# FMC drives 4Q rebound, 2026F margins strengthen

15 December 2025

| | |
|---|---|
| Sector | Telecomm. |
| Price at 12 Dec 2025 (IDR) | 3,550 |
| Price target (IDR) | 3,900 |
| Upside/Downside (%) | 10.0 |

**Stock Information**

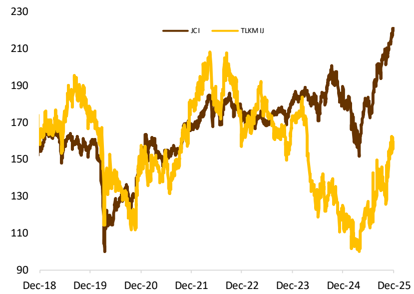
Telekomunikasi Indonesia is the largest telecommunication company in Indonesia, covering over 90% of Indonesian population. The company is largely owned by state and operates through various subsidiaries, ranging from telecommunication to property.

| | |
|---|---|
| Market cap (IDR bn) | 353,644 |
| Shares outstanding (mn) | 99,062 |
| 52-week range (IDR) | 2,050-3,720 |
| 3M average daily vol. ('000) | 124,109 |
| 3M average daily val. (IDR mn) | 304,291 |

**Shareholders (%)**

| | |
|---|---|
| Government of Indonesia | 52.0 |
| Public | 48.0 |

**Stock Performance**




*Source: Bloomberg*

| | 1M | 3M | 12M |
|---|---|---|---|
| Performance | 2.25 | 15.56 | 27.27 |

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**TLKM's 4Q25F EBITDA is set to snap back on FMC momentum (+7.3% qoq). Into 2026F, deeper FMC penetration and enterprise growth underpin 3.8% revenue growth and a margin lift to 49.7%. Maintain our BUY call with a target price of IDR3,900, based on a 5.5x 2026F EV/EBITDA (+0.2SD 7yrs-historical mean), while currently trading at 5.1x EV/EBITDA.**

### 4Q25F preview: FMC drives snapback, EBITDA +7.3% qoq

TLKM is set for a stronger 4Q25F, led by FMC momentum across Telkomsel and IndiHome. FMC revenue is expected to rise 4.1% qoq to IDR28.7 tn (vs. +3.4% in 3Q25), supported by Telkomsel's ongoing market repair, simplified packs, yield improvements, and seasonal year-end demand. TLKM's consolidated revenue should reach IDR40.9 tn (+11.6% qoq). Operating-costs remain elevated, with network maintenance and expanded mobile-content partnerships lifting O&M +19.0% qoq to IDR12.5 tn, partially offset by lower interconnection (-10.7% qoq to IDR1.3 tn) as legacy voice/SMS continues its shift to OTT. EBITDA is projected to rebound 7.3% qoq to IDR19.6 tn, a stronger recovery than 3Q25 (+2.3%), reflecting sustained FMC monetisation gains.

### 2026F outlook: solid operating momentum with margin lift from cost-discipline

Into 2026F, the growth profile remains anchored by B2B scale-up and deeper FMC penetration as mobile matures. Enterprise revenue should rise 4.0% yoy to IDR14.5 tn, driven by cloud, ICT and managed services. Telkomsel's combined revenue base (standalone+IndiHome B2C+legacy) is projected to grow 3.8% yoy to IDR120.2 tn, underpinned by stable mobile-subs (160.4 mn, +0.3% yoy), healthier data-usage (+3.6%), and stronger IndiHome B2C revenue (+5.8% to IDR27.8 tn). Despite ARPU pressure (-4.2% yoy) from FBB competition), IndiHome's subscriber trajectory remains constructive, with subs +10.5% yoy to 12.3 mn, while convergence penetration climbs to 55%, supported by retention-led bundling, simplified price structures and a more rational mobile/FBB competitive backdrop. This continues the solid run observed through 2025F (+15.5% yoy) and 9M25 (+9.4% yoy).

Cost-control remains a key support to margins. Cash-costs should rise a contained 3.1% yoy to IDR78.1 tn in 2026F; O&M up 3.3% yoy to IDR44.2 tn, still below 5yrs avg. of 4.4%. EBITDA margin is set to improve to 49.7% (vs. 49.4% in 2025F). Interest expense remains manageable at IDR5.6 tn on lower funding-costs (~6.7%) amid monetary easing. Net profit is projected at IDR22.7 tn, with net margin inching up to 14.6% (vs. 14.5% in 2025F).

### Reiterate BUY with TP of IDR3,900

Maintain our BUY call with a target price of IDR3,900, based on a 5.5x 2026F EV/EBITDA (+0.2SD 7yrs-historical mean), while currently trading at 5.1x EV/EBITDA. TLKM's earnings remain resilient on FMC uptake, cost discipline, and a rising B2B mix. Catalysts: faster FMC gains, enterprise digitalisation, and a more rational market. Risks: renewed price competition, weaker household demand, higher network/content costs, and convergence-execution challenges.

**Exhibit 1 : Key Statistics**

| Year end Dec (IDR bn) | 2023A | 2024A | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| Revenue (Rp) | 149,216 | 149,967 | 149,776 | 155,345 | 160,131 |
| EBITDA (Rp) | 77,579 | 75,029 | 74,002 | 77,227 | 80,170 |
| Net profit (Rp) | 24,560 | 23,649 | 21,787 | 22,675 | 23,663 |
| Core EPS | 253 | 233 | 216 | 224 | 234 |
| ROA (%) | 8.7 | 8.1 | 7.1 | 7.1 | 7.2 |
| PER (x) | 14.3 | 14.9 | 16.1 | 15.5 | 14.9 |
| PBV (x) | 2.2 | 2.2 | 2.0 | 1.9 | 1.9 |
| EV/EBITDA (x) | 5.0 | 5.2 | 5.2 | 5.1 | 4.8 |
| Div. yield (%) | 4.7 | 5.0 | 5.0 | 5.2 | 5.4 |

*Source: Company, KBVS Research*

**Exhibit 2: Summary of TLKM's latest results**

| TLKM's 9M25 results *(IDR bn)* | 9M25 | 9M24 | YoY (%) | 3Q25 | 3Q24 | YoY (%) | 2Q25 | QoQ (%) | 2025F | % to 25F | Cons' | % of Cons' |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **109,617** | **112,219** | **(2.3)** | **36,613** | **36,927** | **(0.9)** | **36,365** | **0.7** | **150,930** | **72.6%** | **149,645** | **73.3%** |
| Costs | (80,444) | (79,768) | 0.8 | (27,341) | (26,111) | 4.7 | (26,952) | 1.4 | | | | |
| EBIT | 29,173 | 32,451 | (10.1) | 9,272 | 10,816 | (14.3) | 9,413 | (1.5) | | | | |
| **EBITDA** | **54,388** | **56,628** | **(4.0)** | **18,287** | **18,760** | **(2.5)** | **17,869** | **2.3** | **75,116** | **72.4%** | **74,961** | **72.6%** |
| Other income (exp.) | (2,751) | (2,833) | (2.9) | (987) | (1,121) | (12.0) | (866) | 14.0 | | | | |
| Pre-tax income | 26,422 | 29,618 | (10.8) | 8,285 | 9,695 | (14.5) | 8,547 | (3.1) | | | | |
| Taxes | (5,827) | (6,596) | (11.7) | (1,816) | (2,097) | (13.4) | (2,018) | (10.0) | | | | |
| **Net Income** | **15,784** | **17,676** | **(10.7)** | **4,809** | **5,915** | **(18.7)** | **5,165** | **(6.9)** | **22,448** | **70.3%** | **22,802** | **69.2%** |
| | | | | | | | | | | | | |
| **Margins (%)** | | | | | | | | | | | | |
| EBIT margin | 26.6 | 28.9 | | 25.3 | 29.3 | | 25.9 | | | | | |
| EBITDA margin | 49.6 | 50.5 | | 49.9 | 50.8 | | 49.1 | | | | | |
| Net margin | 14.4 | 15.8 | | 13.1 | 16.0 | | 14.2 | | | | | |
| | | | | | | | | | | | | |
| **Operational KPI** | | | | | | | | | | | | |
| Telkomsel's number of subs | 157,587 | 158,416 | (0.5) | 157,587 | 158,416 | (0.5) | 158,428 | (0.5) | | | | |
| Telkomsel's ARPU | 42 | 45 | (4.7) | 43 | 43 | 0.7 | 41 | 5.3 | | | | |
| Telkomsel's data payload (PB) | 17,472,811 | 14,902,623 | 17.2 | 5,757,242 | 5,148,965 | 11.8 | 5,937,521 | (3.0) | | | | |
| Data yields (IDR/MB) | 3.2 | 3.9 | (18.2) | 3.4 | 3.7 | (8.8) | 3.1 | 11.2 | | | | |
| Indihome B2C number of subs | 10,261 | 9,376 | 9.4 | 10,261 | 9,376 | 9.4 | 10,061 | 2.0 | | | | |
| Indihome ARPU | 217 | 239 | (9.4) | 217 | 239 | (9.4) | 217 | (0.1) | | | | |
| Avg. data usage/subs | 12.3 | 10.5 | 17.9 | 12.2 | 10.8 | 12.4 | 12.5 | (2.5) | | | | |

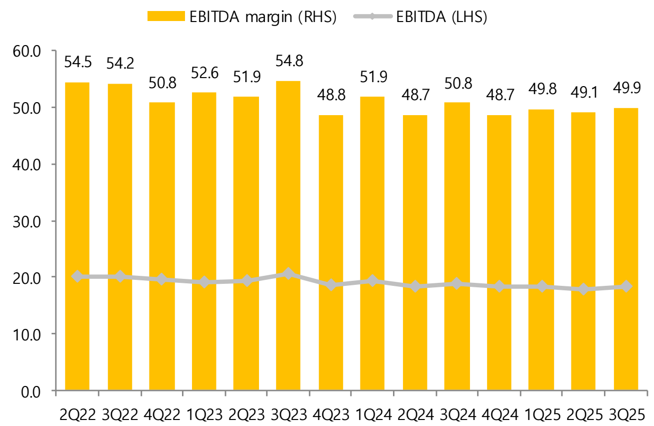
*Source: Company, Bloomberg, KBVS Research*

**Exhibit 3: Forecast for 2025F-2026F (unchanged from our latest reports)**

| | New | | Old | | Changes | | Consensus | | New vs. consensus | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025F | 2026F | 2025F | 2026F | 2025F | 2026F | 2025F | 2026F | 2025F | 2026F |
| Revenue | 149,776 | 155,345 | 150,930 | 156,621 | -0.8 | -0.8 | 149,645 | 153,913 | 0.1 | 0.9 |
| EBITDA | 74,002 | 77,227 | 75,116 | 78,475 | -1.5 | -1.6 | 74,961 | 77,287 | -1.3 | -0.1 |
| Net profit | 21,787 | 22,675 | 22,448 | 23,397 | -2.9 | -3.1 | 22,802 | 23,982 | -4.5 | -5.4 |

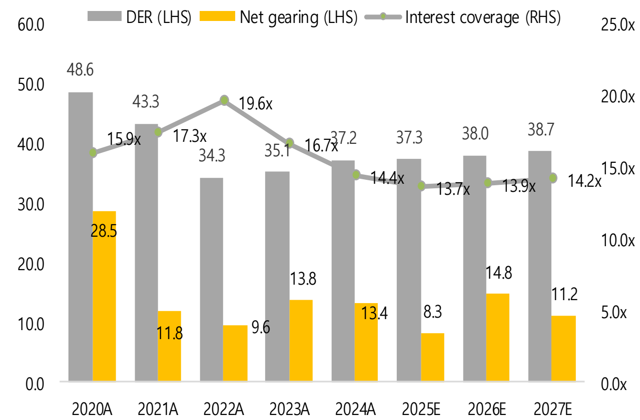
*Source: Company, Bloomberg, KBVS Research*

**Exhibit 4: TLKM's EBITDA margin**



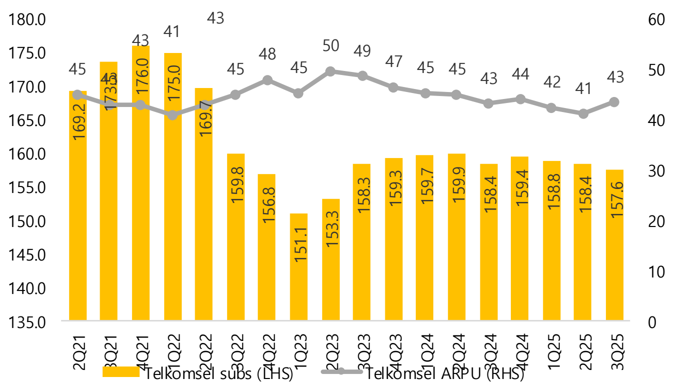

*Source: Company, KBVS Research*

**Exhibit 5: Leverage ratio remains manageable**



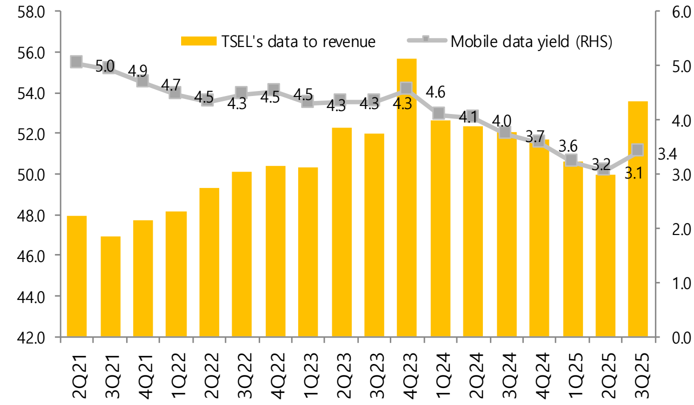

*Source: Company, KBVS Research*

**Exhibit 6: Telkomsel ARPU and subs growth**



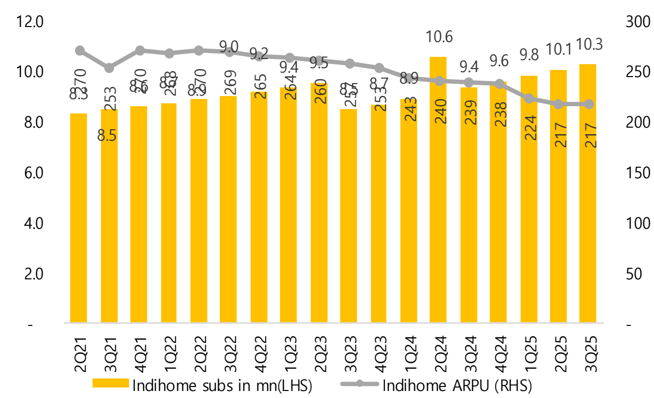

*Source: Company, KBVS Research*

**Exhibit 7: Telkomsel mobile data yield**



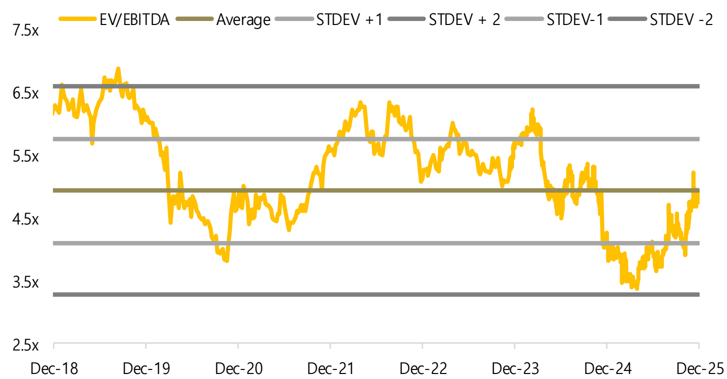

*Source: Company, KBVS Research*

**Exhibit 8: Indihome subs grow while ARPU decreases**




*Source: Company, KBVS Research*

**Exhibit 9: EV/EBITDA currently trades below its 7yrs average**




*Source: Company, Bloomberg*

## FINANCIAL TABLES

**Exhibit 10: Profit & Loss summary**

| Year End Dec (IDR bn) | 2023A | 2024A | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| **Revenue** | **149,216** | **149,967** | **149,776** | **155,345** | **160,131** |
| Costs | (104,832) | (106,976) | (109,103) | (113,392) | (116,900) |
| **Operating profit** | **44,384** | **42,991** | **40,672** | **41,953** | **43,231** |
| **EBITDA** | **77,579** | **75,029** | **74,002** | **77,227** | **80,170** |
| Other income/net | (3,590) | (3,838) | (3,974) | (3,955) | (3,833) |
| Pretax profit | 40,794 | 39,153 | 36,699 | 37,998 | 39,398 |
| Income tax | (8,586) | (8,410) | (8,367) | (8,550) | (8,864) |
| After tax profit | 32,208 | 30,743 | 28,331 | 29,448 | 30,533 |
| Non-controlling shareholders | 7,648 | 7,094 | 6,545 | 6,773 | 6,870 |
| **Net profit** | **24,560** | **23,649** | **21,787** | **22,675** | **23,663** |

*Source: Company, KBVS Research*

**Exhibit 11: Balance sheet**

| Year End Dec (IDR bn) | 2023A | 2024A | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Cash and cash equivalents | 29,007 | 33,905 | 42,635 | 35,113 | 42,930 |
| Trade receivables | 10,667 | 12,193 | 5,852 | 12,864 | 6,429 |
| Other current assets | 15,939 | 16,982 | 17,680 | 18,678 | 19,262 |
| **Total current assets** | **55,613** | **63,080** | **66,167** | **66,655** | **68,621** |
| | | | | | |
| **Non current assets** | | | | | |
| Fixed assets | 180,755 | 180,566 | 189,530 | 198,827 | 208,075 |
| Other non current assets (*) | 50,674 | 56,029 | 56,850 | 58,457 | 60,004 |
| Total non current assets | 231,429 | 236,595 | 246,380 | 257,284 | 268,079 |
| | | | | | |
| **Total assets** | **287,042** | **299,675** | **312,546** | **323,939** | **336,700** |
| | | | | | |
| **Current liabilities** | | | | | |
| Trade payables | 18,608 | 15,336 | 15,018 | 15,153 | 16,070 |
| Taxes payable | 4,525 | 3,293 | 3,359 | 4,350 | 5,633 |
| Accrued expenses | 13,079 | 14,192 | 13,612 | 14,147 | 14,585 |
| Short term debts | 25,501 | 32,882 | 34,781 | 36,383 | 38,061 |
| Other current liabilities | 9,855 | 11,064 | 9,811 | 10,095 | 10,346 |
| **Total current liabilities** | **71,568** | **76,767** | **76,580** | **80,128** | **84,695** |
| | | | | | |
| **Non current liabilities** | | | | | |
| Long term debts | 42,623 | 43,986 | 44,810 | 46,690 | 48,654 |
| Other non current liabilities (*) | 16,289 | 16,432 | 15,997 | 16,394 | 16,819 |
| **Total non-current liabilities** | **58,912** | **60,418** | **60,807** | **63,084** | **65,472** |
| | | | | | |
| Minority interests | 20,818 | 20,396 | 28,582 | 29,491 | 30,438 |
| | | | | | |
| **Shareholder equity** | **156,562** | **162,490** | **175,159** | **180,727** | **186,532** |
| | | | | | |
| **Total liabilities and equity** | **287,042** | **299,675** | **312,546** | **323,939** | **336,700** |

*Source: Company, KBVS Research*

**Exhibit 12: Cash flow**

| Year End Dec (IDR bn) | 2023A | 2024A | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| Net profit | 24,560 | 23,649 | 21,787 | 22,675 | 23,663 |
| Depreciation | 12,643 | 12,792 | 13,159 | 13,981 | 14,683 |
| Changes in working capital | (5,843) | (4,751) | 3,557 | (6,065) | 8,740 |
| **CF from operating activities** | **31,360** | **31,690** | **38,503** | **30,591** | **47,086** |
| | | | | | |
| Investment in fixed assets | (22,418) | (15,109) | (24,634) | (25,741) | (26,476) |
| Others | (1,519) | (2,849) | 1,690 | 855 | 998 |
| **CF from investing activities** | **(23,937)** | **(17,958)** | **(22,944)** | **(24,886)** | **(25,478)** |
| | | | | | |
| Dividends paid | (16,603) | (17,683) | (17,429) | (18,140) | (18,931) |
| Debt raised/ repaid | 4,641 | 10,999 | 1,447 | 2,143 | 2,235 |
| Others | 1,603 | (2,150) | 9,152 | 2,770 | 2,903 |
| **CF from financing activities** | **(10,359)** | **(8,834)** | **(6,830)** | **(13,227)** | **(13,792)** |
| | | | | | |
| **Change in cash flow** | **(2,936)** | **4,898** | **8,730** | **(7,521)** | **7,816** |
| Cash and cash equivalent, beginning | 31,943 | 29,007 | 33,905 | 42,635 | 35,113 |
| Cash and cash equivalent, ending | 29,007 | 33,905 | 42,635 | 35,113 | 42,930 |

*Source: Company, KBVS Research*

**Exhibit 13: Ratio analysis**

| Year End Dec | 2023A | 2024A | 2025F | 2026F | 2027F |
|---|---|---|---|---|---|
| Operating profit margin | 29.7 | 28.7 | 27.2 | 27.0 | 27.0 |
| EBITDA margin | 52.0 | 50.0 | 49.4 | 49.7 | 50.1 |
| Net profit margin | 16.5 | 15.8 | 14.5 | 14.6 | 14.8 |
| Receivables turnover (x) | 15.46 | 13.12 | 16.60 | 16.60 | 16.60 |
| Inventory turnover (x) | 97.9 | 102.2 | 108.0 | 108.0 | 108.0 |
| Payable turnover (x) | 5.7 | 6.3 | 7.2 | 7.5 | 7.5 |
| ROA | 8.7 | 8.1 | 7.1 | 7.1 | 7.2 |
| ROE | 16.1 | 14.8 | 12.9 | 12.7 | 12.9 |
| ROIC | 14.0 | 12.8 | 11.9 | 11.4 | 11.8 |
| Debt/Equity | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 |
| Net debt/Equity | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Net debt/EBITDA | 0.9 | 1.0 | 1.1 | 1.1 | 1.1 |
| Interest coverage (x) | 16.7 | 14.4 | 13.7 | 13.9 | 14.2 |
| BV/Share (Rp) | 1,370.3 | 1,434.4 | 1,479.7 | 1,526.7 | 1,575.8 |
| Dividend yield | 5.2 | 5.6 | 5.5 | 5.7 | 6.0 |

*Source: Company, KBVS Research*

## Disclaimer



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