

Buy

(Maintained)

Last Price (Rp)	850		
Target Price (Rp)	1,400		
Previous Target Price (Rp)	1,300		
Upside/Downside	+64.7%		
No. of Shares (mn)	49,799		
Mkt Cap (Rpbn/US\$mn)	42,080/2,729		
Avg. Daily T/O (Rpbn/US\$mn)	53.9/3.5		
Free Float (%)	37.1		
Major Shareholder (%)			
PT Sapta Adhikari Investama	54.4		
Dwimuria Investama Andalan	5.6		
EPS Consensus (Rp)			
	2024F	2025F	2026F
BRIDS	65.0	67.9	74.9
Consensus	69.2	73.6	78.3
BRIDS/Cons (%)	(5.9)	(7.8)	(4.3)

TOWR relative to JCI Index



Source: Bloomberg

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Sarana Menara Nusantara (TOWR IJ) Fiber-Driven Growth and Rate Cut Catalysts to Enhance Long-Term Value

- We expect contribution from non-tower rev. to continue (14% CAGR in FY24-26F), driving sustainable outlook amid ongoing tower relocations.
- We expect TOWR's fiber synergistic model to sustain an 83.3% EBITDA margin, potentially benefiting from new gov.'s aim for FTTH expansion.
- We reiterate our Buy rating on attractive growth catalysts and roll forward our DCF valuation, resulting in a new TP of Rp1,400.

Sustainable growth in the cards even with tower relocations

TOWR's strong 2Q24 revenue growth to Rp3.1tr (+2.0%qoq, +6.7%yoy), driving 1H24 rev to Rp6.2tr (+6.5%yoy, ex- IBST), has again demonstrated solid organic growth from fiber, which offsets soft tower rev. due to site relocations.

Highly synergistic model allows for sustainable high EBITDA margin

TOWR delivered non-tower rev. from fiber of Rp1.05tr (+9.0%qoq, 35.1%yoy, 33.8% topline contribution) in 2Q24 and 56% capex/sales ratio, vs. 104% in 2Q23. TOWR's fiber is versatile with revenue coming from FTTT, FTTH, and business connections, synergistically achieving a stable 83.3% overall EBITDA margin in 2Q24. The new gov't's targets, FTTH/FWA connections of 100Mbps for tens of millions of households nationwide, shall offer long growth runway.

We expect pay-off from capex in towers and growth in ex-Java

Tower revenue came in at Rp2.06tr in 2Q24 (-3.6%yoy) and -5.4% since the onset of IOH merger in 4Q21, relatively resilient. TOWR spent large capex of Rp1.8tr in 1H24 and Rp8.3tr in the past 30 months, with more B2S towers in ex-Java, able to maintain total tenancies at +54,000. We believe the IBST acquisition will be accretive as a) TOWR secures additional ~Rp220bn quarterly revenue commitment with FREN tenant; b) XL-FREN MNO will also reallocate sites (~30% network overlap) potentially to IOH sites. Thus, we expect TOWR to get a faster payoff for the B2S capex.

Pursuing more M&As; beneficiary of rate cuts

The announced rights issue plan in Oct.24 of Rp4.5tr shall allow for additional war chest as we expect TOWR to engage in more M&A after IBST. We estimate ND/EBITDA to remain elevated between ~4.0 - 4.8x in FY25. With higher leverage, TOWR will be a big beneficiary of the ongoing rate-cuts after the RI.

Maintain BUY rating for its growth prospects and rate cut catalysts

We roll forward our DCF valuation to arrive at a new TP of Rp1,400 (implying 11x EV/EBITDA). We maintain our BUY rating on TOWR's proven positioning in fiber amid attractive growth opportunities. We believe TOWR's current valuation under -1SD of 5-year mean and at a discount to the 11x peers' median is unwarranted. Key risk is the proliferation of illegal internet.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	11,036	11,740	12,458	13,068	13,717
EBITDA (Rpbn)	9,517	9,980	10,414	10,741	11,275
EBITDA Growth (%)	28.0	4.9	4.4	3.1	5.0
Net Profit (Rpbn)	3,442	3,253	3,235	3,382	3,729
EPS (Rp)	69.1	65.3	65.0	67.9	74.9
EPS growth (%)	0.4	(5.5)	(0.6)	4.6	10.2
BVPS (Rp)	289.2	330.5	369.0	411.1	458.5
DPS (Rp)	24.1	24.1	26.4	25.9	27.0
PER (x)	12.3	13.0	13.1	12.5	11.4
PBV (x)	2.9	2.6	2.3	2.1	1.9
Dividen yield (%)	2.8	2.8	3.1	3.0	3.2
EV/EBITDA	8.9	8.7	8.4	8.3	7.9

Source: TOWR, BRIDS Estimates

Exhibit 1. Proforma TOWR key P&L and B/S figures with and without IBST

Rp bn	TOWR before IBST							IBST IJ				TOWR incl. IBST	
	2023	2024F Old	2024F New	Δ %	2025F Old	2025F New	Δ %	2022	2023	1Q24	1Q24 adj	2024F	2025F
P&L													
Revenue	11,740	12,276	12,458	1.5	12,852	13,068	1.7	1,088	1,110	222	222	12,902	13,956
Tower Revenue	8,402	8,458	8,342	-1.4	8,601	8,342	-3.0						
Non-Tower Revenue	3,338	3,818	4,115	7.8	4,250	4,726	11.2						
growth %	6.4	4.6	6.1	1.5	4.7	4.9	0.2					9.9	8.2
EBITDA	9,980	10,385	10,414	0.3	10,615	10,741	1.2	815	814	109	163	10,740	11,441
growth %	4.9	4.1	4.4	0.3	2.2	3.1	0.9	18.0	-0.1	-43.1	-14.6	7.6	9.9
EBITDA margin %	85.0	84.6	83.6	-1.0	82.6	82.2	-0.4	74.8	73.3	48.9	73.3	83.2	82.0
EBIT	6,941	7,149	7,064	-1.2	7,232	7,285	0.7						
EBIT margin %	59.1	58.2	56.7	-1.5	56.3	55.7	-0.5						
Financial cost	(2,858)	(2,805)	(2,934)	4.6	(2,825)	(2,968)	5.0	(259)	(282)	(75)	(75)	(3,203)	(2,921)
% of revenue	-24.3	-22.9	-23.5	-0.7	-22.0	-22.7	-0.7						
% of EBITDA	-28.6	-27.0	-28.2	-1.2	-26.6	-27.6	-1.0						
effective interest cost	-6.5	-6.3	-6.5	-0.2	-6.3	-6.4	-0.1					-6.3	-6.3
NPATMI	3,304	3,402	3,235	-4.9	3,453	3,382	-2.0	42	38	-933	n/a		
NI margin %	28.1	27.7	26.0	-1.7	26.9	25.9	-1.0	3.8	3.5	-420.3	n/a		
B/S & Capital Returns													
Capex	6,554	6,017	6,657	10.6	5,919	5,919	0.0						
Capex/revenue ratio	55.8	49.0	53.4	4.4	46.1	45.3	-0.8						
oFCF	3,426	4,368	3,758	-14.0	4,696	4,823	2.7						
ROE	21.1	19.4	18.6	-0.9	17.6	17.4	-0.2						
Leverage													
Gross Debt	44,450	44,613	46,436	4.1	44,397	46,849	5.5					52,314	47,814
Net Debt	44,021	44,529	45,364	1.9	44,216	46,458	5.1					51,241	46,741
Rights issue													4,500
New M&A													
Gearing ratio	2.7	2.4	2.5	0.1	2.1	2.3	0.2						
ND/annual. EBITDA	4.4	4.3	4.4	0.1	4.2	4.3	0.1					4.77	4.09
Operational KPIs													
B2S Towers	30,588	32,088	32,588	1.6	33,588	34,588	3.0	3,383	n/a	3,251	n/a	35,839	37,839
net adds	794	1,500	2,000	33.3	1,500	2,000	33.3						
Total tenancies	54,284	55,784	54,284	-2.7	57,284	54,284	-5.2	5,791	n/a	3,830	n/a	58,114	58,114
Δ in tenancies	317	1,500	0	-100.0	1,500	0	-100.0						
Tenancy ratio (x)	1.77	1.74	1.67	-0.07	1.71	1.57	-0.14	1.71	n/a	1.18	n/a	1.62	1.54

Source: Company, BRIDS Estimates

Exhibit 2. TOWR key 2Q/1H24 P&L and B/S figures

Rp bn	2Q23	1Q24	2Q24	QoQ, Δ%	YoY, Δ%	1H23	1H24	YoY, Δ%	2024F BRIDS	BRIDS achiev.	2024F Cons	CONS achiev.
Net Revenues	2,912	3,047	3,107	2.0	6.7	5,776	6,154	6.5	12,276	50.1%	12,402	49.6%
Tower rental	2,133	2,081	2,056	(1.2)	(3.6)	4,194	4,137	(1.4)	8,458	48.9%		
Non-tower revenue	779	965	1,052	9.0	35.1	1,582	2,017	27.5	3,818	52.8%		
Tower Fiber FTTT	426	476	518	8.8	21.5	839	994	18.5	1,910	52.0%		
Connectivity (VSAT & fiber)	320	371	408	10.0	27.5	700	779	11.3	1,690	46.1%		
FTTH	32	118	125	5.9	290.6	43	243	465.1	516	47.1%		
% tower revenue	73.3	68.3	66.2	(2.1)	(7.1)	72.6	67.2	(5.4)				
% non-tower revenue	26.7	31.7	33.8	2.1	7.1	27.4	32.8	5.4				
Of which revenue from big clients:												
XL Axiata	887	989	1,027	3.8	15.7	1,752	2,016	15.1				
Telkomsel	366	366	359	(2.0)	(1.9)	731	725	(0.9)				
Indosat Ooredoo Hutchison IOH	1,152	1,116	1,082	(3.1)	(6.1)	2,226	2,198	(1.3)				
Other parties	507	575	640	11.2	26.2	1,068	1,215	13.8				
Total revenues	2,912	3,047	3,107	2.0	6.7	5,776	6,154	6.5				
EBITDA	2,475	2,545	2,588	1.7	4.6	4,914	5,133	4.5	10,385	49.4%	10,483	49.0%
EBITDA margin (%)	85.0	83.5	83.3	(0.2)	(1.7)	85.1	83.4	(1.7)	84.6			
EBIT	1,730	1,815	1,860	2.5	7.5	3,540	3,675	3.8	7,149	51.4%		
EBIT margin (%)	59.4	59.6	59.9	0.3	0.4	61.3	59.7	(1.6)				
Operating Income	1,646	1,710	1,794	4.9	9.0	3,378	3,503	3.7	7,293	48.0%		
OI Towers	1,335	1,300	1,284	(1.3)	(3.8)	2,648	2,584	(2.4)				
OI Non-towers	304	410	510	24.5	67.7	730	919	26.0				
Operating Income margin (%)	56.5	56.1	57.7	1.6	1.2	58.5	56.9	(2.2)				
OI margin Towers (%)	62.6	62.5	62.4	(0.0)	(0.2)	63.1	62.5	(1.6)				
OI margin Non-Towers (%)	39.1	42.4	48.5	6.0	9.4	46.1	45.6	2.3				
Other income (expense)	(739)	(703)	(721)	2.4	(2.5)	(1,473)	(1,424)	(3.3)	(2,797)	50.9%		
EBT	907	1006	1073	6.6	18.3	1,905	2,079	9.1	4,365	47.6%	4,453	46.7%
Net profit	722	797	808	1.3	11.9	1,467	1,605	9.4	3,402	47.2%	3,504	45.8%
Net Profit margin (%)	24.8	32.3	32.3	0.0	7.5	25.4	26.1	0.7				
Capex	1,384	1,702	1,421	(16.5)	2.7	2,998	3,123	4.2				
Tower Capex	577	988	833	(15.7)	44.4	1,182	1,821	54.1				
Non-Tower Capex	807	714	588	(17.6)	(27.1)	1,816	1,302	(28.3)				
TOWR Capital intensity (%)	47.5	55.9	45.7	(10.1)	(1.8)	52%	51%					
Tower Capital intensity (%)	27.1	47.5	40.5	(7.0)	13.5	28%	44%					
Non-Tower Capital intensity (%)	103.6	74.0	55.9	(18.1)	(47.7)	115%	65%					
TOTAL Debt	44,706	45,103	46,713	3.6	4.5	44,706	46,713					
Net debt/annual. EBITDA (x)	4.3	4.3	4.2	(0.0)	(0.0)	4.3	4.2					

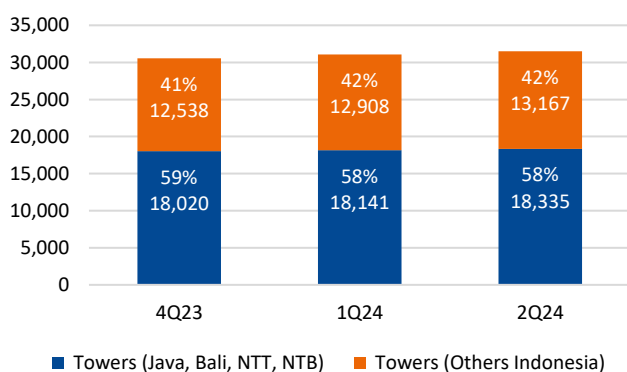
Source: Company, BRIDS Estimates

Exhibit 3. TOWR 2Q24 key operational KPIs

TOWR's KPIs 1Q24 (#)	2Q23	1Q24	2Q24	QoQ, Δ%	YoY, Δ%
Total Towers (#)	29,792	31,049	31,502	1.5	5.7
qoq net added towers	35	491	453		
yoy net added towers	529	1,292	1,710		
Total tenancies (#)	53,771	54,170	54,326	0.3	1.0
qoq net added tenancies	-49	-114	156		
yoy net added tenancies	-945	350	555		
Collocations (#)	23,979	23,121	22,824	(1.3)	(4.8)
qoq net added collocations	(84)	(605)	(297)		
yoy net added collocations	(1,474)	(942)	(1,155)		
Tenancy Ratio (x)	1.80	1.74	1.72		
Effective month lease per tenancy	13.2	12.8	12.6	(1.2)	(4.4)
FTTT Km generating revenue capacity	172,593	186,571	192,332	3.1	11.4
Business activations	11,877	13,534	14,409	6.5	21.3
FTTH connections	38,267	124,704	135,897	9.0	255.1
Homepasses	441,961	1,062,000	1,211,600	14.1	174.1
Homepass Penetration ratio	8.7%	11.7%	11.2%	-	-
Value of long term contracts and corr	69,258	71,420	74,212	3.9	7.2
Long term contracts	65,589	69,405	72,377	4.3	10.3
committed	3,669	2,015	1,835	-8.9	-50.0

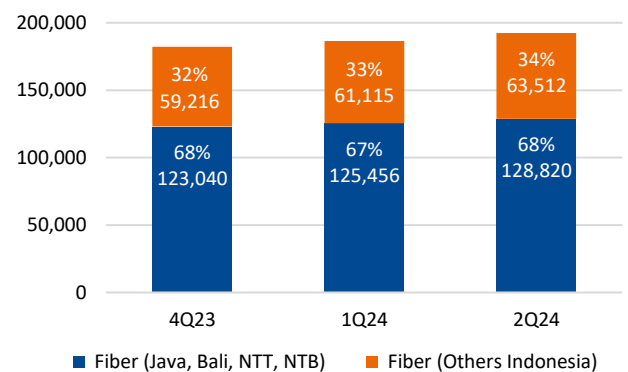
Source: Company, BRIDS Estimates

Exhibit 4. Java, Bali, NTT, NTB vs. Sumatra, Maluku, Papua, Sulawesi & Kalimantan towers (#)



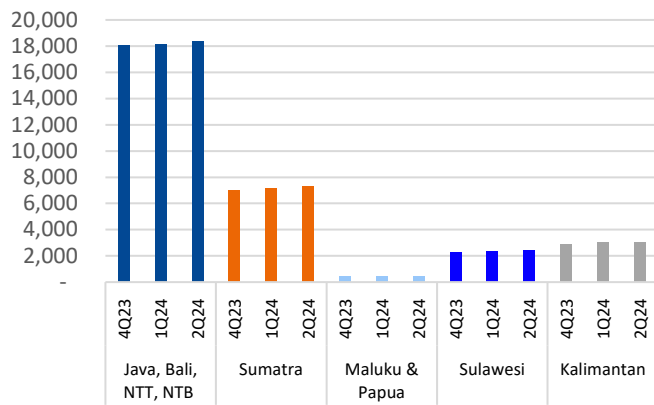
Source: Company, BRIDS

Exhibit 5. Java, Bali, NTT, NTB vs. Sumatra, Maluku, Papua, Sulawesi & Kalimantan fiber (km)



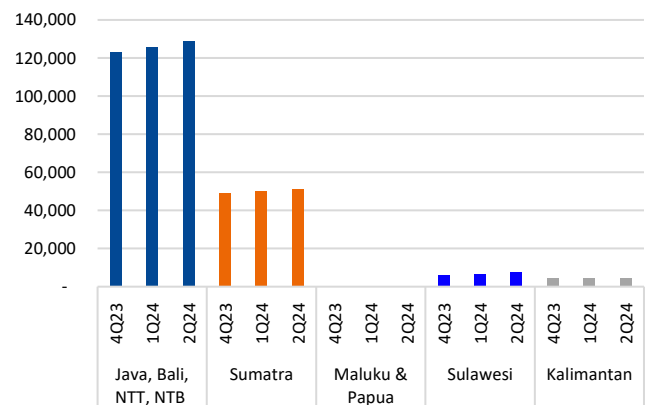
Source: Company, BRIDS

Exhibit 6. Number of Towers per Region (#)



Source: Company, BRIDS

Exhibit 7. Fiber rollouts per Region (#)



Source: Company, BRIDS

Exhibit 8. TOWR DCF valuation

	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenues	11,740	12,458	13,068	13,717	14,335	15,183	16,075	16,921	17,807	18,740	19,725	20,767
growth	6.4%	6.1%	4.9%	5.0%	4.5%	5.9%	5.9%	5.3%	5.2%	5.2%	5.3%	5.3%
EBITDA	9,980	10,414	10,741	11,275	11,782	12,480	13,213	13,908	14,637	15,404	16,213	17,070
growth	4.9%	4.4%	3.1%	5.0%	4.5%	5.9%	5.9%	5.3%	5.2%	5.2%	5.3%	5.3%
EBITDA margin	85.0%	83.6%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%
EBIT	7,136	7,446	7,591	8,065	8,614	9,330	9,941	10,509	11,190	11,828	12,503	13,222
EBIT margin	61%	60%	58%	59%	60%	61%	62%	62%	63%	63%	63%	64%
EBIT (1-tax)	5,596	5,839	5,952	6,324	6,754	7,316	7,795	8,240	8,774	9,274	9,804	10,368
Depreciation	2,843	2,968	3,151	3,210	3,168	3,150	3,272	3,399	3,446	3,576	3,710	3,848
Capex	-4,327	-7,501	-5,919	-5,970	-4,723	-4,671	-4,619	-4,569	-4,520	-4,473	-4,426	-4,382
Net chg. Working capital	49	893	-711	-134	-208	-273	-238	-222	-262	-249	-264	-280
FCFF	4,161	2,199	2,473	3,430	4,991	5,522	6,209	6,848	7,438	8,129	8,824	9,553
EV/EBITDA multiple	11.5	11.0	10.6	10.1	9.7	9.2	8.6	8.2	7.8	7.4	7.0	6.7
		0	1	2	3	4	5	6	7	8	9	10
		2,199	2,276	2,906	3,893	3,965	4,104	4,166	4,165	4,190	4,187	4,173
WACC	8.6%											
Terminal growth	3.0%											
Sum of first stage FCFF PV	38,025											
FCFF-10	9,840											
Terminal value	174,587											
PV of terminal value	76,255											
Firm value	114,280											
Net debt	44,314											
Debt	46,713											
Cash	2,399											
Equity value	69,966											
TP:	1,400											

Source: Company, BRIDS Estimates

Exhibit 9. Summary of tower Cos valuation multiples comparison

Company	PE (x)			EV/EBITDA (x)			P/BV (x)			ROE %	
	2023	2024F	2025F	2023	2024F	2025F	2023	2024F	2025F	2024F	2025F
Mitratel	25.1	23.6	21.5	9.5	8.7	8.3	1.5	1.5	1.4	6.2	6.7
Sarana Menara Nusantara	13.0	13.1	12.5	8.7	8.3	8.1	2.6	2.3	2.1	18.6	17.4
Tower Bersama	27.4	26.4	25.0	12.8	12.1	11.7	3.7	3.2	2.8	13.0	12.1

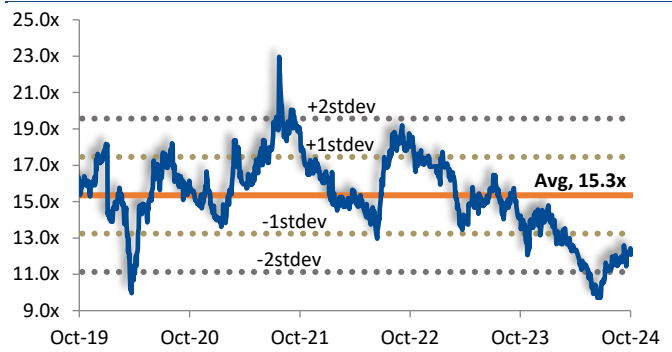
Source: Company, BRIDS Estimates

Exhibit 10. Summary of regional peers valuation multiples

Company	Mkt.Cap (USD mn.)	P/E		P/BV		EV/EBITDA		ROA		ROE	
		24F	25F	24F	25F	24F	25F	24F	25F	24F	25F
SARANA MENARA NUSANTARA PT	2,783.6	12.3	11.5	2.3	2.1	8.4	8.1	4.8	5.0	19.6	18.6
TOWER BERSAMA INFRASTRUCTURE	2,748.9	26.8	25.0	3.6	3.4	12.6	12.1	n.a.	n.a.	13.3	13.7
DAYAMITRA TELEKOMUNIKASI TBK	3,244.9	23.0	21.5	1.5	1.4	8.7	8.2	3.9	4.1	6.3	6.7
CROWN CASTLE INC	48,445.6	41.3	40.0	9.2	11.4	17.3	17.5	3.2	3.6	20.6	27.6
AMERICAN TOWER CORP	104,467.5	32.7	33.1	27.3	28.8	20.4	20.8	5.0	4.8	79.8	83.7
CELLNEX TELECOM SA	28,135.2	n.a.	907.5	1.8	1.9	14.8	14.1	(0.5)	-	(1.5)	0.1
OPERADORA DE SITES MEX- A-1	2,717.1	36.8	21.5	1.4	1.5	9.5	9.2	2.4	2.4	3.5	5.3
CHINA TOWER CORP LTD-H	25,151.8	10.8	9.1	0.6	0.6	3.9	3.8	3.3	4.1	5.5	6.4
INDUS TOWERS LTD	11,685.7	18.0	14.7	4.0	3.3	8.3	7.0	13.0	12.4	23.7	23.8
VANTAGE TOWERS AG	21,391.2	n.a.	n.a.	n.a.	n.a.	40.6	37.2	n.a.	n.a.	n.a.	n.a.
INFRASTRUTTURE WIRELESS ITAL	11,482.4	26.6	23.7	2.4	2.4	15.8	14.7	4.2	4.8	9.0	10.3
HELIOS TOWERS PLC	1,544.2	91.7	21.9	n.a.	11.0	8.0	7.2	5.3	7.7	(4,643.6)	130.8
Median		26.7	21.9	2.4	2.4	11.1	10.7	4.1	4.4	9.0	13.7
Average		32.0	102.7	5.4	6.2	14.0	13.3	4.5	4.9	(405.8)	29.7

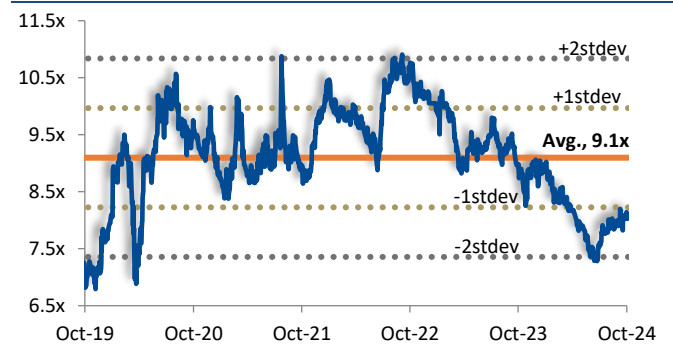
Source: Bloomberg, BRIDS

Exhibit 11. TOWR forward 5-year P/E 2024-25 band



Source: Company, BRIDS Estimates

Exhibit 12. TOWR forward 5-year EV/EBITDA 2024-25 band



Source: Company, BRIDS Estimates

Exhibit 13. Tower Sector forward 5-year P/E 2024-25 band



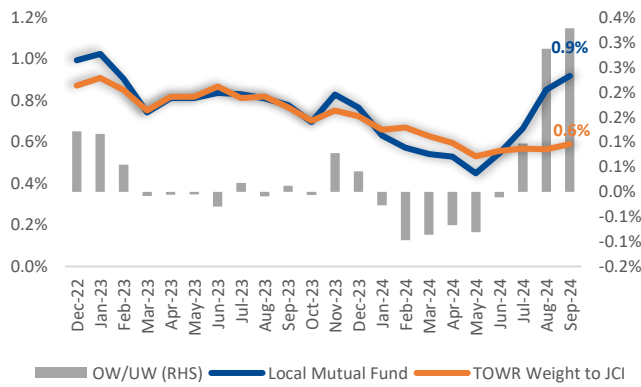
Source: Company, BRIDS

Exhibit 14. Tower Sector forward 5-year EV/EBITDA 2024-25 band



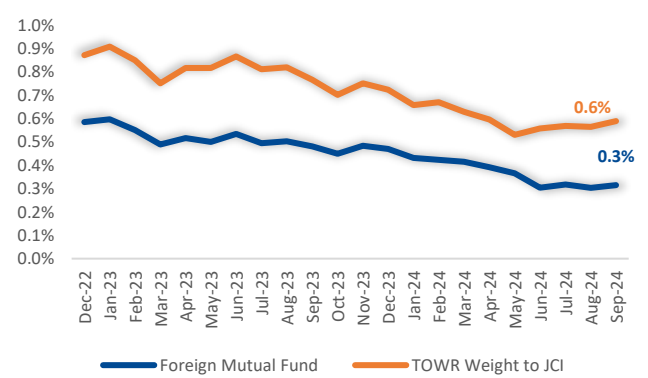
Source: Company, BRIDS

Exhibit 15. TOWR's Domestic Fund Positioning



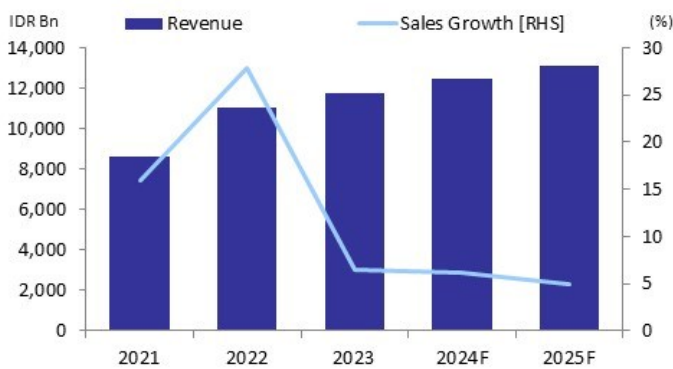
Source: KSEI, BRIDS

Exhibit 16. TOWR's Foreign Ownership



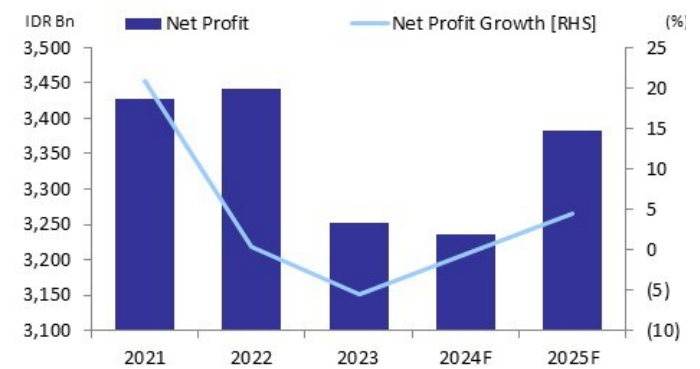
Source: KSEI, BRIDS

Exhibit 17. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 18. Net Profit and Growth



Source: Company, BRIDS Estimates

Exhibit 19. Margins



Source: Company, BRIDS Estimates

Exhibit 20. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 21. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	11,036	11,740	12,458	13,068	13,717
COGS	(2,914)	(3,528)	(3,761)	(4,113)	(4,220)
Gross profit	8,121	8,213	8,697	8,955	9,497
EBITDA	9,517	9,980	10,414	10,741	11,275
Oper. profit	6,828	6,941	7,064	7,285	7,821
Interest income	23	21	21	22	23
Interest expense	(2,392)	(2,858)	(2,934)	(2,968)	(3,088)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	0	0	0	0	0
Pre-tax profit	4,459	4,104	4,151	4,339	4,756
Income tax	(963)	(800)	(896)	(937)	(1,027)
Minority interest	(55)	(51)	(20)	(20)	0
Net profit	3,442	3,253	3,235	3,382	3,729
Core Net Profit	3,442	3,253	3,235	3,382	3,729

Exhibit 22. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	309	429	1,073	391	884
Receivables	3,342	3,984	3,404	4,434	4,654
Inventory	0	15	15	15	15
Other Curr. Asset	0	0	0	0	0
Fixed assets - Net	37,152	40,385	44,062	47,004	49,957
Other non-curr.asset	24,822	23,607	24,214	23,911	24,063
Total asset	65,625	68,419	72,768	75,755	79,573
ST Debt	9,177	18,324	13,174	15,420	16,272
Payables	839	1,207	1,287	1,407	1,444
Other Curr. Liabilities	4,430	4,768	5,002	5,200	5,241
Long Term Debt	33,818	26,143	33,262	31,429	31,778
Other LT. Liabilities	2,929	1,465	1,612	1,773	1,950
Total Liabilities	51,193	51,907	54,336	55,229	56,684
Shareholder's Funds	14,401	16,456	18,376	20,471	22,833
Minority interests	32	55	55	55	55
Total Equity & Liabilities	65,625	68,419	72,768	75,755	79,573

Exhibit 23. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	3,442	3,253	3,235	3,382	3,729
Depreciation and Amort.	2,307	2,843	2,968	3,151	3,210
Change in Working Capital	(757)	49	893	(711)	(143)
Other Oper. Cash Flow	1,119	1,088	3,769	1,603	1,666
Operating Cash Flow	6,110	7,234	10,865	7,425	8,462
Capex	(5,258)	(4,327)	(7,501)	(4,751)	(4,764)
Others Inv. Cash Flow	681	1,235	(586)	326	(129)
Investing Cash Flow	(4,577)	(3,092)	(8,087)	(4,425)	(4,893)
Net change in debt	(1,550)	1,473	1,969	413	1,201
New Capital	(885)	(1,488)	147	161	177
Dividend payment	(1,200)	(1,200)	(1,315)	(1,288)	(1,346)
Other Fin. Cash Flow	(2,392)	(2,858)	(2,934)	(2,968)	(3,088)
Financing Cash Flow	(6,027)	(4,073)	(2,134)	(3,682)	(3,057)
Net Change in Cash	(4,494)	69	644	(681)	512
Cash - begin of the year	4,748	309	429	1,073	391
Cash - end of the year	309	429	1,073	391	884

Exhibit 24. Key Ratios

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	27.8	6.4	6.1	4.9	5.0
EBITDA	28.0	4.9	4.4	3.1	5.0
Operating profit	26.5	1.7	1.8	3.1	7.4
Net profit	0.4	(5.5)	(0.6)	4.6	10.2
Profitability (%)					
Gross margin	73.6	70.0	69.8	68.5	69.2
EBITDA margin	86.2	85.0	83.6	82.2	82.2
Operating margin	61.9	59.1	56.7	55.7	57.0
Net margin	31.2	27.7	26.0	25.9	27.2
ROAA	5.2	4.9	4.6	4.6	4.8
ROAE	26.0	21.1	18.6	17.4	17.2
Leverage					
Net Gearing (x)	3.0	2.7	2.5	2.3	2.1
Interest Coverage (x)	2.9	2.4	2.4	2.5	2.5

Source: TOWR, BRIDS Estimates

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INVESTMENT RATING

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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