

Mastersystem Infotama

BUY

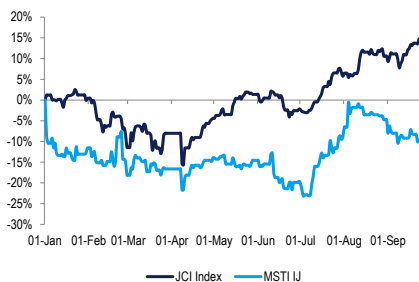
Company Initiation | Information Technology | MSTI IJ | 23 September 2025

Stock Data

Target price	Rp2,000
Prior TP	-
Current price	1,525
Upside/downside	+31%
Shares outstanding (mn)	3,139.4
Market cap (Rp bn)	4,788
Free float	15%
Avg. 6m daily T/O (Rp bn)	4

Price Performance

	3M	6M	12M
Absolute	13.0	8.9	-1.6
Relative to JCI	-6.8	-20.9	-6.1
52w low/high (Rp)	1,295-1,685		



Major Shareholders

Wijaya, Jupri	28.8%
Anthony, Eddy	28.8%
Gunawan, Joko	27.5%

Belva Monica

PT Indo Premier Sekuritas
belva.monica@ipc.co.id
 +62 21 5088 7168 ext. 719

Aurelia Barus

PT Indo Premier Sekuritas
aurelia.barus@ipc.co.id
 +62 21 5088 7168 ext. 716

Riding the digitalization momentum

- MSTI, a leading system integrator, is poised to benefit from Indonesia's accelerating digitalization momentum.
- Core NP is expected to grow by 10% CAGR in FY24–27F, supported by robust balance sheet, high ROE, and sustained DPR of 70% p.a.
- Reinitiate with a BUY call and a TP of Rp2,000/sh.

A beneficiary of Indonesia's accelerating digitalization momentum

Mastersystem Infotama (MSTI), established in 1994, is one of Indonesia's leading system integrators and a key beneficiary of Indonesia's digitalization momentum. Indonesia's digital economy is projected to nearly quadruple in FY25–30F to US\$360mn. MSTI's strong relationships with reputable customers support a high contract win rate of 75–89%, led by financial service institution (FSI), followed by telco and oil & gas.

Robust contracts growth outlook with potential upside

MSTI's contracts grew by 19% CAGR in FY20–24, and we estimate could grow by 12% CAGR in FY24–27F. Growth will remain FSI-led, driven by digital payments, rising bankable population, and mobile banking adoption, followed by further expansion in telco and other sectors. Potential upside is realization of government's digitalization revamp plan ([see report](#)).

Superior margins from sizeable service revenue

In FY20–24, FSI accounted for 44–61% of its contracts which also driving service revenue of 17–21% of total. This underpins MSTI's superior GPM (18% in FY24 vs. peers at 11%). We expect GPM to remain stable at 18% in FY25–27F, with service revenue contribution at 19% of total revenue.

Stable earnings growth/ROE complemented by robust balance sheet

We estimate MSTI to post a 10% core NP CAGR in FY24–27F, supported by revenue CAGR of 10%, stable GPM at 18% and stable opex/revenue ratio of 6% p.a. Its balance sheet should remain robust, with net gearing at -0.5x p.a. in FY25–27F. We project ROE to remain high and stable at 25% p.a. in FY25–27F, assuming a DPR of 70% p.a. (Rp408–491bn) considering strong FCF generation of Rp267–496bn p.a. in FY25–27F.

Reinitiate with a BUY call and a TP of Rp2,000/sh

We reinitiate MSTI with a BUY call and a TP of Rp2,000/sh, based on 10x P/E FY26F. We believe this is fair, as we estimate for a 10% core NP CAGR in FY24–27F, implying for a 1x PEG. Valuation also remains attractive compared to global peers (avg. 16x P/E range) with a similar business model, return profile, and growth. (Figs [43–44](#)) Potential risks: change in macro condition, and regulatory environment.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	4,201	5,362	5,844	6,420	7,078
EBITDA	641	701	775	855	947
EBITDA growth	9%	9%	10%	10%	11%
Core net profit	446	532	584	640	704
Core EPS	142.2	169.5	186.1	203.9	224.1
Core EPS growth		19%	10%	10%	10%
ROE	22.9%	24.6%	24.6%	24.6%	24.6%
PER (x)	10.7	9.0	8.2	7.5	6.8
EV/EBITDA (x)	6.2	4.9	4.5	4.0	3.5
Dividend yield	7.3%	6.5%	7.7%	8.5%	9.3%
Forecast change			n.a	n.a	n.a
IPS vs. consensus			103%	101%	105%

Source: Company, Indo Premier

Share price closing as of: 23 September 2025

A beneficiary of Indonesia's accelerating digitalization momentum

Mastersystem Infotama (MSTI), established in 1994, is one of Indonesia's leading IT system integrators, offering end-to-end solutions across data center and cloud infrastructure, adaptive security architecture, telco networks, and more. It is a key beneficiary of Indonesia's accelerating digitalization momentum. Indonesia's digital economy is poised for one of the fastest growth trajectories in Southeast Asia, with Google, Temasek, and Bain projecting it to reach US\$109bn (+21% yoy) by 2025F and further expand to US\$200–360bn by 2030 (CAGR 2024–30F: +14–26%). This acceleration is supported by three key drivers:

■ Transition to a tech-savvy population

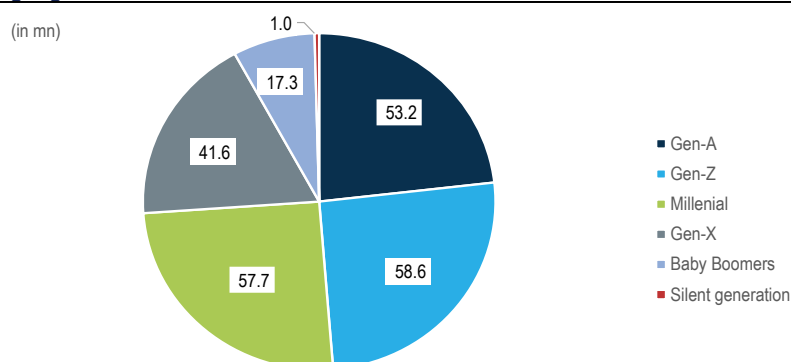
As of May25, Indonesia's Gen-Z/Gen-A population reached c.78/56mn or 27/20% of total population, respectively. Both generations are considered highly tech-savvy and adaptable. Over the next 5–10 years, as Gen Z enters the workforce and Gen A matures, their digital fluency is expected to further drive technological progress and accelerate innovation across the country.

Fig. 1: Over the next 5–10 years, Indonesia's population will transition into a tech-savvy generation

Age	Population (k)	% to total population	Birth years	Category
0-4	22,752.6	8%	2020-2025	Gen-A
5-9	21,955.5	8%	2015-2020	Gen-A
10-14	22,016.1	8%	2010-2015	Gen Z / Gen-A
15-19	22,095.7	8%	2005-2010	Gen-Z
20-24	22,160.6	8%	2000-2006	Gen-Z
25-29	22,514.2	8%	1995-2000	Gen-Z
30-34	22,194.3	8%	1990-1995	Millennials
35-39	21,718.3	8%	1985-1990	Millennials
40-44	20,682.5	7%	1980-1985	Millennials
45-49	19,634.6	7%	1975-1980	Generation X
50-54	17,600.2	6%	1970-1975	Generation X
55-59	15,169.7	5%	1965-1970	Generation X
60-64	12,361.3	4%	1960-1965	Baby boomers
65-69	9,267.4	3%	1955-1960	Baby boomers
70-74	6,343.6	2%	1950-1955	Baby boomers
74+	5,972.3	2%	<1950	Silent generation
Total	284,438.9			

Source: BPS, Indo Premier

Fig. 2: As of Jun25, Indonesia's internet users are dominated by Millennials and younger generations

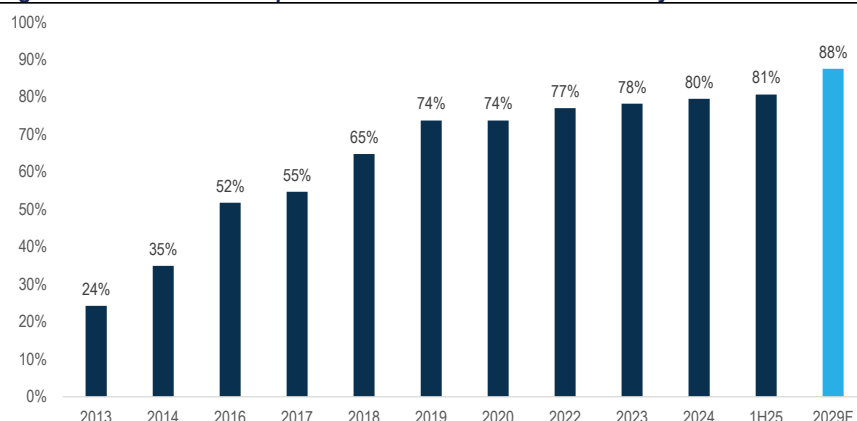


Source: APJII, Indo Premier

■ Rising digitalization adoption across sectors

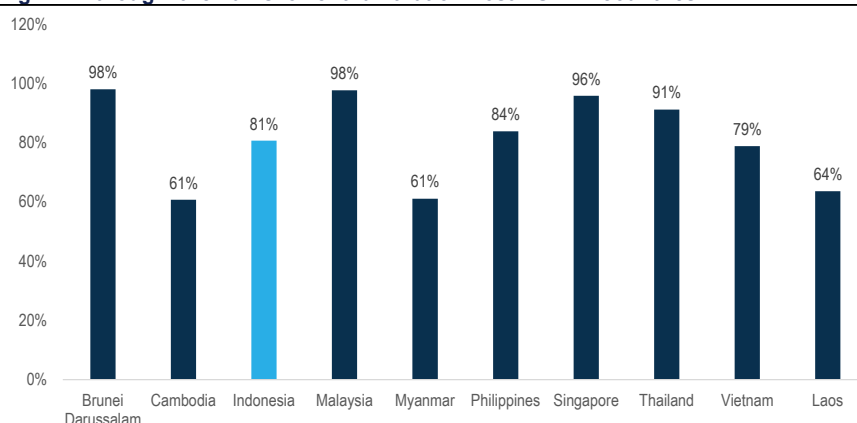
The COVID-19 pandemic has reshaped and accelerated digitalization across sectors globally, including in Indonesia. By 1H25, Indonesia's internet penetration reached 81% up from 73.7% in the pre-COVID era of 2019. Despite this progress, Indonesia's penetration rate still lags behind regional peers such as Singapore (96%) and Malaysia (98%). Looking ahead, the government target internet penetration to reach 87.5% by 2029F.

Fig. 3: Indonesia's internet penetration has accelerated in recent years ...



Source: APJII, Indo Premier

Fig. 4: ... though it remains lower than that of most ASEAN countries



Source: Datereportal, GSMA intelligence, APJII, Indo Premier

■ Supported by more advanced infrastructure

To achieve wider and more equitable internet penetration, the government completed the Palapa Ring project in 2018–19, deploying a fiber-optic backbone that linked Indonesia's regions. In Jun23, the SATRIA-1 satellite was launched (with service expected to begin in early 2024), offering up to 150 Gbps of broadband capacity to underserved and remote areas.

Looking ahead, the government is preparing a fixed wireless access (FWA) rollout by auctioning the 1.4 GHz spectrum in Aug25—designed to deliver affordable (~100 Mbps) high-speed internet. There are seven players participating in the tender process.

The private sector has also deployed more advanced telco-related infrastructure to support digitalization. Indonesia's data center installed capacity grew at a CAGR of c.30% during 2018–25F and is expected to reach 520 MW by 2025F. Over the next 5–7 years, data center capacity is projected to accelerate further to meet rising demand ([link to report](#)). In addition, the private sector is expected to become the providers of affordable internet services, while telco operators will deploy full 5G following future spectrum auctions.

In the RPJMN 2025–29F, the government plans a total budget of c.Rp60tr for the Ministry of Communication and Digital (Komdigi), with c.31% allocated to data center and cloud-related investments. The remaining c.70% will be allocated to the provision and management of digital infrastructure, public communication, public services, and the development and training programs to enhance digital literacy. The government targets Indonesia's data center capacity to reach 6.8 W per capita by 2029F (implying a c.56% CAGR over 2024–29F).

Fig. 5: KOMDIGI budget plan in RPJMN 2025-29F

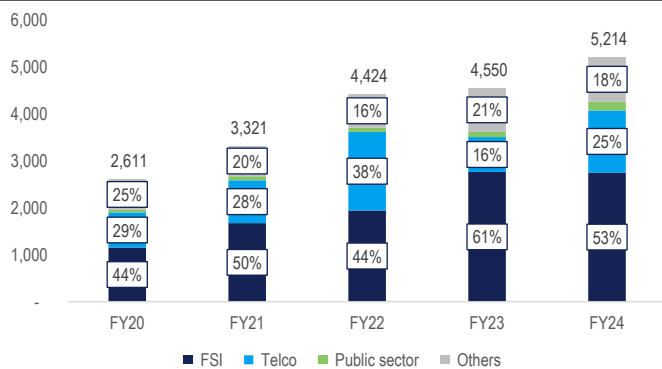
Program	Budget (Rp bn)
Public communication	752.5
Program for development and strengthening of ecosystems and digital space	22,683.1
Development of applications and digital government infrastructure	18,741.0
ICT infrastructure	16,044.0
OP facilities in information and communication technology	2,488.3
Others	208.7
Digital government technology governance	5.0
Acceleration of regional digital transformation	208.0
Ecosystem development for digital startup and national game	278.9
Development of digital innovation and new technology	107.5
Development of the postal logistics and broadcasting industry	26.0
Others	3,316.7
Digital infrastructure development and strengthening program	36,453.9
Acceleration of digital infrastructure development	612.7
Management of radio frequency spectrum and digital device standardization	56.9
Development of services and ecosystem of telecommunications industry and digital devices	12.0
Policy recommendation for data center and cloud development	4.0
Facilitation of data center and cloud development	4.0
Others	4.0
Public services in resource and digital device sector	165.2
Radio frequency spectrum licensing services, SOR, device certification, data center, cloud and special telecommunications	4.0
Others	161.2
Others	35,772.3
Total KOMDIGI budget	59,889.6
Total budget related to data center and cloud	18,544.3
as %to total KOMDIGI budget	31%
Budget related to data center and cloud-related investment	

Source: Indonesia's government, Indo Premier

Robust growth in contracts with a high win rate

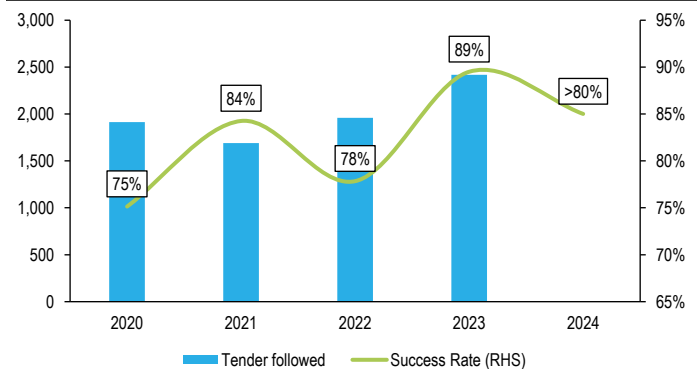
In FY20–24, its total contract bookings grew at a CAGR of 19%, primarily driven by financial services institutions (FSI), which accounted for 44–61% of contracts, followed by the telco sector, which accounted for 16–38%. It also maintained a high contract win rate of 75–89% during FY20–24, supported by long-standing and strong relationships with its reputable customers, particularly in the FSI, telco, and oil and gas sectors.

Fig. 6: MSTI's contracts were primarily dominated by the FSI and telco segments



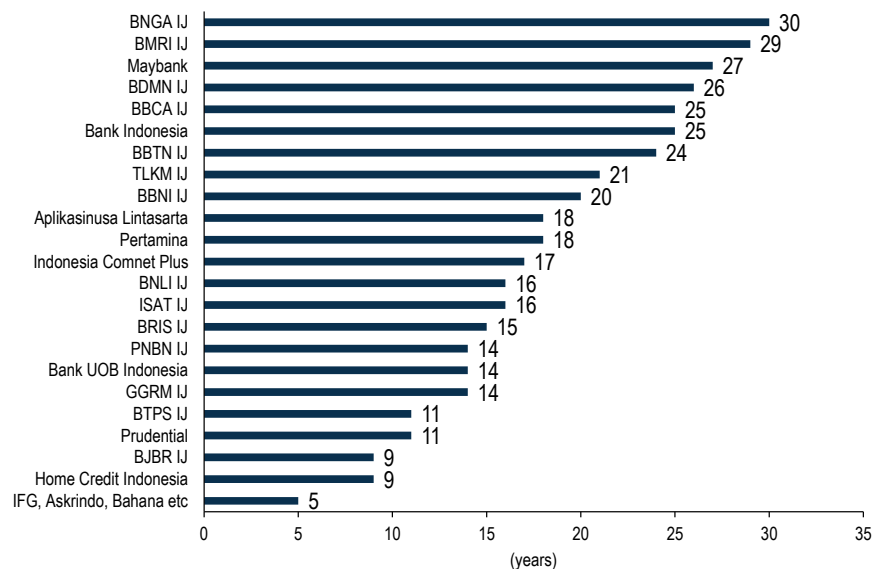
Source: Company report, Indo Premier

Fig. 7: MSTI has maintained a high contract win rate in FY20–24



Source: Company report, Indo Premier

Fig. 8: MSTI has managed a strong and long-standing relationships with its reputable customers



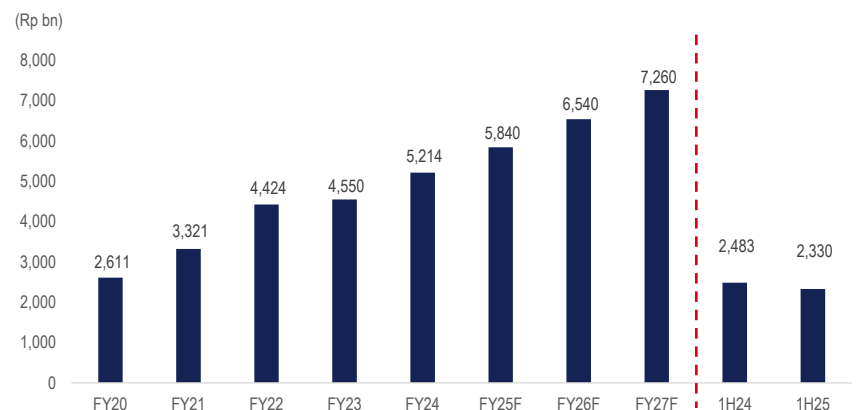
Source: Company report, Indo Premier

Looking ahead, we expect the FSI sector to remain the main driver of MSTI's contract growth, supported by further expansion in digital payments, a growing bankable population, and rising mobile banking adoption. This will be followed by contributions from the telco sector, driven by higher data usage, as Indonesia's consumption remains low compared to regional peers and is expected to continue growing. Furthermore, the

rise of low-latency use cases such as 5G and IoT is likely to support higher demand from the telco sector.

In 1H25, contract bookings stood at Rp2.3tr, down -6% yoy. The decline was due to a high base in 1H24, which included Rp600bn NVIDIA GPU contract. Excluding this one-off, 1H25 contracts still improved by +24% yoy. For FY25F, the company guides for contract targets in the range of Rp5.7-6.0tr, implying 10-15% yoy growth. On a conservative stance, we estimate FY25F contracts at Rp5,840bn (+12% yoy), at the low end of company's guidance. For FY26–27F, we assume contract bookings to also grow by 12% yoy p.a., respectively. We think this is achievable, with potential upside risks should the government's digitalization revamp agenda is being realized ([see our report](#)).

Fig. 9: Contracts outlook

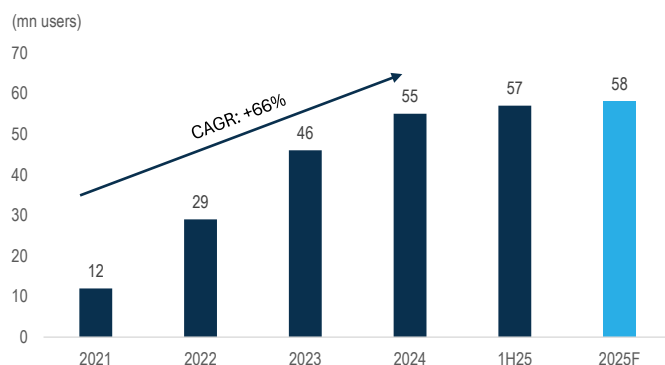


Source: Company report, Indo Premier

Further expansion in digital payments

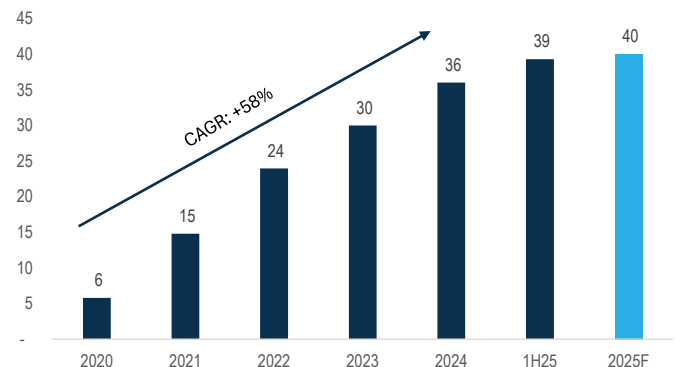
Since the launch of QRIS in 2019, digital transactions have accelerated significantly, reaching c.57mn users and c.39mn merchants as of 1H25. In FY25F, Bank Indonesia expects QRIS users to further increase to 58mn (+5% yoy), while the number of merchants is projected to grow 11% yoy to 40mn merchants. The rapid growth in QRIS adoption has been supported by regulatory mandates, the implementation of BI-FAST, and further enhanced by the rollout of new features such as QRIS Tuntas, QRIS Cross-Border, and the latest QRIS Tap.

Fig. 10: QRIS users grew at a 38% CAGR in FY22–24 and are expected to reach 58mn users by FY25F



Source: ASPI, Bank Indonesia, Indo Premier

Fig. 11: QRIS merchants increased at a 58% CAGR in FY20–24, reaching 36mn merchants and are expected to reach 40mn merchants by FY25F



Source: ASPI, Bank Indonesia, Indo Premier

Despite the rapid rise in digital transactions, Indonesia's digital wallet and A2A penetration in 2024 remained relatively low compared to regional peers, at 19% and 21% respectively (Fig.12), according to Worldpay. This underlines substantial growth potential, with penetration projected to rise to 30% and 38% by 2030F.

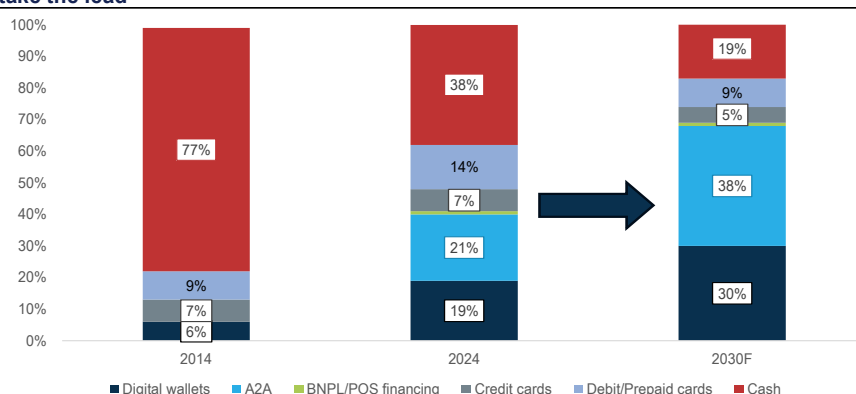
Fig. 12: Indonesia's current payment methods are still dominated by cash...

Countries	Digital wallets	A2A	BNPL/POS financing	Credit cards	Debit/Prepaid cards	Cash
Australia	19%	3%	2%	28%	38%	10%
China	70%	3%	1%	12%	8%	5%
Hong Kong	32%	4%	2%	45%	8%	8%
India	58%	3%	1%	17%	5%	15%
Indonesia	19%	21%	1%	7%	14%	38%
Japan	23%	<1%	2%	33%	4%	39%
Malaysia	29%	11%	3%	16%	18%	23%
New Zealand	13%	3%	3%	33%	41%	7%
Philippines	28%	6%	2%	13%	11%	41%
Singapore	29%	5%	1%	34%	17%	13%
South Korea	20%	4%	1%	54%	14%	7%
Taiwan	33%	1%	1%	36%	5%	24%
Thailand	11%	41%	2%	10%	4%	31%
Vietnam	30%	15%	1%	13%	5%	35%

* A2A: account to account incl. QRIS and BI-FAST

Source: Worldpay, Indo Premier

Fig. 13: ...but as digital adoption accelerates, A2A and digital payments are expected to take the lead

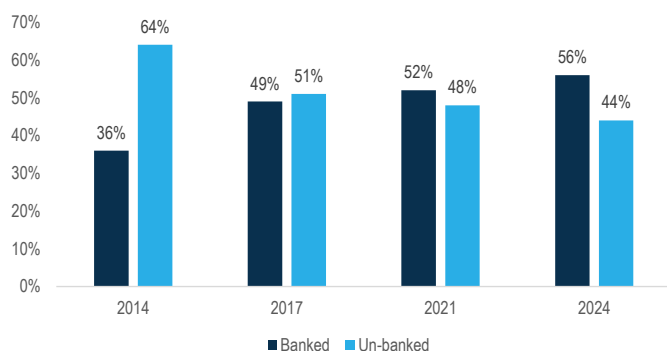


Source: Worldpay, Indo Premier

Growing bankable population with rising mobile banking adoption

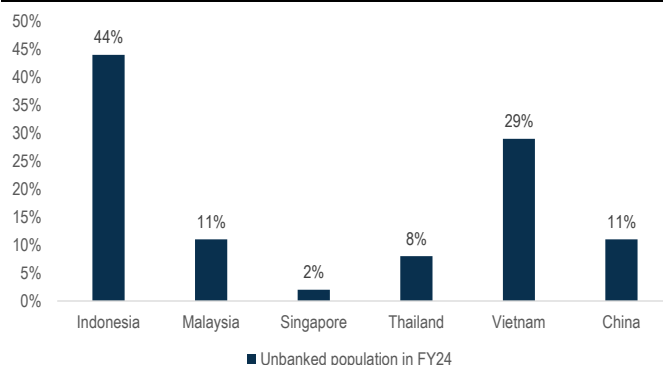
Indonesia still has a large unbanked population, accounting for 44% of adults as of FY24, compared to 2–29% in regional peers. We believe the rise of Gen-Z and Gen-A demographics could drive new bank account openings and greater adoption of mobile banking services.

Fig. 14: Indonesia's unbanked population remains large, providing growth potential of more account openings in the future



Source: Worldbank, Indo Premier

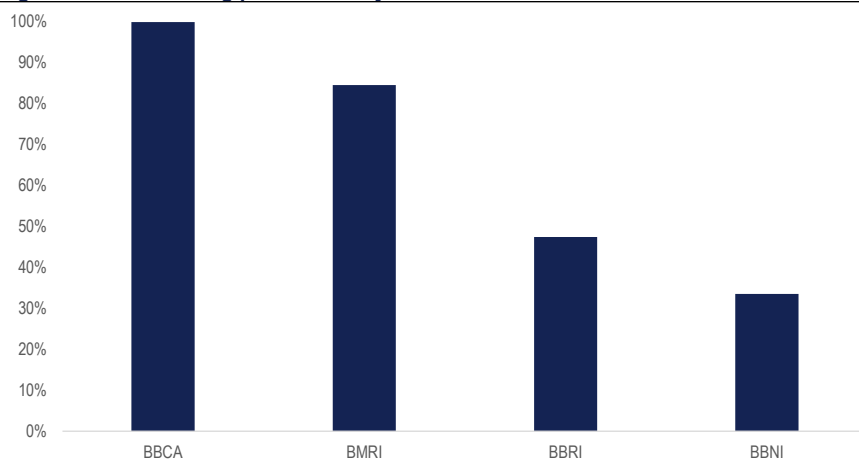
Fig. 15: Comparison of unbanked populations to regional peers



Source: Worldbank, Indo Premier

The opportunity for mobile banking growth also remains significant despite rapid adoption in recent years. Mobile banking penetration in Indonesia is still low at 34-47% for BRI (BRImo) and BNI (Wondr and mobile banking), respectively, compared with higher penetration rates in Mandiri (Livin') and BCA (myBCA and BCA mobile).

Fig. 16: Mobile banking penetration by bank



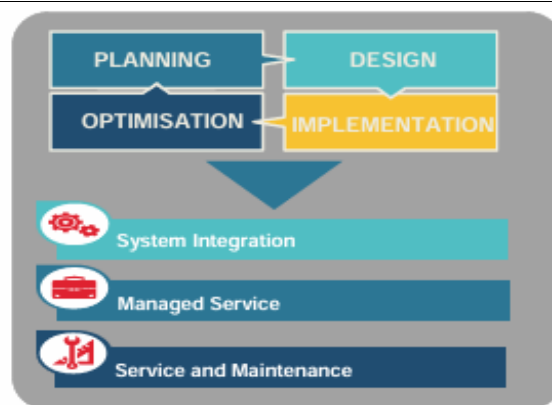
Source: Company report, Indo Premier

Notes: based on FY24 numbers; BCA based on digital transaction, BNI based on Wondr and mobile banking users to its funding account, BRI based on BRImo penetration rate.

Superior margin from sizeable service revenue

MSTI's business model is not only focused on hardware and software but also includes installation services as well as manage services, which support higher margins (>50% vs. hardware/software of 10/10%).

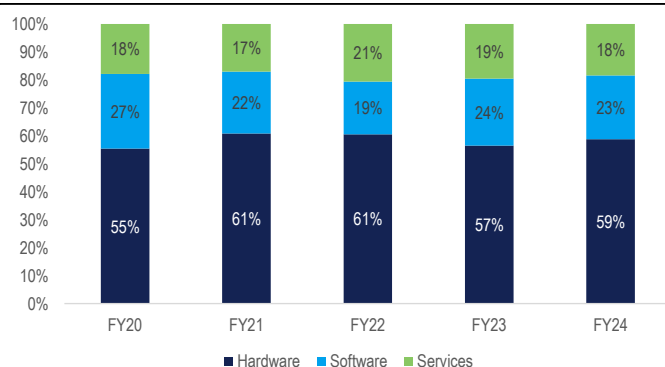
Fig. 17: MSTI's business model



Source: Worldpay, Indo Premier

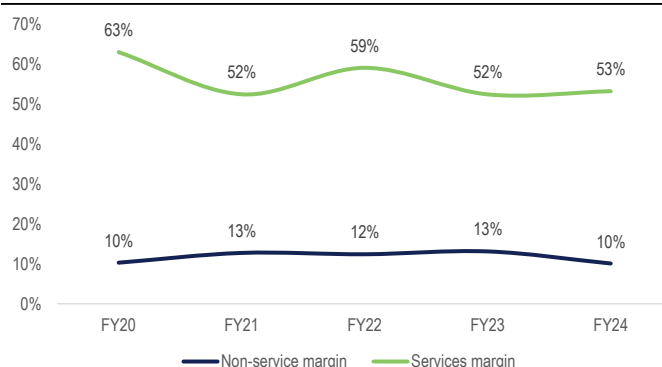
In FY20–24, services revenue accounted for 17–21% of total revenue (Fig.18). The company's strong service revenue contribution is driven by its broad FSI customer base, which requires extensive service and maintenance under regulatory mandates.

Fig. 18: Services revenue contribution is growing...



Source: Company report, Indo Premier

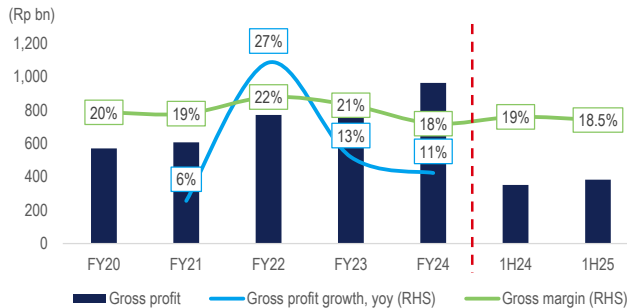
Fig. 19: ... and it has a relatively higher GP margin compared to hardware and software



Source: Company report, Indo Premier

As a result, MSTI delivers higher margins compared to other local system integrators or IT solutions players. Relative to regional peers, MSTI's margin stands at c.18.5% in 1H25.

Fig. 20: MSTI's gross profit margin...



Source: Company report, Indo Premier

Fig. 21: ... is well above domestic peers

Domestic companies peers' GPM	FY22	FY23	FY24	1H25
MSTI IJ	22.0%	20.8%	18.0%	18.5%
MTDL IJ	8.2%	8.7%	8.5%	7.6%
MLPT IJ	16.5%	16.4%	15.5%	17.6%
ASGR IJ*	10.1%	8.0%	8.8%	8.0%
ATIC IJ	12.7%	11.9%	12.8%	15.3%
ACN US	32%	32%	33%	31%
DXC US	22%	22%	23%	24%
HCLT IN	38%	36%	36%	N/A
INFO IS	33%	30%	30%	N/A
TCS IN	40%	40%	40%	N/A
TECHM IN	31%	28%	25%	N/A
9719 JP	26%	26%	27%	N/A

*ASGR margin for IT solutions

Source: Company report, Bloomberg, Indo Premier

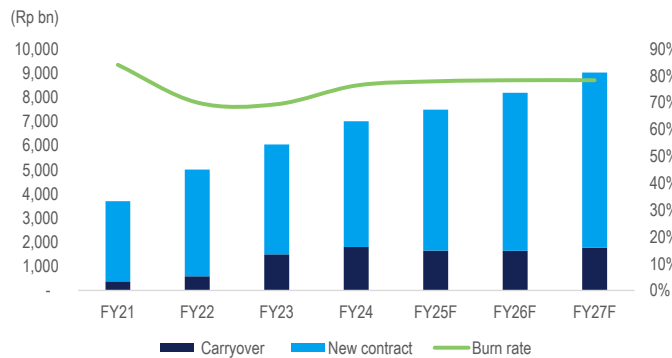
We estimate a 10% core NP CAGR in FY24-27F

In FY25–27F, we estimate revenue to grow by 9-10% yoy p.a., assuming an order book burn rate of 78% (at historical average in FY20-24). We expect revenue contribution from each business segment to remain stable over FY25–27F. Hardware and software should remain dominant at a combined 81%, driven by rising demand for AI and cloud, including potential GPU contracts and cybersecurity solutions.

In 1H25, the company booked revenue of Rp2tr (+12% yoy), representing 35% of our FY25F estimate and in-line with the 3Y mean seasonality of 34%. Growth was supported by higher services and software revenue of Rp429bn/+17% yoy and Rp679bn/+78% yoy, respectively, while hardware revenue declined to Rp963bn (-13% yoy).

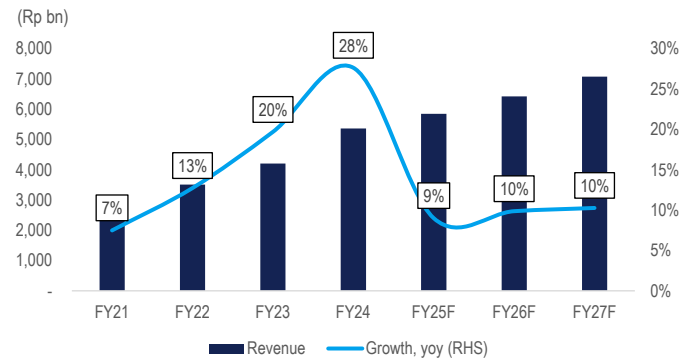
Consequently, we expect 2H25F revenue to reach Rp3,773bn (+82% hoh; +8% yoy), equivalent to 65% of our FY25F estimate, comprising services at Rp681bn (+59% hoh; +11% yoy), hardware at Rp1,783bn (+85% hoh; -13% yoy), and software at Rp1,308bn (+93% hoh; +55% yoy). We believe this target is achievable, as clients typically allocate larger portions of budgets and projects toward year-end. Based on discussions with IT solutions players, we also observed more budget disbursements in 2H25F, particularly from FSI clients, as budgets and growth outlooks became clearer post-EGMS.

Fig. 22: We assume for 78% burn rate to order book in FY25-27F, or at historical average in FY20-24



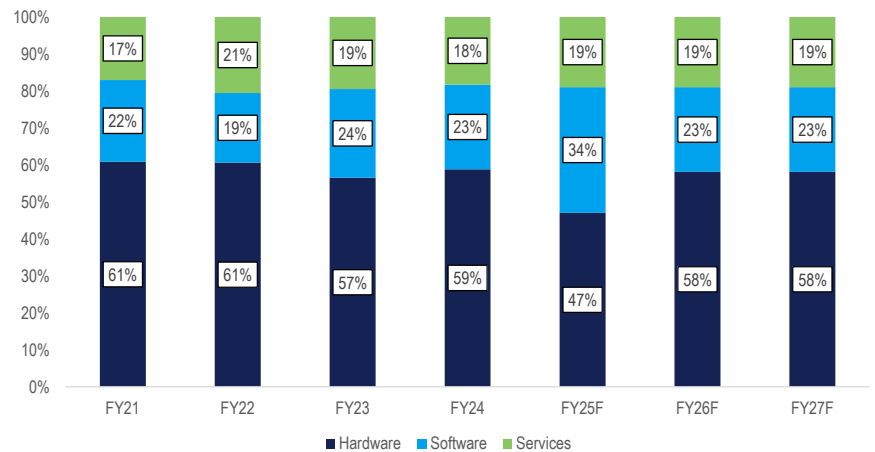
Source: Company report, Indo Premier

Fig. 23: This leads to a revenue CAGR of 10% in FY24-27F



Source: Company report, Indo Premier

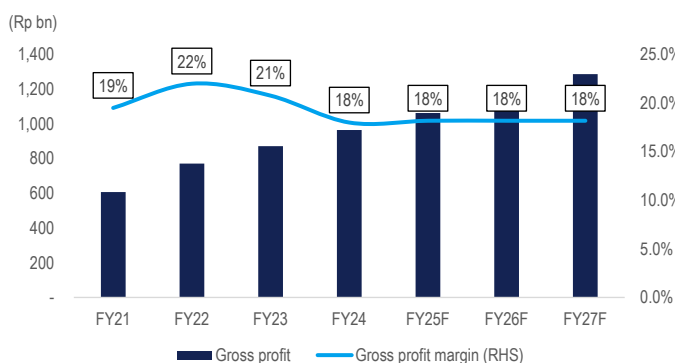
Fig. 24: MSTI's revenue attribution to remain stable in FY25-27F.



Source: Company report, Indo Premier

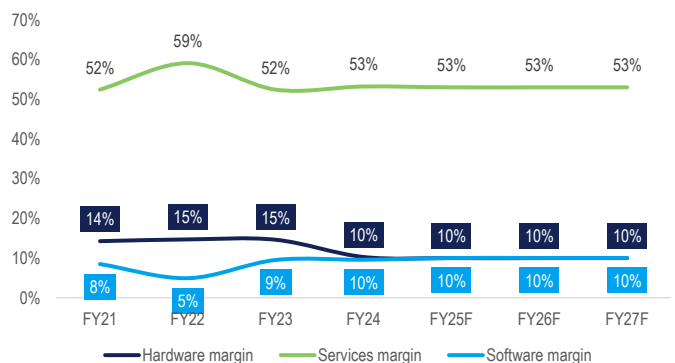
In 1H25, the company posted a total GPM of 18.5%, slightly below 19% in 1H24 but higher than FY24's 18%. The lower 1H25 GPM was primarily due to weaker hardware margins, as principals unexpectedly raised prices that MSTI absorbed for signed contracts. We acknowledge that such events could recur, and therefore prefer to be conservative, assuming a GPM of 18% in FY25–27F, with hardware, software, and services margins of 10%, 10%, and 53%, respectively.

Fig. 25: We expect gross profit to grow by 10% CAGR FY24-27F.



Source: Company report, Indo Premier

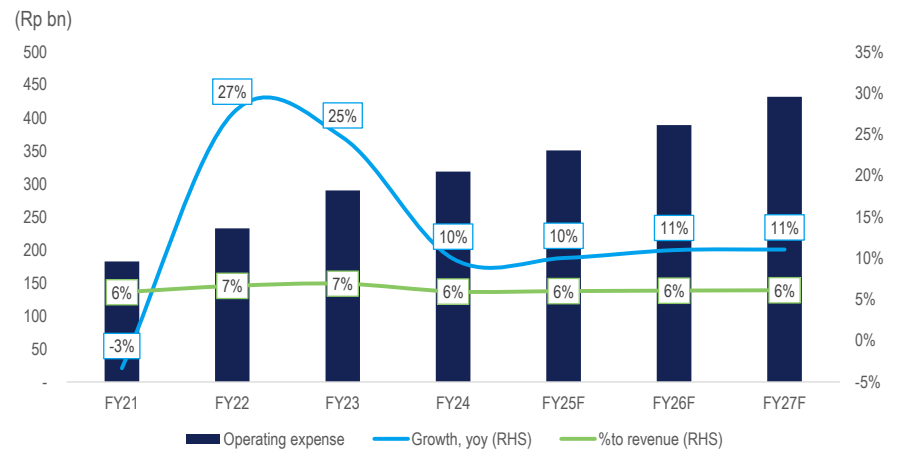
Fig. 26: Gross profit margin breakdown.



Source: Company report, Indo Premier

We assume MSTI will maintain a stable opex/revenue ratio of 6% p.a. in FY25–27F, consistent with historical trends.

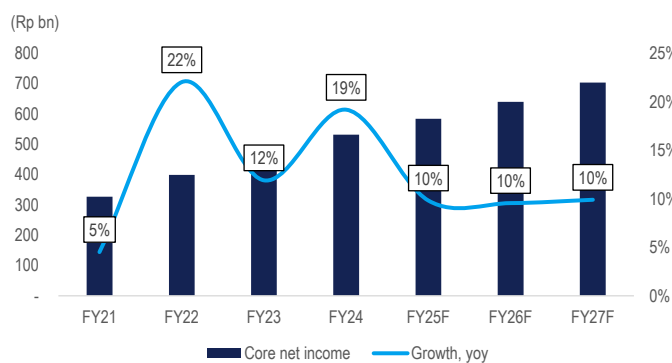
Fig. 27: Operating expense.



Source: Company report, Indo Premier

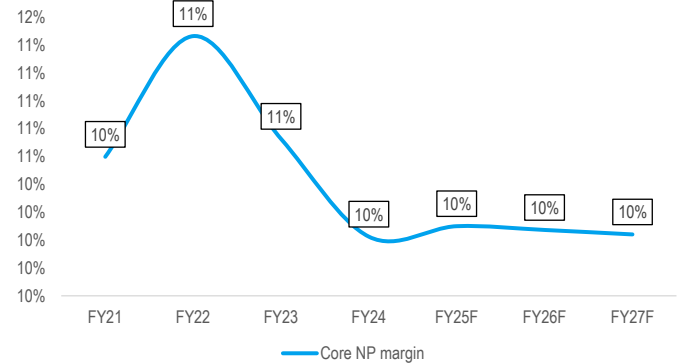
Overall, we estimate 10% core NP CAGR in FY24–27F with an annual core NP growth of 10% yoy p.a. in FY25-27F. As of 1H25, MSTI's core net profit stood at Rp197bn (+19% yoy), reflecting 34% of our estimate and significantly above seasonality of 27%. This is because we assume for FY25F GPM to be conservative at 18% vs. 19% in 1H24. If it could sustain similar GPM in 2H25F as in 1H25, the potential upside to our core NP estimate could be 3%. Our core NP estimate in FY25F at Rp584bn is in line with the consensus estimates.

Fig. 28: We expect core NP to grow by 10% CAGR FY24-27F.



Source: Company report, Indo Premier

Fig. 29: Core NP margin outlook.

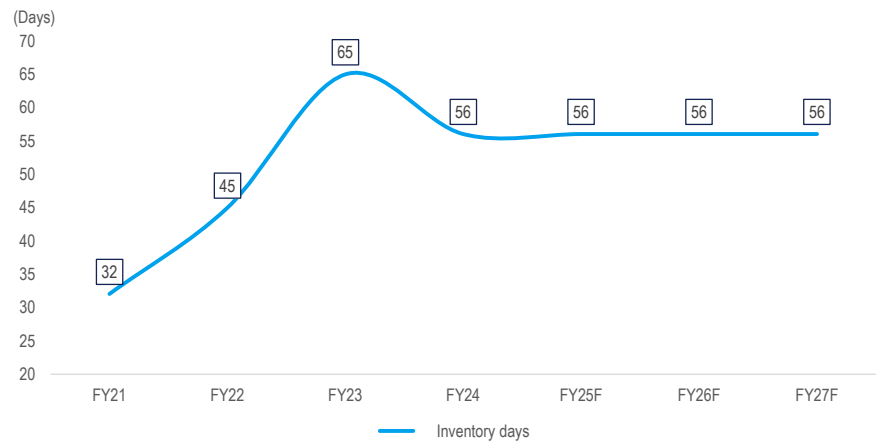


Source: Indo Premier

Robust balance sheets and sustained high DPR outlook

MSTI's inventory is primarily composed of hardware and projects in progress. Historically, inventory days averaged 50 days, but as of 1H25, it rose to 78 days, driven by higher purchase volumes and the long holiday during the semester, with a large portion still pending delivery to clients. For FY25–27F, we expect inventory days to normalize at 56 days, broadly in line with the FY24 level.

Fig. 30: We expect inventory days could remain stable in FY25–27F

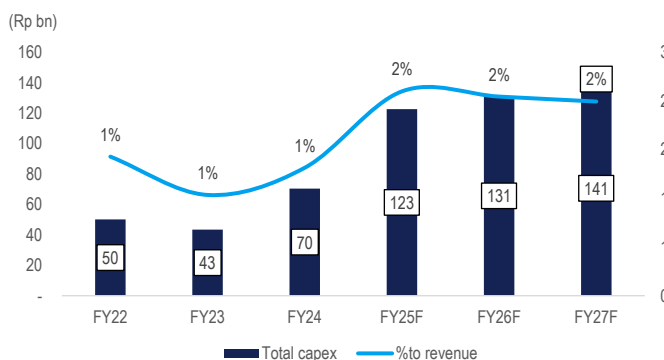


Source: Company report, Indo Premier

In terms of capex, MSTI booked Rp43–70bn in FY22–24, with maintenance capex accounting for 27–47% of the total, while the remaining 53–73% was leasing capex. Going forward, we estimate maintenance capex to remain in line with the company's guidance at Rp35bn p.a., while leasing capex is projected at Rp88–106bn p.a. for FY25–27F.

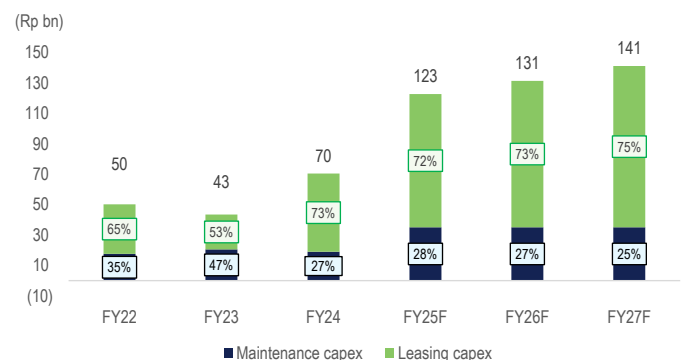
Leasing capex for O&G clients is structured as a full pass-through, with financing matched through banks or leasing companies, while securing favorable interest rates remains a key objective.

Fig. 31: Capex disbursement is low, at 1-2% to total revenue...



Source: Company report, Indo Premier

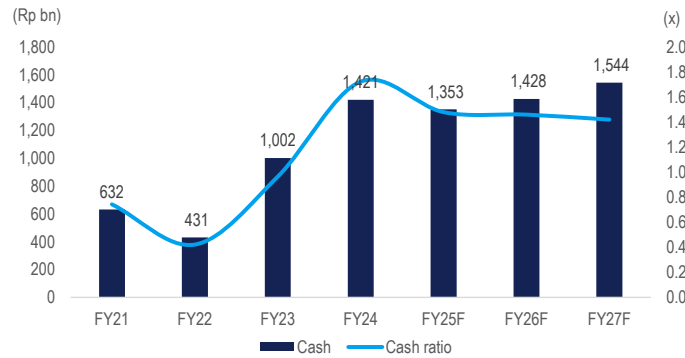
Fig. 32: ... majority is used for leasing capex (53-75%), while the remaining is used for maintenance capex (25-47%).



Source: Company report, Indo Premier

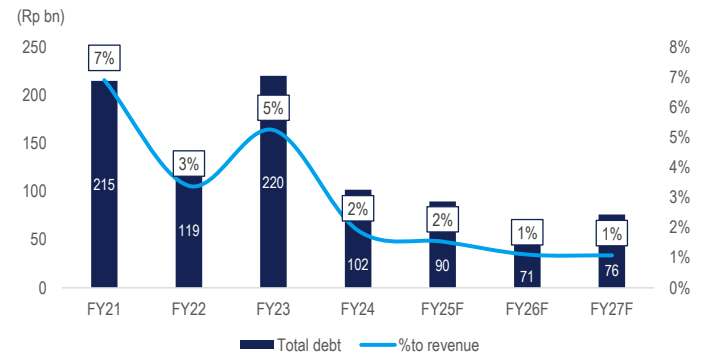
MSTI has maintained a strong cash position, making it a net cash company, holding more than Rp1tr in cash annually since 2023. Its cash ratio remains healthy at above 1.0x, supported by consistent operating cash flow of Rp433–694bn in FY25–27F. With cash largely generated from operations, the company has kept debt levels low, projected at only 1–2% of revenue for FY25–27F.

Fig. 33: MSTI maintains a strong cash position...



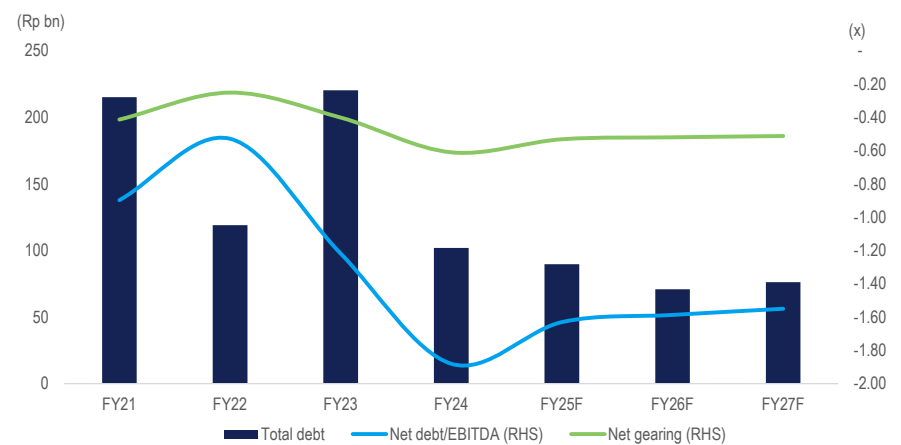
Source: Company report, Indo Premier

Fig. 34: ... with lower debt...



Source: Company report, Indo Premier

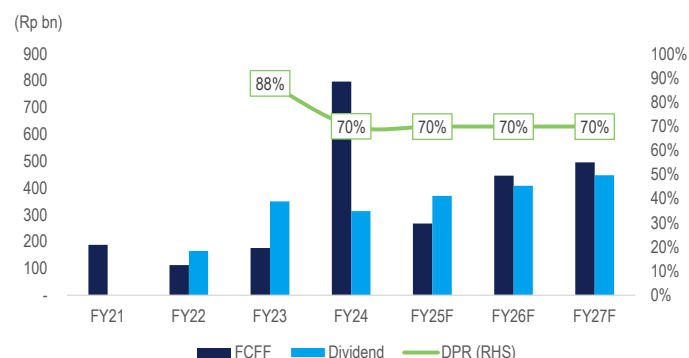
Fig. 35: ...leading to a net cash position.



Source: Company report, Indo Premier

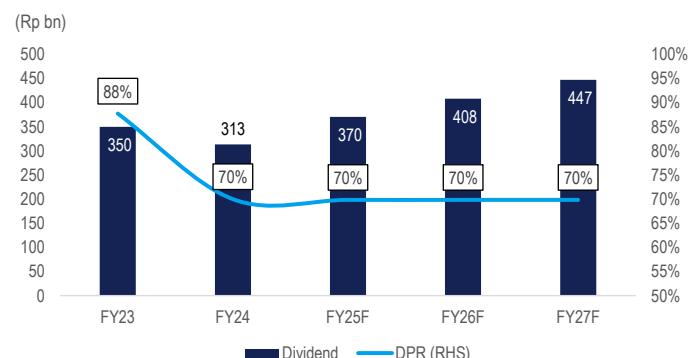
In summary, MSTI has a robust FCF after capex disbursement, combined with a strong cash position, supporting its ability to maintain a high dividend payout ratio (DPR) of 70%.

Fig. 36: We expect FCF to remain robust in FY25–27F...



Source: Company report, Indo Premier

Fig. 37: ... providing ample capacity to sustain its high DPR...



Source: Company report, Indo Premier

Fig. 38: ... translating to an attractive dividend yield compared to peers.

Peers' dividend yield	FY22	FY23	FY24	FY25F	FY26F	FY27F
MSTI IJ	N/A	7.3%	6.5%	7.7%	8.5%	9.3%
MTDL IJ	3.7%	4.1%	3.8%	3.1%	3.5%	3.9%
MLPT IJ	6.6%	0.7%	0.2%	N/A	N/A	N/A
ATIC IJ	0.0%	0.0%	0.0%	N/A	N/A	N/A
ASGR IJ	5.8%	7.7%	5.6%	N/A	N/A	N/A
ACN US	1.5%	1.8%	2.0%	2.3%	2.5%	2.7%
DXC US	N/A	N/A	N/A	N/A	N/A	N/A
COFORGE IN	0.6%	0.8%	0.9%	1.1%	1.3%	1.5%
HCLT IN	2.9%	4.6%	3.5%	4.2%	4.5%	4.8%
INFO IS	2.2%	2.4%	2.6%	3.6%	4.0%	4.3%
TCS IN	1.4%	3.8%	2.4%	3.9%	4.2%	4.6%
TECHM IN	3.1%	3.4%	2.7%	3.5%	4.1%	4.6%
9719 JP	1.0%	1.1%	1.3%	2.0%	2.1%	2.4%

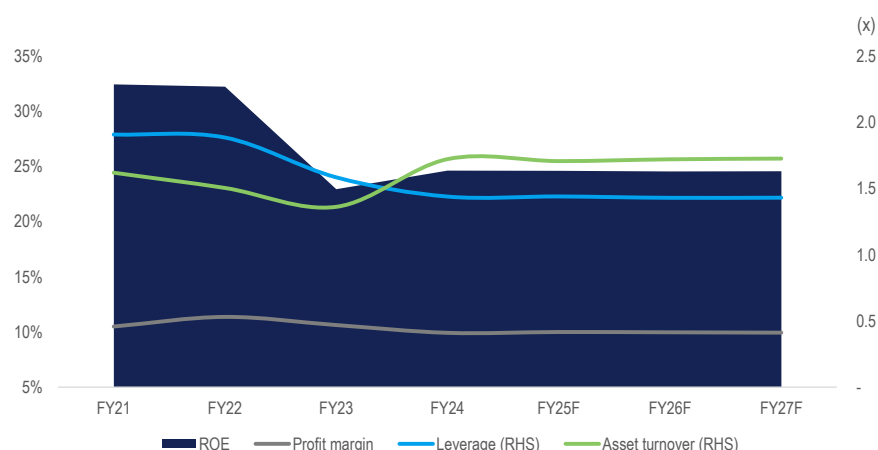
Source: Company report, Bloomberg, Indo Premier

Retaining a high and stable ROE outlook

MSTI's ROE declined in FY23 due to a significant increase in equity following its IPO. However, ROE improved in FY24 as the company began optimizing its capital structure.

Looking ahead, we expect ROE to remain stable at 25% in FY25–27F, based on a DPR assumption of 70% p.a. ROE could be higher if the company opts to raise its DPR in the future while maintaining unchanged leverage.

Fig. 39: MSTI's dupont analysis



Source: Indo Premier

Fig. 40: ROE comparison between MSTI vs. peers

Peers' ROE	FY22	FY23	FY24	FY25F	FY26F	FY27F
MSTI IJ	32%	23%	25%	25%	25%	25%
MTDL IJ	19%	19%	19%	18%	17%	18%
MLPT IJ	66%	29%	53%	N/A	N/A	N/A
ATIC IJ	N/A	N/A	61%	N/A	N/A	N/A
ASGR IJ	6%	8%	11%	N/A	N/A	N/A
ACN US	33%	29%	27%	28%	26%	25%
DXC US	14%	-13%	3%	17%	15%	26%
COFORGE IN	25%	24%	24%	19%	21%	22%
HCLT IN	22%	23%	23%	25%	27%	28%
INFO IS	29%	32%	32%	29%	29%	30%
TCS IN	43%	46%	50%	52%	53%	55%
TECHM IN	22%	18%	9%	19%	23%	25%
9719 JP	14%	14%	14%	20%	19%	19%

Source: Company report, Bloomberg, Indo Premier

Reinitiate with a BUY call

We reinitiate MSTI with a BUY call and a TP of Rp2,000/sh, based on 10x P/E FY26F. We believe this is fair, as we estimate for a 10% core NP CAGR in FY24–27F, implying for a 1x PEG. Valuation also remains attractive compared to global peers of avg. 16x P/E with a similar business model, return profile, and growth. (Figs 43–44) Potential risks: unfavorable macro condition and regulatory change, higher-than-expected cost absorption.

Fig. 41: Our TP for MSTI is Rp2,000/sh (rounded from Rp2,039).

P/E valuation	FY26F
P/E	10.0
EPS	204
Target price (Rp)	2,039
Current price (Rp)	1,525
Upside	34%

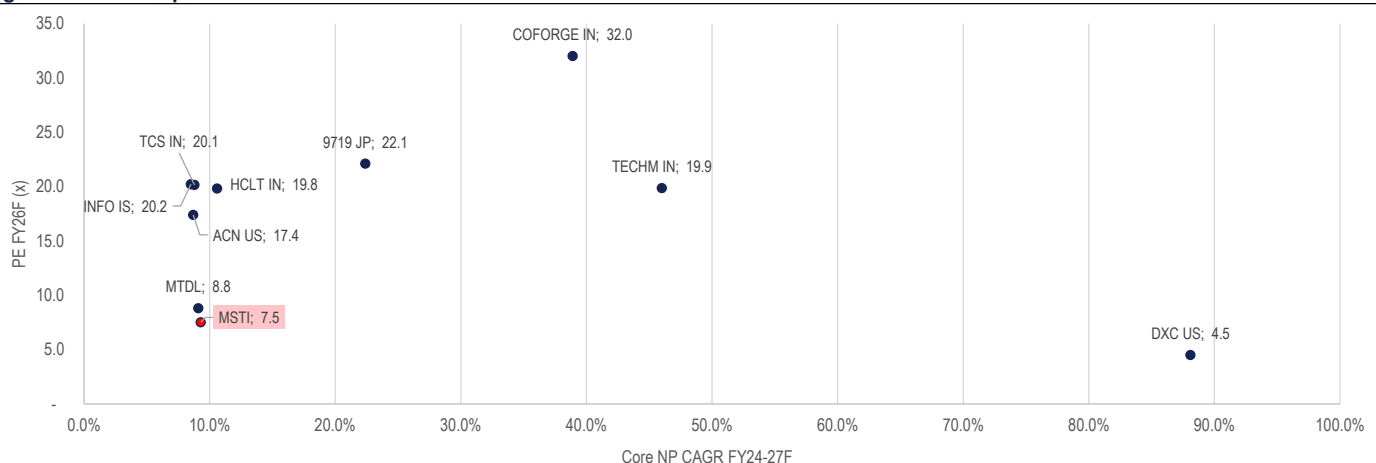
Source: Indo Premier

Fig. 42: Our DCF sanity check indicates a fair value of Rp2,671/sh for MSTI implying a 13.1x PE FY26F.

DCF-FCF	2023	2024	2025F	2026F	2027F	2028F	2029F	2030F	Assumptions
EBITDA (1-T) (Rp bn)	500	547	604	667	739	815	894	979	Risk free rate 6.6%
Capex (Rp bn)	(43)	(70)	(123)	(131)	(141)	(152)	(164)	(176)	Market return 14.0%
Changes in working capital (Rp bn)	(281)	320	(215)	(89)	(102)	(110)	(121)	(133)	Beta 0.64
Tax rate	22%	22%	22%	22%	22%	22%	22%	22%	Gross cost of debt 8.0%
FCF (Rp bn)	176	796	267	446	495	553	610	669	Cost of equity 11.3%
Forecast years	-	-	-	1	2	3	4	5	Cost of debt 6.2%
Discount factors	-	-	100%	90%	81%	73%	66%	59%	% of equity 96.4%
Present value (Rp bn)	-	-	267	401	401	403	400	395	% of debt 3.6%
Terminal growth	-	-	-	-	-	-	-	2.5%	WACC 11.2%
Terminal Value (Rp bn)	-	-	-	-	-	-	-	7,932	Recommendation criteria
Present value of terminal value (Rp bn)	-	-	-	-	-	-	-	4,675	Recommended Criteria
FCF NPV (Rp bn)	-	-	-	-	-	-	-	2,267	Buy >10%
Debt (Rp bn)	-	-	-	-	-	-	-	90	Hold <10%, >10%
Cash (Rp bn)	-	-	-	-	-	-	-	1,353	Sell <-10%
Net equity value (Rp bn)	-	-	-	-	-	-	-	8,385	
Outstanding share (in bn share)	-	-	-	-	-	-	-	3.1	
Target price/share (Rp)	-	-	-	-	-	-	-	2,671	
Current price	-	-	-	-	-	-	-	1,525	
Upside(downside)	-	-	-	-	-	-	-	75.1%	
Recommendation	-	-	-	-	-	-	-	Buy	

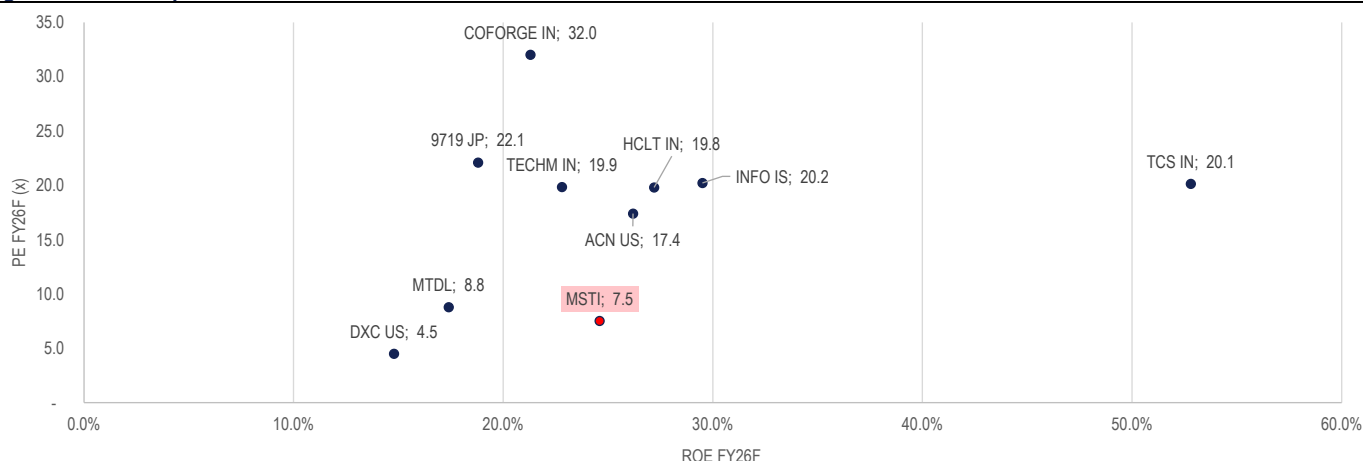
Source: Indo Premier

Fig. 43: Peers comparison – P/E FY26F vs. Core NP CAGR FY24-27F



Source: Bloomberg, Indo Premier

Fig. 44: Peers comparison – P/E FY26F vs. ROE FY26F



Source: Bloomberg, Indo Premier

Fig. 45: MSTI's forward PB band.



Source: Company, Indo Premier

Fig. 46: MSTI's forward EV/EBITDA band.



Source: Company, Indo Premier

Fig. 47: MSTI's forward PE band.



Source: Company report, Indo Premier

MSTI vs peers

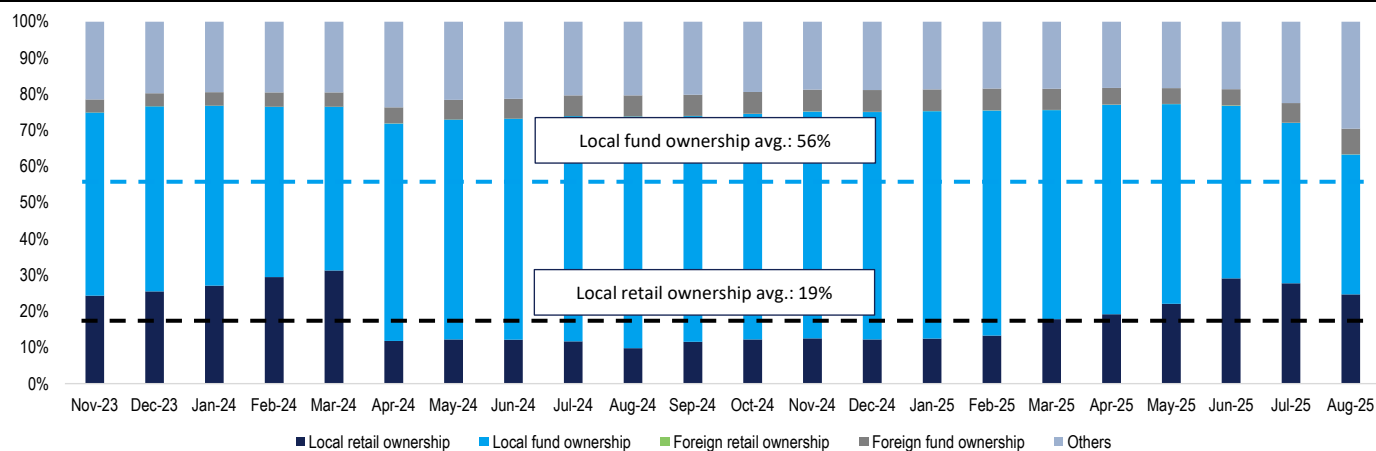
Fig. 48: IT sector valuation comparisons – based on 23 September 2025 closing price – MSTI is considered cheap compared to the global players which trade at an average of 16x PE FY26F.

Company	Bloomberg	Market Cap	Last Price	Target	P/E (x)			P/B (x)			EV/EBITDA (x)			Gross profit margin (%)			ROE (%)			Div. yield (%)			Revenue CAGR (%)	Net Profit CAGR (%)
	Ticker	(US\$m)	(local curr.)	Price	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F	2024-27F	2024-27F
Indonesia																								
Mastersystem Infotama	MSTI IJ Equity	293	1,530	2,000	8.2	7.5	6.8	2.0	2.4	0.0	4.6	4.0	3.5	18.2	18.2	18.2	24.6	24.6	24.6	7.7	8.5	9.3	9.7	9.8
Metrodata Electronics	MTDL IJ Equity	464	630	N.A	9.8	8.8	7.8	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	18.2	17.4	17.6	3.1	3.4	3.8	N.A	N.A
Multipolar Technology	MLPT IJ Equity	17,690	157,225	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Anabatic Technologies	ATIC IJ Equity	61	436	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Astra Graphia	ASGR IJ Equity	96	1,190	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Total		10,065																						
Simple average					9.0	7.7	7.4	N.A	N.A	N.A	5.7	5.1	5.0	18.1	18.0	N.A	21.4	21.1	20.6	4.7	4.9	5.1	8.4	8.0
Median					9.0	7.7	7.4	N.A	N.A	N.A	5.7	5.1	5.0	18.1	18.0	N.A	21.4	21.1	20.6	4.7	4.9	5.1		
U.S																								
Accenture Plc	ACN US Equity	149,646	240	N.A	18.6	17.4	16.1	4.7	4.2	3.7	11.2	10.6	10.0	32.0	32.2	32.2	27.5	26.2	25.2	2.4	2.6	2.9	6.1	8.7
DXC Technology	DXC US Equity	2,561	14	N.A	4.6	4.5	4.2	0.7	0.6	0.8	2.8	2.8	2.9	24.9	25.1	24.8	17.0	14.8	25.6	N.A	N.A	N.A	(3.5)	88.1
Total		152,208																						
Simple average					11.6	10.9	10.2	2.7	2.4	2.2	7.0	6.7	6.4	28.5	28.6	28.5	22.2	20.5	25.4	2.4	2.6	2.9	1.3	48.4
Median					11.6	10.9	10.2	2.7	2.4	2.2	7.0	6.7	6.4	28.5	28.6	28.5	22.2	20.5	25.4	2.4	2.6	2.9	1.3	48.4
India																								
Coforge	COFORGE IN Equity	6,288	1,668	N.A	40.4	32.0	27.3	7.5	6.6	5.8	20.8	17.6	15.2	33.7	33.7	33.6	19.3	21.3	21.8	1.1	1.3	1.5	33.6	38.9
HCL Technologies	HCLT IN Equity	43,722	1,430	N.A	22.2	19.8	18.3	5.5	5.3	5.1	13.8	12.5	11.7	33.9	34.5	34.8	24.9	27.2	28.2	4.2	4.4	4.8	9.7	10.6
Infosys	INFO IS Equity	70,104	1,498	N.A	21.9	20.2	18.7	6.2	5.8	5.4	14.4	13.3	12.3	32.1	32.1	32.0	28.8	29.5	29.8	3.5	3.8	4.2	9.1	8.5
Tata Consultancy Services	TCS IN Equity	124,857	3,062	N.A	21.7	20.1	18.7	11.0	10.2	9.8	15.3	14.1	13.2	40.4	40.6	40.8	51.6	52.8	54.7	3.8	4.1	4.5	7.6	8.8
Tech Mahindra	TECHM IN Equity	16,247	1,472	N.A	24.7	19.9	17.7	4.7	4.5	4.3	16.3	13.6	12.3	29.6	31.0	31.8	19.0	22.8	24.5	3.5	4.1	4.6	6.8	46.0
Total		261,218																						
Simple average					26.2	22.4	20.1	7.0	6.5	6.1	16.1	14.2	12.9	33.9	34.4	34.6	28.7	30.7	31.8	3.2	3.6	3.9	13.4	22.6
Median					22.2	20.1	18.7	6.2	5.8	5.4	15.3	13.6	12.3	33.7	33.7	33.6	24.9	27.2	28.2	3.5	4.1	4.5	9.1	10.6
Japan																								
SCSK Corporation	9719 JP Equity	9,655	4,555	N.A	22.5	22.1	19.8	4.4	4.0	3.6	14.2	13.4	12.5	27.3	27.6	27.7	20.4	18.8	18.8	2.1	2.3	2.5	22.4	21.2
Total		9,655																						
Simple average					22.5	22.1	19.8	4.4	4.0	3.6	14.2	13.4	12.5	27.3	27.6	27.7	20.4	18.8	18.8	2.1	2.3	2.5	22.4	21.2
Median					22.5	22.1	19.8	4.4	4.0	3.6	14.2	13.4	12.5	27.3	27.6	27.7	20.4	18.8	18.8	2.1	2.3	2.5	22.4	21.2
Global avg.					17.3	15.8	14.4	4.7	4.3	4.0	10.7	9.8	9.2	27.0	27.1	30.3	23.2	22.8	24.2	3.1	3.3	3.6	11.4	25.0

Source: Company, Indo Premier

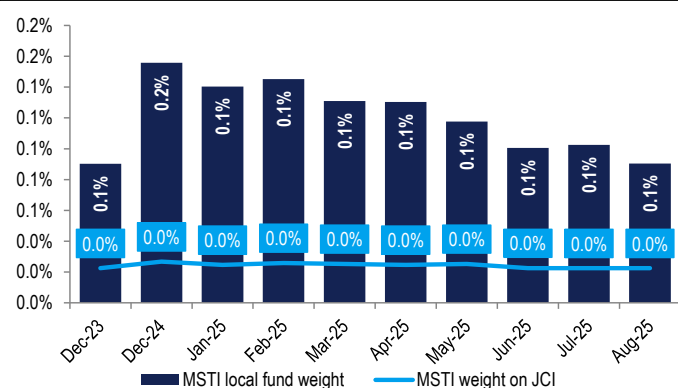
Share ownerships summary

Fig. 49: MSTI's institutional fund ownerships remain light



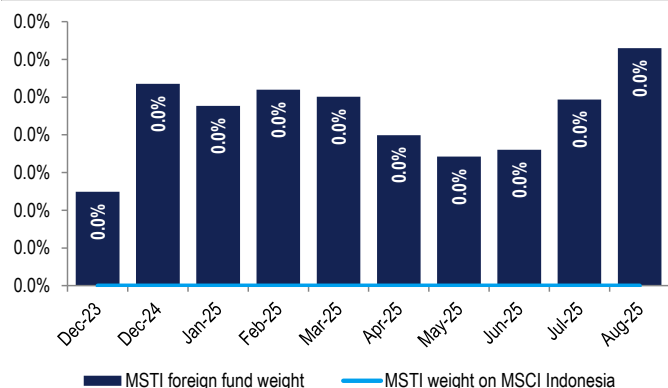
Source: KSEI, Indo Premier

Fig. 50: MSTI's local fund weight



Source: KSEI, Bloomberg, Indo Premier




Fig. 51: MSTI's foreign fund weight



Source: KSEI, Bloomberg, Indo Premier

Management profile

Fig. 52: Board of commissioner

Name	Position	Ownership	Description
Jupri Wijaya 	President Commissioner	902,673,334 (28.75%)	An Indonesian citizen, 63 years old. Jupri Wijaya earned a Bachelor's degree in Civil Engineering from Atma Jaya University Yogyakarta in 1987. He was appointed as President Commissioner of the Company in 2023 and is one of the shareholders and controllers of the Company. He has over 30 years of experience in the IT industry. Previously, he served as Manager at PT Baniandoni (1987–1990), Account Manager at PT Multipolar Corporation (1990–1992), and Chief Executive Officer of PT Cliquestar (1992–1994), before founding the Company in 1994.
Ronald Waas 	Commissioner	-	An Indonesian citizen, 69 years old. Ronald Waas earned a Bachelor's degree in Civil Engineering from the Bandung Institute of Technology in 1980 and a Master of International Affairs from Columbia University, USA, in 1995. He was appointed as Commissioner of the Company in 2023. He had a 35-year career at Bank Indonesia. Previously, he served in various important positions at Bank Indonesia, including Director of the Directorate of Information Technology (2004–2007), Director of the Special Information Management Unit (2007–2009), Director of the Directorate of Accounting and Payment Systems (2009–2012), and his last position as Deputy Governor (2011–2016).
Tang Budi Santoso Sutan 	Independent Commissioner	-	An Indonesian citizen, 57 years old. Tang Budi Santoso Sutan earned a Bachelor's degree in Electrical Engineering from the Sepuluh Nopember Institute of Technology (ITS) in 1991. He was appointed as Commissioner of the Company in 2023. He has over 30 years of experience in the IT industry. He also has responsibilities as Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee of the Company. Previously, he served in various positions at IBM Global Services Indonesia, with his last position as Integrated Technology Services Manager until 2001, and at Cisco, with his last position as ASEAN Partner Sales Lead until 2023.

Source: Company, Bloomberg, Indo Premier

Fig. 53: Board of directors

Name	Position	Ownership	Description
Eddy Anthony 	President Director	902,673,334 (28.75%)	An Indonesian citizen, 64 years old. Eddy Anthony earned a Bachelor's degree in Law from Parahyangan Catholic University in 1985, a Bachelor's degree in Electrical Engineering from Bandung Institute of Technology in 1986, a Master's degree in Management from Trisakti University in 2006, and a Doctorate in Economics from Trisakti University in 2017. He was appointed as President Director of the Company in 2023 and is one of the shareholders and controllers of the Company. He has over 30 years of experience in the IT industry. Previously, he served as Marketing Manager at PT Multipolar Corporation (1987–1994), before founding the Company in 1994.
Joko Gunawan 	Vice President Director	862,653,332 (27.48%)	An Indonesian citizen, 59 years old. Joko Gunawan earned a Diploma 3 degree in Electrical Engineering from the Polytechnic University of Indonesia in 1988. He was appointed as Vice President Director of the Company in 2023 and is one of the shareholders and controllers of the Company. He has over 30 years of experience in the IT industry. Previously, he served as Professional Services Manager at PT Multipolar Corporation (1988–1994), before founding the Company in 1994. He also served as a Director of the Company (1994–2020).
Moch. Lintar Wahyu Wardana 	Director	135,000 (0.00%)	An Indonesian citizen, 47 years old. Moch. Lintar Wahyu Wardana earned a Bachelor's degree in Electrical Engineering from the Indonesia Institute of Technology in 2000. He was appointed as Director of the Company in 2023. He has over 20 years of experience in the IT industry. Previously, he served in various positions at the Company, including Senior System Engineer (2003–2005), Technical Advisor (2005–2011), General Manager Solution Architect (2011–2020), and Senior General Manager (2020–2022).
Thio Eng Hok 	Director	44,900 (0.00%)	An Indonesian citizen, 58 years old. Thio Eng Hok earned a Bachelor's degree in Mathematics from Bandung Institute of Technology in 1991. He was appointed as Director of the Company in 2023. He has over 30 years of experience in the IT industry. Previously, he served as Sales Lead FSI at PT Microsoft Indonesia (1997–2008), Executive Sales Specialist at PT SAP Indonesia (2008–2010), and Sales Director at PT Tdata Indonesia (2010–2019), before joining the Company in 2019 as Senior VP Sales.
Jeo Halim 	Director	205,000 (0.01%)	An Indonesian citizen, 48 years old. Jeo Halim earned a Bachelor's degree in Accounting from Trisakti University in 1997. He was appointed as Director of the Company in 2023. He has over 20 years of experience in the financial fields. Previously, he served as Auditor at KPMG Indonesia (1997–1998), Auditor at Deloitte Indonesia (1998–2002), Audit Manager at KAP Dedi Mulyadi & Rekan (2002–2003), Credit Card Controller at GE Finance Indonesia (2003–2009), and Controller at GE Money Hong Kong (2009–2010), before joining the Company in 2010 as General Manager of Accounting and Finance.
Raymon Budi Citra 	Director	205,000 (0.01%)	An Indonesian citizen, 48 years old. Raymon Budi Citra earned a Bachelor's degree in Electrical Engineering from Sam Ratulangi University in 1999. He was appointed as Director of the Company in 2023. He has over 20 years of experience in the IT industry. Previously, he served in various positions at the Company, including System Engineer (2000–2003), Senior System Engineer (2003–2005), Business Development Manager (2005–2011), General Manager (2011–2020), and Senior General Manager (2020–2022).

Source: Company, Bloomberg, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	4,201	5,362	5,844	6,420	7,078
Cost of sales	(3,329)	(4,397)	(4,782)	(5,253)	(5,792)
Gross profit	872	964	1,062	1,167	1,286
SG&A Expenses	(290)	(319)	(351)	(389)	(432)
Operating profit	582	646	711	778	854
EBITDA	641	701	775	855	947
Net interest	(14)	9	15	18	19
Forex gain (loss)	2	(2)	-	-	-
Others	8	32	23	26	28
Pre-tax income	577	685	749	821	902
Income tax	(129)	(154)	(165)	(181)	(198)
Net income	448	530	584	640	704

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalents	1,002	1,421	1,353	1,428	1,544
Receivables	780	577	739	812	895
Other current assets	1,076	875	1,027	1,129	1,244
Total current assets	2,859	2,873	3,119	3,368	3,684
Fixed assets	181	196	255	309	358
Other non-current assets	43	43	47	52	57
Total non-current assets	224	239	302	361	415
Total assets	3,083	3,112	3,422	3,729	4,099
Payables	677	519	598	657	724
Other payables	170	242	264	290	320
Current portion of LT loans	191	63	52	31	43
Total current liab.	1,038	825	914	977	1,087
Long term loans	29	39	37	40	33
Other LT liab.	70	88	95	105	116
Total liabilities	1,138	951	1,047	1,122	1,236
Equity	683	684	684	684	684
Retained earnings	1,263	1,477	1,691	1,923	2,180
Minority interest	-	-	-	-	-
Total SHE + minority int.	1,945	2,161	2,375	2,607	2,863
Total liabilities & equity	3,083	3,112	3,422	3,729	4,099

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net income	448	530	584	640	704
Depr. & amortization	53	52	63	77	93
Changes in working capital	(281)	320	(215)	(89)	(102)
Others	-	-	-	-	-
Cash flow from operating	220	902	433	628	694
Capital expenditure	(37)	(67)	(123)	(131)	(141)
Others	8	(0)	(4)	(5)	(5)

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash flow from investing	(28)	(67)	(127)	(136)	(147)
Loans	101	(118)	(12)	(19)	5
Equity	615	1	-	-	-
Dividends	(350)	(313)	(370)	(408)	(447)
Others	13	15	8	9	11
Cash flow from financing	379	(416)	(375)	(418)	(431)
Changes in cash	571	419	(68)	75	117

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	20.8%	18.0%	18.2%	18.2%	18.2%
EBITDA margin	15.3%	13.1%	13.3%	13.3%	13.4%
Pre-tax margin	13.7%	12.8%	12.8%	12.8%	12.7%
Net margin	10.7%	9.9%	10.0%	10.0%	9.9%
ROA	15.6%	18.5%	18.7%	19.0%	19.1%
ROE	22.9%	24.6%	24.6%	24.6%	24.6%
ROIC	160.7%	114.8%	487.1%	212.3%	99.1%

Acct. receivables TO - days	72	45	45	45	45
Acct. payables TO - days	74	49	45	45	45
Inventory TO - days	65	56	56	56	56

Net debt/EBITDA (inc. leases) (x)	(1.2)	(1.9)	(1.6)	(1.6)	(1.6)
Interest coverage (x)	30.4	67.1	91.0	110.4	113.1

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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