

Stable Subscribers Anchor Data-Led Growth; Momentum Improving

5 May 2026



Q26

Sector	Telecomm.
Price at 4 May 2026 (IDR)	2,080
Price target (IDR)	2,500
Upside/Downside (%)	20.2

Stock Information

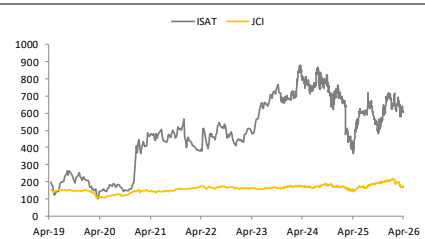
PT Indosat Tbk, trading as Indosat Ooredoo Hutchison, is a telecommunications provider in Indonesia which is owned by Ooredoo Hutchison Asia, a joint venture between Ooredoo and Hutchison Asia Telecom Group since 2022.

Market cap (IDR bn)	67,082
Shares outstanding (mn)	32,251
52-week range (IDR)	1,615-2,600
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	0.00	-5.45	6.67

Analyst

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ISAT's 1Q26 results were broadly inline, with improving sequential momentum driven by data growth, pricing discipline, and tighter cost-control, supporting resilient margins and a constructive FY26F outlook. Maintain our BUY call with a TP of IDR2,500, based on 3.3x FY26F EV/EBITDA (+0.5SD 5yrs avg. historical mean).

Inline 1Q26 results; improving sequential momentum

ISAT reported 1Q26 revenue of IDR15.2 tn (+12.1% YoY), broadly inline with our and consensus expectations (25.7%/25.4% run-rate). Growth was driven by data-revenue (+11.8% YoY) on strong data-traffic (+25.1% YoY) and a higher blended ARPU (+15.3% YoY), despite a slight decline in subscribers (-1.5% YoY). Profitability came in stronger, with EBIT rising +8.2% YoY to IDR3.0 tn, as cost of services (+7.1% YoY) was more than offset by lower S&M (-1.6% YoY) following a more selective A&P strategy. This lifted EBITDA to IDR7.2 tn (+12.9% YoY, 57.0% margin), inline with expectations (25.8%/25.4% run-rate), while net profit grew +13.7% YoY to IDR1.5 tn (24.8%/25.6% run-rate) despite higher interest costs (+6.9% YoY).

Sequentially, operational momentum improved, supported by market repair and pricing simplification, with data-revenue rising +1.4% QoQ to IDR11.8 tn on subscriber growth (+0.3% QoQ) and traffic growth (+0.7% QoQ). This was partly offset by continued structural decline in legacy-segments (voice & SMS -8.9% QoQ), resulting in total revenue slipping -0.9% QoQ. Encouragingly, EBITDA remained stable at IDR7.2 tn, with margin expanding to 57.0% (vs. 56.6% in 4Q25), driven by tighter cost-control as cash-costs declined -1.6% QoQ despite a +2.3% QoQ increase in total expenses. Net profit fell -22.4% QoQ, largely due to higher financing costs (+20.3% QoQ).

FY26F: data-led growth intact; early run-rate tracking

We maintain our FY26F forecasts, with growth anchored on the data-segment, supported by continued network expansion and quality improvements. We project data-revenue to grow 7.6% YoY to IDR46.7 tn, with 1Q26 achieving 25.3% of our full-year estimate. This is underpinned by stable subscribers (93.7 mn) and data-traffic growth of 8.3% YoY (19,120 PB), with 1Q26 data-traffic at 25.7% run-rate. We expect data-yields to remain stable (IDR2.44/MB) and ARPU to improve modestly to IDR44.9k. Incremental upside may come from home broadband, where low-penetration supports subscriber growth of 6.6% YoY. Overall, we forecast total revenue to grow 4.9% YoY to IDR59.3 tn, inline with management's mid-to high-single-digit guidance.

Margins resilient on disciplined cost trajectory

Margin sustainability should be supported by continued cost-discipline. We forecast cash-costs to rise 4.3% YoY to IDR31.2 tn (25.6% run-rate) and cost of services to increase 3.7% YoY to IDR24.7 tn (24.8% run-rate), both below historical averages. Total expenses are expected to grow 3.4% YoY to IDR46.8 tn (26.1% run-rate), supporting EBITDA growth of 5.6% YoY to IDR28.1 tn, aligned with guidance. Interest expense is projected at IDR4.3 tn, with net profit tracking our FY26F estimate of IDR6.0 tn, implying a 10.2% margin (vs. 9.7% in FY25).

Reiterate BUY with TP of IDR2,500

Maintain our BUY call with a TP of IDR2,500, based on 3.3x FY26F EV/EBITDA (+0.5SD 5yrs avg. historical mean), compared to the current 2.9x, which we view as undemanding given improving earnings momentum and cost discipline. Catalysts: faster market repair, improved A&P efficiency, stronger HBB monetization. Risks: renewed competition, higher spectrum/partnership costs, weaker macro demand.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue (IDR bn)	55,887	56,518	59,290	62,237	66,283
EBITDA (IDR)	26,375	26,597	28,077	29,546	31,414
Net profit (IDR)	4,911	5,510	6,019	6,636	7,565
Normalized net profit (IDR)	4,911	5,510	6,019	6,636	7,565
EPS (IDR)	152	170.8	186.6	205.8	234.6
EPS growth	9.0	12.2	9.2	10.2	14.0
ROA	4.3	4.7	5.0	5.4	6.0
ROE	3.8	3.9	4.0	4.1	4.3
PER (x)	13.7	12.2	11.1	10.1	8.9
PBV (x)	2.6	2.4	2.3	2.1	2.0
EV/EBITDA (x)	2.9	2.9	2.7	2.5	2.3

Source: Company, KBVS Research

Exhibit 2: ISAT's 1Q26 result

ISAT's 1Q26 results (IDR bn)	1Q26	1Q25	YoY (%)	4Q25	QoQ (%)	2026F	% to '26F	Cons'	% of Cons'
Revenue	15,221	13,578	12.1	15,357	(0.9)	59,290	25.7	59,834	25.4
Cellular & Data	12,703	11,422	11.2	12,798	(0.7)				
Data	11,805	10,562	11.8	11,647	1.4	46,654	25.3		
Voice & SMS	124	166	(25.4)	136	(8.9)				
Others	1,461	1,353		1,622					
Discount	-688	-659		-606					
MIDI	2,305	1,961		2,345					
Fixed telecom.	213	195		214					
Expenses	-12,203	-10,788	13.1	-11,923	2.3				
EBIT	3,018	2,790	8.2	3,433	(12.1)	12,494	24.2	12,331	24.5
EBITDA	7,245	6,415	12.9	7,249	(0.0)	28,077	25.8	28,515	25.4
Other income (exp.)	-1,095	-1,031		-896					
Pre-tax income	1,923	1,759		2,537					
Taxes	-397	-347		-563					
Reported net profit	1,491	1,311	13.7	1,922	(22.4)	6,019	24.8	5,819	25.6
Normalized net profit	1,491	1,311		1,922					
Margins (%)									
EBIT Margin	19.8	20.5		22.4					
EBITDA margin	57.0	56.2		56.6					
Net Margin	12.6	12.4		16.5					
Operational metrics									
# of subs	94,000	95,400	(1.5)	93,700	0.3				
Blended ARPU (IDR/subs)	45,200	39,200	15.3	38,500	17.4				
Data traffic (TB)	4,906,000	3,922,000	25.1	4,874,000	0.7				
Avg. data usage/subs	17.4	13.7	27.0	17.3	0.3				
Data yields (IDR/MB)	2.4	2.7	(10.6)	2.4	0.7				

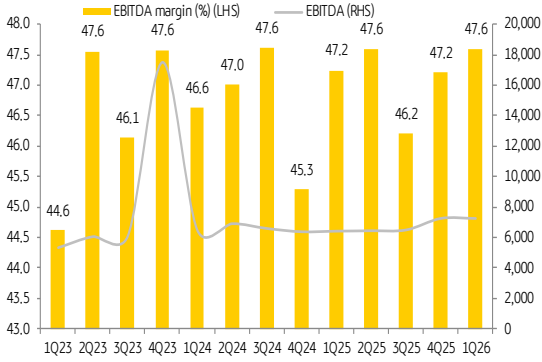
Source: Company, KBVS Research

Exhibit 3: Forecast revisions

	New		Old		Changes		Consensus		New vs. consensus	
	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F
Revenue	59,290	62,237	59,290	62,237	0.0	0.0	59,834	62,722	-0.9	-0.8
EBITDA	28,077	29,546	28,077	29,546	0.0	0.0	28,515	30,153	-1.5	-2.0
Net profit	6,019	6,636	6,019	6,636	0.0	0.0	5,819	6,547	3.4	1.4

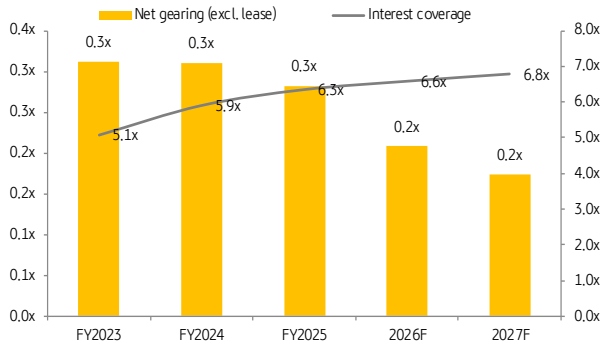
Source: Company, KBVS Research

Exhibit 4: ISAT's EBITDA margin



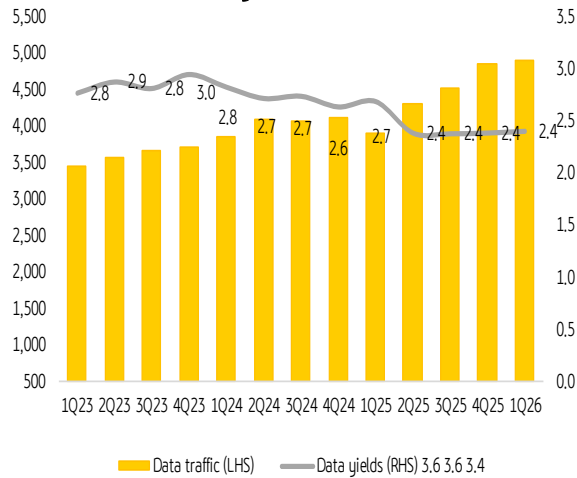
Source: Company, KBVS Research

Exhibit 5: Leverage metrics



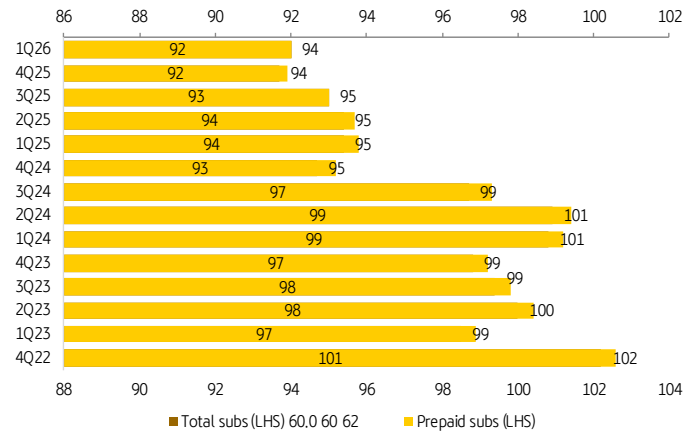
Source: Company, KBVS Research

Exhibit 6: Data traffic and yields QoQ



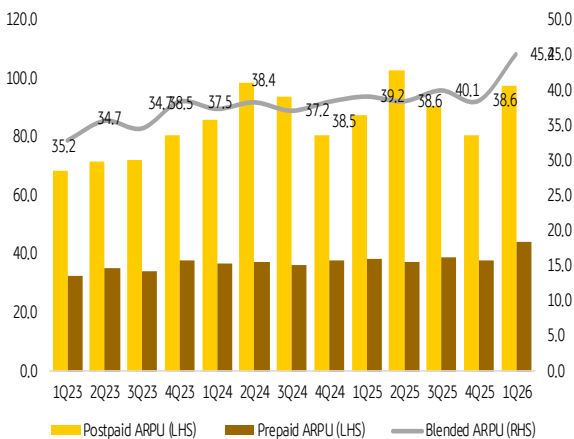
Source: Company, KBVS Research

Exhibit 7: Number of subscribers



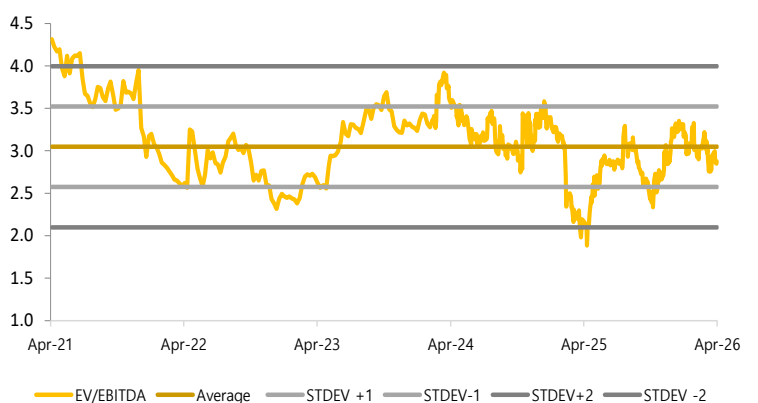
Source: Company, KBVS Research

Exhibit 8: Postpaid, prepaid and blended ARPUs



Source: Company, KBVS Research

Exhibit 9: Currently trading below 5yrs mean



Source: Company, Bloomberg

FINANCIAL TABLES

Exhibit 10: Profit & Loss summary

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	55,887	56,518	59,290	62,237	66,283
Costs	-45,049	-45,243	-46,796	-48,759	-51,431
Operating profit	10,838	11,275	12,494	13,478	14,852
EBITDA	26,375	26,597	28,077	29,546	31,414
Net finance income/ cost	(4,115)	(4,012)	(3,989)	(4,100)	(4,156)
Other income/ expenses	9	22	22	22	22
Pretax profit	6,733	7,285	8,527	9,400	10,718
Income tax	(1,460)	(1,467)	(1,876)	(2,068)	(2,358)
Net profit	4,911	5,510	6,019	6,636	7,565
Normalized net profit	4,911	5,510	6,019	6,636	7,565

Source: Company, KBVS Research

Exhibit 11: Balance sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Current assets					
Cash and cash equivalents	4,504	5,110	5,889	5,541	6,564
Trade receivables	3,267	3,601	3,603	4,448	4,720
Other current assets	7,139	10,324	10,479	10,726	10,900
Total current assets	14,927	19,039	19,976	20,718	22,187
Non current assets					
Fixed assets	74,143	75,099	76,601	79,666	81,259
Other non current assets	25,366	24,526	24,435	24,511	24,589
Total non current assets	99,509	99,626	101,037	104,177	105,848
Total assets	114,436	118,665	121,013	124,895	128,035
Current liabilities					
Trade payables	912	1,208	560	1,279	664
Accrued expenses	3,819	3,393	3,461	3,530	3,601
Short term debts	3,869	3,650	3,494	3,346	3,207
Other current liabilities	22,409	22,248	22,807	23,386	23,987
Total current liabilities	31,009	30,499	30,322	31,541	31,458
Non current liabilities					
Long term debts	11,030	11,729	10,479	9,372	8,392
Other non current liabilities	35,696	36,892	37,659	38,442	39,241
Total non-current liabilities	46,726	48,621	48,138	47,814	47,633
Shareholder equity	36,701	39,544	42,553	45,539	48,944
Total liabilities and equity	114,436	118,665	121,013	124,895	128,035

Source: Company, KBVS Research

Exhibit 12: Cash flow

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net profit	4,911	5,510	6,019	6,636	7,565
Depreciation	15,558	15,831	16,092	16,576	17,070
Changes in working capital	(4,180)	(3,725)	(501)	(61)	(745)
CF from operating activities	16,289	17,615	21,610	23,151	23,891
Investment in fixed assets	(16,841)	(16,788)	(17,594)	(19,640)	(18,664)
Others	1,016	839	91	(76)	(78)
CF from investing activities	(15,825)	(15,948)	(17,503)	(19,716)	(18,742)
Dividends paid	(2,164)	(2,703)	(3,010)	(3,650)	(4,161)
Debt raised/ repaid	(344)	410	(1,085)	(917)	(765)
Others	(807)	(1,471)	(2,243)	(2,867)	(3,361)
CF from financing activities	(1,150)	(1,061)	(3,328)	(3,783)	(4,126)
Change in cash flow	(686)	607	779	(349)	1,023
Cash and cash equivalent, beginning	5,190	4,504	5,110	5,889	5,541
Cash and cash equivalent, ending	4,504	5,110	5,889	5,541	6,564

Source: Company, KBVS Research

Exhibit 13: Ratio analysis

Year End Dec	2024A	2025A	2026F	2027F	2028F
Operating profit margin	19.4	19.9	21.1	21.7	22.4
EBITDA margin	47.2	47.1	47.4	47.5	47.4
Net profit margin	8.8	9.7	10.2	10.7	11.4
ROA	4.3	4.7	5.0	5.4	6.0
ROE	3.8	3.9	4.0	4.1	4.3
ROCE	5.9	6.2	6.6	7.1	7.8
ROIC	12.9%	13.1%	14.2%	14.8%	15.9%
Debt/Equity	1.6	1.5	1.4	1.3	1.2
Net debt/Equity	1.5	1.4	1.2	1.2	1.0
Net debt/EBITDA	1.9	1.9	1.7	1.7	1.5
Interest coverage (x)	5.9	6.3	6.6	6.8	7.0
EPS (Rp)	152.3	170.8	186.6	205.8	234.6
BV/Share (Rp)	1,138.0	1,226.1	1,319.5	1,412.0	1,517.6

Source: Company, KBVS Research

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