

3Q24 Performance

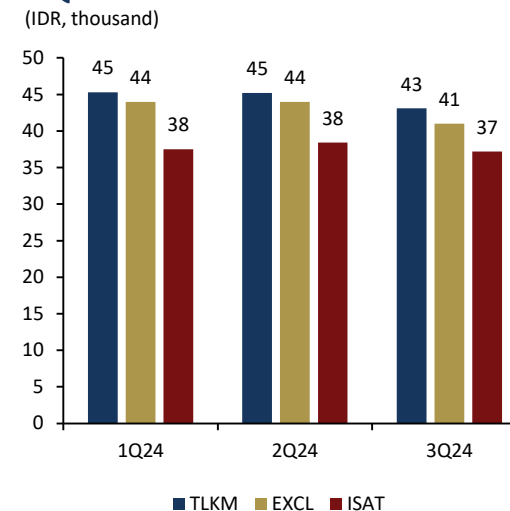
- Indonesia's telco Big 3 booked aggregate 3Q24 revenue of IDR 59.1 trillion (-2.5% QoQ, +0.7% YoY). The QoQ decline was attributed to subdued consumer spending, reduced legacy service usage, and lower ARPU. ISAT posted the highest top-line growth among the three (-2.2% QoQ, +8.2% YoY), supported by +5.1% YoY increase in 3Q24 ARPU to IDR 37.2k. The bottom-line performance was also quite underwhelming, with aggregate net profit of IDR 7.3 trillion (-3.7% QoQ, -7.8% YoY), mainly due to higher fixed costs and investment losses in associates, particularly EXCL's investment in LINK. These results fell short of both our expectations and consensus forecasts.
- Despite recent mixed performances, we maintain an optimistic outlook for telco sector in FY25, supported by: 1) robust data demand growth, driven by government-led digital penetration and transformation, 2) opportunities to expand subscriber bases in uncovered areas, 3) the upcoming spectrum auction may help MNOs improve network quality and attract new subscribers, and 4) strategic initiatives from telco companies, such as TLKM's data center expansion, ISAT's focus on Artificial Intelligence (AI) and GPU-as-a-Service, and EXCL's emphasis on AI and digitalization, as well as its potential merger with FREN.
- Our picking orders are ISAT (BUY, IDR 3,125), TLKM (BUY, IDR 3,600), and EXCL (BUY, IDR 2,900).

Peer Comparables

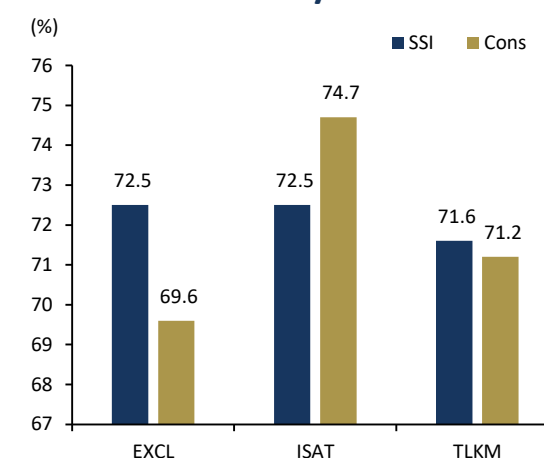
Company Ticker	Market Cap. (IDR Tn)	Last Price (IDR)	Target Price (IDR)	P/E (x)	EPS Gwt (%)	2024F		
						EV/EBITDA (x)	Net Gearing (%)	ROE (%)
2412 TT	29,324	n.a.	-	25.5	0.9	11.0	-2.2	9.7
TRUE TB	11,942	n.a.	-	51.1	-151.8	4.0	515.4	3.5
TCOM IN	5,970	n.a.	-	28.0	-93.1	14.3	573.7	9.3
T MK	5,634	n.a.	-	15.3	-13.1	5.6	38.5	16.8
Regional Average	52,870	-	-	30.5	-45.7	9.2	184.1	9.0
TLKM IJ	16,917	2,690	3,600	10.9	-0.8	4.1	24.1	17.1
ISAT IJ	4,381	2,140	3,125	13.3	15.6	4.2	144.4	15.7
EXCL IJ	1,784	2,140	2,900	15.1	47.4	4.2	169.6	6.9
Local Average	23,082	-	-	11.7	6.0	4.2	58.2	16.1
Blended Average	75,952	-	-	24.8	-30.0	7.7	145.8	11.2

Sources: Company, Bloomberg, SSI Research

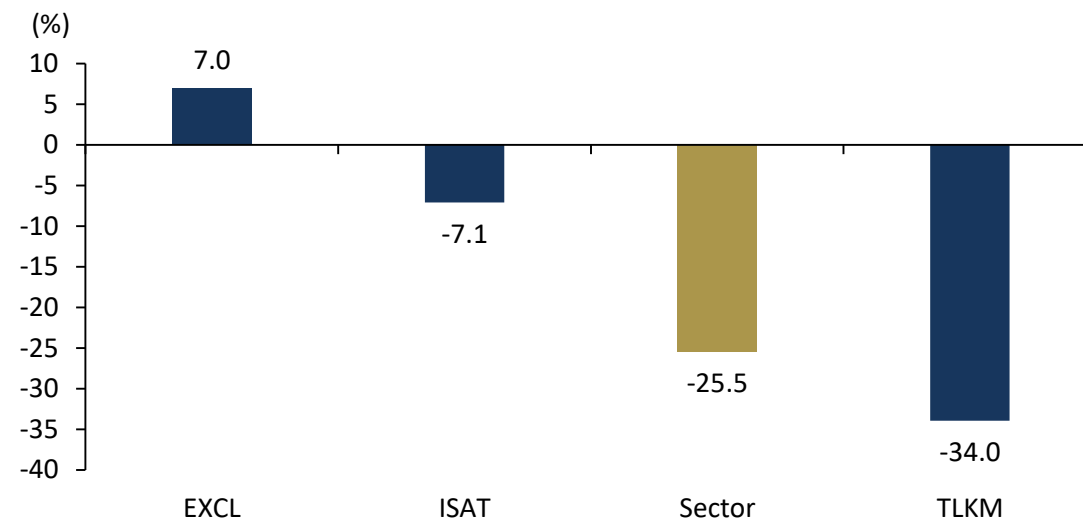
3Q24 ARPUs



9M24 Net Profit/SSI & Cons



YTD Relative Performance vs JCI



Analysts: Jason Sebastian