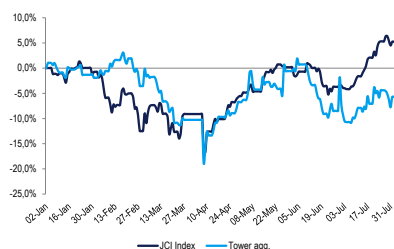


Sector Index Performance

	3M	6M	12M
Absolute	0.3%	-6.9%	-0.9%
Relative to JCI	-9.2%	-27.5%	-10.9%



Summary Valuation Metrics

Adj.	2025F	2026F	2027F
EV/EBITDA (x)			
MTEL IJ	10.0	9.4	8.8
TOWR IJ	8.2	7.8	7.4
TBIG IJ	13.5	13.8	14.0
P/E (x)			
MTEL IJ	23.5	19.9	18.5
TOWR IJ	8.6	7.6	7.2
TBIG IJ	28.7	29.5	29.1
P/B (x)			
MTEL IJ	1.3	1.3	1.3
TOWR IJ	1.2	1.1	1.0
TBIG IJ	3.9	3.8	3.7

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

9M25 weakness priced in; anticipating an improved FY26F outlook

- The sector’s aggregate EBITDA in 9M25 was Rp18.3tr (+1% yoy), in line with our estimate but slightly below consensus.
- MTEL recorded the highest 9M25 net tower tenant additions, while TOWR and TBIG were muted. Aggregate average lease rate was stable.
- Upgrade our sector rating to OW from previously Neutral, anticipating a better growth outlook and emerging catalyst in FY26F.

9M25 results – in line to ours, slightly below consensus

The sector’s aggregate EBITDA in 3Q25 stood at Rp6.1tr (flat qoq), bringing 9M25 EBITDA to Rp18.3tr (+1% yoy)—in line with our forecast but slightly below consensus. The slight miss versus consensus in 3Q25 was mainly due to MTEL’s soft earnings, while TBIG and TOWR were broadly in line. MTEL’s weaker 3Q25 results were primarily attributed to a lower average lease rate.

Tower business: MTEL lead tenant growth

In 3Q25, total net tenant additions reached 1,245 (+54% qoq), driven mainly by MTEL’s 1,080 additions, while TOWR and TBIG added just 55 and 110 tenants, respectively. On a 9M25 basis, MTEL recorded the highest tenant growth of 2,119 (+5% yoy), while TOWR/TBIG posted 178/54 (-95/-96% yoy). MTEL’s strong performance was driven by new orders from XL-Smart (XLS) post-merger, whereas TBIG’s low additions were due to XLS non-renewals. TOWR noted muted demand as the reason for its flat additions. The sector’s 3Q25 aggregate average lease rate stood at Rp11.5mn/tenant (-1% qoq), with a 9M25 average of Rp11.5mn (-1% yoy). TOWR and TBIG maintained stable lease rates (-1% to 0% qoq in 3Q25; -1% to 0% yoy in 9M25). MTEL’s rate declined more noticeably (-2% qoq/ -4% yoy) due to trial-period contracts for large new orders—where lease payments are expected to commence within 3–6 months, or by FY26F. This temporary softness is not yet reflected in our estimates and could drive future upgrades once revenues normalize.

Margins: MTEL improved, TOWR slightly decline

The sector’s aggregate EBITDA margin remained stable at 84% in 9M25. MTEL’s margin improved to 84% (vs. 83% in 9M24), while TOWR’s declined slightly to 83% (vs. 84% in 9M24), mainly due to a higher contribution from its non-tower business. In 3Q25, TOWR’s margin softened further to 82%, though management expects FY25F margin to stabilize around 83%, supported by ongoing cost savings.

Upgrade our sector rating to OW – our top pick remains MTEL

Following the results, we upgraded TOWR to BUY (from HOLD), while maintaining BUY on MTEL and HOLD on TBIG. We expect sector earnings growth to accelerate in FY26F, with aggregate EBITDA projected to rise +2.5% yoy (vs. +0.6% in FY25F). Accordingly, we upgrade our sector view to Overweight (OW) from Neutral. We believe the YTD-25 share prices weakness (-46 to 2%) has already priced in FY25F softness, while valuations remain attractive at 9.3x FY26F EV/EBITDA, or 15% below the long-term mean. We continue to prefer MTEL as our top pick, given its position as the key beneficiary of the XLS integration and its longer-term M&A potential. Our BUY call on TOWR is underpinned by expected earnings recovery, supported by growth from its non-tower segment. The sector also stands to benefit from fixed broadband expansion (related to fast and equitable “internet rakyat”), lower interest costs, and further deleveraging—particularly for TOWR.

Operational and financial results recap

Fig. 1: Towers 3Q25 revenue recap

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ	IPS FY25F prev.	% of IPS	Cons FY25F	% of cons	3Y- mean
MTEL	2,284	2,368	-4%	6,881	6,818	1%	2,334	-2%	9,748	71%	9,676	71%	73%
TOWR	3,292	3,295	0%	9,687	9,449	3%	3,186	3%	12,798	76%	13,137	74%	74%
TBIG	1,712	1,713	0%	5,163	5,127	1%	1,719	0%	6,806	76%	7,005	74%	75%
Total	7,289	7,376	-1%	21,730	21,394	2%	7,239	1%	29,352	74%	29,818	73%	74%

Source: Company, Indo Premier

Fig. 2: Tower segment revenue

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	1,880	1,962	-4%	5,689	5,666	0%	1,962	-4%
TOWR	2,121	2,211	-4%	6,378	6,348	0%	2,116	0%
TBIG	1,548	1,572	-2%	4,690	4,713	0%	1,562	-1%
Total	5,549	5,745	-3%	16,757	16,727	0%	5,640	-2%

Source: Company, Indo Premier

Fig. 3: Non-tower segment revenue

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	405	406	0%	1,192	1,152	3%	372	9%
TOWR	1,172	1,085	8%	3,309	3,101	7%	1,070	10%
TBIG	164	141	16%	473	414	14%	157	4%
Total	1,741	1,632	7%	4,974	4,667	7%	1,599	9%

Source: Company, Indo Premier

Fig. 4: Fiber segment revenue

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	144	99	45%	431	274	57%	147	-2%
TOWR	722	679	6%	2,129	1,916	11%	690	5%
TBIG	163	140	16%	470	412	14%	156	4%
Total	1,029	918	12%	3,030	2,602	16%	993	4%

Source: Company, Indo Premier

Fig. 5: Towers 3Q25 EBITDA recap

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ	IPS FY25F prev.	% of IPS	Cons FY25F	% of cons	3Y- mean
MTEL	1,912	1,968	-3%	5,774	5,669	2%	1,981	-3%	8,060	72%	7,978	72%	73%
TOWR	2,708	2,812	-4%	8,032	7,946	1%	2,645	2%	10,681	75%	10,974	73%	74%
TBIG	1,476	1,467	1%	4,448	4,403	1%	1,490	-1%	5,676	78%	5,968	75%	75%
Total	6,095	6,247	-2%	18,254	18,018	1%	6,116	0%	24,417	75%	24,920	73%	74%

Source: Company, Indo Premier

Fig. 6: Towers 3Q25 core net profit recap

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ	IPS FY25F prev.	% of IPS	Cons FY25F	% of cons	3Y- mean
MTEL	447	468	-4%	1,542	1,532	1%	568	-21%	2,325	66%	2,192	70%	71%
TOWR	894	717	25%	2,627	2,353	12%	861	4%	3,129	84%	3,525	75%	73%
TBIG	286	423	-33%	1,108	1,168	-5%	409	-30%	1,435	77%	1,424	78%	76%
Total	1,627	1,609	1%	5,278	5,053	4%	1,838	-11%	6,889	77%	7,141	74%	73%

Source: Company, Indo Premier

Fig. 7: Towers 3Q25 aggregate EBITDA margin

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	84%	83%	60.5	84%	83%	76.5	85%	(116.3)
TOWR	82%	85%	(311.5)	83%	84%	(117.5)	83%	(80.1)
TBIG	86%	86%	56.6	86%	86%	26.6	87%	(46.3)
Total	84%	85%	(106.7)	84%	84%	(22.0)	84%	(86.1)

Source: Company, Indo Premier

Fig. 9: Amount of tower

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	40,102	39,259	2%	40,102	39,259	2%	39,782	1%
TOWR	36,049	35,371	2%	36,049	35,371	2%	35,825	1%
TBIG	24,209	23,681	2%	24,209	23,681	2%	23,945	1%
Total	100,360	98,311	2%	100,360	98,311	2%	99,552	1%

Source: Company, Indo Premier

Fig. 11: Amount of tenant

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	61,987	59,431	4%	61,987	59,431	4%	60,907	2%
TOWR	58,213	58,165	0%	58,213	58,165	0%	58,158	0%
TBIG	42,662	42,546	0%	42,662	42,546	0%	42,552	0%
Total	162,862	160,142	2%	162,862	160,142	2%	161,617	1%

Source: Company, Indo Premier

Fig. 13: Tower tenancies ratio (x)

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	1.55	1.51	319.1	6.14	1.51	3.1	1.53	147.1
TOWR	1.61	1.64	(296.0)	1.61	1.64	(0.0)	1.62	(85.6)
TBIG	1.76	1.80	(343.9)	1.76	1.80	(0.0)	1.78	(148.4)
Simple average	1.64	1.65	(106.9)	3.17	1.65	92%	1.64	(28.9)

Source: Company, Indo Premier

Fig. 8: Towers 3Q25 aggregate core net profit margin

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	20%	20%	(19.3)	22%	22%	(6.0)	24%	(476.5)
TOWR	27%	22%	538.8	27%	25%	222.5	27%	14.0
TBIG	17%	25%	(804.1)	21%	23%	(131.9)	24%	(712.4)
Total	22%	22%	50.8	24%	24%	66.9	25%	(307.1)

Source: Company, Indo Premier

Fig. 10: Net tower addition

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	320	678	-53%	320	678	-53%	189	69%
TOWR	224	3,869	-94%	649	4,813	-87%	319	-30%
TBIG	264	470	-44%	431	1,324	-67%	100	164%
Total	808	5,017	-84%	1,400	6,815	-79%	608	33%

Source: Company, Indo Premier

Fig. 12: Net tenant addition

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	1,080	833	30%	2,119	2,022	5%	648	67%
TOWR	55	3,839	-99%	178	3,881	-95%	113	-51%
TBIG	110	485	-77%	54	1,437	-96%	49	124%
Total	1,245	5,157	-76%	2,351	7,340	-68%	810	54%

Source: Company, Indo Premier

Fig. 14: Tower – revenue per tenant (in mn) - monthly

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	10.2	10.6	-4%	10.2	10.6	-4%	10.4	-2%
TOWR	12.2	12.1	0%	12.2	12.1	0%	12.2	0%
TBIG	12.2	12.3	-1%	12.2	12.3	-1%	12.3	-1%
Simple average	11.5	11.7	-1%	11.5	11.7	-1%	11.6	-1%

Source: Company, Indo Premier

Fig. 15: Fiber – installed length (km)

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	55,593	39,714	40%	55,593	39,714	40%	54,447	2%
TOWR	123,000	118,501	4%	123,000	118,501	4%	122,197	1%
TBIG	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Total	178,593	158,215	13%	178,593	158,215	13%	176,644	1%

Source: Company, Indo Premier

Fig. 16: Fiber - billable length (km)

Ticker	3Q25	3Q24	% YoY	9M25	9M24	% YoY	2Q25	% QoQ
MTEL	67,739.0	n.a	n.a	67,739	n.a	n.a	65,660	3%
TOWR	221,419	215,671	3%	221,419	215,671	3%	219,955	1%
TBIG	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Total	289,158	215,671	34%	289,158	215,671	34%	285,615	1%

Source: Company, Indo Premier

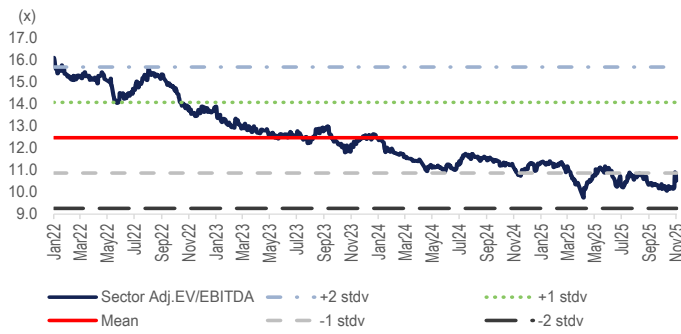
Fig. 17: Forecast changes

New est aggregate EBITDA					previous aggregate EBITDA				
Ticker	2024	2025F	2026F	2027F	Ticker	2024	2025F	2026F	2027F
MTEL	7,696	7,700	8,114	8,361	MTEL	7,696	8,060	8,511	8,784
TOWR	10,700	10,745	11,049	11,385	TOWR	10,700	10,681	10,858	11,201
TBIG	5,819	5,928	5,811	5,770	TBIG	5,819	5,676	5,563	5,522
Total	24,215	24,372	24,975	25,516	Total	24,215	24,416	24,933	25,507
Grow th		0.6%	2.5%	2.2%			0.8%	2.1%	2.3%
Change		-0.2%	0.2%	0.0%					

New est aggregate net profit					previous aggregate net profit				
Ticker	2024	2025F	2026F	2027F	Ticker	2024	2025F	2026F	2027F
MTEL	2,108	1,924	2,274	2,442	MTEL	2,108	2,325	2,596	2,781
TOWR	3,322	3,709	4,203	4,443	TOWR	3,322	3,129	3,255	3,388
TBIG	1,452	1,490	1,447	1,471	TBIG	1,452	1,435	1,293	1,318
Total	6,881	7,124	7,923	8,355	Total	6,881	6,889	7,144	7,486
Grow th		3.5%	11.2%	5.4%			0.1%	3.7%	4.8%
Change		3.4%	10.9%	11.6%					

Source: Company, Indo Premier

Fig. 18: Telco infra forward adjusted EV/EBITDA band



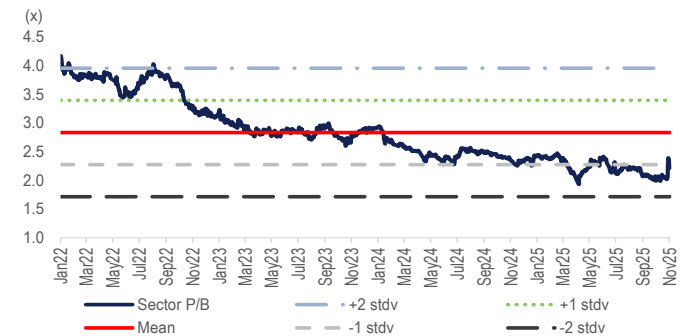
Source: Company, Indo Premier

Fig. 19: Telco infra forward EV/EBITDA band



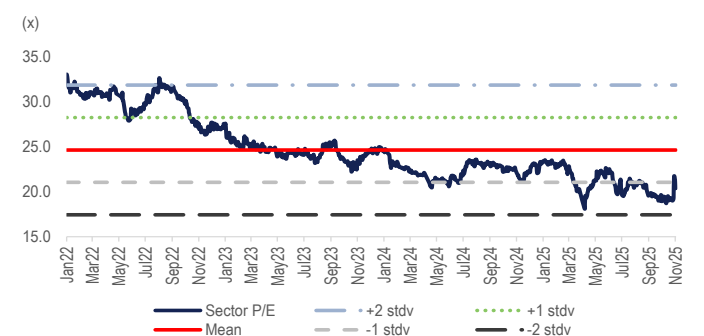
Source: Company, Indo Premier

Fig. 20: Telco infra forward P/B band



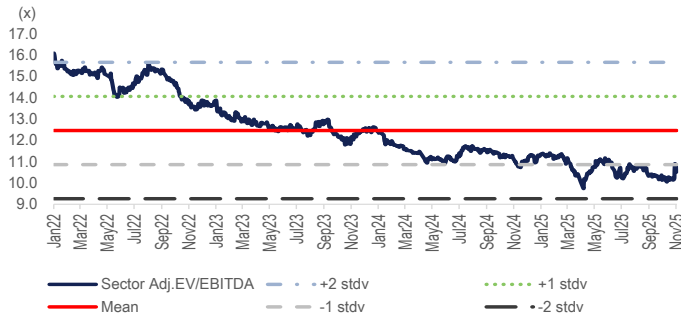
Source: Company, Indo Premier

Fig. 21: Telco infra forward P/E band



Source: Company, Indo Premier

Fig. 22: MTEL's forward adjusted EV/EBITDA band



Source: Company, Indo Premier

Fig. 23: MTEL's forward EV/EBITDA band



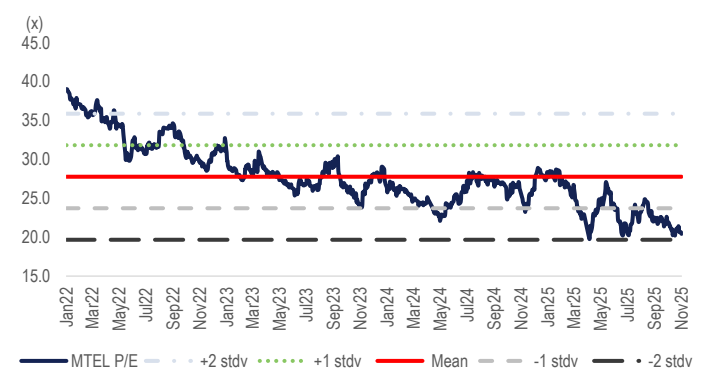
Source: Company, Indo Premier

Fig. 24: MTEL's forward P/B band



Source: Company, Indo Premier

Fig. 25: MTEL's forward adjusted P/E band



Source: Company, Indo Premier

Fig. 26: TOWR IJ forward adjusted EV/EBITDA



Source: Company, Indo Premier

Fig. 27: TOWR IJ forward EV/EBITDA



Source: Company, Indo Premier

Fig. 28: TOWR IJ forward P/B Band



Source: Company, Indo Premier

Fig. 29: TOWR IJ forward P/E band



Source: Company, Indo Premier

Fig. 30: TBIG's forward PE band



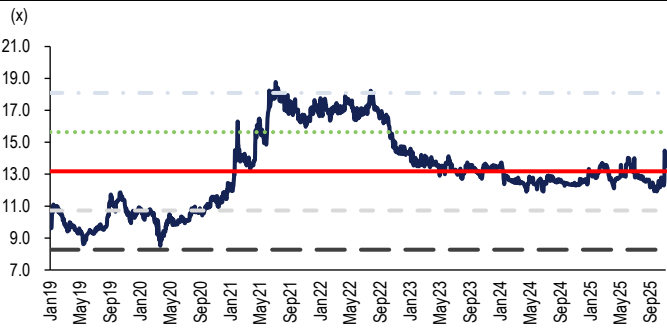
Source: Company, Indo Premier

Fig. 31: TBIG's forward PB band



Source: Company, Indo Premier

Fig. 32: TBIG's forward EV/EBITDA band



Source: Company, Indo Premier

Fig. 33: TBIG's forward adjusted EV/EBITDA band



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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