Resilient Core Business, Improving Fiber Monetization

22 July 2026

Mitratel by Telkom Indonesia

MTEL IJ	BUY
Sector	TowerCo
Price at 21 July 2026 (IDR)	456
Price target (IDR)	680
Upside/Downside (%)	49.1

Stock Information

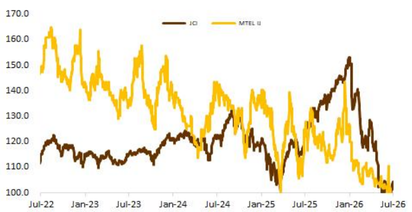
Dayamitra Telekomunikasi is one of the SEA's largest tower telecommunication companies by assets and Indonesia's largest market share of telco tower provider. The company offers an array of telco-related infrastructure service including fiber and power–to–the–tower.

Market cap (IDR bn)	38,437
Shares outstanding (mn)	83,560
52-week range (IDR)	454-705
3M average daily vol. ('000)	15,630
3M average daily val. (IDR mn)	9,436

Shareholders (%)

Telkom Indonesia	71.8
Maleo Investasi Indonesia	6.0
Public	22.2

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	-7.26	-13.21	-24.59

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MTEL's earnings outlook remains constructive, supported by accelerating FTTT monetization and resilient tower-leasing fundamentals. We expect 2Q26F to extend this momentum, with FY26F growth driven by fiber expansion and sustained co-location demand. Key risks include slower-than-expected fiber monetization, higher funding costs, and rising network operating expenses.

2Q26F: FTTT monetization continues to gain momentum

We expect MTEL's fiber-led strategy to continue driving a clear earnings inflection, with FTTT emerging as the key incremental growth engine alongside a resilient tower business. We forecast 2Q26F FTTT revenue to increase +6.9% QoQ to IDR162.6 bn (vs. +6.3% QoQ in 1Q26), supported by stronger monetization as revenue-generating fiber length expands +4.8% QoQ to 61.1k km and the billable utilization ratio improves to 1.25x (vs. 1.23x in 1Q26). This trajectory remains inline with management's FY26F targets, supported in part by inorganic expansion, lifting FTTT's revenue contribution to 6.9% (vs. 6.6% in 1Q26) and underpinning our FY26F FTTT revenue forecast of IDR677.0 bn (+18.0% YoY).

2Q26F: Co-location demand continues to support tower-leasing

Tower segment should continue to provide resilient recurring earnings, supported by sustained MNO co-location demand, particularly outside Java where MTEL maintains a dominant footprint and stronger pricing power. We forecast 2Q26F tower-leasing revenue to grow +2.3% QoQ, driven by tenant additions of +1.3% QoQ to 64,134 and tower site expansion of +1.6% QoQ to 40,980. MTEL remains a key infrastructure partner for 'big' operator names, with EXCL and ISAT relying on its towers for 55% and 34% of their co-location requirements, respectively. We also expect the average lease rate per tenant per month to increase +1.2% QoQ to IDR12.2 mn, reflecting MTEL's improving bargaining position across ex-Java deployment corridors.

FY26F: Fiber expansion & resilient tower demand to drive growth

We maintain our FY26F forecasts and expect FTTT revenue to grow +18.0% YoY to IDR677.0 bn, supported by a +17.5% YoY increase in revenue-generating fiber length to 67.2k km, lifting fiber's revenue contribution to 6.9% from 6.0% in FY25. Meanwhile, tower-leasing should remain resilient, with revenue projected at IDR7.9 tn (+1.5% YoY), supported by robust co-location demand. Notably, 1Q26 already accounted for 23.3% of our FY26F tower-leasing forecast, providing a solid start toward achieving our estimates. Tenant and tower site growth remain healthy at +1.7% YoY and +1.9% YoY, respectively, while MTEL's strategic relationships with EXCL and ISAT should continue supporting pricing resilience, with average lease rates rising +1.0% YoY to IDR12.7 mn per month. Overall, we forecast FY26F revenue of IDR9.8 tn (+2.7% YoY).

Operating leverage to support margin expansion

Going forward. we expect margin expansion to continue as higher co-location intensity and fiber-scale improve operating leverage. FY26F O&M expenses are projected to rise only +1.0% YoY to IDR399.6 bn, with 1Q26 accounting for 24.6% of our full-year estimate, reflecting disciplined cost-management. As a result, CoR growth should remain contained at +2.7% YoY to IDR4.9 tn, moderating from +4.9% in FY25. Cash-costs remain manageable, with 1Q26 representing 23.1% of our FY26F estimate, supporting EBITDA growth of +3.0% YoY to IDR8.1 tn, with EBITDA margin improving slightly to 82.4% (vs. 82.2% in FY25). Below EBITDA, continued funding-cost optimization should lift FY26F net profit by +3.3% YoY to IDR2.2 tn, expanding the net margin to 22.4%.

Maintain BUY on attractive valuation

Maintain our BUY call with a TP of IDR680, based on 8.3x FY26F EV/EBITDA (-0.5SD of its 3-year historical mean). MTEL currently trades at 7.4x FY26F EV/EBITDA, representing a 16.4% discount to its three-year average of 8.8x. We view the valuation as undemanding given: 1). improving fiber monetization, 2). Resilient co-location demand, 3). visible earnings growth. Key risks: 1). a prolonged high-interest-rate environment that could increase funding-costs, 2). higher-than-expected network expansion and operating expenses.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026E	2027E	2028E
Revenue (IDR)	9,308	9,534	9,791	10,085	10,423
EBITDA (IDR)	7,696	7,835	8,068	8,297	8,575
Operating profit (IDR)	4,179	4,188	4,316	4,686	4,858
Net profit (IDR)	2,108	2,119	2,189	2,366	2,441
EPS	25.2	25.4	26.2	28.3	29.2
ROA (%)	3.7	3.6	3.7	3.9	4.0
ROAE (%)	6.3	6.4	6.6	7.0	7.2
PER (x)	18.2	18.1	17.5	16.2	15.7
PBV (x)	1.2	1.2	1.1	1.1	1.1
EV/EBITDA (x)	7.6	7.6	7.4	7.3	7.2
Div. yield (%)	3.9	5.4	5.2	5.7	5.5

Source: Company, KBVS Research

Exhibit 2: Summary of MTEL's latest results

MTEL's 1Q26 Results (IDR bn)	1Q26	1Q25	YoY (%)	4Q25	QoQ (%)	2026F	% to '26F	Cons'	% of Cons'
Revenue	2,294	2,262	1.4	2,653	(13.6)	9,791	23.4%	9,880	23.2%
Tower leasing	1,847	1,847	0.0	2,106		7,912	23.3%		
Reseller	129	128	0.8	120					
Other tower related biz	166	147	12.9	284					
Cost of revenue	-1,159	-1,100	5.4	-1,372	(15.5)				
Gross profit	1,134	1,162	-2.4	1,281	(11.5)				
Operating expenses	-144	-145	-0.5	-193	(25.4)				
EBIT	990	1,017	-2.7	1,089	(9.0)				
EBITDA	1,896	1,879	0.9	2,066	(8.2)	8,068	23.5%	8,203	23.1%
Other income/expenses	35	14		44					
Net finance cost/income	-265	-313		-311					
Pre-tax income	761	716		792					
Taxes	-216	-190		-215					
Attributable net profit	545	526	3.6	578	(5.6)	2,189	24.9%	2,237	24.4%
Margins (%)									
EBIT Margin	43.2	45.0		41.0					
EBITDA margin	82.7	83.0		77.9					
Net Margin	23.8	23.3		21.8					
Operational metrics									
Tower	40,327	39,593	1.9	40,230	0.2				
Tenant	63,333	60,259	5.1	63,084	0.4				
Tenancy ratio (x)	1.57	1.52	3.2	1.57	0.2				
Avg. monthly leasing fee/tenant	11.6	12.0	(3.3)	13.5	(13.9)				

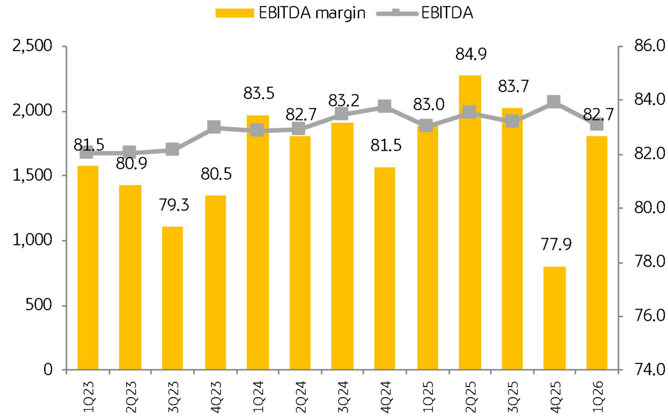
Source: Company, KBVS Research

Exhibit 3: Forecast for FY26F-FY27F (unchanged from our latest reports)

	New		Old		Changes		Consensus		New vs. consensus	
	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F
Revenue	9,791	10,085	9,791	10,085	0.0	0.0	9,880	10,236	-0.9	-1.5
EBITDA	8,068	8,297	8,068	8,297	0.0	0.0	8,203	8,507	-1.6	-2.5
Net profit	2,189	2,366	2,189	2,366	0.0	0.0	2,237	2,342	-2.1	1.0

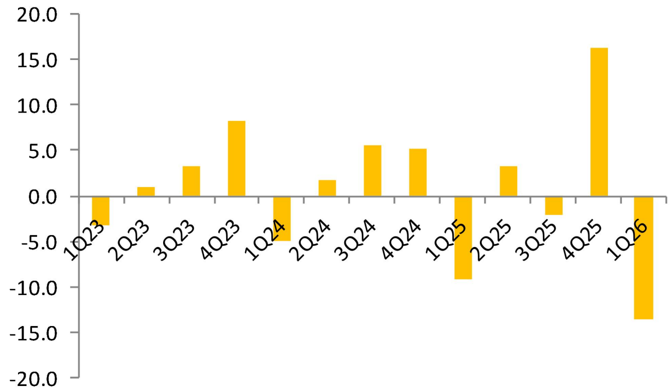
Source: Company, Bloomberg, KBVS Research

Exhibit 4: MTEL EBITDA margin (%)



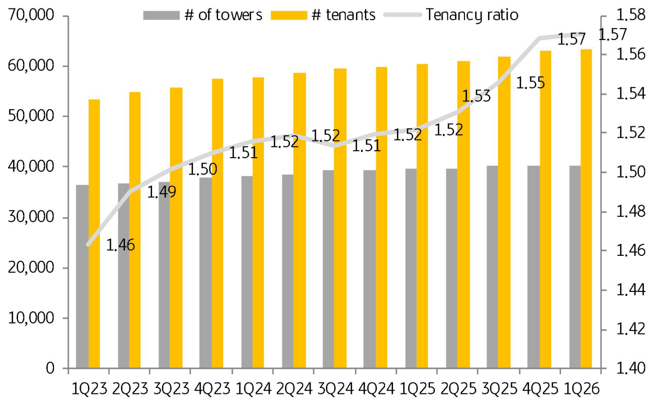
Source: Company, KBVS Research

Exhibit 5: MTEL revenue growth (%)



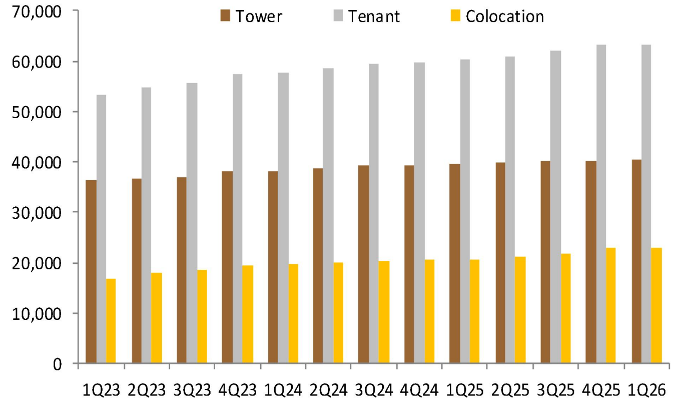
Source: Company, KBVS Research

Exhibit 6: Tenancy ratio



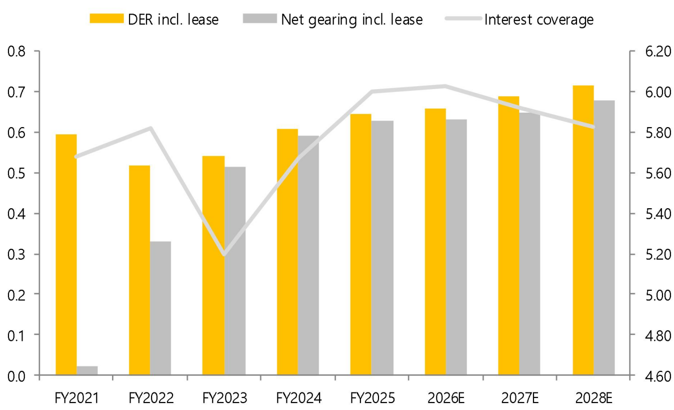
Source: Company, KBVS Research

Exhibit 7: Tower, tenant and colocation



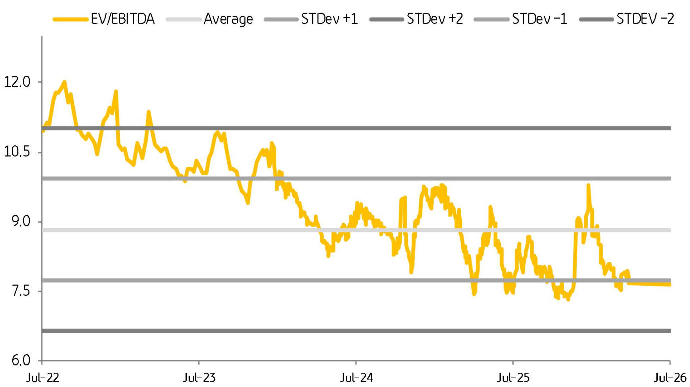
Source: Company, KBVS Research

Exhibit 8: MTEL leverage metrics (%)



Source: Company, KBVS Research

Exhibit 9: EV/EBITDA valuation



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES

Exhibit 10: Profit & Loss summary

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	9,308	9,534	9,791	10,085	10,423
Cost of revenue	(4,507)	(4,728)	(4,858)	(4,758)	(4,900)
Gross profit	4,801	4,806	4,933	5,327	5,523
Operating expenses	(622)	(653)	(651)	(676)	(699)
Operating profit	4,179	4,188	4,316	4,686	4,858
EBITDA	7,696	7,835	8,068	8,297	8,575
Other income/net	100	56	59	(1)	0
Finance income/costs net	(1,321)	(1,263)	(1,296)	(1,358)	(1,425)
Pretax profit	2,958	2,981	3,079	3,327	3,433
Income tax	(850)	(861)	(890)	(961)	(992)
After tax profit	2,108	2,119	2,189	2,366	2,441

Source: Company, KBVS Research

Exhibit 11: Balance sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Current assets					
Cash and cash equivalents	597	609	906	1,284	1,216
Trade receivables	2,004	2,212	2,117	2,342	2,267
Other current assets	846	231	237	244	252
Total current assets	**3,447**	**3,052**	**3,260**	**3,870**	**3,735**
Non current assets					
Fixed assets	45,240	45,384	46,692	48,080	49,490
Other non current assets (*)	9,453	9,915	10,167	9,007	9,258
Total non current assets	**54,693**	**55,299**	**56,860**	**57,087**	**58,749**
Total assets	**58,140**	**58,350**	**60,120**	**60,957**	**62,484**
Current liabilities					
Trade payables	1,977	1,369	1,406	1,377	1,419
Taxes payable	86	107	111	120	123
Accrued expenses	1,332	1,128	1,159	1,135	1,169
Short term debts	8,082	4,254	4,358	4,877	5,413
Other current liabilities	808	642	652	673	696
Total current liabilities	**12,286**	**7,500**	**7,686**	**8,182**	**8,821**
Non current liabilities					
Long term debts	12,214	17,224	17,687	18,219	18,830
Other non current liabilities (*)	253	275	1,262	925	902
Total non-current liabilities	**12,467**	**17,499**	**18,949**	**19,143**	**19,732**
Shareholder equity	**33,387**	**33,351**	**33,484**	**33,632**	**33,931**
Total liabilities and equity	**58,140**	**58,350**	**60,120**	**60,957**	**62,484**

Source: Company, KBVS Research

Exhibit 12: Cash flow

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net profit	2,108	2,119	2,189	2,366	2,441
Depreciation	3,517	3,682	3,786	3,646	3,751
Changes in working capital	(445)	(550)	170	(255)	169
CF from operating activities	5,180	5,251	6,146	5,757	6,361
Investment in fixed assets	(3,316)	(2,103)	(3,322)	(3,460)	(3,542)
Others	(1,304)	(2,184)	(2,024)	(414)	(1,871)
CF from investing activities	(4,619)	(4,287)	(5,347)	(3,873)	(5,413)
Dividends paid	(1,504)	(2,066)	(2,014)	(2,176)	(2,100)
Debt raised/ repaid	1,904	1,182	567	1,050	1,148
Others	(1,242)	(68)	945	(379)	(65)
CF from financing activities	(843)	(952)	(502)	(1,505)	(1,017)
Change in cash flow	(282)	12	297	378	(68)
Cash and cash equivalent, beginning	879	597	609	906	1,284
Cash and cash equivalent, ending	597	609	906	1,284	1,216

Source: Company, KBVS Research

Exhibit 13: Ratio analysis

Year End Dec	2024A	2025A	2026F	2027F	2028F
Gross profit	51.6	50.4	50.4	52.8	53.0
Operating profit margin	44.9	43.9	44.1	46.5	46.6
EBITDA margin	82.7	82.2	82.4	82.3	82.3
Net profit margin	22.6	22.2	22.4	23.5	23.4
Receivables turnover (x)	5.16	4.52	4.52	4.52	4.52
Sales/Assets turnover (x)	0.16	0.16	0.16	0.17	0.17
Payable turnover (x)	13.2	8.7	8.7	8.7	8.7
ROA	3.7	3.6	3.7	3.9	4.0
ROE	6.3	6.4	6.6	7.0	7.2
ROIC	4.0	3.9	4.0	4.3	4.3
Debt/Equity	0.6	0.6	0.7	0.7	0.7
Net debt/Equity	0.6	0.6	0.6	0.6	0.7
Net debt/EBITDA	2.6	2.7	2.6	2.6	2.7
Interest coverage (x)	5.7	6.0	6.0	5.9	5.8
BV/Share (Rp)	399.6	399.1	400.7	402.5	406.1
Dividend yield	3.4	4.7	4.6	5.0	4.8

Source: Company, KBVS Research

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