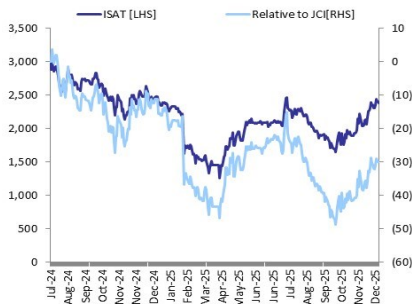


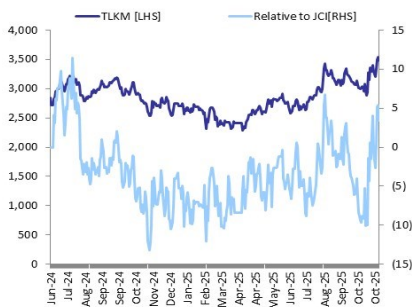
Overweight

(Maintained)

ISAT relative to JCI Index



TLKM relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Kafi Ananta

(62-21) 5091 4100 ext. 3506

kafi.azhari@brids.co.id

Erindra Krisnawan, CFA

(62-21) 5091 4100 ext. 3500

erindra.krisnawan@brids.co.id

Telco

Fixed Broadband Race Kicks Off; Challenger ISPs Pursue Aggressive Growth

- FBB penetration could reach ~41% in FY26, underpinned by 1.4GHz FWA, challenger-led price disruption, and open-access FiberCos.
- Rising competition and open-access fiber pose downside risk to MNO FBB ARPU, while mobile momentum continues to anchor core earnings.
- WIFI and INET offer growth exposure at 12.4x/18.9x 26F EV/EBITDA, underpinned by strong cons. EBITDA growth of ~2.2x/~12.0x in 2026F.

Entering a phase of high incremental FBB penetration

With multiple ISPs accelerating FTTH rollout and upgrading homepass (HP)/homeconnect guidance, we expect FY26-27 to mark a period of elevated incremental FBB penetration, following 3yr of stagnation at ~18-19%. We see FBB penetration (including FWA) likely to rise from ~24% in FY25 to as high as ~41% in FY26. This acceleration is underpinned by three key drivers: (1) access unlock via the rollout of 1.4GHz FWA, operated by WIFI and MyRepublic, with WIFI guiding toward 5mn subscribers by FY26; (2) disruptive pricing from challenger ISPs such as WIFI and DATA (Rp100k-Rp116k), followed by INET later; and (3) the adoption of open-access FiberCo models (e.g., LINK and TLKM’s InfraCo), which materially lowers entry barriers. We see WIFI (Starlite + IRA), MORA (MyRepublic + Oxygen), and DATA (NetHome) as the top proxies for incremental homeconnect growth over this period (see Exh. 1).

Growth led by challenger ISPs, with capital intensity front-loaded

Despite the emergence of open-access FiberCo, we expect the bulk of incremental home-pass expansion to continue to be driven by independent challenger ISPs, supported by their stronger capital readiness and execution agility. Partnerships with FiberCo are likely to remain selective and supplementary, as seen in recent MoUs by WIFI and MyRepublic with Telkom’s infrastructure arm. As a result, capital intensity and execution risk are front-loaded to challenger ISPs during the early rollout phase. Given their low-price offerings, the economic outcome for these players will hinge on their ability to translate structural advantages into lower capex per home-pass and sustaining high take-up rates (>50–60%), which are critical to achieving profitability at the connected-home level.

Maintain Overweight on MNOs; Mobile strength offsets FBB ARPU risk

Rising competition in FBB and the adoption of open-access fiber models could exert downward pressure on MNOs’ FBB ARPU from both demand and supply sides, with TLKM relatively more exposed given its 18% FBB revenue contribution, while EXCL and ISAT are less sensitive at 7% and 2%, respectively. Nevertheless, we maintain an Overweight stance on telco MNOs, as sustained mobile momentum in the post-consolidation price-repair phase continues to anchor core earnings. Meanwhile, the expected acceleration in FBB penetration over FY26-27F should create incremental growth opportunities for challenger ISPs. We view WIFI and INET as relatively attractive, trading at 12.4x and 18.9x 26F EV/EBITDA, respectively, against robust consensus EBITDA growth of ~2.2x and ~12.0x in FY26F. Key risks to monitor include execution risks in HP and homeconnect rollouts as well as funding readiness amid front-loaded capex requirements.

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%) 2026F
					2025F	2026F	2025F	2026F	
IOH	ISAT IJ	BUY	3,000	62,082.8	13.4	12.3	1.7	1.7	13.7
Telkom	TLKM IJ	BUY	4,000	344,736.5	16.5	15.5	2.4	2.4	15.4
XLSmart Telecom Sejahtera	EXCL IJ	BUY	4,100	67,339.5	n/m	n/m	2.3	2.4	(4.8)

Exhibit 1. 2025-26F Fixed broadband penetration outlook and incremental homeconnect by ISPs

	2025F ('000)			2026F ('000)			Homepass model	Δ Homeconnect 26F		Market share		Δ Homeconnect 26F share
	HomeConnect	HomePass	Take-up rate	HomeConnect	HomePass	Take-up rate		('000)	(%)	25F	26F	
Indihome	10,512	37,000	28%	11,312	37,000	31%	Owned	800	7.6%	60%	38%	6%
Oxygen	300	1,000	30%	300	1,000	30%	Owned	-	0.0%	2%	1%	0%
Indosat HiFi	400	-	-	500	-	-	Leased / Wholesale	100	25.0%	2%	2%	1%
CBN	227	800	28%	227	800	28%	Owned	-	0.0%	1%	1%	0%
XL Home	956	-	-	1,556	-	-	Leased / Wholesale	600	62.8%	5%	5%	5%
Myrepublic	1,600	6,400	25%	3,000	10,000	30%	Owned	1,400	87.5%	9%	10%	11%
Biznet	900	3,000	30%	1,170	4,000	29%	Owned	270	30.0%	5%	4%	2%
Starlite	1,500	2,500	60%	3,000	5,000	60%	Owned	1,500	100.0%	9%	10%	12%
Iconnet	1,000	3,000	33%	1,000	3,000	33%	Owned	-	0.0%	6%	3%	0%
NetHome	100	320	31%	1,800	3,000	60%	Owned	1,700	1700.0%	1%	6%	14%
Total	17,495			23,865				6,370				
FTTH Penetration	24%			32%								
FWA												
IRA	-	-	-	5,000	-	-		5,000	n.a	0%	17%	40%
Myrepublic	-	-	-	1,099	-	-		1,099	n.a	0%	4%	9%
Total	-			6,099				6,099				
FTTH + FWA												
Total FTTH + FWA	17,495			29,964				12,469				
FBB Penetration	24%			41%								

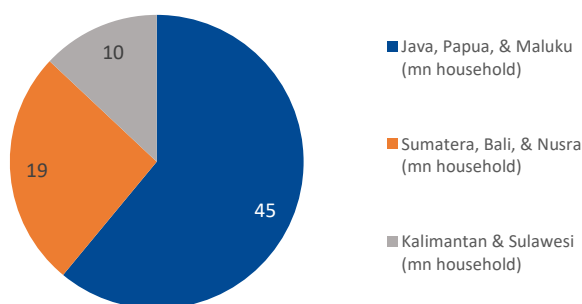
Source: Company, Various sources, BRIDS Estimates

Exhibit 2. Operational highlights of neutral FiberCos

FiberCo	HomeConnect ('000)	HomePass ('000)	Take-up rate
TLKM	10,512	37,000	28%
LINK	956	4,500	21%
Fiberstar	500	4,000	13%
Asianet	400	1,500	27%

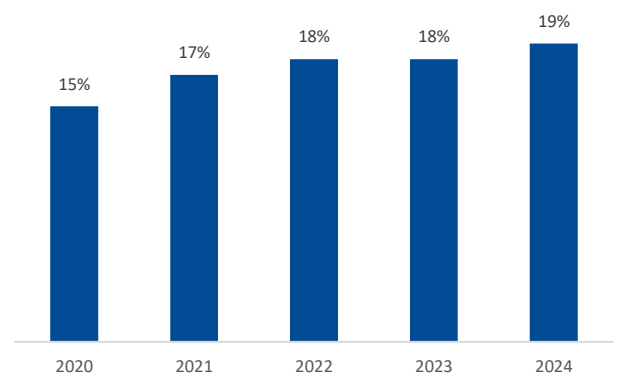
Source: Company, Various Sources

Exhibit 3. Household in Indonesia grouped by regions



Source: WIFI, BRIDS

Exhibit 4. Indonesia FBB penetration



Source: WIFI, Deloitte, BRIDS

Exhibit 5. Nationwide fixed broadband KPIs and ranking (Aug-Oct 2025)

Nationwide Fixed Broadband KPIs (OpenSignal Tests)						
Period	ISPs	Consistent Quality	Download Speed	Upload Speed	Video Experience	Realibility Experience
Nationwide KPIs		% of tests	Mbps		Scale 0-100	scale 100 - 1000
Aug 02 - Oct 29, 2025	Biznet	57.9	37.8	25.5	69.2	445.0
	CBN	41.8	29.8	22.6	66.8	375.0
	Icon Plus	61.9	16.7	14.4	65.1	312.0
	Indihome	53.8	24.4	11.7	65.0	313.0
	Indosat HiFi	68.9	29.4	22.9	69.3	448.0
	MyRepublic	60.8	28.8	22.2	65.0	356.0
	Oxygen.id	50.9	33.3	26.1	69.3	425.0
	XL Home	68.7	34.6	23.3	69.0	463.0
	<i>Average</i>	<i>58.1</i>	<i>29.4</i>	<i>21.1</i>	<i>67.3</i>	<i>392.1</i>
Ranking (1-8) 1 being the worst, 8 being the best						
Aug 02 - Oct 29, 2025		Consistent Quality	Download Speed	Upload Speed	Video Experience	Realibility Experience
Performance	Biznet	4	8	7	6	6
	CBN	1	5	4	4	4
	Icon Plus	6	1	2	3	1
	Indihome	3	2	1	1	2
	Indosat HiFi	8	4	5	7	7
	MyRepublic	5	3	3	1	3
	Oxygen.id	2	6	8	7	5
	XL Home	7	7	6	5	8

Source: OpenSignal, BRIDS

Exhibit 6. Telco Peers Valuation (* based on consensus estimates; ** based on current trading multiples)

Company	Rec.	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		EV/EBITDA (x)		PBV (x)		ROE (%)		Dividend yield (%)	
				'25F	'26F	'25F	'26F	'25F	'26F	'25F	'26F	'25F	'26F
EXCL	BUY	4,100	68,249	n.a	n.a	6.8	6.0	2.3	2.4	-13.6	-4.8	n.a	n.a
ISAT	BUY	3,000	76,112	16.4	13.6	4.8	4.6	2.1	2.0	13.4	15.2	4.6	5.2
TLKM	BUY	4,000	343,746	16.5	15.5	5.3	5.0	2.4	2.4	14.7	15.4	5.4	5.7
MNOs Weighted average				13.2	12.0	5.5	5.1	2.3	2.3	8.8	11.4	4.2	4.5
WIFI *	n.a	n.a	17,677	43.0	36.8	17.5	12.4	2.6	2.4	6.0	5.9	n.a	n.a
INET *	n.a	n.a	7,376	425.2	52.6	226.0	18.9	5.0	4.5	0.7	8.1	n.a	n.a
MORA **	n.a	n.a	281,987	1,067	n.a	163.5	n.a	40.1	n.a	4.0	n.a	n.a	n.a
DATA **	n.a	n.a	6,050	55.5	n.a	33.6	n.a	19.0	n.a	41.5	n.a	n.a	n.a
LINK **	n.a	n.a	11,539	n.a	n.a	22.3	n.a	2.8	n.a	-30.2	n.a	n.a	n.a
Total Weighted average				383.8	9.1	63.0	3.5	15.6	1.5	7.8	7.8	2.7	2.9

Source: Company, Bloomberg, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Telco, Technology	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Kafi Ananta Azhari	Research Associate, Co-coverage (Telco, Technology)	kafi.azhari@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

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yurisdwari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuhu Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlicch Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@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.