

Indosat (ISAT): IDR 1,740 – BUY, SSI TP: IDR 2,000 (From: IDR 2,800); Cons. TP: IDR 2,977

Results: (IDR Bn)	4Q24	3Q24	4Q23	QoQ (%)	YoY (%)	FY24	FY23	YoY (%)	SSI (%)	Cons (%)
Revenue	14,075	13,836	13,766	1.7	2.2	55,887	51,229	9.1	100.8	100.6
Operating Profit	2,429	2,716	2,781	(10.5)	(12.6)	10,817	9,317	16.1	94.0	95.6
EBITDA	6,375	6,588	6,471	(3.2)	(1.5)	26,375	23,938	10.2	99.8	98.5
Net Profit	1,033	1,143	1,719	(9.7)	(39.9)	4,911	4,506	9.0	91.8	94.1
Key Ratios										
OPM (%)	17.3	19.6	20.2	-	-	19.4	18.2	-	93.2	95.1
EBITDA Margin (%)	45.3	47.6	47.0	-	-	47.2	46.7	-	99.0	98.0
NPM (%)	7.3	8.3	12.5	-	-	8.8	8.8	-	91.0	93.6
ARPU (IDR'000)	38.9	37.2	38.5	4.6	1.0	38.0	35.6	6.7	99.3	-
num of subs (mn)	94.7	98.7	98.8	(4.1)	(4.1)	94.7	98.8	(4.1)	94.9	-
data payload (PB)	4,120	4,085	3,716	0.9	10.9	16,170	14,417	12.2	101.3	-
data yield/gb (IDR)	2,641	2,744	2,864	(3.7)	(7.8)	2,733	2,858	(4.4)	97.6	-

SWOT Analysis of the Results (below ours and cons)

Strength

In 4Q24, ISAT recorded strong data payload growth (10.9% YoY), reflecting higher network usage; ISAT's 4Q24 ARPU reached all-time high of IDR 38.9K (+1.0% YoY, +4.6% QoQ)

Weakness

4Q24 bottom-line fell sharply (-39.9% YoY) due to higher maintenance costs, depreciation, and high-base effect from one-off asset-sale gain in 4Q23; exclusion of low-quality subscribers led to significant decline in subscriber base to 94.7mn

Opportunity

ISAT's focus on B2B (cloud services, GPU-as-a-Service, etc.) could drive EBITDA growth; the company's FBB traffic is expected to increase, thanks to affordable packages and strong network quality

Threat

Cheaper starter packages may intensify price wars, leading to market share volatility and slower industry growth; lower purchasing power could drive down-trading, further fuelling price competition; lower TP by 28% to cause continued underperformance

Peer Comparables

Company	Market Cap.	Last Price	Target Price	Rating	2025F					
					P/E	EV/EBITDA	EBITDA Growth	Net Gearing	Div. Yield	ROE
Ticker	(USDmn)	(IDR)	(IDR)		(x)	(x)	(%)	(%)	(%)	(%)
CDB MK	10,261	4	-	-	22.2	9.2	4.9	76.6	3.9	12.3
GLO PM	5,579	2,254	-	-	12.2	6.3	4.2	201.4	5.5	15.5
TRUE TB	12,814	13	-	-	29.9	8.3	6.6	515.4	1.2	12.2
BHARTI IN	117,800	1,712	-	-	34.5	10.5	20.1	197.4	1.1	25.3
Regional Avg	146,453	-	-	-	32.4	10.0	17.2	216.9	1.4	22.9
TLKM IJ	14,996	2,480	3,500	BUY	10.8	3.8	5.0	30.9	7.2	17.1
ISAT IJ	3,425	1,740	2,000	BUY	14.0	4.4	8.2	131.8	3.1	15.0
EXCL IJ	2,540	2,270	2,000	SELL	34.9	4.5	31.9	198.2	2.2	3.2
Local Avg	20,961	-	-	-	14.2	4.0	8.8	67.7	5.9	15.1
Blended Avg	74,266	-	-	-	30.1	9.3	16.2	198.2	2.0	21.9

Relative Performance vs JCI

