

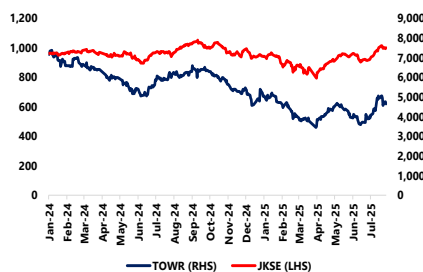


HOLD

Price (Aug 5 th , 25)	625
Target Price	650
Potential Upside	4.00%
Market Cap	37.53 T
Number of Share	58.12 B
52w Lo/Hi	442 / 885

Source : IDX | Phintraco Sekuritas Research
| as of Aug 5th, 2025

IHSG vs TOWR



Source : IDX

Shareholder	%
PT Sapta Adhikari Investama	45.3*
PT Dwimuria Investama Andalan	15.7*
Public	37.4*

Source : Company | KSEI | *after PMHMETD

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

Source : Bloomberg

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PT Sarana Menara Nusantara Tbk (TOWR.JK / TOWR.IJ)

IDX LQ-45, Kompas 100, MSCI Small Cap Index

Solid Non-Tower Expansion But Tower Pressure Remains

TOWR delivered a moderate financial performance in 2Q25, recording revenue of IDR3.19 trillion (-0.7% QoQ; +2.5% YoY). On a cumulative basis, 1H25 revenue reached IDR6.39 trillion (+3.9% YoY), broadly in line with our estimates, the consensus, and the 5-year historical average (Phintas: 50%; Consensus: 48%; 5Y Avg: 48%). The tower segment, which remains the main contributor, posted a +2.9% YoY growth to IDR4.26 trillion. Meanwhile, the fiber and FTTH segments showed solid performance, with respective growth of +9.96% YoY and +29.22% YoY. This was supported by continued asset expansion, with total productive fiber reaching 226.92 km (+16.3% YoY) and Homeconnect subscribers rising to 207.72k (+52.9% YoY)

On the profitability side, 2Q25 EBITDA came in at IDR2.65 trillion (-1.2% QoQ; +2.2% YoY), with margins remaining high at 83.04% (vs 83.48% in 1Q25). Cumulatively, 1H25 EBITDA reached IDR5.32 trillion (+3.7% YoY), with the EBITDA margin at 83.26%, slightly down from 83.41% in 1H24. At the bottom line, net profit rose by +5.8% QoQ (+5.2% YoY) to IDR849 billion in 2Q25, bringing cumulative 1H25 net profit to IDR1.65 trillion (+2.9% YoY). This represents 54.4% of our full-year estimate, though it remains below the consensus estimate of 45.2%.

On the operational front, TOWR recorded a solid +13.7% YoY growth in the number of towers, reaching 35.83 thousand units as of 1H25. However, tenant growth was relatively softer at +7.1% YoY to 58.16 thousand, resulting in a decline in tenancy ratio to 1.62x. The average revenue per tenant (ARPT) also declined by -3.9% YoY to IDR12.14 million, while revenue per km of fiber dropped -7.1% YoY to IDR683 thousand. These trends reflect growing pressure on tenant demand relative to asset expansion. On the other hand, non-tower expansion remained healthy, as shown by the total FTTT pole length increasing +20.72% YoY to 122.197 thousand km, and Homeconnect subscribers rising shalDRly by +52.9% YoY to 207.72 thousand. However, the larger increase in home passes (+47.2% YoY) led to only a modest improvement in the take-up rate, which rose to 11.6% (vs 11.2% in 1H24).

We downgrade our recommendation on TOWR from BUY to HOLD, with a target price of IDR650, in line with the company's financial performance up to 1H25, which was broadly in line with our expectations, the consensus, and historical trends. Looking ahead, we see potential headwinds from the ongoing telecom operator consolidation (XL and FREN), which could pose a challenge to the tower sector due to a site rationalization process that is expected to last over the next 2-3 years. TOWR has also completed a rights issue corporate action, raising a total of IDR5.5 trillion, which will be allocated toward debt repayment for its subsidiary, Protelindo. We view this move positively, as it should improve the capital structure and reduce interest expenses. Based on the 1H25 earnings call, management noted that this year marks the final phase of the network rationalization between ISAT and Hutch, which is expected to support a rebound in tower demand moving forward. **Downside Risks:** (1) Further decline in tenancy ratio due to continued operator rationalization; (2) Intense pricing competition in the connectivity and FTTH segments, which may pressure margins.

Table 1. TOWR's Financial Performance 1H25

PT Sarana Menara Nusantara Tbk - TOWR												
(in Billion IDR)	1H24	1H25	YoY	2Q24	1Q25	2Q25	QoQ	YoY	Phintas Estimates	%Phintas	Consensus Estimate	%Consensus
Income Statement												
Revenue	6,154	6,394	3.91%	3,107	3,208	3,186	-0.71%	2.53%	12,668	50%	13,235	48%
Tower	4,137	4,257	2.90%	2,056	2,141	2,116	-1.17%	2.92%				
Fiber	994	1,093	9.96%	518	549	544	-0.91%	5.02%				
Connectivity	779	730	-6.29%	408	350	380	8.57%	-6.86%				
FTTH	243	314	29.22%	125	218	96	-55.96%	-23.20%				
Operating Profit	3,503	3,615	3.18%	1,794	1,783	1,832	2.73%	2.12%	7,320	49%	7,846	46%
EBITDA	5,133	5,324	3.72%	2,588	2,679	2,646	-1.23%	2.21%	10,516	51%	11,073	48%
Net Profit	1,605	1,652	2.93%	808	803	849	5.81%	5.16%	3,039	54%	3,653	45%
Profitability Ratios												
Operating Profit Margin (%)	56.93%	56.53%		57.72%	55.58%	57.50%			57.79%		59.28%	
EBITDA Margin (%)	83.41%	83.26%		83.29%	83.48%	83.04%			83.01%		83.66%	
Net Profit Margin (%)	26.08%	25.84%		25.99%	25.02%	26.66%			23.99%		27.60%	

Source : Company | Phintraco Sekuritas Research

Table 2. TOWR's Operational Highlight 1H25

PT Sarana Menara Nusantara Tbk - TOWR			
Operational Highlight	1H24	1H25	YoY
Tower			
Towers	31,502	35,825	13.7%
Tenant	54,326	58,158	7.1%
Tenancy Ratio (x)	1.72x	1.62x	-5.9%
Average Revenue / Tenant per Month (IDR Million)	12.63	12.14	-3.9%
Revenue / Tower per Month (IDR Million)	21.91	19.78	-9.7%
Fiber			
Fiber Generating Revenue (Km)	229,572	266,921	16.3%
Fiber to the Tower (Km)	192,332	219,955	14.4%
Fiber to the Tower Pole (Km)	101,227	122,197	20.7%
Utilization Ratio (x)	1.90x	1.80x	-5.3%
Average Revenue / Fiber per Month (IDR Thousand)	735	683	-7.1%
Home Passes	1,211,600	1,783,400	47.2%
Home Connect	135,897	207,723	52.9%
Take Up Rate (%)	11.22%	11.65%	3.8%

Source : Company | Phintraco Sekuritas Research



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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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