Two-Engine Growth Story

1 September 2026

We maintain our BUY rating on MTEL with a TP of IDR680/share, based on 8.3x FY26F EV/EBITDA (-0.5SD 3-year historical mean), implying +49.1% potential upside. Our positive view is driven by an improving growth mix: faster FTTT monetization, supported by rising demand for network capacity and high-speed connectivity, including AI-related data traffic, alongside resilient tower leasing backed by sustained MNO co-location demand. We forecast 3Q26F FTTT revenue to grow +7.0% QoQ on further expansion in revenue-generating fiber and improving utilization, while tower-leasing revenue should increase +2.7% QoQ.

MTEL IJ	BUY
Sector	Infrastructure
Price 31 Aug 2026 (IDR)	468
Price target (IDR)	680
Upside/Downside (%)	45.3

Stock Information

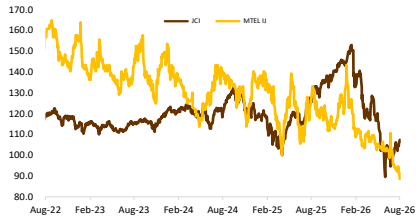
Dayamitra Telekomunikasi is one of the SEA's largest tower telecommunication companies by assets and Indonesia's largest market share of telco tower provider. The company offers an array of telco-related infrastructure service including fiber and power-to-the-tower.

Market cap (IDR bn)	39,106
Shares outstanding (mn)	83,560
52-week range (IDR)	418-705
3M average daily vol. ('000)	15,630
3M average daily val. (IDR mn)	9,436

Shareholders (%)

Telkom Indonesia	71.8
Maleo Investasi Indonesia	6.0
Government of Singapore	5.3
Public	16.9

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	3.5	-10.0	-19.3

Steven Gunawan
Analyst
steven.gunawan@kbvalbury.com

FTTT monetization gaining momentum

We expect MTEL's fiber strategy to sustain its earnings inflection, with Fiber-to-the-Tower (FTTT) emerging as a key incremental growth driver. As MNOs continue to expand network capacity and demand for high-speed connectivity rises—supported in part by growing AI-related data traffic—FTTT should become an important contributor to MTEL's revenue mix. We forecast 3Q26F FTTT revenue to grow +7.0% QoQ to IDR168.1 bn, accelerating from +3.3% QoQ growth in 2Q26 on the back of stronger monetization as revenue-generating fiber length expands +6.7% QoQ to 63.2k km and billable utilization ratio improves to 1.26x (vs. 1.25x in 2Q26). The trend remains broadly in line with management's FY26F targets and should be supported by both organic network roll-out and inorganic FTTT expansion. Continued investment by MNOs to enhance network coverage, capacity, and connectivity should provide further support for demand. We expect FTTT's revenue contribution to increase to 6.9% in FY26F, from 6.0% in FY25, underpinning our FY26F FTTT revenue forecast of IDR677.0 bn (+18.0% YoY).

Co-location demand to drive steady tower growth

The tower business should continue to provide stable recurring earnings, supported by sustained MNO co-location demand, particularly outside Java, where 59% of MTEL's sites are located. This footprint positions MTEL to benefit from ongoing network expansion and nationwide connectivity requirements while supporting pricing power. We forecast 3Q26F tower-leasing revenue to grow +2.7% QoQ, driven by a +0.4% QoQ increase in tenants to 64,134 and a +1.0% QoQ expansion in tower sites to 40,980. MTEL remains an important infrastructure partner for big-name MNOs; EXCL and ISAT rely on MTEL towers for 63% and 40%, respectively, of their co-location requirements. Lastly, we expect the average lease rate per tenant per month to increase +5.9% QoQ to IDR13.3 mn, providing further support to tower revenue.

FY26F: Fiber growth complements a stable tower base

We maintain our FY26F forecasts. FTTT revenue is projected to increase +18.0% YoY to IDR677.0 bn, supported by a +17.5% YoY increase in revenue-generating fiber length to 67.2k km. This should lift fiber's contribution to total revenue to 6.9%, from 6.0% in FY25. Tower-leasing revenue should remain resilient at IDR7.9 tn (+1.5% YoY), with 1H26 already delivering 48.4% of our FY26F forecast. Healthy tenant and tower-site growth of +1.7% and +1.9% YoY, respectively, together with MTEL's strategic relationships with EXCL and ISAT, should support pricing, with average lease rates expected to increase 1.0% YoY to IDR12.7 mn/month. All in all, we forecast FY26F revenue of IDR9.8 tn (+2.7% YoY).

Operating leverage to drive modest margin expansion

We expect operating leverage to continue improving as higher co-location intensity and a larger fiber base support better cost absorption. FY26F O&M expenses are projected to increase only +1.0% YoY to IDR399.6 bn, with 1H26 accounting for 50.8% of our full-year estimate. As a result, we expect cost of revenue (CoR) growth to remain contained at +2.7% YoY to IDR4.9 tn, compared with +4.9% growth in FY25. Cash costs also remain manageable, with 1H26 representing 46.7% of our FY26F estimate. This should support EBITDA growth of +3.0% YoY to IDR8.1 tn and a modest EBITDA margin expansion to 82.4%, from 82.2% in FY25. We forecast FY26F net profit to rise +3.3% YoY to IDR2.2tn, lifting net margin to 22.4%.

1H26 results broadly on-track

MTEL delivered 1H26 EBITDA of IDR3.9 tn (+0.8% YoY) on revenue of IDR4.7 tn (+2.1% YoY), broadly in line with our expectations. Higher CoR (+6.3% YoY) was offset by lower O&M expenses (-7.5% YoY), while tower-leasing revenue remained resilient at IDR3.8 tn (+0.9% YoY) and FTTT revenue accelerated +7.7% YoY to IDR309.0 bn, keeping the fiber-business ahead of the core tower-segment. Net profit increased +1.5% YoY to IDR1.1 tn, reaching 50.8% of our FY26F forecast and 49.7% of consensus. On a QoQ basis, 2Q26 EBITDA grew +5.2%, supported by +4.5% revenue growth, with EBITDA margin improving to 83.2% from 82.7% in 1Q26 despite a +2.5% increase in CoR. Tower-leasing revenue also grew +7.5% QoQ, highlighting continued resilience despite MNO consolidation.

Maintain BUY with TP at IDR680, implying 49.1% upside

We maintain our BUY call with a TP of IDR680, based on 8.3x FY26F EV/EBITDA (-0.5SD of its 3-year historical mean). At 7.3x FY26F EV/EBITDA, MTEL trades at a 16.9% discount to its three-year average of 8.8x. Key catalysts: 1). improving fiber monetization, 2). resilient co-location demand, 3). visible earnings growth. Key risks: 1). a prolonged high-rate environment that could raise funding costs, 2). higher-than-expected network expansion or operating expenses.

Exhibit 1: Key statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue (IDR)	9,308	9,534	9,791	10,085	10,423
EBITDA (IDR)	7,696	7,835	8,068	8,297	8,575
Operating profit (IDR)	4,179	4,188	4,316	4,686	4,858
Net profit (IDR)	2,108	2,119	2,189	2,366	2,441
EPS	25.2	25.4	26.2	28.3	29.2
ROA (%)	3.7	3.6	3.7	3.9	4.0
ROAE (%)	6.3	6.4	6.6	7.0	7.2
PER (x)	18.5	18.4	17.9	16.5	16.0
PBV (x)	1.2	1.2	1.2	1.2	1.2
EV/EBITDA (x)	7.6	7.7	7.5	7.3	7.2
Div. yield (%)	3.8	5.3	5.2	5.6	5.4

Sources: Company, KBVS Research

Exhibit 2: MTEL's 1H26 results

MTEL's 1H26 Results (IDR bn)	1H26	1H25	YoY (%)	2Q26	2Q25	YoY (%)	1Q26	QoQ (%)	2026F	% to '26F	Cons'	% of Cons'	Latest 3-year average 1H run-rate
Revenue	**4,691**	**4,596**	**2.1**	**2,398**	**2,334**	**2.7**	**2,294**	**4.5**	**9,791**	**47.9%**	**9,880**	**47.5%**	**47.9%**
Tower leasing	**3,833**	**3,798**	**0.9**	**1,986**	**1,951**	**1.8**	**1,847**	**7.5**	**7,912**	**48.4%**			
Reseller	250	251		121	123		129						
Other tower related biz	299	260	15.0	133	113	17.7	166	-19.9					
Cost of revenue	**-2,348**	**-2,209**	**6.3**	**-1,189**	**-1,109**	**7.3**	**-1,159**	**2.5**	**(4,858)**	**48.3%**			
Gross profit	**2,343**	**2,388**	**-1.9**	**1,209**	**1,226**	**-1.4**	**1,134**	**6.6**	**4,933**	**47.5%**			
Operating expenses	-308	-292	5.7	-164	-147	11.7	-144	14.0					
EBIT	**2,035**	**2,096**	**-2.9**	**1,045**	**1,079**	**-3.2**	**990**	**5.5**	**4,316**	**47.1%**	**4,295**	**47.4%**	**48.1%**
EBITDA	**3,890**	**3,860**	**0.8**	**1,994**	**1,982**	**0.6**	**1,896**	**5.2**	**8,068**	**48.2%**	**8,203**	**47.4%**	**48.5%**
Other income/expenses	41	47		6	33		35						
Net finance cost/income	-534	-614	-13.1	-269	-301	-10.8	-265	1.4					
Pre-tax income	1,546	1,528		785	812		761						
Taxes	-435	-434		-219	-244		-216						
Attributable net profit	**1,111**	**1,094**	**1.5**	**566**	**568**	**-0.4**	**545**	**3.9**	**2,189**	**50.8%**	**2,237**	**49.7%**	**49.7%**
Margins (%)													
EBIT Margin	43.4	45.6		43.6	46.2		43.2						
EBITDA margin	82.9	84.0		83.2	84.9		82.7						
Net Margin	23.7	23.8		23.6	24.3		23.8						
Operational metrics													
Tower	40,563	39,782	2.0	40,563	39,782	2.0	40,327	0.6					
Tenant	63,866	60,907	4.9	63,866	60,907	4.9	63,333	0.8					
Tenancy ratio (x)	1.57	1.53	2.8	1.57	1.53	2.8	1.57	0.3					
Avg. monthly leasing fee/tenant	11.8	12.1	-2.5	12.0	12.2	-1.9	11.6	3.7					

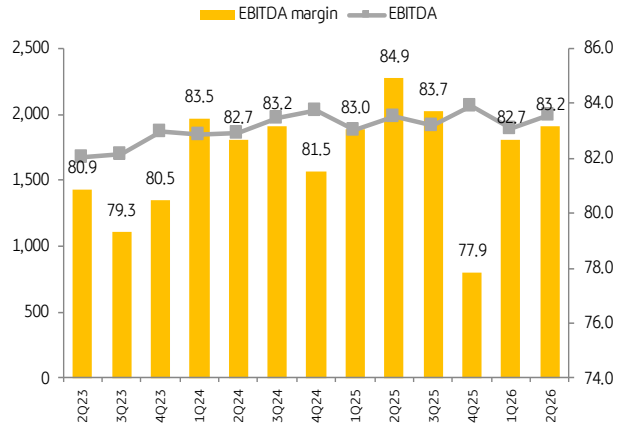
Source: Company, Bloomberg, KBVS Research

Exhibit 3: Forecast for FY26F-FY27F (unchanged from our latest reports)

	New		Old		Changes		Consensus		New vs. consensus	
	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F
Revenue	9,791	10,085	9,791	10,085	0.0	0.0	9,880	10,236	-0.9	-1.5
EBITDA	8,068	8,297	8,068	8,297	0.0	0.0	8,203	8,507	-1.6	-2.5
Net profit	2,189	2,366	2,189	2,366	0.0	0.0	2,237	2,342	-2.1	1.0

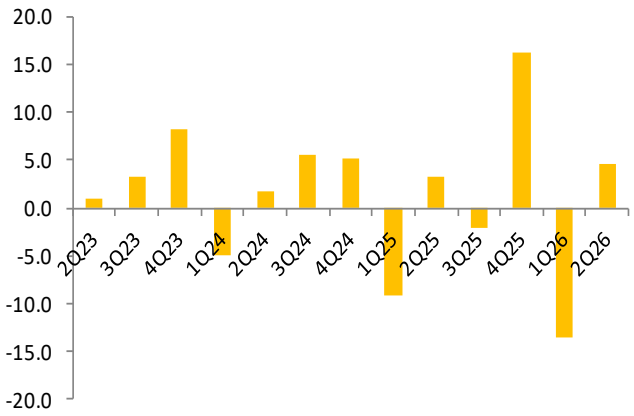
Source: Company, Bloomberg, KBVS Research

Exhibit 4: MTEL EBITDA margin (%)



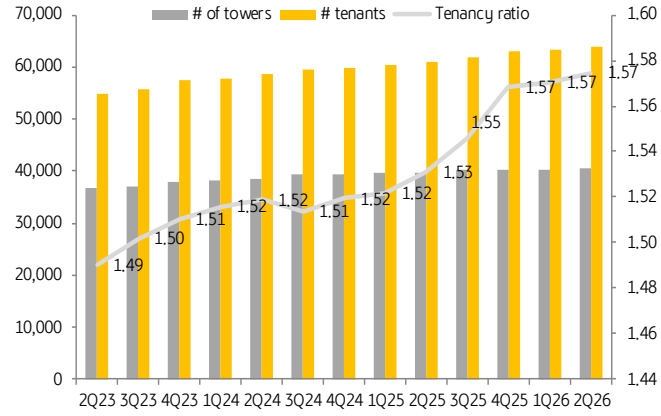
Source: Company, KBVS Research

Exhibit 5: MTEL revenue growth (%)



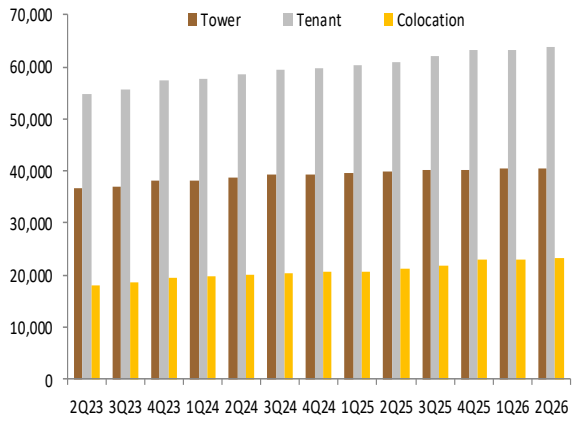
Source: Company, KBVS Research

Exhibit 6: Tenancy ratio



Source: Company, KBVS Research

Exhibit 7: Tower, tenant and colocation

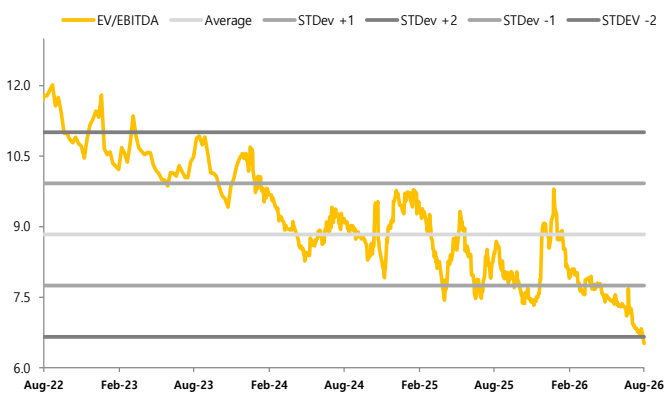


Source: Company, KBVS Research

Exhibit 8: MTEL leverage metrics (%)

Source: Company, KBVS Research

Exhibit 9: EV/EBITDA valuation



Source: Company, KBVS Research

Financial Tables

Exhibit 10: Profit and Loss

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	9,308	9,534	9,791	10,085	10,423
Cost of revenue	(4,507)	(4,728)	(4,858)	(4,758)	(4,900)
Gross profit	**4,801**	**4,806**	**4,933**	**5,327**	**5,523**
Operating expenses	(622)	(653)	(651)	(676)	(699)
Operating profit	**4,179**	**4,188**	**4,316**	**4,686**	**4,858**
EBITDA	**7,696**	**7,835**	**8,068**	**8,297**	**8,575**
Other income/net	100	56	59	(1)	0
Finance income/costs net	(1,321)	(1,263)	(1,296)	(1,358)	(1,425)
Pretax profit	**2,958**	**2,981**	**3,079**	**3,327**	**3,433**
Income tax	(850)	(861)	(890)	(961)	(992)
After tax profit	**2,108**	**2,119**	**2,189**	**2,366**	**2,441**

Source: Company, KBVS Research

Exhibit 11: Balance Sheet

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Current assets					
Cash and cash equivalents	597	609	906	1,284	1,216
Trade receivables	2,004	2,212	2,117	2,342	2,267
Other current assets	846	231	237	244	252
Total current assets	**3,447**	**3,052**	**3,260**	**3,870**	**3,735**
Non current assets					
Fixed assets	45,240	45,384	46,692	48,080	49,490
Other non current assets (*)	9,453	9,915	10,167	9,007	9,258
Total non current assets	**54,693**	**55,299**	**56,860**	**57,087**	**58,749**
Total assets	**58,140**	**58,350**	**60,120**	**60,957**	**62,484**
Current liabilities					
Trade payables	1,977	1,369	1,406	1,377	1,419
Taxes payable	86	107	111	120	123
Accrued expenses	1,332	1,128	1,159	1,135	1,169
Short term debts	8,082	4,254	4,358	4,877	5,413
Other current liabilities	808	642	652	673	696
Total current liabilities	**12,286**	**7,500**	**7,686**	**8,182**	**8,821**
Non current liabilities					
Long term debts	12,214	17,224	17,687	18,219	18,830
Other non current liabilities (*)	253	275	1,262	925	902
Total non-current liabilities	**12,467**	**17,499**	**18,949**	**19,143**	**19,732**
Shareholder equity	**33,387**	**33,351**	**33,484**	**33,632**	**33,931**
Total liabilities and equity	**58,140**	**58,350**	**60,120**	**60,957**	**62,484**

Source: Company, KBVS Research

Exhibit 12: Cash Flow

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net profit	2,108	2,119	2,189	2,366	2,441
Depreciation	3,517	3,682	3,786	3,646	3,751
Changes in working capital	(445)	(550)	170	(255)	169
CF from operating activities	**5,180**	**5,251**	**6,146**	**5,757**	**6,361**
Investment in fixed assets	(3,316)	(2,103)	(3,322)	(3,460)	(3,542)
Others	(1,304)	(2,184)	(2,024)	(414)	(1,871)
CF from investing activities	**(4,619)**	**(4,287)**	**(5,347)**	**(3,873)**	**(5,413)**
Dividends paid	(1,504)	(2,066)	(2,014)	(2,176)	(2,100)
Debt raised/ repaid	1,904	1,182	567	1,050	1,148
Others	(1,242)	(68)	945	(379)	(65)
CF from financing activities	**(843)**	**(952)**	**(502)**	**(1,505)**	**(1,017)**
Change in cash flow	(282)	12	297	378	(68)
Cash and cash equivalent, beginning	879	597	609	906	1,284
Cash and cash equivalent, ending	**597**	**609**	**906**	**1,284**	**1,216**

Source: Company, KBVS Research

Exhibit 13: Key Performance Metrics

Year end Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Revenue	8.3	2.4	2.7	3.0	3.4
EBIT	14.5	0.2	3.1	8.6	3.7
EBITDA	11.2	1.8	3.0	2.8	3.3
Net profit	4.9	0.5	3.3	8.1	3.2
Profitability (%)					
Gross profit	51.6	50.4	50.4	52.8	53.0
Operating profit margin	44.9	43.9	44.1	46.5	46.6
EBITDA margin	82.7	82.2	82.4	82.3	82.3
Net profit margin	22.6	22.2	22.4	23.5	23.4
ROA	3.7	3.6	3.7	3.9	4.0
ROE	6.3	6.4	6.6	7.0	7.2
ROIC	4.0	3.9	4.0	4.3	4.3
Solvency (x)					
Debt/Equity	0.6	0.6	0.7	0.7	0.7
Net debt/Equity	0.6	0.6	0.6	0.6	0.7
Net debt/EBITDA	2.6	2.7	2.6	2.6	2.7
Interest coverage (x)	5.7	6.0	6.0	5.9	5.8
Efficiency/Asset management (x)					
Receivables turnover (x)	5.2	4.5	4.5	4.5	4.5
Sales/Assets turnover (x)	0.2	0.2	0.2	0.2	0.2
Payable turnover (x)	13.2	8.7	8.7	8.7	8.7

Source: Company, KBVS Research

Our Analysts

Fikri C Permana
Head of Equity Research
Strategy and Economics
fikri.permana
@kbvalbury.com

Adolf R B Setiadi
Equity Analyst
Coal, Renewables, Plantation, Pulp
adolf.setiadi
@kbvalbury.com

Akhmad Nurcahyadi
Senior Equity Analyst
Banks, Consumer, Cigarettes, Auto
akhmad.nurcahyadi
@kbvalbury.com

Andre Suntono
Senior Equity Analyst
Retail, Poultry, Healthcare
andre.suntono
@kbvalbury.com

Ashalia Fitri Yuliana
Equity Analyst
Metal Mining, H-Equipment, Cement, Media, Chemicals
ashalia.yuliana
@kbvalbury.com

Atikah Tri Adriyanti
Equity Analyst
Small-Mid Caps
atikah.adriyanti
@kbvalbury.com

Steven Gunawan
Senior Equity Analyst
Telco, Tower, Property
steven.gunawan
@kbvalbury.com

Khairunnisa N Syahfiraputri
Associate Economist
khairunnisa.syahfiraputri
@kbvalbury.com

Michael Handisurya
Technical Analyst
michael.handisurya
@kbvalbury.com

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KB Valbury Sekuritas
Head Office

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia
T. (021) 25098300

Branch Office

Jakarta - Kelapa Gading
Rukan Plaza Pasifik
Jl. Boulevard Barat Raya Blok A1 No. 10
Jakarta Utara 14240
T. (021) 29451577

Jakarta - Puri Indah
Rukan Grand Aries Niaga Blok E1 No. IV
Jl. Taman Aries, Kembangan
Jakarta Barat 11620
T. (021) 22542390

Jakarta – Pluit
Jl. Pluit Putra Raya No. 2
Jakarta Utara 14450
T. (021) 6692119

Denpasar
Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 3338080

Bandung
Jl. Abdul Rivai No. 1A,
Kel. Pasirkaliki, Kec. Cicendo
Bandung 40171
T. (022) 3003133

Malang
Jl. Pahlawan Trip No. 7
Malang 65112
T. (0341) 585888

Palembang
Komplek PTC Mall Blok I No. 7
Jl. R. Sukamto
Palembang 30114
T. (0711) 2005050

Yogyakarta
Jl. Magelang KM 5.5 No. 75
Yogyakarta 55000
T. (0274) 8099090

Banjarmasin
Jl. Gatot Subroto No. 33
Banjarmasin 70235
T. (0511) 3265918

Semarang
Jl. Gajahmada 23A,
Kecamatan Semarang Tengah,
Kelurahan Kembang Sari 50241
T. (024) 40098080

Surabaya
Pakuwon Center Lt 21
Jl. Embong Malang No.1
Surabaya 60261
T. (031) 21008080

Padang
Jl. Proklamasi No. 60A
Padang Timur 25121
T. (0751) 8688080

Pontianak
Jl. Prof. M Yamin No. 14
Kotabaru, Pontianak Selatan
Kalimantan Barat 78116
T. (0561) 8069000

Makassar
Komplek Ruko Citraland City Losari
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0411) 6000818

Medan
Komplek Golden Trade Center
Jl. Jenderal Gatot Subroto No. 18-19
Medan 20112
T. (061) 50339090

Pekanbaru
Jl. Tuanku Tambusai, Komplek CNN
Blok A No. 3 Pekanbaru 28291
T. (0761) 839393

Investment Gallery

Jakarta
Citra Garden 6 Ruko Sixth Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 52392181

Semarang
Jl. Jati Raya No. D6,
Srondol Wetan, Banyumanik,
Semarang 50263
T. (024) 8415195

Salatiga
Jl. Diponegoro No. 68
Salatiga 50711
T. (0298) 313007

Jambi
Jl. Orang Kayo Hitam
No. 48 B
Jambi Timur 36123
T. (0741) 3068533