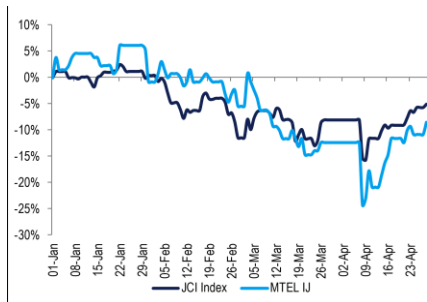


## Stock Data

Target price	Rp780
Prior TP	Rp780
Current price	590
Upside/downside	32.2%
Shares outstanding (mn)	83,560
Market cap (Rp bn)	49,300
Free float	20%
Avg. 6m daily T/O (Rp bn)	12

## Price Performance

	3M	6M	12M
Absolute	-13.9%	-8.5%	1.7%
Relative to JCI	-7.7%	3.4%	6.2%
52w low/high (Rp)	488 – 700		



## Major Shareholders

Telekomunikasi Indonesia	71.8%
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## In-line 1Q25 results; anticipating more tenant additions for the rest of FY25F

- 1Q25's EBITDA/core NP were Rp1.8tr/Rp526bn (+2%/+1% yoy), in-line with our/consensus estimates at 23/23%.
- In 1Q25, total tenants nett add was 391 with a stable tenancy ratio of 1.52x, within our and company's expectations.
- Retain our BUY call with an unchanged TP. MTEL is our sector top pick.

### In line 1Q25 results

In 1Q25, MTEL recorded total revenue of Rp2.3tr (-9% qoq, +3% yoy). Telco tower lease revenue from the Telkom Group increased by 4% yoy, while revenue from other parties declined by 0.2% yoy in 1Q25. We believe improvement in third-party revenue could take place in the coming quarters. 1Q25 EBITDA stood at Rp1.8tr (-7% qoq, +2% yoy). The EBITDA margin in 1Q25 was 83%. Core net profit reached Rp526bn in 1Q25 (-9% qoq, +1% yoy). Overall, revenue, EBITDA, and core NP in 1Q25 were in-line with our and consensus estimates. Total debt at the end of Mar25 stood at Rp18.2tr, with a net gearing ratio of 0.49x.

### Anticipating more tenant additions in the coming quarters

At the end of 1Q25, total towers reached 39.6k units (+4% yoy). Meanwhile, tower tenants reached 60.3k (+4% yoy), with net tenant additions of 391. The implied tower tenancy ratio was 1.52x, remaining stable compared to the end of FY24. MTEL maintained its unchanged target of 2.5k net tenant additions for FY25F, anticipating that further tower additions could take place during the year. In line with the unchanged guidance, we also retain our estimate of 2.5k net tenant additions. We maintain our estimates for 40k towers and a 1.56x tenancy ratio. In the fiber segment, as of the end of 1Q25, total fiber length reached 53.5k km (+48% yoy), with a net addition of 2.5k km compared to the end of FY24. We maintain our estimate of a 10k km fiber revenue addition (in-line with the company's guidance), reaching 61k km by the end of FY25F.

### Retain unchanged BUY call with a TP of Rp780/sh; sector top pick

We retain our BUY call on MTEL with a TP of Rp780/sh, based on 12x EV/EBITDA 12M fwd (-1 s.d. below LT mean). MTEL could potentially be a key beneficiary of the XL Smart merger and MNOs' expansion outside Java. Key risks: XL Smart merger outcome, MNO expansion, and worsening macro condition.

### Aurelia Barus

PT Indo Premier Sekuritas

[aurelia.barus@ipc.co.id](mailto:aurelia.barus@ipc.co.id)

+62 21 5088 7168 ext. 719

### Belva Monica

PT Indo Premier Sekuritas

[belva.monica@ipc.co.id](mailto:belva.monica@ipc.co.id)

+62 21 5088 7168 ext. 716

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	8,684	9,308	9,748	10,294	10,623
EBITDA	6,998	7,696	8,060	8,511	8,784
EBITDA growth	14%	10%	5%	6%	3%
Core net profit	2,010	2,108	2,325	2,596	2,781
Core EPS	24.3	25.9	28.5	31.8	34.1
Core EPS growth	13%	6%	10%	12%	7%
ROE	5.9%	6.3%	6.8%	7.4%	7.7%
PER (x)	24.2	22.8	20.7	18.5	17.3
Adjusted EV/EBITDA (x)	11.6	10.4	9.9	9.2	8.6
Dividend yield	3.6%	3.1%	3.1%	3.4%	3.8%
Forecast change			N/A	N/A	N/A
IPS vs Cons.			98%	102%	111%

Source: Company, Indo Premier

Share price closing as of: 28 April 2025

Fig. 1: Overall in-line with our and cons.

MTEL's 1Q25 results (Rp bn)	1Q25	1Q24	% YoY	4Q24	% QoQ	IPS FY25F	% of IP	Cons FY25F	% of Cons
<b>Revenue</b>	<b>2,262</b>	<b>2,206</b>	3%	<b>2,490</b>	-9%	<b>9,748</b>	<b>23.2%</b>	<b>9,681</b>	<b>23.4%</b>
Cost of revenue	(1,100)	(1,046)	5%	(1,180)	-7%				
<b>Gross profit</b>	<b>1,162</b>	<b>1,159</b>	0%	<b>1,309</b>	-11%				
Operating expenses	(145)	(146)	-1%	(187)	-23%				
<b>Operating profit</b>	<b>1,017</b>	<b>1,013</b>	0%	<b>1,122</b>	-9%				
<b>EBITDA</b>	<b>1,881</b>	<b>1,845</b>	2%	<b>2,027</b>	-7%	<b>8,060</b>	<b>23.3%</b>	<b>8,018</b>	<b>23.5%</b>
Other income/(expense)	(301)	(288)	5%	(318)	-5%				
<b>Pre-tax profit</b>	<b>716</b>	<b>725</b>	-1%	<b>804</b>	-11%				
Taxes	(190)	(204)	-7%	(232)	-18%				
<b>Net profit</b>	<b>526</b>	<b>521</b>	1%	<b>575</b>	-9%				
<b>Core net profit</b>	<b>526</b>	<b>521</b>	1%	<b>575</b>	-9%	<b>2,325</b>	<b>22.6%</b>	<b>2,211</b>	<b>23.8%</b>
<b>Margin (%)</b>									
Gross margin	51%	53%		53%					
EBITDA margin	83%	84%		81%					
Net margin	23%	24%		23%					
Core net margin	23%	24%		23%					
<b>Operational data</b>									
Total sites	39,593	38,135	4%	39,404	0%	40,054			
Total sites add - quarterly	189	121	56%	145	30%				
Total tenant	60,259	57,808	4%	59,868	1%	62,368			
Total tenant add - quarterly	391	399	-2%	437	-11%				
Tenancy ratio	1.52x	1.52x	0%	1.52x	0%	1.56x			
Fiber asset - length	53,544	36,257	48%	51,039	5%	61,039			
Fiber asset length add - quarterly	2,505	3,736	-33%	11,325	-78%				

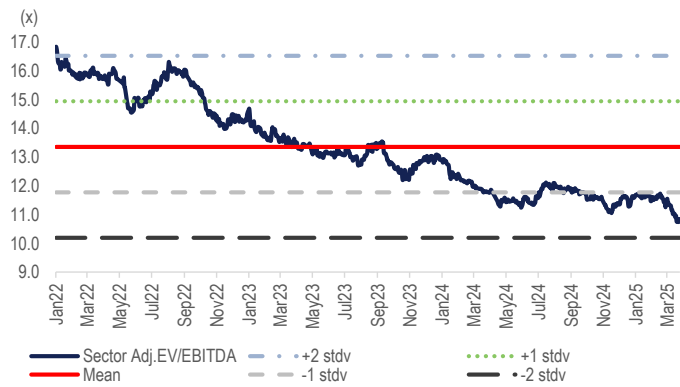
Source: Company report, Indo Premier

Fig. 2: Our TP for MTEL is Rp780/sh (rounded from Rp783)

MTEL adjusted EV/EBITDA valuation	
Debt (Rp bn)	17,474
Market cap (Rp bn)	63,822
Cash (Rp bn)	1,826
Minority interest (Rp bn)	-
Adj. EBITDA (Rp bn)	6,622
Implied EV (Rp bn)	79,469
EV/EBITDA (x)	12.0
TP/sh (Rp)	783
Current px (Rp)	590
Potential upside/downside	33%

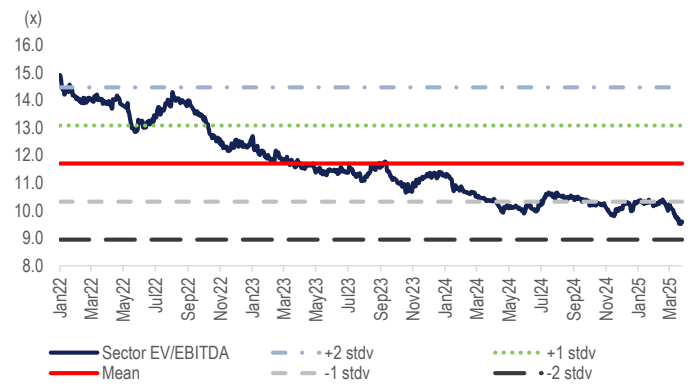
Source: Indo Premier

**Fig. 3: Telco infra forward adjusted EV/EBITDA band**



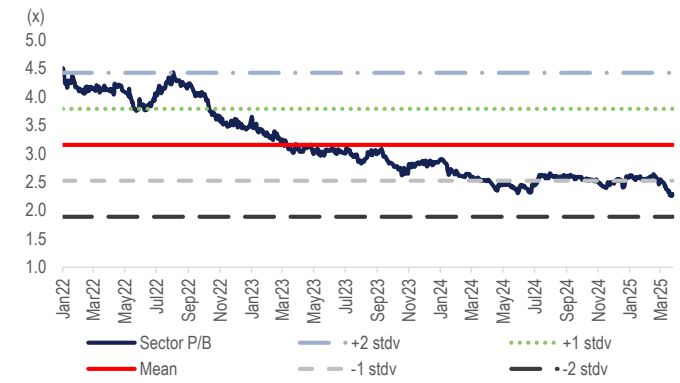
Source: Company, Indo Premier

**Fig. 4: Telco infra forward EV/EBITDA band**



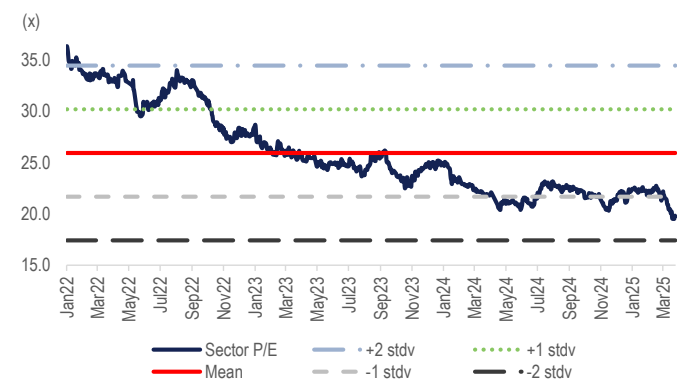
Source: Company, Indo Premier

**Fig. 5: Telco infra forward P/B band**



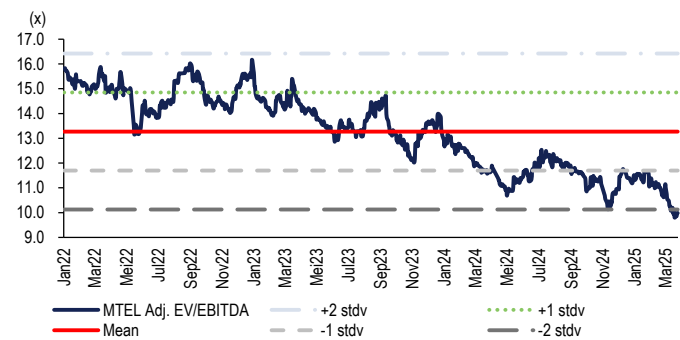
Source: Company, Indo Premier

**Fig. 6: Telco infra forward P/E band**



Source: Company, Indo Premier

**Fig. 7: MTEL IJ forward adjusted EV/EBITDA**



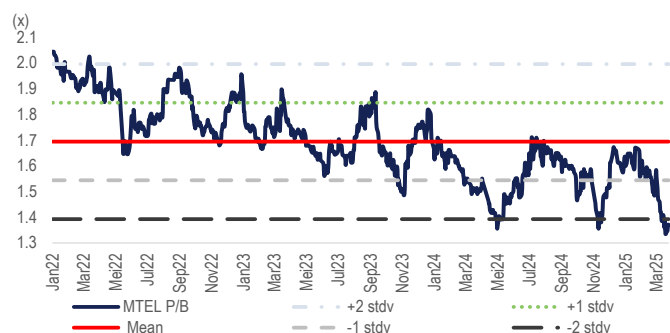
Source: Company, Indo Premier

**Fig. 8: MTEL IJ forward EV/EBITDA**



Source: Company, Indo Premier

**Fig. 9: MTEL IJ forward P/B Band**



Source: Company, Indo Premier

**Fig. 10: MTEL IJ forward P/E band**



Source: Company, Indo Premier

Fig. 11: Sector comparison

Company	Bloomberg	Amount of towers (as of 2024)	Market Cap (US\$mn)	Last Price	Target	P/E (x)			P/B (x)			Adjusted EV/EBITDA (x)			EV/EBITDA (x)			Price to Cash Flow (x)			Net Gearing (x)			ROE (%)			Net Profit CAGR (%)
	Ticker			(local curr.)	Price	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2024-27F
Indonesia																											
Dayamitra Telekomunikasi	MTEL IJ Equity	39,404	2,928	590	780	20.7	18.5	17.3	1.4	1.4	1.3	9.9	9.2	8.6	8.4	7.9	7.4	8.9	7.4	7.1	0.6	0.5	0.5	6.8	7.4	7.7	9.7
Sarana Menara Nusantara	TOWR IJ Equity	35,400	1,712	565	600	9.0	8.7	8.4	1.3	1.2	1.1	8.5	8.3	8.0	7.3	7.1	6.7	3.7	3.7	3.5	2.4	2.1	1.8	14.5	13.7	13.1	0.4
Tower Bersama Infrastructure	TBIG IJ Equity	23,778	2,664	1,980	1,300	30.9	34.3	33.6	4.1	4.0	3.9	14.5	14.9	15.0	13.3	13.6	13.7	13.5	14.5	14.1	0.3	0.2	0.1	13.2	11.7	11.7	(3.8)
Total			7,303			20.2	20.5	19.8	2.3	2.2	2.1	11.0	10.8	10.5	9.7	9.5	9.3	8.7	8.6	8.3	1.1	0.9	0.8	11.5	11.0	10.8	2.1
Simple average						20.7	18.5	17.3	1.4	1.4	1.3	9.9	9.2	8.6	8.4	7.9	7.4	8.9	7.4	7.1	0.6	0.5	0.5	13.2	11.7	11.7	0.4
Median																											
Regional																											
Indus Towers	INDUSTOW IN I	225,910	11,283	371		11.0	14.3	12.8	3.0	2.9	2.7		5.9	6.8	6.3	6.7	7.3	6.8	0.4	0.3	0.2	30.6	21.4	22.6		11.6	
Digital Telecommunications Infrastructure	DIF TB Equity	16,059	2,341	8		6.8	7.1	7.2	0.5	0.5	0.5		8.3	8.2	8.1	7.2	7.0	n.a	0.1	0.1	n.a	6.5	6.5	6.3		1.4	
China Tower Corporation Ltd	788 HK Equity	2,094,000	23,700	10		14.3	9.8	7.9	0.8	0.9	0.8		3.8	3.7	3.6	2.9	2.9	3.0	0.2	0.2	0.1	6.3	8.8	10.3		26.8	
HKBN Ltd	1310 HK Equity	2,070,000	912	5		36.2	20.3	16.4	3.0	3.2	3.5		6.9	6.7	6.5	3.8	3.5	3.4	3.9	4.2	4.5	8.2	15.7	22.6		256.1	
Total			38,455			17.1	12.9	11.1	1.8	1.9	1.9		6.2	6.4	6.1	5.1	5.2	4.4	1.2	1.2	1.6	12.9	13.1	15.5			
Simple average						12.6	12.1	10.4	1.9	1.9	1.8	6.4	6.7	6.4	5.2	5.3	3.4	0.3	0.2	0.2	7.4	12.2	16.5				
Median																											
International																											
American Tower	AMT US Equity	148,957	95,805	205		31.8	28.5	26.6	19.3	20.7	22.7		19.8	18.7	17.8	18.2	16.9	15.8	10.2	12.4	15.4	90.2	122.5	160.5		16.6	
Crown Castle	CCI US Equity	40,049	41,292	95		118.1	39.4	29.2	n.a	n.a	n.a		23.5	21.9	20.9	23.4	20.7	18.5	(31.5)	(28.1)	(41.8)	(64.6)	(158.9)	(284.4)		(170.8)	
SBA Communications	SBAC US Equity	39,749	22,531	209		23.9	22.7	20.8	n.a	n.a	n.a		18.9	17.9	17.2	16.7	15.6	16.0	(2.7)	(2.8)	(2.9)	(19.4)	(21.8)	(23.6)		11.1	
Total			159,629			57.9	30.2	25.5	19.3	20.7	22.7		20.7	19.5	18.6	19.5	17.7	16.8	(8.0)	(6.2)	(9.8)	2.1	(19.4)	(49.1)			
Weighted average						31.8	28.5	26.6	19.3	20.7	22.7		19.8	18.7	17.8	18.2	16.9	16.0	(2.7)	(2.8)	(2.9)	(19.4)	(21.8)	(23.6)			
Median																											

Source: Company report, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	8,684	9,308	9,748	10,294	10,623
Cost of sales	(4,409)	(4,507)	(4,724)	(4,944)	(5,122)
<b>Gross profit</b>	<b>4,275</b>	<b>4,801</b>	<b>5,023</b>	<b>5,350</b>	<b>5,501</b>
SG&A Expenses	(583)	(622)	(651)	(688)	(710)
<b>Operating profit</b>	<b>3,692</b>	<b>4,179</b>	<b>4,372</b>	<b>4,663</b>	<b>4,792</b>
<b>EBITDA</b>	<b>6,998</b>	<b>7,696</b>	<b>8,060</b>	<b>8,511</b>	<b>8,784</b>
Net interest	(1,201)	(1,321)	(1,266)	(1,230)	(1,144)
Forex gain (loss)	-	-	-	-	-
Others	263	96	100	106	109
<b>Pre-tax income</b>	<b>2,754</b>	<b>2,954</b>	<b>3,207</b>	<b>3,538</b>	<b>3,757</b>
Tax expenses	(733)	(850)	(882)	(942)	(976)
Minority interest	-	-	-	-	-
<b>Net income</b>	<b>2,010</b>	<b>2,108</b>	<b>2,325</b>	<b>2,596</b>	<b>2,781</b>
<b>Core net income</b>	<b>2,010</b>	<b>2,108</b>	<b>2,325</b>	<b>2,596</b>	<b>2,781</b>

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalents	890	597	1,288	2,903	4,265
Receivables	1,636	2,004	1,990	2,102	2,169
Other current assets	933	846	886	936	966
<b>Total current assets</b>	<b>3,460</b>	<b>3,447</b>	<b>4,164</b>	<b>5,941</b>	<b>7,400</b>
Fixed assets	43,997	45,240	45,631	46,012	45,615
Other non-current assets	9,823	9,453	9,387	9,285	9,100
<b>Total non-current assets</b>	<b>53,819</b>	<b>54,693</b>	<b>55,018</b>	<b>55,297</b>	<b>54,716</b>
<b>Total assets</b>	<b>57,279</b>	<b>58,140</b>	<b>59,182</b>	<b>61,237</b>	<b>62,115</b>
Payables	2,113	1,977	2,099	2,197	2,276
Other payables	2,261	2,226	1,680	1,926	2,099
Current portion of LT loans	6,751	8,082	2,526	3,014	5,972
<b>Total current liab.</b>	<b>11,124</b>	<b>12,286</b>	<b>6,305</b>	<b>7,137</b>	<b>10,347</b>
Long term loans	11,794	12,214	18,375	18,615	15,310
Other LT liab.	242	253	265	280	289
<b>Total liabilities</b>	<b>23,160</b>	<b>24,753</b>	<b>24,946</b>	<b>26,032</b>	<b>25,947</b>
Equity	31,438	30,184	30,184	30,184	30,184
Retained earnings	2,599	3,203	4,052	5,021	5,984
Minority interest	-	-	-	-	-
<b>Total SHE + minority int.</b>	<b>34,118</b>	<b>33,387</b>	<b>34,236</b>	<b>35,205</b>	<b>36,168</b>
<b>Total liabilities &amp; equity</b>	<b>57,279</b>	<b>58,140</b>	<b>59,182</b>	<b>61,237</b>	<b>62,115</b>

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net income	2,010	2,108	2,325	2,596	2,781
Depr. & amortization	2,747	2,805	3,534	3,687	3,825
Changes in working capital	(941)	(1,235)	334	183	155
Others	30	785	(785)	0	(0)
<b>Cash flow from operating</b>	<b>3,847</b>	<b>4,462</b>	<b>5,408</b>	<b>6,465</b>	<b>6,760</b>
Capital expenditure	(7,864)	(4,180)	(3,841)	(3,945)	(3,231)
Others	(547)	501	(17)	(21)	(13)
<b>Cash flow from investing</b>	<b>(8,411)</b>	<b>(3,680)</b>	<b>(3,858)</b>	<b>(3,966)</b>	<b>(3,244)</b>
Loans	772	1,753	610	734	(343)
Equity	(151)	(1,324)	12	15	9
Dividends	(1,767)	(1,504)	(1,475)	(1,627)	(1,817)
Others	263	(2)	(5)	(6)	(4)
<b>Cash flow from financing</b>	<b>(884)</b>	<b>(1,077)</b>	<b>(858)</b>	<b>(885)</b>	<b>(2,155)</b>
<b>Changes in cash</b>	<b>(5,448)</b>	<b>(294)</b>	<b>691</b>	<b>1,615</b>	<b>1,362</b>

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	49.2%	51.6%	51.5%	52.0%	51.8%
EBITDA margin	80.6%	82.7%	82.7%	82.7%	82.7%
Pre-tax margin	31.7%	31.7%	32.9%	34.4%	35.4%
Net margin	23.2%	22.6%	23.8%	25.2%	26.2%
ROA	3.5%	3.6%	3.9%	4.2%	4.5%
ROE	5.9%	6.3%	6.8%	7.4%	7.7%
ROIC	7.0%	7.8%	7.9%	8.2%	8.3%
Acct. receivables TO (days) – related parties	44	48	48	48	48
Acct. payables TO (days) – related parties	23	20	20	20	20
Net debt/EBITDA (inc.leases) (x)	2.5	2.6	2.4	2.2	1.9
Net debt/EBITDA (ex. leases) (x)	2.2	2.2	2.0	1.8	1.5
Interest coverage (x)	5.2	5.7	5.9	6.4	7.0

Source: Company, Indo Premier

## SECTOR RATINGS

- OVERWEIGHT** : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL** : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT** : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

## COMPANY RATINGS

- BUY** : Expected total return of 10% or more within a 12-month period
- HOLD** : Expected total return between -10% and 10% within a 12-month period
- SELL** : Expected total return of -10% or worse within a 12-month period

## ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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