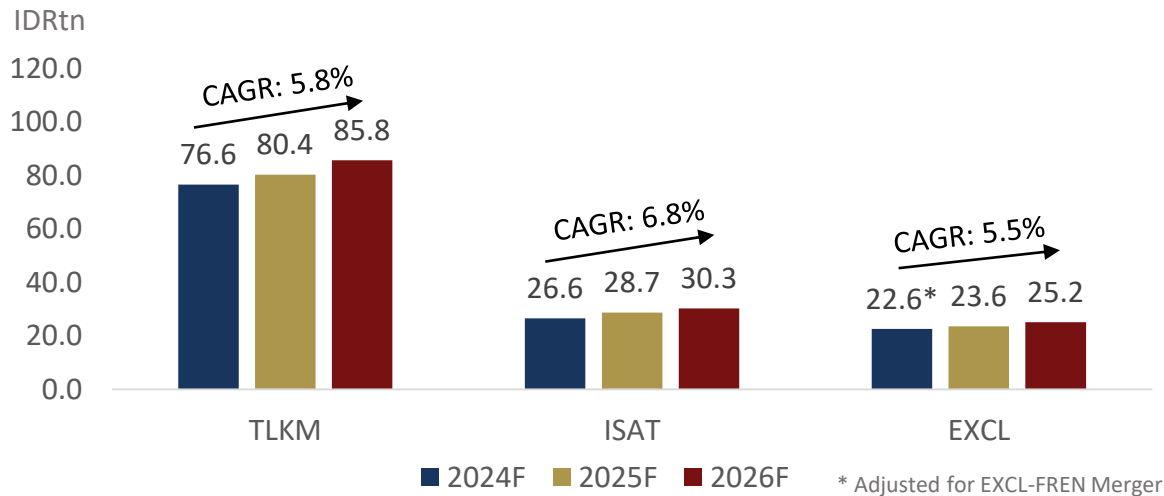


Telecommunications: Overweight with TLKM as Top Pick

EBITDA Outlook, by Company



Peer Comparables

Company	Market Cap.	Last Price	Target Price	2025F					
				P/E	EV/EBITDA	EBITDA Growth	Net Gearing	Div. Yield	ROE
Ticker	(IDR Tn)	(IDR)	(IDR)	(x)	(x)	(%)	(%)	(%)	(%)
2412 TT	28,994	n.a.	-	24.7	10.5	2.7	(2.2)	4.0	10.1
TRUE TB	11,629	n.a.	-	29.2	8.0	5.9	515.4	1.2	11.6
TCOM IN	5,585	n.a.	-	24.7	9.7	19.1	573.7	1.3	59.1
T MK	5,478	n.a.	-	14.7	5.4	2.2	38.5	3.7	15.9
Regional Avg	51,686	-	-	24.6	9.3	5.1	180.8	3.1	16.3
TLKM IJ	15,946	2,630	3,500	10.8	3.8	5.0	30.9	7.2	17.1
ISAT IJ	4,678	2,370	2,800	14.0	4.4	8.2	131.8	3.1	15.0
EXCL IJ	2,540	2,260	2,000	34.9	4.5	4.4	198.2	2.2	2.2
Local Avg	23,321	-	-	13.4	4.0	7.8	65.5	5.9	15.5
Blended Avg	74,127	-	-	21.2	7.7	5.9	145.9	3.9	16.1

SWOT Analysis: 2025 Outlook

Strength

Potential increases in ARPU on the back of softened competition stemming from industry consolidation may benefit the sector, making it healthier and shifting the focus to competing on network and service quality; FMC strategy may boost telecom companies' revenues

Weakness

Due to the presence of various players, intense competition in fixed broadband (FBB) may slow revenue growth caused by potential price wars; slow growth from saturated number of mobile subscribers of 188mn (97% penetration rate) and SIM cards of 352mn

Opportunity

Potential incentive spectrum auctions present opportunities to cut cost, enhance network quality and increase number of subscribers; advanced technologies like Internet of Things (IoT) may drive demand for 5G and fiber-optics; switching to worse-performing counters may provide buying opportunities for investors

Threat

Lower-than-expected ARPU (current: IDR 41,000) due to potential downtrading; strong dollar spells bad news for industry's capex; high regulatory charges (spectrum annual fee, USO); potential less interest rate cuts in 2025 by The Fed and BI may keep interest expenses high for leveraged counters like ISAT and EXCL

2024 Relative Performance vs JCI

