BINA ARTHA SEKURITAS

Berizin dan Diawasi oleh **Otoritas Jasa Keuangan**

Equity Research

PT Telekomunikasi Indonesia (Persero) Tbk

BUY

Telecommunication
13 July 2026

Price	**IDR**	**2,480**
Target	**IDR**	**3,950**
JKSE Index		**5,924.36**

Stock code

Bloomberg code	TLKM IJ
Market cap (in Bn)	245,670
52-week high	3,990
52-week low	2,350
Free Float (%)	30.00%

Major Share Holders (%)

Badan Pengaturan Badan Usaha	52.10%
Public	47.90%

USD/IDR-YE

2025	16,720
2026F (6m-avg)	17,197

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Source: Company and Binaartha

Investment Considerations

Mobile ARPU Improvement continues

- PT Telkom Indonesia (Persero) Tbk (TLKM) reported revenue growth of 1.5% YoY to IDR37.18 trillion in 1Q26, driven mainly by continued improvement in mobile ARPU.
- The Data, Internet & IT Services segment recorded strong growth of 10.9% YoY to IDR23.64 trillion, reflecting the positive impact of the market repair strategy on mobile performance. Despite a 1.5% QoQ decline in mobile subscribers to 156.1 million, mainly due to churn following starter-pack rationalization, mobile ARPU increased 6.4% YoY to IDR45,000. In March 2026, ARPU reached IDR47,000, supported by stronger seasonal demand during the festive period. Meanwhile, data payload remained broadly stable at 5,770 PB.
- IndiHome revenue declined 4.3% YoY to IDR6.38 trillion, mainly due to softer ARPU. The subscriber base increased 10% YoY to 10.06 million, while ARPU declined 8.9% YoY to IDR220,300 amid intense competition and continued optimization of entry-level packages.
- Overall, TLKM's 1Q26 revenue performance remained broadly in line with management's FY2026 growth guidance of 1%–3%.

Further streamlining Initiatives in 2026

- TLKM completed its target to streamline 10 subsidiaries in 1H26 as part of its commitment to the state-owned enterprise restructuring initiative led by Danantara Asset Management (DAM) and the SOE Regulatory Agency (BP BUMN).
- As part of this process, TLKM completed the sale of AdMedika and TelkoMedika in June 2026.
- Phase 1 of the Infranexia asset transfer was completed in December 2025. Phase 2 is now expected to be completed in 3Q26, slightly later than originally planned due to ongoing asset cleanup and licensing requirements.
- The company is also evaluating further industry consolidation opportunities during FY2026, followed by plans to seek a strategic partner for its fiber business.
- Progress continues in identifying a strategic partner for the data center business. Shortlisted foreign partners could potentially acquire up to 70% of the business, with management targeting transaction completion by year-end.

Q1 2026 Results: Margin Pressured by Higher Costs and Non-Cash Items

- TLKM recorded net profit of IDR4.34 trillion in 1Q26, declining 25.2% YoY, with net profit margin contracting to 11.7%.
- The decline was mainly attributable to higher depreciation and amortization expenses following revisions to asset useful lives, resulting in an additional IDR498 billion impact, together with a negative IDR309 billion unrealized mark-to-market impact on investments.
- After adjusting for non-recurring and non-cash items, core profit reached IDR5.13 trillion, declining 8.0% YoY, with core net profit margin at 13.8%.
- EBITDA declined 1.4% YoY to IDR18.0 trillion, with EBITDA margin at 48.3%. The weaker margin primarily reflected a 15.5% YoY increase in operating and maintenance expenses.
- Nevertheless, 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 (+59% Upside)

- We maintain our BUY recommendation on TLKM with a 12-month target price of IDR3,950, implying 59% 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 in the fiber and data center businesses.

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)	1Q2025	1Q2026	% YoY	4Q2025	% QoQ
Data, Internet & IT Services	21.331	23.646	10,9%	25.242	-6,3%
SMS, Fixed and Cellular Voice	2.570	1.506	-41,4%	1.427	5,5%
IndiHome	6.663	6.378	-4,3%	6.388	-0,2%
Interconnection	2.396	2.217	-7,5%	1.865	18,9%
Network and Other Telco Services	3.679	3.442	-6,4%	2.203	56,2%
Total Revenue	**36.639**	**37.189**	**1,5%**	**37.125**	**0,2%**

Source: Company

TLKM Operation Performance

Key Indicators	1Q2025	1Q2026	% YoY	4Q2025	% QoQ
Mobile Customer Base (000)	158.811	153.672	-3,2%	156.060	-1,5%
IndiHome B2C (000)	9.842	10.327	4,9%	10.324	0,0%
ARPU Mobile (000)	42	45	6,4%	45	0,2%
ARPU IndiHome B2C (000)	224	204	-8,8%	204	0,0%
BTS on Air (Units)	278.100	297.300	6,9%	293.100	1,4%
Data Payload (TB)	5.778.048	5.770.000	-0,1%	5.832.000	-1,1%

Source: Company

Income Statement in IDR. Billion QoQ

Income Statement (IDR. Bn)	1Q2025	1Q2026	YoY	4Q2025	QoQ
Revenue	**36.639**	**37.189**	**1,5%**	**37.125**	**0,2%**
Cost of revenue	-26.151	-28.260	8,1%	-31.650	-10,7%
Operating Profit	**10.488**	**8.929**	**-14,9%**	**5.475**	**63,1%**
Others income/ (Expense)	-898	-681	-24,2%	-795	-14,3%
Profit Before Tax	**9.590**	**8.248**	**-14,0%**	**4.680**	**76,2%**
Taxes	-1.993	-2.194	10,1%	-817	168,5%
NIAT	**7.597**	**6.054**	**-20,3%**	**3.863**	**56,7%**
Non-controlling Interest	-1.787	-1.710	-4,3%	-1.833	-6,7%
Net Income	**5.810**	**4.344**	**-25,2%**	**2.030**	**114,0%**
EPS (in IDR)	**59**	**44**	**-25,2%**	**20**	**114,0%**
Core Net Income	**5.581**	**5.134**	**-8,0%**	**5.955**	**-13,8%**
OPM	**28,6%**	**24,0%**		**14,7%**	
NPM	**15,9%**	**11,7%**		**5,5%**	
Core NPM	**15,2%**	**13,8%**		**16,0%**	

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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