

Indosat Tbk PT (ISAT) – 15 July 2025



- Established in 1967 and went public in 1994, ISAT, Indonesia’s second largest mobile provider with 27% market share, has 94.7mn prepaid and postpaid subscribers, helped by the 2022 merger with Hutchison and the November 2024 release of their IM3 Platinum priority service, which raised their postpaid customers by 50%. Today, ISAT’s mobile services account for c.84% of their total 1Q25 revenues.
- Currently, other than mobile internet, ISAT is focusing on various digital services, including AI, and has recently released Sahabat-AI with GOTO created specifically for Indonesian businesses, schools, and individuals. Additionally, ISAT also plans to create an AI center in Surakarta, Central Java, with NVIDIA. With these new projects, ISAT forecasts to maintain ~7% revenue growth in 2026, before growing closer to 10% by 2027.
- As these new businesses should support margin improvements, we expect ISAT’s EPS growth to escalate as we head into 2026 reaching 16.3% YoY. On valuation, the stock is currently trading on 2026 EV/EBITDA of 3.7x, 10% discount to the sector. Our TP of IDR 3,000, reflects rerating to 2026 EV/EBITDA of 4.7x, justified by ISAT’s growth acceleration, growing at above sector average. Risks to our call are more intense-than-expected price war on 5G spectrum auction delay, slower-than-expected implementation of new projects, and lower-than-expected purchasing power of subscribers.

Key Valuations & Ratios

YE Dec 31	2023A	2024A	1Q24A	1Q25A	2025F	2026F	2027F
EV/EBITDA (x)	4.5	4.4	4.3	4.5	4.1	3.7	3.5
EPS (IDR)	139.7	152.3	40.1	42.5	169.5	197.1	216.0
EPS Growth (%)	265.1	9.0	39.4	5.8	11.3	16.3	9.6
P/E (x)	14.6	13.4	12.7	12.0	12.0	10.4	9.4
BVPS (IDR)	1,045	1,136	995	1,079	1,232	1,318	1,403
P/BV (x)	2.0	1.8	2.1	1.9	1.7	1.5	1.5
DPS (IDR)	63	67	N/A	N/A	82	118	138
DPR (%)	1.4	1.4	N/A	N/A	1.5	1.9	2.0
Div. Yield (%)	3.1	3.3	N/A	N/A	4.0	5.8	6.8
ROE (%)	13.4	13.4	16.1	15.7	13.8	15.0	15.4
ROA (%)	3.9	4.3	4.5	4.8	4.5	5.0	5.3
Net Debt (IDRtn)	48.7	50.4	46.2	49.2	51.1	50.7	52.2
Net Gearing (%)	144.4	137.5	143.9	141.5	128.7	119.3	115.3

Sources: Company, Bloomberg

Stock Data

Key Information	
Share Price (IDR)	: 2,040
12M High/Low; YTD High/Low (IDR)	: 2,988/735; 3,013/1,125
12M Change; YTD Change (%)	: 28.6/17.7
12M Consensus TP (IDR)	: 2,609
3M Avg. Daily Turn. (IDRbn/USDmn)	: 44.4/2.7
Mkt. Cap. (IDRtn/USDbn)	: 65.8/4.0
Shares Outstanding (bn)/Free Float (%)	: 32.3/16.2
Majority Shareholders (%)	Ooredoo Hutchison Asia Pte. Ltd. – 65.6
	Public – 16.5
	PT Perusahaan Pengelola Aset – 9.6
	PT Tiga. Telekomunikasi Indonesia – 8.3

Major Drivers

Year to 31 Dec (%)	2023A	2024A	1Q24A	1Q25A	2025F	2026F	2027F
Revenue Growth	9.6	9.1	15.8	-1.9	5.7	6.9	7.3
EBITDA Growth	22.5	4.5	6.2	-0.9	8.9	8.8	8.6
EBITDA Margin	49.2	47.1	46.7	47.1	48.6	49.4	50.0
EBIT Margin	20.7	19.3	19.7	18.2	19.7	19.9	19.9
Net Profit Margin	8.8	8.8	9.4	10.1	9.3	10.1	10.3

Sources: Company, Bloomberg

Financial Highlights

YE Dec 31 (IDRtn)	2023A	2024A	1Q24A	1Q25A	2025F	2026F	2027F
Profit & Loss							
Revenue	51.2	55.9	13.8	13.6	59.0	63.1	67.7
Cost of Revenue	(40.6)	(45.1)	(11.1)	(11.1)	(47.4)	(50.5)	(54.3)
EBITDA	25.2	26.3	6.4	6.3	28.7	31.2	33.9
EBIT	10.6	10.8	2.7	2.5	11.6	12.6	13.5
Net Profit	4.5	4.9	1.2	1.4	5.4	6.4	7.0
Balance Sheet							
Cash	5.2	4.5	7.9	4.3	5.9	8.6	6.2
Total Assets	114.7	114.4	115.6	113.4	121.0	127.6	131.3
Debt	53.9	54.9	54.1	53.5	57.1	59.3	58.3
Total Liabilities	81.0	77.7	75.6	77.7	81.2	85.1	86.0
Minority Interest	3.0	3.2	3.0	3.1	3.4	3.7	3.9
Shareholders' Equity	33.7	36.7	32.1	34.8	39.8	42.5	45.3

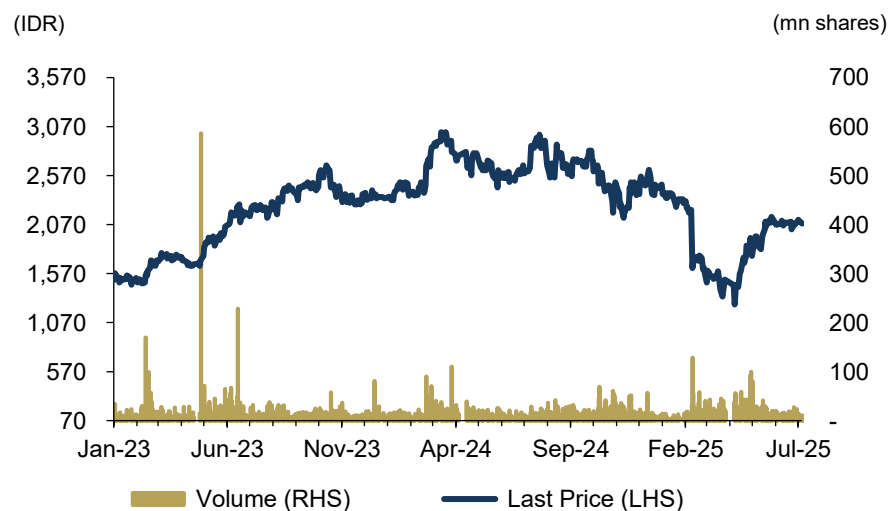
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Peer Comparables, 2025F

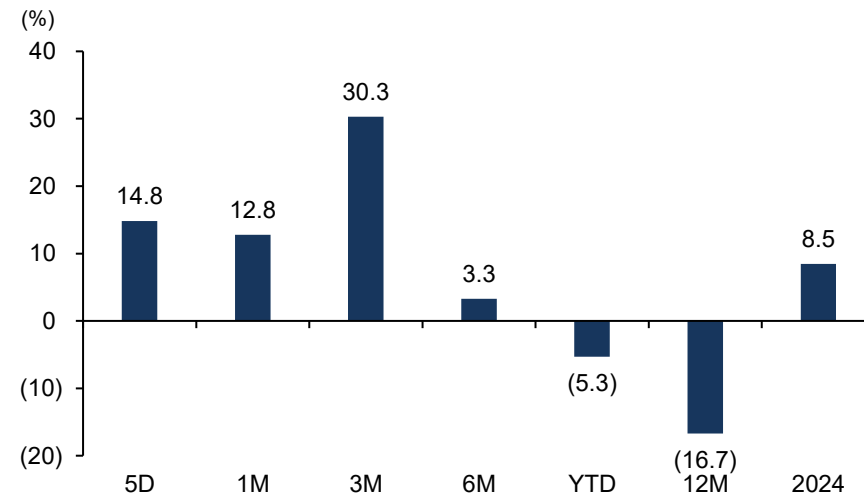
Name	Ticker	Last Price (Various Currencies)	Market Cap (IDRbn)	EV/EBITDA (x)	EBITDA Gwt (%)	Net Debt to EBITDA (x)	Net Gearing (%)	ROE (%)	ROIC (%)
Telkomsel	TLKM IJ	2,640	261,602.3	4.3	0.2	0.4	25.8	16.1	14.7
Indosat	ISAT IJ	2,040	65,819.9	4.1	4.4	1.9	137.5	14.7	6.0
XL Axiata	EXCL IJ	2,410	43,886.9	4.3	12.6	2.4	170.3	6.4	6.0
Domestic Weighted Avg			310,937.2	4.3	1.3	0.7	47.6	14.5	13.3
Globe Telecom	GLO PM	1,637	4,170.0	5.6	2.9	3.9	205.2	14.0	6.0
PLDT Inc	TEL PM	1,237	4,712.0	4.8	5.1	3.0	278.8	28.7	9.3
Advanced Info Service	ADVANC TB	291	26,682.0	8.9	7.2	1.5	196.3	42.3	14.3
Regional Weighted Avg			35,564.0	8.0	6.4	2.0	208.3	37.2	12.7
Weighted Avg			346,501.2	4.7	1.9	0.9	64.1	16.9	13.2

Stock Price & Volumes, 12-months



Source: Bloomberg

ISAT Relative Performance to JCI (%)



Source: Bloomberg