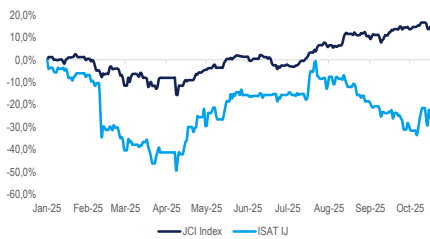


Stock Data

Target price	Rp2,200
Prior TP	Rp2,600
Current price	Rp1,835
Upside/downside	+19.8%
Shares outstanding (mn)	32,251
Market cap (Rp bn)	59,180
Free float	16%
Avg. 6m daily T/O (Rp bn)	39

Price Performance

	3M	6M	12M
Absolute	-12.2	15.1	-25.4
Relative to JCI	-25.2	-11.9	-31.6
52w low/high (Rp)	1,255-2,988		



Major Shareholders

Ooredoo Asia PTE, LTD	65.6%
-----------------------	-------

Aurelia Barus

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

Belva Monica

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

Potentially soft 3Q25F results may have been reflected in the share price

- We estimate ISAT’s 3Q25F EBITDA could be soft at Rp6.3tr (-1.6% qoq), bringing 9M25F EBITDA to Rp19.2tr (-4% yoy).
- We now estimate FY25F EBITDA to decline by -1.5% yoy, or lower than both the company’s guidance and consensus estimates.
- Despite our earnings downgrade, we retain our BUY call as the share price has already reflected these expectations.

Expecting soft 3Q25F results

Based on our monthly survey trends, we expect ISAT’s data yield and ARPU to be flat and -2% qoq, respectively. The impact of new package launches - expected to support ARPU, will likely only be reflected in 4Q25F. We also estimate 3Q25F data traffic growth to be flat qoq (+6% yoy) and assuming around 20% of GPU revenue to be recognized in 3Q25F, out of the total US\$20mn projected for FY25F. On the cost side, we expect opex to rise by 1% qoq in 3Q25F, mainly due to higher salary and bonus expenses (+68% qoq) following a reversal of bonus provisions in 1H25. Based on these assumptions, we estimate 3Q25F EBITDA at Rp6.3tr (-1.6% qoq), or 24% of the consensus estimate (3-year mean: 25%), bringing 9M25F EBITDA to Rp19.2tr (-4% yoy).

Revising down ARPU estimates based on 9M25 trends

We now assume data traffic growth of 5-7% yoy p.a. in FY25–27F (previously 7-9% yoy), given the high base in FY24. We also expect a deeper decline in data yield by -9% yoy in FY25F (previously -2% yoy), based on our survey run rate up to 9M25. This translates into lower data yield assumptions in FY26–27F, leading to a cut in monthly ARPU estimates by 1–3% p.a. to Rp 39k–Rp 41.8k in FY25–27F.

Cutting FY25-27F EBITDA estimates by 7-8%

We revise down our FY25–27F EBITDA forecasts by 7-8%. We now expect FY25F EBITDA to decline by -1.5% yoy, below the company’s guidance of low single-digit growth and below consensus expectations of +3% yoy. The lower EBITDA forecast mainly reflects: 1) lower mobile ARPU assumptions (with unchanged subscriber estimates), and 2) higher opex assumptions to account for increased salary expenses in 2H25F.

Retain our BUY with a lower TP of Rp2,200

ISAT’s share price has declined by -12% from end-Jun to mid-Oct 2025 and -26% YTD25, which we believe has already priced in expectations of soft FY25F performance. We expect growth to recover next year, supported by improving ARPU and better purchasing power. Retain our BUY call.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	51,229	55,887	55,162	57,365	59,910
EBITDA	23,938	26,375	25,967	27,192	28,610
EBITDA growth	23.0%	10.2%	-1.5%	4.7%	5.2%
Core net profit	3,540	4,863	4,602	4,498	5,054
Core EPS growth	247.4%	37.4%	-5.4%	-2.3%	12.4%
ROE	10.5%	13.3%	11.9%	10.9%	11.4%
PER (x)	16.7	12.2	12.9	13.2	11.7
Adjusted EV/EBITDA (x)	4.8	4.2	4.5	4.2	3.9
Dividend yield	3.5%	3.7%	4.6%	4.1%	4.2%
Forecast change		N/A	-20%	-33%	-32%
IPS vs. consensus			93%	80%	80%

Source: Company, Indo Premier

Share price closing as of: 16 October 2025

Fig. 1: ISAT 3Q25F results preview

In Rp bn, unless otherwise stated	3Q25F*	3Q24	% YoY	2Q25	% QoQ	9M25F*	9M24	% YoY	IPS FY25F	9M25F to IPS	Cons. FY25F	9M25F to Cons	3Q25F to IPS	3Q25F to Cons	3Q25F seasonality
Revenue	13,556	13,836	-2%	13,532	0%	40,665	41,812	-3%	55,162	74%	56,813	72%	25%	24%	25%
Legacy revenue	156	221	-30%	161	-3%	482	700	-31%							
Data revenue	10,347	11,208	-8%	10,336	0%	31,245	33,314	-6%							
Other revenue	3,053	2,406	27%	3,035	1%	8,938	7,798	15%							
Operating expenses	(11,264)	(11,120)	1%	(11,136)	1%	(33,490)	(33,425)	0%							
Operating profit	2,292	2,716	-16%	2,396	-4%	7,175	8,387	-14%							
EBITDA	6,335	6,588	-4%	6,440	-2%	19,191	20,000	-4%	25,967	74%	25,967	74%	24%	24%	25%
Other income/(expense)	(1,048)	(1,139)	-8%	(1,071)	-2%	(2,847)	(3,089)	-8%							
Pre-tax profit	1,244	1,577	-21%	1,325	-6%	4,328	5,298	-18%							
Taxes	(274)	(342)	-20%	(224)	22%	(845)	(1,139)	-26%							
Net profit	888	1,143	-22%	1,024	-13%	3,223	3,878	-17%							
Core net profit	888	1,201	-26%	1,040	-15%	3,241	3,886	-17%	4,602	70%	4,944	66%	19%	18%	31%
Margin (%)															
Operating margin	16.9%	19.6%	(272)	17.7%	(80)	17.6%	20.1%	(241)							
EBITDA margin	46.7%	47.6%	(88)	47.6%	(86)	47.2%	47.8%	(64)							
Core net margin	6.5%	8.7%	(214)	7.7%	(114)	8.0%	9.3%	(132)							
Operational data - Mobile															
Data traffic (PB)	4,317	4,085	6%	4,327	0%	12,566	12,050	4%							
Data yield (Rp/MB)	2.4	2.7	-13%	2.4	0%	2.5	2.8	-10%							
Blended ARPU (Rp k/month) - implied	38	37	3%	39	-2%	38	37	3%							
Mobile subs (mn people) - implied	95	99	-3%	95	0%	95	99	-3%							

*preview

Source: Company report, Indo Premier

Fig. 2: Forecast changes

In Rp bn, unless otherwise stated	Old			New			Change		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Profit & Loss									
Revenue	57,810	61,019	63,950	55,162	57,365	59,910	-5%	-6%	-6%
Cellular	48,883	51,489	53,758	45,620	47,144	48,941	-7%	-8%	-9%
MIDI	8,106	8,750	9,451	8,721	9,442	10,228	8%	8%	8%
Fixed telecommunication	821	780	741	821	780	741	0%	0%	0%
Operating expenses	(46,068)	(48,158)	(50,157)	(45,258)	(46,808)	(48,544)	-2%	-3%	-3%
Operating profit	11,742	12,861	13,793	9,904	10,557	11,366	-16%	-18%	-18%
EBITDA	27,884	29,629	31,223	25,967	27,192	28,610	-7%	-8%	-8%
Pretax profit	7,654	9,128	10,056	6,086	6,321	7,090	-20%	-31%	-30%
Net profit	5,645	6,763	7,451	4,462	4,498	5,054	-21%	-33%	-32%
Core net profit	5,770	6,763	7,451	4,602	4,498	5,054	-20%	-33%	-32%
EPS (Rp)	175	210	231	138	139	157	-21%	-33%	-32%
Core EPS (Rp)	179	210	231	143	139	157	-20%	-33%	-32%
Annual growth, %									
Revenue	3%	6%	5%	-1%	4%	4%			
Cellular	4%	5%	4%	-3%	3%	4%			
MIDI	1%	8%	8%	9%	8%	8%			
Fixed telecommunication	-5%	-5%	-5%	-5%	-5%	-5%			
Operating profit	9%	10%	7%	-8%	-10%	-12%			
EBITDA	6%	6%	5%	-2%	-2%	-3%			
Pretax profit	14%	16%	10%	-10%	-17%	-22%			
Net profit	15%	17%	10%	-9%	-20%	-25%			
Core net profit	19%	17%	10%	-5%	-22%	-25%			
EPS (Rp)	15%	17%	10%	-9%	-20%	-25%			
Core EPS (Rp)	19%	17%	10%	-5%	-22%	-25%			
Profitability, %									
Operating profit margin	20%	21%	22%	18%	18%	19%			
EBITDA margin	48%	49%	49%	47%	47%	48%			
Net profit margin	10%	11%	12%	8%	8%	8%			
Core net profit margin	10%	11%	12%	8%	8%	8%			
Operational data									
Data traffic (PB)	17,269	18,791	20,106	16,908	18,057	19,141	-2%	-4%	-5%
Avg. monthly data traffic/subs (GB)	16.40	17.71	18.95	16.05	17.02	18.04	-2%	-4%	-5%
Data yield (Rp/MB) - implied	2.68	2.62	2.57	2.48	2.44	2.39	-7%	-7%	-7%
Blended ARPU (Rp k/month) - implied	39.20	41.29	43.11	39.00	40.31	41.84	-1%	-2%	-3%
Mobile subs (mn people) - implied	95.40	95.60	95.60	95.40	95.60	95.60	0%	0%	0%
Annual growth, %									
Data traffic (PB)	7%	9%	7%	5%	7%	6%			
Avg. monthly data traffic/subs (GB)	8%	8%	7%	6%	6%	6%			
Data yield (Rp/MB) - implied	-2%	-2%	-2%	-9%	-2%	-2%			
Blended ARPU (Rp k/month) - implied	3%	5%	4%	3%	3%	4%			
Mobile subs (mn people) - implied	1%	0%	0%	1%	0%	0%			

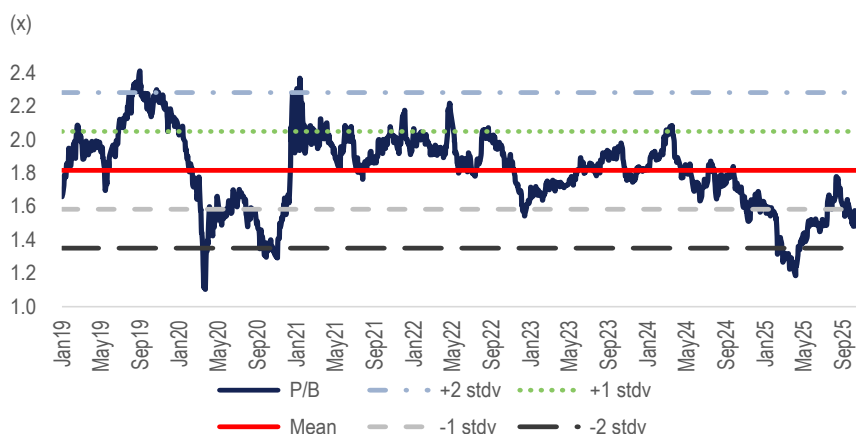
Source: Company report, Indo Premier

Fig. 3: Our TP is based on 4.8x EV/EBITDA FY26F (at LT mean)

Adjusted EV/EBITDA valuation	FY26F
Debt (Rp bn)	17,584
Market cap (Rp bn)	69,750
Cash (Rp bn)	4,622
Minority interest (Rp bn)	3,980
Adj. EBITDA (Rp bn)	18,061
Implied EV (Rp bn)	86,693
Adjusted EV /EBITDA (x)	4.8
TP/sh (Rp)	2,163
Last px (Rp)	1,835
Potential upside/downside	18%

Source: Indo Premier

Fig. 4: Sector's forward P/B band



Source: Indo Premier

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



Source: Indo Premier

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



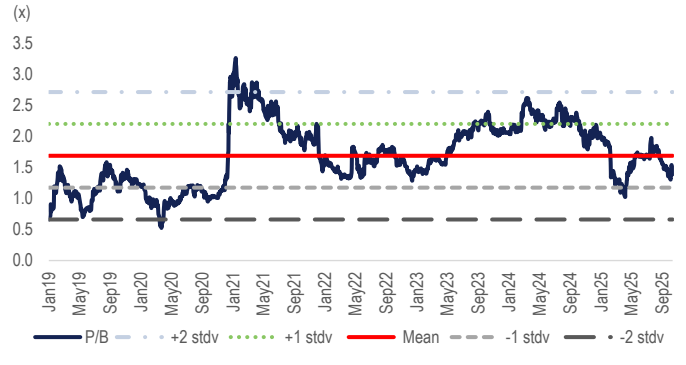
Source: Indo Premier

Fig. 7: ISAT's forward PE band



Source: Indo Premier

Fig. 8: ISAT's forward PB band



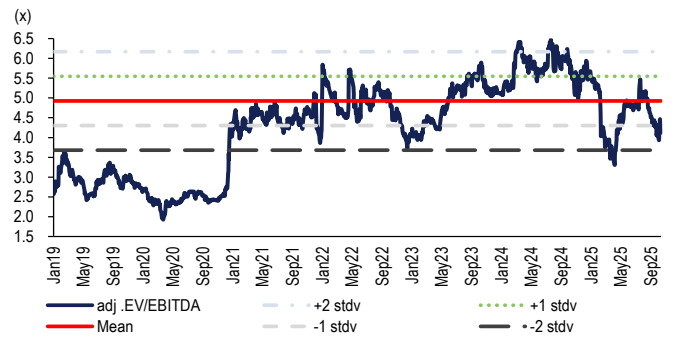
Source: Indo Premier

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



Source: Indo Premier

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



Source: Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	51,229	55,887	55,162	57,365	59,910
Operating Expenses	(41,912)	(45,070)	(45,258)	(46,808)	(48,544)
Operating profit	9,317	10,817	9,904	10,557	11,366
EBITDA	23,938	26,375	25,967	27,192	28,610
Net interest	(4,394)	(4,115)	(4,040)	(4,154)	(4,195)
Forex gain (loss)	(104)	61	(23)	-	-
Others	1,271	(82)	(82)	(82)	(82)
Pre-tax income	5,932	6,733	6,086	6,321	7,090
Income tax	(1,156)	(1,460)	(1,231)	(1,391)	(1,560)
Minority interest	(269)	(362)	(394)	(433)	(476)
Net income	4,506	4,911	4,462	4,498	5,054
Core net profit	3,540	4,863	4,602	4,498	5,054
Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalents	5,190	4,454	4,712	4,622	4,439
Receivables	3,139	3,267	3,065	3,187	3,328
Other current assets	7,151	7,157	7,314	7,412	7,520
Total current assets	15,480	14,878	15,091	15,220	15,287
Fixed assets	72,861	74,143	77,404	79,716	81,839
Other non-current assets	26,382	25,366	24,947	24,517	24,078
Total non-current assets	99,243	99,509	102,350	104,233	105,917
Total assets	114,722	114,387	117,441	119,454	121,204
Payables	746	912	832	861	893
Other current liab.	23,932	19,719	20,187	19,950	20,311
Lease liabilities	6,970	6,509	6,509	6,509	6,509
Current portion of LT loans	2,487	3,869	3,032	4,681	3,129
Total current liab.	34,134	31,009	30,559	32,000	30,842
Lease liabilities	32,119	33,458	30,974	31,030	31,085
Long term loans	12,295	11,030	14,863	12,903	12,700
Other LT liab.	2,465	2,238	2,238	2,238	2,238
Total liabilities	81,013	77,735	78,635	78,171	76,865
Equity	18,875	18,880	18,880	18,880	18,880
Retained earnings	11,871	14,618	16,379	18,422	21,002
Minority interest	2,963	3,153	3,547	3,980	4,457
Total SHE + minority int.	33,709	36,652	38,806	41,283	44,339
Total liabilities & equity	114,722	114,387	117,441	119,454	121,204

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net income	4,506	4,911	4,462	4,498	5,054
Depr. & amortization	7,431	8,050	8,291	9,387	9,726
Changes in working capital	(1,399)	(3,911)	985	131	144
Others	7,142	10,046	-	-	-
Cash flow from operating	17,680	19,096	13,737	14,016	14,924
Capital expenditure	(11,905)	(8,945)	(11,132)	(11,270)	(11,410)
Others	1,133	(3,519)	(552)	(560)	-
Cash flow from investing	(10,771)	(12,465)	(11,684)	(11,830)	(11,410)
Loans	(6,513)	118	2,996	(311)	(1,755)
Lease liabilities	4,535	1,339	(2,483)	55	56
Equity	(105)	196	394	433	476
Dividends	(2,062)	(2,164)	(2,701)	(2,454)	(2,474)
Others	(6,832)	(6,408)	-	-	-
Cash flow from financing	(11,111)	(7,380)	(1,795)	(2,277)	(3,697)
Changes in cash	(4,318)	(735)	258	(91)	(182)

Key Ratios	2023A	2024A	2025F	2026F	2027F
EBITDA margin	46.7%	47.2%	47.1%	47.4%	47.8%
Pre-tax margin	11.6%	12.0%	11.0%	11.0%	11.8%
Core net margin	6.9%	8.7%	8.3%	7.8%	8.4%
ROA	3.1%	4.3%	3.9%	3.8%	4.2%
ROE	10.5%	13.3%	11.9%	10.9%	11.4%
ROIC (inc. leases)	8.8%	9.7%	8.6%	9.0%	9.5%
Acct. receivables TO (days)	19	21	20	20	20
Acct. payables TO (days)	7	7	7	7	7
Net debt/EBITDA (inc. leases) (x)	2.0	1.9	2.0	1.9	1.7
Net debt/EBITDA (ex. leases) (x)	0.4	0.4	0.5	0.5	0.4
Interest coverage (x)	5.1	5.9	6.1	6.2	6.4

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.

DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.