

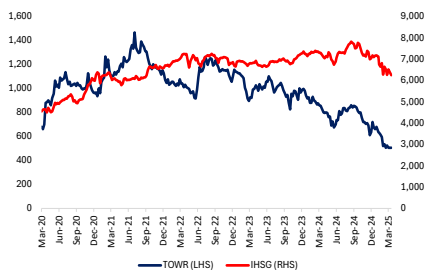


BUY

Price (Apr 10 th , 25)	515
Target Price	650
Potential Upside	26.21%
Market Cap	26.27 T
Number of Share	51.01 B
52w Lo/Hi	442 / 885

Source : IDX | Phintraco Sekuritas Research
| as of Apr 10th, 2025

IHSG vs TOWR



Source : IDX

Shareholder	%
PT Sapta Adhikari Investama	54%
PT Dwimuria Investama Andalan	5%
Public	38%

Source : Company | as of fin. statement FY2024

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2025F	65.67	71.49	-8.14
2026F	67.87	76.12	-10.84

Source : Bloomberg | as of Apr 10th, 2025

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PT Sarana Menara Nusantara Tbk

(TOWR.JK / TOWR.IJ)

Moderate Outlook With Emerging Growth Drivers

TOWR booked revenue of IDR 3.29 trillion in 4Q24 (-0.25% QoQ; +8.80% YoY), bringing its FY24 cumulative figure to IDR 12.74 trillion (+8.48% YoY). This result came in line with consensus (Cons: 102%) and slightly above our estimate (Phintas: 106.26%). The main contributor, the tower leasing segment, posted modest growth of IDR 8.52 trillion (+1.44% YoY) in FY24, reflecting the lingering impact of the ongoing Indosat-Hutchison consolidation. Nevertheless, TOWR managed to drive overall revenue growth through aggressive expansion in non-tower segments. FTTH & Connectivity revenue surged to IDR 2.14 trillion (+35.21% YoY), supported by strong growth in Home Connect and service activation, which increased by +45.80% YoY and +33.30% YoY, respectively. Additionally, the fiber segment delivered solid growth, with revenue reaching IDR 2.07 trillion (+18.09% YoY), in line with a fiber rollout expansion to 217 thousand km (+19.34% YoY). A revenue mix shift is starting to emerge, with the tower leasing business contribution declining to 66.92% (vs 71.57% in FY23), while fiber and non-tower segments increased to 18.09% (vs 16.30% FY23) and 16.78% (vs 13.46% FY23), respectively. This shift slightly compressed the EBITDA margin to 84.02% (vs 85.00% in FY23). At the bottom line, TOWR's interest expense increased by +9.78% YoY to IDR 3.14 trillion, mainly due to additional liabilities following the IBST.IJ acquisition in 2024. This pushed the Net Debt to EBITDA ratio to 4.80x (vs 4.46x in FY23) and DER to 2.74x (vs 2.73x in FY23). Despite the pressure, TOWR still delivered net profit of IDR 888 billion in 4Q24 (+5.38% QoQ; +7.25% YoY), bringing FY24 cumulative net profit to IDR 3.73 trillion (+29.28% YoY), in line with both our estimate and the consensus (Phintas: 99.44%; Cons: 98.87%).

Operator consolidation risk resurfaces as a key overhang for tower companies' growth trajectory. As a reference, in 2022 merger between Indosat and Hutchison previously weighed on tower leasing performance, with TOWR booking a -2.37% YoY revenue decline in FY23 before staging a modest recovery of +1.44% YoY in FY24. A similar challenge is emerging following the official approval of the merger between EXCL and FREN. Notably, EXCL was TOWR's largest tenant in FY24, contributing 31.68% of total revenue (vs 8-year avg: 29.02%), making this merger potentially impactful to TOWR's revenue outlook. Considering this risk, we expect the tower leasing segment to experience a slight contraction over FY25E-FY27F, with projected revenue changes of -1.02%/+2.29%/+2.70%, respectively. In line with this, we foresee a declining revenue contribution from tower leasing to 64.59%/64.25%/64.08% over FY25E-27F (vs 66.92% in FY24).

We expect tower revenue growth to remain in the low-single-digit range over FY25E-27F (+2.55%/+2.83%/+2.97% YoY). On the other hand, we see the next leg of growth coming from the fiber segment, which we project to deliver solid growth of +9.54%/+6.72%/+6.03% YoY during the same period.

In addition, synergies from non-tower segments particularly FTTH and activation services are also expected to grow by around +10.00% YoY, supported by increasing FTTH adoption and better utilization of existing infrastructure. With this shift in revenue contribution, we estimate EBITDA to grow modestly at +1.95%/+3.08%/+3.21% in FY25E–27F. However, EBITDA margin is projected to trend slightly lower at 83.52%/83.73%/83.92% (Mgmt guide: 83% in FY25E). As for the bottom line, net profit is expected to remain relatively flat, growing by only +0.46% YoY to IDR 3.35 trillion in FY25E, with net profit margin compressing to 25.65%. The muted profit growth is mainly attributed to the soft topline performance and persistently high interest expenses throughout 2025, in line with our view of a prolonged elevated interest rate environment.

We maintain our BUY recommendation on TOWR with a lower target price of IDR 650 (Prev: IDR 860), implying 7.5x EV/EBITDA FY25F. We foresee TOWR's top-line growth trending more conservatively, within a low-to-mid single-digit range, mainly due to softer momentum in the tower segment following the impact of ongoing telco operator consolidation which may weigh on new tower buildouts and collocation demand over the next few years. That said, growth opportunities remain supported by diversification into non-tower segments. Backed by robust infrastructure ownership, we believe this segment is starting to gain traction and could serve as a new engine of growth going forward. **Downside risks:** (1) Elevated interest rates that could pressure profitability; (2) Intensifying competition in the fiber segment.

Financial Highlight

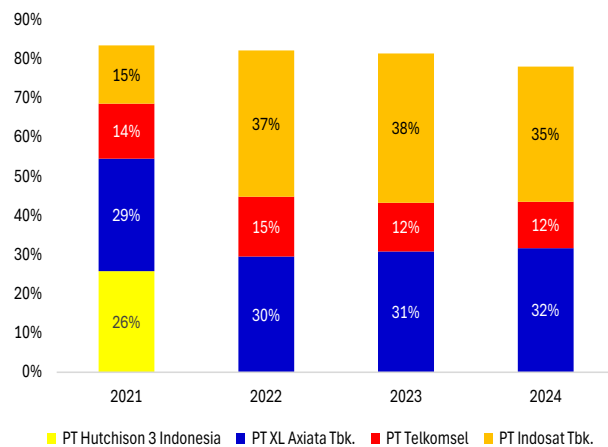
Table 1. Financial and Operational Performance TOWER 12M24

PT Sarana Menara Nusantara Tbk												
(in Billion IDR)	12M23	12M24	YoY	4Q23	3Q24	4Q24	QoQ	YoY	Phintas Estimates	%Phintas	Consensus Estimate	%Consensus
Income Statement												
Revenue	11,740	12,736	8.48%	3,021	3,295	3,287	-0.25%	8.80%	11,986	106.26%	12,503	101.87%
<i>Rental Income</i>	10,534	11,477	8.95%	2,641	2,980	2,930	-1.65%	10.95%				
<i>Services and Others</i>	1,206	1,259	4.37%	380	316	356	12.91%	-6.19%				
Cost of Revenue	3,528	3,996	13.28%	1,062	1,034	1,104	6.83%	3.97%	3,334	119.86%	3,838	104.13%
Gross Profit	8,213	8,739	6.42%	1,959	2,261	2,183	-3.49%	11.41%	8,652	101.01%	8,665	100.86%
EBITDA	9,980	10,700	7.22%	2,563	2,812	2,754	-2.06%	7.48%	10,174	105.17%	10,520	101.72%
Net Profit	3,253	3,335	2.51%	828	842	888	5.38%	7.25%	3,354	99.44%	3,373	98.87%
EPS	63.77	65.37	2.51%	16.22	16.51	17.40	5.38%	7.25%	65.74	99.44%	66.11	98.87%
Profitability Ratios												
Gross Profit Margin (%)	69.95%	68.62%		64.84%	68.63%	66.40%			72.18%		69.30%	
EBITDA Margin (%)	85.00%	84.02%		84.83%	85.35%	83.80%			84.88%		84.14%	
Net Profit Margin (%)	27.71%	26.18%		27.39%	25.56%	27.00%			27.98%		26.98%	
Operational Data												
Towers	30,558	35,400	15.85%									
Tenant	54,284	58,035	6.91%									
Tenancy Ratio	1.78x	1.64x	-7.71%									
Average Revenue / Tenant per Month (IDR Million)	12.92	12.48	-3.40%									
Average Revenue / Fiber per Month (IDR Thousand)	852	837	-1.77%									
FTTH Fiber (Km)	182,256	217,507	19.34%									
FTTH (Home Connect)	118,486	169,242	42.84%									

Source : Company | Phintraco Sekuritas Research

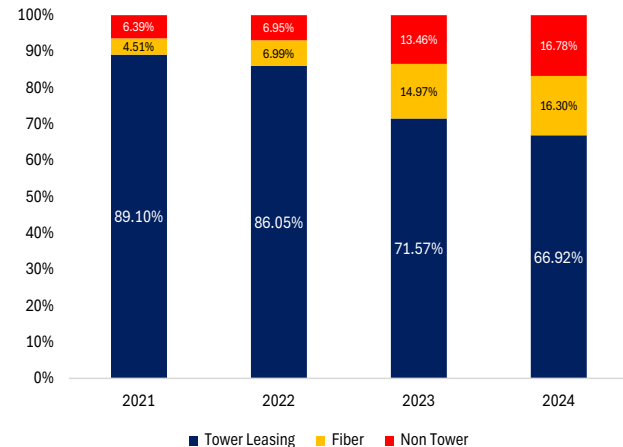
Key Operational Highlight

Figure 1. Tenant Composition by Mobile Network Operator



Source : Company | Phintraco Sekuritas Research

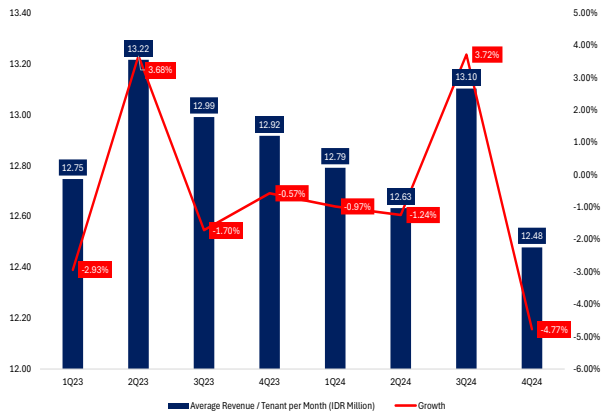
Figure 2. Revenue Composition by Business Segment



Source : Company | Phintraco Sekuritas Research

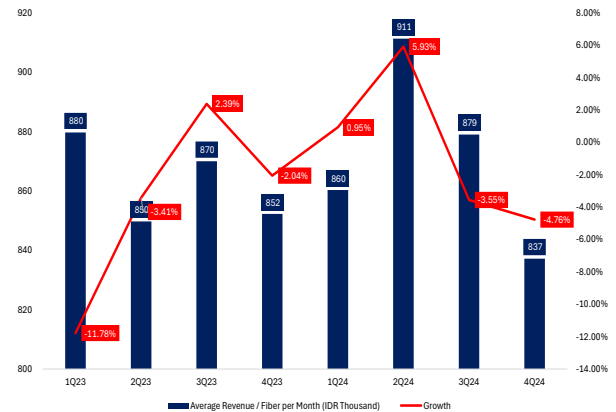
Key Operational Highlight

Figure 3. TOWR's Tower Lease Rate Trend



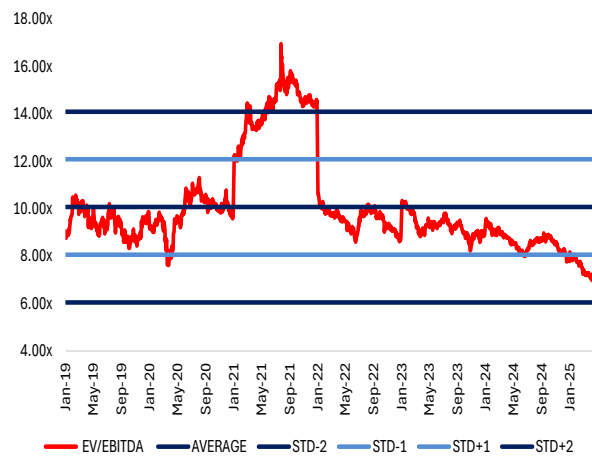
Source : Company | Phintraco Sekuritas Research

Figure 4. TOWR's Fiber Rate Trend



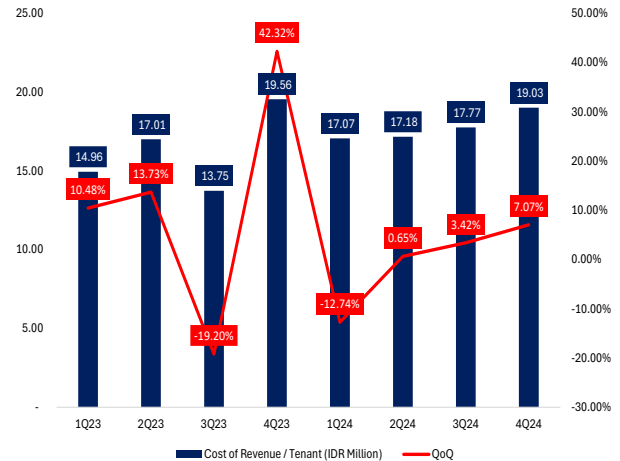
Source : Company | Phintraco Sekuritas Research

Figure 5. EV/EBITDA 6-Years



Source : Bloomberg | Phintraco Sekuritas Research

Figure 6. Average Cost per Tenant



Source : Company | Phintraco Sekuritas Research

Table 2. Industry Peer Comparison

Company Name	Ticker	*Last Price	Market Cap (In IDR Bn)	P/E	P/BV	EV/EBITDA	Net Debt/EBITDA	ROE (%)	Dividend Yield (%)
PT Dayamitra Telekomunikasi Tbk	MTEL IJ	530	44,287	18.45x	1.25x	7.97x	1.98x	6.80%	4.31%
PT Sarana Menara Nusantara Tbk	TOWR IJ	515	26,273	7.20x	1.21x	7.04x	3.99x	17.56%	4.68%
PT Tower Bersama Infrastructure Tbk	TBIG IJ	1,935	43,841	25.37x	3.39x	12.41x	4.63x	13.41%	2.59%
Weighted Average				18.52x	2.06x	9.46x	3.46x	11.80%	3.74%

Source : Bloomberg | Phintraco Sekuritas Research | *as of April 10th 2025

Financial Performance

(in Billion Rupiah)

BALANCE SHEET	FY23	FY24	FY25E	FY26F	FY27F
Asset					
Cash	429	940	873	907	966
Accounts Receivable	3,086	3,293	3,279	3,458	3,516
Total Current Assets	4,427	4,956	5,052	5,291	5,436
Fixed Assets	40,385	47,478	48,565	49,670	50,799
Total Non Current Assets	63,992	72,873	73,678	74,975	76,245
Total Asset	68,419	77,828	78,730	80,266	81,681
Liabilities					
Trade Payables	1,207	1,008	1,115	1,177	1,228
Current Maturities Short Term D	18,590	15,200	20,564	19,942	19,134
Unearned Revenue	2,457	2,190	2,507	2,578	2,655
Total Current Liabilities	24,299	20,124	26,282	25,852	25,236
Lease liabilities	180	673	199	193	185
Bank Loans	24,826	35,265	27,462	26,631	25,552
Bonds Payable	1,318	1,198	1,457	1,413	1,356
Total Non Current Liabilities	27,608	38,535	30,601	29,762	28,663
Total Liabilities	51,907	58,659	56,883	55,614	53,899
Equity	16,512	19,169	21,847	24,652	27,782

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

CASH FLOW	FY23	FY24	FY25E	FY26F	FY27F
Cash Flow from Operating					
Net Income	3,253	3,335	3,350	3,462	3,815
Depreciation & Amortization	1,094	2,301	1,409	1,455	1,503
Working Capital	(175)	(407)	120	(118)	(7)
Others	346	(396)	510	105	114
Net-CFFO	4,518	4,833	5,389	4,905	5,424
Cash Flow from Investing					
CAPEX	(4,327)	(9,394)	(2,496)	(2,560)	(2,632)
Others	1,215	(1,788)	282	(192)	(141)
Net-CFFI	(3,112)	(11,181)	(2,214)	(2,752)	(2,773)
Cash Flow from Financing					
Short Term Debt	9,026	(3,390)	5,364	(622)	(808)
Long Term Debt	(9,085)	10,813	(8,018)	(881)	(1,144)
Change in other non-current liabilities	(24)	141	79	54	54
Equity	(3)	196	-	-	-
Net-CFFF	(1,286)	6,860	(3,242)	(2,118)	(2,591)
NET CASH FLOW	120	512	(67)	34	60

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

INCOME STATEMENT	FY23	FY24	FY25E	FY26F	FY27F
Revenue	11,740	12,736	13,060	13,430	13,828
<i>Growth</i>	<i>6.39%</i>	<i>8.48%</i>	<i>2.55%</i>	<i>2.83%</i>	<i>2.97%</i>
Cost of Revenues	(3,528)	(3,996)	(3,792)	(3,973)	(4,161)
Gross Profit	8,213	8,739	9,269	9,457	9,667
<i>Gross Profit Margin</i>	<i>69.95%</i>	<i>68.62%</i>	<i>70.97%</i>	<i>70.42%</i>	<i>69.91%</i>
EBITDA	9,980	10,700	10,908	11,244	11,605
<i>EBITDA Margin</i>	<i>85.00%</i>	<i>84.02%</i>	<i>83.52%</i>	<i>83.73%</i>	<i>83.92%</i>
EBIT	6,941	7,266	7,703	7,948	8,138
<i>EBIT Margin</i>	<i>59.12%</i>	<i>57.05%</i>	<i>58.98%</i>	<i>59.18%</i>	<i>58.85%</i>
Finance Cost	(2,858)	(3,138)	(3,547)	(3,647)	(3,400)
EBT	4,104	4,196	4,215	4,356	4,800
<i>EBT Margin</i>	<i>34.95%</i>	<i>32.94%</i>	<i>32.27%</i>	<i>32.44%</i>	<i>34.71%</i>
Net Profit	3,253	3,335	3,350	3,462	3,815
<i>Net Profit Margin</i>	<i>27.71%</i>	<i>26.18%</i>	<i>25.65%</i>	<i>25.78%</i>	<i>27.59%</i>

Source : Company | Phintraco Sekuritas Research

RATIOS	FY23	FY24	FY25E	FY26F	FY27F
Profitability Ratio (%)					
<i>GPM</i>	69.95%	68.62%	70.97%	70.42%	69.91%
<i>OPM</i>	59.12%	57.05%	58.98%	59.18%	58.85%
<i>EBITDA Margin</i>	85.00%	84.02%	83.52%	83.73%	83.92%
<i>NPM</i>	27.71%	26.18%	25.65%	25.78%	27.59%
<i>ROA</i>	4.75%	4.28%	4.26%	4.31%	4.67%
<i>ROAE</i>	4.85%	4.56%	4.26%	4.36%	4.71%
<i>ROE</i>	19.77%	17.46%	15.37%	14.08%	13.76%
<i>ROAE</i>	21.03%	18.69%	15.33%	14.89%	14.55%
Activity Ratio (X)					
<i>Inventory Turnover</i>	806	799	799	799	799
<i>Receivables Turnover</i>	3.80	3.87	3.98	3.88	3.93
<i>Payables Turnover</i>	2.92	3.96	3.40	3.38	3.39
<i>Days of Inventory</i>	0.45	0.45	0.45	0.45	0.45
<i>Days of Receivables</i>	94.64	93.08	90.38	92.70	91.54
<i>Days of Payables</i>	123.17	90.82	105.89	106.63	106.26
<i>Cash Operating Cycle</i>	0.88	(0.10)	0.58	0.51	0.54
Leverage Ratio (x)					
<i>DER</i>	2.73x	2.74x	2.28x	1.96x	1.67x
<i>DAR</i>	0.66x	0.67x	0.63x	0.60x	0.57x
<i>Interest Bearing Debt (In IDR Bn)</i>	44,913	52,336	49,682	48,180	46,227
<i>Net Debt (In IDR Bn)</i>	44,484	51,396	48,809	47,273	45,261
<i>Net Gearing Ratio</i>	2.70x	2.69x	2.24x	1.92x	1.63x
<i>Interest Coverage Ratio (ICR)</i>	2.43x	2.32x	2.17x	2.18x	2.39x
<i>Net Debt / EBITDA</i>	4.46x	4.80x	4.47x	4.20x	3.90x
Liquidity Ratio (X)					
<i>Current Ratio</i>	0.18x	0.25x	0.19x	0.20x	0.22x
<i>Quick Ratio</i>	0.18x	0.25x	0.19x	0.20x	0.21x
<i>Cash Ratio</i>	0.16x	0.20x	0.16x	0.17x	0.18x
Price Ratio					
<i>Price per Share at the end of the year</i>	650	650	650	650	650
<i>Outstanding Shares (in Billion)</i>	51	51	51	51	51
<i>EPS (IDR) (annualized)</i>	64	65	66	68	75
<i>BVPS (IDR)</i>	324	376	428	483	545
<i>PER(X)</i>	10.19x	9.94x	9.90x	9.58x	8.69x
<i>PBV(X)</i>	2.01x	1.73x	1.52x	1.35x	1.19x
<i>EV/EBITDA (annualized)</i>	7.79x	7.91x	7.52x	7.16x	6.76x
Dividend					
<i>DPS</i>	23.53	17.67	13.07	13.13	13.57
<i>DPR</i>	34.87%	27.71%	20.00%	20.00%	20.00%
<i>Div. Yield</i>	1.85	1.39	1.03	1.03	1.07

Source : Company | Phintraco Sekuritas Research

Glossarium

ARPU	: Average Revenue per User
BVPS	: Book Value per Share
CFFF	: Cash Flow from Financing
CFFI	: Cash Flow from Investing
CFFO	: Cash Flow from Operating
DPR	: Dividend Payout Ratio
DPS	: Dividend per Share
EBIT	: Earning Before Interes & Tax
EBITDA	: Earning Before Interest, Tax, Depreciation & Amortization
EBT	: Earning Before Tax
EPS	: Earning per Share
EV	: Enterprise Value
FBB	: Fixed Broadband
FMC	: Fixed Mobile Convergence
FTTH	: Fiber to the Home
NPM	: Net Profit Margin
NPM	: Net Profit Margin
OPM	: Operating Profit Margin
PBV	: Price to Book Value
PER	: Price to Earning Ratio
ROA	: Return on Asset
ROE	: Return on Equity



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Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of $> +10\%$ over the next 12 months.
- Hold : The stock is expected to give total return of $> 0\%$ to $\leq +10\%$ over the next 12 months.
- Sell : The stock is expected to give total return of $< 0\%$ over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

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Kantor Cabang & Mitra GI BEI



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