Buy

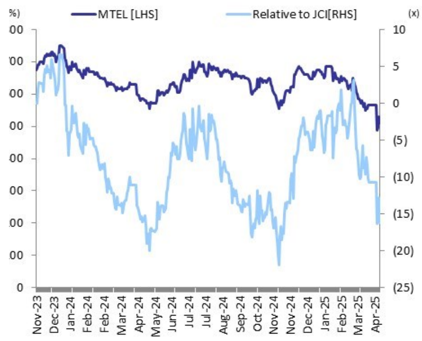
(Maintained)

Last Price (Rp)	**510**
Target Price (Rp)	**800**
Previous Target Price (Rp)	***1,000***
Upside/Downside	**+56.9%**
No. of Shares (mn)	**82,942**
Mkt Cap (Rpbn/US$mn)	**42,301/2,519**
Avg, Daily T/O (Rpbn/US$mn)	**13.4/0.8**
Free Float (%)	**19.7**
Major Shareholder (%)	
Telkom Indonesia	**71.9**
PT Maleo Investasi Indonesia	**6.0**

EPS Consensus (Rp)

	2025F	2026F	2027F
BRIDS	26.1	26.7	27.4
Consensus	28.5	30.6	28.9
BRIDS/Cons (%)	(8.5)	(12.8)	(5.1)

MTEL relative to JCI Index



Source: Bloomberg

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Mitratel (MTEL IJ)

In-Line FY24 Earnings with Growth and Continued Margin Expansion, but Outlook Weakens

- **4Q24 revenue growth was solid, driven by Telkom projects and FTTT growth, including the UMT acquisition.**
- **FY24 net profit was in line amid strong 82.7% EBITDA margin (+230bps yoy), despite higher interest from M&A and higher tax.**
- **Maintain Buy rating with lower TP of Rp800 to reflect -6.6% est. cut in FY25-27; MTEL remains best positioned for MNOs' ex-Java growth.**

4Q24 earnings: +5.1% qoq revenue with solid EBITDA margin expansion
MTEL posted a net profit of Rp609bn (+18.8% qoq, +3.0% yoy), supported by solid revenue growth and a sequential improvement in EBITDA margin. Revenue reached Rp2.49tr (+5.1% qoq, +3.3% yoy), driven by Telkom-related projects and strong FTTT contributions from organic rollout and the UMT acquisition (8,100 km), completed on Dec 2nd. EBITDA came in at Rp2.11tr (+7.1% qoq, +9.4% yoy), with margins improving by +160bps qoq / +470bps yoy, supported by efficiencies in cash COGS.

FY24 in-line Earnings –organic growth with solid margin gains
MTEL net profit was Rp2.10tr (+4.1% yoy), forming 98.2%/98.9% of our and cons FY24 ests.. Revenue reached Rp9.31tr (+7.2% yoy), also in line, supported by new organic tenancies (+2,459 new tenancies, of which 1,390 came from BTS towers and 1,069 from collocations) and rising FTTT contribution (8.5% in 4Q). EBITDA margin was commendable, improving to 82.7% (+230bps yoy) due to efficiencies. Interest costs rose from the UMT acquisition loan, while the effective tax rate increased by 217bps yoy in FY24.

Conservative guidance by MTEL management in 2025
MTEL guides for +1.8% revenue growth in FY25, in line with the industry. It expects 2,500 new net tenancies in FY25, likely to materialize in 3Q/4Q25 amid demand and macro headwinds, with XLSmart site relocations expected in early FY25. This implies conservative tower revenue growth, despite 607 outstanding tenancy orders from FY24 and growing FTTT revenue from +10,000 new fiber kms. Capex guidance of Rp5.3tr includes Rp2tr for M&A, indicating upside potential from inorganic growth.

Maintain Buy rating but with lower TP amid demand and macro headwinds
We revise our 2025–27 NP forecasts by -6.2/-7.4%/-6.4% to reflect the updated demand outlook. We employ a new blended valuation using DCF and EV/EBITDA (9.6x), arriving at a revised TP of Rp800. We remain positive on MTEL as the largest beneficiary of MNOs' expansion outside Java and its financial capacity for potential M&A. We reaffirm our Buy rating. Key risk stems from weaker than expected demand.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	8,684	9,308	9,504	9,782	10,312
EBITDA (Rpbn)	6,984	7,696	7,966	8,221	8,670
EBITDA Growth (%)	13.7	10.2	3.5	3.2	5.5
Net Profit (Rpbn)	2,022	2,104	2,208	2,388	2,764
EPS (Rp)	24.4	25.4	26.6	28.8	33.3
EPS Growth (%)	13.3	4.1	4.9	8.1	15.7
BVPS (Rp)	411.2	402.4	408.7	416.2	426.5
DPS (Rp)	21.3	19.5	20.3	21.3	23.0
PER (x)	21.7	20.9	19.9	18.4	15.9
PBV (x)	1.3	1.3	1.3	1.3	1.2
Dividen yield (%)	4.0	3.7	3.8	4.0	4.3
EV/EBITDA	8.5	7.8	7.3	7.0	6.6

Source: MTEL, BRIDS Estimate

Exhibit 1. MTEL 4Q/FY24 financial result

(Rp bn)	4Q23	3Q24	4Q24	QoQ, Δ%	YoY, Δ%	FY23	FY24	YoY, Δ%	FY24F BRIDS	BRIDS FC Achiev. %	FY24F CONS	Cons FC Achiev. %
Total Revenues	**2,410**	**2,368**	**2,490**	***5.1***	***3.3***	**8,684**	**9,308**	***7.2***	**9,247**	**100.7%**	**9,243**	**100.7%**
Tower leasing	1,916	1,962	1,963	*0.1*	*2.5*	7,136	7,629	*6.9*				
Reseller	169	159	133	*(16.4)*	*(21.3)*	628	559	*(11.0)*				
Fiber	151	99	212	*114.1*	*40.4*	296	486	*64.2*				
Other	174	148	182	*23.0*	*4.6*	624	634	*1.6*				
Total Revenues by client	**2,410**	**2,368**	**2,490**	***5.1***	***3.3***	**8,684**	**9,308**	***7.2***				
Telkomsel	1,334	1,384	1,223	*(11.7)*	*(8.4)*	4,841	4,961	*2.5*				
XL Axiata	335	243	349	*43.6*	*4.3*	969	1,131	*16.7*				
Telkom	136	205	302	*47.0*	*122.8*	721	806	*11.7*				
Indosat (IOH)	398	444	502	*13.2*	*26.2*	1,698	1,825	*7.5*				
Other parties	207	91	113	*24.1*	*(45.2)*	454	585	*28.7*				
EBITDA	**1,930**	**1,970**	**2,111**	***7.1***	***9.4***	**6,984**	**7,696**	***10.2***	**7,527**	**102.2%**	**7,577**	**101.6%**
EBITDA margin (%)	*80.1*	*83.2*	*84.8*	*1.6*	*4.7*	*80.4*	*82.7*	*2.3*	*81.4*		*82.0*	
Operating Income	**1,017**	**1,083**	**1,162**	***7.2***	***14.2***	**3,678**	**4,179**	***13.6***	**4,015**	**104.1%**	**4,119**	**101.5%**
Operating Income margin (%)	*42.2*	*45.7*	*46.7*	*0.9*	*4.4*	*42.4*	*44.9*	*2.5*				
Pre-tax profit	**790**	**728**	**841**	***15.5***	***6.5***	**2,755**	**2,954**	***7.2***	**2,954**	**100.0%**	**2,976**	**99.3%**
Net profit	**591**	**512**	**609**	***18.8***	***3.0***	**2,022**	**2,104**	***4.1***	**2,142**	**98.2%**	**2,127**	**98.9%**
Net Profit margin (%)	*24.5*	*21.6*	*24.4*	*2.8*	*(0.1)*	*23.3*	*22.6*	*-0.7*	*23.2*		*23.0*	
Book CAPEX	**3,649**	**1,230**	**1,753**	***42.5***	***(52.0)***	**8,386**	**4,969**	***(40.7)***				
oFCF	**(1,719)**	**740**	**358**	***(51.6)***	***(120.8)***	**(1,402)**	**2,727**	***(294.6)***				
Gross debt (incl. leases)	*18,392*	18,248	20,049	*9.9*	*9.0*							
Total net debt (incl. leases)	***17,513***	***17,482***	***19,452***	***11.3***	***11.1***							
Net debt / Annualized EBITDA	*2.4x*	*2.2x*	*2.3x*	*0.1x*	*-0.1x*							
Equity	34,038	33,600	33,387	*(0.6)*	*(1.9)*							
ND/Equity	*0.5x*	*0.5x*	*0.6x*	*0.1x*	*0.1x*							

Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. MTEL operational KPIs

Mitratel Operational KPIs (#)	4Q23	3Q24	4Q24	QoQ, Δ%	YoY, Δ%	FY23	FY24	YoY Δ
Total sites	**38,014**	**39,259**	**39,404**	***0.4***	***3.7***	**38,014**	**39,404**	***3.7***
Δ QoQ - net adds	*923*	*678*	*145*					
YTD - net adds	*2,596*	*1,245*	*1,390*					
Δ YoY - net adds	*2,596*	*2,168*	*1,390*					
Total Tenants	**57,409**	**59,431**	**59,868**	***0.7***	***4.3***	**57,409**	**59,868**	***4.3***
Δ QoQ - net adds	*1,705*	*833*	*437*					
YTD net adds	*5,403*	*2,022*	*2,459*					
Δ YoY - net adds	*5,403*	*3,727*	*2,459*					
B2S Tenants	**38,014**	**39,259**	**39,404**	***0.4***	***3.7***	**38,014**	**39,404**	***3.7***
Δ QoQ - net adds	*923*	*678*	*145*					
YTD net adds	*2,596*	*1,245*	*1,390*					
Δ YoY - net adds	*2,596*	*2,168*	*1,390*					
Collocations	**19,395**	**20,172**	**20,464**	***1.4***	***5.5***	**19,395**	**20,464**	***5.5***
Δ QoQ - net adds	*782*	*155*	*292*					
YTD net adds	*2,807*	*777*	*1,069*					
Δ YoY - net adds	*2,807*	*1,559*	*1,069*					
Tower Tenancy Ratio (x)	*1.51x*	*1.51x*	*1.52x*	*0.01x*	*0.01x*	*1.51x*	*1.52x*	*0.01x*
Tower fiberization (kms)	**32,521**	**39,714**	**51,039**	***28.5***	***56.9***	**32,521**	**51,039**	***56.9***
Implied mon. revenue / Tenancy (Rpmn)	11.3	11.1	11.0	***(1.0)***	***(2.9)***	10.9	10.8	*(0.3)*

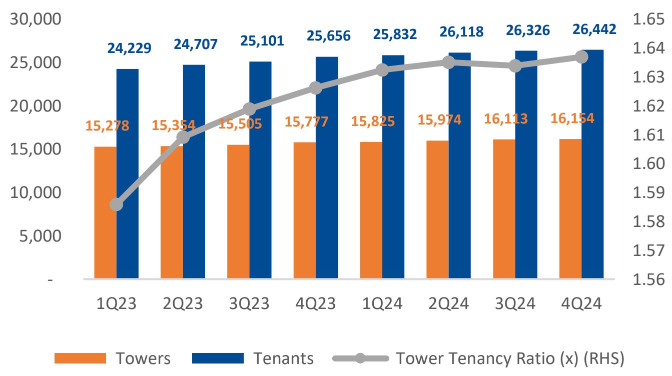
Source: Company, BRIDS Estimates

Exhibit 3. MTEL reforecast table

Rp bn	BRIDS OLD 2024	2025F	2026F	2027F	BRIDS NEW 2025F	2026F	2027F	Δ% 2025F	2026F	2027F
Revenue	**9,308**	**9,723**	**10,347**	**11,051**	**9,504**	**9,782**	**10,312**	*(2.3)*	*(5.5)*	*(6.7)*
growth %	*11.2*	*8.3*	*6.5*	*8.2*	*2.1*	*2.9*	*5.4*	*(6.2)*	*(3.6)*	*(2.8)*
EBITDA	**7,696**	**7,938**	**8,472**	**9,075**	**7,966**	**8,221**	**8,670**	*0.3*	*(3.0)*	*(4.5)*
growth %	*10.2*	*3.1*	*6.7*	*7.1*	*3.5*	*3.2*	*5.5*	*0.4*	*(3.5)*	*(1.7)*
EBITDA margin %	*82.7*	*81.6*	*81.9*	*82.1*	*83.8*	*84.0*	*84.1*	*2.2*	*2.2*	*2.0*
EBIT	**4,179**	**4,060**	**4,310**	**4,723**	**4,215**	**4,347**	**4,622**	*3.8*	*0.9*	*(2.1)*
EBIT margin %	*42.3*	*43.3*	*42.5*	*42.2*	*44.3*	*44.4*	*44.8*	*1.0*	*1.9*	*2.6*
NPATMI	**2,104**	**2,354**	**2,577**	**2,951**	**2,208**	**2,388**	**2,764**	*(6.2)*	*(7.4)*	*(6.4)*
NI margin %	*22.6*	*24.2*	*24.9*	*26.7*	*23.2*	*24.4*	*26.8*	*(1.0)*	*(0.5)*	*0.1*
ROE	***6.2***	***6.6***	***7.0***	***7.9***	***6.2***	***6.6***	***7.0***	*(0.3)*	*(0.4)*	*(0.9)*

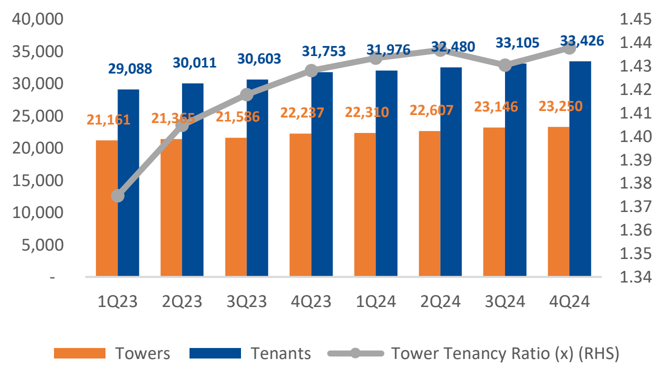
Source: Company, BRIDS Estimates

Exhibit 4. Number of Towers and Tenancies - Java



Source: Company, BRIDS

Exhibit 5. Number of Towers and Tenancies – Ex-Java



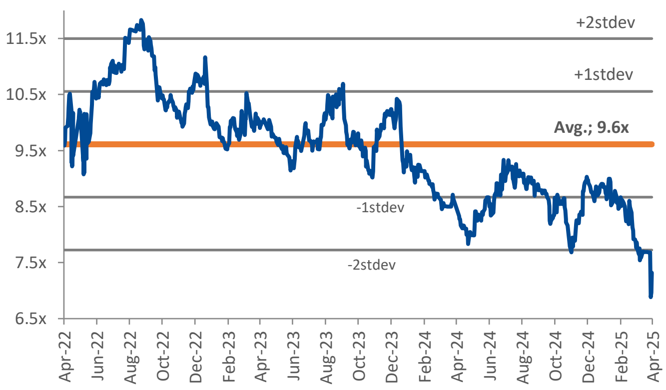
Source: Company, BRIDS

Exhibit 6. Tower peers valuation

Company	Rec.	Target Price (Rp)	Market Cap. (RpBn)	PE (x) 2025F	PE (x) 2026F	EV/EBITDA (x) 2025F	EV/EBITDA (x) 2026F	P/BV (x) 2025F	P/BV (x) 2026F	ROE % 2025F	ROE % 2026F
Mitratel	BUY	800	43,959	19.9	18.4	8.0	7.7	1.3	1.3	6.6	7.0
Sarana Menara Nusantara	BUY	870	26,269	7.5	7.3	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				**19.2**	**18.5**	**9.0**	**8.9**	**2.1**	**1.9**	**12.5**	**11.8**

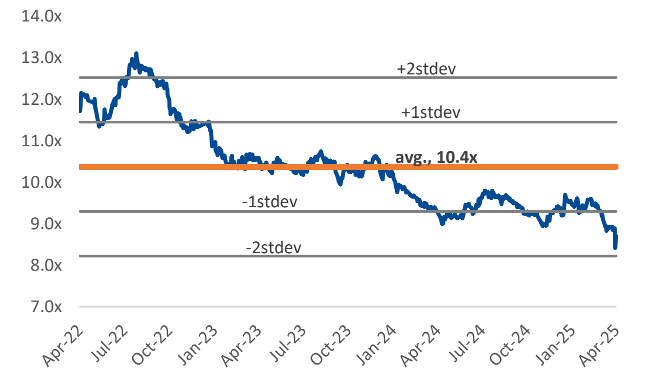
Source: Company, BRIDS Estimates

Exhibit 7. MTEL forward 3-yr EV/EBITDA band



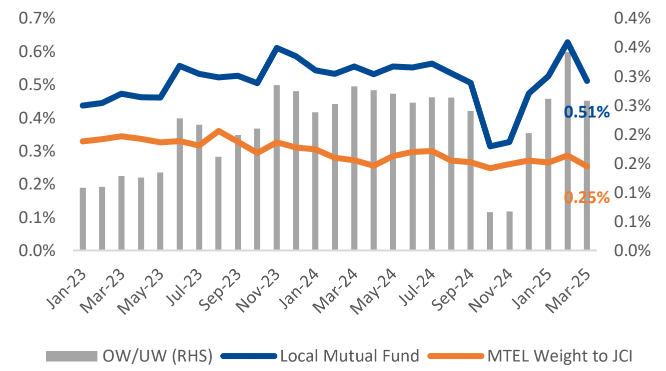
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 8. Sector forward 3-yr EV/EBITDA band



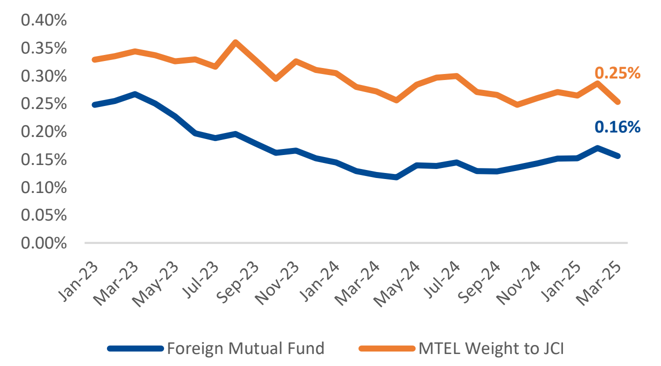
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 9. MTEL's Domestic Fund Positioning



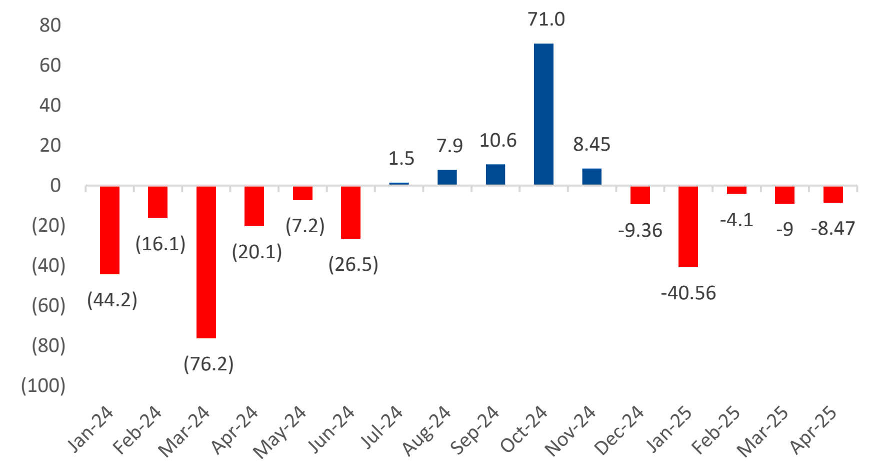
Source: KSEI, BRIDS

Exhibit 10. MTEL's Foreign Ownership



Source: KSEI, BRIDS

Exhibit 11. MTEL's Monthly Foreign Flow (Rpbn)

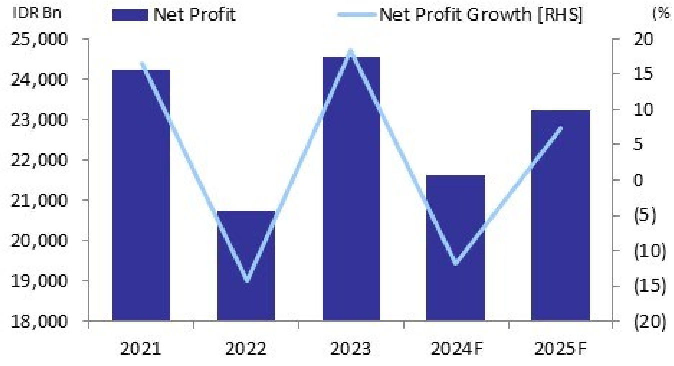


Source: IDX, Bloomberg, BRIDS

Exhibit 12. Revenue and Growth

Source: Company, BRIDS Estimates

Exhibit 13. Net Profit and Growth

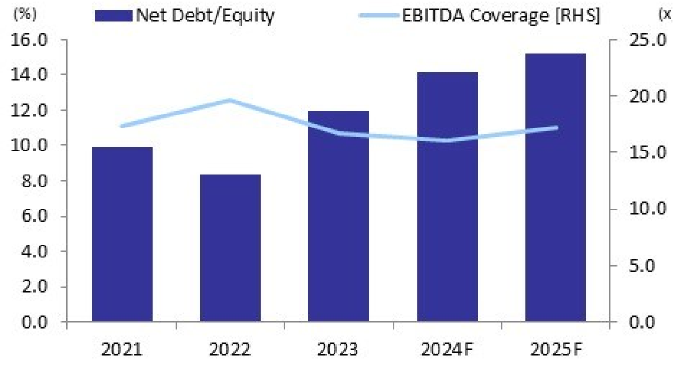


Source: Company, BRIDS Estimates

Exhibit 14. Margins

Source: Company, BRIDS Estimates

Exhibit 15. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 16. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	**8,684**	**9,308**	**9,504**	**9,782**	**10,312**
COGS	(4,408)	(4,507)	(4,633)	(4,759)	(4,980)
Gross profit	**4,276**	**4,801**	**4,871**	**5,022**	**5,332**
EBITDA	**6,984**	**7,696**	**7,966**	**8,221**	**8,670**
Oper. profit	**3,678**	**4,179**	**4,215**	**4,347**	**4,622**
Interest income	143	36	133	161	192
Interest expense	(1,344)	(1,357)	(1,609)	(1,641)	(1,712)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	278	96	304	393	548
Pre-tax profit	**2,755**	**2,954**	**3,043**	**3,260**	**3,650**
Income tax	(733)	(850)	(835)	(872)	(886)
Minority interest	0	0	0	0	0
Net profit	**2,022**	**2,104**	**2,208**	**2,388**	**2,764**
Core Net Profit	**2,022**	**2,104**	**2,208**	**2,388**	**2,764**

Exhibit 17. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	890	597	6,084	7,131	9,291
Receivables	1,636	2,004	1,291	1,329	1,401
Inventory	0	0	0	0	0
Other Curr. Asset	933	846	849	851	854
Fixed assets - Net	52,493	53,867	53,635	54,175	54,363
Other non-curr.asset	1,326	826	830	834	838
Total asset	**57,279**	**58,140**	**62,690**	**64,320**	**66,747**
ST Debt	4,358	4,592	4,592	4,592	4,592
Payables	2,113	1,977	2,151	2,210	2,312
Other Curr. Liabilities	4,654	5,717	5,945	6,183	6,430
Long Term Debt	11,794	12,214	15,798	16,451	17,601
Other LT. Liabilities	242	253	304	365	438
Total Liabilities	**23,160**	**24,753**	**28,790**	**29,800**	**31,373**
Shareholder'sFunds	34,110	33,374	33,899	34,520	35,374
Minority interests	0	0	0	0	0
Total Equity & Liabilities	**57,270**	**58,127**	**62,690**	**64,320**	**66,747**

Exhibit 18. Cash Flow

Year to 31 Dec (IDRbn)	2023A	2024A	2025F	2026F	2027F
Net income	2,022	2,104	2,208	2,388	2,764
Depreciation and Amort.	3,306	3,517	3,751	3,873	4,048
Change in Working Capital	603	436	959	103	122
OtherOper. Cash Flow	1,201	1,321	1,476	1,480	1,520
Operating Cash Flow	**7,132**	**7,377**	**8,394**	**7,844**	**8,454**
Capex	(8,091)	(4,180)	(3,370)	(4,264)	(4,086)
Others Inv. Cash Flow	143	36	133	161	192
Investing Cash Flow	**(7,948)**	**(4,144)**	**(3,237)**	**(4,103)**	**(3,894)**
Net change in debt	(1,359)	654	3,584	653	1,150
New Capital	56	(1,218)	(13)	0	0
Dividend payment	(1,767)	(1,618)	(1,683)	(1,767)	(1,910)
Other Fin. Cash Flow	(1,563)	(1,345)	(1,558)	(1,580)	(1,639)
Financing Cash Flow	**(4,632)**	**(3,527)**	**330**	**(2,695)**	**(2,399)**
Net Change in Cash	**(5,448)**	**(294)**	**5,487**	**1,047**	**2,160**
Cash - begin of the year	6,339	890	597	6,084	7,131
Cash - end of the year	890	597	6,084	7,131	9,291

Exhibit 19. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	12.4	7.2	2.1	2.9	5.4
EBITDA	13.7	10.2	3.5	3.2	5.5
Operating profit	16.6	13.6	0.8	3.2	6.3
Net profit	13.3	4.1	4.9	8.1	15.7
Profitability (%)					
Gross margin	49.2	51.6	51.3	51.3	51.7
EBITDA margin	80.4	82.7	83.8	84.0	84.1
Operating margin	42.4	44.9	44.3	44.4	44.8
Net margin	23.3	22.6	23.2	24.4	26.8
ROAA	3.6	3.6	3.7	3.8	4.2
ROAE	6.0	6.2	6.6	7.0	7.9
Leverage					
Net Gearing (x)	0.4	0.5	0.4	0.4	0.4
Interest Coverage (x)	2.7	3.1	2.6	2.6	2.7

Source : MTEL, Danareksa 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