

Tower Bersama Infrastructure (TBIG): IDR 1.880 – HOLD, SSI TP: IDR 1,920; Cons. TP: IDR 2,119



Results: (IDR Bn)	3Q24	2Q24	3Q23	QoQ (%)	YoY (%)	9M24	9M23	YoY (%)	SSI (%)	Cons (%)
Revenue	1,713	1,710	1,673	0.2	2.4	5,127	4,953	3.5	75.1	74.9
Gross Profit	1,214	1,225	1,076	-0.9	12.8	3,679	3,583	2.7	74.0	75.1
Operating Profit	1,067	1,078	1,043	-1.0	2.3	3,241	3,205	1.1	73.5	75.4
EBITDA	1,456	1,453	1,427	0.2	2.0	4,362	4,234	3.0	73.6	74.6
Net Profit	437	381	430	14.6	1.6	1,167	1,118	4.4	72.1	74.8
Key Ratios										
GPM (%)	70.9	71.7	64.3	-	-	71.8	72.3	-	-	-
OPM (%)	62.3	63.0	62.3	-	-	63.2	64.7	-	-	-
EBITDA Margin (%)	85.0	85.0	85.3	-	-	85.1	85.5	-	-	-
NPM (%)	25.5	22.3	25.7	-	-	22.8	22.6	-	-	-
# of Tower (unit)	-	-	-	-	-	23,565	22,175	6.3	-	-
# of Tenant (unit)	-	-	-	-	-	42,430	41,455	2.4	-	-
Tenancy Ratio (x)	-	-	-	-	-	1.8	1.9	-	-	-

SWOT Analysis of the Results (below ours, in-line with cons)

Strength

3Q24 fiber optic revenue grew to IDR 140bn (+3.3% QoQ; +30.1% YoY), contributing to overall revenue growth; forex gain of IDR 16.9bn in 3Q24 (2Q24: -IDR 8.3bn forex loss) and IDR 10bn from recovery of expected credit losses boosted bottom-line growth to +14.6% QoQ

Weakness

Slight decline in 3Q24 lease rate to IDR 12.4mn (vs. IDR 12.5mn in 2Q24) and the drop in tenancy ratio to 1.80x (from 1.82x in 2Q24) resulted in lower tower leasing revenue of IDR 1,572bn (-0.1% QoQ)

Opportunity

Competition among MNOs to expand coverage in underserved areas could support TBIG's growth and boost its tenancy ratio; government regulations aimed at enhancing coverage, particularly in Eastern Indonesia, should provide TBIG with further growth opportunities

Threat

Slower-than-expected growth among MNOs, driven by lack of incentives, high regulatory risk, and intense price competition, may adversely impact TBIG's future performance; continued YTD market underperformance despite recent outperformance

Peer Comparables

Company Ticker	Market Cap. (IDR Tn)	Last Price (IDR)	Target Price (IDR)	2024F				
				P/E (x)	EPS Gwt (%)	EV/EBITDA (x)	Net Gearing (%)	ROE (%)
788 HK	23,315	NA	-	15.3	11.1	4.0	45.9	5.5
INDUSTOW IN	10,198	NA	-	11.6	25.7	5.5	75.7	25.6
HMFC IN	2,168	NA	-	28.0	0.0	14.3	16.2	9.3
1310 HK	628	NA	-	23.7	1,862.5	5.8	342.9	9.6
Regional Average	36,308	-	-	15.2	46.6	5.1	57.6	11.4
MTEL IJ	3,150	590	780	22.6	8.7	8.7	51.5	6.3
TBIG IJ	2,722	1,880	1,920	27.1	0.7	12.1	236.3	13.0
TOWR IJ	2,445	750	1,160	11.1	3.2	7.9	269.2	19.0
Local Average	8,317	-	-	20.7	4.5	9.6	176.0	12.2
Blended Average	44,625	-	-	16.2	38.7	5.9	79.7	11.6

Relative Performance vs JCI

