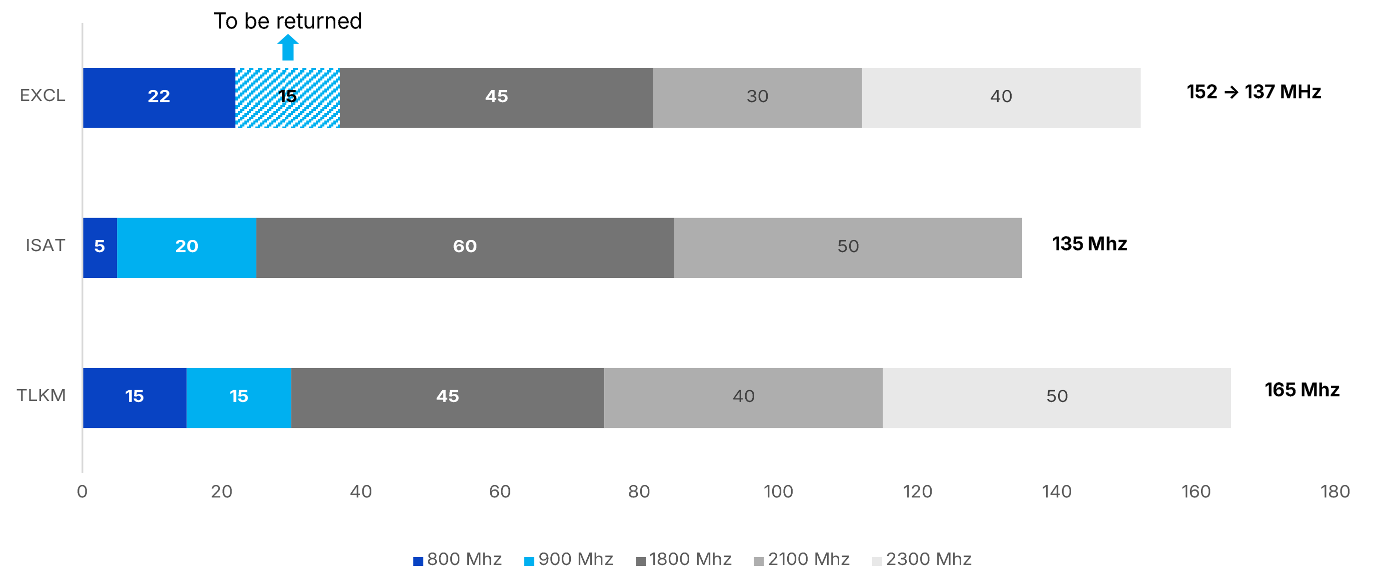
TLKM, ISAT, and EXCL have all passed the selection stage for this year's 700MHz and 2.6GHz spectrum auction. Komdigi has also pre-allocated the spectrum blocks, which we view as relatively balanced across MNOs. This should help contain aggressive bid-up risk and potentially keep final auction prices closer to the reserve price.

Given the relatively balanced block allocation and strong interest from all qualified MNOs, we expect all operators to secure additional spectrum, albeit with different bandwidth sizes. Our base-case allocation is as follows:

- TLKM: 30MHz (700MHz) + 80MHz (2.6GHz)
- ISAT: 20MHz (700MHz) + 60MHz (2.6GHz)
- EXCL: 20MHz (700MHz) + 50MHz (2.6GHz)

We expect TLKM to secure the largest spectrum block, supported by its larger subscriber base, heavier traffic load, and relatively more congested spectrum position, with bandwidth-per-user at 1.1x (vs ISAT/EXCL at 1.4x/2.0x). For the remaining 2.6GHz blocks, we expect ISAT to secure the 60MHz block, while EXCL takes the 50MHz block, mainly reflecting EXCL's tighter balance sheet.

Exhibit 1. Current portfolio of spectrum for each MNOs



Source: Company, BRIDS

Exhibit 2. Allocated bandwidth for 700 & 2,600 Mhz

Radio Frequency Band	Number of Blocks		License Period	Service Area
700Mhz	3 Blocks	1 block 30 MHz (2x15 MHz)	10 Years	National
		1 block 20 MHz (2x10 MHz)		
		1 block 20 MHz (2x10 MHz)		
2.6Ghz	3 Blocks	1 block 80 MHz	10 Years	National
		1 block 60 MHz		
		1 block 50 MHz		

Source: Komdigi, BRIDS

Exhibit 3. BRIDS estimates spectrum post auction

MNOs	Existing	Return	+New	Post-26F	Sub-1Ghz post
TLKM	165Mhz		+110Mhz	275Mhz	800Mhz(15)+700Mhz(30)= 45MHz
ISAT	135Mhz		+80Mhz	215Mhz	900Mhz(20)+700Mhz(20)= 40MHz
EXCL	152Mhz	- 15Mhz (900)	+70Mhz	207Mhz	800Mhz(22)+700Mhz(20)= 42MHz

Source: Company, BRIDS Estimates

Fair block allocation should limit aggressive bid-up risk

The historical average spectrum clearing price over 2006–2022 stood at Rp36.8bn/MHz, though each band carries different economic characteristics. We exclude the 2014 and 2021 2.3GHz auctions from our primary benchmark, as these were more zonal in nature and may understate the value of nationwide spectrum. We also treat TLKM's 2022 2.1GHz clearing price of Rp60.5bn/MHz as an outlier, reflecting scarcity premium and a highest-price auction mechanism. Given that the upcoming 700MHz and 2.6GHz spectrum will be allocated for nationwide service, we believe the 1,920–2,170MHz / 2.1GHz historical auctions in 2006, 2010, 2013, and 2017 provide a more comparable benchmark, implying an average clearing price of Rp41.7bn/MHz.

The Rp41.7bn/MHz benchmark represents a competitive auction clearing price, while the upcoming 2026 700MHz/2.6GHz process is expected to involve a beauty-contest element, with a block structure that should allow each operator to secure its preferred allocation without aggressive overbidding. Therefore, we use a reserve-equivalent price as the relevant starting point. Based on the 2017 2.1GHz auction, where Indosat and Hutchison each bid Rp423bn, or around 1.4x the estimated reserve price of Rp300bn, we deflate the clearing-price benchmark by the same bid-up ratio. This implies a reserve-equivalent anchor price of Rp29.8bn/MHz.

Each spectrum band carries a different economic value, commonly reflected through the regulatory I-index under PP No. 43/2023, which captures the propagation characteristics of each frequency band. Lower-frequency spectrum carries a higher I-index, as it offers wider coverage, better indoor penetration, and lower per-site deployment cost. The 2.1GHz band has an I-index of Rp5,308/MHz, while 2.6GHz is 4.4% lower at Rp5,072/MHz and 700MHz is 20% higher at Rp6,368/MHz. Applying these relative adjustments to the Rp29.8bn/MHz 2.1GHz reserve-equivalent anchor, we set our base-case pricing assumptions at Rp35.8bn/MHz for 700MHz and Rp28.5bn/MHz for 2.6GHz.

Exhibit 4. Historical spectrum auction price in Indonesia

Operator	Spectrum (Mhz)	Bandwidth (Mhz)	Year	Price (Rpbn)	Rpbn/Mhz	Service Area
TLKM	1900, 2100	10	2006	436.0	43.6	
EXCL	1900, 2100	10	2006	376.0	37.6	Nationwide
ISAT	1900, 2100	10	2006	320.0	32.0	
EXCL	2100	10	2010	327.6	32.8	Nationwide
TLKM	1970	10	2013	513.2	51.3	Nationwide
EXCL	1970	10	2013	513.2	51.3	
FREN	2300	30	2014	463.0	15.4	Regional
ISAT	2100	10	2017	423.0	42.3	Nationwide
ISAT	2100	10	2017	423.0	42.3	
TLKM	2300	30	2017	1,010.0	33.7	Nationwide
TLKM	2300	20	2021	353.0	17.7	Zonal
FREN	2300	10	2021	176.5	17.7	
TLKM	2100	10	2022	605.1	60.5	Nationwide
Average					**36.8**	
Excl. 2.3GHz					**43.7**	
Excl. 2.3GHz and 2022 2.1GHz Auction					**40.8**	
Benchmark for 1,920–2,170MHz Band					**41.7**	

Source: Komdigi, BRIDS

Exhibit 5. Bid-up ratio evidence for equivalent anchor (2017 2.1Ghz auction)

Operator	Bid Price (Rpbn)	Estimated Reserve (Rpbn)	Bid-Up Ratio
Indosat	423	302	1.4
Hutch	423	302	1.4
Historical bid-up ratio used as deflator			**1.4**

Benchmark Price	Reserve-Equivalent Anchor
Rp41.7bn/Mhz	Rp29.8bn/Mhz

Source: FitchRatings, BRIDS Estimates

Exhibit 6. Band adjustment via PP43/2023 I-Index

Frequency range	Band Label	I-Index (Rp/Mhz)	Propagation Characteristic
410 – 825 MHz	700 MHz	6,368	Best coverage, deepest indoor penetration
1,920 – 2,170 MHz	2.1 GHz (anchor)	5,308	Balanced coverage/capacity
2,170 – 2,690 MHz	2.6 GHz	5,072	Capacity layer, smaller coverage radius

Base Case Price Derivation — I-Index Adjustment Applied to Reserve Anchor

Band	Benchmark (Rpbn)	Reserve Anchor (Rpbn)	Derived Price (Rpbn)
700 Mhz	**41.7**	**29.8**	**35.8**
2.1 Ghz	41.7	29.8	29.8
2.6 Ghz	**41.7**	**29.8**	**28.5**

Source: PP 43/2023, BRIDS Estimates

Special-case pricing could lower spectrum cost this year

Beyond our base case, we see upside risk from a potentially lower spectrum fee, referring to ISAT CEO's comment in 1Q26 Earnings Call (as we mentioned in our ISAT 1Q26 Results) that the reserve price could be 60–70% lower than the 900MHz and 2.1GHz reference prices. This is also aligned with Komdigi's roadmap, which indicates that 5G frequency fees should not exceed 50% of 4G fees, supporting expectations for a more sustainable fee structure. Accordingly, we build our bull-case scenario based on Komdigi's 50% fee cap guidance, implying spectrum costs of Rp23.6bn/MHz for 700MHz and Rp20.9bn/MHz for 2.6GHz.

Exhibit 7. Management key quote on spectrum auction related

Source	Speaker	Key Management Quote
ISAT 1Q26 Earnings Call	Vikram Sinha President Director	*The prices, if you look at the reference, 700MHz, if you put it to the reference of 900 or 2,600, if you put it to the reference of 2,100, I think the reserve price have come down by 60 to 70%., First time I see the ministry focusing on the digital ecosystem instead of just spectrum revenue."*
ISAT 1Q26 Earnings Call	Vikram Sinha President Director	*"If you go at reserve price, you get one block. There is no need for too much competing on paying higher price."*
TLKM FY25 Earnings Call	Dian Siswarini President Director	*"The current payment structure is relatively more rational compared to previous scheme... disciplined approach aligned with feasibility."*
TLKM FY25 Earnings Call	Dian Siswarini President Director	*"We will only pay not two times plus one. Now it's only one times plus one. So in the first year it will be only two times as an upfront fee."*
TLKM 1Q26 Earnings Call	Management	*"Spectrum acquisition will remain manageable with disciplined financial approach aligned with feasibility."*
EXCL 1Q26 Earnings Call	Rahiv Sethi President Director	*"Annual fee is one time as compared to twice the annual fee in previous auctions. We continue to evaluate different options."*

Source: Company, BRIDS

Exhibit 8. Base vs. Bull case comparison

Rpbn/Mhz	Base Case	Bull Case	Discount
700MHz	35.8	23.6	-34%
2.6GHz	28.5	20.9	-27%

Source: BRIDS Estimates

Lower upfront payment further eases spectrum cost burden

Further affordability is also reflected in management commentary from TLKM and EXCL, which indicated that the upfront payment would only be 1× annual BHP, compared with 2× in previous auctions. This implies that the first-year spectrum payment would consist of 1× upfront fee plus 1× annual BHP, reducing the initial cash burden for MNOs and lowering potential intangible capex pressure.

Under this scenario, we see TLKM as relatively better positioned, with upfront spectrum cost estimated at only 3.2–4.6% of FY26F EBITDA. Meanwhile, the impact appears more meaningful for ISAT and EXCL, at around 6.1–8.6%/ 6.7–9.4% of FY26F EBITDA, respectively.

Exhibit 9. Potential upfront cost under Base vs. Bull case

Company	Assumed Allocation (700MHz +2.6GHz)	Base Case Upfront 1x (Rpbn)	% to EBITDA 26F	Bull Case Upfront 1x (Rpbn)	% to EBITDA 26F
TLKM	30MHz + 80MHz	3,351	4.6%	2,375	3.2%
ISAT	20MHz + 60MHz	2,424	8.6%	1,722	6.1%
EXCL	20MHz + 50MHz	2,139	9.4%	1,514	6.7%

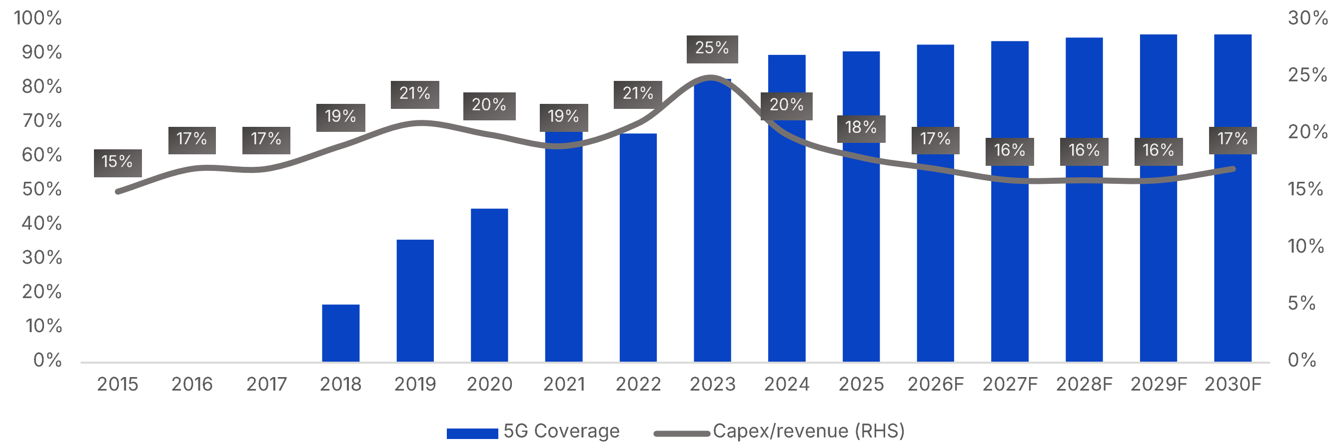
Source: BRIDS Estimates

Entering the 5G deployment capex cycle, but at a softer intensity than regional peers

Asia-Pacific telcos generally saw a step-up in network capex following the 5G spectrum release cycle, which largely took place in 2019–2020 and marked the start of mass 5G rollout. Across APAC, capex intensity increased by around 5ppt and peaked in 2023, while Thailand offers a more pronounced case, with network capex intensity rising by 9ppt from its 2020 baseline after the simultaneous release of 5G spectrum. Korea also shows a similar deployment pattern, with aggregate MNO capex rising by 43% in 2019 amid heavy 5G investments.

We think Indonesia could follow a similar direction, given that current 5G connections remains below 10% with coverage at 26%. However, we expect the uplift to be milder than regional peers, supported by lower equipment costs as Indonesia enters the cycle as a late mover and likely reliance on NSA deployment rather than a full 5G SA.

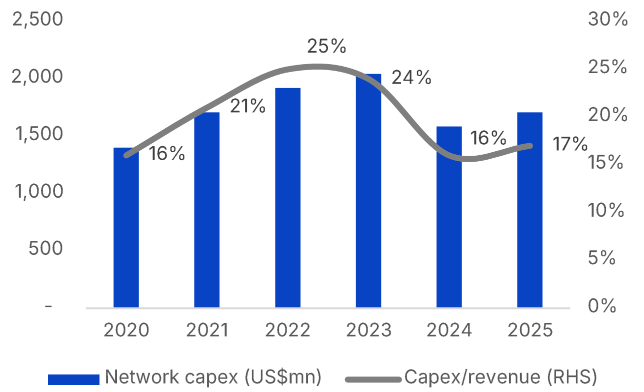
Exhibit 10. Capex intensity trend in Asia Pacific



*Among markets that reached over 50% 5G coverage as of June 2025: Australia, India, Japan, Malaysia, Philippines, Singapore, South Korea and Thailand.

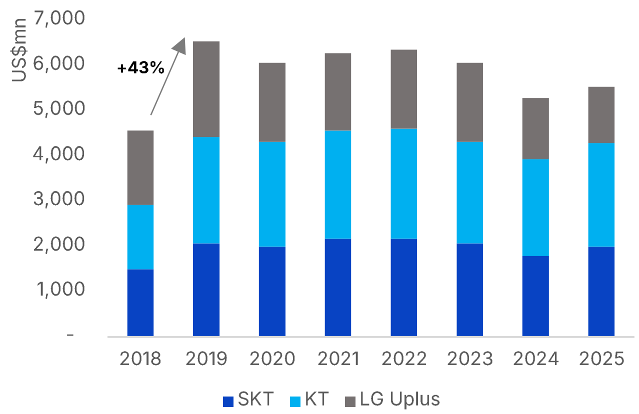
Source: GSMA Intelligence, BRIDS

Exhibit 11. Thailand network capex intensity trend



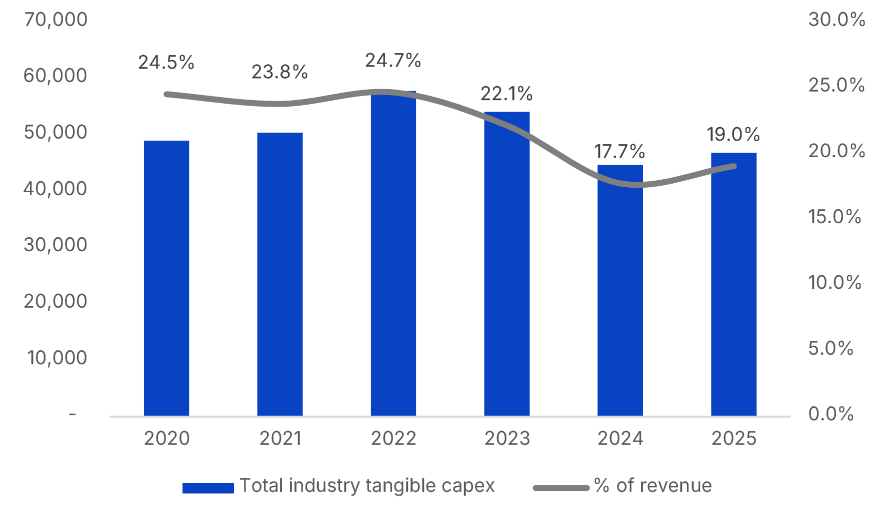
Source: Bloomberg, BRIDS

Exhibit 12. Korean network capex trend



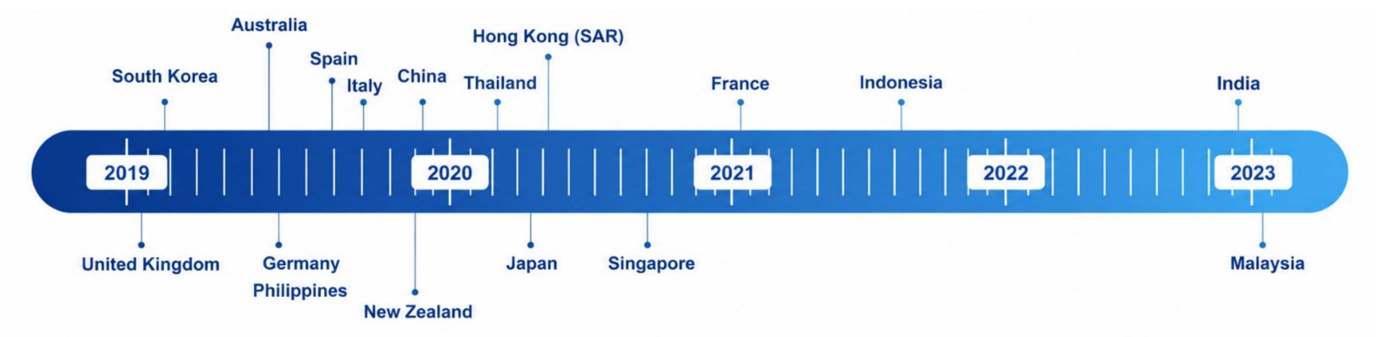
Source: Bloomberg, BRIDS

Exhibit 13. Indonesia telco capex trend



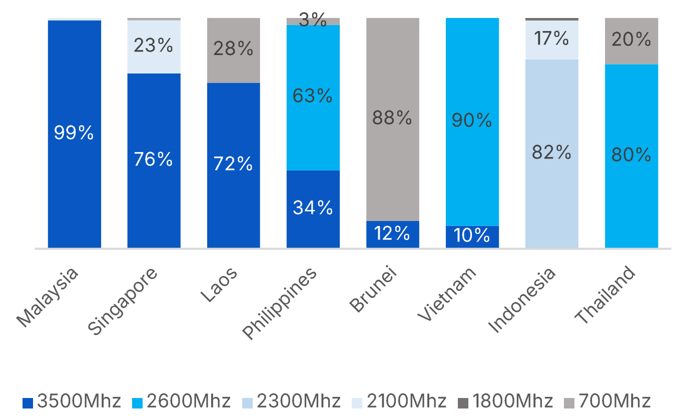
Source: Company, BRIDS

Exhibit 14. 5G launch timeline in selected Asia Pacific and European Markets



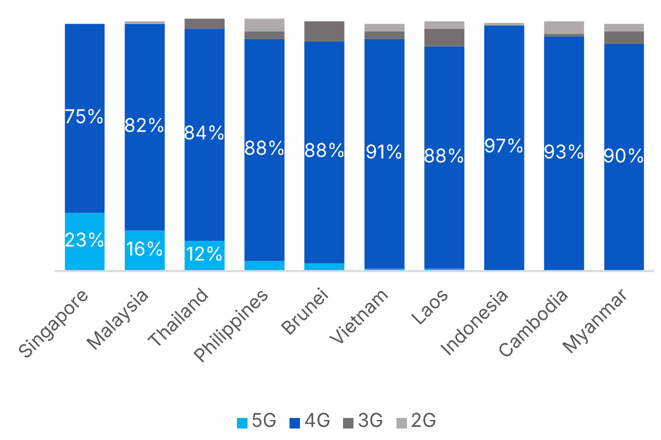
Source: Ookla, BRIDS

Exhibit 15. Distribution of 5G readings across spectrum bands



Source: Opensignal, BRIDS

Exhibit 16. Time distribution of smartphone users by network generation



Source: Opensignal, BRIDS

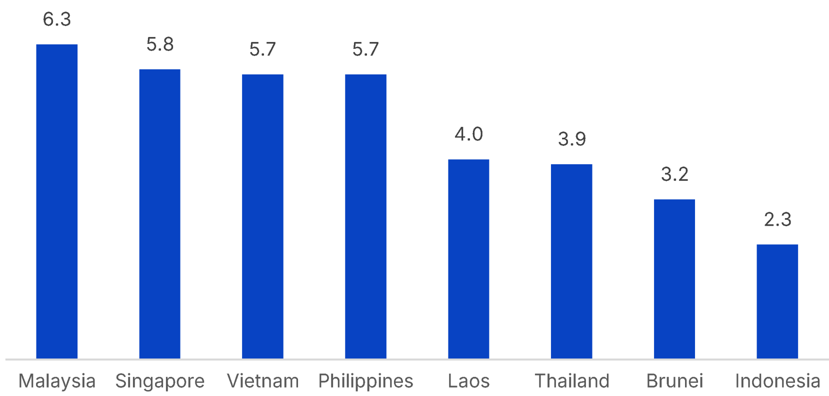
5G revenue upside remains a gradual story

Regional 5G monetization hinges on uptrading, not yield expansion

Global 5G tariffs are priced at 45% premium to 4G plans based on GSMA, supporting a higher ARPU profile for 5G subscribers. Thailand provides a relevant benchmark, with 5G subscribers generating 10–15% higher ARPU than 4G subscribers. However, 5G users typically consume 1.7-2.7x more data than 4G users, supported by a materially better network experience and wider download speed gap versus 4G. As traffic uplifts tend to outpace the ARPU premium, this implying that 5G monetization is more likely to come from higher package ARPU and customer uptrading rather than higher data yield.

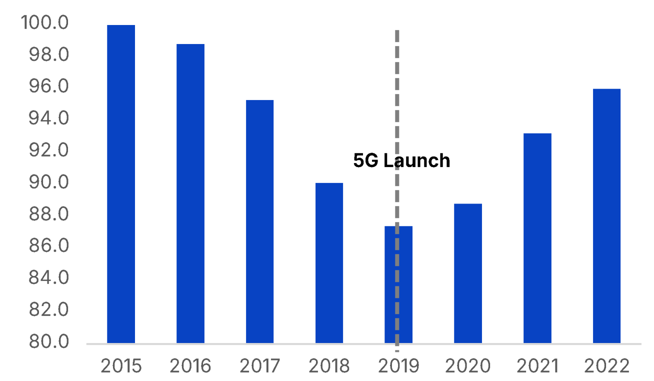
South Korea's ARPU increased by 9.9% from 2019 to 2022 after the 5G launch, reversing an 11.4% decline in the prior three years, mainly driven by 4G subscriber migration into 5G plans and top-tier packages with large/unlimited data allowances. In Thailand, ARPU only started to recover in 2024 despite the 5G spectrum launch in 2020, as the competition became more rational following the 2023 industry consolidation.

Exhibit 17. Asean 4G to 5G download speed uplift



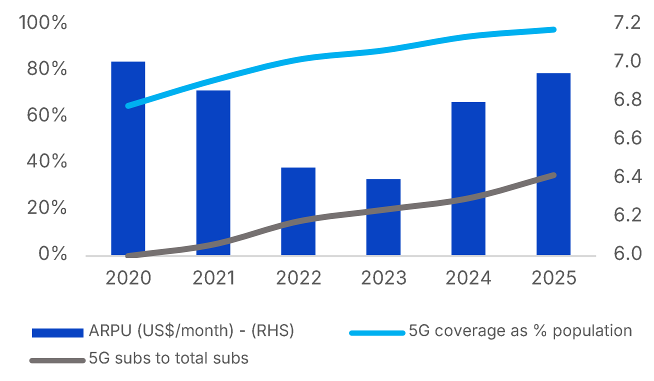
Source: Opensignal, BRIDS

Exhibit 18. Korean ARPU index



Source: Analysysmason, BRIDS

Exhibit 19. Thailand ARPU and 5G penetration



Source: NTBC, BRIDS

Indonesia's current 5G plans are not yet monetization-accretive

Our May-26 price tracker suggests that Indonesian MNOs' current 5G plan positioning is not yet monetization-accretive compared with 4G. Across five brands, headline 5G packages are priced at Rp108k/month, lower than Rp114k/month for comparable 28–30day 4G plans, implying a 5.4% discount. While 5G plans offer 1.3x more data allowance than 4G, this translates into a 43% lower data yield. We see this as evidence that 5G is still being used primarily as an acquisition and volume tool, rather than a premium monetization product.

Compared with regional benchmarks, Indonesia's higher 5G data allowance is directionally consistent, but still below the 1.7–2.7x higher data usage seen in more mature 5G markets. The key divergence lies in headline pricing, as Indonesian MNOs have yet to charge a premium for 5G packages. In our view, this reflects still-limited 5G coverage and a low base of 5G-capable devices. As network coverage and 5G device penetration improve, we see room for MNOs to gradually monetize premium 5G plans.

Exhibit 20. Comparison of current 5G plan vs. non-5G plan

Brands	5G Plan	Avg Offering 5G (GB)	Avg. Price 5G (Rp)	Avg. Yield 5G (Rp/GB)	Med. Yield 5G (Rp/GB)	4G Plan	Avg. Yield 4G (Rp/GB)	Med. Yield 4G (Rp/GB)	Yield Δ% (5G vs 4G)
Telkomsel	Seru 5G	117GB	Rp140,833	1,492	1,432	Excl. 5G Seru	4,252	3,043	(64.9%)
IM3	Freedom 5G	40GB	Rp66,875	2,220	1,907	Excl. Freedom 5G	1,898	1,876	+17.0%
XL Axiata	XL Ultra 5G+	189GB	Rp137,500	911	833	Excl. XL Ultra 5G	2,648	2,311	(65.6%)
Tri (Hutch)	Happy 5G	39GB	Rp63,571	2,144	1,750	Excl. Happy 5G	3,132	2,116	(31.6%)
Smartfren	5G	155GB	Rp131,067	1,230	1,286	Excl. 5G	2,095	1,875	(41.3%)

Industry Aggregate

Metric	5G (industry average)	4G/non-5G (industry average)	Delta (5G vs 4G)
Avg Quota offering (GB)	107.9GB	83.3	+29.5%
Avg Price offering (Rp/mo)	Rp107,969	Rp114,135	(5.4%)
Avg Data Yield (Rp/GB)	1,599	2,805	(43.0%)
Median Data Yield (Rp/GB)	1,432	2,116	(32.3%)

Source: Company, BRIDS

Exhibit 21. Headline price comparison for 5G and non-5G plan

Brands	Avg Price 5G (Rp/mo)	Med Price 5G (Rp/mo)	Avg Price 4G (Rp/mo)	Med Price 4G (Rp/mo)	ARPU Uplift % (avg)	ARPU Uplift % (med)
Telkomsel	Rp140,833	Rp135,000	Rp102,692	Rp85,000	+37.1%	+58.8%
IM3	Rp66,875	Rp55,000	Rp83,333	Rp65,000	(19.8%)	(15.4%)
XL Axiata	Rp137,500	Rp112,500	Rp134,638	Rp100,000	+2.1%	+12.5%
Tri (Hutch)	Rp63,571	Rp40,000	Rp107,636	Rp90,500	(40.9%)	(55.8%)
Smartfren	Rp131,067	Rp110,000	Rp142,375	Rp111,500	(7.9%)	(1.3%)
Total Industry	**Rp107,969**	**Rp90,500**	**Rp114,135**	**Rp90,400**	**(5.4%)**	**+0.1%**

Source: Company, BRIDS

Spectrum cost now measurable; Turning tactical OW on ISAT and EXCL

Factoring in our base-case scenario, we see a differentiated EBITDA impact across the three MNOs. ISAT faces the deepest cut, with FY27F EBITDA reduced by 8.2%. TLKM appears the most resilient, with a more contained FY27F EBITDA cut of 4.3%, supported by its larger revenue base. Meanwhile, EXCL's EBITDA cut impact sits in between at 6.8%, partly cushioned by Rp1tr/year in annual cost savings from the 900MHz spectrum return.

With spectrum-related cost risk now more quantifiable, we switch our **3M Tactical on ISAT and EXCL to Overweight.** ISAT remains on track to achieve our FY26F EBITDA growth target of 5.6% yoy, while its current valuation at 3.9x FY26F EV/EBITDA (-1.7SD 3-yr mean) appears mispriced in our view. Meanwhile, EXCL's current valuation at 4.8x FY26F EV/EBITDA (-0.3SD 3-yr mean), appears to have largely priced in merger-related clean-up costs, with FY26F accelerated depreciation already measurable at Rp5-6tr and peak integration costs likely behind. The next leg for EXCL should come from cost synergy realization in FY27F onward, including annual spectrum cost savings from the 900MHz return.

We maintain our **3M Tactical on TLKM at Neutral**, given its weaker near-term growth profile, with our FY26F EBITDA growth estimate at only 1.4% yoy. In addition, despite solid ARPU growth, the uplift has come with a margin trade-off, while visibility on margin recovery remains unclear and potential capex guidance review may continue to cap near-term upside.

Exhibit 22. Scenario assumptions summary

Parameter	Base case	Bull case	Rationale
Spectrum cost (BHP)			
700MHz / 2.6GHz price	Rp35.8 / 28.5bn per MHz	Rp23.6 / 20.9bn per MHz	Base: 2.1GHz reserve-equivalent anchor adjusted by PP43/2023 I-index. Bull: Komdigi 50% fee cap (5G BHP ≤ 50% of 4G reference)
Upfront cost (1× annual BHP)	TLKM Rp3.35tr ISAT Rp2.43tr EXCL Rp2.14tr	TLKM Rp2.38tr ISAT Rp1.73tr EXCL Rp1.52tr	Upfront reduced to 1× BHP vs 2× in prior auctions per management guidance
5G capex deployment			
Capex / revenue (FY26–30F)	+1ppt → +2ppt → +4ppt → 0ppt → 0ppt		Peak T+2 (FY28F, +4ppt vs FY25 baseline of 19%); normalizes below FY25 by FY29F. Milder than Korea (+43% yr1) and Thailand (+9ppt peak)
ARPU monetization uplift			
Incremental ARPU uplift (FY26-30F)	0% / 0% / +1.5% / +2.5% / +4.0%		Zero until FY28F; uplift via plan migration as coverage reaches ~55-60% and subscriber penetration ~10-20%. Korea/Thailand benchmark: +10–31% for 5G vs 4G subscribers at maturity

Source: BRIDS Estimates

Exhibit 23. TLKM pro-forma impact (base case)

	BRIDS Forecast				BRIDS Pro-forma			Δ% of BRIDS		
(Rp bn)	2025	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Telkom Revenue	**146,742**	**150,295**	**155,916**	**162,029**	**150,295**	**155,916**	**163,207**	**-**	**-**	***0.7***
growth (%)		*2.4*	*3.7*	*3.9*	*2.4*	*3.7*	*4.7*	*-*	*-*	*0.8*
Data	**76,805**	**81,370**	**84,626**	**87,164**	**81,370**	**84,626**	**88,434**	**-**	**-**	***1.5***
growth (%)		*5.9*	*4.0*	*3.0*	*5.9*	*4.0*	*4.5*	*-*	*-*	*1.5*
Legacy	**6,334**	**4,572**	**3,453**	**2,718**	**4,572**	**3,453**	**2,718**	**-**	**-**	**-**
growth (%)		*-27.8*	*-24.5*	*-21.3*	*-27.8*	*-24.5*	*-21.3*	*-*	*-*	*-*
Indihome	**26,119**	**25,992**	**27,652**	**29,424**	**25,992**	**27,652**	**29,424**	**-**	**-**	**-**
growth (%)		*-0.5*	*6.4*	*6.4*	*-0.5*	*6.4*	*6.4*	*-*	*-*	*-*
Telkom EBITDA	**72,240**	**73,254**	**77,987**	**81,540**	**73,254**	**74,637**	**78,701**	**-**	***(4.3)***	***(3.5)***
EBITDA margin (%)	*49.2*	*48.7*	*50.0*	*50.3*	*48.7*	*47.9*	*48.2*	*-*	*-4.3*	*-4.2*
growth (%)		*1.4*	*6.5*	*4.6*	*1.4*	*1.9*	*5.4*			
Telkom PATMI	**17,814**	**19,302**	**21,935**	**22,740**	**19,138**	**18,956**	**19,758**	***(0.9)***	***(13.6)***	***(13.1)***
PATMI margin (%)	*12.1*	*12.8*	*14.1*	*14.0*	*12.7*	*12.2*	*12.1*	*(0.9)*	*(13.6)*	*(13.7)*
growth (%)		*8.4*	*13.6*	*3.7*	*7.4*	*-1.0*	*4.2*			
Total Capex	**27,539**	**28,119**	**28,768**	**29,623**	**32,937**	**31,924**	**36,172**	***17.1***	***11.0***	***22.1***
% of revenue	18.8%	18.7%	18.5%	18.3%	21.9%	20.5%	22.2%	*17.1*	*11.0*	*21.2*

	Impact to TP	EV/EBITDA 26F (x)
Current TP	3,750	5.4
Pro-forma TP	3,430	5.0
Potential cut	-8.5%	

Source: BRIDS Estimates

Exhibit 24. ISAT pro-forma impact (base case)

		BRIDS Forecast			BRIDS Pro-forma			Δ%		
Rp bn	2025A	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Revenue	**56,518**	**59,446**	**62,046**	**65,656**	**59,446**	**62,046**	**67,077**	***0.0***	***0.0***	***2.2***
growth %	*1.1*	*5.2*	*4.4*	*5.8*	*5.2*	*4.4*	*8.1*	*0.0*	*0.0*	*2.3*
Mobile Revenue	**47,356**	**49,476**	**51,438**	**54,360**	**49,476**	**51,438**	**55,781**	***0.0***	***0.0***	***2.6***
growth %	*0.7*	*4.5*	*4.0*	*5.7*	*4.5*	*4.0*	*8.4*	*0.0*	*0.0*	*2.8*
EBITDA	**26,597**	**28,075**	**29,422**	**31,306**	**28,075**	**26,999**	**29,638**	***0.0***	***-8.2***	***-5.3***
EBITDA margin %	*47.1*	*47.2*	*47.4*	*47.7*	*47.2*	*43.5*	*44.2*	*0.0*	*-3.9*	*-3.5*
growth %	*0.8*	*5.6*	*4.8*	*6.4*	*5.6*	*-3.8*	*9.8*	*0.0*	*-8.6*	*3.4*
EBIT	**10,766**	**12,309**	**13,291**	**14,322**	**12,287**	**10,779**	**12,424**	***-0.2***	***-18.9***	***-13.2***
EBIT margin %	*19.0*	*20.7*	*21.4*	*21.8*	*20.7*	*17.4*	*18.5*	*0.0*	*-4.0*	*-3.3*
growth %	*-0.5*	*14.3*	*8.0*	*7.8*	*14.1*	*-12.3*	*15.3*	*-0.2*	*-20.3*	*7.5*
NPATMI	**5,510**	**6,470**	**7,888**	**8,509**	**6,452**	**5,758**	**6,903**	***-0.3***	***-27.0***	***-18.9***
NI margin %	*9.7*	*10.9*	*12.7*	*13.0*	*10.9*	*9.3*	*10.3*	*0.0*	*-3.4*	*-2.7*
growth %	*12.2*	*17.4*	*21.9*	*7.9*	*17.1*	*-10.8*	*19.9*	*-0.3*	*-32.7*	*12.0*
Capex	**13,176**	**14,000**	**14,000**	**14,000**	**17,024**	**15,200**	**16,600**	***21.6***	***8.6***	***18.6***
% of revenue	*23.3*	*23.6*	*22.6*	*21.3*	*28.6*	*24.5*	*24.7*	*5.1*	*1.9*	*3.4*

	Impact to TP	EV/EBITDA 26F (x)
Current TP	3,000	5.2
Pro-forma TP	2,900	5.1
Potential cut	-3.3%	

Source: BRIDS Estimates

Exhibit 25. EXCL pro-forma impact (base case)

Rp bn	BRIDS Forecast				BRIDS Pro-forma			Δ%		
	2025A	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Revenue	**42,446**	**47,394**	**49,754**	**52,137**	**47,394**	**49,754**	**52,822**	**-**	**-**	***1.3***
growth %	*23.4*	*11.7*	*5.0*	*4.8*	*11.7*	*5.0*	*6.2*	-	-	*1.4*
of which fixed BB revenue	*2,983*	*3,301*	*3,351*	*3,387*	*3,301*	*3,351*	*3,387*	-	-	-
Reported EBITDA	**17,352**	**22,669**	**24,326**	**25,940**	**22,669**	**22,678**	**24,726**	**-**	***(6.8)***	***(4.7)***
EBITDA margin %	*40.9*	*47.8*	*48.9*	*49.8*	*47.8*	*45.6*	*46.8*	-	*(3.3)*	*(2.9)*
EBIT	**(1,139)**	**1,766**	**8,666**	**11,208**	**1,766**	**6,994**	**9,887**	**-**	***(19.3)***	***(11.8)***
EBIT margin %	*(2.7)*	*3.7*	*17.4*	*21.5*	*3.7*	*14.1*	*18.7*	-	*(3.4)*	*(2.8)*
Net Income	**(4,427)**	**(1,906)**	**3,374**	**5,482**	**(1,906)**	**2,022**	**4,381**	**-**	***(40.1)***	***(20.1)***
NI margin %	*(10.4)*	*(4.0)*	*6.8*	*10.5*	*(4.0)*	*4.1*	*8.3*	-	*(2.7)*	*(2.2)*
Capex	**10,000**	**15,000**	**9,453**	**9,906**	**17,139**	**10,448**	**12,149**	***14.3***	***10.5***	***22.6***
% of revenue	23.6	31.6	19.0	19.0	36.2	21.0	23.0	*4.5*	*2.0*	*4.0*

	Impact to TP	EV/EBITDA 26F (x)
Current TP	3,700	5.6
Pro-forma TP	3,260	5.2
Potential cut	-11.9%	

Source: BRIDS Estimates

Exhibit 26. TLKM pro-forma impact (bull case)

(Rp bn)	BRIDS Forecast				BRIDS Pro-forma			Δ% of BRIDS		
	2025	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Telkom Revenue	**146,742**	**150,295**	**155,916**	**162,029**	**150,295**	**155,916**	**163,207**	**-**	**-**	***0.7***
growth (%)		*2.4*	*3.7*	*3.9*	*2.4*	*3.7*	*4.7*	-	-	*0.8*
Data	**76,805**	**81,370**	**84,626**	**87,164**	**81,370**	**84,626**	**88,434**	**-**	**-**	***1.5***
growth (%)		*5.9*	*4.0*	*3.0*	*5.9*	*4.0*	*4.5*	-	-	*1.5*
Legacy	**6,334**	**4,572**	**3,453**	**2,718**	**4,572**	**3,453**	**2,718**	**-**	**-**	**-**
growth (%)		*-27.8*	*-24.5*	*-21.3*	*-27.8*	*-24.5*	*-21.3*	-	-	-
Indihome	**26,119**	**25,992**	**27,652**	**29,424**	**25,992**	**27,652**	**29,424**	**-**	**-**	**-**
growth (%)		*-0.5*	*6.4*	*6.4*	*-0.5*	*6.4*	*6.4*	-	-	-
Telkom EBITDA	**72,240**	**73,254**	**77,987**	**81,540**	**73,254**	**75,612**	**79,677**	**-**	***(3.0)***	***(2.3)***
EBITDA margin (%)	*49.2*	*48.7*	*50.0*	*50.3*	*48.7*	*48.5*	*48.8*	-	*-3.0*	*-3.0*
growth (%)		*1.4*	*6.5*	*4.6*	*1.4*	*3.2*	*5.4*			
Telkom PATMI	**17,814**	**19,302**	**21,935**	**22,740**	**19,167**	**19,765**	**20,556**	***(0.7)***	***(9.9)***	***(9.6)***
PATMI margin (%)	*12.1*	*12.8*	*14.1*	*14.0*	*12.8*	*12.7*	*12.6*	*(0.7)*	*(9.9)*	*(10.3)*
growth (%)		*8.4*	*13.6*	*3.7*	*7.6*	*3.1*	*4.0*			
Total Capex	**27,539**	**28,119**	**28,768**	**29,623**	**31,961**	**31,924**	**36,172**	***13.7***	***11.0***	***22.1***
% of revenue	18.8%	18.7%	18.5%	18.3%	21.3%	20.5%	22.2%	*13.7*	*11.0*	*21.2*

	Impact to TP	EV/EBITDA 26F (x)
Current TP	3,750	5.4
Pro-forma TP	3,480	5.0
Potential cut	-7.2%	

Source: BRIDS Estimates

Exhibit 27. ISAT pro-forma impact (bull case)

		BRIDS Forecast			BRIDS Pro-forma			Δ%		
Rp bn	**2025A**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**
Revenue	**56,518**	**59,446**	**62,046**	**65,656**	**59,446**	**62,046**	**67,077**	***0.0***	***0.0***	***2.2***
growth %	*1.1*	*5.2*	*4.4*	*5.8*	*5.2*	*4.4*	*8.1*	*0.0*	*0.0*	*2.3*
Mobile Revenue	**47,356**	**49,476**	**51,438**	**54,360**	**49,476**	**51,438**	**55,781**	***0.0***	***0.0***	***2.6***
growth %	*0.7*	*4.5*	*4.0*	*5.7*	*4.5*	*4.0*	*8.4*	*0.0*	*0.0*	*2.8*
EBITDA	**26,597**	**28,075**	**29,422**	**31,306**	**28,075**	**27,700**	**30,339**	***0.0***	***-5.9***	***-3.1***
EBITDA margin %	*47.1*	*47.2*	*47.4*	*47.7*	*47.2*	*44.6*	*45.2*	*0.0*	*-2.8*	*-2.5*
growth %	*0.8*	*5.6*	*4.8*	*6.4*	*5.6*	*-1.3*	*9.5*	*0.0*	*-6.1*	*3.1*
EBIT	**10,766**	**12,309**	**13,291**	**14,322**	**12,287**	**11,480**	**13,126**	***-0.2***	***-13.6***	***-8.4***
EBIT margin %	*19.0*	*20.7*	*21.4*	*21.8*	*20.7*	*18.5*	*19.6*	*0.0*	*-2.9*	*-2.2*
growth %	*-0.5*	*14.3*	*8.0*	*7.8*	*14.1*	*-6.6*	*14.3*	*-0.2*	*-14.5*	*6.6*
NPATMI	**5,510**	**6,470**	**7,888**	**8,509**	**6,452**	**6,347**	**7,481**	***-0.3***	***-19.5***	***-12.1***
NI margin %	*9.7*	*10.9*	*12.7*	*13.0*	*10.9*	*10.2*	*11.2*	*0.0*	*-2.5*	*-1.8*
growth %	*12.2*	*17.4*	*21.9*	*7.9*	*17.1*	*-1.6*	*17.9*	*-0.3*	*-23.6*	*10.0*
Capex	**13,176**	**14,000**	**14,000**	**14,000**	**16,322**	**15,200**	**16,600**	***16.6***	***8.6***	***18.6***
% of revenue	*23.3*	*23.6*	*22.6*	*21.3*	*27.5*	*24.5*	*24.7*	*3.9*	*1.9*	*3.4*

	Impact to TP	**EV/EBITDA 26F (x)**
Current TP	3,000	5.2
Pro-forma TP	3,000	5.2
Potential cut	0.0%	

Source: BRIDS Estimates

Exhibit 28. EXCL pro-forma impact (bull case)

		BRIDS Forecast			BRIDS Pro-forma			Δ%		
Rp bn	**2025A**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**
Revenue	**42,446**	**47,394**	**49,754**	**52,137**	**47,394**	**49,754**	**52,822**	**-**	**-**	***1.3***
growth %	*23.4*	*11.7*	*5.0*	*4.8*	*11.7*	*5.0*	*6.2*	-	-	*1.4*
of which fixed BB revenue	*2,983*	*3,301*	*3,351*	*3,387*	*3,301*	*3,351*	*3,387*	-	-	-
Reported EBITDA	**17,352**	**22,669**	**24,326**	**25,940**	**22,669**	**23,303**	**25,351**	**-**	***(4.2)***	***(2.3)***
EBITDA margin %	*40.9*	*47.8*	*48.9*	*49.8*	*47.8*	*46.8*	*48.0*	-	*(2.1)*	*(1.8)*
EBIT	**(1,139)**	**1,766**	**8,666**	**11,208**	**1,766**	**7,619**	**10,512**	**-**	***(12.1)***	***(6.2)***
EBIT margin %	*(2.7)*	*3.7*	*17.4*	*21.5*	*3.7*	*15.3*	*19.9*	-	*(2.1)*	*(1.6)*
Net Income	**(4,427)**	**(1,906)**	**3,374**	**5,482**	**(1,906)**	**2,535**	**4,859**	**-**	***(24.9)***	***(11.4)***
NI margin %	*(10.4)*	*(4.0)*	*6.8*	*10.5*	*(4.0)*	*5.1*	*9.2*	-	*(1.7)*	*(1.3)*
Capex	**10,000**	**15,000**	**9,453**	**9,906**	**16,514**	**10,448**	**12,149**	***10.1***	***10.5***	***22.6***
% of revenue	23.6	31.6	19.0	19.0	34.8	21.0	23.0	*3.2*	*2.0*	*4.0*

	Impact to TP	**EV/EBITDA 26F (x)**
Current TP	3,700	5.6
Pro-forma TP	3,480	5.4
Potential cut	-5.9%	

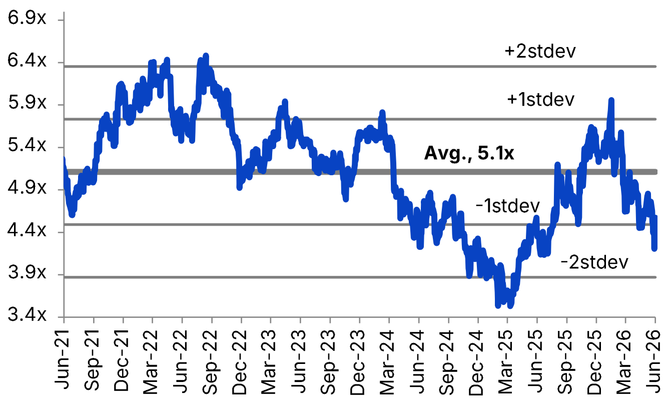
Source: BRIDS Estimates

Exhibit 29. 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	3,700	46,774	n.a	13.9	4.8	4.4	1.7	1.5	-6.6	11.4	n.a	n.a
ISAT	BUY	3,000	60,793	9.4	7.7	3.9	3.8	1.5	1.4	17.1	19.1	5.4	6.9
TLKM	BUY	3,750	283,318	14.7	12.9	4.1	3.9	2.2	2.2	14.9	16.9	8.7	7.5
Weighted average				**10.3**	**11.9**	**4.1**	**4.0**	**1.9**	**1.8**	**10.8**	**16.3**	**7.1**	**7.2**

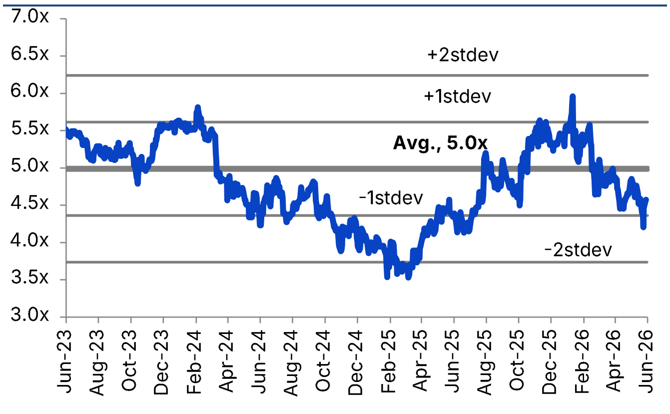
Source: Company, BRIDS Estimates

Exhibit 30. TLKM 5-yr forward EV/EBITDA multiple band



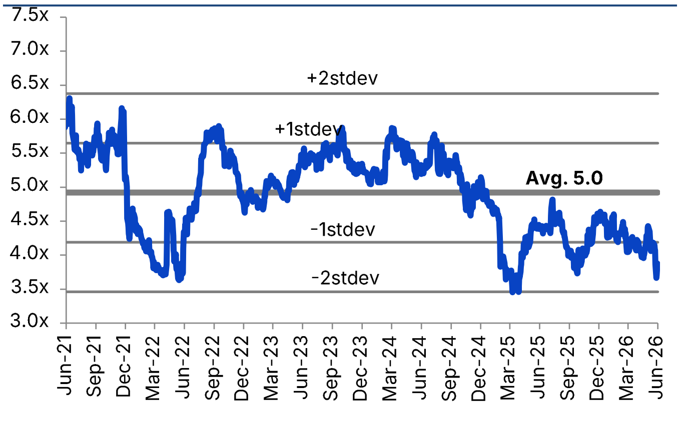
Source: Bloomberg, BRIDS Estimates

Exhibit 31. TLKM 3-yr forward EV/EBITDA multiple band



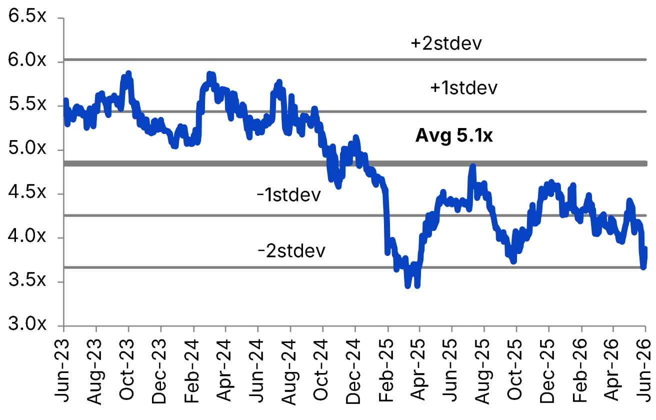
Source: Bloomberg, BRIDS Estimates

Exhibit 32. ISAT 5-yr forward EV/EBITDA multiple band



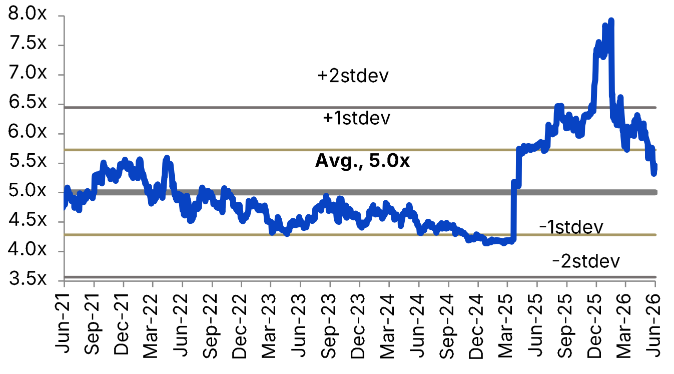
Source: Bloomberg, BRIDS Estimates

Exhibit 33. ISAT 3-yr forward EV/EBITDA multiple band



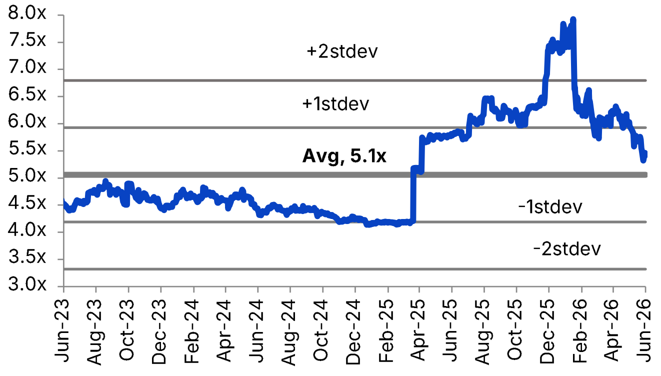
Source: Bloomberg, BRIDS Estimates

Exhibit 34. EXCL 5-yr forward EV/EBITDA multiple band



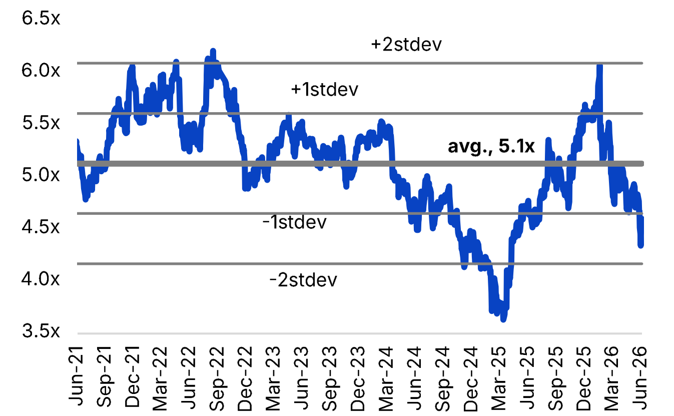
Source: Bloomberg, BRIDS Estimates

Exhibit 35. EXCL 3-yr forward EV/EBITDA multiple band



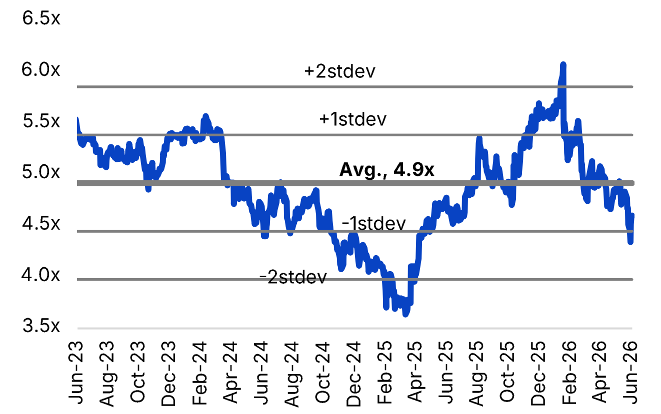
Source: Bloomberg, BRIDS Estimates

Exhibit 36. Sector 5-yr forward EV/EBITDA multiple band



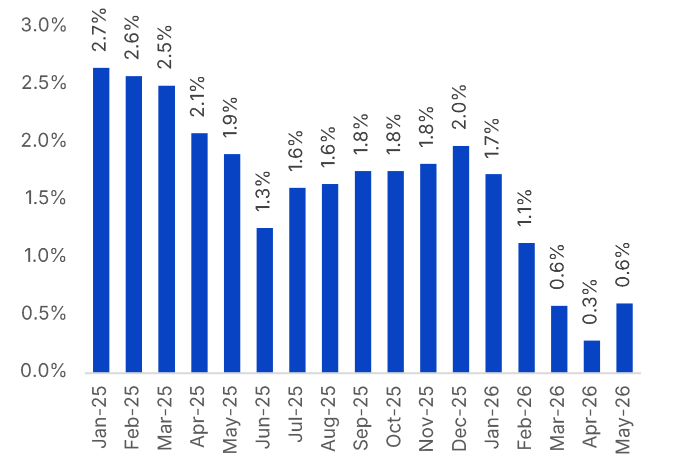
Source: Bloomberg, BRIDS Estimates

Exhibit 37. Sector 3-yr forward EV/EBITDA multiple band



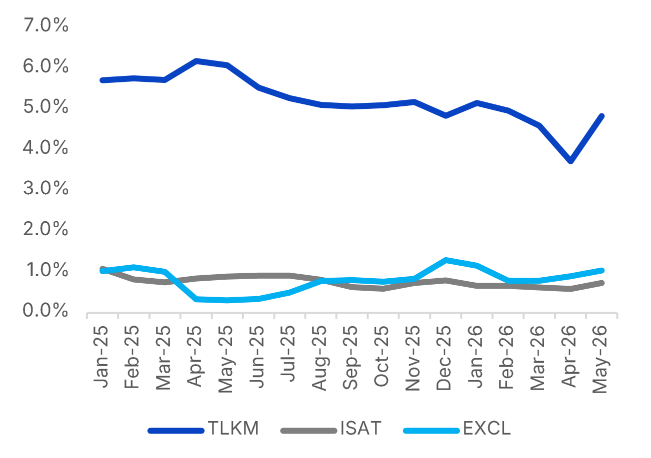
Source: Bloomberg, BRIDS Estimates

Exhibit 38. Domestic fund positioning in telco sector



Source: KSEI, BRIDS

Exhibit 39. Domestic fund positioning in telco



Source: KSEI, BRIDS

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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