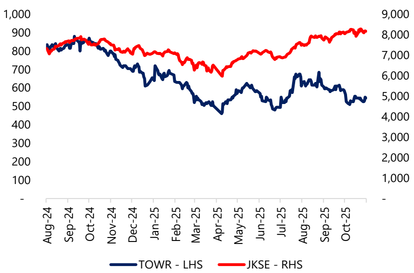
BUY

Price (Nov 03rd, 25)	550
Target Price	650
Potential Upside	18.18%
Market Cap	32.51 T
Number of Share	59.10 B
52w Lo/Hi	442 / 885

Source : IDX | Phintraco Sekuritas Research | as of Nov 03rd, 2025

IHSG vs TOWR



Source : IDX

Shareholder	%
PT Sapta Adhikari Investama	45.3
PT Dwimuria Investama Andalan	20.0
Public	34.7

Source : Bloomberg

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

Resilience Amid Tenant Rationalization, Fiber Gains Traction

TOWR delivered a relatively muted performance in 3Q25, with segmental results showing a mixed trend. The company booked revenue of IDR3.29 trillion (+3.35% QoQ; -0.08% YoY), bringing cumulative 9M25 revenue to IDR9.69 trillion (+2.52% YoY), broadly in line with both our estimates and consensus (Phintas: 74%; Cons: 73%). Growth in the tower leasing segment remained modest, with revenue largely flat at IDR2.12 trillion (+0.24% QoQ; -4.07% YoY), mirroring the limited tenant additions — total tenants edged up only 0.08% YoY, driving a slight moderation in tenancy ratio to 1.61x (vs 1.64x in 9M24). The soft performance in the tower segment was partly attributable to the ongoing mobile operator rationalisation, noting both operators collectively contribute an estimated ~36–38% of TOWR's revenue. Meanwhile, non-tower businesses continued to act as a key buffer, particularly FTTH and connectivity. FTTH revenue grew +26.30% YoY in 9M25, supported by an expansion in home-passes to 1.80 million (+19.73% YoY) and home-connect subscribers reaching 235.9k (+48.71% YoY), lifting the take-up rate to 13.13% (vs 10.57% in 9M24). From a fiber asset standpoint, revenue-generating fiber length increased 4.17% YoY to 268.9k km, although utilisation experienced a slight normalization to 1.80x (vs 1.82x in 9M24).

TOWR delivered a solid bottom-line performance in 3Q25, with profitability remaining well-supported despite margin normalization. The company booked EBITDA of IDR2.71 trillion in 3Q25 (+2.33% QoQ; -3.75% YoY), bringing cumulative 9M25 EBITDA to IDR8.03 trillion (+1.08% YoY). EBITDA margin moderated to 82.91% in 9M25 (vs 84.09% in 9M24), in line with the rising contribution from non-tower segments, which structurally carry lower margins. Net profit reached IDR903 billion in 3Q25 (+6.28% QoQ; +7.19% YoY), driving cumulative net profit to IDR2.56 trillion in 9M25 (+4.39% YoY), with net profit margin expanding to 26.37% in 9M25 (vs 25.90% in 9M24). The earnings uplift was supported by a 6.52% QoQ (-4.74% YoY) decline in finance costs following a reduction in interest-bearing debt of approximately IDR5.5 trillion. This balance sheet optimization lowered interest expenses and strengthened overall profitability.

TOWR's performance over 9M25 remained broadly in line with our expectations, although several headwinds continue to linger. With the two operators collectively contributing over 30% of TOWR's revenue, we believe the ongoing tenancy rationalization could limit growth acceleration in the near term. That said, TOWR's diversification strategy through the expansion of its fiber businesses—both FTTT and FTTH—has increasingly provided a meaningful earnings buffer, reflected in a solid 3-year CAGR of 61.69%, alongside a rising revenue contribution from these segments. Looking ahead, management's key focus will revolve around navigating the consolidation impact, particularly in mitigating churn to preserve profitability. We also see a widening runway for growth in the fiber segment, underpinned by both FTTT and FTTH expansion. Moreover, TOWR's stake in DATA.IJ reinforces the Group's strategic commitment to accelerating the development of a more extensive and scalable FTTH ecosystem.

We maintain our BUY recommendation on TOWR with a target price of IDR650, as its performance remains in line with our expectations *(see our previous report).* TOWR is currently trading at 7.2x EV/EBITDA, implying a ~31% discount to its 6-year historical average of 10.4x. While TOWR is likely to be the most exposed to the EXCL–FREN consolidation, the increasingly solid contribution from its fiber segment and a healthier balance sheet (DER at 1.7x vs 2.6x in 1H25) provide upside room for future growth. Downside risks to our view include: 1) higher-than-expected churn arising from the EXCL–FREN tenancy rationalization, and 2) slower-than-expected monetization of non-tower businesses.

Table 1. TOWR`s Financial Performance 9M25

PT Sarana Menara Nusantara Tbk - TOWR.IJ												
(in Billion IDR)	9M24	9M25	YoY	3Q24	2Q25	3Q25	QoQ	YoY	Phintas Estimates	%Phintas	Consensus Estimate	%Consensus
Income Statement												
Revenue	**9,449**	**9,687**	**2.52%**	**3,295**	**3,186**	**3,292**	**3.35%**	**-0.08%**	**13,130**	**74%**	**13,235**	**73%**
Tower	*6,348*	*6,378*	*0.47%*	*2,211*	*2,116*	*2,121*	*0.24%*	*-4.07%*				
FTTT	*1,532*	*1,644*	*7.31%*	*538*	*544*	*551*	*1.29%*	*2.42%*				
Connectivity	*1,185*	*1,180*	*-0.42%*	*406*	*380*	*450*	*18.42%*	*10.84%*				
FTTH	*384*	*485*	*26.30%*	*141*	*146*	*171*	*17.12%*	*21.28%*				
Operating Profit	**5,294**	**5,469**	**3.32%**	**1,790**	**1,832**	**1,855**	**1.25%**	**3.60%**	**7,787**	**70%**	**7,846**	**70%**
EBITDA	**7,946**	**8,031**	**1.08%**	**2,812**	**2,646**	**2,707**	**2.33%**	**-3.75%**	**10,978**	**73%**	**11,073**	**73%**
Net Profit	**2,447**	**2,555**	**4.39%**	**842**	**849**	**903**	**6.28%**	**7.19%**	**3,404**	**75%**	**3,653**	**70%**
Profitability Ratios												
Operating Profit Margin (%)	56.02%	56.46%		54.33%	57.50%	56.33%			59.30%		59.28%	
EBITDA Margin (%)	84.09%	82.91%		85.35%	83.04%	82.22%			83.61%		83.66%	
Net Profit Margin (%)	25.90%	26.37%		25.56%	26.66%	27.42%			25.93%		27.60%	

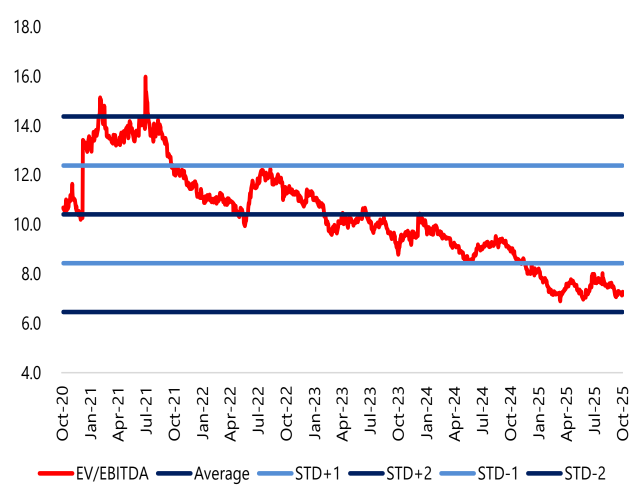
Source : Company | Phintraco Sekuritas Research

Table 2. TOWR`s Operational Highlight 9M25

PT Sarana Menara Nusantara Tbk - TOWR.IJ			
Operational Highlight	9M24	9M25	YoY
Tower			
Towers	35,371	36,049	1.92%
Tenant	58,165	58,213	*0.08%*
Tenancy Ratio (x)	1.64x	1.61x	*-1.80%*
Average Revenue / Tenant per Month (IDR Million)	12.64	12.14	*-4.01%*
Revenue / Tower per Month (IDR Million)	62.51	58.84	*-5.87%*
Fiber			
Fiber Generating Revenue (Km)	258,135	268,901	4.17%
Fiber to the Tower (Km)	215,671	221,419	*2.67%*
Fiber to the Tower Pole (Km)	118,501	123,000	*3.80%*
Utilization Ratio (x)	1.82x	1.80x	-1.10%
Average Revenue / Fiber per Month (IDR Thousand)	863	827	*-4.15%*
Home Passes	1,500,000	1,795,900	*19.73%*
Home Connect	158,620	235,890	*48.71%*
Take Up Rate (%)	10.57%	13.13%	*24.21%*

Source : Company | Phintraco Sekuritas Research

Figure 1. TOWR Forward 12M EV/EBITDA



Source : Bloomberg | Phintraco Sekuritas Research

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Rating for Stocks :

Buy	: The stock is expected to give return of more than 10% over the next 12 months.
Hold	: The stock is expected to give return of between -10% and 10% over the next 12 months.
Sell	: The stock is expected to give total return of < -10% 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