

Tower Bersama Infrastructure

HOLD

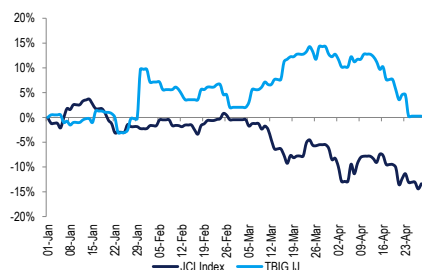
Company Update | Towers | TBIG IJ | 02 June 2025

Stock Data

Target price	Rp1,300
Prior TP	-
Current price	2,200
Upside/downside	-40.9%
Shares outstanding (mn)	22,657
Market cap (Rp bn)	49,845
Free float	8%
Avg. 6m daily T/O (Rp bn)	3

Price Performance

	3M	6M	12M
Absolute	1.9%	11.7%	18.9%
Relative to JCI	(12.6%)	9.9%	16.0%
52w low/high (Rp)	1,740 – 2,240		



Major Shareholders

Bersama Digital Infrastructure Asia Pte, Ltd.	79.8%
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In line 1Q25; XL Smart integration impact may drag down growth outlook

- TBIG recorded EBITDA of Rp1.5tr (+4.7% qoq, +1.2% yoy), which we deem as in line.
- Tower tenancy ratio slightly declined to 1.78x while average revenue per tenant improved by 0.5% qoq, no impact from XL Smart integration yet.
- We still expect EBITDA could decline by -2% yoy from the operator consolidation in FY25F. Retain our HOLD call.

In line 1Q25 results

TBIG recorded a total revenue of Rp1.7tr (-0.5% qoq, +1.6% yoy) in 1Q25, in line with our/consensus estimates. Tower revenue came at Rp1.6tr (-0.9% qoq, +0.8% yoy), in line, achieving 25.7% of our estimate. Fiber revenue was Rp151bn (+3.7% qoq, +10.3% yoy), slightly below our estimate. EBITDA reached Rp1.5tr (+4.7% qoq, +1.2% yoy) with a margin of 85.6%. We view this as in line, though higher than our FY25 estimates of 83.4%, due to seasonality but no impact from XL Smart integration yet. Other income came at Rp17bn in 1Q25, above expectations due to forex gains from bond repayments. Excluding this, core NP was at Rp385bn (+35.9% qoq, +7.9% yoy), in line with our/consensus estimates. Total debt stood at Rp30.2tr, with net gearing of 2.7x at end-1Q25.

1Q25 operational highlights

In 1Q25, total tower net add was 67 units to 23,845 units (+0.3% qoq, +4.4% yoy), with a tenant net reduction of 105 to 42,503 (-0.2% qoq, +1.9% yoy). Tower tenancy ratio slightly declined to 1.78x in 1Q25 (vs. 1.79x in 4Q24). Monthly average revenue per tenant was Rp12.4mn, still improved by +0.5% qoq. We believe in 1Q25, there was no impact yet from XL Smart network integration, which we think could drag down growth outlook. In 1Q25, the revenue from XL Smart group still increased by +3.6% qoq, while revenue from the Telkom group and Indosat dropped by -3.2%/-4.0% qoq.

Unchanged HOLD call

In FY25F, we retain tower revenue estimate which we expect to drop by -2% yoy, primarily due to declining average revenue per tenant by -3% yoy. On the other hand, we maintain our fiber revenue estimate to increase by +17% yoy in FY25F. We still estimate EBITDA to decline by -2% yoy in FY25F despite decent 1Q25 results. We retain our HOLD call for TBIG with an unchanged TP of Rp1,300, still based on 11.5x EV/EBITDA FY25F (1 s.d. below LT mean).

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	6,641	6,867	6,806	6,767	6,810
EBITDA	5,662	5,819	5,676	5,563	5,522
EBITDA growth	1%	3%	-2%	-2%	-1%
Core net profit	1,577	1,481	1,435	1,293	1,318
Core EPS	70	66	64	58	59
Core EPS growth	-5%	-5%	-3%	-10%	2%
ROE	13%	14%	13%	12%	12%
PER (x)	31.6	33.2	34.3	38.1	37.3
Adjusted EV/EBITDA (x)	15.2	15.1	15.4	15.9	16.0
Dividend yield	2.7%	2.5%	2.2%	2.3%	2.1%
Forecast change			N/A	N/A	N/A
IPS vs Cons.			91%	76%	81%

Source: Company, Indo Premier

Share price closing as of: 28 May 2025

Fig. 1: 1Q25 results review

TBIG 1Q25 results (in Rp bn)	1Q25	1Q24	% YoY	4Q24	% QoQ	IPS FY25F	% of IPS	Cons FY25F	% of Cons
Revenue	1,732	1,705	1.6%	1,741	-0.5%	6,806	25.4%	7,039	24.6%
Cost of revenue	(473)	(465)	1.9%	(494)	-4.1%				
Gross profit	1,258	1,240	1.5%	1,247	0.9%				
Operating expenses	(146)	(143)	1.7%	(169)	-13.9%				
Operating profit	1,112	1,097	1.4%	1,077	3.3%				
EBITDA	1,482	1,465	1.2%	1,415	4.7%	5,676	26.1%	5,913	25.1%
Interest income	19	12	66.7%	8	156.9%				
interest expenses	(500)	(454)	10.3%	(484)	3.4%				
Other income/(expense)	(17)	(60)	-71.9%	(140)	-88%				
Pre-tax profit	615	595	3.4%	461	33.3%				
Taxes	(185)	(232)	-20.1%	(247)	-24.8%				
Net profit	413	350	18.2%	194	112.8%				
Core net profit	385	357	7.9%	284	35.9%	1,435	26.9%	1,575	24.5%
Margin (%)									
Gross margin	72.7%	72.7%		71.6%					
EBITDA margin	85.6%	86.0%		81.3%					
Net margin	23.9%	20.5%		11.2%					
Core net margin	22.3%	21.0%		16.3%					
Operational data									
Total sites - cumm.	23,845	22,838	4.4%	23,778	0.3%				
Total sites - add quarterly	67	481	-86.1%	97	-30.9%				
Total tenants - cumm.	42,503	41,693	1.9%	42,608	-0.2%				
Total tenants - add quarterly	(105)	584	-118.0%	62	-269.4%				
Tenancy ratio	1.78	1.83	-2.4%	1.79	-0.5%				
Revenue per tenant in mn - monthly	12.4	12.5	-1.1%	12.3	0.5%				

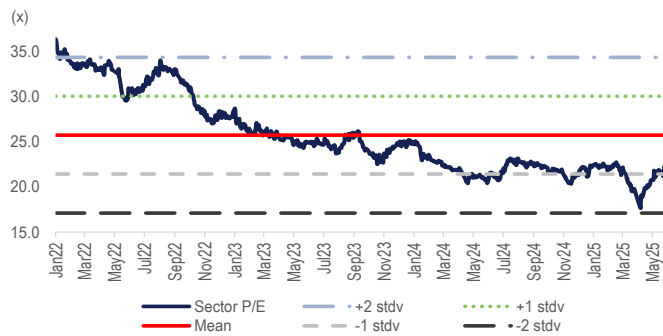
Source: Company, Indo Premier

Fig. 2: Tower sector valuation comparisons – based on 28 May 2025 closing price

Company	Bloomberg	Amount of	Market Cap	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
	Ticker	towers (as of 2024)	(US\$m)	(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 U Equity	39,404	3,109	605	780	21.2	19.0	17.7	1.4	1.4	1.4	10.1	9.3	8.8	8.6	8.0	7.6	9.1	7.6	7.3	0.6	0.5	0.5	6.8	7.4	7.7	9.7
Sarana Menara Nusantara	TOWR U Equity	35,400	1,835	585	600	9.4	9.0	8.7	1.4	1.2	1.1	8.6	8.5	8.1	7.4	7.2	6.8	3.8	3.8	3.7	2.4	2.1	1.8	14.5	13.7	13.1	0.4
Tower Bersama Infrastructure	TBIG U Equity	23,778	3,065	2,200	1,300	34.3	38.1	37.3	4.5	4.5	4.4	15.4	15.9	16.0	14.1	14.4	14.6	15.0	16.1	15.7	0.3	0.2	0.1	13.2	11.7	11.7	(3.8)
Total			8,010																								
Simple average						21.6	22.0	21.2	2.4	2.4	2.3	11.4	11.2	11.0	10.0	9.9	9.6	9.3	9.2	8.9	1.1	0.9	0.8	11.5	11.0	10.8	2.1
Median						21.2	19.0	17.7	1.4	1.4	1.4	10.1	9.3	8.8	8.6	8.0	7.6	9.1	7.6	7.3	0.6	0.5	0.5	13.2	11.7	11.7	0.4
Regional																											
Indus Towers	INDUSTOW IN I	225,910	12,086	391		14.6	13.2	12.2	3.0	2.9	2.6				7.0	6.5	6.3	7.7	6.9	6.7	0.3	0.3	0.1	20.9	22.4	22.9	(2.0)
Digital Telecommunications Infrastructure Fund	DIF TB Equity	16,059	2,659	8		7.5	7.3	7.8	0.5	0.5	0.5				8.7	8.7	8.8	7.7	7.5	n.a	0.1	0.1	n.a	6.7	6.5	6.4	(0.9)
China Tower Corporation Ltd	788 HK Equity	2,094,000	26,404	12		16.0	10.7	10.1	0.9	0.9	0.9				4.1	4.1	4.0	2.9	3.1	n.a	n.a	n.a	n.a	5.8	8.5	8.9	20.4
HKBN Ltd	1310 HK Equity	2,070,000	930	5		27.4	15.4	13.7	2.8	2.8	2.8				7.0	6.7	6.5	3.7	3.4	3.3	3.9	n.a	4.0	11.1	n.a	23.6	274.1
Total			42,079																								
Simple average						16.4	11.7	10.9	1.8	1.8	1.7				6.7	6.5	6.4	5.5	5.2	5.0	1.4	0.2	2.1	11.1	12.4	15.5	
Median						15.3	11.9	11.2	1.8	1.9	1.7				7.0	6.6	6.4	5.7	5.1	5.0	0.3	0.2	2.1	8.9	8.5	15.9	
International																											
American Tower	AMT US Equity	148,957	99,461	212		34.4	29.9	27.5	28.8	20.0	21.4				20.3	19.2	18.3	19.6	18.7	17.3	9.8	10.8	12.2	82.8	106.1	126.1	16.3
Crown Castle	CCI US Equity	40,049	43,389	100		117.5	34.3	30.3	n.a	n.a	n.a				24.1	22.9	21.8	23.8	21.5	19.3	(28.9)	(11.6)	(10.7)	(44.8)	(71.3)	(76.3)	(171.8)
Total			142,850																								
Weighted average						75.9	32.1	28.9	28.8	20.0	21.4				22.2	21.1	20.1	21.7	20.1	18.3	(9.6)	(0.4)	0.8	19.0	17.4	24.9	
Median						75.9	32.1	28.9	28.8	20.0	21.4				22.2	21.1	20.1	21.7	20.1	18.3	(9.6)	(0.4)	0.8	19.0	17.4	24.9	

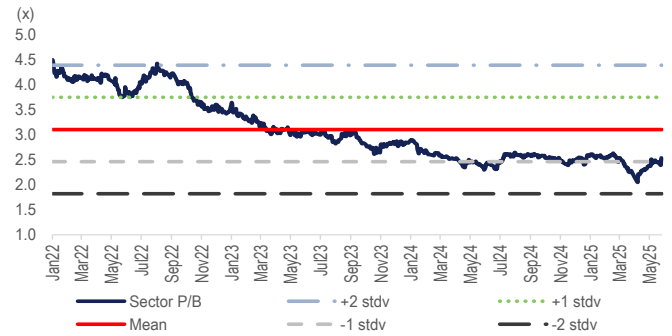
Source: Company, Indo Premier

Fig. 3: Sector's forward PE band



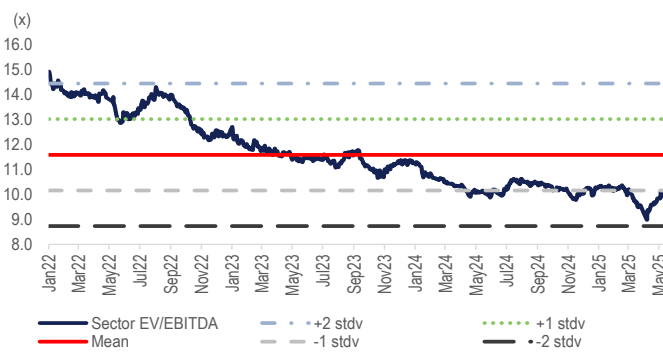
Source: Company, Indo Premier

Fig. 4: Sector's forward PB band



Source: Company, Indo Premier

Fig. 5: Sector's forward EV/EBITDA band



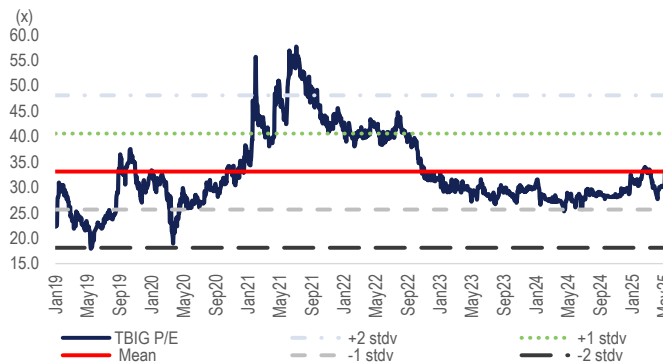
Source: Company, Indo Premier

Fig. 6: Sector's forward adjusted EV/EBITDA band



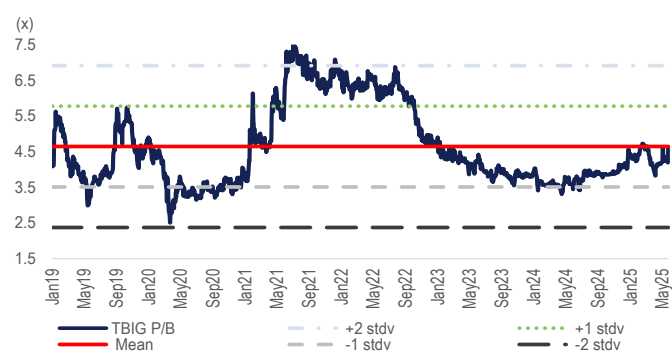
Source: Company, Indo Premier

Fig. 7: TBIG's forward PE band



Source: Company, Indo Premier

Fig. 8: TBIG's forward PB band



Source: Company, Indo Premier

Fig. 9: TBIG's forward EV/EBITDA band



Source: Company, Indo Premier

Fig. 10: TBIG's forward adjusted EV/EBITDA band



Source: Company, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	6,641	6,867	6,806	6,767	6,810
Cost of sales	(1,902)	(1,941)	(2,022)	(2,119)	(2,222)
Gross profit	4,738	4,926	4,783	4,648	4,588
SG&A Expenses	(504)	(607)	(691)	(738)	(789)
Operating profit	4,234	4,319	4,092	3,910	3,799
EBITDA	5,662	5,819	5,676	5,563	5,522
Net interest	(1,805)	(2,017)	(1,862)	(1,845)	(1,720)
Forex gain (loss)	(21)	-	-	-	-
Others	(37)	(184)	(41)	(41)	(41)
Pre-tax income	2,370	2,117	2,189	2,024	2,038
Tax expenses	(749)	(694)	(691)	(669)	(658)
Minority interest	(61)	(61)	(63)	(63)	(63)
Net income	1,560	1,362	1,435	1,293	1,318
Core net income	1,577	1,481	1,435	1,293	1,318

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalents	801	1,482	1,238	1,431	1,018
Receivables	1,734	1,984	1,842	1,832	1,843
Other current assets	1,873	1,409	1,396	1,388	1,397
Total current assets	4,407	4,874	4,476	4,651	4,258
Fixed assets	36,462	36,002	36,423	36,956	37,483
Other non-current assets	5,677	6,441	6,394	6,303	6,199
Total non-current assets	42,140	42,442	42,817	43,259	43,683
Total assets	46,547	47,316	47,293	47,910	47,940
Payables	183	112	168	179	191
Other payables	4,200	4,459	4,513	4,586	4,696
Current portion of LT loans	10,750	18,730	11,880	12,937	8,295
Total current liab.	15,133	23,301	16,561	17,702	13,182
Long term loans	18,852	13,244	19,649	19,001	23,244
Other LT liab.	201	206	205	203	205
Total liabilities	34,186	36,751	36,414	36,907	36,631
Equity	6,670	4,481	4,454	4,438	4,456
Retained earnings	5,045	5,417	5,763	5,907	6,191
Minority interest	647	668	662	658	662
Total SHE + minority int.	12,361	10,566	10,879	11,003	11,309
Total liabilities & equity	46,547	47,316	47,293	47,910	47,940

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net income	1,560	1,362	1,435	1,293	1,318
Depr. & amortization	745	181	1,584	1,654	1,723
Changes in working capital	896	402	264	102	102
Others	-	-	-	-	-
Cash flow from operating	3,201	1,944	3,283	3,049	3,143
Capital expenditure	(2,369)	586	(1,983)	(2,111)	(2,130)
Others	(546)	(1,069)	24	15	(17)

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash flow from investing	(3,310)	(483)	(1,958)	(2,096)	(2,146)
Loans	(18)	2,372	(445)	409	(399)
Equity	979	(2,168)	(33)	(20)	23
Dividends	(1,366)	(1,244)	(1,089)	(1,148)	(1,034)
Others	349	259	(2)	(1)	1
Cash flow from financing	(56)	(780)	(1,568)	(760)	(1,410)
Changes in cash	(166)	681	(244)	193	(414)

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	71.4%	71.7%	70.3%	68.7%	67.4%
EBITDA margin	85.3%	84.7%	83.4%	82.2%	81.1%
Pre-tax margin	35.7%	30.8%	32.2%	29.9%	29.9%
Core net income margin	23.7%	21.6%	21.1%	19.1%	19.3%
ROA	3.4%	3.1%	3.0%	2.7%	2.7%
ROE	12.8%	14.0%	13.2%	11.7%	11.7%
ROIC	8.0%	8.2%	7.8%	7.3%	7.1%
Acct. receivables TO (days)	7	4	4	4	4
Acct. payables TO (days)	157	87	87	87	87
Net debt/EBITDA (inc. leases) (x)	5.1	5.2	5.3	5.5	5.5
Net debt/EBITDA (ex. leases) (x)	5.0	5.2	5.3	5.4	5.4
Interest coverage (x)	2.3	2.1	2.2	2.1	2.2

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

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