



PT Dayamitra Telekomunikasi Tbk (MTEL)

MTEL Accelerates Fiber and Outer Java Expansion Amid Resilient Earnings

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Industry

Buy

Neutral

TP 12M
vs. Last PriceIDR 705
+38%**Stock Data**

Ticker Code

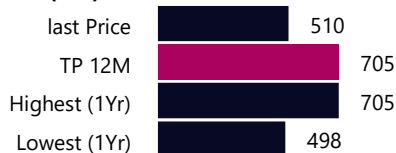
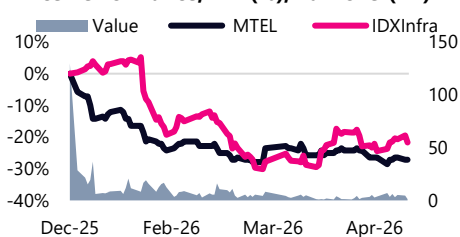
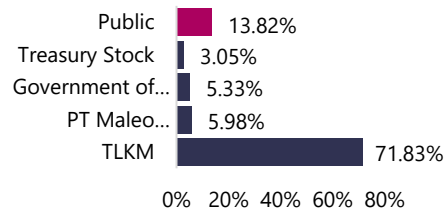
MTEL

Sub Sector

Telecommunications

Sector

Infrastructures

Market Cap (IDR.Tn)
Shares Issued (Bn)
AVG 3M Turnover (Bn)41.58
81.53
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 1Q26 revenue of IDR 2.29 trillion (+1% y/y, -14% q/q), supported by continued growth in fiber (+9% y/y; +6% q/q) and Tower-Related Business (+13% y/y, -41% q/q), while tower leasing remained stable. Despite quarterly normalization after a high 4Q25 base, profitability stayed resilient with EBITDA at IDR 1.72 trillion (flat y/y) and EBITDA margin maintained at a solid 74.9%. Net profit rose +4% y/y to IDR 545 billion, reflecting resilient recurring income despite slight gross margin pressure and higher financing costs. On a q/q basis, revenue and EBITDA declined due to lower Tower-Related Business contribution following strong year-end project activity.

Operational Metrics: Fiber Rollout and Outer Java Penetration Continue. MTEL operated 40,327 towers in 1Q26 (+2% y/y), with colocation tenants increasing to 20,666 (+11% y/y) and total tenants reaching 63,333 (+5% y/y), keeping tenancy ratio stable at 1.57x. Growth continued to be driven by expansion outside Java alongside rising network demand and data consumption. Fiber network length expanded further to 58,279 km (+9% y/y), reinforcing fiber as a key long-term growth driver amid ongoing 4G densification, early 5G rollout, and FWA infrastructure development. Meanwhile, reseller contribution remained soft (-1% y/y), reflecting tighter competition in low.

2026F Outlook: Fiber and Organic Expansion Remain Key Drivers. MTEL is projected to post 2026F revenue of IDR 10.1 trillion (+6% y/y) and net profit of IDR 2.2 trillion (+5% y/y), supported by +2,500 new tenants, tenancy ratio improvement toward 1.60x, and 9,000-10,000 km fiber expansion. EBITDA margin is expected to remain solid at around 75%, backed by strong recurring income and operating leverage. The IDR 2 trillion capex allocation remains manageable and focused on strategic tower and fiber expansion. Going forward, MTEL should continue benefiting from 4G densification, gradual 5G rollout, FWA expansion, and AI-driven B2B opportunities, while inflation-linked contracts provide strong earnings visibility.

Key Takeaways

- **Recurring Income Remains Solid,** MTEL posted resilient 1Q26 earnings with net profit up +4% y/y and EBITDA margin maintained at a strong 74.9% despite quarterly normalization.
- **Fiber Remains the Key Growth Driver.** Fiber network expanded to 58,279 km (+9% y/y), supported by growing demand from 4G densification, early 5G rollout, and FWA development.
- **Outer Java Expansion Continues.** Colocation tenants rose +11% y/y with tenancy ratio stable at 1.57x, reflecting healthy organic demand outside Java.
- **Positive 2026F Outlook.** MTEL targets >2,500 new tenants and continued fiber expansion, supporting steady earnings growth and strong margin outlook.

RECOMMENDATION "BUY"

We maintain our target price for MTEL at IDR 705 per share, 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 26.5x, EV/EBITDA of 10.1x, and PBV of 1.70x. At the current price of IDR 510, the stock is trading at an estimated P/E of 19.15x (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	26.47	23.45	21.25
P/BV (x)	1.7	1.59	1.71	1.70	1.67	1.63
EV/EBITDA (x)	16.3	10.52	12.91	10.10	9.43	8.81

Source: Bloomberg & KSI Research



Financial Exhibits

Result 1Q26

IDR Bn	Q1-25	Q4-25	Q1-26	y/y	q/q
Tower leasing	1,842	2,106	1,847	0%	-12%
Fiber	140	143	152	9%	6%
Tower-Related Business	147	284	166	13%	-42%
Reseller	133	120	129	-3%	8%
Revenue	2,262	2,653	2,294	1%	-14%
Cost of Revenue	1,100	1,372	1,159	5%	-16%
Gross Profit	1,162	1,281	1,134	-2%	-11%
Selling, General & Adm. Exp.	60	109	63	5%	-43%
EBIT	846	855	814	-4%	-5%
Finance Cost	341	314	282	-17%	-10%
Pre-Tax Income	547	589	584	7%	-1%
EBITDA	1,710	1,799	1,717	0%	-5%
Net income	526	578	545	4%	-6%
EPS (Full IDR)	6.299	6.912	6.523	4%	-6%
	Q1-25	Q4-25	Q1-26		
Cash and Cash Equivalents	1,554	609	2,836	82%	366%
Short Term Debt	6,717	4,254	4,477	-33%	5%
Long Term Debt	11,546	17,224	16,592	44%	-4%
Liabilities	24,832	24,999	26,904	8%	8%
Equity	33,913	33,351	33,659	-1%	1%
Total Asset	58,745	58,350	60,563	3%	4%
	Q1-25	Q4-25	Q1-26		
GPM %	51.37%	48.29%	49.45%	-2%	1%
OPM %	37.40%	32.24%	35.48%	-2%	3%
NPM %	23.27%	21.77%	23.76%	0%	2%
EBITDA %	75.58%	67.80%	74.87%	-1%	7%
ROE (%)	6.2%	6.9%	6.5%	0%	0%
ROA (%)	3.6%	4.0%	3.6%	0%	0%
	Q1-25	Q4-25	Q1-26		
Debt to Equity (x)	0.54x	0.64x	0.63x	0.09	(0.02)
DER (x)	0.73x	0.75x	0.80x	0.07	0.05
DAR (x)	0.42x	0.43x	0.44x	0.02	0.02
ICR (x)	5.01x	5.73x	6.08x	1.07	0.35
Current Ratio (x)	0.25x	0.47x	0.38x	0.13	(0.09)
Cash Ratio (%)	7%	24%	8%	1%	-16%

Source : KSI Research & Bloomberg

Operational Performance

	1Q25	1Q26	y/y	add/less	vs FY24				vs FY25		AVG vs AVG	
					1Q25	2Q25	3Q25	4Q25	1Q26	FY25	y/y	
Tower	39,593	40,327	2%	add/less	189	189	320	128	97	207	-53%	
Colocation	20,666	23,006	11%	add/less	202	459	760	969	152	598	-75%	
Tenant	60,259	63,333	5%	add/less	391	648	1,080	1,097	249	804	-69%	
Reseller	2,689	2,650	-1%	add/less	-71	-30	-	-9	-	-37	-100%	
Tenant Inc. Reseller	62,948	65,983	5%	add/less	320	618	1,080	1,088	249	777	-68%	
Tenancy Ratio (x)	1.52	1.57	3%									
Fiber (km)	53,544	58,279	9%	add/less	2,505	903	1,146	1,606	1,080	1,540	-30%	

Source : KSI Research & Company



Financial Exhibits

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	8,595	9,308	9,534	10,061	10,606	11,173
Costs of revenue	4,379	4,507	4,665	4,923	5,189	5,467
Gross profit	4,216	4,801	4,869	5,138	5,416	5,706
Operating profit	2,057	4,173	3,514	4,317	4,561	4,805
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
EBITDA	4,658	6,910	6,036	7,464	7,797	8,134
Income before tax	2,138	2,261	2,248	2,304	2,600	2,869
Tax expenses	128	157	129	132	149	164
Minority interests	-	-	-	-	-	-
Net income	2,010	2,104	2,119	2,172	2,451	2,705
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
Total assets	57,010	58,140	58,350	59,479	59,830	60,263
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
Total liabilities	22,973	24,753	24,999	25,584	25,323	25,079
Equity	34,038	33,387	33,351	33,894	34,507	35,184
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)
Operating cash flow	(122)	905	(4,378)	1,191	111	(22)
Capital expenditure	(4,989)	(1,672)	(865)	1,135	1,115	1,095
Others	(416)	569	259	(30)	(31)	(32)
Investing cash flow	(5,405)	(1,103)	(606)	1,105	1,084	1,063
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
Financing cash flow	68	(85)	4,996	222	271	342
Effect of Foreign Exc. Rates	-	-	-	-	-	-
Change in cash	(5,460)	(282)	12	2,518	1,466	1,382
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%	13%	10%
EPS Growth (%)	13%	5%	1%	2%	13%	10%
Gross margin (%)	49%	52%	51%	51%	51%	51%
EBITDA margin (%)	54%	74%	63%	74%	74%	73%
EBIT margin (%)	24%	45%	37%	43%	43%	43%
Pretax margin (%)	25%	24%	24%	23%	25%	26%
Net margin (%)	23%	23%	22%	22%	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	0.8x	1.0x
Quick ratio (x)	0.3x	0.3x	0.4x	0.6x	0.8x	1.0x
LT D/Equity (x)	0.34x	0.37x	0.52x	0.50x	0.48x	0.46x
DER (x)	0.67x	0.74x	0.75x	0.75x	0.73x	0.71x
DAR (x)	0.40x	0.43x	0.43x	0.43x	0.42x	0.42x
Interest Coverage (x)	2x	3x	3x	3x	4x	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%	37%	54%	70%
Sustainable Growth (%)	1%	0%	2%	2%	2%	2%
Earning Yield (%)	0%	1%	1%	4%	4%	5%
Dividend Yield (%)	0.38%	0.58%	0.57%	2.83%	3.20%	3.53%
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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