KSI Research

MTEL Equity Initiation

KIWOOM SEKURITAS INDONESIA

PT Dayamitra Telekomunikasi Tbk (MTEL)

MTEL's Tower and Fiber Edge: Bracing for Margin Pressure

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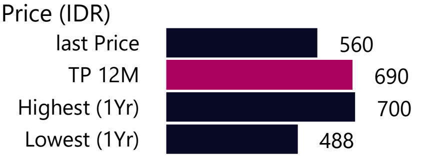
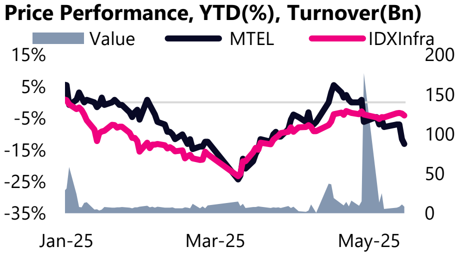
Stock Rate	**Buy**
Industry	Neutral
TP 12M	IDR 690
vs. Last Price	+23%

Stock Data	
Ticker Code	MTEL
Sub Sector	Telecommunication
Sector	Infrastructures
Market Cap (IDR.Tn)	46
Shares Issued (Bn)	81.5
AVG 3M Turnover (Bn)	15.3

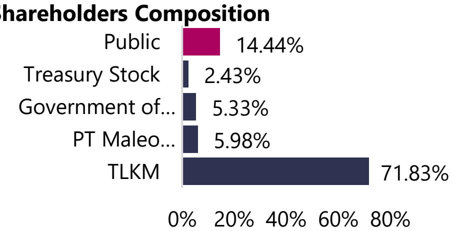
Price (IDR)



Price Performance, YTD(%), Turnover(Bn)



Shareholders Composition



ESG Rating	
Environmental	2.13
Social	1.50
Governance	4.42

Global internet users increased from 2,969 million in 2015 to 5,509 million in 2024, with Asia & Pacific contributing the most - rising from 1,409 million to 2,949 million users. In Indonesia, internet penetration grew from 43% in 2015 to a projected 83% in 2026, while the fiber optic market is expected to grow by 11.78% by 2027, the second-highest growth rate in Asia after India.

MTEL: Moderate Growth Amid Efficiency Supporting Profitability. MTEL recorded moderate revenue growth in FY2024 of IDR 9.3 trillion (+8% y/y), and IDR 2.3 trillion in 1Q25 (+3% y/y, -9% q/q). This growth was primarily driven by the Tower Leasing segment, which remains the main revenue contributor, while contributions from the Fiber and Tower-Related Businesses are still limited in proportion.Operating profit in FY24 grew 14% y/y, while in 1Q25 it declined by -11% q/q and -1% y/y to IDR 0.8 trillion.EBITDA in 1Q25 also decreased by -8% q/q, though it still grew 2% y/y, maintaining a strong margin of 75.6%.Net income in FY24 rose 5% y/y to IDR 2.1 trillion, and in 1Q25 it edged up by 1% y/y to IDR 0.5 trillion, but fell -9% q/q. Net profit margin remained solid at 23.3%.

MTEL is projected to deliver moderate revenue growth of 7% y/y to IDR 9.9 trillion in 2025F, with profit margins expected to remain solid, albeit under slight pressure. Net income is forecasted to grow marginally by 1% y/y to IDR 2.1 trillion, reflecting a stable performance, though increasingly facing growth deceleration and profitability pressure.

Key Takeaways

- **MTEL has demonstrated highly aggressive tower growth,** with a CAGR of 19% (2019–Q1 2025) through a combination of organic and inorganic strategies, strengthening its economies of scale and expanding its infrastructure asset base.With the highest number of towers and tenants (39,404 towers & 59,868 tenants), MTEL possesses a structural advantage that enables long-term efficiency through the potential for increased tenancy ratio.
- **Asset Utilization Improvement:** The tenancy ratio increased from 1.44x to 1.52x, reflecting MTEL's ability to optimize tower assets through co-location, helping to boost margins without adding significant physical assets.
- **MTEL is the market leader in Indonesia's tower industry,** holding the largest market share (44%), which reflects its extensive national network, including non-Java regions that offer strategic advantages and strong bargaining power in long-term contracts.
- **MTEL's dominance in the national fiber market further strengthens its position as an integrated digital infrastructure provider,** supporting 5G services and edge computing, while also unlocking recurring income potential from fiber wholesale.

Recommendation "Buy"

Based on a blended valuation approach (absolute: DCF and relative: EV/EBITDA) and forward-looking assumptions, we estimate MTEL's fair value at IDR 690 per share for the next 12 months. This target price reflects a P/E of 26.6x and a PBV of 1.7x.The current share price (IDR 560) is trading at an estimated P/E of 21.6x (vs. the peer average of 72x) and a PBV of 1.4x (vs. the peer average of 1.8x, with the highest at 5x). *Downside risks include: Dependency on telecom operators, especially Telkomsel, Intense competition from TBIG and TOWR Technology risks (e.g., Open RAN, satellite disruption), Regulatory changes by the government, Financing risks (e.g., rising interest rates), Location-based risks and natural disruptions.*

Financial Highlight

End 31 Dec	2022A	2023A	2024A	2025F	2026F	2027F
Revenue (IDR Tn)	7.7	8.6	9.3	9.9	10.5	11.0
Net Profit (IDR Tn)	1.8	2.0	2.1	2.1	2.4	2.6
EBITDA Margin	74%	74%	75%	75%	75%	75%
NPM	23.1%	23.4%	22.6%	21.3%	22.6%	23.5%
ROE	5%	6%	6%	6%	7%	7%
Dividen yield	2.7%	2.6%	3.9%	2.8%	3.2%	3.4%
Interest Coverage (x)	5.4	4.7	5.2	4.9	5.1	5.4
P/E (x)	37.04	28.99	25.17	26.57	23.78	21.75
P/BV (x)	1.96	1.71	1.59	1.68	1.65	1.62
EV/EBITDA (x)	13.36	11.76	9.97	10.04	9.64	9.17

Source: Company and KSI Research

Macro & Industry Outlook

Global Internet Advertising & User Growth Trends (2015–2024)

Description Data Highlights	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Global Internet Ad Share (%)	**30.4**	**34.3**	**38.7**	**42.9**	**46.7**	**53.3**	**57.5**	**60.0**	**61.9**	**63.4**
Global Ad Revenues ($T)	502.0	529.9	562.7	601.8	634.9	610.3	706.1	770.2	813.9	873.8
Global Internet Ad Revs ($T)	152.9	181.7	217.5	258.0	296.2	325.5	406.2	461.9	503.9	553.5
Global Population (M)	7,353	7,435	7,517	7,597	7,686	7,765	7,838	7,907	7,982	8,057
Internet Users (M)	**2,969**	**3,228**	**3,455**	**3,741**	**4,125**	**4,619**	**4,904**	**5,101**	**5,282**	**5,509**
Asia & Pacific	1,409	1,540	1,648	1,823	2,096	2,439	2,607	2,720	2,815	2,949
The Americas	610	672	715	744	769	816	839	854	878	903
Europe	494	510	527	550	565	587	604	612	621	631
Commonweath of Indep States	147	157	164	177	186	195	207	215	222	228
Arab States	156	172	197	213	240	274	299	318	331	342
Africa	153	177	204	233	270	308	348	381	415	456
Internet Penetration (%)	**40.4**	**43.4**	**46.0**	**49.2**	**53.7**	**59.5**	**62.6**	**64.5**	**66.2**	**68.4**
Asia & Pacific	34	36	39	42	48	56	59	62	63	66
The Americas	62	68	72	74	76	80	82	83	85	87
Europe	73	75	77	80	82	85	87	89	90	91
Commonweath of Indep States	62	66	68	73	76	80	84	87	89	92
Arab States	38	41	46	49	54	60	65	67	69	70

Source : Bloomberg & KSI Research

Growth in Global Internet Advertising Spend

- The global internet ad share has surged significantly from 30.4% in 2015 to 63.4% in 2024 of total global advertising spend.
- The value of global digital advertising has grown from $152.9 trillion in 2015 to $553.5 trillion in 2024.

Surge in Internet Users

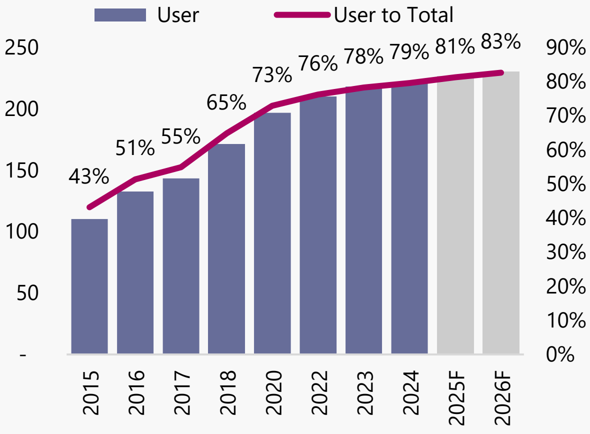
- The number of global internet users increased from 2.969 billion in 2015 to 5.509 billion in 2024. Asia & Pacific remains the region with the largest contribution - rising from 1.409 billion to 2.949 billion users.
- This surge in users is driving demand for high-capacity connectivity, especially in emerging markets like Indonesia, India, and the Philippines.

Rising Global Internet Penetration

- Internet penetration globally increased from 40.4% (2015) to 68.4% (2024).
- In Asia & Pacific, penetration jumped from 34% to 66% during the same period.

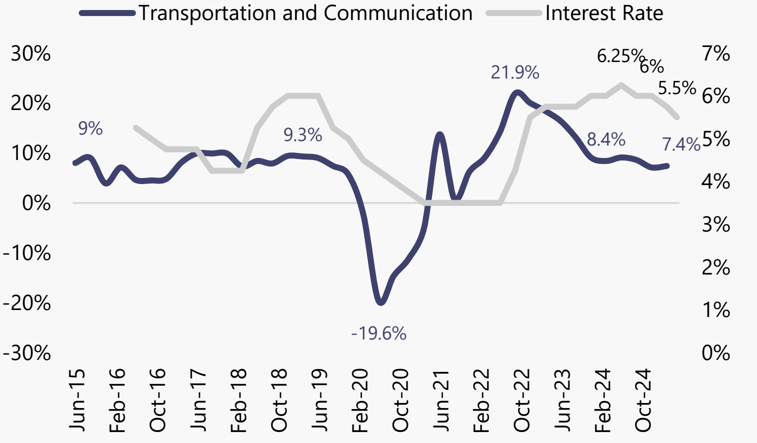
Global data underscores that the internet has become the backbone of the digital economy, particularly the advertising industry.The demand for towers and BTS infrastructure will continue to grow in line with the increase in internet users and digital consumption.Asia — especially Southeast Asia — is emerging as the most promising region for tower infrastructure expansion and investment.

Internet Users in Indonesia Are Increasing



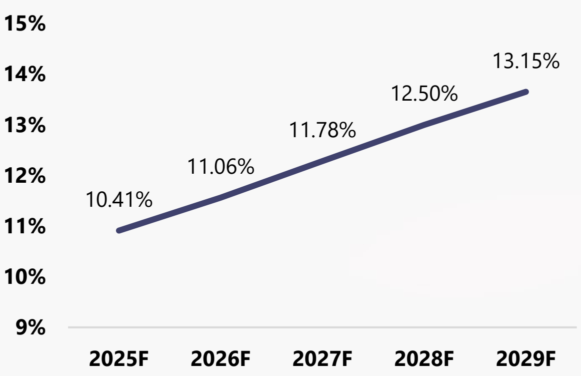
Source : APJII & KSI Research

Growth in the Transportation & Communication Sector vs BI Interest Rate



Source : Bloomberg & KSI Research

Indonesia Fiber Optics Market Size Growth Rate



Source : 6Wresearch & KSI Research

Fiber Optics Market: Indonesia vs Top 5 Major Economies in 2027 (Asia)

Country	Product	Life Cycle	
India	Fiber Optics	High Growth	12.45%
Indonesia	**Fiber Optics**	**High Growth**	11.78%
Australia	Fiber Optics	Growing	5.76%
China	Fiber Optics	Growing	5.12%
Korea	Fiber Optics	Stable	3.72%
Japan	Fiber Optics	Stable	0.64%

Source : 6Wresearch & KSI Research

Indonesia's internet user base continues to grow significantly, rising from 43% in 2015 to a projected 83% in 2026F, reflecting a more evenly distributed national digitalization.This surge is supported by robust and widespread infrastructure, driving sustained demand for tower infrastructure.

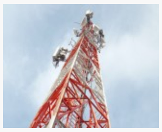
The transportation & communication sector has recovered post-pandemic and is now stabilizing, driven by digital adoption and improvements in communication infrastructure. **Moreover, a potential decline in interest rates could be a game changer for the sector.** Companies with floating rate debt structures (**such as MTEL**) stand to benefit significantly from interest expense savings. The sector's growth is projected to return to the 8–10% range, supported by cost efficiencies and expanded investment capacity.

Indonesia's fiber optic market is expected to grow rapidly, with the growth rate increasing from 10.41% in 2025F to 13.15% in 2029F, reflecting the accelerating demand for high-quality networks.

The projected 11.78% growth in 2027F makes Indonesia the second-fastest-growing fiber market in Asia after India, reinforcing its position as an emerging market with significant potential.

Overall, Indonesia is entering a high-growth phase for the fiber optic sector, making it a strategic target for digital infrastructure investment and expansion.

Tower Leasing



Macro Cell
Tower Rental Services by building a new Macro Cell Tower (>30m) according to the location and specifications desired by the client as the first tenant.

Small Cell
Small Cell is a tower rental service by building a new small cell tower (less than 30m) for both indoor and outdoor solutions.

Colocation
Tower rental service by offering existing Mitratel Towers for tenants to use (second, third, etc.).

Reseller
Tower rental services by offering Third Party Towers for later use by the next tenant (second, third etc.).

Tower Solution
Service provision of a series of solutions to ensure energy supply for towers that will contribute.

Tower Related Business

Project Solution
Tower related services that offering one stop solution services including tower related solution, fiber optic solution, mechanical-electrical solution.

Managed Service
Portfolio that provide management of active & passive telco & non-telco infrastructure.

Digital Service
Providing digital infra solution (mini data center / edge computing , IoT) to solve customer's pain-points and optimize existing tower asset.

Tower Fiberisation
Provide a transport connectivity infrastructure to transmit information over long distances and high bandwidth for customers.

Edge Infrastructure Solution
Providing infrastructure solutions on tower sites to enable low latency services.

Bussiness Profile

PT Dayamitra Telekomunikasi Tbk, (MTEL)

PT Dayamitra Telekomunikasi Tbk (Mitratel) is the largest telecommunications tower infrastructure provider in Indonesia and a subsidiary of PT Telkom Indonesia (Persero) Tbk. Mitratel has been operating in the telecommunications tower provisioning and management business since 2008. Currently, Mitratel manages over 35,418 telecom towers spread across Indonesia. All mobile network operators in Indonesia are tenants, placing their BTS equipment on Mitratel's towers.

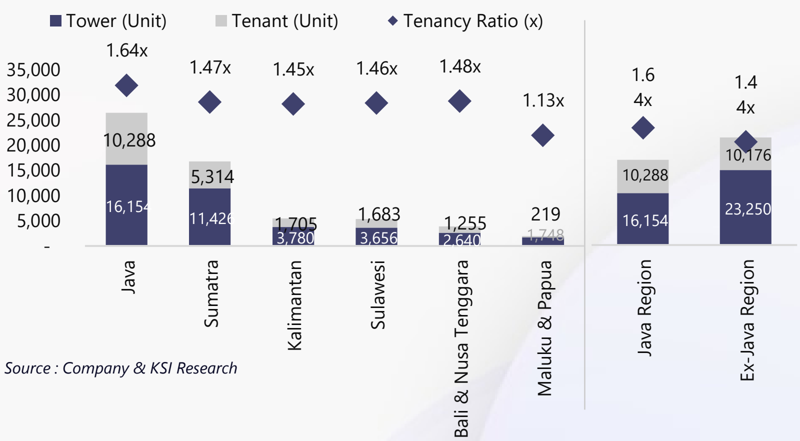
Core Business Lines

- Installation and construction of telecommunications central facilities
- Wired and wireless telecommunications activities
- Tower leasing and digital support services

Innovative Solutions

- Fiberization
- Micro Data Centers (Micro DC)
- Renewable energy solutions (e.g., solar panels)
- High Altitude Platform Station (HAPS/FTS) technology
- Internet of Things (IoT)-based solutions

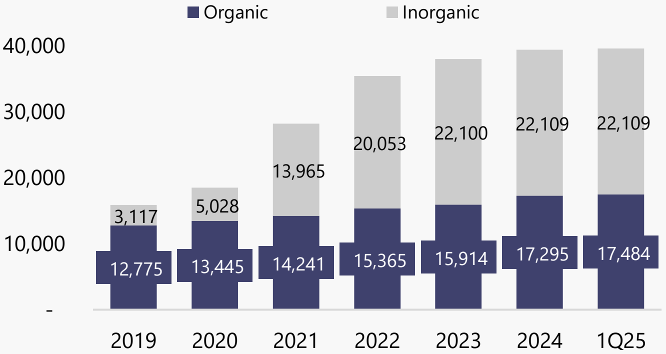
MTEL's Tower (by Region)



Source : Company & KSI Research

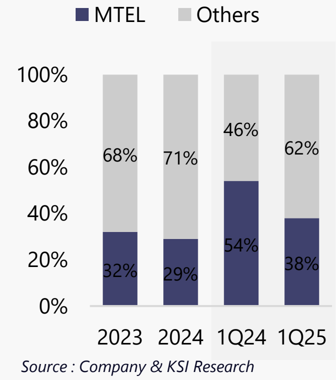
Mitratel demonstrates its strongest performance in the Java region, with the highest tenancy ratio of 1.64x, while non-Java regions have a higher number of towers but lower utilization rates.This is especially evident in Maluku & Papua, which recorded the lowest tenancy ratio of 1.13x, indicating significant potential for tenant optimization and expansion in these areas.

Portofolio Tower MTEL

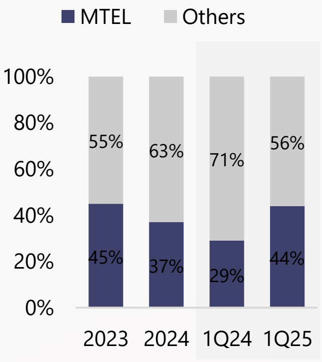


Source : Company & KSI Research

Tower Market Share

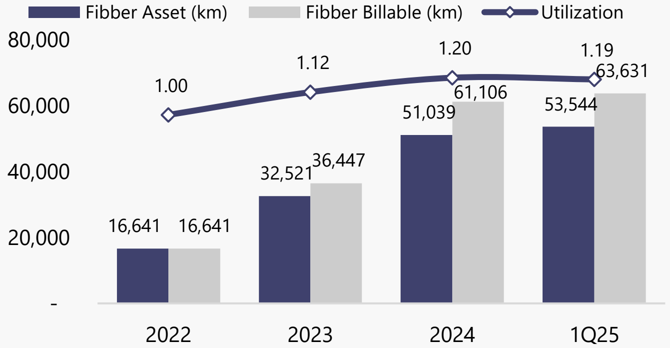


Fiber Market Share



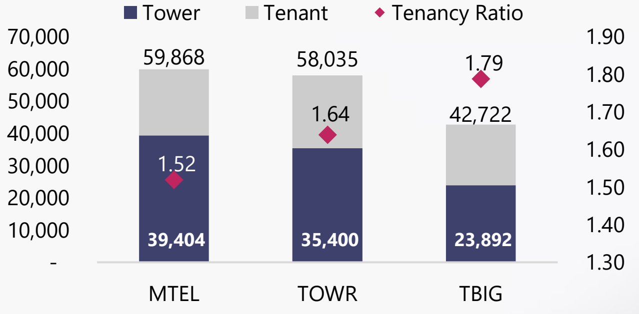
Source : Company & KSI Research

Fiber Utilization



Source : Company & KSI Research

Tower, Tenant & Tenancy Ratio



Source : Company & KSI Research

Tower Growth – Organic & Inorganic

Mitratel has shown aggressive expansion through a combination of organic and inorganic growth strategies.The number of Mitratel towers surged from 15,892 units in 2019 to 39,593 units by Q1 2025, reflecting a 19% CAGR, driven by both organic expansion and inorganic acquisitions, such as major deals in 2022.The inorganic growth strategy, including tower asset acquisitions from Telkomsel and Indosat, has strengthened Mitratel's market position and economies of scale, although it also presents integration and operational efficiency challenges.

Q1 2025 reflects a stable start, with moderate growth stemming solely from organic expansion. No new inorganic additions were made, indicating that the company might now be focusing on internal optimization or expansion.If this trend continues, FY2025 growth is likely to rely more on internal strength rather than acquisitions or mergers.

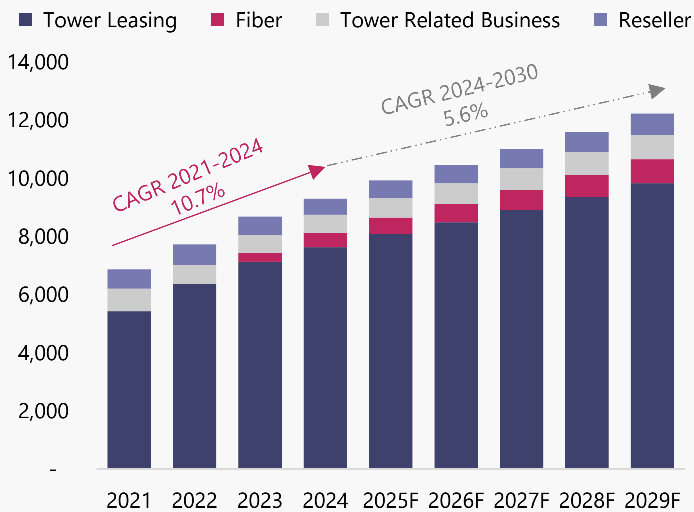
Largest Tower Market Share: 44% As of Q1 2025, Mitratel leads the Indonesian tower market with a 44% share, ahead of major competitors TP A (25%) and TP B (23%).This dominance reflects Mitratel's extensive national network, especially in non-Java regions, and its strong bargaining position with mobile operators in long-term contracts.

Largest Fiber Market Share: 38% Mitratel also commands the largest share of the national fiber market at 38%, far surpassing FLP B (16%) and FLP A (9%).This dominance strengthens its role as an integrated digital infrastructure provider, ready to support rising bandwidth demand, especially for 5G and edge computing, while also boosting recurring income from fiber wholesale services.

Tower Utilization Improvement (Tenancy Ratio). Mitratel's tenancy ratio increased from 1.44x to 1.52x since 2019, reflecting a rise in tenants per tower and more efficient asset utilization.This indicates Mitratel's ability to monetize existing assets by adding new tenants via co-location, enhancing margins without constantly increasing tower count.

Largest Tower & Tenant Base, But Efficiency Still Behind – Time for MTEL to Step Up. TBIG leads in asset efficiency, with the highest tenancy ratio at 1.79x, followed by TOWR at 1.64x, and MTEL at 1.52x.However, MTEL holds the largest number of towers (39,404) versus TOWR (35,400) and TBIG (23,892), as well as the highest number of tenants at 59,868 (vs TOWR 58,035 & TBIG 42,722).This highlights the need for tenant optimization strategies to boost efficiency.TOWR sits in the middle, balancing both capacity and utilization effectively.

Telecom Infra Revenue Projections by Segment (2025F-2029F)



Source : Company & Bloomberg

Result 1Q-2025

			% of Rev.	
Revenue (IDR bn)	**1Q25**	**y/y**	**1Q24**	**1Q25**
Tower Leasing	1,847	0.71%	82%	82%
Fiber	140	27.27%	5%	6%
Tower Related Business	147	9.70%	6%	7%
Reseller	128	-16.34%	7%	5%

IDR Tn.	2024A	yoy	1Q25	q/q	y/y
Revenue	9.3	8%	2.3	-9%	3%
Cost of Revenue	4.5	3%	1.1	-7%	5%
Gross Profit	4.8	14%	1.2	-11%	0%
Operating profit	3.0	13%	0.8	-11%	-1%
EBITDA	7.0	11%	1.7	-8%	2%
Net income	2.1	5%	0.5	-9%	1%
EPS	25.6	5%	6	-15%	0%
Liabilities	24.8	8%	25	0%	9%
Equity	33.4	-2%	34	2%	-2%
Total Asset	58.1	2%	59	1%	3%
GPM %	*52%*	3%	*51%*	-1%	-1%
OPM %	*33%*	1%	*37%*	-1%	-1%
NPM %	*23%*	-1%	*23%*	0%	0%
EBITDA %	*75%*	2%	*76%*	1%	-1%
ROE (%)	6%	0%	6%	-1%	0%
ROA (%)	4%	0%	4%	0%	0%

Source : Company & Bloomberg

FY2024 & 1Q25 Performance: MTEL Shows Moderate Growth Amid Margin Pressure

MTEL recorded moderate revenue growth in FY2024, reaching IDR 9.3 trillion, up 8% y/y. In 1Q25, revenue rose to IDR 2.3 trillion, up 3% y/y (vs. 1Q24 at IDR 2.2 trillion), but declined -9% q/q compared to 4Q24.This yearly and quarterly growth was primarily driven by the Tower Leasing segment, which remains the backbone of MTEL's revenue. While the contribution from the Fiber and Tower-Related Businesses continues to grow, non-tower revenue remains relatively small in proportion.

Cost Efficiency and Its Impact on Profitability

In FY2024, Cost of Revenue amounted to IDR 4.5 trillion, increasing by +3% y/y. Despite the rise in nominal cost, the COGS-to-revenue ratio declined to 48% from 51%, resulting in gross profit of IDR 4.8 trillion (+14% y/y) and a GPM of 52% (vs. FY2023's 49%).This margin improvement reflects MTEL's ongoing cost efficiency efforts.In 1Q25, Cost of Revenue decreased to IDR 1.1 trillion, down -7% q/q and up +5% y/y, producing a GPM of 51%, compared to 52.5% in 1Q24 and 52.6% in 4Q24.

In FY2024, operating profit and EBITDA grew by 14% and 13% y/y, respectively.However, in 1Q25, operating profit fell -11% q/q and -1% y/y to IDR 0.8 trillion, indicating operational pressures. EBITDA also declined -8% q/q to IDR 1.7 trillion, though it still grew +2% y/y, maintaining a strong EBITDA margin at 75.6%, reflecting resilient operational cash flows.

In FY2024, net income increased by +5% y/y to IDR 2.1 trillion.In 1Q25, net income rose slightly +1% y/y to IDR 0.5 trillion, but declined -9% q/q. Net profit margin remained solid at 23.3%.

Financial Position

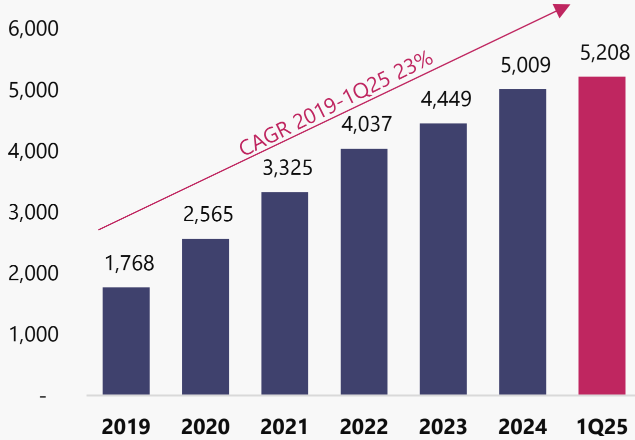
MTEL maintained a solid financial position:

- Liabilities remained stable at IDR 24.8 trillion, up slightly by +0.3% (vs. FY24).
- Equity rose to IDR 33.9 trillion, up +2% from FY24's IDR 33.4 trillion.
- Total assets grew +1% to IDR 58.7 trillion (vs. FY24's IDR 58.1 trillion), indicating continued asset expansion.
- ROE remained stable at 6%, and ROA at 4%.

2025F Outlook

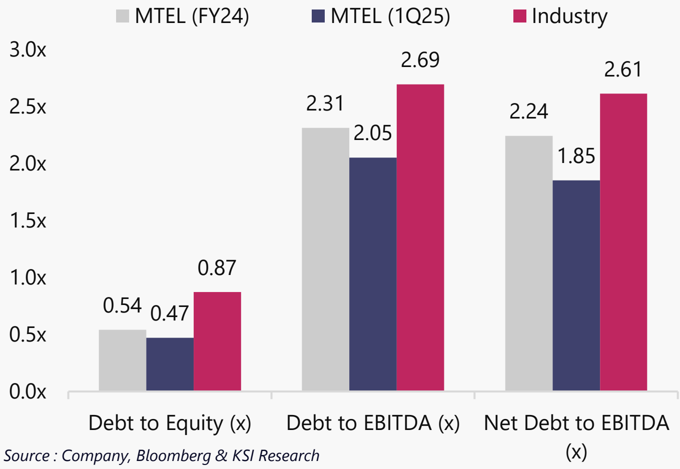
MTEL is projected to post moderate revenue growth of +7% y/y to IDR 9.9 trillion in 2025F, with profit margins remaining solid, albeit slightly compressed. Net income is expected to grow modestly by +1% y/y to IDR 2.1 trillion, reflecting stable performance amid growing profitability pressure and slowing momentum.

Strong Recurring Free Cash Flow



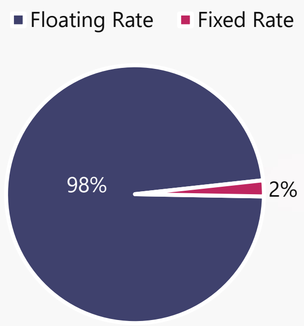
Source : Company & KSI Research

Mitratel Leverage (in multiplier)



Source : Company, Bloomberg & KSI Research

MTEL debt composition (Floating vs Fixed Rate)



Source : Company & KSI Research

Cash Flow Analysis:

- Free Cash Flow (FCF) has shown strong growth with a CAGR of 23% from 2019 to Q1 2025. FCF increased from IDR 1.77 trillion in 2019 to IDR 5.21 trillion in Q1 2025, reflecting MTEL's sustainable cash-generating capability.

Leverage Analysis:

- The Debt-to-Equity ratio declined from 0.54x to 0.47x, well below the covenant threshold of <5.00 — indicating a healthy capital structure.
- The Debt-to-EBITDA ratio also decreased from 2.31x to 2.05x, demonstrating MTEL's ability to generate sufficient EBITDA to cover its debt.
- Net Debt-to-EBITDA fell from 2.24x to 1.85x — a strong signal that MTEL has ample financial headroom to raise additionnal debt if needed, while staying within safe covenant limits.

98% of MTEL's interest-bearing debt is on floating rates, which could be advantageous amid a low interest rate environment. **The average debt maturity stands at 4.2 years**, with the majority sourced from state-owned banks (51%) and private banks (47%).

MTEL continues to demonstrate a very solid financial structure, with low leverage, consistently growing FCF, and improving liquidity. Leverage ratios remain far below bank covenant ceilings, offering significant headroom for future expansion. Its conservative debt profile, dominated by floating rates and medium-term maturities, enhances resilience against macroeconomic volatility.

Valuation

We assign a Buy rating for MTEL. We have calculated MTEL's fair value using a blended valuation method (absolute & relative approach). Based on our assessment, the target price for MTEL is IDR 690 (after applying a 15% Margin of Safety). The valuation is weighted 60% on DCF and 40% on EV/EBITDA.The current fair value reflects a P/E ratio of 26.6x, P/BV of 1.68x, and EV/EBITDA of 10x.

Fair Value

DCF (IDR Bn)	2025F	2026F	2027F	2028F	2029F	2030F
EBIT	2,117	2,365	2,587	2,785	3,014	3,245
marginal tax rate	7%	7%	7%	7%	7%	7%
EBIT (1-tax)	1,970	2,201	2,407	2,592	2,805	3,020
+ D & A	3,751	3,951	4,162	4,384	4,620	4,869
- Capex	(3,796)	(2,893)	(3,047)	(3,210)	(3,383)	(3,565)
Changes in working capital	(1,639)	(163)	(947)	(223)	(236)	4,622
Free Cash Flow	**287**	**3,096**	**2,575**	**3,543**	**3,806**	**8,946**
Terminal Value						**111,032**
Discount Factor	1.00	0.91	0.82	0.75	0.68	0.62

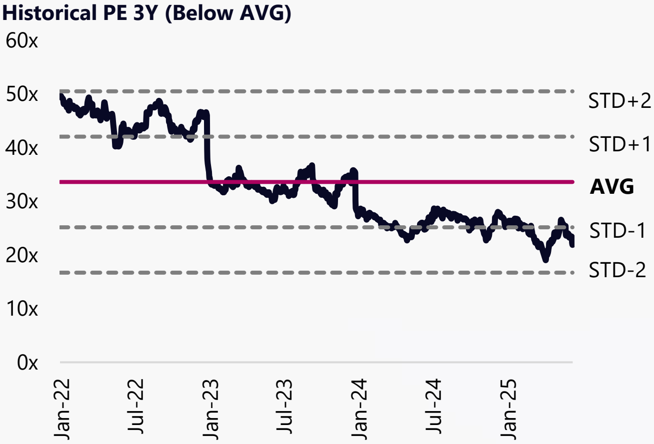
		Key Assumption	
Firm Value	84,204		
Cash	1,915		
Interest Bearing Debt	20,410	**Perpetuity Growth**	**2%**
Equity Value	**65,709**	Beta	0.79
Share	81.5	RF	6.85%
Fair Value (IDR)	**806**	RP	6.37%
Last Price	IDR 560	Cost of Equity	11.88%
Potential Upside (%)	43.9%	Cost of Debt	7.50%
		WACC	10.17%

Blended Valuation	Base Amount	Target Multiple	Value (Bn)	Weight (%)	The Value of the firm
DCF	65,709	1.0x	65,709	60%	39,425
EV/EBITDA	7,448	9.0x	67,029	40%	26,812

Total Value (Bn)	66,237
Share (Mn)	81.53
Fair Value (IDR)	808
Margin of safety	*15%*
Target Price	690
Price (16 Jun 25)	IDR 560
Pot. Upside (%)	23%

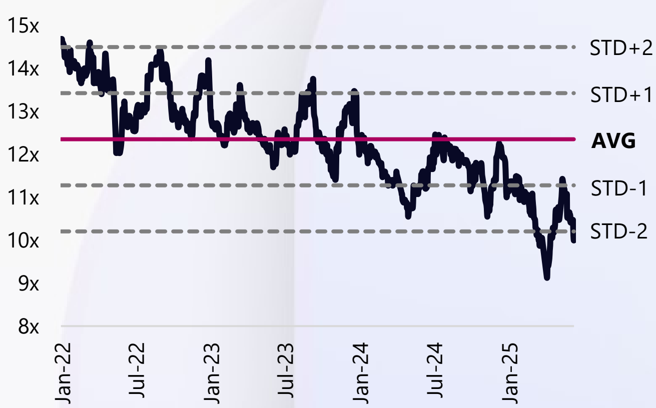
Source : Company & Bloomberg

Historical PE 3Y (Below AVG)



Source : KSI Research & Bloomberg

Historical EV/EBITDA 3Y (Below AVG)



Source : KSI Research & Bloomberg

MTEL vs Industry (Last update 13 June 2025)

Ticker	M.Cap	Price	1D	1W	1M	3M	6M	1Y	YTD	Beta	WACC	PBV	PE	ROE	DER	ESG Score	AVG 3M Value
MTEL	47T	560	-2%	-2%	-13%	-2%	-18%	-7%	-9%	0.8x	10.4%	1.4x	22.5x	6%	0.6x	2.13	14.0B
AVG Peers										**0.5x**	**9%**	**1.8x**	**72.6x**	**-6%**	**1.4x**	**3.05**	**11.9B**
ISAT	67T	2,090	1%	5%	11%	33%	-21%	-18%	-12%	1.3x	9.7%	1.9x	13.7x	15%	1.5x	3.56	52.7B
TBIG	50T	2,200	0%	-5%	6%	4%	11%	13%	5%	0.2x	9.1%	4.8x	34.7x	13%	3.0x	3.45	1.8B
EXCL	40T	2,190	0%	0%	-1%	-3%	-4%	5%	1%	0.4x	7.8%	1.1x	17.3x	6%	1.8x	3.26	37.0B
TOWR	27T	535	-2%	1%	-14%	6%	-22%	-21%	-16%	0.9x	9.7%	1.4x	8.0x	18%	2.7x	2.85	14.3B
IBST	7T	4,900	-2%	-2%	-9%	-1%	-3%	-20%	-2%	-0.1x	7.8%	3.0x	n/a	-32%	0.9x	n/a	0.0B
BALI	6T	1,635	14%	11%	33%	19%	18%	65%	-3%	0.0x	8.8%	2.4x	41.6x	6%	1.0x	n/a	0.1B
CENT	3T	94	-2%	2%	-13%	88%	100%	203%	109%	0.6x	9.3%	0.7x	n/a	-120%	4.8x	n/a	3.6B
GHON	1T	1,780	-4%	8%	14%	21%	8%	9%	24%	0.4x	9.7%	1.1x	10.9x	11%	0.6x	n/a	0.1B
OASA	1T	179	-7%	23%	33%	47%	25%	50%	27%	1.1x	11.6%	1.7x	323x	1%	0.0x	n/a	18.6B
GOLD	0T	258	0%	3%	2%	2%	-9%	-4%	-9%	0.7x	10.5%	0.8x	19x	4%	0.0x	n/a	0.0B
LCKM	0T	218	-7%	14%	-1%	-7%	-19%	-26%	-22%	0.0x	8.7%	1.6x	235x	1%	0.0x	n/a	0.0B
Global										**0.6x**	**6.9%**	**2.0x**	**20.4x**	**19.5%**	**1.1x**		
3774	1T	2,829	-2%	-1%	3%	11%	-6%	28%	-5%	0.4x	6.3%	3.6x	25.1x	15%	0.6x	3.05	199B
OPL	0T	9	-1%	-2%	-2%	6%	24%	18%	28%	0.4x	8.6%	0.9x	14.0x	6%	0.5x	5.56	55B
SITES1	0T	18	2%	-5%	-2%	47%	27%	5%	48%	0.7x	8.8%	1.9x	98.1x	2%	0.9x	0.66	16B
PROX	0T	8	1%	4%	16%	19%	59%	11%	60%	0.3x	4.6%	0.6x	5.3x	12%	1.1x	5.27	67B
CNVRG	0T	20	-3%	-8%	6%	17%	20%	89%	24%	1.2x	11.1%	2.6x	12.8x	22%	0.6x	5.54	34B
HT	0T	41	-1%	-1%	-7%	-4%	2%	36%	5%	0.7x	6.3%	1.9x	22.2x	9%	0.1x	3.59	4B
32640	6T	13,120	-1%	1%	0%	23%	20%	35%	32%	0.3x	5.4%	0.7x	13.8x	5%	0.8x	4.48	167B
SPK	0T	2	-1%	2%	4%	7%	-20%	-43%	-17%	1.1x	7.2%	3.0x	21.6x	13%	1.5x	5.33	95B
BEYON	0T	0	0%	0%	-1%	-1%	-1%	-5%	3%	0.2x	6.3%	1.5x	11.3x	14%	0.6x	3.95	3B
NOS	0T	4	-1%	-1%	4%	-12%	15%	17%	27%	0.4x	5.7%	1.2x	7.4x	24%	1.4x	4.78	81B
CCA	0T	68	-1%	0%	1%	1%	-3%	29%	4%	0.5x	5.9%	0.9x	7.2x	11%	1.4x	4.56	97B
IHS	0T	6	-6%	-3%	-8%	49%	74%	64%	93%	1.2x	5.1%	n/a	n/a	n/a	n/a	2.2	88B
BEZQ	0T	540	-3%	-3%	-4%	-10%	1%	26%	7%	0.9x	8.3%	5.3x	5.6x	101%	3.8x	3.28	159B

Source : Bloomberg & KSI Research

Recovery Momentum

- MTEL appears undervalued, trading at a discount valuation (PBV 1.4x vs. 1.8x peers & 2x global average).
- The share price has corrected significantly, offering technical upside potential in the event of positive sector sentiment or corporate actions.
- Its low risk profile (low DER & Beta) makes it suitable for defensive investors.

Key Risks to Monitor

ROE and bottom-line performance remain below peers, indicating that MTEL still needs a catalyst - such as tower acquisitions, fiberization partnerships, or operating expense efficiency - to catch up.

Downside Risks

1. Dependence on Telecom Operators
MTEL relies heavily on demand from telecom operators such as Telkomsel, Indosat, and XL Axiata. If operators reduce their capital expenditure (capex) or consolidate their networks, demand for towers may decline. A key example of this risk is operator mergers, which can reduce the need for new towers.

2. Intense Competition
Fierce competition from other tower companies like Tower Bersama (TBIG) and Sarana Menara Nusantara (TOWR) can pressure lease prices and profit margins. Competitors aggressively acquiring towers or offering lower prices may erode MTEL's market share.

3. Technology Risk
Technological evolution—such as the adoption of Open RAN and small cells - could reduce reliance on traditional towers. Satellite technologies (e.g., Starlink) also pose a potential threat to tower demand in remote areas.

4. Dependence on Telkom Group Subsidiary (Telkomsel)
MTEL derives a significant portion of its revenue from Telkomsel, which is also part of the Telkom Group. Changes in Telkomsel's network strategy or renegotiation of contracts may significantly impact MTEL's revenue.

5. Regulatory Risk
Changes in government policies regarding the telecommunications sector or tower construction permits could have adverse effects. For example, regulations limiting tower sharing or zoning restrictions in certain areas.

6. Financing and Interest Rate Risk
MTEL's expansion is partly financed through debt. Rising interest rates could increase interest expenses and put pressure on net income.

7. Location and Natural Disaster Risk
Towers located in disaster-prone areas (e.g., earthquakes, floods, landslides) are at risk of damage or service disruption, potentially impacting revenue. Operational challenges also exist in terms of access and security in certain regions.

Financial Exhibits

Year–end 31 Dec (IDR Bn)	2022A	2023A	2024A	2025F	2026F	2027F
Revenue	7,729	8,595	9,308	9,927	10,455	11,014
Costs of revenue	4,075	4,379	4,507	4,827	5,084	5,356
Gross profit	3,654	4,216	4,801	5,099	5,371	5,658
Operating profit	2,696	3,039	3,486	3,697	3,895	4,104
EBITDA	5,685	6,321	7,003	7,448	7,846	8,266
Income before tax	2,036	2,147	2,227	2,239	2,504	2,740
Tax expenses	175	128	157	158	176	193
Minority interests	-	-	-	-	-	-
Net income	1,785	2,010	2,104	2,117	2,365	2,587
EPS (IDR)	21.60	24.32	25.62	25.97	29.01	31.73

Balance sheet

Year–end 31 Dec (IDR Bn)	2022A	2023A	2024	2025F	2026F	2027F
Cash and equivalents	7,701	2,302	3,430	1,915	1,199	1,329
Account receivables	1,050	1,607	2,004	1,875	1,975	2,081
Inventories	-	-	-	-	-	-
Fixed assets	46,257	51,246	52,918	55,893	57,676	59,309
Other assets	2,426	3,278	2,621	2,973	2,906	3,009
Total assets	57,434	58,433	60,973	62,656	63,756	65,727
S-T liabilities	5,908	6,732	8,082	8,521	8,855	9,208
Other S-T liabilities	4,292	4,339	4,204	5,766	6,073	7,173
L-T liabilities	11,603	11,660	12,214	11,889	11,757	11,632
Other L-T liabilities	461	241	253	237	241	245
Total liabilities	22,264	22,972	24,753	26,412	26,926	28,258
Equity	33,808	34,037	33,388	33,412	33,997	34,638
BVPS (IDR)	409	412	407	410	417	425

Cash Flows Statement

Year–end 31 Dec (IDR Bn)	2022A	2023A	2024A	2025F	2026F	2027F
Net Income	1,785	2,010	2,104	2,117	2,365	2,587
Depreciation	2,989	3,282	3,517	3,751	3,951	4,162
Change in working capital	(684)	317	249	(1,639)	(163)	(947)
Others	258	(5,731)	(4,965)	(2,176)	(5,435)	(4,442)
Operating cash flow	4,348	(122)	905	2,053	718	1,359
Capital expenditure	10,482	6,287	2,879	3,796	2,893	3,047
Others	(355)	(416)	570	(275)	(109)	(115)
Investing cash flow	**(11,760)**	**(5,405)**	**(1,102)**	**(3,250)**	**(1,892)**	**(1,748)**
Dividend paid	(1,767)	(1,510)	(2,080)	(1,588)	(1,774)	(1,940)
Net change in debt	(5,528)	57	554	(325)	(132)	(125)
Others	3,277	1,581	2,851	1,596	2,364	2,585
Financing cash flow	**(4,018)**	**128**	**1,325**	**(318)**	**458**	**520**
Effect of Foreign Exc. Rates	-	-	-	-	-	-
Change in cash	(11,430)	(5,399)	1,128	(1,515)	(716)	131
Beginning cash flow	19,131	7,701	2,302	3,430	1,915	1,199
Ending cash flow	7,701	2,302	3,430	1,915	1,199	1,329

Source : Company & Bloomberg

Financial Ratio

Key Ratios	2022A	2023A	2024A	2025F	2026F	2027F
Revenue Growth (%)	13%	11%	8%	7%	5%	5%
Gross Profit Growth (%)	14%	15%	14%	6%	5%	5%
Operating Profit Growth (%)	11%	13%	15%	6%	5%	5%
EBITDA Growth (%)	17%	11%	11%	6%	5%	5%
Net Profit Growth (%)	29%	13%	5%	1%	12%	9%
EPS Growth (%)	31%	13%	5%	1%	12%	9%
Gross margin (%)	47%	49%	52%	51%	51%	51%
EBITDA margin (%)	74%	74%	75%	75%	75%	75%
EBIT margin (%)	35%	35%	37%	37%	37%	37%
Pretax margin (%)	26%	25%	24%	23%	24%	25%
Net margin (%)	23%	23%	23%	21%	23%	23%
ROE (%)	5%	6%	6%	6%	7%	7%
ROA (%)	3%	3%	3%	3%	4%	4%
Current ratio (x)	0.91x	0.44x	0.51x	0.33x	0.26x	0.25x
Quick ratio (x)	0.91x	0.44x	0.51x	0.33x	0.26x	0.25x
Gearing (%)	0.52	0.54	0.61	0.61	0.61	0.60
LT D/Equity (x)	0.52x	0.54x	0.61x	0.61x	0.61x	0.60x
DER (x)	0.66x	0.67x	0.74x	0.79x	0.79x	0.82x
DAR (x)	0.39x	0.39x	0.41x	0.42x	0.42x	0.43x
Interest Coverage (x)	5.38x	4.74x	5.16x	4.90x	5.13x	5.35x
Receivable turn over (x)	4	3	2	2	3	3
AR turnover (days)	97	111	146	147	138	138
Cash Ratio	76%	21%	28%	13%	8%	8%
Sustainable Growth (%)	0%	1%	0%	2%	2%	2%
Earning Yield (%)	2.7%	3.4%	4.0%	3.8%	4.2%	4.6%
Dividend Yield (%)	2.7%	2.6%	3.9%	2.8%	3.2%	3.4%
PE (x)	37.04x	28.99x	25.17x	26.57x	23.78x	21.75x
PBV (x)	1.96x	1.71x	1.59x	1.68x	1.65x	1.62x
P/Sales (x)	8.56x	6.78x	5.69x	5.67x	5.38x	5.11x
EV/Ebitda (x)	13.36x	11.76x	9.97x	10.04x	9.64x	9.17x

Source : Company & Bloomberg

Board of Commissioners

Published on 17 June 2025

Fadli Tri Hartono- President Commissioner

Fadli Tri Hartono is an Indonesian citizen domiciled in Indonesia. He was appointed as President Commissioner at PT Dayamitra Telekomunikasi Tbk since 2025 until now. Fadli Tri Hartono is a graduate of a Bachelor's degree in Physics, Bandung Institute of Technology (2012) and a Master's degree in Public Administration from Tsinghua University in 2021. Fadli Tri Hartono's professional career journey began with a career as Secretary of the Daily Management of the National Education Foundation of the Republic of Indonesia (2019-2023), Vice Chancellor IV for Cooperation at the National University of the Republic of Indonesia (2022 – 2023). In addition, Fadli Tri Hartono also serves as Special Staff to the Minister of State Secretariat.

Mira Tayyiba - Commissioner

Mira Tayyiba is an Indonesian citizen who lives in Indonesia. He was appointed as Commissioner at PT Dayamitra Telekomunikasi Tbk from 2023 until now. Mira Tayyiba studied undergraduate at the University of Indonesia majoring in Electrical Engineering in 1991 and continued her education at the Master of Science in Electrical Engineering (MSEE) at Northeastern University, Boston USA. Career before serving as Commissioner of PT Dayamitra Telekomunikasi Tbk, including at the Coordinating Ministry for the Economy as Assistant Deputy for Creative Economy Development (2017-2019), Expert Staff for Economic Relations and Human Development and Culture – Coordinating Ministry for the Economy (2019-2020), Expert Staff for Digital Transformation, Creativity and Human Resources – Coordinating Ministry for the Economy and most recently as Secretary General of the Ministry of Communication and Information.

Faisal Amir Masduki - Commissioner

Faisal Amir Masduki is an Indonesian citizen domiciled in Indonesia. Appointed as Commissioner at PT Dayamitra Telekomunikasi Tbk since 2025 until now. Faisal Amir Masduki graduated with a BA from the Islamic University of Indonesia majoring in Law and continued his MA in the Master of Law program at Krisnadwipayana University. Before becoming a Commissioner at PT Dayamitra Telekomunikasi Tbk, his professional career began in 2014 as Assistant Deputy for Law, Human Rights, State Apparatus, and Communication and Information – Cabinet Secretariat. Then he served as Deputy for Administration – Cabinet Secretariat in 2017, and became Head of the General Bureau of the Deputy for Administration – Cabinet Secretariat in 2023.

Ratu Isyana Bagoes Oka - Commissioner

Ratu Isyana Bagoes Oka is an Indonesian citizen domiciled in Indonesia. She was appointed as Commissioner at PT Dayamitra Telekomunikasi Tbk since 2025 until now. Ratu Isyana Bagoes Oka took her undergraduate education at the University of Indonesia majoring in International Relations in 2003. Ratu Isyana Bagoes Oka's professional career journey began as a National Media Journalist (2004-2015), Assistant to the President's Special Staff at the Cabinet Secretariat (2024), and served as Deputy Minister of Population and Family Development of Indonesia (2024 – Present).

Gunawan Susanto - Independent Commissioner

Gunawan Susanto is an Indonesian citizen who lives in Indonesia. He was appointed as Independent Commissioner at PT Dayamitra Telekomunikasi Tbk from 2023 until now. Gunawan Susanto studied undergraduate at the University of Indonesia majoring in Mechanical Engineering in 1996. Career before serving as Commissioner of PT Dayamitra Telekomunikasi Tbk, including at PT IBM Indonesia as Country Manager Systems & Technology Group (2012-2014), President Director (2014-2018), then at PT AWS Indonesia as Country Manager, Commercial Sector (2018-2023) and Partner and Fund Director at Maven Ventures (until now).

Board of Directors

Published on 17 June 2025

Theodorus Ardi Hartoko - President Director
Theodorus Ardi Hartoko is an Indonesian citizen domiciled in Indonesia. He has been appointed as the President Director of PT Dayamitra Telekomunikasi Tbk since 2020 until now. Theodorus Ardi Hartoko studied at the Telkom College of Technology (STT Telkom) majoring in Industrial Engineering in 1991. Careers before serving as President Director of PT Dayamitra Telekomunikasi Tbk including VP Procurement (2012-2016), EVP IT, Supply & Project (2016-2017), Director of Operations & Development (2017-2019), and Director of Operations & IT (2019-2020).

Hastining Bagyo Astuti - Director Of Operations And Development
Hastining Bagyo Astuti is an Indonesian citizen domiciled in Indonesia. She was appointed as Director of Operations & Development at PT Dayamitra Telekomunikasi Tbk since 2023 until now. Hastining Bagyo Astuti obtained bachelor degree at Brawijaya University, Malang majoring in Telecommunication Engineering (2005) and Master degree at Prasetya Mulya University majoring in Management (2014). Hastining Bagyo Astuti's career before serving as Operations & Development Director included VP Product & Service Management Telkomsel (October 2014- December 2019), VP Customer Journey & Experience Telkomsel (Jan 2020 – July 2021), Director Solution & Business Development (PT Infomedia Nusantara , August 2021- April 2023).

Agus Winarno - Director Of Business
Agus Winarno is an Indonesian citizen domiciled in Indonesia. He was appointed as Business Director at PT Dayamitra Telekomunikasi Tbk since 2023 until now. Agus Winarno graduated with a bachelor's degree at the Telkom College of Technology (STT Telkom) majoring in Industrial Engineering (1996). Agus Winarno's journey includes OVP Consumer Assurance at PT Telkom Indonesia Tbk (Telkom) (2016-2020), Commissioner at PT Infomedia Nusantara (2016-2020), Main Director at PT Infomedia Nusantara (2020-2023).

Ian Sigit Kurniawan - Director Of Finance And Risk Management
Ian Sigit Kurniawan is an Indonesian citizen domiciled in Indonesia. He was appointed as Director of Finance and Risk Management at PT Dayamitra Telekomunikasi Tbk since 2019 until now. Ian Sigit Kurniawan took his undergraduate education at Telkom College of Technology (STT Telkom) majoring in Industrial Engineering in 1991 and Masters degree at Bandung College of Management (STMB) majoring in Corporate Finance in 2001. Ian Sigit Kurniawan's career started as VP Corporate Affairs at PT Graha Sarana Duta in 2010-2013, AVP Subsidiary Performance at PT Telekomunikasi Indonesia in 2013-2015, and Finance Director at PT Telkom Access in 2015-2019.

Hendra Purnama - Director Of Investment
Hendra Purnama is an Indonesian citizen domiciled in Indonesia. He has been appointed as Director of Investment at PT Dayamitra Telekomunikasi Tbk since 2021 until now. Hendra Purnama received a bachelor's degree in Business Administration in 1995 and a Master's degree at the National University, USA majoring in Business Administration with specialization in Financial Management and International Business in 1997. Hendra Purnama's career journey began as a Corporate Finance Officer at Bhakti Capital Indonesia Tbk 2001-2003, Assistance Vice President — Investment Banking at Mandiri Sekuritas 2003-2007, Assistance Vice President — Corporate Finance at DBS Vickers Securities Indonesia 2007-2009, Director Corporate Finance at Capsquare Asia Partners 2009-2011, and President Director at DBS Vickers Indonesian Securities 2011-2021.

Fandi Wijaya - Chief Of Asset Management Officer
Fandi Wijaya is an Indonesian citizen domiciled in Indonesia. He was appointed as Director of Asset Management of PT Dayamitra Telekomunikasi Tbk since 2025 until now. Fandi Wijaya studied for a bachelor's degree at the Bandung Institute of Technology majoring in Geodetic Engineering in 1995. Fandi Wijaya's career began as Act. Senior Vice President of Asset Management of PT Pupuk Indonesia (Persero) from 2014 to 2020, Coordinator of The Belitung Tourism Destination Development Acceleration Team in 2016, and Planning Director of PT Graha Sarana Duta in 2020.

Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings

Sector/Industry

OVERWEIGHT	: Sector & Industry Outlook has potential and good condition
NEUTRAL	: Sector & Industry Outlook Stable or tend to be stagnant
UNDERWEIGHT	: Sector & Industry Outlook has challenges and bad condition

Stock

BUY	: Stock Performance > +15%	Over the next 12 month (excluding dividend)
TRADING BUY	: Stock Performance, range between +5% to +15%	Minor to Medium Term
HOLD	: Stock Performance, range between -10% to +15%	Over the next 12 month (excluding dividend)
SELL	: Stock Performance > -15%	Over the next 12 month (excluding dividend)
TRADING SELL	: Stock Performance, range between -5% to -15%	Minor to Medium Term
NOT RATED	: Stock is not within regular research coverage	Over the next 12 month (excluding dividend)

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