

1Q18 in a nutshell. Telecommunication industry has suffered from SIM registration policy in the first quarter of 2018 which is reflected upon poor performance of overall industry during the quarter. Prepaid SIM registration that was initiated on 31 October 2017 and ended on 1 May 2018 has made every operators seized this opportunity to grab new customers and maintain their existing customer by lowering data pricing and adding appealing bonuses, creating inevitable data price war within telco industry. As for the 1Q18, TLKM remained resilient as the market leader in telco industry with revenue growth of 4.26% YoY, 3.49% QoQ followed by EXCL with a growth of 4.47% YoY, -7.98% QoQ. Meanwhile, ISAT suffer greatly from SIM card regulation, reflected upon their net loss and negative revenue growth in 1Q18 amounted to -22% YoY. The pressure for narrower data margin not only came from SIM registration but also affected by the continuation of shifting process from legacy (higher margin) to data business (lower margin). Regardless of the downside, we expect that SIM registration would be beneficial in many aspects, including: 1) Significant reduction of rotational churner which resulting in a more loyal customer base, 2) Better allocation for expansion and improving customers' experience since allocation for starter pack would likely to go down 3) Customers' database that can be used to further implement micro cluster pricing. Overall, we see this short term negative impact as a transformation process towards a much more healthier competition.

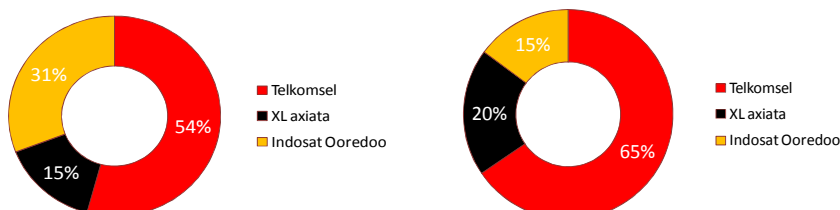
Alteration in market share. The regulation made by the government has greatly affected all telco operators, creating a shift in subscriber number. By the end of 2017 we recorded that the total prepaid users from Telkomsel, subsidiary of TLKM, EXCL, and ISAT were 353 mn subscribers. Based on Kontan, those numbers has greatly reduced to 229 mn prepaid users. EXCL has the most verified customers compared to other operators with 84% of their prepaid users had successfully registered while Telkomsel and ISAT got 79% and 35% respectively and thus shifting the subscriber market share between those three operators. EXCL's subscriber market share has moved to second place, replacing ISAT due to the significant drop in ISAT's prepaid subscriber, while TLKM remained resilient as market leader with 65% prepaid subscriber share. As for revenue share, based on Q1 results, both Tsel and EXCL recorded an increase in their topline while ISAT's topline declining by 22% YoY resulting in 3% drop of ISAT's revenue share.

Prepaid subscribers as of 2017 and after SIM registration

	Prepaid users (mn)		Subscribers share%		Verified users
	2017	May-18	2017	May-18	
Telkomsel	192	150	54%	66%	78%
XL axiata	53	45	15%	20%	85%
Indosat Ooredoo	109	34	31%	15%	31%
Total	353	229			

Source: Company data, Sinarmas Investment Research

Prepaid Subscriber share 2017 Prepaid Subscriber share May 2018



Source: Company data, Kontan, Sinarmas Investment Research

Kenji Fanata

Research Associate

+62 21 392 5550 ext. 611

kenji.fanata@sinarmassekuritas.co.id

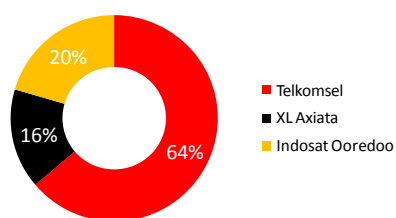
Richard Suherman

Equity Analyst

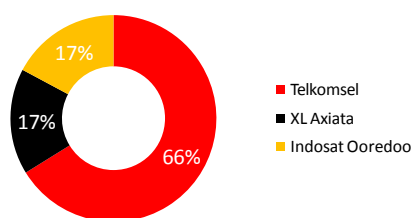
+62 21 392 5550 ext. 610

richard.suherman@sinarmassekuritas.co.id

Revenue share 2017



Revenue share 1Q18



Source: Company data, Sinarmas Investment Research

Renewal package over starter pack. We believe the new competition landscape would be focusing more on renewal package/reload package as operators would likely to focus more on expansion and quality improvement rather than customer acquisition through starter pack sales. Based on the information from TLKM, currently government is working on a new regulation to set guidance on tariff gap between starter packs and reload packages with reload packages price must be set lower than starter packs to encourage sustainable customer shift to reload/renewal packages. Doing so would help prevent the industry from returning to starter pack-heavy sales model and lead to a lower churn rates also achieve the efficiency objectives as set by the existing prepaid SIM card registration policy.

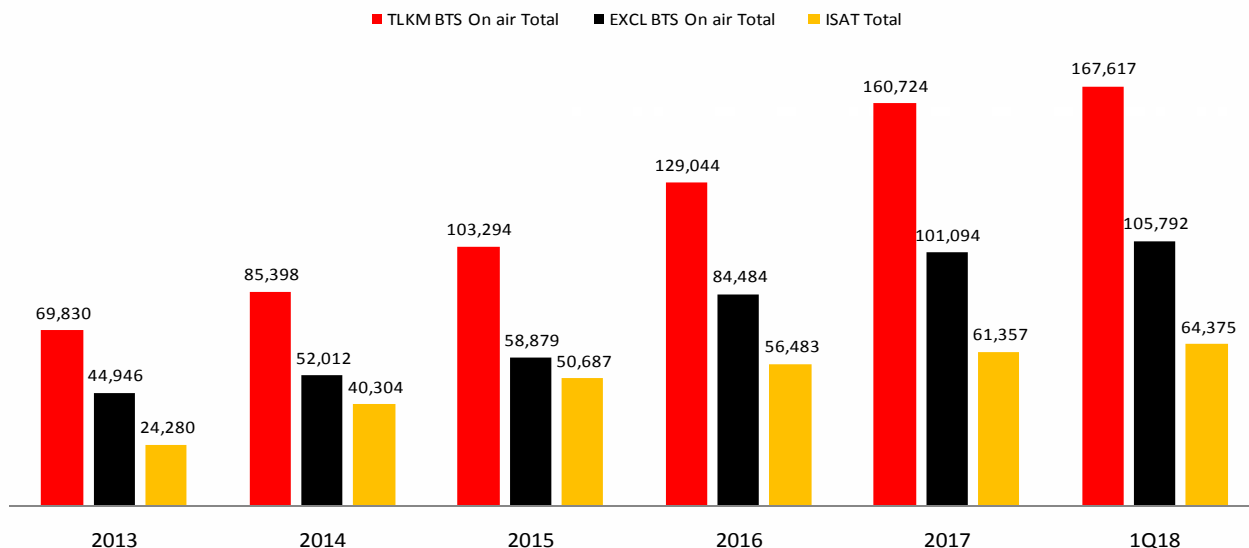
Potential surge in data pricing on welcoming festive season. After recent price war caused by the SIM card regulation, we expect there will be an increase in data pricing considering that the price war has starting to subside and the implementation of SIM regulation would reduce the potential price war in the future. Furthermore, based on our meeting with Telkomsel, there is an indication that Telkomsel plan to increase their data pricing before Eid al Fitr period which probably would happen around the beginning of June. This might be the signal for the end of price war as we expect other operators to follow Telkomsel footstep in increasing data pricing.

Continuous expansion towards digitalization. Based on Indonesia Digital Landscape survey, as of January 2018 Indonesia internet users penetrations stood at 50% of total population with mobile internet users dominated the numbers (47% of total population). This means that there are still 124,8 mn of population are living without internet. By looking at those numbers, we can see the market for mobile internet usage is still huge and internet penetration will keep on growing at a fast rate. Not to mention, smartphone is becoming cheaper & more affordable. This explain the operator aggresion towards expanding network coverage and improving quality (to grab new customers) by building more base transceiver station (BTS) to reach an area with poor connectivity. Going forward, operators are focusing more on building 4G BTS as 4G network provides better experience for data users and also higher margin for company.

OVERWEIGHT outlook for telecommunication sector as intense competition from recent SIM registration would likely to subside, ending the price wars. Moreover, we expect continuous growth of data traffic and normalized data pricing should compensate compressed margin from eroding legacy business. Both TLKM and EXCL remain as our top picks in telecommunication industry, as both have strong competitive advantage among its peers.

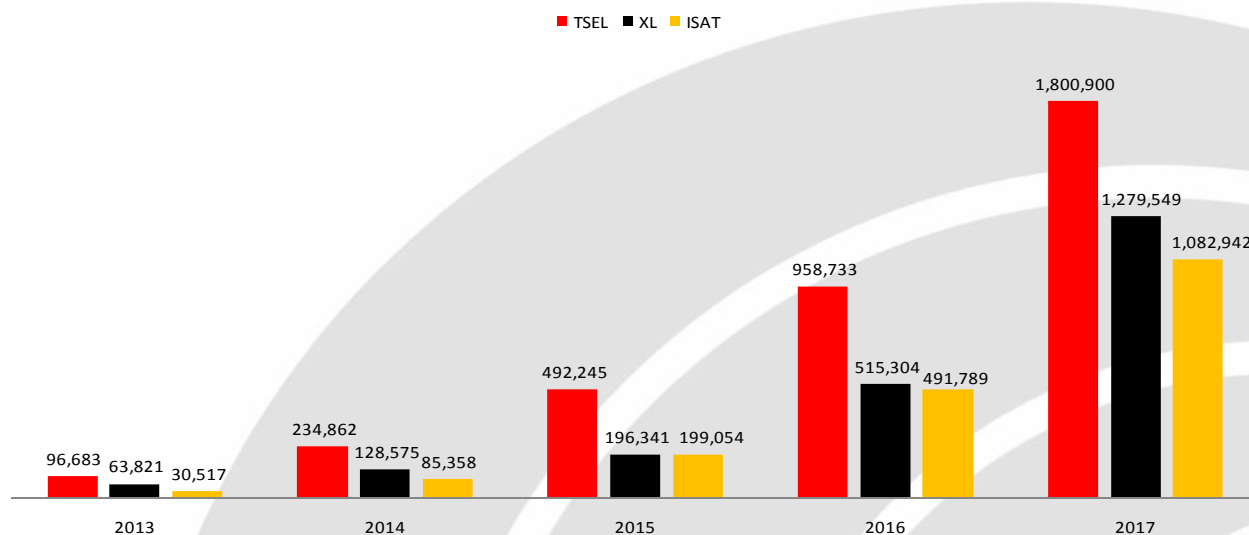
Ticker	Rating	CP	TP	% Chg	FY19F PE
TLKM	BUY	3,520	5,000	42.0%	20.7
EXCL	BUY	2,100	3,850	83.3%	39.8

Base Transceiver Station on air



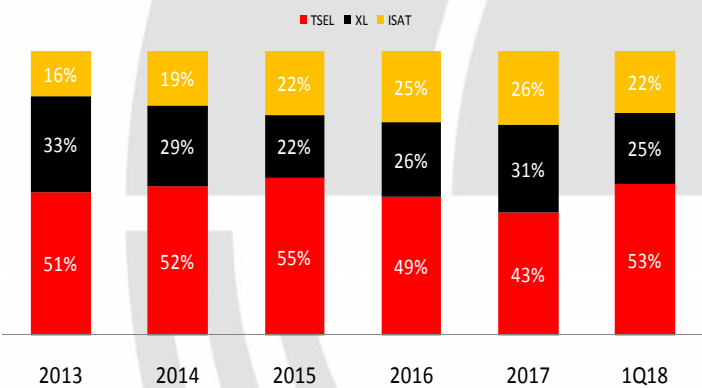
Source: Company data, Sinarmas Investment Research

Data Traffic (TB)



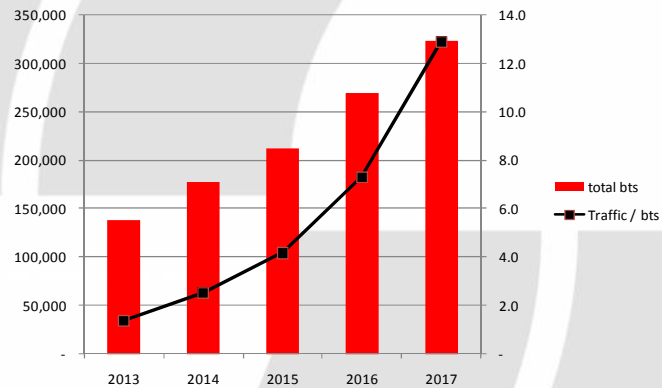
Source: Company data, Sinarmas Investment Research

Data Traffic share



Source: Company data, Sinarmas Investment Research

Data Traffic (TB) / BTS



Source: Company data, Sinarmas Investment Research

1Q18 result. TLKM's 1Q18 results were quite satisfying amidst weak industry outlook. TLKM posted 1Q18 robust growth of 4.26% YoY and 3.49% QoQ into IDR 32,343 bn in revenue with net profit declining by 14.26% YoY. The decline in company's net profit was due to compressed margin affected by price wars and shifting from legacy to data business. TLKM EBITDA margin and net profit margin were recorded at 49.83% (vs 54.18% in 1Q17) and 17.73% (vs 21.56% in 1Q17) respectively.

Post-registration outlook. The percentage of customers that are already verified is estimated around 78% of total customer base. Telkomsel which has second highest verification rate after EXCL, remained as the market leader, with prepaid users amounting to 150 million subscribers or 59% of total prepaid users in the industry. The regulation from government to limit the number of SIM card to maximum of 3 SIM card/ID at a time will significantly reduce starter pack sales as people tend to avoid such inconvenience. Despite the revenue loss from starter pack, we believe TLKM is able to booked a robust growth from an increase in data pricing, high data traffic growth, and support from other subsidiaries. As for expansion, TLKM will remained aggressive towards strengthening their infrastructure with stable capex allocation amounted to 25% of total revenue this year. In FY18, TLKM has targeted to build 20-21k new bts, where around 7k bts will be using the newly acquired 2.3 GHz spectrum.

Indihome's rapid growth. By 1Q18, Indihome subscribers have reached 3.5 mn subscribers, increased by 97% YoY with revenue growth of 48.4% YoY amounted to IDR 2.3 tn. As for this year TLKM set a target to increase Indihome subscriber by 1.5-1.7 mn as Indihome hold a license to officially broadcast World Cup 2018. Although Indihome's contribution to total revenue still small, with rapid growth of subscribers each year, we believe Indihome will play a vital role in supporting TLKM towards digitalization.

We reinitiate our coverage on PT Telekomunikasi Indonesia Tbk. (TLKM) with BUY recommendation and FY19 target price at IDR 5,000 derived via EV/EBITDA multiples valuation at 7x, equivalent to its 3 years historical average. We are positive on TLKM as we believe it would remain resilient as the market leader due to its strong infrastructure, leading subscribers base, and promising industry outlook.

Highlights (IDR Tn)	2016	2017	2018E	2019F	2020F
Revenue	116.3	128.3	138.1	147.9	157.1
% growth	13.5%	10.2%	7.7%	7.1%	6.2%
EBITDA	59.5	64.6	67.5	72.8	77.7
Net Profit	19.4	22.1	22.7	24.3	25.3
% growth	24.9%	14.4%	2.7%	6.8%	4.3%
EBITDA Margin (%)	51.1%	50.4%	48.8%	49.2%	49.2%
Net Margin (%)	16.6%	17.3%	16.5%	16.4%	16.0%
Return on Equity (%)	18.3%	19.7%	19.3%	19.6%	19.5%
Return on Assets (%)	10.8%	11.2%	11.0%	11.3%	11.3%
EPS (IDR)	192.0	219.7	225.7	241.0	251.5

Kenji Fanata

Research Associate

+62 21 392 5550 ext. 611

kenji.fanata@sinarmassekuritas.co.id**Richard Suherman**

Equity Analyst

+62 21 392 5550 ext. 610

richard.suherman@sinarmassekuritas.co.id

Stock Information

Sector	Telecommunication
Bloomberg Ticker	TLKM IJ
Market Cap. (IDR tn)	354.8
Share Out./Float (mn)	100,800/49,188
Current Price	IDR 3,520
52-week Target Price	IDR 5,000
Upside (%)	42.0%

Share Price Performance

52W High (08/02/17)	4,840
52W Low (05/16/18)	3,250
52W Beta	0.88
YTD Change (%)	-17.3%

Relative Valuations

Trailing P/E	16.5x
Forward P/E	14.6x
P/BV	3.5x
EV/EBITDA	6.1x

Income Statement (IDR Tn)	2016	2017	2018E	2019F	2020F
Revenue	116.3	128.3	138.1	147.9	157.1
Operation exp	(31.3)	(36.6)	(41.5)	(44.1)	(46.8)
Dep & Amo. exp	(18.5)	(20.4)	(21.2)	(23.5)	(25.9)
Personal exp	(13.6)	(13.5)	(14.7)	(16.4)	(18.1)
Interconnection exp	(3.2)	(3.0)	(2.6)	(2.3)	(2.0)
G&A exp	(4.6)	(5.3)	(5.7)	(6.2)	(6.7)
Marketing exp	(4.1)	(5.3)	(6.2)	(6.2)	(6.6)
Other exp	(1.8)	(0.2)	(0.6)	(0.4)	(0.8)
Operating Profit	39.2	43.9	45.7	48.9	51.1
Profit or loss from JV	0.1	0.1	0.1	0.1	0.1
EBIT	39.3	44.0	45.7	49.0	51.2
EBITDA	59.5	64.6	67.5	72.8	77.7
Finance income(exp)	(1.5)	(0.7)	(0.6)	(1.1)	(1.1)
EBT	38.2	42.7	44.4	47.6	49.6
Tax	(9.0)	(10.0)	(10.5)	(11.3)	(11.8)
Net profit	29.2	32.7	33.9	36.3	37.8
Minority interest	(9.8)	(10.6)	(11.1)	(12.0)	(12.5)
Attributable Net profit	19.4	22.1	22.7	24.3	25.3
Earnings per share (IDR)	192.0	219.7	225.7	241.0	251.5

Balance Sheet (IDR Tn)	2016	2017	2018E	2019F	2020F
Cash & equivalents	29.8	25.1	25.7	25.2	26.8
Trade receivables	7.4	9.2	9.8	10.6	11.3
Other CA	10.6	13.2	13.4	14.6	15.8
Total Current Assets	47.7	47.6	48.9	50.4	54.0
PPE	114.5	130.2	137.7	145.2	152.5
Other LT assets	17.4	20.8	21.2	21.5	21.9
Total Assets	179.6	198.5	207.9	217.1	228.3
Payables	13.7	15.8	18.0	19.1	20.3
Short-term loans	5.4	7.5	7.6	7.3	8.5
Other current liabilities	20.6	22.1	23.7	25.0	26.7
Total Current Liabilities	39.8	45.4	49.3	51.4	55.6
Long term-loans	26.4	28.0	26.4	26.2	25.2
Other	7.9	13.0	13.1	13.2	13.5
Total Liabilities	74.1	86.4	88.9	90.8	94.3
Share & APIC	10.0	10.0	10.0	10.0	10.0
Retained earnings	76.6	84.9	90.6	96.7	103.0
Non controlling interest	21.2	19.4	20.6	21.9	23.2
Other	-2.2	-2.2	-2.2	-2.2	-2.2
Total Equity	105.5	112.1	119.0	126.4	134.0
Total Equity & Liabilities	179.6	198.5	207.9	217.1	228.3

Cash Flow (IDR Tn)	2016	2017	2018E	2019F	2020F
Net Income	19.4	22.1	22.7	24.3	25.4
Depreciation & amortization	4.6	3.5	20.0	22.1	24.3
Chg. in NWC	5.2	(0.9)	3.0	0.4	1.0
CF from Operating	29.2	24.7	45.8	46.9	50.8
Capital Expenditure	(15.4)	(19.2)	(27.6)	(29.6)	(31.6)
Chg. in LT Assets	(2.9)	(3.3)	(0.4)	(0.4)	(0.3)
Chg in LT Liabilities	0.8	5.1	0.1	0.1	0.3
CF from Investing	(17.5)	(17.4)	(27.9)	(29.9)	(31.6)
Chg. in Share & APIC	2.0	-	-	-	-
Chg. in Bank Loans	(2.8)	3.7	(1.4)	(0.6)	0.3
Dividends Paid	(13.2)	(13.9)	(17.1)	(18.2)	(19.1)
Others	4.0	(1.7)	1.2	1.3	1.3
CF from Financing	(10.0)	(11.9)	(17.3)	(17.6)	(17.4)
Change in Cash	1.7	(4.6)	0.6	(0.6)	1.7
Beginning Cash	28.1	29.8	25.1	25.7	25.2
Ending Cash	29.8	25.1	25.7	25.2	26.8

Financial Ratio	2016	2017	2018E	2019F	2020F
Profitability					
ROE	18.3%	19.7%	19.1%	19.3%	19.0%
ROA	10.8%	11.2%	10.9%	11.2%	11.1%
EBITDA Margin	51.1%	50.4%	48.8%	49.2%	49.2%
Net profit margin	16.6%	17.3%	16.5%	16.4%	16.1%
Liquidity & Solvency					
Current Ratio	1.2	1.0	1.0	1.0	1.0
Debt to Equity	0.3	0.3	0.3	0.3	0.3
Debt to Assets	0.2	0.2	0.1	0.1	0.1
Valuation					
Price to Earning (PE)	20.7	20.2	22.2	20.7	19.8
Price to Book (PBV)	4.8	4.8	5.2	4.9	4.6
EV/EBITDA	7.1	7.4	7.6	7.0	6.6

Key Assumptions	2016	2017	2018E	2019F	2020F
Indonesia Population (Mn)	258.7	261.9	265.0	268.1	271.1
Cellular Subs (Mn)	173.9	196.3	166.9	171.9	177.0
Cellular Subs Penetration (%)	67%	75%	63%	64%	65%
Data Subs (Mn)	84.7	105.8	116.8	128.9	138.1
Data/Subs/Month (GB)	0.9	1.4	2.6	3.2	3.8
Price/Data (IDR/MB)	29.5	21.1	13.9	12.5	11.5
BTS on air (Thousand)	129.0	160.7	181.6	199.8	215.7

1Q18 results. EXCL results were quite weak as it was primarily affected by weak industry outlook in the first quarter due to the continuity of the intense competition in the market driven by SIM registration policy. EXCL posted a revenue of IDR 5,501 tn (+4.47% YoY, -7.89% QoQ) and net income of IDR 15 mn (-66.81% YoY, -88.75% QoQ). EXCL managed to book positive revenue growth that was driven by an increase in service revenue and data revenue which increases by 5% and 29% YoY respectively. Overall, EBITDA margin and net profit margin in 1Q18 were recorded at 38.63% and 0.28%, with EBITDA margin slightly improving compared to the same period last year (37.10%) and last quarter (36.82%).

Highest registered subscribers in the industry. Following the end of SIM registration period, 84% of EXCL subscribers has already been registered, the highest number among its peers. The registered subscribers, which likely to purchase reload package than starter pack, should provide a more stable revenue for EXCL. Note that reload package sales have a higher ARPU compared to starter pack. In addition, EXCL also expects industry's churn rate to significantly decrease from 20% to 8%.

Normalized margin. Data pricing will most likely be raised in the beginning of June after significant discount prior to the SIM registration period. As of 1Q18, we saw an improvement of EBITDA margin which amounted to 38.63% (vs 37.10% in 1Q17, 36.82 in 4Q18) and we believe that continuous growth in data traffic and normalized data pricing should be more than enough to compensate the loss in revenue generated by starter pack sales and eroding legacy business (voice & sms).

We reinitiate our coverage on PT XL Axiata Tbk. (EXCL) with BUY recommendation and FY19 target price at IDR 3,850 derived via EV/EBITDA multiples valuation at 5.2x, equivalent to -0.5sd to its 3 years average. Up to this point, EXCL share price has declined by more than 40% from its peak in 2017 and currently traded at -1.5sd from its 3 years average EV/EBITDA which gives an attractive entry point and valuation. Overall, we remain optimistic towards EXCL this year as we expect better performance ahead resulting from better industry outlook supported by many festive events and normalized data pricing.

Highlights (IDR Bn)	2016	2017	2018E	2019F	2020F
Revenue	21,341	22,876	23,877	25,597	27,288
% growth	-6.7%	7.2%	4.4%	7.2%	6.6%
EBITDA	8,058.3	8,321.2	9,245.2	10,057.7	10,883.6
Net Profit	440.5	384.5	555.8	815.4	1,036.2
% growth	-12595%	-12.7%	44.5%	46.7%	27.1%
EBITDA Margin (%)	37.8%	36.4%	38.7%	39.3%	39.9%
Net Margin (%)	2.1%	1.7%	2.3%	3.2%	3.8%
Return on Equity (%)	2.1%	1.8%	2.5%	3.5%	4.3%
Return on Assets (%)	0.8%	0.7%	1.0%	1.4%	1.8%
EPS (IDR)	41	36	52	76	97

Kenji Fanata

Research Associate

+62 21 392 5550 ext. 611

kenji.fanata@sinarmassekuritas.co.id**Richard Suherman**

Equity Analyst

+62 21 392 5550 ext. 610

richard.suherman@sinarmassekuritas.co.id

Stock Information

Sector	Telecommunication
Bloomberg Ticker	EXCL IJ
Market Cap. (IDR tn)	22.4
Share Out./Float (mn)	10,688/3,595
Current Price	IDR 2,100
52-week Target Price	IDR 3,850
Upside (%)	83.3%

Share Price Performance

52W High (09/14/17)	4,060
52W Low (05/15/18)	1,710
52W Beta	1.09
YTD Change (%)	-19.9%

Relative Valuations

Trailing P/E	66.1x
Forward P/E	27.5x
P/BV	1.0x
EV/EBITDA	4.4x

MSCI adjustment. Morgan Stanley Capital International, released a statement to exclude EXCL from MSCI Global Standard Index as part of their semi annual portfolio rebalancing act with effective date on 31 May 2018. After the announcement, EXCL's price has dropped 14.6% from its peak in May from IDR 2,460 to IDR 2,100 as per 31 May 2018 which provides attractive entry point for EXCL.

Growing new business line. To better diversified its business portfolio, EXCL will focus on developing their new business lines, which are fixed broadband with "XL Home Pow" brand as well as network provider for small medium enterprise (SME). XL Home Pow offers internet service up to 300 Mbps coupled with Android TV entertainment services, partnering with Netflix, Iflix, and other content providers.

Aggressive expansion plan. EXCL maintains their aggressive non-java expansion plan to grab new area of customers, where currently are dominated by Telkomsel. This year, EXCL allocates capex of around IDR 7tn, whereas 50-55% will be used for non-java expansion. As in 1Q18 EXCL has 105,792 base transceiver station (bts) with more than 20,000 4G BTS, with 4G network now covering 373 cities and areas across Indonesia. We believe that a successful expansion outside java would lead to higher traffic and revenue growth.

Income Statement (IDR Bn)	2016	2017	2018E	2019F	2020F
Revenue	21,341	22,876	23,877	25,597	27,288
Infrastructure exp	(8,269)	(8,576)	(9,085)	(9,894)	(10,541)
Depreciation exp	(7,828)	(6,757)	(7,101)	(7,674)	(8,391)
Interconnection exp	(1,926)	(2,459)	(2,074)	(1,833)	(1,777)
Salaries exp	(1,156)	(1,351)	(1,117)	(1,285)	(1,448)
Marketing exp	(1,433)	(1,616)	(1,781)	(1,911)	(1,982)
G&A exp	(498)	(552)	(575)	(616)	(657)
Amortization exp	(218)	(194)	(148)	(33)	(22)
Other exp	1,675	288	(153)	(153)	(170)
Operating Profit	1,687	1,658	1,843	2,198	2,301
FX and JV loss	31	(142)	(129)	(154)	(161)
EBIT	1,718	1,516	1,714	2,044	2,140
EBI TDA	8,058	8,321	9,245	10,058	10,884
Finance income(exp)	(1,533)	(1,295)	(1,129)	(1,138)	(988)
EBT	251	231	585	906	1,151
Tax	190	154	(29)	(91)	(115)
Net profit	440	385	556	815	1,036
Earnings per share (IDR)	41	36	52	76	97

Balance Sheet (IDR Bn)	2016	2017	2018E	2019F	2020F
Cash & equivalents	1,400	2,455	2,262	2,096	2,010
Trade receivables	663	632	792	777	822
Other CA	4,744	4,094	4,260	4,139	4,010
Total Current Assets	6,807	7,181	7,314	7,012	6,843
PPE	33,183	34,934	34,995	36,280	37,440
Other LT assets	14,907	14,207	14,188	14,187	14,146
Total Assets	54,896	56,321	56,498	57,479	58,428
Payables	6,674	7,688	7,210	8,030	8,603
Short-term loans	3,645	3,771	2,474	3,199	2,474
Other current liabilities	4,158	3,767	3,899	3,764	3,963
Total Current Liabilities	14,477	15,227	13,584	14,994	15,040
Long term-loans	11026	10980	12005	10006	9232
Other	8184	8484	8722	9477	10118
Total Liabilities	33,687	34,691	34,311	34,476	34,390
Share & APIC	13,208	13,226	13,226	13,226	13,226
Retained earnings	8,002	8,405	8,961	9,776	10,812
Total Equity	21,209	21,631	22,187	23,002	24,038
Total Equity & Liabilities	54,896	56,321	56,498	57,479	58,428

Cash Flow (IDR Bn)	2016	2017	2018E	2019F	2020F
Net Income	376	375	556	815	1,036
Depreciation & amortization	7,282	6,361	7,249	7,707	8,413
Chg. in NWC	(53)	2,602	(1,969)	1,545	130
CF from Operating	7,605	9,338	5,836	10,068	9,579
Capital Expenditure	(6,821)	(7,918)	(7,163)	(8,959)	(9,551)
Chg. in LT Assets	141	506	(129)	(31)	19
Chg in LT Liabilities	2,212	1,181	238	30	641
CF from Investing	(4,467)	(6,231)	(7,055)	(8,960)	(8,891)
Chg. in Share & APIC	6,721	18	-	-	-
Chg. in Bank Loans	(11,792)	(2,098)	1,026	(1,274)	(774)
Dividends Paid	21	28	-	-	-
CF from Financing	(5,050)	(2,052)	1,026	(1,274)	(774)
Change in Cash	(1,912)	1,055	(193)	(167)	(86)
Beginning Cash	3,312	1,400	2,455	2,262	2,096
Ending Cash	1,400	2,455	2,262	2,096	2,010

Financial Ratio	2016	2017	2018E	2019F	2020F
Profitability					
ROE	2.1%	1.8%	2.5%	3.5%	4.3%
ROA	0.8%	0.7%	1.0%	1.4%	1.8%
EBITDA Margin	37.8%	36.4%	38.7%	39.3%	39.9%
Net profit margin	2.1%	1.7%	2.3%	3.2%	3.8%
Liquidity & Solvency					
Current Ratio	0.5	0.5	0.5	0.5	0.5
Debt to Equity	0.7	0.7	0.7	0.6	0.5
Debt to Assets	0.3	0.3	0.3	0.2	0.2
Valuation					
Price to Earning (PE)	56.1	82.4	74.1	50.5	39.8
Price to Book (PBV)	1.2	1.5	1.9	1.8	1.7
EV/EBITDA	4.7	5.3	5.8	5.2	4.7

Key Assumptions	2016	2017	2018E	2019F	2020F
Indonesia Population (Mn)	258.7	261.9	265.0	268.1	271.1
Cellular Subs (Mn)	46.5	53.5	58.9	63.6	67.4
Cellular Subs Penetration (%)	18%	20%	22%	24%	25%
Data Subs (Mn)	30.2	38.3	47.1	52.8	57.3
Data/Subs/Month (GB)	1.4	2.8	3.5	4.1	4.6
Price/Data (IDR/MB)	15.8	10.2	8.2	7.4	6.7
BTS on air (Thousand)	84.5	101.1	116.3	131.4	145.8

BUY: Share price may rise by more than 15% over the next 12 months.

ADD: Share price may range between 10% to 15% over the next 12 months.

NEUTRAL: Share price may range between -10% to +10% over the next 12 months.

REDUCE: Share price may range between -10% to -15% over the next 12 months.

SELL: Share price may fall by more than 15% over the next 12 months.

DISCLAIMER

This report has been prepared by PT Sinarmas Sekuritas, an affiliate of Sinarmas Group.

This material is: (i) created based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such; (ii) for your private information, and we are not soliciting any action based upon it; (iii) not to be construed as an offer to sell or a solicitation of an offer to buy any security.

Opinions expressed are current opinions as of original publication date appearing on this material and the information, including the opinions contained herein, is subjected to change without notice. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The analyst(s) responsible for the preparation of this publication may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, integrating and interpreting market information. Research will initiate, update and cease coverage solely at the discretion of Sinarmas Research department. If and as applicable, Sinarmas Sekuritas' investment banking relationships, investment banking and non-investment banking compensation and securities ownership, if any, are specified in disclaimers and related disclosures in this report. In addition, other members of Sinarmas Group may from time to time perform investment banking or other services (including acting as advisor, manager or lender) for, or solicit investment banking or other business from companies under our research coverage. Further, the Sinarmas Group, and/or its officers, directors and employees, including persons, without limitation, involved in the preparation or issuance of this material may, to the extent permitted by law and/or regulation, have long or short positions in, and buy or sell, the securities (including ownership by Sinarmas Group), or derivatives (including options) thereof, of companies under our coverage, or related securities or derivatives. In addition, the Sinarmas Group, including Sinarmas Sekuritas, may act as market maker and principal, willing to buy and sell certain of the securities of companies under our coverage. Further, the Sinarmas Group may buy and sell certain of the securities of companies under our coverage, as agent for its clients.

Investors should consider this report as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. Recipients should not regard this report as substitute for exercise of their own judgment. Past performance is not necessarily a guide to future performance. The value of any investments may go down as well as up and you may not get back the full amount invested.

Sinarmas Sekuritas specifically prohibits the redistribution of this material in whole or in part without the written permission of Sinarmas Sekuritas and Sinarmas Sekuritas accepts no liability whatsoever for the actions of third parties in this respect. If publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this publication, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

Additional information is available upon request.

Images may depict objects or elements which are protected by third party copyright, trademarks and other intellectual properties.

©Sinarmas Sekuritas(2018). All rights reserved.