

Resilient Core, Fiber Monetization Accelerates

12 May 2026



by Telkom Indonesia

MTEL IJ	BUY
Sector	TowerCo
Price at 12 May 2026 (IDR)	510
Price target (IDR)	680
Upside/Downside (%)	33.3

Stock Information

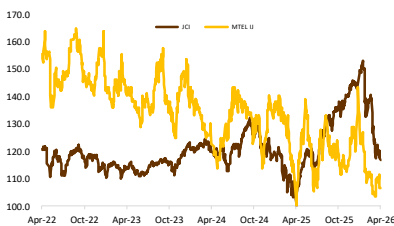
Dayamitra Telekomunikasi is one of the SEA's largest tower telecommunication companies by assets and Indonesia's largest market share of telco tower provider. The company offers an array of telco-related infrastructure service including fiber and power-to-the-tower.

Market cap (IDR bn)	42,615
Shares outstanding (mn)	83,560
52-week range (IDR)	498-705
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	-3.77	-5.56	-
15.70			

Analyst

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MTEL delivered broadly inline 1Q26 results, supported by resilient tower leasing, improving fiber monetization, and continued cost discipline. While MNO consolidation remains an industry overhang, rising co-location intensity and lower funding costs continue to support earnings resilience and gradual margin expansion. Maintain our BUY call with a TP of IDR680, based on 8.3x FY26F EV/EBITDA (-0.5SD of 3yrs EV/EBITDA mean).

1Q26 broadly inline; efficiency offsets cost pressure

MTEL posted 1Q26 EBITDA of IDR1.9 tn (+0.9% YoY), broadly inline with expectations (23.5% of our FY26F; 23.1% of consensus) on revenue of IDR2.3 tn (+1.4% YoY). Higher CoR (+5.4% YoY) was offset by lower O&M costs (-9.8% YoY) and softer opex (-0.5% YoY), reflecting improving operating efficiency from rising co-location intensity. Core tower-leasing revenue remained resilient at IDR1.8 tn despite ongoing MNO consolidation, while FTTT revenue grew +8.6% YoY to IDR152.0 bn, tracking ahead of its core-segment growth and remaining well aligned with our FY26F expectations. Net profit rose +3.6% YoY to IDR545.1 bn, supported by lower interest expense (-19.4% YoY) following accelerated debt repayment, refinancing initiatives & lower funding costs (~6.0%, vs. ~6.7% in FY24). Despite higher cash-costs (+4.5% YoY), 1Q26 net profit met expectations (24.9% of ours; 24.4% of consensus), underscoring continued cost-discipline and scale benefits.

Fiber monetization gains traction; tower business remains defensive

With 1Q26 results broadly tracking expectations, we maintain our FY26F forecasts. MTEL's fiber strategy continues to gain traction, with FY26F FTTT revenue projected to grow +18.0% YoY to IDR677.0 bn, supported by expansion in revenue-generating fiber to 67.2k km (+17.5% YoY), lifting fiber contribution to 6.9% from 6.0% in FY25. Meanwhile, the tower segment should remain stable, underpinned by strong co-location demand, particularly outside Java. We forecast tower-leasing revenue at IDR7.9 tn (+1.5% YoY), with 1Q26 already achieving 23.3% of our full-year estimate. Tenant count rose +1.7% YoY to 64,134 and tower sites increased +1.9% YoY to 40,980. Continued reliance from key customers (~61% for ISAT; ~45% for EXCL) should support pricing resilience, with lease rates rising 1.0% YoY to IDR12.7 mn/month. Overall, we project FY26F revenue at IDR9.8 tn (+2.7% YoY).

Margin expansion remains intact

We expect margin expansion to continue as higher co-location intensity drives operating leverage and scale efficiency. FY26F O&M costs are projected to increase only modestly by +1.0% YoY to IDR399.6 bn, with 1Q26 already accounting for 24.6% of our full-year estimate. This should keep FY26F CoR growth contained at +2.7% YoY to IDR4.9 tn, moderating from +4.9% growth in FY25; 1Q26 CoR represented 23.9% of our FY26F estimate. Meanwhile, 1Q26 cash-costs tracked at 23.1% of our full-year projection, remaining well controlled. Collectively, these trends should support EBITDA growth of +3.0% YoY to IDR8.1 tn and lift EBITDA margin 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, with margin expanding to 22.4%.

Maintain BUY on improving fiber monetization and co-location intensity

Maintain our BUY call with a TP of IDR680, based on 8.3x FY26F EV/EBITDA (-0.5SD of its 3yrs mean). MTEL currently trades at 7.9x EV/EBITDA, implying a 10.5% discount to its 3yrs average of 8.8x, which we view as unjustified given improving fiber monetization and resilient co-location demand. Key risks include a higher-for-longer interest-rate environment that could raise funding costs, alongside higher-than-expected 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)	20.2	20.1	19.5	18.0	17.4
PBV (x)	1.3	1.3	1.3	1.3	1.3
EV/EBITDA (x)	8.1	8.1	7.9	7.8	7.7
Div. yield (%)	3.5	4.8	4.7	5.1	4.9

Source: Company, KBVS Research

Exhibit 2: MTEL's 1Q26 result

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)				

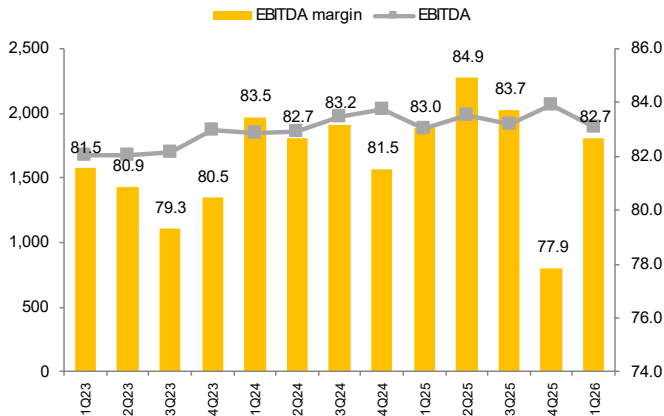
Source: Company, KBVS Research

Exhibit 3: Forecast revisions

	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

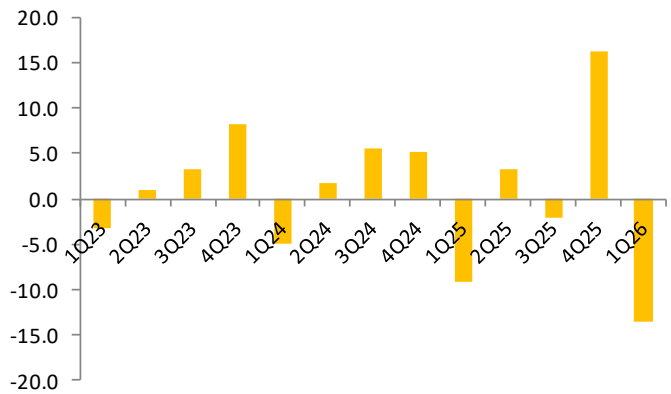
Source: Company, Bloomberg, KBVS Research

Exhibit 4: MTEL EBITDA margin (%)



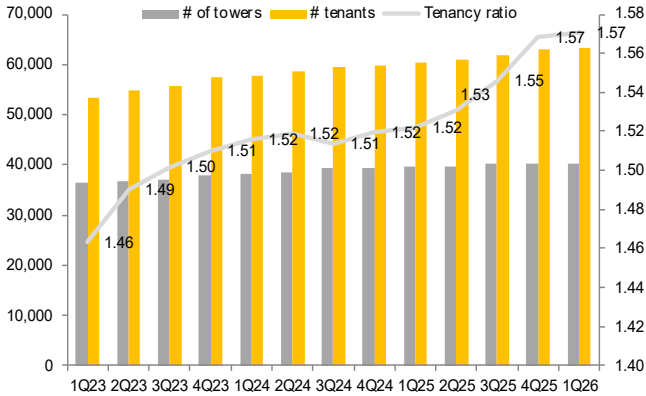
Source: Company, KBVS Research

Exhibit 5: MTEL revenue growth (%)



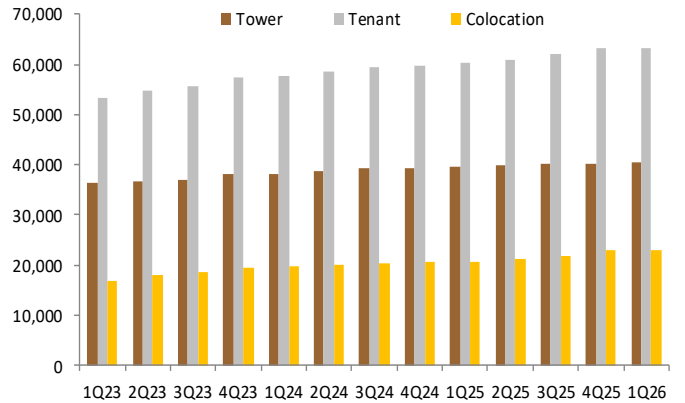
Source: Company, KBVS Research

Exhibit 6: Tenancy ratio



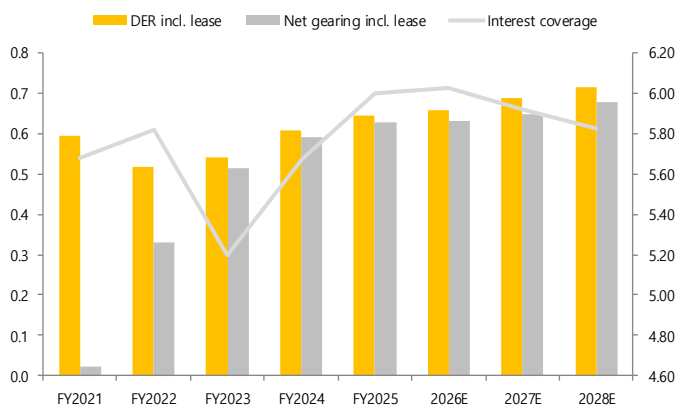
Source: Company, KBVS Research

Exhibit 7: Tower, tenant and colocation



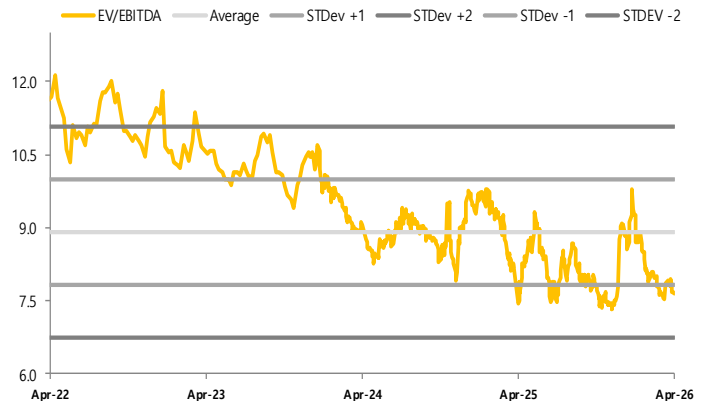
Source: Company, KBVS Research

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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