BINA ARTHA SEKURITAS

Berizin dan Diawasi oleh **Otoritas Jasa Keuangan**

Equity Research

PT Telekomunikasi Indonesia (Persero) Tbk

Telecommunication
13 August 2026

Price	**IDR**	**2,590**
Target	**IDR**	**3,950**
JKSE Index		**6,373.849**

Stock code

Bloomberg code	TLKM IJ
Market cap (in Bn)	259,570
52-week high	3,990
52-week low	2,350

Major Share Holders (%)

Badan Pengaturan Badan Usaha	52.10%
Public	47.90%

USD/IDR-YE

2025	16,720
2026F (6m-avg)	17,473

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Source: Company and Binaartha

Investment Considerations

BUY

Mobile ARPU Improvement continues in 2Q26

- PT Telkom Indonesia (Persero) Tbk (TLKM) reported revenue growth of 6.4% YoY to IDR38.7 trillion in 2Q26, bringing 1H26 revenue to IDR75.8 trillion, up 4.0% YoY. Performance was supported by improving mobile monetization, disciplined cost management, and more selective capital expenditure.
- The B2C segment continued to lead the Group's external revenue growth. Data, Internet & IT Services revenue increased 12.6% YoY to IDR38.5 trillion in 1H26, including strong growth of 20.0% YoY to IDR26.3 trillion in 2Q26. The improvement reflected stronger pricing discipline, product simplification, and customer value management.
- Mobile ARPU increased 2.0% QoQ and 9.0% YoY to IDR46,000 in 2Q26. Data consumption remained resilient at 11,525 petabytes, increasing 0.7% YoY. However, Telkomsel's mobile subscriber base declined 3.1% YoY to 153.5 million, reflecting the company's continued focus on subscriber quality and monetization rather than headline customer growth.
- IndiHome revenue declined 3.4% YoY to IDR12.8 trillion in 1H26, reflecting intensified competition and Telkomsel's strategic recalibration of its fixed broadband customer base. Fixed broadband ARPU remained 5.9% below the prior-year level, although it improved 3.4% QoQ.
- Sequentially, IndiHome showed early signs of stabilization, with revenue increasing 0.7% QoQ to IDR6.4 trillion in 2Q26. The company is shifting its fixed broadband strategy away from subscriber volume-led expansion toward a quality-focused model based on customer verification, reuse of existing network ports, network modernization, premiumization, and fixed-mobile convergence.
- The convergence ratio improved further to 65% in 1H26, compared with 59% in 1Q26 and 55% in 1H25, indicating continued progress in integrating mobile and fixed broadband services.
- Overall, TLKM's 1H26 revenue performance remained broadly in line with management's FY2026 growth guidance of 1%–3%..

Further streamlining Initiatives in 2026

- TLKM continued to implement its TLKM30 transformation program, with portfolio rationalization remaining a key component of the strategy. The initiatives include the divestment of 17 entities, closure of 12 entities, and merger or transfer of five businesses.
- Following the completion of the AdMedika and TelkoMedika divestments in June 2026, TLKM continued to simplify its corporate structure. Phase 1 of the Infranexia asset transfer was completed in December 2025, while Phase 2 was completed on 7 August 2026.
- TLKM has also closed several non-core businesses, including Media Nusantara Data Global, Sigma AIT Bhd., Napsindo, PT Alam Pesona Wisata, Pointer, Telin Australia, PT Omni Inovasi Indonesia, and CSM Satellite & Terrestrial Network. In addition, selected Mitratel subsidiaries, including UMT and Persada Sokka, were merged as part of the broader restructuring process.
- These initiatives are expected to simplify the Group's organizational structure, improve capital allocation, and support greater operating efficiency over the medium term.

Q2 2026 Results: Earnings and Margins Improve

- TLKM recorded net profit of IDR6.28 trillion in 2Q26, increasing 22.3% YoY and 44.5% QoQ. Net profit margin improved to 16.2%, reflecting stronger quarterly profitability.
- Core profit increased 9.9% YoY and 20.1% QoQ to IDR6.16 trillion in 2Q26. For 1H26, core profit reached IDR11.3 trillion, representing growth of 1.4% YoY.
- Core profit excludes several accounting, valuation, tax, and transaction-related items, including IDR867 billion of additional depreciation resulting from revised network asset useful lives, a IDR429 billion gain from the AdMedika divestment, IDR235 billion of unrealized losses on Telkomsel's investment in GoTo, and IDR50 billion of transformation advisory expenses.
- The improvement in underlying earnings indicates that TLKM's operational performance strengthened in 2Q26 despite the continuing impact of transformation-related and non-cash items.
- Cost discipline remains a key management priority, supported by continued subsidiary streamlining and further optimization of both capital expenditure and operating expenditure.

Valuation: Maintain BUY, TP IDR 3,950 (+53% Upside)

- We maintain our BUY recommendation on TLKM with a 12-month target price of IDR3,950, implying 53% upside from the current share price.
- Our valuation is based on a 16x forward P/E multiple, supported by continued mobile ARPU recovery, improving industry pricing discipline, ongoing portfolio streamlining, and potential value realization from strategic partnerships.

Financial Highlights	2021A	2022A	2023A	2024A	2025A	2026F	2027F
Revenue (IDR Bn)	143.210	147.306	149.216	149.967	146.742	151.843	162.455
EBITDA (IDR Bn)	79.301	72.749	77.579	75.029	75.029	80.572	84.442
Net Income (IDR Bn)	24.760	20.753	24.561	23.649	17.814	23.679	25.334
EPS (IDR)	250	209	248	239	180	239	256
PBV (x)	3	3	3	2	3	3	3
PER (x)	16	18	16	11	22	17	16
ROE (%)	20%	16%	18%	17%	14%	19%	19%
ROA (%)	9%	8%	9%	8%	6%	8%	9%
Tot. Debt / Equity (x)	1,1	1,0	1,0	1,0	1,1	1,1	1,1
Current Ratio (X)	0,9	0,8	0,8	0,8	0,8	0,7	0,8

Revenue Breakdown YoY

Revenue Breakdown (IDR Bn)	1Q2026	2Q2026	% QoQ	2Q2025	% YoY	1H2025	1H2026	% YoY
Data, Internet & IT Services	23.646	24.538	3,8%	21.152	16,0%	42.483	48.184	13,4%
SMS, Fixed and Cellular Voice	1.506	1.937	28,6%	2.276	-14,9%	4.846	3.443	-29,0%
IndiHome	6.378	6.420	0,7%	6.588	-2,6%	13.251	12.798	-3,4%
Interconnection	2.217	2.228	0,5%	2.566	-13,2%	4.962	4.445	-10,4%
Network and Other Telco Services	3.442	3.566	3,6%	3.783	-5,7%	7.462	7.008	-6,1%
Total Revenue	**37.189**	**38.689**	**4,0%**	**36.365**	**6,4%**	**73.004**	**75.878**	**3,9%**

Source: Company

TLKM Operation Performance

Key Indicators	1Q2026	2Q2026	% QoQ	2Q2025	% YoY	1H2025	1H2026	% YoY
Mobile Customer Base (000)	153.672	153.500	-0,1%	158.428	-3,1%	158.428	153.545	-3,1%
IndiHome B2C (000)	10.327	9.513	-7,9%	10.061	-5,4%	10.061	9.513	-5,4%
ARPU Mobile (000)	45	46	2,0%	41	11,7%	42	46	9,1%
ARPU IndiHome B2C (000)	204	211	3,4%	217	-2,7%	220	207	-5,9%
BTS on Air (Units)	297.300	301.000	1,2%	280.434	7,3%	280	301	7,3%
Data Payload (TB)	5.770.000	5.758.000	-0,2%	5.937.521	-3,0%	11.441.000	11.528.000	0,8%

Source: Company

Income Statement in IDR. Billion QoQ

Income Statement (IDR. Bn)	1Q2026	2Q2026	QoQ	2Q2025	YoY	1H2025	1H2026	QoQ
Revenue	**37.189**	**38.689**	**4,0%**	**36.365**	**6,4%**	**73.004**	**75.878**	**3,9%**
Cost of revenue	-28.260	-27.485	-2,7%	-26.948	2,0%	-53.099	-55.745	5,0%
Operating Profit	**8.929**	**11.204**	**25,5%**	**9.417**	**19,0%**	**19.905**	**20.133**	**1,1%**
Others income/ (Expense)	-681	-654	-4,0%	-866	-24,5%	-1.764	-1.335	-24,3%
Profit Before Tax	**8.248**	**10.550**	**27,9%**	**8.551**	**23,4%**	**18.141**	**18.798**	**3,6%**
Taxes	-2.194	-2.398	9,3%	-2.051	16,9%	-4.044	-4.592	13,6%
NIAT	**6.054**	**8.152**	**34,7%**	**6.500**	**25,4%**	**14.097**	**14.206**	**0,8%**
Non-controlling Interest	-1.710	-1.873	9,5%	-1.364	37,3%	-3.151	-3.583	13,7%
Net Income	**4.344**	**6.279**	**44,5%**	**5.136**	**22,3%**	**10.946**	**10.623**	**-3,0%**
EPS (in IDR)	**44**	**63**	**44,5%**	**52**	**22,3%**	**110**	**107**	**-3,0%**
Core Net Income	**5.134**	**6.166**	**20,1%**	**5.610**	**9,9%**	**11.191**	**11.300**	**1,0%**
OPM	**24,0%**	**29,0%**		**25,9%**		**27,3%**	**26,5%**	
NPM	**11,7%**	**16,2%**		**14,1%**		**15,0%**	**14,0%**	
Core NPM	**13,8%**	**15,9%**		**15,4%**		**15,3%**	**14,9%**	

Source: Company & Binaartha

Income Statement in IDR Billion YoY

Income Statement (IDR. Bn)	2021A	2022A	2023A	2024A	2025A	2026F	2027F
Revenue	**143.210**	**147.306**	**149.216**	**149.967**	**146.742**	**151.843**	**162.455**
Cost of revenue	-95.647	-107.725	-104.832	-106.976	-112.094	-109.327	-116.968
Operating Profit	**47.563**	**39.581**	**44.384**	**42.991**	**34.648**	**42.516**	**45.487**
Others income/ (Expense)	-3.885	-3.242	-3.590	-3.838	-3.546	-3.492	-3.736
Profit Before Tax	**43.678**	**36.339**	**40.794**	**39.153**	**31.102**	**39.024**	**41.751**
Taxes	-9.730	-8.659	-8.585	-8.410	-6.644	-8.663	-9.269
NIAT	**33.948**	**27.680**	**32.209**	**30.743**	**24.458**	**30.360**	**32.482**
Non-controlling Interest	-9.188	-6.927	-7.648	-7.094	-6.644	-6.681	-7.148
Net Income	**24.760**	**20.753**	**24.561**	**23.649**	**17.814**	**23.679**	**25.334**
EPS (in IDR)	249,9	209,5	247,9	238,7	179,8	239,0	255,7
EBITDA	**79.301**	**72.749**	**77.579**	**75.029**	**75.029**	**80.572**	**84.442**

Source: Company & Binaartha

Cash Flow in IDR. Billion YoY

Cash Flow (In IDR Bn)	2021A	2022A	2023A	2024A	2025A	2026F	2027F
Net Income	24.760	20.753	24.561	23.649	17.814	23.679	25.334
Depreciation	24.718	25.576	24.838	24.231	28.731	28.731	29.591
Change in WC	2.986	1.113	-2.316	2.630	-1.182	-925	-1.839
Cash From Operating Activities	**52.464**	**47.442**	**47.083**	**50.510**	**45.363**	**51.486**	**53.087**
Change in Non-current Asset	-40.185	-29.804	-36.132	-29.397	-18.129	-32.829	-40.446
Cash From Investing Activities	**-40.185**	**-29.804**	**-36.132**	**-29.397**	**-18.129**	**-32.829**	**-40.446**
Long-term Debts	5.758	-8.988	442	-2.255	581	-286	1.804
Others Noncurrent Liabilities	-65	1.876	2.928	3.761	2.275	1.292	2.688
Equity	-250	-16.890	-17.261	-17.721	-29.767	-26.885	-18.781
Cash From Financing Activities	**5.443**	**-24.002**	**-13.891**	**-16.215**	**-26.911**	**-25.879**	**-14.288**
Net Changes in Cash	**17.722**	**-6.364**	**-2.940**	**4.898**	**323**	**-7.223**	**-1.647**
Beginning Balance	**20.589**	**38.311**	**31.947**	**29.007**	**33.905**	**34.228**	**27.005**
Ending Balance	**38.311**	**31.947**	**29.007**	**33.905**	**34.228**	**27.005**	**25.358**

Source: Company & Binaartha

Statement of Financial Position in IDR Billion YoY

Statement of Financial Position (In IDR Bn)	2021A	2022A	2023A	2024A	2025A	2026F	2027F
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	38.311	31.947	29.007	33.905	34.228	27.005	25.358
Trade Accounts Receivable	8.510	8.634	10.667	12.190	11.223	11.613	12.425
Others Current Assets	14.456	14.476	15.939	16.985	16.315	16.703	17.870
Total Current Assets	**61.277**	**55.057**	**55.613**	**63.080**	**61.766**	**55.321**	**55.653**
NONCURRENT ASSETS							
Fixed Assets	165.026	173.329	180.755	180.566	165.453	170.405	175.506
Intagible Assets	7.506	8.302	8.731	9.442	9.237	9.558	10.226
Other Noncurrent Assets	43.375	38.504	41.943	46.587	51.303	50.128	55.214
Total Noncurrent Assets	**215.907**	**220.135**	**231.429**	**236.595**	**225.993**	**230.091**	**240.946**
TOTAL ASSETS	**277.184**	**275.192**	**287.042**	**299.675**	**287.759**	**285.413**	**296.599**
LIABILITIES AND EQUITY							
LIABILITIES							
CURRENT LIABILITIES							
Short-term Bank Loans	20.248	17.049	19.926	27.391	24.675	20.974	17.828
Trade Payables	17.170	24.321	18.608	15.336	16.184	17.691	18.522
Accruals	15.885	15.445	13.079	14.192	14.867	15.384	16.459
Others Current Liabilities	15.828	13.573	19.955	19.848	18.222	19.753	21.133
Total Current Liabilities	**69.131**	**70.388**	**71.568**	**76.767**	**73.948**	**73.801**	**73.942**
NONCURRENT LIABILITIES							
Long-term bank	36.319	27.331	27.773	25.518	26.099	25.813	27.617
Others Noncurrent Liabilities	26.335	28.211	31.139	34.900	37.175	38.467	41.156
Total Noncurrent Liabilities	**62.654**	**55.542**	**58.912**	**60.418**	**63.274**	**64.281**	**68.773**
TOTAL LIABILITIES	**131.785**	**125.930**	**130.480**	**137.185**	**137.222**	**138.082**	**142.715**
Non-controlling interest	23.753	20.004	20.818	20.396	19.852	21.258	22.744
EQUITY	**121.646**	**129.258**	**135.744**	**142.094**	**130.685**	**126.073**	**131.141**
TOTAL LIABILITIES & EQUITY	**277.184**	**275.192**	**287.042**	**299.675**	**287.759**	**285.413**	**296.599**

Source: Company & Binaartha

Ratio Highlights YoY

Growth (% YoY)	2021A	2022A	2023A	2024A	2025A	2026F	2027F
Revenue	5%	3%	1%	1%	-2%	3%	7%
OP	9%	-17%	12%	-3%	-19%	23%	7%
EBITDA	10%	-8%	7%	-3%	0%	7%	5%
NP	19%	-16%	18%	-4%	-25%	33%	7%
EPS	19%	-16%	18%	-4%	-25%	33%	7%
Profitability							
Operating Margin(%)	33%	27%	30%	29%	24%	28%	28%
EBITDA margin(%)	55%	49%	52%	50%	51%	53%	52%
NET Profit margin(%)	17%	14%	16%	16%	12%	16%	16%
ROA(%)	9%	8%	9%	8%	6%	8%	9%
ROE(%)	20%	16%	18%	17%	14%	19%	19%
Stability							
Tot debt/ equity (x)	1,1	1,0	1,0	1,0	1,1	1,1	1,1
Current Ratio (x)	0,9	0,8	0,8	0,8	0,8	0,7	0,8
Cash Ratio (x)	0,6	0,5	0,4	0,4	0,5	0,4	0,3
Per Share data							
EPS (IDR)	250	209	248	239	180	239	256
PBV (x)	3	3	3	2	3	3	3
PER (x)	16	18	16	11	22	17	16
EBITDA/share	801	734	783	757	757	813	852

Source: Company & Binaartha

Stock Ratings:
Buy : a recommendation to purchase the security with upside potential of **11.50% or greater**
Hold : a recommendation to neither buy nor sell a security with upside potential of **5.75%-11.49%.**
Sell : a recommendation to close out a long position in a security with upside potential **below 5.74%.**

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