

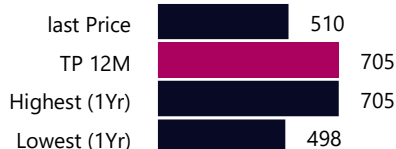
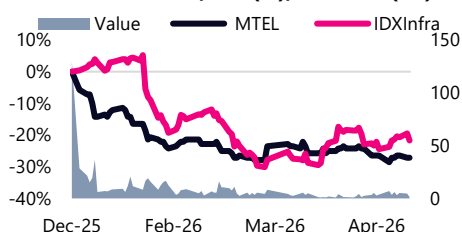
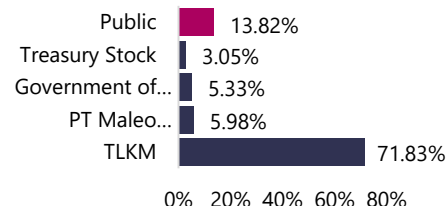


# MTEL Equity Update FY25

PT Dayamitra Telekomunikasi Tbk (MTEL)

**Fiber-Led Growth Drives MTEL's Recovery and Outer Java Expansion**

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**Sukarno Alatas**Senior Equity Analyst  
[sukarno@kiwoom.co.id](mailto:sukarno@kiwoom.co.id)**Stock Rate**  
Industry **Buy**  
NeutralTP 12M **IDR 705**  
vs. Last Price **+38%****Stock Data**  
Ticker Code **MTEL**  
Sub Sector **Telecommunications**  
Sector **Infrastructures**Market Cap (IDR.Tn) **41.58**  
Shares Issued (Bn) **81.53**  
AVG 3M Turnover (Bn) **4.39****Price (IDR)****Price Performance, YTD(%), Turnover(Bn)****Shareholders Composition****ESG Rating**Environmental **2.08**  
Social **3.02**  
Governance **4.66**

**Stable Core Growth, Fiber and Outer Java Expansion Remain Key Supports.** MTEL posted FY25 revenue of IDR 9.53 trillion (+2% y/y), supported by growth in tower leasing (+2% y/y), fiber (+18% y/y), and Tower-Related Business (+6% y/y). EBITDA reached IDR 6.04 trillion (-13% y/y) with EBITDA margin remaining relatively solid at 63.3%, despite pressure from rising operating expenses, while net profit increased +1% y/y to IDR 2.12 trillion. In 4Q25, performance started to recover with revenue rising to IDR 2.65 trillion (+7% y/y; +12% q/q), driven by a rebound in Tower-Related Business alongside improving contributions from fiber and tower leasing. EBITDA grew +4% q/q to IDR 1.80 trillion, while net profit jumped +29% q/q to IDR 578 billion.

**Operational Metrics: Aggressive Outer Java and Fiber Expansion Continues.** MTEL operated 40,230 towers in FY25 (+2% y/y) with total tenants reaching 63,084 (+5%) and a stable tenancy ratio of 1.57x. Around 59% of MTEL's tower portfolio is now located outside Java (23,698 towers), in line with stronger non-Java tenant growth (+7% y/y vs Java +4% y/y). Fiber network length expanded to 57,199 km (+12% y/y), with the highest growth coming from Maluku & Papua (+252% y/y), reinforcing fiber as MTEL's new growth engine amid rising demand for 4G densification, 5G rollout, and FWA infrastructure.

**Balance Sheet Remains Solid Amid Expansion.** MTEL recorded total FY25 assets of IDR 58.35 trillion with equity remaining stable at IDR 33.35 trillion (-0.1% y/y), while liabilities increased slightly to IDR 24.99 trillion (+1% y/y). Short-term debt declined -47% y/y to IDR 4.25 trillion, while long-term debt rose +41% y/y to IDR 17.22 trillion, reflecting a shift toward longer-tenor financing. Nevertheless, leverage remained healthy with DER stable at 0.75x and debt to equity at 0.64x, supported by strong interest servicing capability as reflected in ICR improving to 5.39x. On the liquidity side, cash position increased +2% y/y to IDR 609 billion, with current ratio improving to 0.38x and cash ratio rising to 8%, indicating that financial conditions and cash flow remained manageable despite aggressive tower and fiber expansion.

**Key Takeaways**

- **Stable Core Growth:** FY25 revenue rose +2% y/y to IDR 9.5T, supported by tower leasing, fiber, and Tower-Related Business growth.
- **4Q25 Recovery Momentum:** 4Q25 revenue increased +7% y/y and +12% q/q, while net profit jumped +29% q/q on improving operational performance.
- **Outer Java Expansion:** 59% of MTEL's towers are now located outside Java, with non-Java tenant growth outperforming Java (+7% vs +4% y/y).
- **Fiber as Growth Engine:** Fiber network expanded +12% y/y to 57,199 km, supported by rising 4G densification, 5G, and FWA demand.
- **Healthy Balance Sheet:** Leverage remained manageable with DER at 0.75x and ICR improving to 5.39x despite ongoing aggressive expansion.

**RECOMMENDATION "BUY"**

We revised our target price for MTEL at IDR 705 per share (Prev. IDR 735), based on a blended valuation approach using EV/EBITDA and DCF methods, and supported by the company's long-term prospects. This valuation implies 2026F multiples of P/E 26.6x, EV/EBITDA of 10.2x, and PBV of 1.70x. At the current price of IDR 510, the stock is trading at an estimated P/E of 19.3x (vs. peers' average of 19.21x) and a PBV of 1.23x (vs. peers' average of 1.60x). *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	2023A	2024A	2025A	2026F	2027F	2028F
Revenue (IDR Tn)	8.6	9.3	9.5	10.1	10.6	11.2
Net Profit (IDR Tn)	2.0	2.1	2.1	2.2	2.4	2.7
EPS (IDR Full)	24	26	26	26	30	33
EBITDA Margin	54%	74%	63%	75%	74%	73%
NPM	23.4%	22.6%	22.2%	21.5%	22.8%	23.9%
Div. Yield (%)	0.4%	0.6%	0.6%	3.9%	4.4%	4.8%
ROE	6%	6%	6%	6%	7%	8%
P/E (x)	29.0	25.17	26.93	26.60	23.80	21.52
P/BV (x)	1.7	1.59	1.71	1.70	1.67	1.63
EV/EBITDA (x)	16.3	10.52	12.91	10.17	9.49	8.88

Source: Bloomberg &amp; KSI Research



## Financial Exhibits

### Result 4Q25 – FY25

IDR Bn	FY24	FY25	y/y	Q4-24	Q3-25	Q4-25	y/y	q/q
Tower leasing	7,629	7,795	2%	1,963	1,883	2,106	7%	12%
Fiber	486	574	18%	138	144	143	4%	-1%
Tower-Related Business	634	675	6%	182	131	284	56%	117%
Reseller	559	490	-12%	133	130	120	-10%	-8%
<b>Revenue</b>	<b>9,308</b>	<b>9,534</b>	<b>2%</b>	<b>2,490</b>	<b>2,284</b>	<b>2,653</b>	<b>7%</b>	<b>16%</b>
Cost of Revenue	4,507	4,728	5%	1,180	1,147	1,372	16%	20%
<b>Gross Profit</b>	<b>4,801</b>	<b>4,806</b>	<b>0%</b>	<b>1,309</b>	<b>1,137</b>	<b>1,281</b>	<b>-2%</b>	<b>13%</b>
Selling, General & Adm. Exp.	322	310	-4%	116	61	109	-5%	78%
<b>EBIT</b>	<b>3,665</b>	<b>3,421</b>	<b>-7%</b>	<b>1,125</b>	<b>821</b>	<b>855</b>	<b>-24%</b>	<b>4%</b>
Finance Cost	1,357	1,306	-4%	374	343	314	-16%	-8%
Pre-Tax Income	2,261	2,248	-1%	625	482	589	-6%	22%
<b>EBITDA</b>	<b>6,910</b>	<b>6,036</b>	<b>-13%</b>	<b>2,032</b>	<b>1,731</b>	<b>1,799</b>	<b>-11%</b>	<b>4%</b>
<b>Net income</b>	<b>2,108</b>	<b>2,119</b>	<b>1%</b>	<b>575</b>	<b>447</b>	<b>578</b>	<b>0%</b>	<b>29%</b>
EPS (Full IDR)	25.226	25.365	1%	6.885	5.354	6.912	0%	29%
	<b>FY24</b>	<b>FY25</b>		<b>Q4-24</b>	<b>Q3-25</b>	<b>Q4-25</b>		
Cash and Cash Equivalents	597	609	2%	597	632	609	2%	-3.7%
Short Term Debt	8,082	4,254	-47%	8,082	4,007	4,254	-47%	6.2%
Long Term Debt	12,214	17,224	41%	12,214	16,766	17,224	41%	2.7%
<b>Liabilities</b>	<b>24,753</b>	<b>24,999</b>	<b>1%</b>	<b>24,753</b>	<b>25,183</b>	<b>24,999</b>	<b>1%</b>	<b>-0.7%</b>
<b>Equity</b>	<b>33,387</b>	<b>33,351</b>	<b>-0.1%</b>	<b>33,387</b>	<b>32,863</b>	<b>33,351</b>	<b>0%</b>	<b>1%</b>
<b>Total Asset</b>	<b>58,140</b>	<b>58,350</b>	<b>0%</b>	<b>58,140</b>	<b>58,046</b>	<b>58,350</b>	<b>0%</b>	<b>1%</b>
	<b>FY24</b>	<b>FY25</b>		<b>Q4-24</b>	<b>Q3-25</b>	<b>Q4-25</b>		
GPM %	51.58%	50.41%	-1%	52.59%	49.78%	48.29%	-4%	-1%
OPM %	39.37%	35.88%	-3%	45.17%	35.95%	32.24%	-13%	-4%
NPM %	22.64%	22.23%	0%	23.11%	19.58%	21.77%	-1%	2%
EBITDA %	74.24%	63.31%	-11%	81.62%	75.76%	67.80%	-14%	-8%
ROE (%)	6.3%	6.4%	0%	6.9%	5.4%	6.9%	0%	1%
ROA (%)	3.6%	3.6%	0%	4.0%	3.1%	4.0%	0%	1%
	<b>FY24</b>	<b>FY25</b>		<b>Q4-24</b>	<b>Q3-25</b>	<b>Q4-25</b>		
Debt to Equity (x)	0.61x	0.64x	0.04	0.61x	0.63x	0.64x	0.04	0.01
DER (x)	0.74x	0.75x	0.01	0.74x	0.77x	0.75x	0.01	(0.02)
DAR (x)	0.43x	0.43x	0.00	0.43x	0.43x	0.43x	0.00	(0.01)
ICR (x)	5.30x	5.39x	0.10	5.43x	5.05x	5.73x	0.30	0.68
Current Ratio (x)	0.28x	0.38x	0.10	0.25x	0.47x	0.38x	0.13	(0.09)
Cash Ratio (%)	5%	8%	3%	7%	24%	8%	1%	-16%

Source : KSI Research & Bloomberg

### Operational Performance

	FY24	FY25	y/y	1Q25	2Q25	3Q25	4Q25	q/q	
Tower	39,404	40,230	2%	add/less	189	189	320	128	-60%
Colocation	20,464	22,854	12%	add/less	202	459	760	969	28%
Tenant	59,868	63,084	5%	add/less	391	648	1,080	1,097	2%
Reseller	2,760	2,650	-4%	add/less	-71	-30	-	9	n.a
Tenant Inc. Reseller	62,628	65,734	5%	add/less	320	618	1,080	1,088	1%
Tenancy Ratio (x)	1.52	1.57	3%						
Fiber (km)	51,039	57,199	12%	add/less	2,505	903	1,146	1,606	40%

Source : KSI Research & Company





## Financial Exhibits

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
<b>Revenue</b>	<b>8,595</b>	<b>9,308</b>	<b>9,534</b>	<b>10,061</b>	<b>10,606</b>	<b>11,173</b>
Costs of revenue	4,379	4,507	4,665	4,923	5,189	5,467
<b>Gross profit</b>	<b>4,216</b>	<b>4,801</b>	<b>4,869</b>	<b>5,138</b>	<b>5,416</b>	<b>5,706</b>
<b>Operating profit</b>	<b>2,057</b>	<b>4,173</b>	<b>3,514</b>	<b>4,317</b>	<b>4,561</b>	<b>4,805</b>
Interest expense	1,333.0	1,357.0	1,306	1,329	1,302	1,275
Interest income	(441.0)	(97.0)	(1,145)	15	78	115
<b>EBITDA</b>	<b>4,658</b>	<b>6,910</b>	<b>6,036</b>	<b>7,464</b>	<b>7,797</b>	<b>8,134</b>
<b>Income before tax</b>	<b>2,138</b>	<b>2,261</b>	<b>2,248</b>	<b>2,304</b>	<b>2,600</b>	<b>2,869</b>
Tax expenses	128	157	129	132	149	164
Minority interests	-	-	-	-	-	-
<b>Net income</b>	<b>2,010</b>	<b>2,104</b>	<b>2,119</b>	<b>2,172</b>	<b>2,451</b>	<b>2,705</b>
EPS (IDR)	24.3	25.6	26.0	26.6	30.1	33.2

### Balance sheet

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Cash and equivalents	879	597	609	3,127	4,593	5,975
Account receivables	1,607	2,004	2,212	1,956	1,915	2,017
Fixed assets	51,246	52,918	53,782	52,647	51,533	50,438
Other assets	3,278	2,622	1,747	1,748	1,790	1,833
<b>Total assets</b>	<b>57,010</b>	<b>58,140</b>	<b>58,350</b>	<b>59,479</b>	<b>59,830</b>	<b>60,263</b>
S-T liabilities	6,732	8,082	4,254	4,171	4,083	3,996
Other S-T liabilities	4,339	4,204	3,246	4,236	4,404	4,582
L-T liabilities	11,660	12,214	17,224	16,888	16,530	16,179
Other L-T liabilities	241	253	275	290	305	322
<b>Total liabilities</b>	<b>22,973</b>	<b>24,753</b>	<b>24,999</b>	<b>25,584</b>	<b>25,323</b>	<b>25,079</b>
<b>Equity</b>	<b>34,038</b>	<b>33,387</b>	<b>33,351</b>	<b>33,894</b>	<b>34,507</b>	<b>35,184</b>
BVPS (IDR)	412	407	409	416	423	432

### Cash Flows Statement

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Net Income	2,010	2,104	2,119	2,172	2,451	2,705
Depreciation	2,601	2,736	2,522	3,147	3,236	3,329
Change in working capital	(4,733)	(3,935)	(9,020)	(4,127)	(5,576)	(6,056)
<b>Operating cash flow</b>	<b>(122)</b>	<b>905</b>	<b>(4,378)</b>	<b>1,191</b>	<b>111</b>	<b>(22)</b>
Capital expenditure	(4,989)	(1,672)	(865)	1,135	1,115	1,095
Others	(416)	569	259	(30)	(31)	(32)
<b>Investing cash flow</b>	<b>(5,405)</b>	<b>(1,103)</b>	<b>(606)</b>	<b>1,105</b>	<b>1,084</b>	<b>1,063</b>
Dividend paid	(18)	(25)	(19)	(20)	(23)	(25)
Net change in debt	68	(0)	5,010	(336)	(358)	(351)
Others	17	(59)	5	578	651	718
<b>Financing cash flow</b>	<b>68</b>	<b>(85)</b>	<b>4,996</b>	<b>222</b>	<b>271</b>	<b>342</b>
Effect of Foreign Exc. Rates	-	-	-	-	-	-
<b>Change in cash</b>	<b>(5,460)</b>	<b>(282)</b>	<b>12</b>	<b>2,518</b>	<b>1,466</b>	<b>1,382</b>
Beginning cash flow	6,339	879	597	609	3,127	4,593
Ending cash flow	879	597	609	3,127	4,593	5,975

Source : KSI Research & Bloomberg



## Financial Ratio

Key Ratios	2023A	2024A	2025A	2026F	2027F	2028F
Revenue Growth (%)	11%	11%	2%	6%	5%	5%
Gross Profit Growth (%)	15%	14%	1%	6%	5%	5%
Operating Profit Growth (%)	119%	103%	-16%	23%	6%	5%
EBITDA Growth (%)	38%	48%	-13%	24%	4%	4%
Net Profit Growth (%)	13%	5%	1%	2%	12%	11%
EPS Growth (%)	13%	5%	1%	2%	12%	11%
Gross margin (%)	49%	52%	51%	51%	51%	51%
EBITDA margin (%)	54%	74%	63%	75%	74%	73%
EBIT margin (%)	24%	45%	37%	43%	43%	43%
Pretax margin (%)	25%	24%	24%	23%	24%	25%
Net margin (%)	23%	23%	22%	21%	23%	24%
ROE (%)	6%	6%	6%	6%	7%	8%
ROA (%)	4%	4%	4%	4%	4%	4%
Current ratio (x)	0.3x	0.3x	0.4x	0.6x	0.7x	0.9x
Quick ratio (x)	0.3x	0.3x	0.4x	0.6x	0.7x	0.9x
LT D/Equity (x)	0.34x	0.37x	0.52x	0.51x	0.49x	0.47x
DER (x)	0.67x	0.74x	0.75x	0.77x	0.74x	0.72x
DAR (x)	0.40x	0.43x	0.43x	0.43x	0.43x	0.42x
Interest Coverage (x)	2x	3x	3x	3x	3x	4x
Receivables turnover (x)	6.5	5.2	4.5	4.8	5.5	5.7
Receivables (days)	56	71	81	76	67	64
Cash Ratio	8%	5%	8%	30%	47%	63%
Sustainable Growth (%)	1%	0%	2%	2%	2%	2%
Earning Yield (%)	0%	1%	1%	5%	6%	6%
Dividend Yield (%)	0.38%	0.58%	0.57%	3.90%	4.36%	4.82%
PE (x)	29.0x	25.2x	26.9x	26.5x	23.4x	21.2x
PBV (x)	1.7x	1.6x	1.7x	1.7x	1.7x	1.6x
P/Sales (x)	6.8x	5.7x	6.0x	5.7x	5.4x	5.1x
EV/Ebitda (x)	16.3x	10.5x	12.9x	10.1x	9.4x	8.8x

Source : KSI Research & Bloomberg



## 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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