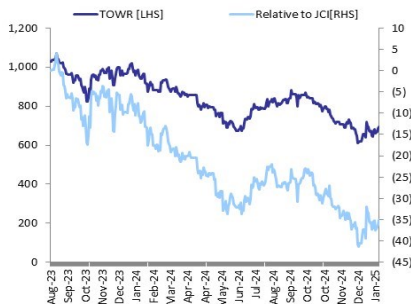


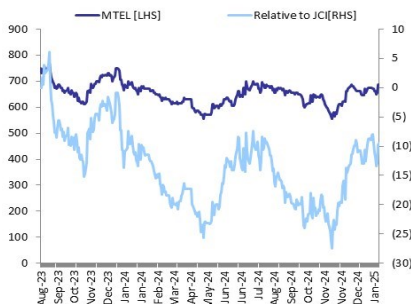
Overweight

(Maintained)

TOWR relative to JCI Index



MTEL relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Niko Margaronis

(62-21) 5091 4100 ext. 3512
niko.margaronis@brids.co.id

Kafi Ananta

(62-21) 5091 4100 ext. 3506
kafi.azhari@brids.co.id

Towers

Building retail channels to invigorate supply and demand for fixed broadband

- We see a significant untapped inventory in fixed BB despite the low user penetration, implying a large fragmentation in the supply chain.
- Smaller infra ISPs may disrupt the market by offering more affordable prices of Rp100-Rp200k/month, owing to their leaner cost structures.
- Maintain OW rating in infra/towers; lower prices may unlock the supply chain and improve segmentation; TOWR should be the key beneficiary.

Plenty of homepass supply but with low penetration so far

We note a strong supply of homepass (HP) for fixed BB internet exists, controlled by infra players. Telkom TIF dominates supply with 20-25mn HPs with 10.4mn subs, LINK IJ (non-rated) 4mn HPs with ~19% penetration, and TOWR IJ (BUY, TP, Rp1,400) has ramped up capex with 1.5mn HPs and <11% penetration, quickly growing in size. Asianet and ICON+ own relatively large HP portfolios, followed by smaller entities Surge (WIFI IJ, ~175k HPs) and Remala Abadi (DATA IJ, which owns 11k km of fiber). These figures imply significant inventory lies untapped.

Infra players acquiring retail presence to expedite fixed BB penetration

By acquiring DATA, TOWR expands its HP distribution beyond XL Axiata and IOH to include direct sales via DATA's retail brand, Nethome.ID, at Rp200k/month. This move mirrors wholesalers Asianet, Linknet, and ICON+ supplying HPs to WIFI for retail sales under their Starlite brand (Rp250k/month for 500 Mbps). WIFI also offers its own budget plans (Rp100/month for 100 Mbps) using its own HP inventory. Telkomsel, Telkom's TIF client, promotes its currently **cellular-based EZnet at Rp150k**. TIF is currently piloting HP sales to MyRepublic. Komdigi reports a significant surge in ISPs (770 new in 4 years), forming a more informal yet integral segment of the retail market.

Fixed BB demand opportunities for Infrastructure companies

We estimate that fixed BB penetration in Indonesia is between 18% - 23%, with ~13-14mn subscriptions (incl. 'illegal' ones). In our view, the catalyst for growth is the ongoing segmentation in the market, emphasizing affordability at the low end. Smaller infra ISPs (no-frills) appear to have a leaner cost structure, selling services in the Rp100-Rp200k range, enabling them to drive uptake to 90% of their HPs. On the other hand, telcos will continue to outsource their HPs as part of FMC sales, offering differentiation with 2-plays (mobile + fixed) to grow and secure the traffic in their networks.

Maintain OW in towers; fixed BB market lower prices may unlock supply

The emergence of new, agile infra-to-retail players highlights opportunities to drive HP sales by targeting lower price points, as exemplified by TOWR's acquisition. We maintain sector OW rating with TOWR (Buy, TP Rp1,400) as our pick for the primary infra beneficiary, trading at 7.2x EV/EBITDA. We continue to favor MTEL (Buy, TP Rp1,000), which trades at 9.7x EV/EBITDA, due to its robust tower portfolio outside Java and its low leverage, which presents opportunities for M&A. Key risks stem from the recent telco merger, which may lead to a growth overhang in tower tenancies.

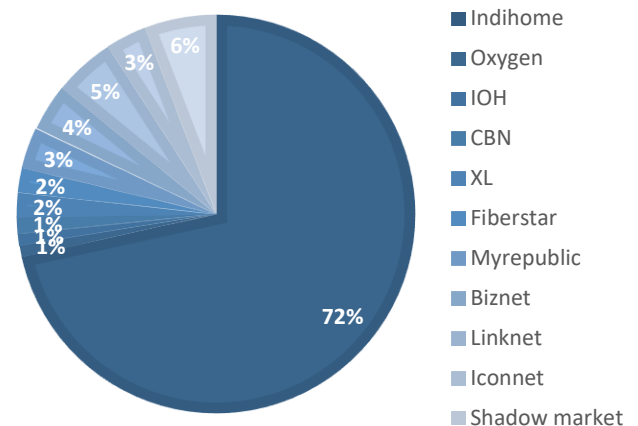
Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%) 2025F
					2024F	2025F	2024F	2025F	
Sarana Menara Nusantara	TOWR IJ	BUY	1,400	34,610.3	10.6	10.1	1.9	1.7	17.7
Mitratel	MTEL IJ	BUY	1,000	57,208.1	26.7	24.3	1.7	1.6	6.7
Tower Bersama	TBIG IJ	BUY	3,200	47,353.1	32.4	27.6	4.3	3.7	14.5

Exhibit 1. Mobile service revenue market share 9M24

(# millions)	total
mobile subscribers	352
Population	278
middle class & above	48
Aspiring middle class	138
Vulnerable class	68
Poor class	25
Mobile Penetration	126%
Reported Fixed BB connections	13
No. of total subscriptions, major providers & shadow*	15
No. of people per Indonesian household	3.8
Total households	73
Penetration rate to total Households	20%
Addressable households	67
Penetration rate to TAM	23%
Total PLN residential connections 2023	82
Penetration rate to PLN residential connections	18%

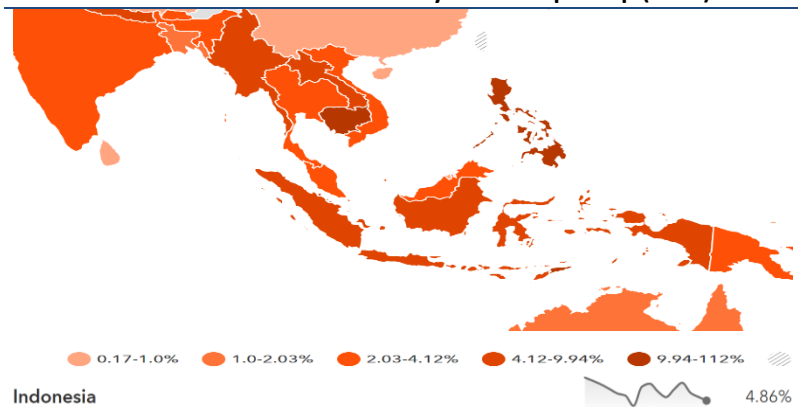
Source: Company, BRIDS Estimates

Exhibit 2. Market share in fixed BB subscriptions



Source: Company, BRIDS Estimates

Exhibit 3. Fixed Broadband affordability as % GNI per cap (2023)



Source: ITU, From 2018, based on the cheapest plan providing at least 5GB of monthly high-speed data (256Kbit/s or higher) from the operator with the largest market share in each economy.

TOWR to acquire 40% stake in DATA, fiber/FTTH company with a view for mandatory tender offer

TOWR, through its subsidiary iForte, plans to acquire a 40% stake in fiber/FTTH provider DATA.IJ, triggering a mandatory tender offer. The acquisition will be financed by issuing new debt, estimated at Rp1.5 - Rp1.7tn, assuming a full acquisition of DATA.IJ. This is expected to push TOWR's net debt/EBITDA to ~4.3x by YE of 2025. The acquisition aligns with TOWR's strategy to expand sustainable revenue streams through fixed broadband and FMC services in low-penetration markets. By leveraging DATA's competitive pricing of Rp200k/month per connection, TOWR aims to rapidly scale its FTTH business while ensuring cost efficiency.

About DATA, solid Java fiber network with Retail, Business, Wholesale clients

Ramala Abadi (DATA.IJ) operates an extensive 11,000 km fiber optic network across 34 provinces in Indonesia, with a strong presence in Java. The network features 400/200/100 Gbps connections, linking key cities such as Jakarta, Bandung, Semarang, Yogyakarta, and Surabaya, which serve as major regional hubs.

- Wholesale clients: Partnerships with 168 ISPs.
- Retail segment: 17,744 residential customers
- B2B customers: 8,745 businesses, including government institutions.
- Starlink partnership: Supporting advanced connectivity solutions.

The latest development sees DATA partnering with PT Cikarang International City (Cinity) to roll out a FTTH network, adding 13,000 HPs to its portfolio. Homebuyers in Cinity will be offered highly competitive and affordable broadband packages, starting at Rp180k/month for 100Mbps. This partnership strategically expands DATA's HP footprint, aligning well with its focus on targeting residential areas with affordable broadband solutions.

Exhibit 4. DATA's fixed broadband prices for residential customers



Source: Company

Telkom Infra (TIF) – My Republic as an indication of infra-assets business

In addition to serving Tsel, TIF has also begun providing services to third parties through its partnership with MyRepublic on pilot project basis. This indicates there is a viable business model for TIF to deploy infra-assets / fixed broadband HPs into the market that are indirectly controlled by the Incumbent Telkom and generate new income for the group. So far, the Telkom's HPs have not been transferred yet to subsidiary TIF, (potentially this happens around mid-2025).

Telkomsel also enters the affordable fixed broadband segment

With its EZnet product, Telkomsel aims to compete in and penetrate the low-end market segment. EZnet offers a 10Mbps internet plan priced at Rp150k/month for Java and Bali, Rp170k/month for Sumatra, and Rp200k/month for Papua, Maluku, Sulawesi, Kalimantan, and Nusa Tenggara. For faster deployments, Telkomsel deploys EZnet using both cellular connections and fiber cable-based connections.

Exhibit 5. EZnet product offerings



EZnet
by Telkomsel

Semua Rumah Kini Bisa Internetan Murah dan Mudah

Miliki modem dan langganan paketnya sekarang!

Paket langganan
Rp150rb /bulan
Kecepatan hingga
10Mbps
Kuota
Unlimited

Syarat dan ketentuan berlaku

Dapatkan di **GraPARI**

EZnet Z2 EZnet H2

Source: Company, BRIDS Estimates

Exhibit 6. EZnet product offerings



EZnet
by Telkomsel

Beragam pilihan modem untukmu

EZnet G1
Rp579.000

EZnet Z2
Rp589.000

EZnet H2
Rp699.000

Harga modem sudah termasuk langganan bulan pertama

Harga sudah termasuk PPN
Syarat dan ketentuan berlaku

Source: Company, BRIDS Estimates

WIFI IJ: Disrupt offer with affordable home internet “Internet Rakyat”

WIFI offers two key products: Rp250k for internet speeds up to 500Mbps and Rp100k for speeds up to 100Mbps. We believe these speeds and prices disrupt the market landscape, as the typical market offer is Rp250k for only 30Mbps (See Exh.8). The addressable market targeted ~40mn households in Java and neighboring areas that are eligible for subsidized electricity but have yet to be connected to affordable broadband. WIFI plans to address this opportunity and roll out its network within the next 1-5 years. We also understand that WIFI has set its sights on two key acquisition targets that will help the company scale up fast: the Linknet acquisition, while it has joined the bidding process to acquire Indosat’s ~90,000km of fiber (TMT Finance).

WIFI also plans to offer the most affordable fixed broadband service by utilizing 5G Fixed Wireless Access (FWA) in combination with FTTH with close proximity to its Railway Backbone infra and adjacent houses. The company expects to acquire frequency spectrum and use the airwaves to deploy 5G-based cellular internet.

Unique value propositions create strong appeal for new investors.

WIFI employs one of the most cost-effective models to deploy its fiber network by leveraging its access to the train routes of national operator Kereta Api. WIFI optimizes opex and capex to deliver more affordable broadband services connecting only to confirmed new users, and managing to achieve take-up rates of over 90% to its deployed HPs. WIFI entered the retail market having signed up 158k Home Connects in total until recently, selling as a standalone entity and in partnership with PLN’s Icon+ and smaller size ISPs on a revenue-sharing basis. Recently, local Infra players such as Linknet and Asianet have also partnered with WIFI to enable faster deployment of their HP inventory. We believe this nimble yet disruptive model of WIFI has attracted new investors, including PT Arsari Sentra Data, an affiliate of Hashim S. Djojohadikusumo, which recently acquired a 45% stake in PT Investasi Sukses Bersama, indirectly holding 22.5% of WIFI. Moreover, WIFI seeks funding and is in discussion with potential foreign investors to come on board.

Exhibit 7. WIFI's fixed broadband product offerings



STARLITE **weave**

Pasang tinggal KLIK

Streaming, gaming, download cepat –
cukup dengan 100.000/bulan! **GRATIS 1 BULAN PERTAMA**

Paket 500 Mbps		Paket 100 Mbps	
Internet Up To	Harga	Internet Up To	Harga
500 Mbps	Rp 250.000	100 Mbps	Rp 100.000

UNLIMITED PACKAGE

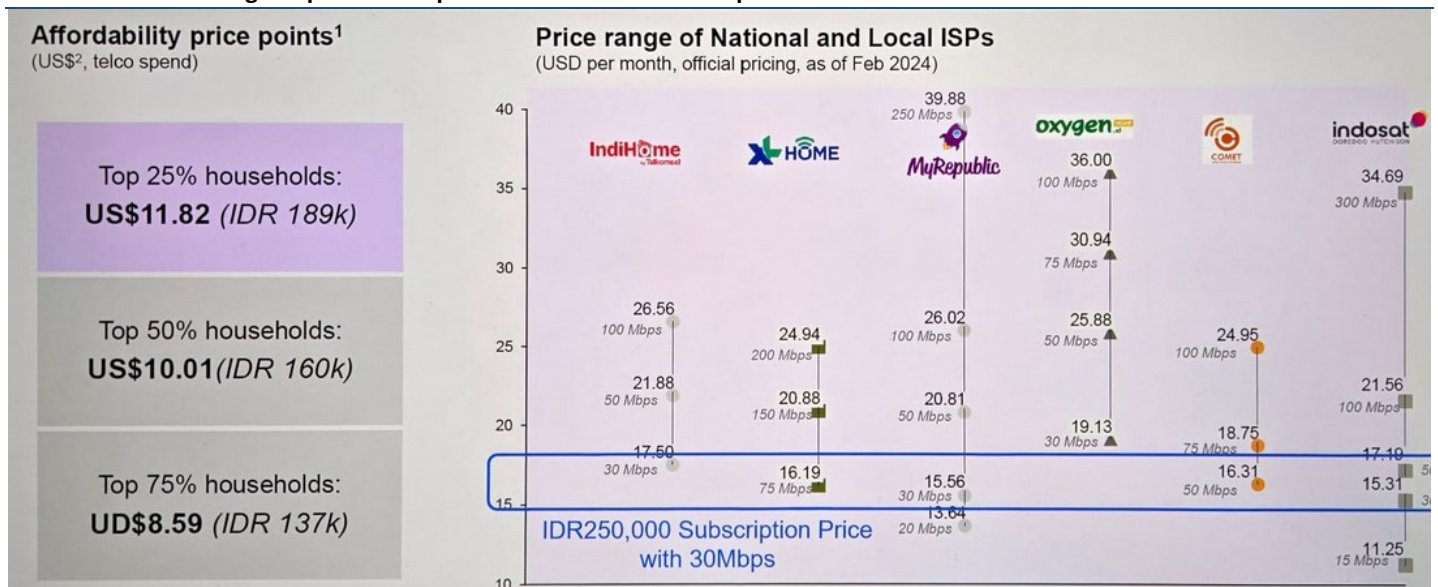
- ✓ Gratis 1 bulan
- ✓ Gratis biaya instalasi
- ✓ Bebas FUP - Internet UNLIMITED
- ✓ Termasuk biaya sewa modem
- ✓ Harga sudah termasuk PPN

Berlangganan Sekarang

*Harga sudah termasuk PPN

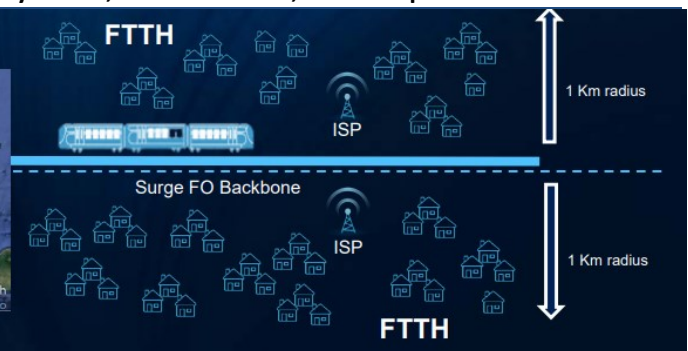
Source: Company

Exhibit 8. Current range of prices and speeds for fixed broadband products.



Source: Company

Resilient Backbone Network along the Railway Track



7

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	erindra.krisnawan@brids.co.id
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	natalia.sutanto@brids.co.id
Niko Margaronis	Telco, Tower, Technology, Media	niko.margaronis@brids.co.id
Timothy Wijaya	Metal, Oil and Gas	timothy.wijaya@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Industrial Estate	ismail.suweleh@brids.co.id
Richard Jerry, CFA	Automotive, Cement, Infrastructure	richard.jerry@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Kafi Ananta Azhari	Research Associate	kafi.azhari@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Dr. Telisa Aulia Falianty	Senior Advisor	telisa.falianty@brids.co.id
Kefas Sidauruk	Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Yofi Lasini	Head of Institutional Sales and Dealing	yofi.lasini@brids.co.id
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlicheh Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Yunita Nababan	Institutional Sales Associate	yunita@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Christy Halim	Institutional Sales Associate	christy.halim@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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

Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.