

BUY (maintain)

Target Price (IDR) **5,200**

Potential Upside (%) **140**

Stock Information

Last Price (IDR) 2,170

Shares Issued (Mn) 2,359

Market Cap. (IDR Bn) 5,120

52-Weeks High/Low (IDR) 2,730/138

3M Avg. Daily Value (IDR Bn) 203.2

Free Float (%) 44.3

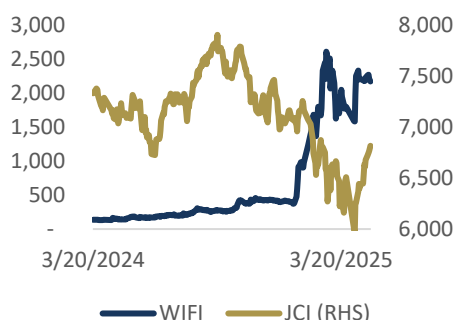
Shareholder Structure:

PT Investasi Sukses Bersama 50.4

Public 44.2

Others 5.4

Stock Price & JCI Performance



Valuation & Key Assumptions (@ IDR 2,170)

Y/E Dec	24A	25F	26F
Revenue (IDR Bn)	672	2,526	6,076
EBITDA (IDR Bn)	493	1,816	4,309
EBITDA Margin (%)	73.4	71.9	70.9
EV/EBITDA (x)	13.0	5.4	3.0
Net Profit (IDR Bn)	231	546	1,397
P/E	22.1	15.2	8.2
ROAE (%)	27.0	8.8	11.5
ROIC (%)	12.8	5.9	8.5
Net Gearing (%)	131.4	nc	11.5
Interest Cov. (x)	4.7	6.3	11.0

1Q25 Results: In line, More Good News Coming

Strong 1Q25 performance thanks to FTTH; more to come in 2H25. In 1Q25, WIFI booked impressive revenue of IDR 231.6bn (+38.7% QoQ; +65.7% YoY), driven by telecommunications solid performance, which jumped +29.5% QoQ and +107.8% YoY. The telco revenue surge was backed by successful rollout of Fiber-to-the-Home (FTTH) services, with packages of up to 200 Mbps for just IDR 100K/month, allowing for 250K subscribers in 1Q25. In addition, advertising segment posted +53.8% QoQ and +30.7% YoY growth. On the cost front, EBITDA margin improved to 77.9% (4Q24: 70.6%; 1Q24: 71.1%), supported by higher contribution from telco segment at 57.1% (1Q24: 45.6%) helped by the newly launched B2C business. On its bottom line, WIFI's 1Q25 net profit reached IDR 82.6bn (+4.4% QoQ; +181.0% YoY), or accounting for 15.1% of our FY25 estimate. This is in line with our projection as we expect earnings acceleration in 2H25 helped by subscriber base expansion peaking.

Rights issue & strategic partnership to support long-term growth. WIFI plans to raise IDR 5.9tn (~USD 353mn) through its June IDR 5.8tn rights issue to be allocated towards development support for 4mn added homepasses in Java, further cementing WIFI's fiber infrastructure. Additionally, in Apr-25, Nippon Telegraph and Telephone East (NTT East), part of Japan's largest telecommunications group, entered a strategic investment and partnership with WEAVE (WIFI's Subs). NTT will acquire 49% stake in WEAVE through a combination of IDR 1tn in cash (~USD 60 mn) and IDR 3tn in non-cash contributions (~USD 179mn), including knowledge transfer and other intangible assets. The investment will deliver long-term strategic benefits, enhancing scalability, operational efficiency, and customer retention. This will enable subscriber base of up to 5mn and raise 2025F sales by IDR 3.2tn (+386% vs. FY24) and EPS by IDR 179bn (+82% vs. FY24).

Our revised higher subs result in undilutive EPS growth post rights.

Following our recent 53% upgrade in topline, driven by higher 2025F subscriber estimate of 3.5mn (prev: ~2 mn), we still experience 6% EPS growth after taking into account WIFI's upcoming rights issue and NTT's strategic investment which will sizably raise minority interest portion. Concurrently, we expect improved financial flexibility ahead from potential bond issuance and NTT's capital injection. This will cause WIFI's significant subscriber base expansion in 2H. In the near term, WIFI also plans to participate in 5G Fixed Wireless Access auction, expected to accelerate last-mile connectivity and complement the ongoing FTTH rollout.

BUY with IDR 5,200 TP on robust earnings growth. Following this result release, we retain BUY on WIFI with IDR 5,200 TP, implying 2026F EV/EBITDA of 6.7x, 36% discount to the sector. We are positive on WIFI's outlook, cemented by improved financial flexibility to support expansions. Furthermore, the large, untapped fixed broadband (FBB) market among low-income households presents significant growth opportunity, which should drive robust earnings performance going forward. Key risks: roll out delays causing lower-than-expected customer acquisition.

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Link to our initiation report: [click here](#)

Figure 1. Valuation & Key Assumptions (@ IDR 2,170)

Y/E Dec	23A	24F	25F	26F	27F
Revenue (IDR Bn)	439	672	2,526	6,076	9,820
EBITDA (IDR Bn)	228	493	1,816	4,309	6,923
EBITDA Margin (%)	51.9	73.4	71.9	70.9	70.5
EV/EBITDA (x)	24.9	13.0	5.4	3.0	2.2
Net Profit (IDR Bn)	59	231	546	1,397	2,254
P/E	87.5	22.1	15.2	8.2	5.1
ROAE (%)	8.7	27.0	8.8	11.5	16.2
ROIC (%)	4.5	12.8	5.9	8.5	11.5
Net Gearing (%)	75.2	131.4	nc	11.5	26.6
Interest Coverage (x)	2.1	4.7	6.3	11.0	13.8

Source: Company, SSI Research

Figure 2. Earnings Results

WIFI Results: (IDR Bn)	1Q25	4Q24	1Q24	QoQ (%)	YoY (%)	3M25	3M24	YoY (%)	SSI (%)	Cons (%)
Revenue	232	167	140	38.7	65.7	232	140	65.7	14.8	12.3
Operating Profit	138	93	64	47.3	114.0	138	64	114.0	17.3	17.3
EBITDA	180	118	99	52.9	81.5	180	99	81.5	15.9	16.1
Net Profit	83	79	29	4.4	181.0	83	29	181.0	30.2	19.2
Key Ratios										
OPM (%)	59.4	55.9	46.0	-	-	59.4	46.0	-	-	-
EBITDA Margin (%)	77.9	70.6	71.1	-	-	77.9	71.1	-	-	-
NPM (%)	35.7	47.4	21.0	-	-	35.7	21.0	-	-	-

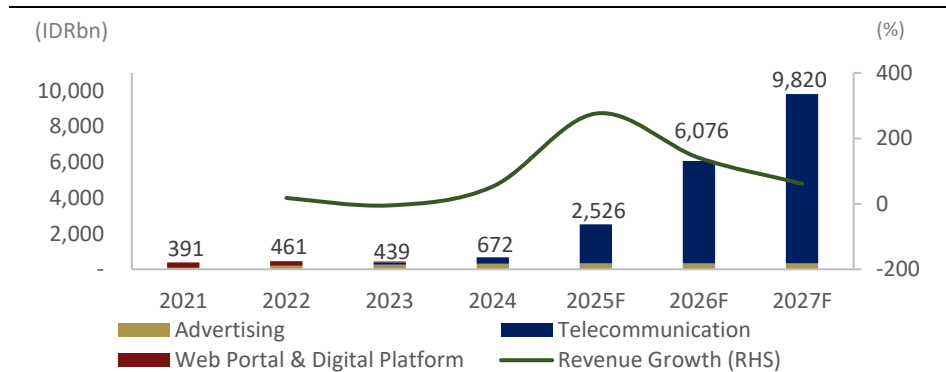
Source: Company, SSI Research

Figure 3. Earnings Revision

	Previous Rights Issues		Post Rights Issues		Percentage	
	2025F	2026F	2025F	2026F	2025F	2026F
Revenue (IDR bn)	1,651	3,416	2,526	6,076	53%	78%
growth (%)	145.7%	106.9%	275.9%	140.6%	-	-
EBITDA (IDR bn)	1,171	2,407	1,816	4,309	55%	79%
growth (%)	137.5%	105.6%	268.4%	137.2%	-	-
Net profit (IDR bn)	517	1,198	546	1,397	6%	17%
growth (%)	123.8%	131.7%	136.0%	156.0%	-	-

Source: Company, SSI Research

Figure 4. Revenue Growth



Source: Company, SSI Research

We expect revenue to reach IDR 2.5tn, driven by significant expansion in 2H25

In 1Q25, WIFI booked revenue of IDR 231.6bn (+38.7% QoQ; +65.7% YoY), driven by telecommunications solid performance, which jumped +29.5% QoQ and +107.8% YoY

We revise our earning due to higher subscribers expectation to ~3mn (prev. 2mn)

WIFI's revenue to grow 275.9% to IDR 2.5tn as it shifts focus to the B2C business, driving further growth to IDR 6.0tn (+140.6% YoY) in 2026F and IDR 9.8tn (+61.6% YoY) in 2027F

Figure 5. Income Statement

Profit and Loss					
Y/E Dec (IDR Bn)	23A	24F	25F	26F	27F
Revenue	439	672	2,526	6,076	9,820
Cost of Revenue	(267)	(257)	(968)	(2,221)	(3,561)
Gross Profit	172	415	1,558	3,855	6,259
Opex	(48)	(69)	(80)	(109)	(140)
Operating Profit	124	346	1,478	3,746	6,119
EBITDA	228	493	1,816	4,309	6,923
Interest Income	0	1	122	148	97
Interest Expense	(58)	(73)	(233)	(340)	(444)
Other Incomes (Expenses)	2	(1)	(188)	(536)	(902)
Pre-tax Profit	68	272	1,179	3,018	4,871
Taxes	(9)	(43)	(259)	(664)	(1,072)
Minority Interest	0	2	(374)	(957)	(1,545)
Net Profit	59	231	546	1,397	2,254

Source: Company, SSI Research

We expect revenue to grow to IDR 2.5tn (+275.9% YoY) in 2025F and IDR 6.1tn (+140.6% YoY) in 2026F, driving net profit CAGR of 114% (2024-27F), fueled by expansions of its B2C business

Figure 6. Balance Sheet

Balance Sheet					
Y/E Dec (IDR Bn)	23A	24F	25F	26F	27F
Cash	40	18	6,508	2,598	3,397
Receivables	91	136	491	1,182	1,909
Inventory	-	-	-	-	-
Others	132	431	1,036	2,491	4,026
Total Current Asset	263	586	8,035	6,271	9,333
Net Fixed Asset	1,198	2,299	6,120	10,035	14,061
Other Assets	103	22	3,437	4,035	4,666
Total Asset	1,564	2,907	17,592	20,341	28,060
Payables	49	33	159	365	585
ST. Debt and CMLTD	110	415	1,609	1,357	2,015
Other Current Liabilities	65	136	372	895	1,446
Current Liability	223	584	2,140	2,617	4,046
LT. Debt	487	878	3,122	2,712	5,392
Other LT. Liabilities	111	476	914	2,199	3,553
Total Liability	822	1,938	6,176	7,528	12,992
Minority Interest	2	0	2	2	3
Total Equity	743	970	11,416	12,813	15,068

Source: Company, SSI Research

WIFI maintains solid balance sheet, with net gearing ratio will improve from 11.5% in FY26, reflecting stronger financial stability and reduced leverage over time

Figure 7. Cash Flow

Cash Flow					
Y/E Dec (IDR Bn)	23A	24F	25F	26F	27F
Net Profit	59	231	546	1,397	2,254
D&A	104	147	339	562	804
Chg. in Working Capital	41	(61)	(228)	(484)	(508)
Operating CF	207	89	288	542	1,567
Capital Expenditure	(255)	(1,259)	(7,242)	(4,672)	(5,147)
Others	38	92	(333)	(403)	(314)
Investing CF	(217)	(1,167)	(7,575)	(5,076)	(5,461)
Dividend Paid	-	-	(3)	-	-
Net Borrowing	(60)	696	3,438	(662)	3,338
Others	89	360	10,340	1,285	1,355
Financing CF	29	1,056	13,776	623	4,693
Net - Cash flow	19	(22)	6,490	(3,910)	799
Adjustment	-	-	-	-	-
Cash at Beginning	21	40	18	6,508	2,598
Cash at Ending	40	18	6,508	2,598	3,397

Source: Company, SSI Research

WIFI is expected to maintain solid cash flow with ICR gradually increasing, supported by strong revenue growth and improving profitability

Figure 8. Key Ratios

Key Ratios					
Y/E Dec	23A	24F	25F	26F	27F
Gross Profit Margin (%)	39.1	61.7	61.7	63.4	63.7
Operating Margin (%)	28.2	51.5	58.5	61.7	62.3
Net Profit Margin (%)	13.3	34.4	21.6	23.0	23.0
Revenue Growth (%)	(4.8)	52.9	275.9	140.6	61.6
EBITDA Margin (%)	51.9	73.4	71.9	70.9	70.5
EBITDA Growth (%)	92.1	116.3	268.4	137.2	60.7
Net Gearing Ratio (x)	0.8	1.3	(0.2)	0.1	0.3
Receivable Days (days)	76	74	70	70	70
Payable Days (days)	66	47	60	60	60
CCC (days)	9	27	10	10	10

Source: Company, SSI Research

We expect margin improvement to continue, driving robust profitability and enhancing long-term financial sustainability

Figure 9. Key Assumptions

Key Assumptions					
Y/E Dec	23A	24F	25F	26F	27F
Home Pass (mn)	-	176	3,676	7,351	11,209
Home Connect (mn)	-	158	2,977	5,954	9,080
Take-Up Ratio (%)	-	90	81	81	81

Source: Company, SSI Research

We expect ~3mn Home Pass to be added every year, with high take-up rates of 80-90%

Figure 10. Peer Comparables, 2026F

Company	Ticker	Market Cap (USDmn)	EV/EBITDA (x)	EBITDA Gwt (%)	Net Debt to EBITDA (x)	Net Gearing (%)	ROE (%)
Cellular + Fixed Broadband							
Telkom Indonesia	TLKM IJ	15,736	3.6	2.4	0.6	25.8	17.2
Indosat Ooredoo Hutchison	ISAT IJ	3,396	3.4	6.1	1.9	137.5	16.3
XL Axiata	EXCL IJ	2,355	4.1	4.5	2.5	170.3	9.2
Sector		19,672	3.5	3.7	1.0	55.4	16.5
Fixed Broadband							
Converge ICT Solution	CNVRG PM	2,531	4.1	14.1	1.1	44.2	18.6
Time dotCom	TDC MK	2,308	10.6	4.4	-2.7	net cash	14.6
Railtel Corporation	RAILTEL IN	1,165	21.6	0.0	-1.1	-29.0	17.8
Mora Telematika Indonesia	MORA IJ	608	8.1	N/A	2.1	53.1	3.7
Jasmine International	JAS TB	413	15.1	N/A	0.0	net cash	4.0
Solusi Sinergi Digital	WIFI IJ	302	3.1	137.2	1.4	11.5	11.5
Link Net	LINK IJ	295	17.9	N/A	9.6	122.6	N/A
Sector		7,621	9.2	9.8	0.0	27.4	15.3
Telecommunication Tower							
Dayamitra Telekomunikasi	MTEL IJ	3,117	7.8	4.7	2.4	59.0	7.3
Tower Bersama Infrastructure	TBIG IJ	2,713	12.8	-1.9	5.8	288.6	12.4
Sarana Menara Nusantara	TOWR IJ	1,750	5.3	5.7	5.3	267.9	14.9
Bali Tower	BALI IJ	301	10.9	N/A	3.4	87.6	5.7
Sector		7,700	9.0	4.4	4.2	166.1	11.5

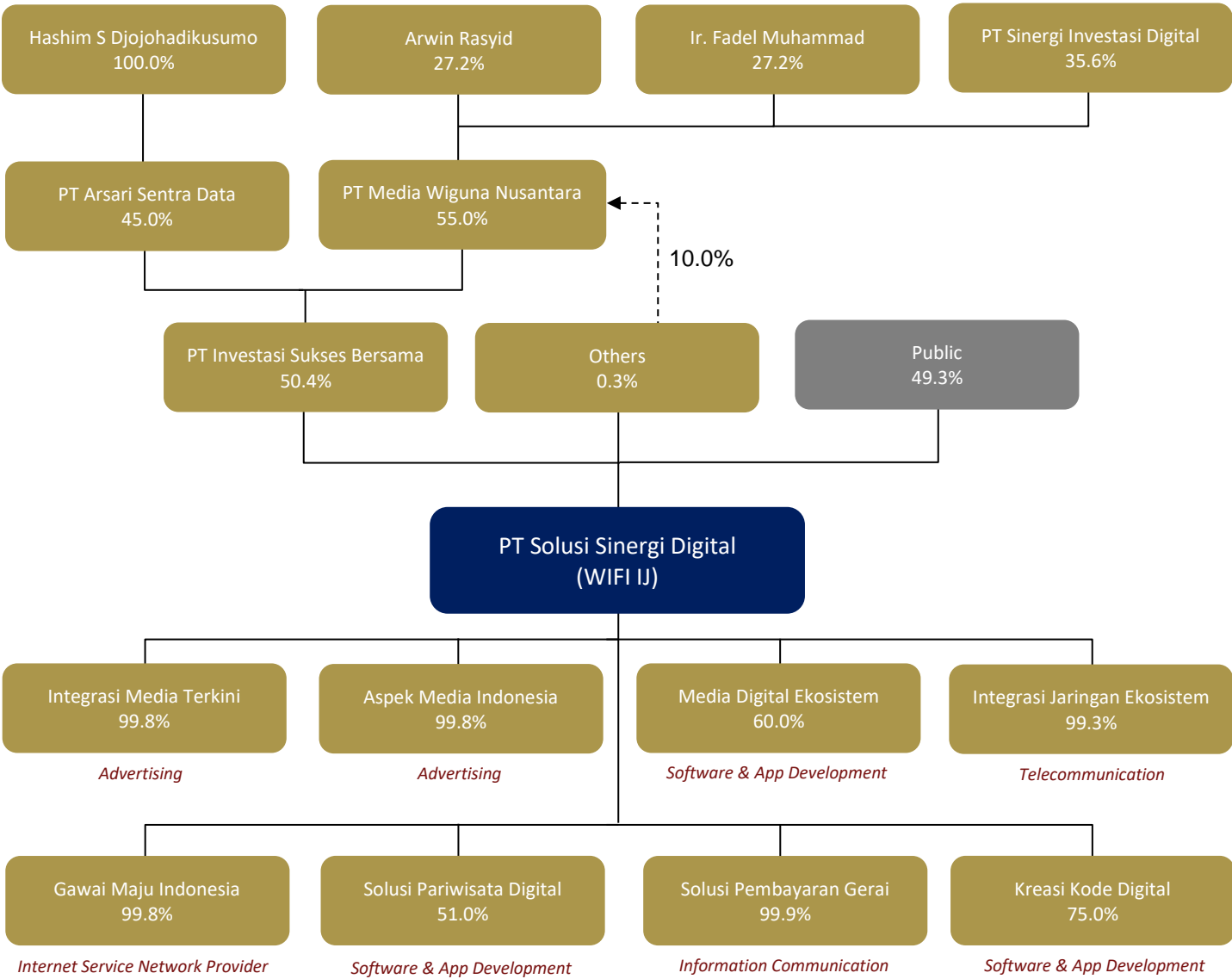
Source: Company, SSI Research

Figure 11. Management Profile

Board of Commissioners		Position	Years of Experience	Shareholding Composition
	Hermansjah Haryono (53 years old). Earned his Master of Business Administration from Cleveland State University in 2000. He joined PT Solusi Sinergi Digital Tbk in 2023 and currently also serves as Chief Business Officer of PT Digi Asia Bios.	President Commissioner	20	-
	Doni Satiaji Soetadi (62 years old). Obtained his Bachelor of Hotel Management degree from Les Roches School, Crans-Montana, Switzerland in 2002 and joined PT Solusi Sinergi Digital Tbk in 2022. He previously served as Strategic Partner in Ismaya Group.	Independent Commissioner	20	-
Board of Directors		Position	Years of Experience	Shareholding Composition
	Yune Marketatmo (56 years old). Received his Bachelor of Telecommunication from Bandung Institute of Technology in 1993 and joined PT Solusi Sinergi Digital Tbk in 2023. He previously served as CTIO & member of BoD Indosat Mega Media.	President Director	25	-
	Erwin Tanjung (58 years old). Finished Northwestern University – School of Management in 2016. He joined PT Solusi Sinergi Digital Tbk in 2023 and currently serves as Director of Commercial.	Director of Commercial	25	-
	Moh. Mustaghfirin (57 years old). Earned his Master's degree in Management, specializing in Marketing, from Telkom University in 2021. He joined PT Solusi Sinergi Digital Tbk in 2023 and currently serves as Director of Network. Previously, he was Vice President at Telkomsel, overseeing network planning and operations.	Director of Network	30	-
	Shannedy Ong (50 year old). He earned Bachelor's degree in Electrical and Computer Engineering from Queensland University of Technology. Throughout his career, Shannedy has held several roles at industry-leading companies, including serving as the Country Managing Director at Qualcomm and Vice President at Ericsson Indonesia.	Director of Technology	20	-

Source: Company, SSI Research

Figure 12. Company Structure



Source: Company, SSI Research

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