



KSI Research

WIFI – 1Q25 Short Note

KIWOOM
SEKURITAS INDONESIA

PT Solusi Energi Digital Tbk (WIFI)

Strong Early Gains Set the Tone for This Year's Winning Streak

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Stock Rate

Industry

Buy

Overweight

TP 12M
vs. Last PriceIDR 2410
+19%**Stock Data**

Ticker Code

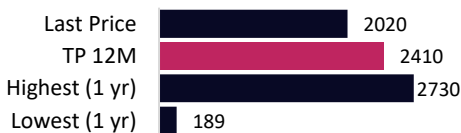
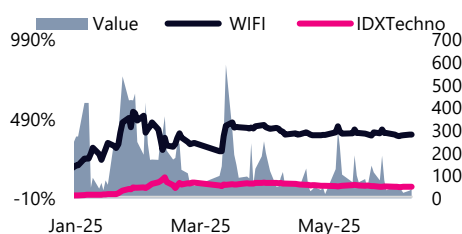
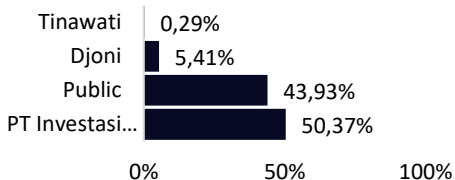
WIFI

Sub Sector

Technology & Software

Sector

IDXTECHNO

Market Cap (IDR.Tn)
Shares Issued (Bn)
AVG 3M Turnover (Bn)4.86
2.35
114.6**Price (IDR)****Price Performance, YTD(%), Turnover(Bn)****Shareholders Composition****ESG Rating**Environmental
Social
Governance-
-
-

Massive growth for Q1 2025. In Q1 2025, WIFI reported sales of IDR 231,6 Billion, up 65.7% y/y, and net profit of IDR 82.6 billion, growing 181% from the previous year. COGS rose slightly to IDR 77.4 billion from IDR 61.4 billion in Q1 2024. Along with its impressive growth in revenue and net profit, WIFI also managed to strengthen their margins even further, with a gross profit margin of 75.3% (vs 57.2% Q1 2024), EBITDA margin of 60.7%, (vs 49.3% Q1 2024) and net profit margin of 35.7% (vs 21% Q1 2024), reflecting WIFI's growing profitability, disciplined execution, and strong financial health, positioning the company favorably for continued expansion and value creation.

Strong efforts on expansion. WIFI has been making strong moves to accelerate its national expansion through a combination of a major rights issue, bond issuance, and strategic partnership. From July 7–15, 2025, WIFI will raise Rp5.9 trillion through a rights issue, issuing a total of 2,9 Billion new shares with a nominal value of Rp100 per share and an exercise price of Rp2,000 per share. The funds will be injected into its subsidiaries to support the development of fiber-to-the-home (FTTH) infrastructure targeting 4 million homepasses across Java. In addition, WIFI is also issuing bonds and sukuk to further support its network rollout. These initiatives are backed by a Rp4 trillion investment from NTT East, which acquired a 49% stake in WIFI's WEAVE subsidiary. Of the Rp 4 trillion, IDR 1tn will be in cash (USD 60 Mn) and IDR 3tn will be in non-cash contributions (USD 179 Mn), including knowledge transfer and other intangible assets. This partnership not only brings funding but also global expertise to speed up infrastructure development. With these combined efforts, WIFI's revenue is projected to increase significantly.

Key Takeaways

- **1Q25 Massive Growth:** Sales reached IDR 231.6 billion, +65.7% y/y, and net profit jumped to IDR 82.6 billion, growing +181% y/y.
- **Impressive Margin Expansion & Profitability:** WIFI maintained strong margins with Gross Profit Margin at 75.3% (1Q24: 57.2%), EBITDA Margin at 60.7% (1Q24: 49.3%), and Net Profit Margin at 35.7% (1Q24: 21%), highlighting operational discipline and financial strength.
- **Aggressive Network Expansion:** WIFI is raising IDR 5.8 trillion via a rights issue and issuing 2.94 billion new shares at IDR 2,000/share, aimed at deploying FTTH infrastructure for 4 million homepasses across Java.
- **Strategic Partnership with NTT East:** Backed by a Rp 4 trillion investment, including Rp 1 trillion in cash and Rp 3 trillion in non-cash contributions, NTT East brings global expertise and support to accelerate WIFI's infrastructure rollout and long-term growth.

Recommendation "Buy"

Based on relative valuation using P/E and PBV multiples, we recommend a **"BUY"** for **WIFI**, with a **12-month target price of IDR 2,410 per share**. This reflects a forward P/E of 23.39x and PBV of 1.80x. The latest closing price of IDR 2,020 is currently traded at a P/E of 14.62x and PBV of 4.59x, compared to the sector average of higher growth technology peers. This valuation suggests room for upside as the market adjusts to WIFI's strong earnings momentum and expanding margins. *Key downside risks include execution risk from ongoing expansion, potential delays in project rollouts, and volatility in digital advertising demand.*

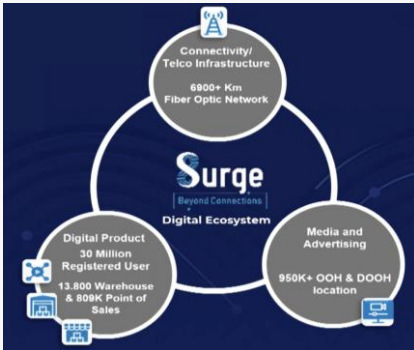
Financial Highlight

End 31 Dec	2021A	2022A	2023A	2024A	2025F	2026F
Revenue (IDR Bn)	290.96	461.25	439.33	671.85	2,526.00	6,076.00
Net Profit (IDR Bn)	25.82	58.49	58.54	231.19	546.00	1,397.00
EBITDA Margin	17.45%	39.84%	52.17%	73.20%	71.89%	70.92%
NPM	6.60%	12.68%	13.32%	34.41%	21.62%	22.99%
ROE	5%	10%	8%	24%	8%	19%
Interest Coverage (x)	3.93	4.08	3.96	6.73	10.90	25.87
P/E (x)	41.48	4.60	5.93	4.18	23.39	9.14
P/BV (x)	2.18	0.48	0.47	1.00	1.84	1.70
EV/EBITDA (x)	21.03	5.06	3.93	4.56	7.75	3.33

Source: Company and KSI Research



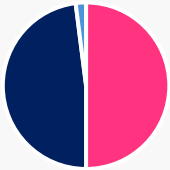
Business Breakdown



Telecommunications (50% of revenue); WIFI’s largest segment focuses on providing connectivity through a 6,900 km+ fiber optic network along strategic infrastructure like railways and highways. With up to 64 Tbps bandwidth capacity, the company supports ISPs, telcos, and data centers. This segment plays a key role in expanding broadband access across Indonesia.

Advertising (48% of revenue); This segment includes a wide range of services such as transportation ticketing, free WiFi, e-commerce, and a multifunctional super app. It also includes a nationwide smart warehouse logistics network, helping improve digital services. The advertising arm manages over 951,000 out-of-home (OOH) and digital out-of-home (DOOH) ad locations, making it a major revenue driver through integrated media and logistics.

Percentage of Revenue



- Telecom
- Advert
- Digital

Digital (2% of revenue); Though the smallest in terms of contribution, this segment is focused on DOOH advertising in commuter trains, intercity stations, and roadside LED displays. It utilizes high-traffic areas and free WiFi access points to deliver targeted brand advertisements, supporting digital engagement.

Top Quality Ecosystem; Together, these segments form a synergistic ecosystem comprising physical infrastructure (warehouses and point-of-sales), connectivity, advertising channels, and digital user platforms—all under the “Surge” network.

Source: Company and KSI Research

Telecommunications

Source: Company and KSI Research



Leased Core (Dark Fiber)	Leased Line (Bandwidth)	EDGE Data Center	Tower Fiberization
WIFI provides dark fiber leasing for clients requiring full control over their network infrastructure. The network spans 6,9278 km and offers 144 fiber cores, ensuring secure and flexible data transmission.	WIFI rents out high-capacity internet bandwidth on a monthly or yearly basis, mainly to ISPs and corporations. These services are available at various Points of Presence (PoP) along Java’s railway tracks.	Through its Edge Data Centers along Java’s train lines, WIFI offers colocation services for servers and IT equipment. This ensures secure, powered, and connected storage infrastructure with Tier-2 reliability and electricity backup.	WIFI enables telecom towers to be connected via fiber optic cables to improve internet speed, reliability, and data capacity. This service is aimed at enhancing communication infrastructure, especially for businesses that rely on high-speed connectivity.



WIFI also offers high-speed Fiber to the Home (FTTH) services under the Starlite brand, delivering reliable internet through fiber-optic cables. Customers can choose between two affordable packages: 200 Mbps for IDR 100,000 and 500 Mbps for IDR 250,000. Both plans include free installation, free modem rental, a free first month, and unlimited data with no FUP. Prices already include tax, making Starlite an attractive option for stable and fast home internet.



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Advertisement

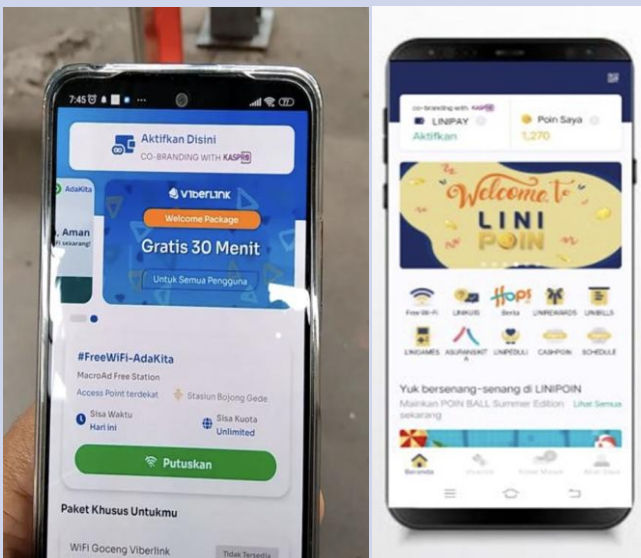
<p>Commuterline Trains and Stations</p>  <p>80 Stations Across Jakarta Metro</p> <p>1.5 Million Daily Passengers</p> <p>Media in 30 Stations for Informative and Advertising Purposes</p> <p>924 Screens In Trains Broadcasting Simultaneously</p>	<p>Intercity Trains and Stations</p>  <p>30 Stations in Java</p> <p>10.1 Million Monthly Passengers</p> <p>Media In 24 Stations for Informative and Advertising Purposes</p> <p>55 Trains in tracks across Java</p>	<p>Modern/Traditional Market and Out of Home</p>  <p>153 Locations in Jakarta Metro</p> <p>153 Location in Jakarta Digital and Static Media</p> <p>60 Million Monthly Visitors</p> <p>Reaching Shoppers and Drivers Alike for Informative and Advertising Purposes</p>	<p>Small Shops Nationwide</p>  <p>800k Shops Across Indonesia</p> <p>5 Types of Media Flexible Media Setups</p> <p>36 Million Monthly Visitors very good potential for activation, sampling, etc.</p>	<p>Strategic Spots at Warehouse nationwide</p>  <p>13.800 locations All Indonesia</p> <p>15Mn Farmers + the family served</p> <p>6 x 4 Vertical Media 2 sided Suitable for an event, sampling, etc.</p>	<p>Hotel, Residential, Healthcare, Transportation</p>  <p>Nationwide</p> <p>6 Environment Digital Media</p> <p>60 Million Monthly Visitors</p> <p>Reaching Visitor and Guest Alike for Informative and Advertising Purposes</p>
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With its strong presence in public transport and urban spaces, WIFI is well-positioned to deliver advertising and media content in controlled environments. Its extensive network ensures exposure to diverse, high-traffic audiences—from daily commuters and shoppers to residents and travelers.

Digital

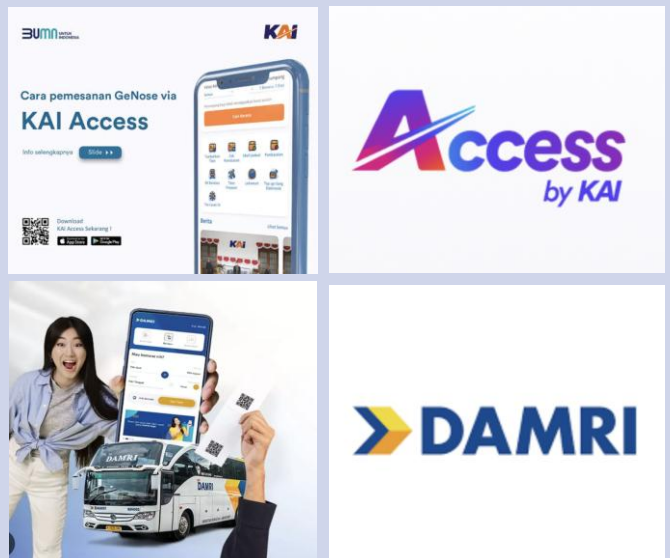
Source: Company and KSI Research

Free Internet Services for Passengers



In partnership with PT Kereta Api Indonesia (KAI), WIFI provides free, high-speed internet access, up to 100 Mbps for train passengers through its Adakita platform. This service enhances the travel experience and connectivity for millions of users.

Digital Products for KAI & DAMRI







WIFI is the developer behind the KAI Access and DAMRI ticketing apps, which serve as the main platforms for booking train and intercity bus travel across Jabodetabek and beyond. These platforms highlight WIFI's role in streamlining public transportation access.

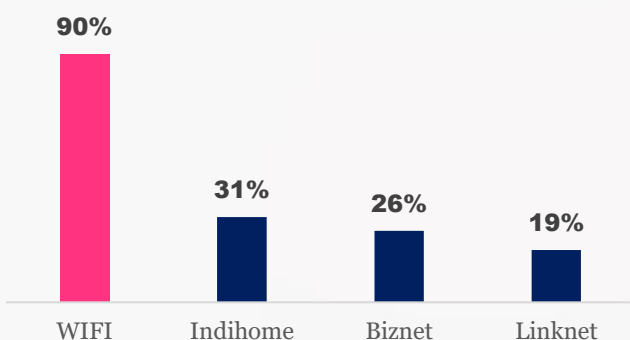
Source: Company and KSI Research



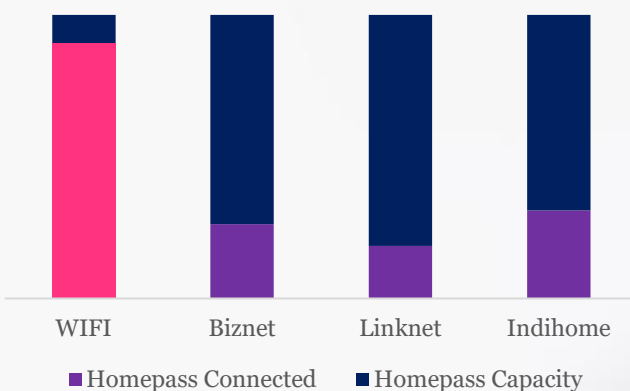
Comparison of Internet Packages Among Peers

Brands	 STARLITE	 INDIHOME	 FIRST MEDIA	 Biznet
Location: DKI Jakarta	WIFI	Indihome	First Media	Biznet
Price (IDR/Month)	100,000	265,000	245,000	250,000
Bandwidth	200 Mbps	30 Mbps	75 Mbps	65 Mbps
Fair Usage Policy	Unlimited	700 GB	Unlimited	1500 GB
Devices	Up to 3	Up to 4	Up to 4	Up to 3
Promo	1st Month Free	None	Bonus speed upgrade, Cash back 15K	None

2023 Fixed Broadband Takeup Rate



Capacity vs Connected Homepasses 2023



WIFI offers cheaper internet prices than its peers by leveraging a highly cost-efficient business model and strong local partnerships. Through its subsidiary WEAVE, WIFI deploys fiber optics along 5,724 km of railway routes in Java in partnership with PT Kereta Api Indonesia (KAI), avoiding costly land acquisition, permit costs, and major infrastructure work. It also collaborates with Pertamina Gas Negara (PGN) to bundle internet with gas pipelines, and partners with PLN Icon+ and Link Net to accelerate affordable FTTH rollouts. PLN Icon+ delivers high-speed internet, while Link Net provides infrastructure support as WEAVE manages service delivery. Thanks to this efficient structure and competitive pricing, WIFI has achieved the highest take-up rate in the industry.

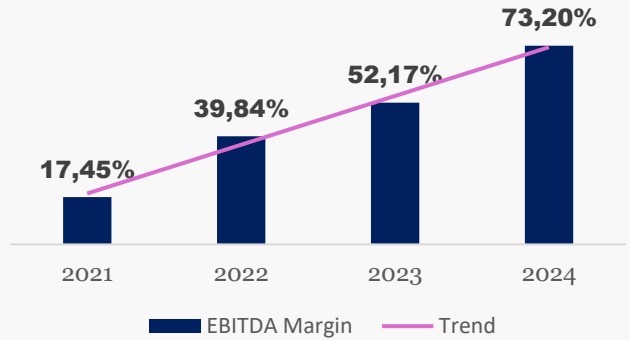


Financial Overview FY2024

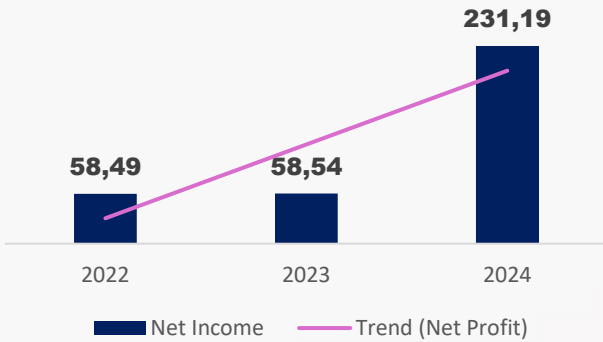
Strong Financial Momentum into FY2024

The financial overview of WIFI highlights significant growth across key indicators. Revenue jumped from IDR 439.23 billion in 2023 to IDR 671.85 billion in 2024, reflecting strong business expansion. Net profit also surged more than threefold from IDR 58.54 billion to IDR 231.19 billion, showing impressive bottom-line improvement. Meanwhile, EBITDA margin continued its upward trajectory, reaching 73.20% in 2024, up from 52.17% in 2023 and only 17.45% in 2021. These trends underscore WIFI’s increasing operational efficiency and robust profitability outlook.

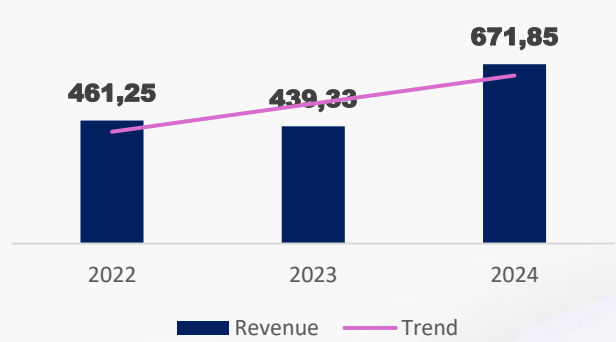
EBITDA Margin



Net Profit (IDR Bn)

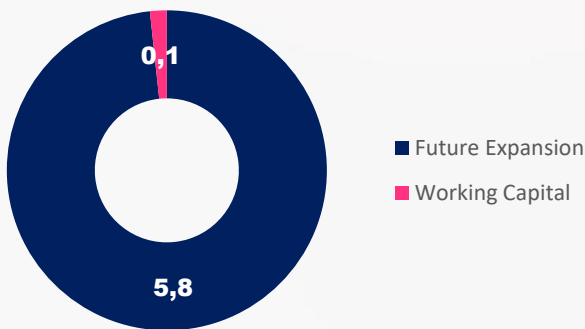


Revenue (IDR Bn)

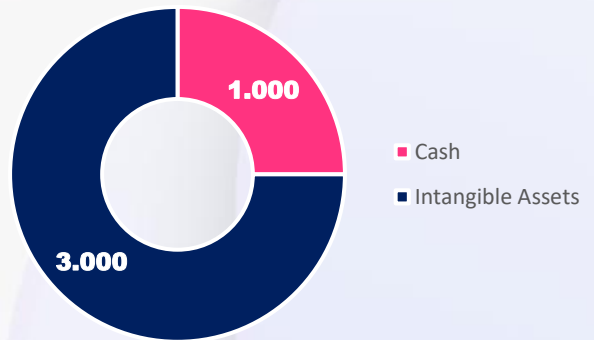


Funds From Recent Actions Breakdown

Use of Funds from Rights Issue (IDR Tn)



NTT East Investment Amount (IDR Bn)





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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