

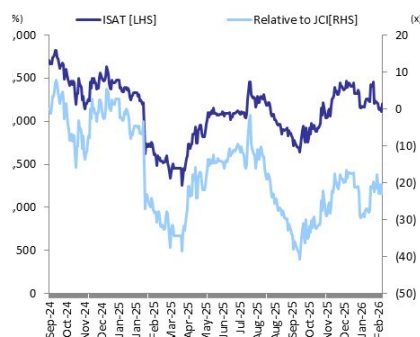
# Buy

(Maintained)

Tactical (3M): N

Last Price (Rp)	1,995		
Target Price (Rp)	3,000		
Previous TP (Rp)	3,000		
Upside/Downside	+50.4%		
No. of Shares (mn)	32,251		
Mkt Cap (Rpbn/US\$mn)	64,340/3,708		
Avg, Daily T/O (Rpbn/US\$mn)	44.2/2.5		
Free Float (%)	16.3		
Major Shareholder (%)			
Ooredoo Asia Pte. Ltd.	65.6		
PPA Investasi Efek	9.6		
EPS Consensus (Rp)			
	2026F	2027F	2028F
BRIDS	200.6	245.0	264.0
Consensus	186.8	209.4	232.3
BRIDS/Cons (%)	7.4	17.0	13.6

## ISAT 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

## Indosat Ooredoo Hutchison (ISAT IJ)

### 1Q26 Earnings: In-line; Monetization Continues to Improve Beyond Pricing

- ARPU reached a record Rp45.2k (+2.7% qoq) in 1Q26, driven by traffic growth, customer mix upgrade, and AI-led monetization.
- 1Q26 capex reflected rising consumption, front-loaded network deployment; The next spectrum may offer more favorable pricing.
- Maintain Buy with a TP of Rp3,000, supported by attractive valuation; The fiber asset sale targeted for completion in 3Q26.

### 1Q26 In-line: Traffic growth and customer mix drive ARPU expansion

ISAT booked net profit of Rp1,456 (-26.9% qoq, +26.2% yoy, forming 23%/24% of our/ cons. est.), broadly in-line. It recorded the highest ARPU at Rp45.2 (+2.7% qoq, +15.3% yoy) supported by +0.7% qoq traffic growth and stable yield, implying +1.4% qoq data revenue. We see this was driven by customer mix upgrade and AI-led service bundling and monetization, rather than broad-based pricing actions. Management also highlighted that exit ARPU reached Rp48.6k in 1Q26, suggesting continued momentum ahead. ISAT's GPUaaS revenue delivered US\$16mn in 1Q26 (26.7% of FY26 guidance), while securing US\$170mn in contracted revenue over 3 years. We maintain our FY26F revenue forecasts at +5.2% yoy, as both mobile and AI monetization continue to track broadly in line with our expectations.

### Higher traffic supports investment needs; Spectrum pricing may ease

ISAT maintained its FY26F capex guidance at Rp13tr, while we retain our conservative forecast at Rp14tr, reflecting our view that the company's traffic-led growth strategy may require sustained network investments. This is partly reflected in 1Q26 of Rp4.1tr (30% of our forecast), which is attributed to both rising data usage and front-loaded network deployment. A potential capex may arise from the upcoming 700MHz and 2.6GHz spectrum auctions this year, where ISAT's preliminary assessment suggests reserve prices could be 60-70% below historical spectrum benchmarks.

### Maintain Buy with an unchanged TP of Rp3,000

We maintain our TP at Rp3,000 with 26F EBITDA growth at 5.6% (company guidance at mid-to-high single digit) and 17.4% EPS growth. Meanwhile, fiber asset sales remain on track with scheduled completion in 3Q26, targeting net proceeds of ~US\$560mn. ISAT trades at an attractive 4.0x EV/EBITDA 26F (-1.3 5-yr SD). Key risks include higher spectrum costs, elevated capex intensity from traffic-led expansion, and sustained personnel cost inflation. Thus, our **Tactical (3M) view: N**.

### Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (IDRbn)	55,887	56,518	59,446	62,046	65,656
EBITDA (IDRbn)	26,375	26,597	28,075	29,422	31,306
EBITDA Growth (%)	10.2	0.8	5.6	4.8	6.4
Net profit (IDRbn)	4,890	5,001	6,470	7,900	8,514
EPS (IDR)	152.3	170.8	200.6	245.0	264.0
EPS growth (%)	9.0	12.2	17.4	22.1	7.8
BVPS (IDR)	1,038.7	1,126.2	1,224.7	1,339.3	1,431.8
DPS (IDR)	83.0	102.1	130.4	171.5	184.8
PER (x)	14.5	14.2	11.0	9.0	8.3
PBV (x)	2.1	2.0	1.8	1.6	1.5
Dividend yield (%)	3.8	4.6	5.9	7.8	8.4
EV/EBITDA (x)	4.3	4.3	4.1	3.9	3.6

Source: ISAT, BRIDS Estimates

## Exhibit 1. ISAT 1Q26 financial results

### INDOSAT OOREDOO HUTCHISON 1Q26 Financial Results

Rp bn	1Q25	4Q25	1Q26	QoQ, %	YoY, %	2026F BRIDS	Achiev. %	2026F Cons	Achiev. %
<b>Total revenue</b>	<b>13,578</b>	<b>15,357</b>	<b>15,221</b>	<b>(0.9)</b>	<b>12.1</b>	<b>59,446</b>	<b>25.6</b>	<b>59,947</b>	<b>25.4</b>
Net Cellular revenue	11,422	12,798	12,703	(0.7)	11.2	49,476	25.7		
Multimedia, Data, Internet (MIDI)	1,961	2,345	2,305	(1.7)	17.5	9,098	25.3		
Fixed telecommunications	195	214	213	(0.4)	9.3	871	24.4		
<b>Total operating expense</b>	<b>(10,788)</b>	<b>(11,923)</b>	<b>(12,203)</b>	<b>2.3</b>	<b>13.1</b>				
<b>Cash Costs</b>	<b>(7,163)</b>	<b>(8,108)</b>	<b>(7,975)</b>	<b>(1.6)</b>	<b>11.3</b>				
Cost of services	(5,718)	(6,226)	(6,122)	(1.7)	7.1				
<b>Gross profit</b>	<b>7,860</b>	<b>9,130</b>	<b>9,099</b>	<b>(0.3)</b>	<b>15.8</b>				
Gross margin	57.9	59.5	59.8	0.3	1.9				
<b>OPEX</b>									
Depreciation & amortization	(3,928)	(3,946)	(4,116)	4.3	4.8				
Personnel cost	(808)	(1,132)	(1,228)	8.5	51.9	(3,528)	35%		
Marketing	(422)	(471)	(415)	(11.8)	(1.6)				
G&A	(215)	(278)	(210)	(24.4)	(2.0)				
Other income (expense)	303	131	(112)	(185.6)	(136.9)				
<b>EBITDA</b>	<b>6,415</b>	<b>7,249</b>	<b>7,245</b>	<b>(0.0)</b>	<b>12.9</b>	<b>28,075</b>	<b>25.8</b>	<b>28,582</b>	<b>25.3</b>
EBITDA margin (%)	47.2	47.2	47.6	0.4	0.4	47.2		47.7	
<b>EBIT</b>	<b>2,487</b>	<b>3,303</b>	<b>3,130</b>	<b>(5.2)</b>	<b>25.8</b>	<b>12,309</b>	<b>25.4</b>	<b>12,091</b>	<b>25.9</b>
EBIT margin (%)	18.3	21.5	20.6	(0.9)	2.2	20.7		20.2	
<b>Reported Net profit / (loss)</b>	<b>1,311</b>	<b>1,922</b>	<b>1,491</b>	<b>(22.4)</b>	<b>13.7</b>	<b>6,470</b>	<b>23.0</b>	<b>6,043</b>	<b>24.7</b>
<b>Normalized Net profit / (loss)</b>	<b>1,154</b>	<b>1,993</b>	<b>1,456</b>	<b>(26.9)</b>	<b>26.2</b>	<b>6,470</b>	<b>22.5</b>	<b>6,043</b>	<b>24.1</b>
Normalized Net margin (%)	9.7	12.5	9.8	(2.7)	0.1	10.9		10.1	

B.S. items	1Q25	4Q25	1Q26	QoQ, %	YoY, %	2026F BRIDS	Achiev. %
<b>Book Capex</b>	<b>2,620</b>	<b>2,544</b>	<b>4,183</b>	<b>64.4</b>	<b>59.7</b>	<b>14,000</b>	<b>29.9</b>
Capex/sales (intensity) (%)	19.3	16.6	27.5	10.9	8.2	23.6	
Net debt /LTM EBITDA (x)	1.87	1.87	1.80	(4.2)	(4.2)		
Net debt/equity (%)	1.42	1.26	1.20	(4.9)	(15.2)		

Source: Company, BRIDS, Bloomberg

## Exhibit 2. ISAT 1Q26 operational KPIs

Operational KPIs	1Q25	4Q25	1Q26	QoQ, %	YoY, %	2026F BRIDS	Achiev. %
Customers - total (mn)	95.4	93.7	94.0	0.3	(1.5)	93.7	100%
Data traffic (Petabytes)	3,922	4,874	4,906	0.7	25.1	18,822	26%
Effective Data Yield (Rp '000/gb)	2.54	2.3	2.3	0.1	(10.3)	2.5	92%
Average data usage (in gb)	14.9	18.5	18.6	0.7	25.1	18.3	102%
ARPU (blended) (Rp thousand)	39.2	44.0	45.2	2.7	15.3		
FTTH Subscribers ('000)	337	393	415	5.6	23.1		
Total BTS	256.7	278.2	280.3	0.8	9.2		

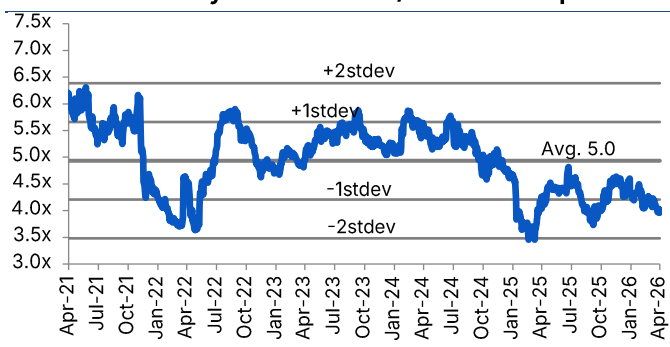
Source: Company, BRIDS, Bloomberg

### Exhibit 3. Telco peers valuation

Company	Rec.	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		EV/EBITDA (x)		PBV (x)		ROE (%)		Dividend yield (%)	
				'26F	'27F	'26F	'27F	'26F	'27F	'26F	'27F	'25F	'26F
EXCL	BUY	3,500	53,508	n.a	18.8	5.2	4.8	1.9	1.7	-6.5	9.7	n.a	n.a
ISAT	BUY	3,000	64,340	9.9	8.1	4.1	3.9	1.6	1.5	17.1	19.1	5.1	6.5
TLKM	BUY	4,000	278,365	12.6	11.8	4.2	4.0	1.9	1.9	15.4	16.0	6.7	7.1
WIFI	BUY	4,500	12,475	33.9	7.9	9.0	3.9	1.6	1.3	4.9	18.6	n.a	n.a
<b>Weighted average</b>				<b>9.2</b>	<b>12.4</b>	<b>4.3</b>	<b>4.1</b>	<b>1.8</b>	<b>1.8</b>	<b>11.1</b>	<b>15.4</b>	<b>5.9</b>	<b>6.8</b>
<b>Simple average</b>				<b>18.8</b>	<b>11.7</b>	<b>5.8</b>	<b>4.1</b>	<b>1.8</b>	<b>1.6</b>	<b>7.7</b>	<b>15.8</b>	<b>5.9</b>	<b>6.8</b>

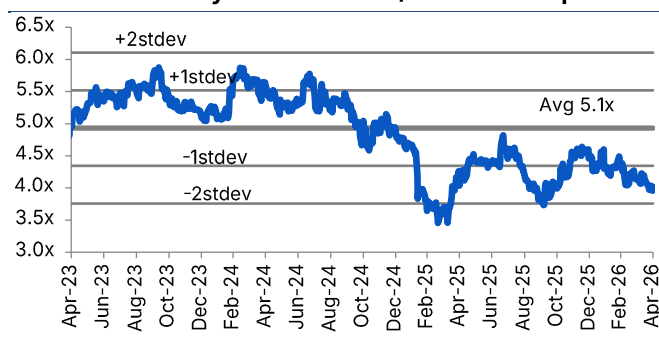
Source: Company, BRIDS Estimates

### Exhibit 4. ISAT 5-year forward EV/EBITDA multiple band



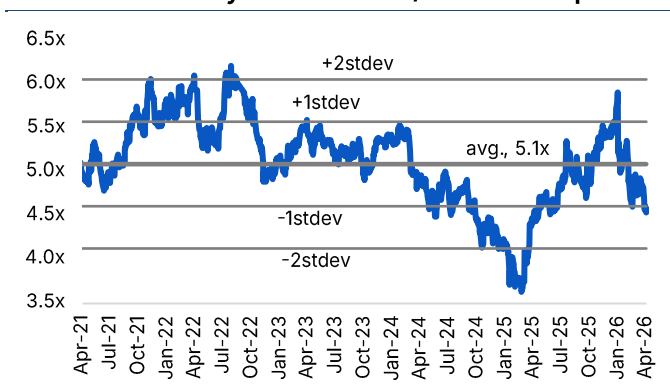
Source: Bloomberg, BRIDS Estimates

### Exhibit 5. ISAT 3-year forward EV/EBITDA multiple band



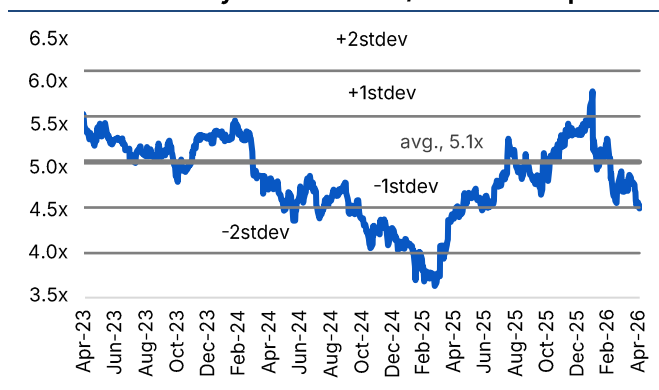
Source: Bloomberg, BRIDS Estimates

### Exhibit 6. Sector 5 year forward EV/EBITDA multiple band



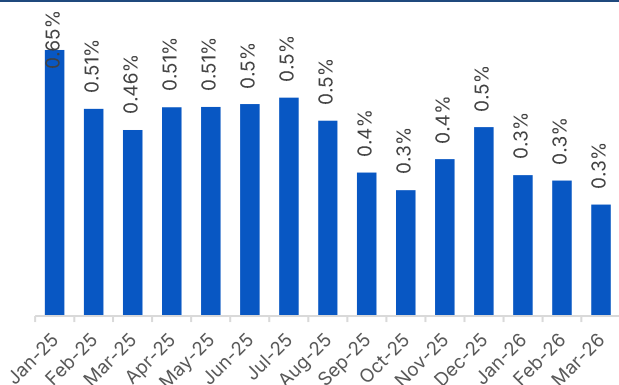
Source: Bloomberg, BRIDS Estimates

### Exhibit 7. Sector 3 year forward EV/EBITDA multiple band



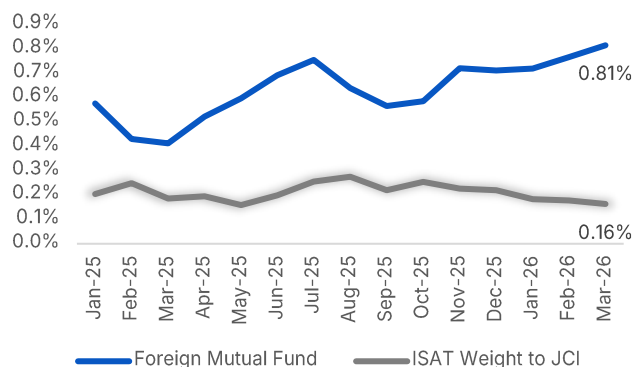
Source: Bloomberg, BRIDS Estimates

**Exhibit 8. ISAT's domestic fund positioning**



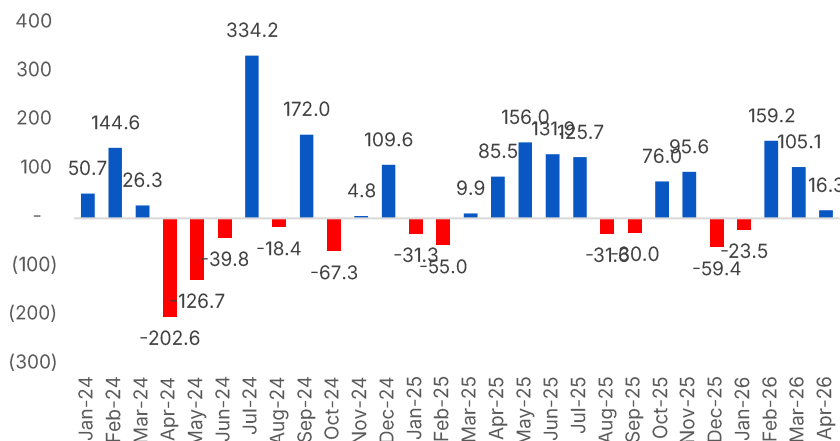
Source: KSEI, BRIDS

**Exhibit 9. ISAT's foreign ownership**



Source: KSEI, BRIDS

**Exhibit 10. ISAT's monthly foreign flow (Rpbn)**



Source: IDX, Bloomberg, BRIDS

**Exhibit 11. Income Statement**

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
<b>Revenue</b>	<b>55,887</b>	<b>56,518</b>	<b>59,446</b>	<b>62,046</b>	<b>65,656</b>
COGS	(41,751)	(42,765)	(44,005)	(45,498)	(47,905)
<b>Gross profit</b>	<b>14,136</b>	<b>13,753</b>	<b>15,441</b>	<b>16,548</b>	<b>17,751</b>
<b>EBITDA</b>	<b>26,375</b>	<b>26,597</b>	<b>28,075</b>	<b>29,422</b>	<b>31,306</b>
<b>Oper. profit</b>	<b>10,817</b>	<b>10,766</b>	<b>12,309</b>	<b>13,291</b>	<b>14,322</b>
Interest income	363	189	254	876	460
Interest expense	(4,478)	(4,201)	(4,052)	(3,827)	(3,628)
Forex Gain/(Loss)	9	22	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>6,711</b>	<b>6,776</b>	<b>8,511</b>	<b>10,341</b>	<b>11,154</b>
Income tax	(1,460)	(1,467)	(1,702)	(2,068)	(2,231)
Minority interest	(362)	(308)	(339)	(372)	(410)
<b>Net profit</b>	<b>4,890</b>	<b>5,001</b>	<b>6,470</b>	<b>7,900</b>	<b>8,514</b>
<b>Core Net Profit</b>	<b>4,880</b>	<b>4,979</b>	<b>6,470</b>	<b>7,900</b>	<b>8,514</b>

**Exhibit 12. Balance Sheet**

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	4,472	5,080	17,521	23,006	28,215
Receivables	3,282	3,615	3,491	3,644	3,856
Inventory	72	54	79	83	87
Other Curr. Asset	7,052	10,256	7,737	7,979	8,471
Fixed assets - Net	74,143	75,099	58,234	53,999	49,125
Other non-curr.asset	25,366	24,526	30,000	30,005	30,192
<b>Total asset</b>	<b>114,387</b>	<b>118,630</b>	<b>117,063</b>	<b>118,715</b>	<b>119,947</b>
ST Debt	3,869	3,650	3,981	4,345	4,746
Payables	9,321	10,054	9,661	9,775	10,007
Other Curr. Liabilities	17,818	16,795	20,111	20,840	21,304
Long Term Debt	11,030	11,729	10,617	9,615	8,713
Other LT. Liabilities	35,696	36,892	31,490	29,075	26,944
<b>Total Liabilities</b>	<b>77,735</b>	<b>79,121</b>	<b>75,860</b>	<b>73,650</b>	<b>71,714</b>
Shareholder's Funds	33,498	36,320	39,498	43,193	46,176
Minority interests	3,153	3,189	1,705	1,872	2,056
<b>Total Equity &amp; Liabilities</b>	<b>114,387</b>	<b>118,630</b>	<b>117,063</b>	<b>118,715</b>	<b>119,947</b>

**Exhibit 13. Cash Flow**

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Net income	4,890	5,001	6,470	7,900	8,514
Depreciation and Amort.	15,558	15,831	15,766	16,131	16,984
Change in Working Capital	194	(20)	(127)	(120)	(165)
Other Oper. Cash Flow	(259)	293	8,498	3,371	3,175
<b>Operating Cash Flow</b>	<b>20,383</b>	<b>21,105</b>	<b>30,607</b>	<b>27,282</b>	<b>28,508</b>
Capex	(8,823)	(2,129)	1,562	(11,432)	(11,648)
Others Inv. Cash Flow	(6,639)	(13,629)	(5,682)	408	(190)
<b>Investing Cash Flow</b>	<b>(15,462)</b>	<b>(15,759)</b>	<b>(4,120)</b>	<b>(11,025)</b>	<b>(11,838)</b>
Net change in debt	995	49	(5,269)	(2,769)	(2,454)
New Capital	196	24	(1,484)	167	184
Dividend payment	(2,164)	(2,677)	(3,292)	(4,206)	(5,530)
Other Fin. Cash Flow	(4,705)	(2,644)	(4,000)	(3,966)	(3,661)
<b>Financing Cash Flow</b>	<b>(5,678)</b>	<b>(5,247)</b>	<b>(14,045)</b>	<b>(10,773)</b>	<b>(11,461)</b>
<b>Net Change in Cash</b>	<b>(757)</b>	<b>99</b>	<b>12,442</b>	<b>5,485</b>	<b>5,209</b>
Cash - begin of the year	5,207	4,472	5,080	17,521	23,006
Cash - end of the year	4,472	5,080	17,521	23,006	28,215

**Exhibit 14. Key Ratio**

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
<b>Growth (%)</b>					
Sales	9.1	1.1	5.2	4.4	5.8
EBITDA	10.2	0.8	5.6	4.8	6.4
Operating profit	16.1	(0.5)	14.3	8.0	7.8
Net profit	3.2	2.3	29.4	22.1	7.8
<b>Profitability (%)</b>					
Gross margin	25.3	24.3	26.0	26.7	27.0
EBITDA margin	47.2	47.1	47.2	47.4	47.7
Operating margin	19.4	19.0	20.7	21.4	21.8
Net margin	8.7	8.8	10.9	12.7	13.0
ROAA	4.3	4.3	5.5	6.7	7.1
ROAE	15.2	14.3	17.1	19.1	19.1
<b>Leverage</b>					
Net Gearing (x)	0.3	0.3	(0.1)	(0.2)	(0.3)
Interest Coverage (x)	2.4	2.6	3.0	3.5	3.9

Source: ISAT, BRIDS Estimates

# Equity Research – Company Update

Monday, 04 May 2026

## BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Coal	<a href="mailto:erindra.krisnawan@brids.co.id">erindra.krisnawan@brids.co.id</a>
Victor Stefano	Banks, Poultry	<a href="mailto:victor.stefano@brids.co.id">victor.stefano@brids.co.id</a>
Christy Halim	Consumer, Retailers	<a href="mailto:christy.halim@brids.co.id">christy.halim@brids.co.id</a>
Andhika Audrey Eko Nugroho	Metal Mining, Oil & Gas	<a href="mailto:andhika.nugroho@brids.co.id">andhika.nugroho@brids.co.id</a>
Kafi Ananta Azhari	Telco, Technology	<a href="mailto:kafi.azhari@brids.co.id">kafi.azhari@brids.co.id</a>
Ni Putu Wilastita Muthia Sofi	Research Associate	<a href="mailto:wilastita.sofi@brids.co.id">wilastita.sofi@brids.co.id</a>
Naura Reyhan Muchlis	Research Associate	<a href="mailto:naura.muchlis@brids.co.id">naura.muchlis@brids.co.id</a>
Sabela Nur Amalina	Research Associate	<a href="mailto:sabela.amalina@brids.co.id">sabela.amalina@brids.co.id</a>

## BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	<a href="mailto:helmy.kristanto@brids.co.id">helmy.kristanto@brids.co.id</a>
Relindya Yuriswari S.	Economist	<a href="mailto:relindya.salehaningtyas@brids.co.id">relindya.salehaningtyas@brids.co.id</a>
Ebenezer Mesotuhu Harefa	Junior Economist	<a href="mailto:ebenezer.harefa@brids.co.id">ebenezer.harefa@brids.co.id</a>

## BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Institutional Sales Unit Head	<a href="mailto:novrita.putrianti@brids.co.id">novrita.putrianti@brids.co.id</a>
Ehrlich Suhartono	Institutional Sales Associate	<a href="mailto:ehrlich@brids.co.id">ehrlich@brids.co.id</a>
Adeline Solaiman	Institutional Sales Associate	<a href="mailto:adeline.solaiman@brids.co.id">adeline.solaiman@brids.co.id</a>
Andreas Kenny	Institutional Sales Associate	<a href="mailto:andreas.kenny@brids.co.id">andreas.kenny@brids.co.id</a>
Jason Joseph	Institutional Sales Associate	<a href="mailto:jason.joseph@brids.co.id">jason.joseph@brids.co.id</a>

## BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	<a href="mailto:mitcha.sondakh@brids.co.id">mitcha.sondakh@brids.co.id</a>
Suryanti Salim	Sales Trader	<a href="mailto:suryanti.salim@brids.co.id">suryanti.salim@brids.co.id</a>

## INVESTMENT RATING

<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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