

**4Q25F recovery intact; FY26F margin lift on discipline**

5 February 2026



ISAT IJ	
Sector	Telecomm.
Price at 4 February 2026 (IDR)	2,140
Price target (IDR)	2,500
Upside/Downside (%)	16.8

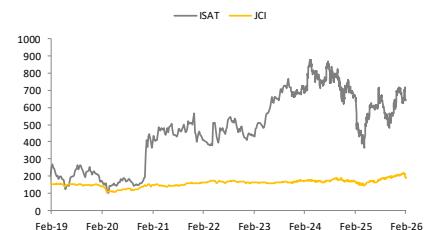
**Stock Information**

PT Indosat Tbk, trading as Indosat Ooredoo Hutchison, is a telecommunications provider in Indonesia which is owned by Ooredoo Hutchison Asia, a joint venture between Ooredoo and Hutchison Asia Telecom Group since 2022.

Market cap (IDR bn)	69,017
Shares outstanding (mn)	32,251
52-week range (IDR)	1,240-2,600
3M average daily vol. ('000)	29,071
3M average daily val. (IDR mn)	47,502

**Shareholders (%)**

Ooredoo Asia Pte. Ltd.	65.7
PPA	9.6
TTI	10.8
Public	14.0

**Stock Performance**


Source: Bloomberg

	1M	3M	12M
Performance	2.33	13.11	-1.35

**Analyst**

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ISAT's sequential recovery since 3Q25 looks sustainable into 4Q25F, supported by a healthier industry pricing environment and improving traffic momentum. Into FY26F, steady data-led growth and disciplined cost-control should sustain margin resilience. Maintain our BUY call with a target price of IDR2,500, based on a 3.2x FY26F EV/EBITDA, which is within 5yrs avg. historical mean.

**4Q25F: continued qoq recovery on healthier market conditions**

ISAT should deliver another step-up in 4Q25F, extending the sequential recovery seen since 3Q25. We forecast data-services revenue +4.8% qoq to IDR11.3 tn (vs. +4.5% qoq in 3Q25), driven by ongoing industry market repair, simplified starter pack/voucher structure, and a mild seasonal tailwind. This should be supported by data traffic +6.9% qoq (vs. +4.7% qoq in 3Q25). Overall, we expect consolidated revenue to reach IDR14.7 tn (+4.5% qoq), accelerating from +3.8% qoq in 3Q25.

Cost of services remains elevated (+4.4% qoq to IDR6.3 tn, vs. +4.1% qoq in 3Q25) on higher partnership costs, network maintenance and frequency fees, but this should be partially offset by tighter opex discipline, with S&M cost -3.2% qoq to IDR391.5 bn as management adopts a more selective A&P approach. As a result, cash-costs are expected to decline 1.1% qoq to IDR7.5 tn, driving EBITDA +2.5% qoq to IDR6.6 tn (vs. +0.8% qoq in 3Q25). The ability to grow EBITDA despite higher service-costs reinforces improving cost-management.

**FY26F: solid operating momentum; margin lift driven by cost-discipline**

Into FY26F, growth remains anchored by data-services, supported by continued network expansion and quality improvement. We project data-services revenue +7.2% yoy to IDR48.7 tn, underpinned by stable mobile subs (94.9 mn, +0.1% yoy) and data-traffic +8.3% yoy to 19,088 PB, implying stable data-yield at IDR2.55/MB. Incremental upside should come from improved FBB monetization, with FBB subscribers +4.9% yoy as penetration remains structurally underdeveloped in Indonesia. Overall, FY26F total revenue is expected to grow 4.9% yoy to IDR59.2 tn.

Importantly, margin resilience should be supported by cost-control: cash-costs +4.6% yoy to IDR30.6 tn, with cost of services +4.5% yoy to IDR23.8 tn (below 5yrs avg. of 5.2%). Total expenses are projected to rise only 3.8% yoy to IDR47.0 tn, a marked improvement vs. +10.4% in FY24, reflecting sustained operational improvements post-integration. We expect EBITDA margin to edge up to 48.3% (vs. 48.1% in FY25F), translating to EBITDA +5.2% yoy to IDR28.6 tn. Net profit is forecast at IDR5.5 tn, with net margin improving to 9.3% (vs. 8.9% in FY25F).

**Reiterate BUY with TP of IDR2,500**

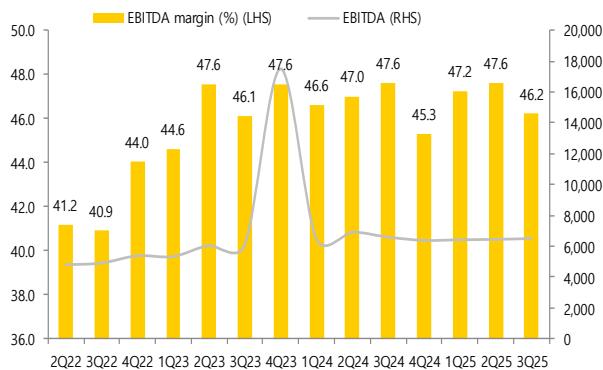
Maintain our BUY call with a target price of IDR2,500, based on a 3.2x FY26F EV/EBITDA, which is within 5yrs avg. historical mean. ISAT currently trades at 2.8x EV/EBITDA, implying a 14.0% discount to its 5yrs mean (3.2x), still attractive given improving operating momentum and ongoing margin discipline. Catalysts: stronger-than-expected market repair; sharper A&P expense efficiency; faster FBB monetization. Risks: renewed competitive intensity; higher-than-expected partnership/frequency costs; weaker macro demand.

**Exhibit 1: Key Statistics**

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue (IDR bn)	51,229	55,887	56,458	59,218	62,492
EBITDA (IDR)	23,938	26,375	27,166	28,577	30,657
Net profit (IDR)	4,506	4,911	5,008	5,530	6,495
EPS (IDR)	139.7	152.3	155.3	171.5	201.4
ROA	3.9	4.3	4.3	4.6	5.3
ROE	3.8	3.8	3.6	3.7	4.0
PER (x)	15.3	14.1	13.8	12.5	10.6
PBV (x)	2.9	2.6	2.4	2.3	2.1
EV/EBITDA (x)	3.3	3.0	2.8	2.6	2.4

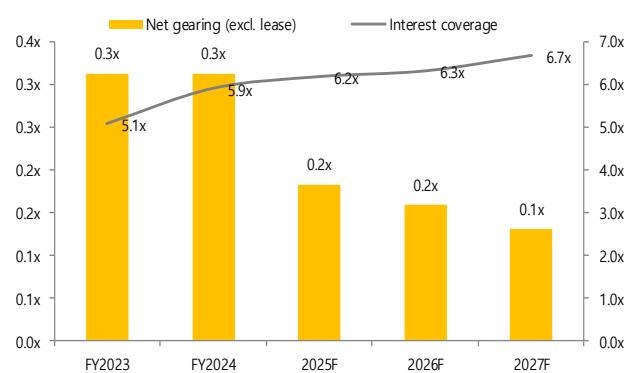
Source: Company, KBVS Research

**Exhibit 2: ISAT's EBITDA margin**



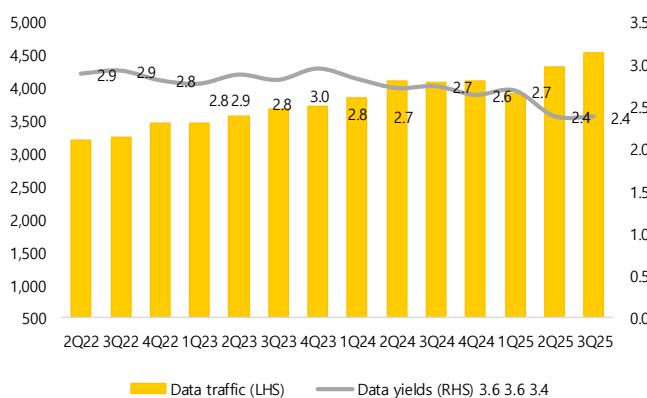
Source: Company, KBVS Research

**Exhibit 3: Leverage metrics**



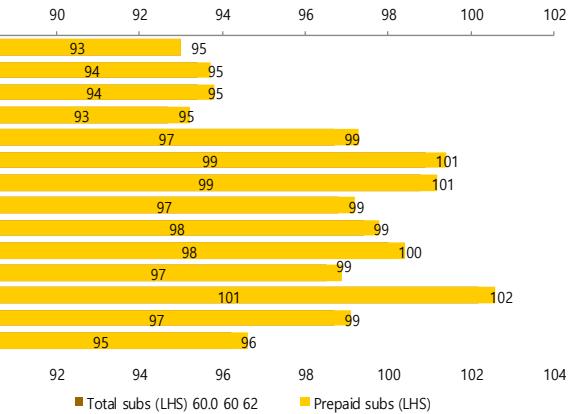
Source: Company, KBVS Research

**Exhibit 4: Data traffic and yields qoq**



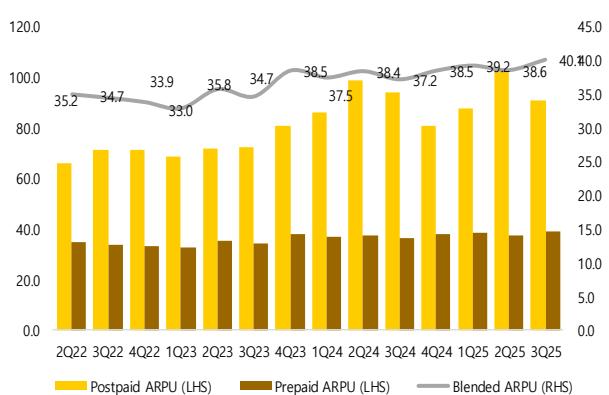
Source: Company, KBVS Research

**Exhibit 5: Number of subscribers**



Source: Company, KBVS Research

**Exhibit 6: Postpaid, prepaid and blended ARPUs**



Source: Company, KBVS Research

**Exhibit 7: Currently trading below 5yrs mean**



Source: Company, Bloomberg

**FINANCIAL TABLES**
**Exhibit 8: Profit & Loss summary**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
<b>Revenue</b>	<b>51,229</b>	<b>55,887</b>	<b>56,458</b>	<b>59,218</b>	<b>62,492</b>
Costs	-40,801	-45,049	-45,299	-47,032	-48,884
<b>Operating profit</b>	<b>10,428</b>	<b>10,838</b>	<b>11,159</b>	<b>12,185</b>	<b>13,608</b>
<b>EBITDA</b>	<b>23,938</b>	<b>26,375</b>	<b>27,166</b>	<b>28,577</b>	<b>30,657</b>
Net finance income/ cost	(4,394)	(4,115)	(4,103)	(4,360)	(4,417)
Other income/ expenses	(103)	9	9	9	9
Pretax profit	5,932	6,733	7,066	7,834	9,201
Income tax	(1,156)	(1,460)	(1,533)	(1,724)	(2,024)
<b>Net profit</b>	<b>4,506</b>	<b>4,911</b>	<b>5,008</b>	<b>5,530</b>	<b>6,495</b>
Normalized net profit	3,561	4,911	5,008	5,530	6,495

*Source: Company, KBVS Research*
**Exhibit 9: Balance sheet**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Current assets					
Cash and cash equivalents	5,190	4,454	7,830	7,164	6,926
Trade receivables	3,139	3,267	3,376	4,265	4,354
Other current assets	7,133	7,139	7,601	7,407	7,817
Total current assets	15,480	14,878	18,822	18,851	19,112
Non current assets					
Fixed assets	72,861	74,143	74,713	77,702	80,810
Other non current assets	26,382	25,366	25,279	25,375	25,474
Total non current assets	99,243	99,509	99,992	103,077	106,284
Total assets	114,722	114,387	118,814	121,928	125,396
Current liabilities					
Trade payables	746	912	888	898	935
Accrued expenses	4,088	3,819	3,895	3,973	4,053
Short term debts	2,487	3,869	3,958	3,963	3,975
Other current liabilities	26,814	22,409	23,418	24,019	24,642
Total current liabilities	34,134	31,009	32,159	32,854	33,605
Non current liabilities					
Long term debts	12,295	11,030	10,488	9,393	8,423
Other non current liabilities	34,584	35,696	36,762	37,510	38,274
Total non-current liabilities	46,879	46,726	47,249	46,903	46,697
Shareholder equity	33,709	36,652	39,406	42,171	45,094
Total liabilities and equity	114,722	114,387	118,814	121,928	125,396

*Source: Company, KBVS Research*

**Exhibit 10: Cash flow**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net profit	4,506	4,911	5,008	5,530	6,495
Depreciation	14,621	15,558	16,027	16,410	17,066
Changes in working capital	(937)	(4,180)	(158)	(364)	(135)
CF from operating activities	18,191	16,289	20,876	21,576	23,426
Investment in fixed assets	(18,300)	(16,841)	(16,597)	(19,398)	(20,174)
Others	(590)	1,016	87	(96)	(99)
CF from investing activities	(18,890)	(15,825)	(16,510)	(19,494)	(20,273)
Dividends paid	(2,062)	(2,164)	(2,253)	(2,765)	(3,572)
Debt raised/ repaid	(6,648)	(344)	197	(731)	(582)
Others	3,028	(856)	(1,187)	(2,017)	(2,808)
CF from financing activities	(3,620)	(1,200)	(991)	(2,748)	(3,390)
Change in cash flow	(4,318)	(735)	3,375	(666)	(237)
Cash and cash equivalent, beginning	9,508	5,190	4,454	7,830	7,164
Cash and cash equivalent, ending	5,190	4,454	7,830	7,164	6,926

*Source: Company, KBVS Research*
**Exhibit 11: Ratio analysis**

Year End Dec	2023A	2024A	2025F	2026F	2027F
Operating profit margin	20.4	19.4	19.8	20.6	21.8
EBITDA margin	46.7	47.2	48.1	48.3	49.1
Net profit margin	8.8	8.8	8.9	9.3	10.4
ROA	3.9	4.3	4.3	4.6	5.3
ROE	3.8	3.8	3.6	3.7	4.0
ROCE	5.6	5.9	5.8	6.2	7.1
ROIC	13.1%	12.9%	13.2%	13.9%	14.9%
Debt/Equity	1.8	1.6	1.5	1.4	1.3
Net debt/Equity	1.6	1.5	1.3	1.3	1.2
Net debt/EBITDA	2.0	1.9	1.8	1.7	1.6
Interest coverage (x)	5.1	5.9	6.2	6.3	6.7
EPS (Rp)	139.7	152.3	155.3	171.5	201.4
BV/Share (Rp)	1,045.2	1,136.5	1,221.9	1,307.6	1,398.2

*Source: Company, KBVS Research*

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