Solid 1H25, driven by FTTT momentum into '25F

1 August 2025

MTEL IJ	BUY
Sector	TowerCo
Price at 1 August 2025 (IDR)	600
Price target (IDR)	750
Upside/Downside (%)	25.0

Stock Information

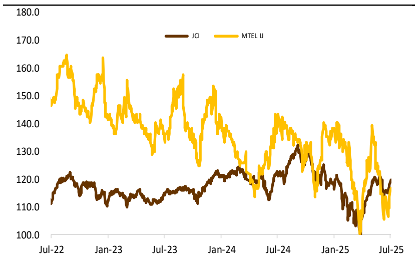
Dayamitra Telekomunikasi is one of the SEA's largest tower telecommunication companies by assets and Indonesia's largest market share of telco tower provider. The company offers an array of telco-related infrastructure service including fiber and power-to-the-tower.

Market cap (IDR bn)	50,136
Shares outstanding (mn)	83,560
52-week range (IDR)	488-695
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	6.54	-8.06	-16.79

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MTEL's 1H25 performance largely met our and consensus expectations, arriving within a range of 48.4% to 50.2%, with EBITDA rose 4.4% yoy to IDR3.9 tn, supported by lower cash-costs and improved O&M efficiency. FTTT revenue surged 28.1%, becoming a key growth area with a projected 25% increase for 2025F fueled by new fiber rollouts. Maintain our BUY call with a target price of IDR750, based on 9.4x '25F EV/EBITDA (-2.0SD of 3yrs EV/EBITDA mean), while currently trading at 7.3x EV/EBITDA, representing 33.5% disc. to its 3yrs mean.

1H25 EBITDA hits IDR3.9 tn, inline with estimates

MTEL's 1H25 EBITDA rose 4.4% yoy to IDR3.9 tn, inline with our estimate at 49.2% of the full-year forecast. The growth was supported by a 2.0% yoy decline in cash-costs to IDR724.4 bn, mainly due to a 1.1% drop in O&M expenses to IDR219.5 bn, driven by efficiency gains from economies of scale. On a qoq basis, EBITDA increased 5.5% to IDR2.0 tn, supported by a 3.2% qoq rise in revenue to IDR2.3 tn. Although CoR rose 0.8% qoq to IDR1.1 tn, this was offset by a 7.7% drop in cash-costs to IDR347.7 bn, attributed to higher MNO co-location rates that improved O&M efficiency.

FTTT and efficiency to drive '25F margins

Given the inline 1H25 results, we maintain our '25F forecasts. The company's focus on FTTT led to a 28.1% yoy increase in FTTT revenue to IDR287.0 bn in 1H25, significantly outpacing the 2.8% growth in tower-leasing. Although FTTT accounted for only 6.2% of total revenue, it is poised to be a key growth driver amid ongoing MNO consolidation. For '25F, we project FTTT revenue to grow 25.0% yoy to IDR607.6 bn, supported by the rollout of 10,000 km of fiber, bringing total deployment to 66,039 km, aligned with management's target and driven by accelerated inorganic expansion.

We also expect 2,511 additional tenants in '25F, inline with guidance, pushing the tenancy ratio to 1.53x and supporting a 0.6% increase in tower-leasing revenue to IDR7.7 tn. In 1H25, tower-leasing revenue reached IDR3.8 tn, or 49.6% of our full-year estimate.

Higher MNO co-location deployments also helped reduce O&M costs by 1.1% yoy in 1H25. For the full year, we project O&M expenses to rise just 2.6% to IDR450.3 bn, below the five-year average increase of 3.9%. Consequently, CoR growth is expected to ease to 0.7% (from 2.9% in '24A), while cash-costs are projected to rise only 0.8% to IDR1.6 tn. These efficiencies should improve the '25F EBIT margin to 45.6%, up 65.2bps from 44.9% in '24A. Combined with manageable interest costs, this supports a higher net margin of 22.9% in '25F, compared to 22.6% in '24, with net profit reaching IDR2.2 tn.

Reiterate BUY with TP of IDR750

Maintain our BUY call with a target price of IDR750, based on 9.4x '25F EV/EBITDA (-2.0SD of 3yrs EV/EBITDA mean). MTEL is currently trading at 7.3x EV/EBITDA, representing a 33.5% discount to its 3yrs mean. We see upside potential from reduced exposure to tenant losses following the EXCL-FREN merger and continued growth in the FTTT segment. However, risks remain from MNOs' cost-efficiency measures and network rollout challenges amid ongoing industry consolidation.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025E	2026E	2027E
Revenue (Rp)	8,595	9,308	9,532	9,936	10,393
EBITDA (Rp)	6,922	7,696	7,853	8,179	8,521
Operating profit (Rp)	3,651	4,179	4,342	4,700	5,010
Net profit (Rp)	2,010	2,108	2,178	2,349	2,450
EPS	24.1	25.2	26.1	28.1	29.3
ROA (%)	3.6	3.7	3.7	3.8	3.8
ROAE (%)	5.9	6.3	6.5	6.8	7.0
PER (x)	23.7	22.6	21.9	20.3	19.4
PBV (x)	1.4	1.4	1.4	1.4	1.3
EV/EBITDA (x)	9.4	8.7	8.5	8.3	8.2
Div. yield (%)	3.7	3.2	3.2	3.5	3.6

Source: Company, KBVS Research

Exhibit 2: Financial Summary

MTEL's 1H25 Results (IDR bn)	1H25	1H24	YoY (%)	2Q25	2Q24	YoY (%)	1Q25	QoQ (%)	2025F	% to '25F	Cons'	% of Cons'
Revenue	**4,596**	**4,450**	**3.3**	**2,334**	**2,244**	**4.0**	**2,262**	**3.2**	**9,532**	**48.2%**	**9,645**	**47.7%**
Tower leasing	3,809	3,704	2.8	1,962	1,870	4.9	1,847	6.2				
Reseller	240	267	-10.1	112	114	-1.8	128	(12.5)				
Other tower related biz	260	304	-14.5	113	170	-33.5	147	(23.1)				
Cost of revenue	-2,209	-2,147	2.9	-1,109	-1,100	0.7	-1,100	0.8				
Gross profit	2,388	2,303	3.7	1,226	1,143	7.2	1,162	5.5				
Operating expenses	-292	-283	3.2	-147	-136	7.9	-145	1.5				
EBIT	2,096	2,020	3.8	1,079	1,007	7.1	1,017	6.0				
EBITDA	**3,860**	**3,696**	**4.4**	**1,982**	**1,855**	**6.8**	**1,879**	**5.5**	**7,853**	**49.2%**	**7,984**	**48.4%**
Other income/expenses	47	49	-3.0	33	17	91.6	14	139.3				
Net finance cost/income	-614	-598	2.7	-301	-282	6.7	-313	(3.7)				
Pre-tax income	1,528	1,466	4.2	812	741	9.6	716	13.4				
Taxes	-434	-402	7.9	-244	-198	23.1	-190	28.4				
Attributable net profit	**1,094**	**1,064**	**2.9**	**568**	**543**	**4.6**	**526**	**7.9**	**2,178**	**50.2%**	**2,183**	**50.1%**
Margins (%)												
EBIT Margin	45.6	45.4		46.2	44.9		45.0					
EBITDA margin	84.0	83.1		84.9	82.7		83.0					
Net Margin	23.8	23.9		24.3	24.2		23.3					
Operational metrics												
Tower	39,782	38,581	3.1	39,782	38,581	3.1	39,593	0.5				
Tenant	60,907	58,598	3.9	60,907	58,598	3.9	60,259	1.1				
Tenancy ratio (x)	1.53	1.52	0.8	1.53	1.52	0.8	1.52	0.6				
Avg. monthly leasing fee/tenant	12.1	12.1	(0.3)	12.2	12.0	1.6	12.0	2.2				

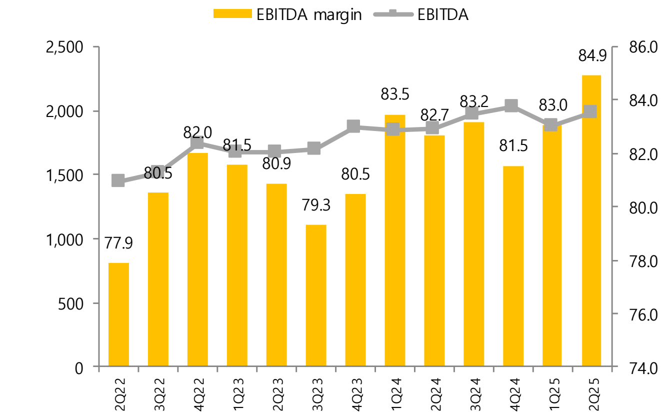
Source: Company, KBVS Research

Exhibit 3: Forecast revisions

	New		Old		Changes		Consensus		New vs. consensus	
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
Revenue	9,532	9,936	9,532	9,936	0.0	0.0	9,645	10,029	-1.2	-0.9
EBITDA	7,853	8,179	7,853	8,179	0.0	0.0	7,984	8,323	-1.6	-1.7
Net profit	2,178	2,349	2,178	2,349	0.0	0.0	2,183	2,296	-0.2	2.3

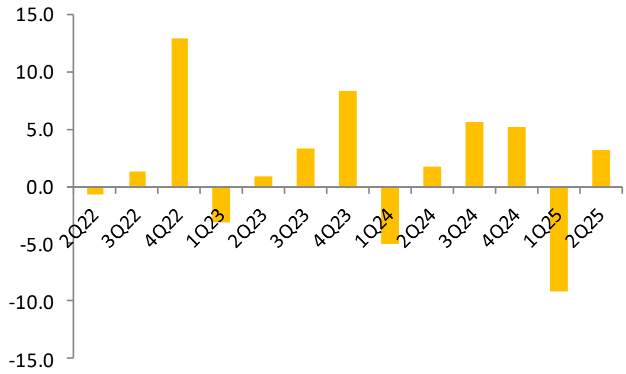
Source: Company, Bloomberg, KBVS Research

Exhibit 4: MTEL EBITDA margin (%)



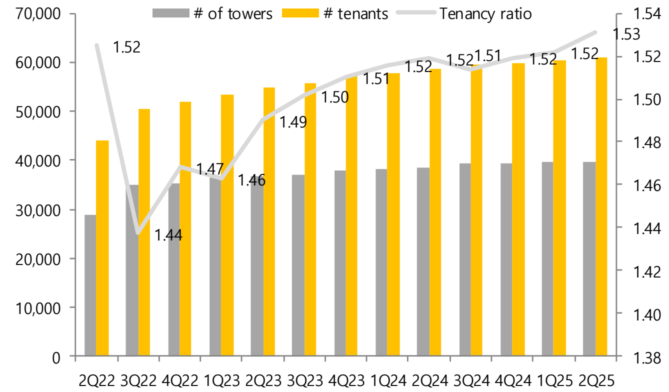
Source: Company, KBVS Research

Exhibit 5: MTEL revenue growth (%)



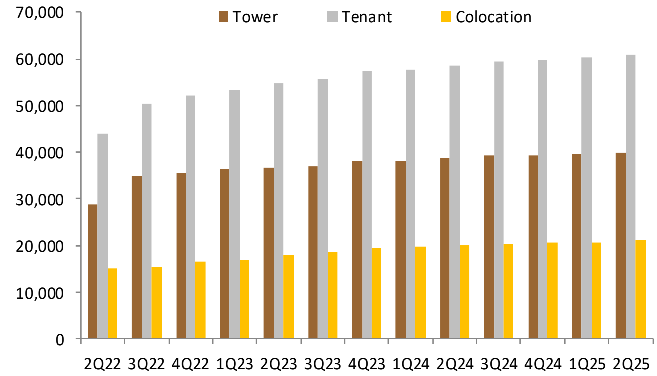
Source: Company, KBVS Research

Exhibit 6: Tenancy ratio



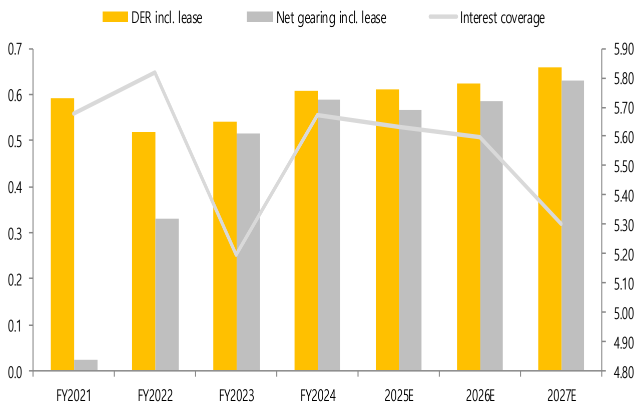
Source: Company, KBVS Research

Exhibit 7: Tower, tenant and colocation



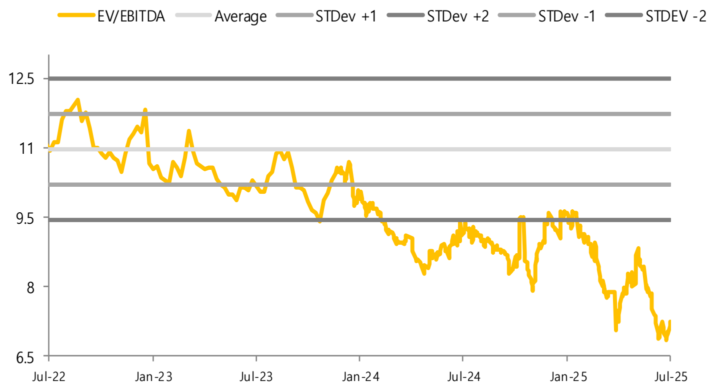
Source: Company, KBVS Research

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)	2023A	2024A	2025F	2026F	2027F
Revenue	8,595	9,308	9,532	9,936	10,393
Cost of revenue	(4,379)	(4,507)	(4,537)	(4,595)	(4,718)
Gross profit	4,216	4,801	4,995	5,341	5,675
Operating expenses	(577)	(622)	(653)	(642)	(665)
Operating profit	3,651	4,179	4,342	4,700	5,010
EBITDA	6,922	7,696	7,853	8,179	8,521
Other income/net	278	100	80	33	35
Finance income/costs net	(1,190)	(1,321)	(1,358)	(1,428)	(1,573)
Pretax profit	2,739	2,958	3,064	3,304	3,472
Income tax	(729)	(850)	(886)	(955)	(1,021)
After tax profit	2,010	2,108	2,178	2,349	2,450

Source: Company, KBVS Research

Exhibit 11: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Current assets					
Cash and cash equivalents	879	597	1,554	1,322	983
Trade receivables	1,607	2,004	1,662	676	1,770
Other current assets	933	846	880	1,745	1,472
Total current assets	**3,420**	**3,447**	**4,097**	**3,743**	**4,225**
Non current assets					
Fixed assets	43,772	45,240	47,432	49,429	51,343
Other non current assets (*)	9,818	9,453	9,487	9,323	9,666
Total non current assets	**53,590**	**54,693**	**56,919**	**58,752**	**61,008**
Total assets	**57,010**	**58,140**	**61,016**	**62,495**	**65,234**
Current liabilities					
Trade payables	2,079	1,977	1,391	1,409	1,447
Taxes payable	73	86	221	478	511
Accrued expenses	1,101	1,332	1,437	1,455	1,494
Short term debts	6,732	8,082	8,925	8,504	9,504
Other current liabilities	1,086	808	812	846	885
Total current liabilities	**11,071**	**12,286**	**12,786**	**12,692**	**13,840**
Non current liabilities					
Long term debts	11,660	12,214	13,726	14,672	15,313
Other non current liabilities (*)	241	253	505	467	721
Total non-current liabilities	**11,901**	**12,467**	**14,230**	**15,139**	**16,034**
Shareholder equity	**34,038**	**33,387**	**34,000**	**34,665**	**35,360**
Total liabilities and equity	**57,010**	**58,140**	**61,016**	**62,495**	**65,234**

Source: Company, KBVS Research

Exhibit 12: Cash flow

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net profit	2,010	2,108	2,178	2,349	2,450
Depreciation	3,282	3,517	3,511	3,479	3,511
Changes in working capital	(947)	(445)	(35)	448	(672)
CF from operating activities	**4,346**	**5,180**	**5,654**	**6,276**	**5,290**
Investment in fixed assets	(6,118)	(3,316)	(4,132)	(3,925)	(3,813)
Others	(2,569)	(1,304)	(1,606)	(1,387)	(1,954)
CF from investing activities	**(8,687)**	**(4,619)**	**(5,737)**	**(5,311)**	**(5,768)**
Dividends paid	(1,767)	(1,504)	(1,525)	(1,644)	(1,715)
Debt raised/ repaid	882	1,904	2,354	526	1,640
Others	(233)	(1,242)	211	(78)	214
CF from financing activities	**(1,118)**	**(843)**	**1,041**	**(1,197)**	**139**
Change in cash flow	**(5,460)**	**(282)**	**957**	**(232)**	**(339)**
Cash and cash equivalent, beginning	**6,339**	**879**	**597**	**1,554**	**1,322**
Cash and cash equivalent, ending	**879**	**597**	**1,554**	**1,322**	**983**

Source: Company, KBVS Research

Exhibit 13: Ratio analysis

Year End Dec	2023A	2024A	2025F	2026F	2027F
Gross profit	49.1	51.6	52.4	53.8	54.6
Operating profit margin	42.5	44.9	45.6	47.3	48.2
EBITDA margin	80.5	82.7	82.4	82.3	82.0
Net profit margin	23.4	22.6	22.9	23.6	23.6
Receivables turnover (x)	6.47	5.16	5.20	8.50	8.50
Sales/Assets turnover (x)	0.15	0.16	0.16	0.16	0.16
Payable turnover (x)	14.2	13.2	9.2	9.2	9.2
ROA	3.6	3.7	3.7	3.8	3.8
ROE	5.9	6.3	6.5	6.8	7.0
ROIC	3.9	4.0	4.0	4.2	4.1
Debt/Equity	0.5	0.6	0.6	0.6	0.7
Net debt/Equity	0.5	0.6	0.6	0.6	0.6
Net debt/EBITDA	2.5	2.6	2.4	2.5	2.6
Interest coverage (x)	5.2	5.7	5.6	5.6	5.3
BV/Share (Rp)	407.3	399.6	406.9	414.8	423.2
Dividend yield	3.7	3.2	3.2	3.5	3.6

Source: Company, KBVS Research

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