Hold

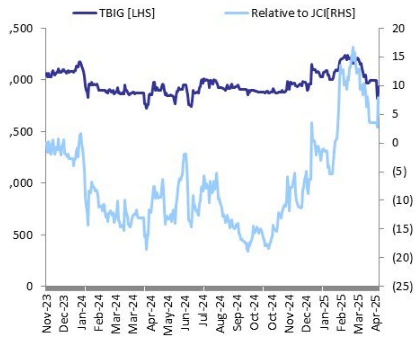
(Downgraded)

Last Price (Rp)	**1,935**
Target Price (Rp)	**1,800**
Previous Target Price (Rp)	***2,500***
Upside/Downside	**-7.0%**
No. of Shares (mn)	**22,367**
Mkt Cap (Rpbn/US$mn)	**43,281/2,576**
Avg, Daily T/O (Rpbn/US$mn)	**3.1/0.2**
Free Float (%)	**8.3**
Major Shareholder (%)	
PT Wahana Anugerah Sejahtera	**29.4**
PT Provident Capital Indonesia	**25.5**

EPS Consensus (Rp)

	2025F	2026F	2027F
BRIDS	62.3	63.8	65.4
Consensus	76.3	80.7	73.9
BRIDS/Cons (%)	(18.4)	(20.9)	(11.6)

TBIG 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

Tower Bersama (TBIG IJ)

FY24 Earnings Miss; Build-to-suit-Driven Growth Prompts Downgrade in Valuation

- **4Q24 earnings fell short due to non-cash items and higher taxes, despite stable revenue and flat EBITDA, driven by new anchor tenant additions.**
- **Net tenancy growth in FY24 was mainly BTS-driven; collocation demand remained weak, impacted by relocations and non-renewal activity.**
- **We revise our TP to Rp1,800 based on a blended valuation, reflecting outlook for weak tenancy ratios; downgrade our rating to Hold.**

4Q24 earnings missed expectations
TBIG posted 4Q24 net profit of Rp194bn (-55.5% qoq, -56.0% yoy), missing expectations despite resilient topline. Revenue rose to Rp1.74tr in 4Q24 (+1.6% qoq, +3.1% yoy), supported by higher anchor tenant additions, hence the tenancy ratio slipped further to 1.79x. 4Q24 EBITDA remained flat, leading to a lower margin of 84.2% (-140bps qoq). Pre-tax profit was dragged by non-cash fair value adjustments, impairments and revaluations. Additionally, the effective tax rate spiked to 54%, further pressuring the bottom-line.

TBIG marches on building new towers for new anchor tenancies mainly
Net tenancy additions reached just 178 in 4Q24 and 1,499 in FY24, comprising of 213/1,421 net BTS tenancies and only -35/78 net collocations. This highlights that tenancy growth was primarily driven by BTS expansion, with limited support from collocations—likely impacted by tenant relocations (e.g., IOH) and non-renewals, weighing on the tenancy ratio. On a gross basis, TBIG built 270/1,551 new BTS towers and added 262/782 collocations, bringing total gross tenancy additions to 532 in 4Q24 and 2,333 in FY24.

FY24 soft revenue/earnings setting the tone for FY25 amid new telco merger
FY24 net profit was Rp1.36tr (-12.7% yoy), missing ests. on higher interest and non-operating costs. Revenue rose modestly by +3.4% yoy, supported by stronger FTTT contributions. EBITDA margin slipped to 85.5% (-80bps yoy) on lower tenancy ratio, but EBIT grew +2.0% yoy with COGS D&A under control. Adjusted for one-offs, FY24 earnings were broadly flat.

Earnings Cut; Downgrade to Hold
We downgrade our rating to Hold following earnings adjustments of -19%/-24%/-28% for FY25-27, reflecting the muted outlook for tenancy ratio with growth likely to remain BTS-driven and less from collocations. Our revised blended valuation (DCF and 5Y EV/EBITDA of 12.7x) yields a new TP of Rp1,800. The key risk remains weaker demand for collocations as telcos increasingly shift their network focus to ex-Java regions.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	6,641	6,867	6,966	7,069	7,187
EBITDA (Rpbn)	5,728	5,869	5,885	5,963	6,069
EBITDA Growth (%)	1.2	2.5	0.3	1.3	1.8
Net Profit (Rpbn)	1,558	1,362	1,392	1,427	1,463
EPS (Rp)	69.7	60.9	62.3	63.8	65.4
EPS Growth (%)	(4.9)	(12.6)	2.3	2.5	2.5
BVPS (Rp)	523.7	442.5	504.8	568.5	633.9
DPS (Rp)	48.8	42.6	43.6	44.6	45.8
PER (x)	27.8	31.8	31.1	30.3	29.6
PBV (x)	3.7	4.4	3.8	3.4	3.1
Dividen yield (%)	2.5	2.2	2.3	2.3	2.4
EV/EBITDA	12.5	12.6	12.6	12.5	12.3

Source: TBIG, BRIDS Estimates

Exhibit 1. Tower Bersama (TBIG IJ) 4Q24 financial result

(Rp bn)	4Q23	3Q24	4Q24	QoQ, Δ%	YoY, Δ%	FY23	FY24	YoY, Δ%	BRIDS ACHIEV.%	Cons. ACHIEV.%
Total Revenues	**1,688**	**1,713**	**1,741**	***1.6***	***3.1***	**6,641**	**6,867**	***3.4***	***98.4***	***100.3***
COGS	**(532)**	**(499)**	**(494)**	***(1.0)***	***(7.2)***	**(1,902)**	**(1,941)**	***2.0***		
D&A	**(400)**	**(380)**	**(361)**	***(5.1)***	***(9.9)***	**(1,448)**	**(1,470)**	***1.5***		
Non D&A	**(132)**	**(119)**	**(133)**	***12.2***	***0.8***	**(455)**	**(471)**	***3.7***		
Repairs and	(92)	(77)	(80)	*2.7*	*(13.7)*	(301)	(301)	*0.0*		
Others (non D&A)	(40)	(41)	(53)	*30.1*	*34.6*	(153)	(170)	*10.8*		
Gross Profit	**1,156**	**1,214**	**1,247**	***2.7***	***7.9***	**4,738**	**4,926**	***4.0***		
Gross Profit margin (%)	*68.5*	*70.9*	*71.6*	*0.8*	*3.2*	*71.4*	*71.7*	*0.4*		
Cash Operating expenses	**(114)**	**(127)**	**(142)**	***11.1***	***23.7***	**(458)**	**(527)**	***14.9***		
Operating expenses	**(127)**	**(147)**	**(169)**	***15.4***	***33.4***	**(504)**	**(607)**	***20.5***		
EBITDA	**1,441**	**1,467**	**1,466**	***(0.0)***	***1.7***	**5,728**	**5,869**	***2.5***	***97.8***	***100.3***
EBITDA margin %	*85.4*	*85.6*	*84.2*	*(1.4)*	*(1.2)*	*86.3*	*85.5*	*(0.8)*		
Income from Operations	**1,029**	**1,067**	**1,077**	***1.0***	***4.7***	**4,234**	**4,319**	***2.0***	***98.7***	***99.9***
Operating Income	*60.9*	*62.3*	*61.9*	*(0.4)*	*1.0*	*63.8*	*62.9*	*(0.9)*		
Other income (charges) -	**(354)**	**(510)**	**(616)**	***20.8***	***74.3***	**(1,864)**	**(2,201)**	***18.1***	***112.0***	
Net finance income	**(435)**	**(466)**	**(476)**	***2.2***	***9.5***	**(1,676)**	**(1,840)**	***9.8***		
Financial expense -	(442)	(472)	(484)	*2.6*	*9.5*	(1,696)	(1,871)	*10.3*		
Interest income	7	5	8	*43.1*	*7.5*	20	31	*52.8*		
Amortization - Other	83	(47)	(49)	*4.7*	*(159.7)*	(129)	(177)	*37.0*		
Pre-tax profit	**675**	**557**	**461**	***(17.2)***	***(31.7)***	**2,370**	**2,117**	***(10.7)***	***87.9***	***100.0***
Net profit	**442**	**437**	**194**	***(55.5)***	***(56.0)***	**1,560**	**1,362**	***(12.7)***	***83.8***	***86.2***
Net Profit margin (%)	*26.2*	*25.5*	*11.2*	*-14.3*	*(15.0)*	*23.5*	*19.8*	*(3.7)*		

Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. Tower Bersama (TBIG IJ) 4Q24 revenue breakdown by operator/category

Rp bn	4Q23	3Q24	4Q24	QoQ, Δ%	YoY, Δ%	FY23	FY24	YoY, Δ%
Total Revenues	**1,688**	**1,713**	**1,741**	***1.6***	***3.1***	**6,641**	**6,867**	***3.4***
Telkomsel	545	580	595	*2.6*	*9.2*	2,239	2,308	*3.1*
IOH	458	430	456	*6.0*	*(0.4)*	1,889	1,762	*(6.7)*
XL Axiata	313	318	306	*(3.8)*	*(2.1)*	1,179	1,264	*7.2*
Smartfren	245	236	228	*(3.7)*	*(7.3)*	950	944	*(0.7)*
Other Tower	6	7	9	*32.7*	*64.8*	18	29	*59.5*
Fiber optic	120	140	145	*4.0*	*21.0*	362	557	*54.1*
Investment properties	1	1	1	*0.0*	*11.2*	4	4	*(5.1)*

Source: Company, BRIDS

Exhibit 3. Towers & Tenancies YTD basis

Operational YTD KPIs (#)	4Q23	3Q24	4Q24	QoQ, Δ%	YoY, Δ%
Total sites	22,475	23,681	23,892	0.9	6.3
Tower Sites	22,357	23,565	23,778	0.9	6.4
DAS & Shelter Sites	118	116	114	(1.7)	(3.4)
Total Tenants	41,227	42,546	42,722	0.4	3.6
Tower tenants	41,109	42,430	42,608	0.4	3.6
Tower Tenancy Ratio (x)	1.84	1.80	1.79		
YTD TENANCY gross adds	2,760	1,801	2,333	29.5	(15.5)
of which: Built-to-Suit ytd gross adds	744	1,281	1,551		
of which: Collocations ytd gross adds	2,016	520	782		
YTD net tenancy adds	337	1,321	1,499	13.5	344.8
of which: net anchor tenancy adds	599	1,208	1,421		
of which net collocation tenancy adds	(262)	113	78		
Implied Churned ytd total tenancies	(2423)	(480)	(834)	73.8	(65.6)
Implied YTD Churned anchor tenancies	(145)	(73)	(130)		
Implied YTD Churned tenancies	(2278)	(407)	(704)		
Implied ytd churned tenancy rate	5.9%	1.1%	2.0%		

Source: Company, BRIDS

Exhibit 4. Towers & Tenancies quarterly basis

Operational QTR KPIs (#)	4Q23	3Q24	4Q24	QoQ, Δ%	YoY, Δ%
QTR TENANCIES gross adds	500	476	532	11.8	6.4
of which: Built-to-Suit qtr gross adds	220	379	270		
of which: Collocations qtr gross adds	280	97	262		
QTR net tenancy adds	(346)	369	178	(51.8)	n/a
Qtr Net change in tower sites	182	354	213		
QTR net change in tenancies	(528)	15	(35)		
Implied total qtr Churned tenancies	(846)	(107)	(354)	230.8	(58.2)
Implied YTD Churned anchor tenancies	(38)	(25)	(57)		
Implied YTD Churned tenancies	(808)	(82)	(297)		
Qtr Implied churn rate	2.0%	0.3%	0.8%		
Implied mon. revenue / Site (Rpmn)	25.0	24.1	24.3	0.7	(3.0)
Implied revenue / Tenancy (Rpmn)	12.7	12.3	12.4	1.0	(1.8)

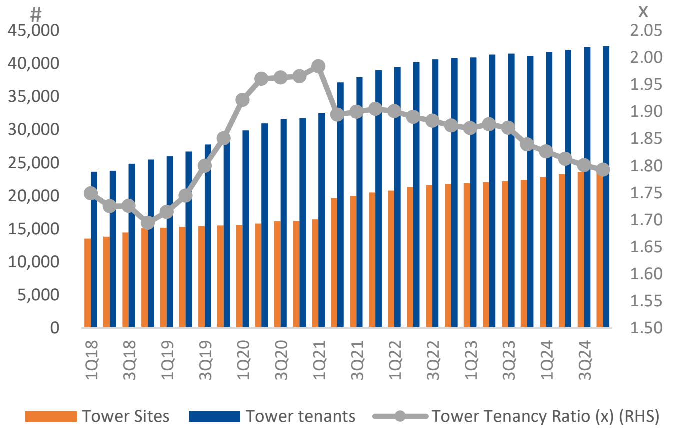
Source: Company, BRIDS

Exhibit 5. TBIG Reforecast Table

		OLD			NEW			Δ%		
	2024	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Revenues	**6,867**	**7,294**	**7,686**	**8,091**	**6,966**	**7,069**	**7,187**	***(4.5)***	***(8.0)***	***(11.2)***
Growth	*3.4*	*6.2*	*5.4*	*5.3*	*1.4*	*1.5*	*1.7*			
EBITDA	**5,869**	**6,244**	**6,564**	**6,884**	**5,885**	**5,963**	**6,069**	***(5.8)***	***(9.2)***	***(11.8)***
EBITDA margin	*85.5*	*85.6*	*85.4*	*85.1*	*84.5*	*84.4*	*84.4*	*(1.1)*	*(1.1)*	*(0.7)*
Operating Profit	**4,319**	**4,503**	**4,755**	**4,981**	**4,372**	**4,394**	**4,417**	***(2.9)***	***(7.6)***	***(11.3)***
OP margin	*62.9*	*61.7*	*61.9*	*61.6*	62.8	62.2	61.5	1.0	0.3	(0.1)
Net profit	**1,362**	**1,711**	**1,872**	**2,021**	**1,392**	**1,427**	**1,463**	**(18.6)**	**(23.8)**	**(27.6)**
Growth	*-12.6*	*25.6*	*9.4*	*8.0*	*2.3*	*2.5*	*2.5*			
NP margin	*19.8*	*23.5*	*24.4*	*25.0*	*20.0*	*20.2*	*20.4*	*(3.5)*	*(4.2)*	*(4.6)*

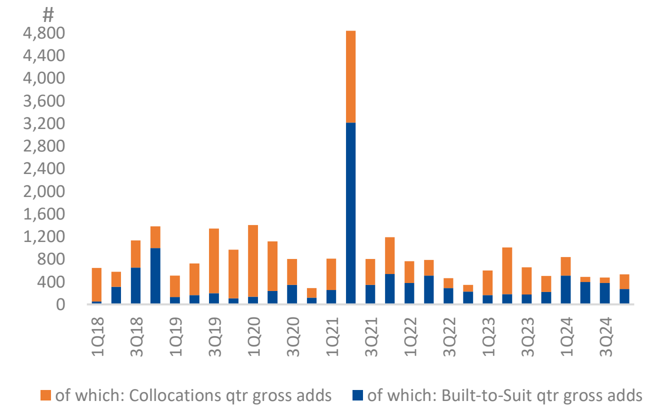
Source: Company, BRIDS Estimates

Exhibit 6. Towers, Tenancies & Tenancy ratio



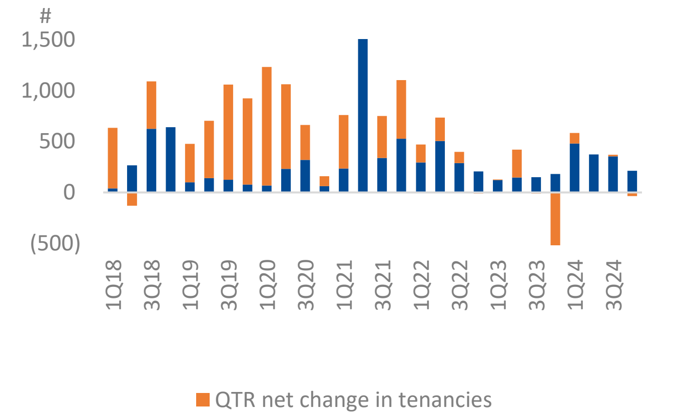
Source: Company, BRIDS

Exhibit 7. Quarterly Incremental Gross Tenancies



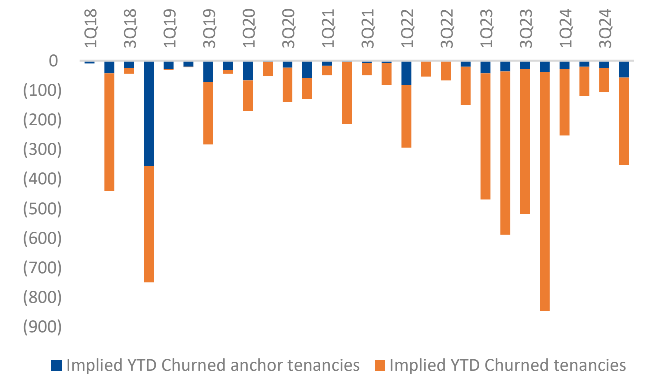
Source: Company, BRIDS

Exhibit 8. Incremental Net Tenancies



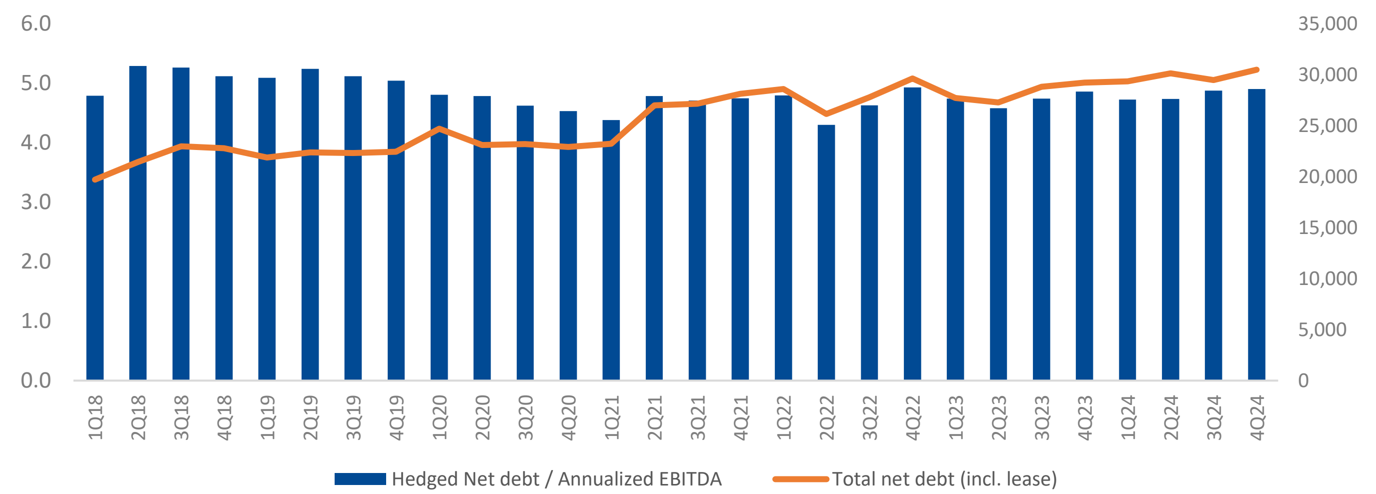
Source: Company, BRIDS

Exhibit 9. Churned Tenancies



Source: Company, BRIDS

Exhibit 10. TBIG Total net debt and ND/annualized EBITDA ratio



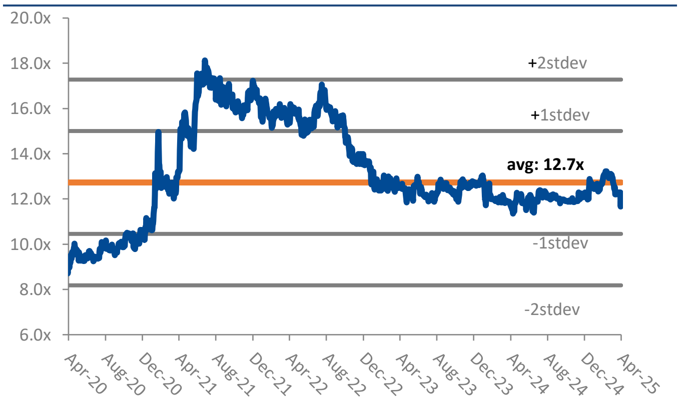
Source: Company, BRIDS

Exhibit 11. Tower Peers Valuation

Company	Rec.	Target Price (Rp)	Market Cap. (RpBn)	PE (x)		EV/EBITDA (x)		P/BV (x)		ROE %	
				2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
Mitratel	BUY	1,000	44,263	18.8	17.2	8.0	7.5	1.3	1.2	6.7	7.2
Sarana Menara Nusantara	BUY	870	26,269	7.6	7.4	6.8	6.7	1.2	1.1	16.8	15.6
Tower Bersama	HOLD	1,800	43,281	31.1	30.3	12.3	12.1	3.8	3.4	13.1	11.9
Weighted average				**18.9**	**18.1**	**9.0**	**8.8**	**2.1**	**1.9**	**12.5**	**11.8**

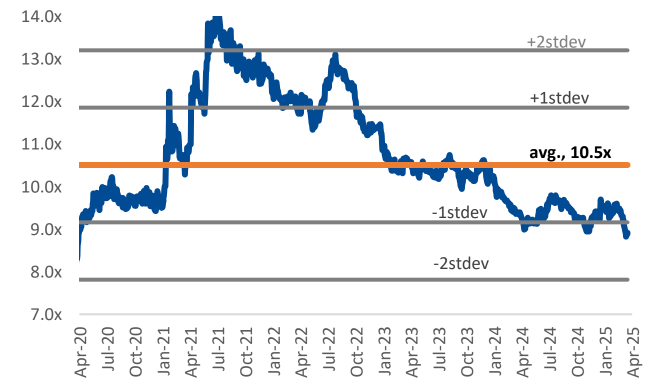
Source: Company, BRIDS Estimates

Exhibit 12. TBIG forward 5-yr EV/EBITDA band



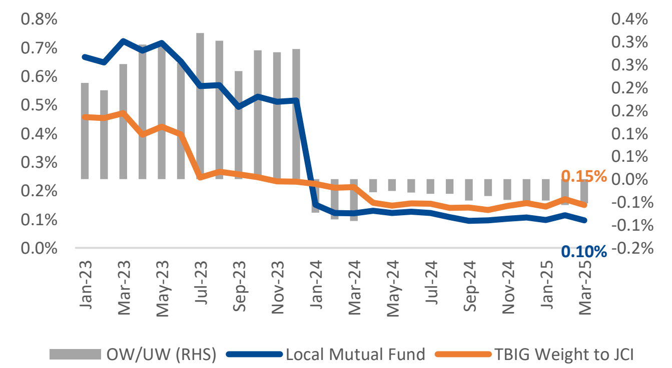
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 13. Sector forward 5-yr EV/EBITDA band



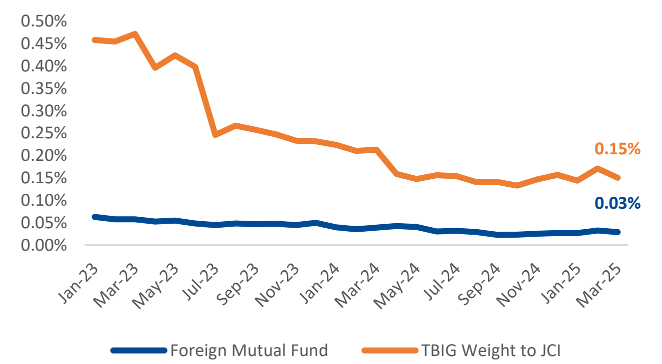
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 14. TBIG's Domestic Fund Positioning



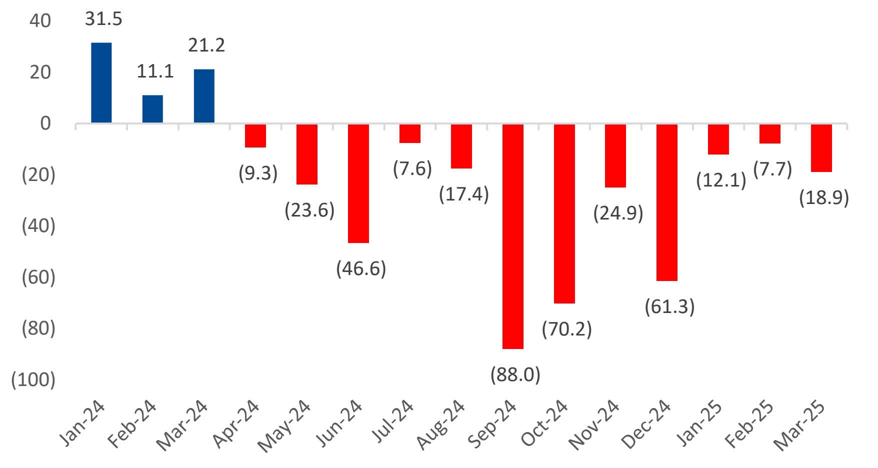
Source: KSEI, BRIDS

Exhibit 15. TBIG's Foreign Ownership



Source: KSEI, BRIDS

Exhibit 16. TBIG's Monthly Foreign Flow (Rpbn)

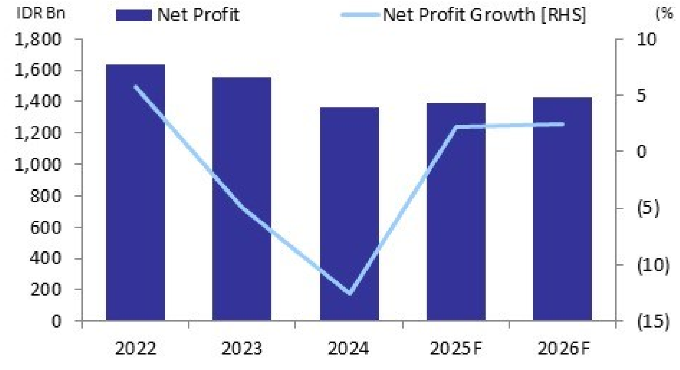


Source: IDX, Bloomberg, BRIDS

Exhibit 17. Revenue and Growth

Source: Company, BRIDS Estimates

Exhibit 18. Net Profit and Growth

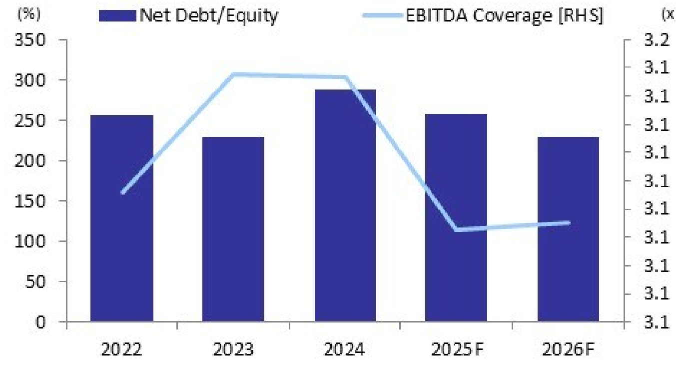


Source: Company, BRIDS Estimates

Exhibit 19. Margins

Source: Company, BRIDS Estimates

Exhibit 20. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 21. Income Statement

Year to 31 Dec (IDRbn)	2023A	2024A	2025F	2026F	2027F
Revenue	**6,641**	**6,867**	**6,966**	**7,069**	**7,187**
COGS	(1,944)	(1,941)	(1,907)	(1,984)	(2,063)
Gross profit	**4,697**	**4,926**	**5,058**	**5,085**	**5,125**
EBITDA	**5,728**	**5,869**	**5,885**	**5,963**	**6,069**
Oper. profit	**4,232**	**4,319**	**4,372**	**4,394**	**4,417**
Interest income	20	31	64	83	105
Interest expense	(1,826)	(1,871)	(1,909)	(1,933)	(1,965)
Forex Gain/(Loss)	0	(177)	(177)	(142)	(99)
Income From Assoc. Co’s	0	0	0	0	0
Other Income (Expenses)	(59)	(184)	(184)	(184)	(184)
Pre-tax profit	**2,368**	**2,117**	**2,165**	**2,218**	**2,274**
Income tax	(749)	(694)	(710)	(727)	(746)
Minority interest	(61)	(61)	(63)	(64)	(66)
Net profit	**1,558**	**1,362**	**1,392**	**1,427**	**1,463**
Core Net Profit	**1,558**	**1,539**	**1,569**	**1,568**	**1,562**

Exhibit 22. Balance Sheet

Year to 31 Dec (IDRbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	801	1,482	838	1,135	1,646
Receivables	1,686	1,902	1,768	1,795	1,825
Inventory	896	646	879	915	951
Other Curr. Asset	1,025	845	870	896	923
Fixed assets - Net	36,462	36,002	37,933	39,486	41,012
Other non-curr.asset	5,677	6,441	6,473	6,505	6,538
Total asset	**46,547**	**47,316**	**48,762**	**50,732**	**52,894**
ST Debt	10,646	18,716	18,310	18,075	17,910
Payables	183	112	180	187	194
Other Curr. Liabilities	4,304	4,473	4,495	4,518	4,540
Long Term Debt	18,495	13,229	13,491	14,123	14,827
Other LT. Liabilities	558	221	265	318	382
Total Liabilities	**34,186**	**36,751**	**36,741**	**37,220**	**37,853**
Shareholder'sFunds	11,714	9,898	11,290	12,717	14,179
Minority interests	647	668	731	795	861
Total Equity & Liabilities	**46,547**	**47,316**	**48,762**	**50,732**	**52,894**

Exhibit 23. Cash Flow

Year to 31 Dec (IDRbn)	2023A	2024A	2025F	2026F	2027F
Net income	1,558	1,362	1,392	1,427	1,463
Depreciation and Amort.	1,496	1,551	1,513	1,569	1,651
Change in Working Capital	(866)	(1,785)	(1,463)	(1,536)	(1,617)
OtherOper. Cash Flow	1,805	1,840	1,845	1,850	1,860
Operating Cash Flow	**3,994**	**2,968**	**3,288**	**3,310**	**3,357**
Capex	(2,323)	243	(2,049)	(1,677)	(1,656)
Others Inv. Cash Flow	20	31	64	83	105
Investing Cash Flow	**(2,303)**	**274**	**(1,985)**	**(1,594)**	**(1,550)**
Net change in debt	154	2,804	(144)	397	539
New Capital	0	0	0	0	0
Dividend payment	(802)	(1,091)	(953)	(975)	(999)
Other Fin. Cash Flow	(1,208)	(4,274)	(849)	(841)	(837)
Financing Cash Flow	**(1,856)**	**(2,561)**	**(1,946)**	**(1,419)**	**(1,296)**
Net Change in Cash	**(166)**	**681**	**(644)**	**297**	**510**
Cash - begin of the year	966	801	1,482	838	1,135
Cash - end of the year	801	1,482	838	1,135	1,646

Exhibit 24. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	1.8	3.4	1.4	1.5	1.7
EBITDA	1.2	2.5	0.3	1.3	1.8
Operating profit	(1.2)	2.1	1.2	0.5	0.5
Net profit	(4.9)	(12.6)	2.3	2.5	2.5
Profitability (%)					
Gross margin	70.7	71.7	72.6	71.9	71.3
EBITDA margin	86.3	85.5	84.5	84.4	84.4
Operating margin	63.7	62.9	62.8	62.2	61.5
Net margin	23.5	19.8	20.0	20.2	20.4
ROAA	3.5	2.9	2.9	2.9	2.8
ROAE	14.1	12.6	13.1	11.9	10.9
Leverage					
Net Gearing (x)	2.3	2.9	2.6	2.3	2.1
Interest Coverage (x)	2.3	2.3	2.3	2.3	2.2

Source : TBIG, Danareksa Estimates

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
Ehrliech 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