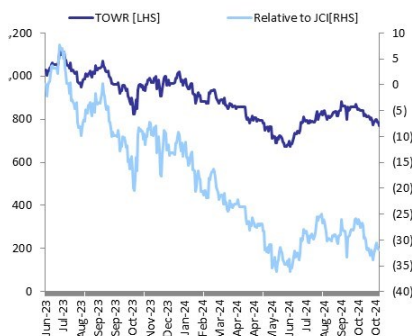


# Buy

(Maintained)

Last Price (Rp)	770
Target Price (Rp)	1,400
Previous Target Price (Rp)	1,400
Upside/Downside	+81.8%
No. of Shares (mn)	49,799
Mkt Cap (Rpbn/US\$m)	38,345/2,422
Avg. Daily T/O (Rpbn/US\$m)	50.2/3.2
Free Float (%)	37.5
Major Shareholder (%)	
PT Sapta Adhikari Investama	54.4
Dwimuria Investama Andalan	5.6
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	65.3 69.1 77.2
Consensus	67.9 72.1 77.9
BRIDS/Cons (%)	(3.9) (4.1) (0.8)

## TOWR relative to JCI Index



Source: Bloomberg

## BRI Danareksa Sekuritas Analysts

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# Sarana Menara Nusantara (TOWR IJ)

## Well-positioned for Further Inorganic Growth Amid Strong EBITDA Deliveries in 9M24

- 9M24 earnings were broadly in line driven by strong non-tower revenue growth (+28.1% yoy) and high capex, leading to elevated D&A and OPEX.
- We expect the upcoming RI to improve the earnings outlook, while the stronger 3Q24 EBITDA improves headroom for more acquisitions.
- Maintain Buy rating with an unchanged TP of Rp1,400 on TOWR's strong positioning and attractive valuation.

### Strong 9M24 revenue growth supported by M&A and capex

TOWR's 9M24 net profit of Rp2.45tr was soft (+0.9%yoy), broadly in line. Despite the strong revenue of Rp9.45tr (+8.4%yoy) and rather stable EBITDA margin 84.1% (-100bps yoy), the D&A and other op. charges weighed on the earnings. The high capex intensity at 122% in fiber and IBST acquisition supported the non-tower revenue +28.1% yoy amid flattish tower revenue.

### Even stronger EBITDA margin and stable leverage post IBST acquisition

TOWR reported 3Q24 NP of Rp842 bn (+4.3% qoq, -11.5% yoy), impacted by D&A and finance charges. TOWR resumed revenue growth in 3Q24, supported by IBST, with revenue at Rp3.29 tr (+6.0% qoq, +12.0% yoy), reflecting an increment of Rp188 bn. Although IBST contributed Rp210 bn in 3Q24, the lower increment suggests revenue pressure from churns, as guided by mgmt. TOWR achieved a stronger 3Q24 EBITDA margin of 85.4% (+210/30 bps qoq/yoy) post IBST acquisition, allowing it to maintain stable ND/EBITDA of 4.3x and stable interest coverage of 2.6x.

### Catalysts in organic fiber and inorganic growth remain intact

We remain positive on TOWR due to its early capex in fiber infra, with robust revenue growth in FTTT, FTTH, and connectivity segments, which grew at +17.4%/ 18.7%/261.5% yoy in 9M24. We believe the synergies between these segments will help retain steady margins for TOWR. Moreover, we view the FTTH outlook as promising as IOH sets for fixed broadband expansion through 4Q24 onwards. We also expect the Rp4.5tr rights issue to boost TOWR's future growth, with stronger EBITDA post-IBST acquisition to also support cash flow and debt capacity, offering headroom for new acquisitions. Lastly, TOWR CF position will benefit further in a more dovish interest rate environment.

### Maintain BUY rating for its fiber outlook and multiple catalysts

We fine-tune our FY24-26F est by +0.5/ +1.8/ +3.2% post IBST acquisition, but maintain TP of Rp1,400 (implying 12x EV/EBITDA). We maintain our BUY rating on TOWR's proven positioning in fiber amid attractive growth opportunities. TOWR's is attractive at 7.8x FY25 EBITDA, below -1SD of 5-year mean and at a disc. to peers' 10.6x median. 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	12,520	13,581	14,474
EBITDA (Rpbn)	9,517	9,980	10,504	11,276	12,018
EBITDA Growth (%)	28.0	4.9	5.3	7.4	6.6
Net Profit (Rpbn)	3,442	3,253	3,250	3,442	3,847
EPS (Rp)	69.1	65.3	65.3	69.1	77.2
EPS growth (%)	0.4	(5.5)	(0.1)	5.9	11.7
BVPS (Rp)	289.2	330.5	369.3	412.5	461.8
DPS (Rp)	24.1	24.1	26.4	26.0	27.5
PER (x)	11.1	11.8	11.8	11.1	10.0
PBV (x)	2.7	2.3	2.1	1.9	1.7
Dividen yield (%)	3.1	3.1	3.4	3.4	3.6
EV/EBITDA	8.5	8.3	8.4	7.7	7.2

Source: TOWR, BRIDS Estimates

**Exhibit 1. TOWR key 3Q/9M24 P&L and B/S figures**

Rp bn	3Q23	2Q24	3Q24	QoQ, Δ%	YoY, Δ%	9M23	9M24	YoY, Δ%	2024F BRIDS	BRIDS achiev.	2024F Cons	CONS achiev.
<b>Net Revenues</b>	<b>2,943</b>	<b>3,107</b>	<b>3,295</b>	<b>6.0</b>	<b>12.0</b>	<b>8,719</b>	<b>9,449</b>	<b>8.4</b>	<b>12,458</b>	<b>75.8%</b>	<b>12,444</b>	<b>75.9%</b>
Tower rental	2,105	2,056	2,211	7.5	5.0	6,299	6,348	0.8	8,342	76.1%		
Non-tower revenue	838	1,051	1,084	3.2	29.4	2,421	3,101	28.1	4,115	75.4%		
Tower Fiber FTTT	458	518	538	3.9	17.4	1,297	1,532	18.1	1,910	80.2%		
Connectivity (VSAT & fiber)	342	408	406	(0.5)	18.7	1,042	1,185	13.7	1,690	70.1%		
FTTH	39	125	141	12.8	261.5	82	384	368.3	516	74.4%		
% tower revenue	71.5	66.2	67.1	0.9	(4.4)	72.2%	67.2%	(5.1%)				
% non-tower revenue	-70.5	33.8	32.9	(0.9)	103.4	27.8%	32.8%	5.1%				
<b>Of which revenue from big clients:</b>												
XL Axiata	917	1,027	1,271	23.8	38.6	2,669	3,287	23.2				
Telkomsel	365	359	404	12.5	10.7	1,095	1,128	3.0				
Indosat Ooredoo Hutchison IOH	1,116	1,082	1,090	0.7	(2.3)	3,342	3,287	(1.6)				
Other parties	546	640	531	(17.1)	(2.8)	1,613	1,746	8.2				
<b>Total revenues</b>	<b>2,943</b>	<b>3,107</b>	<b>3,295</b>	<b>6.0</b>	<b>12.0</b>	<b>8,719</b>	<b>9,449</b>	<b>8.4</b>				
<b>Cost of Sales</b>	<b>(746)</b>	<b>(934)</b>	<b>(1,034)</b>	<b>10.7</b>	<b>38.6</b>	<b>(2,466)</b>	<b>(2,892)</b>	<b>17.3</b>	<b>(3,761)</b>	76.9%		
<b>OPEX</b>	<b>(327)</b>	<b>(380)</b>	<b>(471)</b>	<b>24.0</b>	<b>43.9</b>	<b>(999)</b>	<b>(1,263)</b>	<b>26.5</b>				
<b>EBITDA</b>	<b>2,503</b>	<b>2,588</b>	<b>2,812</b>	<b>8.7</b>	<b>12.4</b>	<b>7,417</b>	<b>7,946</b>	<b>7.1</b>	<b>10,414</b>	76.3%	<b>10,454</b>	<b>76.0%</b>
EBITDA margin (%)	85.0	83.3	85.4	2.1	0.3	85.1	84.1	(1.0)	83.6			
<b>EBIT</b>	<b>1,933</b>	<b>1,860</b>	<b>2,013</b>	<b>8.2</b>	<b>4.2</b>	<b>5,473</b>	<b>5,688</b>	<b>3.9</b>	<b>7,446</b>	76.4%		
EBIT margin (%)	65.7	59.9	61.1	1.2	(4.6)	62.8	60.2	(2.6)				
<b>Operating Income</b>	<b>1,870</b>	<b>1,794</b>	<b>1,790</b>	<b>(0.2)</b>	<b>(4.3)</b>	<b>5,255</b>	<b>5,294</b>	<b>0.7</b>	<b>7,064</b>	74.9%		
OI Towers	1,399	1,284	1,313	2.3	(6.1)	4,047	3,897	(3.7)				
OI Non-towers	478	510	477	(6.4)	(0.2)	1,208	1,397	15.6				
<b>Operating Income margin (%)</b>	<b>63.5</b>	<b>57.7</b>	<b>54.3</b>	<b>(3.4)</b>	<b>(9.2)</b>	<b>60.3</b>	<b>56.0</b>	<b>(4.2)</b>				
OI margin Towers (%)	66.5	62.4	59.4	(3.0)	(7.1)	64.3	61.4	(2.9)				
OI margin Non-Towers (%)	57.0	48.5	44.0	(4.5)	(13.0)	49.9	45.0	(4.9)				
<b>Other non-operating income (expense)</b>	<b>(682)</b>	<b>(721)</b>	<b>(772)</b>	<b>7.2</b>	<b>13.2</b>	<b>(2,155)</b>	<b>(2,196)</b>	<b>1.9</b>	<b>(2,913)</b>	75.4%		
<b>EBT</b>	<b>1188</b>	<b>1073</b>	<b>1018</b>	<b>(5.1)</b>	<b>(14.3)</b>	<b>3,100</b>	<b>3,097</b>	<b>(0.1)</b>	<b>4,151</b>	74.6%	<b>4,304</b>	<b>72.0%</b>
<b>Net profit</b>	<b>951</b>	<b>808</b>	<b>842</b>	<b>4.3</b>	<b>(11.5)</b>	<b>2,426</b>	<b>2,447</b>	<b>0.9</b>	<b>3,235</b>	75.6%	<b>3,433</b>	<b>71.3%</b>
Net Profit margin (%)	32.3	32.3	32.3	0.0	0.0	27.8	25.9	(1.9)				
<b>Capex</b>	<b>1,446</b>	<b>1,421</b>	<b>4,032</b>	<b>183.7</b>	<b>178.8</b>	<b>4,444</b>	<b>7,155</b>					
Tower Capex	696	833	2,846	241.7	308.9	1,878	4,667					
Non-Tower Capex	750	588	1,186	101.7	58.1	2,566	2,488					
TOWR Capital intensity (%)	49.1	45.7	122.4	76.6	73.2	51%	76%					
Tower Capital intensity (%)	33.1	40.5	128.7	88.2	95.7	30%	74%					
Non-Tower Capital intensity (%)	89.5	55.9	109.4	53.4	19.9	106%	80%					
<b>TOTAL Debt</b>	<b>45,230</b>	<b>46,623</b>	<b>52,198</b>	<b>12.0</b>	<b>15.4</b>							
Net debt (ND)	44,834	44,225	49,680	12.3	10.8							
LQA EBITDA	10,011	10,353	11,250	8.7	12.4							
Net debt/annual. EBITDA (x)	4.3	4.2	4.3	0.1	0.1							
Interest coverage	2.9	2.5	2.6	0.1	(0.3)							

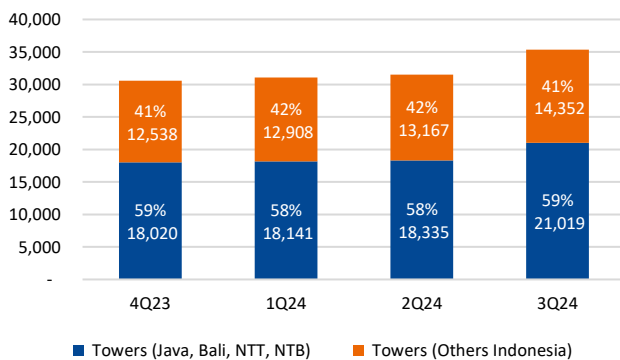
Source: Company, BRIDS Estimates

Exhibit 2. TOWER 3Q24 key operational KPIs

TOWER's KPIs 3Q24 (#)	3Q23	2Q24	3Q24	QoQ, Δ%	YoY, Δ%
<b>Total Towers (#)</b>	<b>29,915</b>	<b>31,502</b>	<b>35,371</b>	<b>12.3</b>	<b>18.2</b>
qoq net added towers	123	453	3,869		
yoy net added towers	207	1,710	5,456		
<b>Total tenancies (#)</b>	<b>54,249</b>	<b>54,326</b>	<b>58,165</b>	<b>7.1</b>	<b>7.2</b>
qoq net added tenancies	478	156	3,839		
yoy net added tenancies	-780	555	3,916		
<b>Collocations (#)</b>	<b>24,334</b>	<b>22,824</b>	<b>22,794</b>	<b>(0.1)</b>	<b>(6.3)</b>
qoq net added collocations	355	(297)	(30)		
yoy net added collocations	(987)	(1,155)	(1,540)		
Tenancy Ratio (x)	1.81	1.72	1.64		
<b>Effective month lease per tenancy (Rp mn)</b>	<b>13.0</b>	<b>12.6</b>	<b>13.1</b>	<b>3.7</b>	<b>0.9</b>
FTTT Km generating revenue capacity	178,329	192,332	215,671	12.1	20.9
Business activations	12,510	14,409	15,761	9.4	26.0
FTTH connections	77,682	135,897	158,620	16.7	104.2
Homepasses	559,800	1,211,600	1,500,000	23.8	168.0
Homepass Penetration ratio	13.9%	11.2%	10.6%	-	-
<b>Value of long term contracts and commitment</b>	<b>67,671</b>	<b>74,212</b>	<b>78,829</b>	<b>6.2</b>	<b>16.5</b>
Long term contracts	63,470	72,377	76,326	5.5	20.3
committed	4,201	1,835	2,503	36.4	-40.4

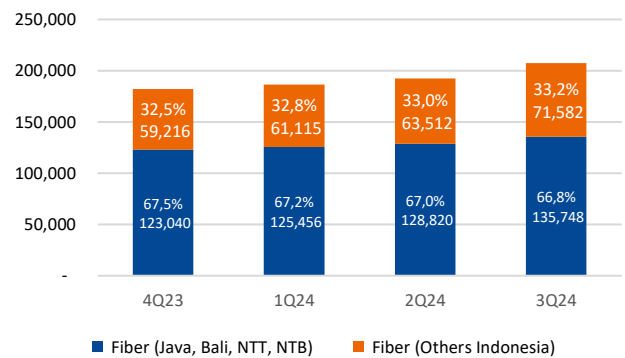
Source: Company, BRIDS Estimates

Exhibit 3. Java, Bali, NTT, NTB vs. Sumatra, Maluku, Papua, Sulawesi & Kalimantan towers (#)



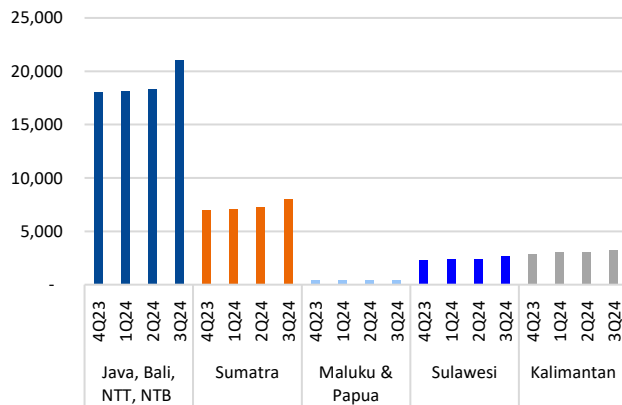
Source: Company, BRIDS

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



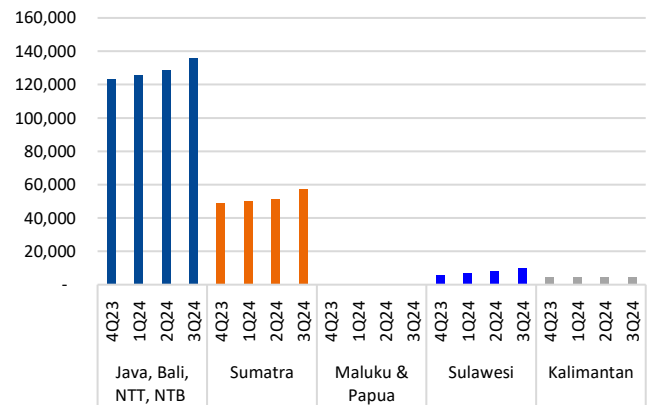
Source: Company, BRIDS

**Exhibit 5. Number of Towers per Region (#)**



Source: Company, BRIDS

**Exhibit 6. Fiber rollouts per Region (km)**



Source: Company, BRIDS

**Exhibit 7. TOWR forecast changes summary**

	Latest Forecast				Old Forecast			Δ%		
	2023	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
<b>P&amp;L</b>										
<b>Revenue</b>	<b>11,740</b>	<b>12,520</b>	<b>13,581</b>	<b>14,474</b>	<b>12,458</b>	<b>13,068</b>	<b>13,717</b>	<b>0.5</b>	<b>3.9</b>	<b>5.5</b>
Tower Revenue	8,402	8,342	8,775	9,072	8,342	8,342	8,342	0.0	5.2	8.7
Non-Tower Revenue	3,338	4,178	4,806	5,402	4,115	4,726	5,375	1.5	1.7	0.5
growth %	6.4	6.6	8.5	6.6	6.1	4.9	5.0			
<b>EBITDA</b>	<b>9,980</b>	<b>10,504</b>	<b>11,276</b>	<b>12,018</b>	<b>10,414</b>	<b>10,741</b>	<b>11,275</b>	<b>0.9</b>	<b>5.0</b>	<b>6.6</b>
growth %	4.9	5.3	7.4	6.6	4.4	3.1	5.0			
EBITDA margin %	85.0	83.9	83.0	83.0	83.6	82.2	82.2			
<b>EBIT</b>	<b>6,941</b>	<b>7,116</b>	<b>7,682</b>	<b>8,345</b>	<b>7,064</b>	<b>7,285</b>	<b>7,821</b>	<b>0.7</b>	<b>5.5</b>	<b>6.7</b>
EBIT margin %	59.1	56.8	56.6	57.7	56.7	55.7	57.0			
Financial cost	(2,858)	(2,999)	(3,323)	(3,500)	(2,934)	(2,968)	(3,088)	2.2	12.0	13.3
% of revenue	-24.3	-24.0	-24.5	-24.2%	-23.5	-22.7	-22.5%			
% of EBITDA	-2.4	-2.4	-2.3	-2.4	-2.4	-2.5	-2.5			
effective interest cost	-6.5	-6.3	-6.3	-6.3	-6.5	-6.4	-6.5			
<b>NPATMI</b>	<b>3,304</b>	<b>3,250</b>	<b>3,442</b>	<b>3,827</b>	<b>3,235</b>	<b>3,382</b>	<b>3,709</b>	<b>0.5</b>	<b>1.8</b>	<b>3.2</b>
NI margin %	28.1	26.0	25.3	26.4	26.0	25.9	27.0			
<b>Leverage</b>										
Gross Debt	44,450	51,324	54,597	56,985	46,436	46,849	48,050	10.5	16.5	18.6
Net Debt	44,021	49,728	48,019	47,797	45,364	46,458	47,166	9.6	3.4	1.3
<b>Gearing ratio</b>	<b>2.7</b>	<b>2.7</b>	<b>2.3</b>	<b>2.1</b>	<b>2.5</b>	<b>2.3</b>	<b>2.1</b>			
<b>ND/annual. EBITDA</b>	<b>4.4</b>	<b>4.3</b>	<b>4.3</b>	<b>4.0</b>	<b>4.4</b>	<b>4.3</b>	<b>4.2</b>			
<b>Operational KPIs</b>										
<b>B2S Towers</b>	<b>30,588</b>	<b>35,832</b>	<b>36,832</b>	<b>37,832</b>	<b>32,588</b>	<b>34,588</b>	<b>36,588</b>	<b>10.0</b>	<b>6.5</b>	<b>3.4</b>
net adds	794	5,244	1,000	1,000	2,000	2,000	2,000	162.2	-50.0	-50.0
Total tenancies	54,284	58,123	60,123	62,123	54,284	54,284	54,284	7.1	10.8	14.4
Δ in tenancies	317	3,839	2,000	2,000	0	0	0			
Tenancy ratio (x)	1.77	1.62	1.63	1.64	1.67	1.57	1.48			
Effective tower lease	11.2	10.9	10.7	10.7	10.9	10.7	10.7			

Source: Company, BRIDS Estimates

**Exhibit 8. TOWR DCF valuation**

	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenues	11,740	12,520	13,581	14,474	15,158	15,886	16,638	17,316	18,009	18,718	19,442	20,184
growth	6.4%	6.6%	8.5%	6.6%	4.7%	4.8%	4.7%	4.1%	4.0%	3.9%	3.9%	3.8%
EBITDA	9,980	10,504	11,276	12,018	12,585	13,190	13,815	14,378	14,953	15,541	16,143	16,759
growth	4.9%	5.3%	7.4%	6.6%	4.7%	4.8%	4.7%	4.1%	4.0%	3.9%	3.9%	3.8%
EBITDA margin	85.0%	83.9%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%
EBIT	7,136	7,516	8,002	8,601	9,201	9,595	10,080	10,498	10,926	11,365	11,814	12,274
EBIT margin	61%	60%	59%	59%	61%	60%	61%	61%	61%	61%	61%	61%
EBIT (1-tax)	5,596	5,938	6,322	6,795	7,269	7,580	7,963	8,293	8,632	8,979	9,333	9,696
Depreciation	2,843	2,988	3,274	3,417	3,384	3,595	3,735	3,880	4,027	4,176	4,328	4,485
Capex	-4,327	-10,454	-4,694	-4,741	-4,789	-4,738	-4,688	-4,640	-4,594	-4,548	-4,504	-4,462
Net chg. Working capital	49	938	-735	-91	-224	-155	-187	-162	-166	-170	-174	-178
FCFF	4,161	-590	4,167	5,379	5,640	6,282	6,823	7,371	7,899	8,436	8,984	9,542
EV/EBITDA multiple	12.0	11.4	10.6	10.0	9.5	9.1	8.7	8.3	8.0	7.7	7.4	7.1
Discounted FCF		-590	3,836	4,558	4,399	4,510	4,509	4,484	4,423	4,349	4,263	4,168
WACC	8.6%											
Terminal growth	3.0%											
Firm value	119,660											
Net debt	49,680											
Equity value	69,980											
<b>TP:</b>	<b>1,400</b>											

Source: Company, BRIDS Estimates

**Exhibit 9. Summary of tower Cos valuation multiples comparison**

Company	Rec.	Target Price (Rp)	Market Cap. (RpBn)	Net debt	PE (x)		EV/EBITDA (x)		P/BV (x)		ROE %	
					2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
Mitratel	BUY	1,000	50,109	17,482	23.4	21.3	9.0	8.5	1.4	1.4	6.2	6.7
Sarana Menara Nusantara	BUY	1,400	38,345	49,680	11.8	11.1	8.4	7.8	2.1	1.9	18.7	17.7
Tower Bersama	BUY	2,500	42,369	30,142	26.1	24.8	12.0	11.6	3.2	2.8	13.0	12.1

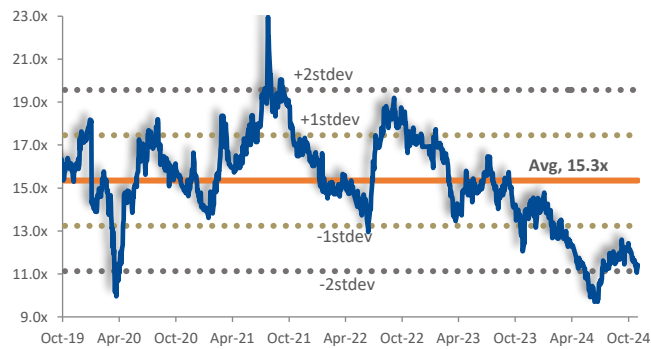
Source: Company, BRIDS Estimates

**Exhibit 10. Summary of regional peers valuation multiples**

Ticker	Company	Mkt. Cap (USD mn.)	MULTIPLES																RATIOS (%)							
			P/E				P/BV				EV/EBITDA				ROA				ROE							
			2023	24F	25F	26F	2023	24F	25F	26F	2023	24F	25F	26F	2023	24F	25F	26F	2023	24F	25F	26F				
TOWR IJ	SARANA MENARA NUSANTARA PT	2,585.8	12.2	11.8	11.1	10.3	2.4	2.1	1.9	1.7	9.1	8.7	8.4	8.1	5.4	4.8	4.9	5.2	21.5	19.1	18.0	17.4				
TBIG IJ	TOWER BERSAMA INFRASTRUCTURE	2,698.8	26.4	27.1	25.2	23.8	3.9	3.5	3.3	3.2	12.6	12.4	12.0	11.6	3.5	5.0	3.5	3.7	13.9	13.0	13.4	13.6				
MTEL IJ	DAYAMITRA TELEKOMUNIKASI TBK	3,308.7	24.7	23.9	22.0	20.1	1.5	1.5	1.5	1.5	10.1	9.3	8.7	8.2	3.5	3.7	4.1	4.5	5.9	6.3	6.8	7.3				
CCI US	CROWN CASTLE INC	46,319.5	33.9	44.1	38.9	36.3	7.2	9.4	11.7	15.2	16.0	16.8	17.0	16.4	3.7	2.9	3.6	3.9	21.2	19.7	28.8	42.9				
AMT US	AMERICAN TOWER CORP	98,719.6	41.3	33.3	32.0	29.7	23.8	25.7	25.3	26.3	19.9	19.7	20.0	19.0	2.9	4.9	5.0	5.3	35.0	79.1	75.2	97.8				
CLNX SM	CELLNEX TELECOM SA	26,156.0	n.a.	n.a.	1,792.6	169.5	1.7	1.8	1.8	1.8	15.2	14.4	13.5	12.7	(1.2)	(0.9)	(0.3)	(0.1)	(2.0)	(1.8)	(0.0)	0.9				
SITES1 MM	OPERADORA DE SITES MEX- A-1	2,745.0	100.9	41.7	27.4	26.3	1.6	1.5	1.5	1.6	11.3	8.9	9.1	9.3	4.2	2.4	2.4	2.2	5.5	3.9	5.0	5.9				
CHWRF US	CHINA TOWER CORP LTD-H	23,988.3	n.a.	15.7	13.0	8.5	0.9	0.8	0.8	0.8	4.0	3.8	3.8	3.7	3.2	3.4	4.2	5.9	5.0	5.5	6.4	8.7				
INDUSTOW IN	INDUS TOWERS LTD	10,756.6	12.2	16.6	12.2	12.5	4.2	3.7	3.0	2.7	11.7	7.9	6.4	6.3	5.6	13.0	13.4	12.1	8.1	23.7	25.6	22.3				
VTWR GR	VANTAGE TOWERS AG	21,661.5	42.1	n.a.	n.a.	n.a.	3.6	n.a.	n.a.	n.a.	26.4	41.3	37.9	n.a.	3.4	n.a.	n.a.	n.a.	5.0	n.a.	n.a.	n.a.				
INW IM	INFRASTRUTTURE WIRELESS ITAL	10,834.0	27.7	25.1	22.3	20.2	2.2	2.3	2.3	2.3	16.6	15.3	14.3	13.4	4.0	4.4	4.9	5.5	8.1	9.2	10.5	11.7				
HTWS LN	HELIOS TOWERS PLC	1,505.6	n.a.	95.3	22.0	10.4	n.a.	n.a.	10.8	5.4	9.1	7.9	7.1	6.4	n.a.	5.3	7.7	10.1	2.4	11,749.0	128.4	62.2				
<b>Median</b>			27.7	26.1	22.3	20.2	2.4	2.2	2.3	2.3	12.2	10.8	10.6	9.3	3.5	4.4	4.2	5.2	7.0	13.0	13.4	13.6				
<b>Average</b>			35.7	33.5	183.5	33.4	4.8	5.2	5.8	5.7	13.5	13.9	13.2	10.5	3.5	4.4	4.8	5.3	10.8	1,084.2	28.9	26.4				

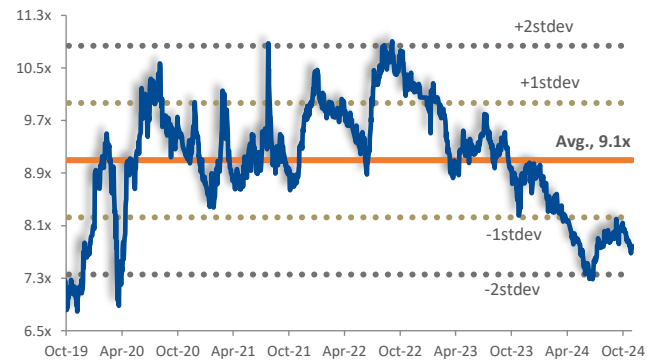
Source: Bloomberg, BRIDS

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



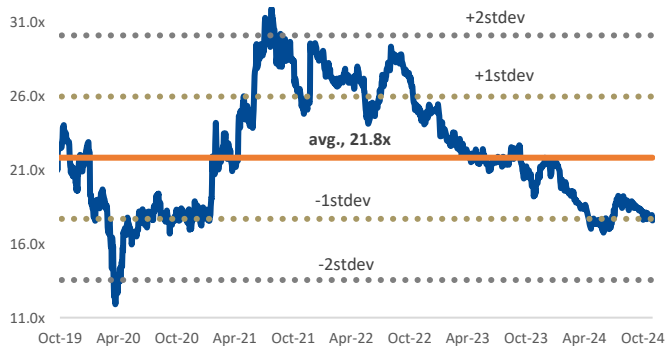
Source: Company, BRIDS Estimates

**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**



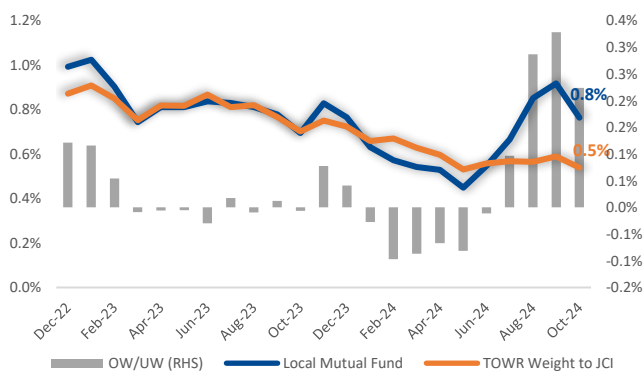
Source: Company, BRIDS

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



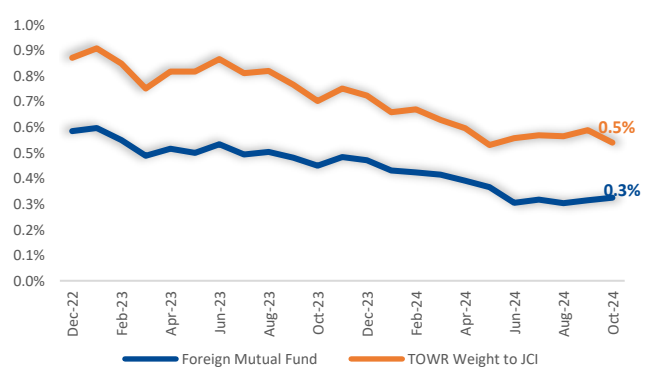
Source: Company, BRIDS

**Exhibit 15. TOWR's Domestic Fund Positioning**



Source: KSEI, BRIDS

**Exhibit 16. TOWR's Foreign Ownership**



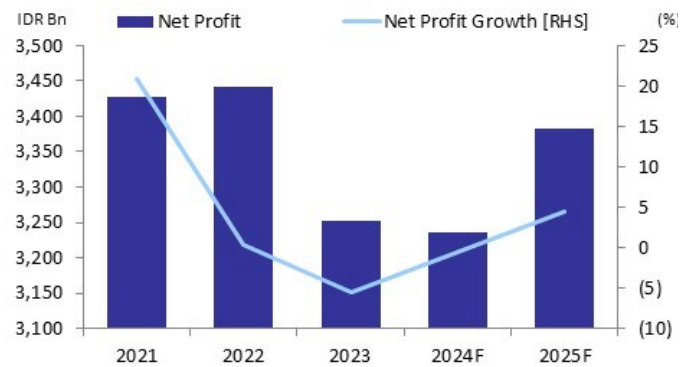
Source: KSEI, BRIDS

**Exhibit 17. Revenue and Growth**



Source: Company, BRIDS Estimates

**Exhibit 18. Net Profit and Growth**



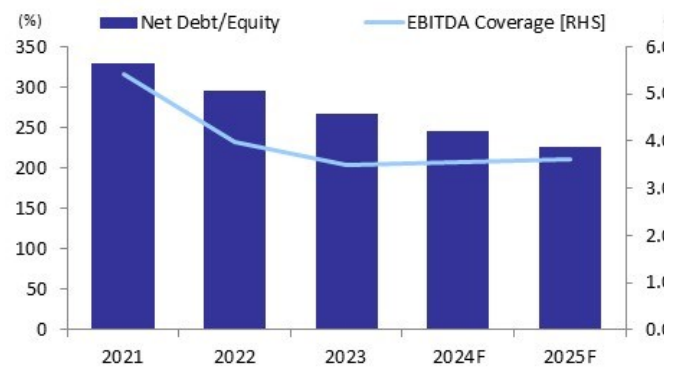
Source: Company, BRIDS Estimates

**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
<b>Revenue</b>	<b>11,036</b>	<b>11,740</b>	<b>12,520</b>	<b>13,581</b>	<b>14,474</b>
COGS	(2,914)	(3,528)	(3,827)	(4,370)	(4,585)
<b>Gross profit</b>	<b>8,121</b>	<b>8,213</b>	<b>8,693</b>	<b>9,211</b>	<b>9,889</b>
<b>EBITDA</b>	<b>9,517</b>	<b>9,980</b>	<b>10,504</b>	<b>11,276</b>	<b>12,018</b>
<b>Oper. profit</b>	<b>6,828</b>	<b>6,941</b>	<b>7,116</b>	<b>7,682</b>	<b>8,345</b>
Interest income	23	21	22	23	24
Interest expense	(2,392)	(2,858)	(2,999)	(3,323)	(3,500)
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
<b>Pre-tax profit</b>	<b>4,459</b>	<b>4,104</b>	<b>4,139</b>	<b>4,383</b>	<b>4,869</b>
Income tax	(963)	(800)	(869)	(920)	(1,022)
Minority interest	(55)	(51)	(20)	(20)	0
<b>Net profit</b>	<b>3,442</b>	<b>3,253</b>	<b>3,250</b>	<b>3,442</b>	<b>3,847</b>
<b>Core Net Profit</b>	<b>3,442</b>	<b>3,253</b>	<b>3,250</b>	<b>3,442</b>	<b>3,847</b>

**Exhibit 22. Balance Sheet**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	309	429	1,597	6,578	9,188
Receivables	3,342	3,984	3,240	4,608	4,911
Inventory	0	15	13	13	13
Other Curr. Asset	0	0	0	0	0
Fixed assets - Net	37,152	40,385	46,084	47,677	49,193
Other non-curr.asset	24,822	23,607	26,986	25,297	26,141
<b>Total asset</b>	<b>65,625</b>	<b>68,419</b>	<b>77,920</b>	<b>84,173</b>	<b>89,447</b>
ST Debt	9,177	18,324	18,159	17,917	19,207
Payables	839	1,207	1,180	1,495	1,569
Other Curr. Liabilities	4,430	4,768	4,988	5,307	5,445
Long Term Debt	33,818	26,143	33,166	36,680	37,778
Other LT. Liabilities	2,929	1,465	1,981	2,179	2,397
<b>Total Liabilities</b>	<b>51,193</b>	<b>51,907</b>	<b>59,474</b>	<b>63,578</b>	<b>66,395</b>
Shareholder's Funds	14,401	16,456	18,391	20,540	22,996
Minority interests	32	55	55	55	55
<b>Total Equity &amp; Liabilities</b>	<b>65,625</b>	<b>68,419</b>	<b>77,920</b>	<b>84,173</b>	<b>89,447</b>

**Exhibit 23. Cash Flow**

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	3,442	3,253	3,250	3,442	3,847
Depreciation and Amort.	2,307	2,843	2,988	3,274	3,417
Change in Working Capital	(757)	49	938	(735)	(91)
Other Oper. Cash Flow	1,119	1,088	4,744	1,898	2,015
<b>Operating Cash Flow</b>	<b>6,110</b>	<b>7,234</b>	<b>11,920</b>	<b>7,879</b>	<b>9,187</b>
Capex	(5,258)	(4,327)	(10,454)	(3,465)	(3,472)
Others Inv. Cash Flow	681	1,235	(3,357)	1,713	(821)
<b>Investing Cash Flow</b>	<b>(4,577)</b>	<b>(3,092)</b>	<b>(13,812)</b>	<b>(1,752)</b>	<b>(4,292)</b>
Net change in debt	(1,550)	1,473	6,857	3,272	2,388
New Capital	(885)	(1,488)	516	198	218
Dividend payment	(1,200)	(1,200)	(1,315)	(1,294)	(1,370)
Other Fin. Cash Flow	(2,392)	(2,858)	(2,999)	(3,323)	(3,500)
<b>Financing Cash Flow</b>	<b>(6,027)</b>	<b>(4,073)</b>	<b>3,059</b>	<b>(1,146)</b>	<b>(2,265)</b>
<b>Net Change in Cash</b>	<b>(4,494)</b>	<b>69</b>	<b>1,168</b>	<b>4,981</b>	<b>2,630</b>
Cash - begin of the year	4,748	309	429	1,597	6,578
Cash - end of the year	309	429	1,597	6,578	9,188

**Exhibit 24. Key Ratios**

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
<b>Growth (%)</b>					
Sales	27.8	6.4	6.6	8.5	6.6
EBITDA	28.0	4.9	5.3	7.4	6.6
Operating profit	26.5	1.7	2.5	8.0	8.6
Net profit	0.4	(5.5)	(0.1)	5.9	11.7
<b>Profitability (%)</b>					
Gross margin	73.6	70.0	69.4	67.8	68.3
EBITDA margin	86.2	85.0	83.9	83.0	83.0
Operating margin	61.9	59.1	56.8	56.6	57.7
Net margin	31.2	27.7	26.0	25.3	26.6
ROAA	5.2	4.9	4.4	4.2	4.4
ROAE	26.0	21.1	18.7	17.7	17.7
<b>Leverage</b>					
Net Gearing (x)	3.0	2.7	2.7	2.3	2.1
Interest Coverage (x)	2.9	2.4	2.4	2.3	2.4

Source: TOWR, BRIDS Estimates

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<b>BUY</b>	Expected total return of 10% or more within a 12-month period
<b>HOLD</b>	Expected total return between -10% and 10% within a 12-month period
<b>SELL</b>	Expected total return of -10% or worse within a 12-month period

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