INDOPREMIER

Sarana Menara Nusantara

BUY *(Unchanged)*

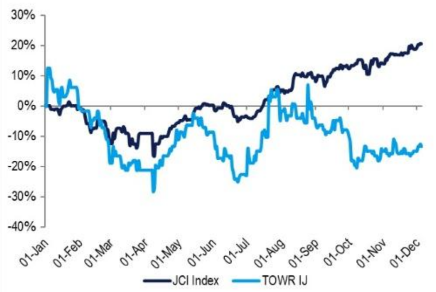
Company Update | Towers | TOWR IJ | 09 April 2026

Stock Data

Target price	**Rp940**
Prior TP	*Rp940*
Current price	496
Upside/downside	*90%*
Shares outstanding (mn)	59,098
Market cap (Rp bn)	29,076
Free float	33%
Avg. 6m daily T/O (Rp bn)	24

Price Performance

	3M	6M	12M
Absolute	-12.9	-4.5	-2.6
Relative to JCI	8.9	10.0	-9.9
52w low/high (Rp)			460-720



Major Shareholders

Sapta Adhikari Investama	45.3%
Dwimuria Investama Andalan	20.0%

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Low single digit growth guidance in FY26F – in line with our estimates

- TOWR guides for low single-digit growth in revenue, EBITDA, and NP in FY26F, in line with our estimates.
- FY26F new orders are expected to be limited from the IOH merger, with additional orders likely from XLS and some from FWA.
- We maintain our Buy call with an unchanged TP.

4Q25 revenue uplift partly from reseller conversion

During the earnings call, management explained that the improvement in tower revenue in 4Q25 - particularly from XLS was not only driven by new orders, but also by the conversion of previously recognized reseller revenue at its wholly owned subsidiary (IBST - into direct operator revenue under TOWR). These contracts have now been successfully converted into direct revenue for TOWR. This reseller-to-direct revenue conversion is expected to be a one-off event in 4Q25.

Low single digit growth guidance in FY26F – in-line with our estimates

Management guides for low single-digit growth in revenue, EBITDA, and bottom line in FY26F, which is already in line with our estimates (revenue/EBITDA/core NP of +3%/+4%/+4% yoy in FY26F). Management also noted that this guidance includes an additional ~400 FWA orders which could start to be reflected from 1Q26F. Further upside from FWA-related orders remains a potential positive catalyst.

Orders overview and outlook

In FY25, TOWR still received 1,400 tower orders related to the IOH merger (ISAT IJ, BUY, TP Rp3,500). For FY26F, the remaining potential orders from IOH are expected to be limited at c.400 orders. Separately, management highlighted a change in expectations for XLS-related tower orders, now guiding for ~1,000 BTS orders in FY26F (lower than the ~2,000 orders previously discussed). Post-call, we reconfirmed with management that the outlook remains fluid and as such, we maintain our existing assumptions for XLS-related orders and capex for TOWR at Rp6.6tr, higher vs. company's guidance of Rp5tr. Management also noted that if XLS tower orders come in below expectations, revenue could be supported by other segments i.e. FTTT and other non-MNO demand.

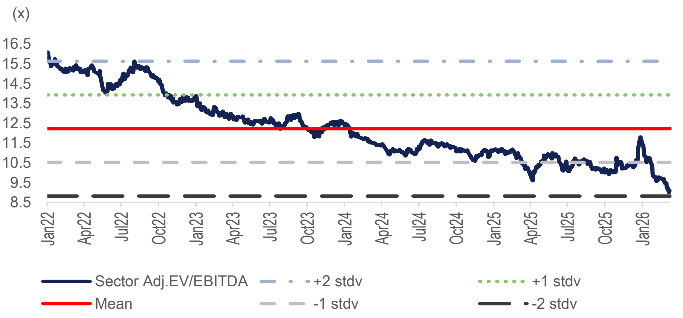
Retain our BUY call with an unchanged TP

We retain our BUY call on TOWR, supported by moderate growth outlook. Potential upside risks include higher-than-expected tower orders from MNOs and stronger FWA deployment, which are not fully reflected in our current estimates.

Financial Summary (Rp bn)	2024A	2025A	2026F	2027F	2028F
Revenue	12,736	13,328	13,764	14,137	14,527
EBITDA	10,700	10,970	11,406	11,703	12,028
EBITDA growth	7%	3%	4%	3%	3%
Core net profit	3,349	3,744	3,877	4,073	4,114
Core EPS	67	63	66	69	70
Core EPS growth	3%	-6%	4%	5%	1%
ROE	17%	14%	13%	12%	12%
PER (x)	7.4	7.8	7.6	7.2	7.1
Adjusted EV/EBITDA (x)	8.0	7.5	7.3	6.9	6.4
Dividend yield	3.6%	4.1%	4.1%	4.1%	4.1%
Forecast change			n.a	n.a	n.a
IPS vs. consensus			103%	104%	101%

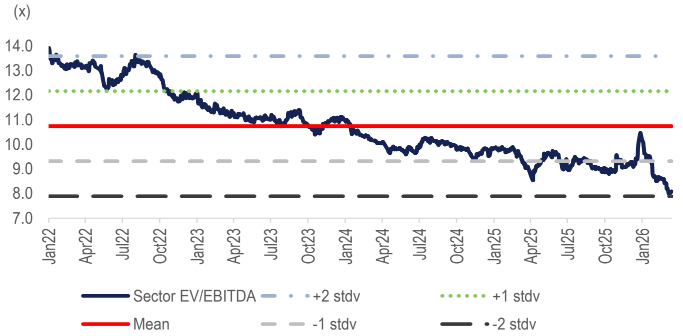
Source: Company, Indo Premier *Share price closing as of: 08 April 2026*

Fig. 1: Telco infra forward adjusted EV/EBITDA band



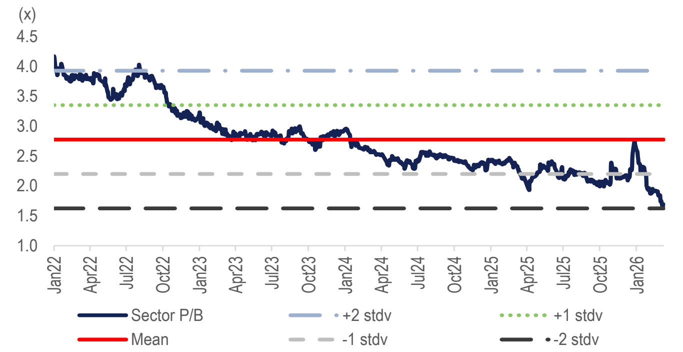
Source: Company, Indo Premier

Fig. 2: Telco infra forward EV/EBITDA band



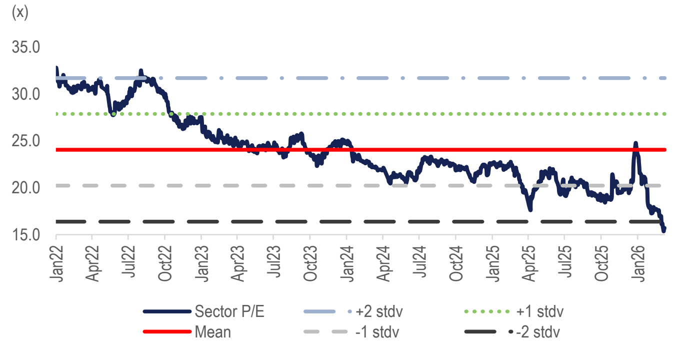
Source: Company, Indo Premier

Fig. 3: Telco infra forward P/B band



Source: Company, Indo Premier

Fig. 4: Telco infra forward P/E band

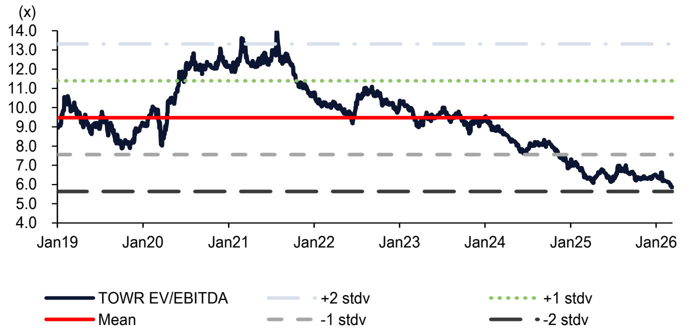


Source: Company, Indo Premier

Fig. 5: TOWR IJ forward adjusted EV/EBITDA

Source: Company, Indo Premier

Fig. 6: TOWR IJ forward EV/EBITDA

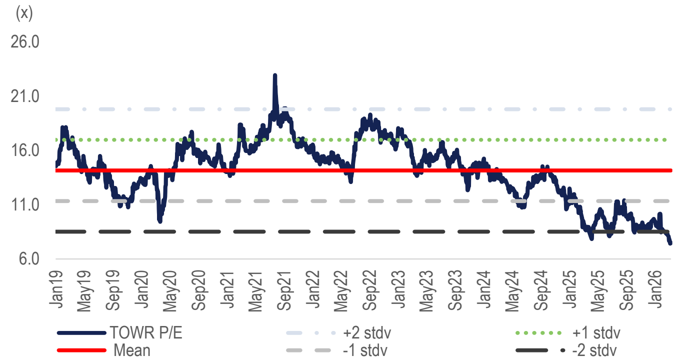


Source: Company, Indo Premier

Fig. 7: TOWR IJ forward P/B Band

Source: Company, Indo Premier

Fig. 8: TOWR IJ forward P/E band



Source: Company, Indo Premier

Income Statement (Rp bn)	2024A	2025A	2026A	2027F	2028F
Net revenue	12,736	13,328	13,764	14,137	14,527
Cost of sales	(3,996)	(4,188)	(4,411)	(4,669)	(4,845)
Gross profit	**8,739**	**9,140**	**9,353**	**9,468**	**9,683**
SG&A Expenses	(1,137)	(1,242)	(1,307)	(1,342)	(1,378)
Operating profit	**7,602**	**7,897**	**8,046**	**8,127**	**8,305**
EBITDA	**10,700**	**10,970**	**11,406**	**11,703**	**12,028**
Net interest	(3,070)	(3,045)	(2,957)	(2,817)	(2,939)
Others	(336)	(399)	(326)	(335)	(344)
Pre-tax income	**4,196**	**4,453**	**4,763**	**4,975**	**5,021**
Income tax	(831)	(771)	(882)	(898)	(903)
Minority interest	(29)	(4)	(4)	(4)	(4)
Net income	**3,335**	**3,678**	**3,877**	**4,073**	**4,114**
Core net income	**3,349**	**3,744**	**3,877**	**4,073**	**4,114**

Balance Sheet (Rp bn)	2024A	2025A	2026A	2027F	2028F
Cash & equivalents	940	648	501	1,246	536
Receivables	3,293	1,974	2,116	2,173	2,233
Other current assets	723	812	765	785	807
Total current assets	**4,956**	**3,433**	**3,381**	**4,205**	**3,577**
Fixed assets	47,478	48,297	52,954	53,964	53,994
Other non-current assets	25,395	25,540	24,945	24,619	24,219
Total non-current assets	**72,873**	**73,836**	**77,899**	**78,582**	**78,213**
Total assets	**77,828**	**77,270**	**81,281**	**82,787**	**81,790**
Payables	1,008	1,188	1,155	1,186	1,218
Other payables	3,916	2,642	3,842	3,917	3,995
Current portion of LT loans	15,200	15,748	15,973	11,202	14,609
Total current liab.	**20,124**	**19,578**	**20,971**	**16,305**	**19,822**
Long term loans	37,136	29,472	29,073	32,329	24,856
Other LT liab.	1,399	1,137	1,512	1,553	1,595
Total liabilities	**58,659**	**50,186**	**51,555**	**50,187**	**46,274**
Equity	(24)	5,370	5,370	5,370	5,370
Retained earnings	19,123	21,602	24,279	27,152	30,066
Minority interest	71	111	76	78	81
Total SHE + minority int.	**19,169**	**27,083**	**29,726**	**32,600**	**35,516**
Total liabilities & equity	**77,828**	**77,270**	**81,281**	**82,787**	**81,790**

Cash Flow Statement (Rp bn)	2024A	2025A	2026A	2027F	2028F
Net income	3,335	3,678	3,877	4,073	4,114
Depr. & amortization	3,751	2,522	3,263	3,477	3,621
Changes in working capital	(802)	136	1,073	27	29
Others	0	(0)	-	0	(0)
Cash flow from operating	**6,284**	**6,335**	**8,213**	**7,578**	**7,764**
Capital expenditure	(11,163)	(3,036)	(7,576)	(4,069)	(3,157)
Others	(1,469)	(449)	251	(92)	(96)
Cash flow from investing	**(12,632)**	**(3,485)**	**(7,326)**	**(4,160)**	**(3,252)**
Loans	7,423	(7,117)	(174)	(1,514)	(4,066)
Equity	223	5,435	(35)	2	2
Dividends	(901)	(1,205)	(1,200)	(1,200)	(1,200)
Others	114	(256)	375	41	43
Cash flow from financing	**6,859**	**(3,143)**	**(1,034)**	**(2,671)**	**(5,221)**
Changes in cash	**512**	**(292)**	**(147)**	**746**	**(710)**

Key Ratios	2024A	2025A	2026A	2027F	2028F
Gross margin	68.6%	68.6%	68.0%	67.0%	66.7%
EBITDA margin	84.0%	82.3%	82.9%	82.8%	82.8%
Pre-tax margin	32.9%	33.4%	34.6%	35.2%	34.6%
Core net margin	26.3%	28.1%	28.2%	28.8%	28.3%
ROA	4.3%	4.8%	4.8%	4.9%	5.0%
ROE	17.5%	13.8%	13.0%	12.5%	11.6%
ROIC	8.4%	8.6%	8.5%	8.5%	8.7%
Acct. receivables TO (days)	90	71	55	55	55
Acct. payables - other TO (days)	351	318	318	318	318
Net debt/EBITDA (inc. leases) (x)	4.8	4.1	3.9	3.6	3.2
Net debt/EBITDA (ex. leases) (x)	4.7	4.0	3.8	3.6	3.2
Interest coverage (x)	2.4	2.6	2.7	2.9	2.8

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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