

BUY (Maintained)

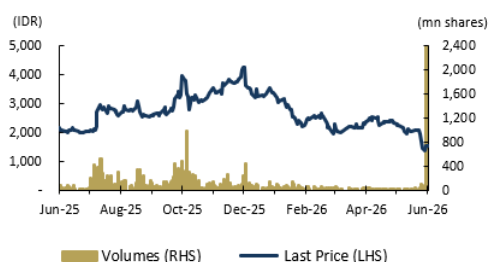
| | |
|----------------------|-------|
| Target Price (IDR) | 5,200 |
| Potential Upside (%) | 239 |

| Company Data | |
|--------------------------|-------|
| Cons. Target Price (IDR) | 4,288 |
| SSI vs. Cons (%) | 121.3 |

| Stock Information | |
|------------------------------|-------------|
| Last Price (IDR) | 1,535 |
| Market Cap. (IDR tn) | 8,149 |
| 52-Weeks High/Low (IDR) | 4,420/1,270 |
| 3M Avg. Daily Value (IDR bn) | 61.4 |
| Free Float (%) | 40.0 |
| Shareholders (%): | |
| PT Investasi Sukses Bersama | 50.4 |
| Public | 44.2 |
| Others | 5.4 |

| Stock Performance | | | | |
|-------------------|--------|--------|--------|--------|
| (%) | YTD | 1M | 3M | 12M |
| Absolute | (52.9) | (33.5) | (21.3) | (25.0) |
| JCI Return | (33.5) | (17.5) | (21.7) | (19.2) |
| Relative | (19.4) | (15.9) | 0.3 | (5.8) |

Stock Price & Volumes, 12M



Company Background

Founded in 2012, WIFI, an Indonesian digital infrastructure company specializing in fixed broadband (FBB) targeting low-income households, was listed in 2020. WIFI is the country's third largest listed home fiber internet provider using the affordably priced 'Starlite' and 'Internet Rakyat' brands.

Jonathan Guyadi
+62 21 2854 8322
jonathan.guyadi@samuel.co.id

Jason Sebastian
+62 21 2854 8100
jason.sebastian@samuel.co.id

Fast & Cheap

Strong 2Q26F revenues to be backed by Starlite subscribers and IRA rollouts. For WIFI, we expect 2Q26F topline to reach IDR 976bn (+24.6% QoQ, +246.3% YoY) from FTTH (Starlite) expansion and FWA (IRA) rollouts, while net profit should increase to IDR 191bn (+16.2% QoQ, +31.6% YoY). In 1Q26, revenues came in at IDR 784bn (+21.6% QoQ, +238.4% YoY) driven by significant increase in telco contribution of IDR 590bn (+24.0% QoQ, +345.6% YoY) from higher subscriber growth, reaching 1.7mn from 249K in 1Q25, along with additional IDR 125bn from wholesale trade, in line with our forecast (23.0%) and cons (21.1%). EBITDA rose to IDR 547bn (+17.3% QoQ, +203.4% YoY), although margin decreased to 70% (from 72% in 4Q25 and 78% in 1Q25) due to FWA costs. Notably, interest expense increased to IDR 118bn (+181% YoY), impacting net margin of 21% in 1Q26 (4Q25: 24%, 1Q25: 36%). Thus, net profit reached IDR 165bn (+7.4% QoQ, +99.2% YoY), in line with ours (22.1%) and cons (22.6%).

FWA: game changer on deployment ease & cheap pricing (IDR 100K/month). We project FY26F FWA subscribers to reach ~1.5–2mn (TUR: 55%), supported by CPE availability of ~700K units in 2 months since its initial launch (3.6mn annualized). This translate to generation of up to ~1mn pre-registrations to be monetized in 1H26. We view FWA, also known as "Internet Rakyat" (IRA), as a lucrative business expansion due to its scalable deployment addressing Indonesia's low fiber penetration (~30%) and its affordable pricing of IDR 100K/month, suitable for current domestic purchasing power amid challenging macro conditions. However, FWA typically delivers lower EBITDA margin (~55–60%) compared to FTTH (high-60%). Nevertheless, WIFI is offering a 3-month subscription free with IDR 100K upfront payment plus free World Cup access for IRA activation, which is expected to sustain strong demand in 2H26F. Currently, around 600+ FWA sites are operational across Region-1, with a target of 5.5K sites by year-end, supported by total capex of ~IDR 6.5 tn.

Expansions of FTTH on renewed KAI contract until 2037 for Java and Sumatra. In FTTH, WIFI has renewed its contract with PT Kereta Api Indonesia (KAI) until 2037 for Java and Sumatra railroads to support its FTTH expansions. The company is currently constructing fiber optic networks along KAI's ~2,000 km railway in Sumatra with ~IDR 130mn/km (vs. ~IDR 100mn/km in Java) estimated cost to expand its footprint. This Sumatra FTTH deployment is expected to be completed by end-2Q26 with subscriber additions starting in 3Q26. For this year, WIFI is targeting 2.3mn home connects (+35% YoY) and 4.0mn homepasses (+60% YoY) with TUR of 58% for its FTTH business. To drive growth, WIFI plans 2026 capex of IDR 8.4tn (FWA: IDR 6.4tn; FTTH: IDR 2.0tn).

Undervaluation & strong growth: BUY with TP of IDR 5,200 (239% upside). We reiterate BUY rating on WIFI with TP of IDR 5,200 (239% upside), reflecting 7.0x 2026F EV/EBITDA, which is undervalued (56% discount to the industry average – Fig.4). We expect FWA monetization and further FTTH developments to expand its footprint across Indonesia, securing potential customer base over the longer term. Key risks to our call: 1) lower-than-expected subscriber acquisition, 2) weaker purchasing power, and 3) stretched balance sheet on rising rates.

Forecasts and Valuations (at closing price IDR 1,535 per share)

| Y/E Dec | 24A | 25A | 26F | 27F | 28F |
|-----------------------|-------|--------|-------|-------|--------|
| Revenue (IDR Bn) | 672 | 1,659 | 3,911 | 7,765 | 11,426 |
| EBITDA (IDR Bn) | 493 | 1,115 | 2,434 | 4,585 | 6,959 |
| EBITDA Growth | 116.3 | 126.2 | 118.3 | 88.4 | 51.8 |
| Net Profit (IDR Bn) | 231 | 413 | 790 | 1,854 | 3,029 |
| EPS (IDR) | 111 | 96 | 141 | 330 | 539 |
| EPS Growth (%) | 294.9 | (12.9) | 45.9 | 134.5 | 63.4 |
| P/E (x) | 119.4 | 67.6 | 15.5 | 6.6 | 4.1 |
| EV/EBITDA (x) | 27.5 | 10.1 | 7.8 | 5.5 | 4.5 |
| ROAE (%) | 27.0 | 10.0 | 10.3 | 20.6 | 26.5 |
| ROIC (%) | 12.8 | 5.6 | 4.9 | 8.1 | 10.1 |
| Net Gearing (%) | 131 | n.c. | 83 | 128 | 145 |
| Interest Coverage (x) | 2.1 | 4.7 | 2.9 | 2.4 | 3.1 |

Figure 1. 1Q26 Results

| WIFI Results: (IDR Bn) | 1Q26 | 4Q25 | 1Q25 | QoQ (%) | YoY (%) | 3M26 | 3M25 | YoY (%) | SSI (%) | Cons (%) |
|---------------------------|------|------|------|---------|---------|------|------|---------|---------|----------|
| Revenue | 784 | 644 | 232 | 21.6 | 238.4 | 784 | 232 | 238.4 | 20.0 | 21.1 |
| Operating Profit | 355 | 387 | 138 | -8.3 | 157.9 | 355 | 138 | 157.9 | 20.4 | 20.6 |
| EBITDA | 547 | 466 | 180 | 17.3 | 203.4 | 547 | 180 | 203.4 | 22.5 | 25.3 |
| Net Profit | 165 | 153 | 83 | 7.4 | 99.2 | 165 | 83 | 99.2 | 20.8 | 22.6 |
| Key Ratios | | | | | | | | | | |
| OPM (%) | 45.3 | 60.0 | 59.4 | - | - | 45.3 | 59.4 | - | - | - |
| EBITDA Margin (%) | 69.8 | 72.4 | 77.9 | - | - | 69.8 | 77.9 | - | - | - |
| NPM (%) | 21.0 | 23.8 | 35.7 | - | - | 21.0 | 35.7 | - | - | - |

Sources: Company, SSI Research

WIFI booked 1Q26 revenue of IDR 784bn (+21.6% QoQ, +238.4% YoY), driven by a significant increase in telco revenue to IDR 590bn (+24.0% QoQ, +345.6% YoY) from higher subscriber growth, reaching 1.7mn from 249K in 1Q25

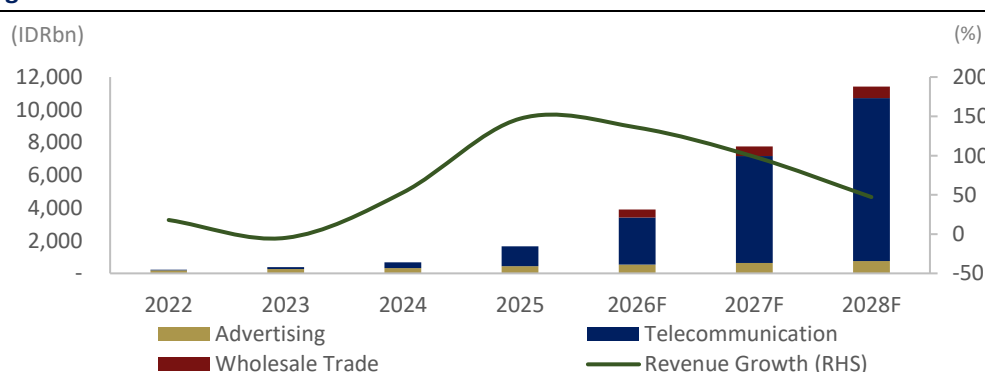
Figure 2. Earnings changes

| IDRmn | Old | | | New | | | Percentage | | |
|------------|--------|--------|--------|--------|--------|--------|------------|--------|-------|
| | 2026F | 2027F | 2028F | 2026F | 2027F | 2028F | 2026F | 2027F | 2028F |
| Revenue | 1,364 | 3,784 | 8,554 | 3,911 | 7,765 | 11,426 | 186.7% | 105.2% | 33.6% |
| % growth | 103.0% | 177.4% | 126.1% | 135.7% | 98.6% | 47.1% | - | - | - |
| EBITDA | 904 | 1,679 | 5,427 | 2,434 | 4,585 | 6,959 | 169.3% | 173.1% | 28.2% |
| % growth | 83.4% | 85.7% | 223.2% | 118.3% | 88.4% | 51.8% | - | - | - |
| Net Profit | 356 | 667 | 3,086 | 790 | 1,854 | 3,029 | 122.0% | 177.9% | -1.9% |
| % growth | 54.1% | 87.4% | 362.7% | 91.3% | 134.5% | 63.4% | - | - | - |

Source: Company, SSI Research

We have increased our earnings expectations going forward due to the FWA rollout

Figure 3. WIFI's revenue trend



Source: Company, SSI Research

We expect Starlite to continue driving WIFI's revenue going forward, followed by FWA, while advertising and wholesale trade are expected to remain stable

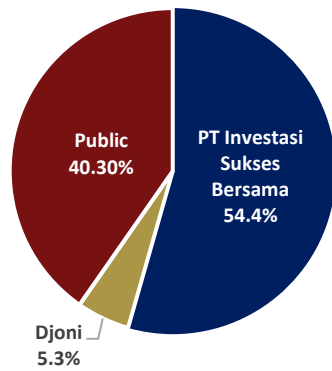
Figure 4. Peer Comparables

| Company Ticker | Market | EV/EBITDA | EBITDA Gwt | 2026F | |
|------------------------|---------------|--------------|------------|------------------------|-----------------|
| | Cap. (USD Bn) | | | Net Debt to EBITDA (x) | Net Gearing (%) |
| Ekamas Mora Republik | 15,483 | 139.1 | 0.0 | 2.0 | 50.3 |
| Time dotCom | 2,743 | 13.2 | 7.0 | -0.5 | -28.1 |
| Converge ICT Solution | 1,212 | 3.3 | 9.3 | 0.7 | 32.0 |
| Railtel Corporation | 1,049 | 14.8 | 0.0 | -0.9 | -26.1 |
| Solusi Sinergi Digital | 468 | 4.4 | 68.9 | 0.1 | -11.5 |
| Link Net | 202 | 11.9 | 0.0 | 7.7 | 187.1 |
| Sector | 21,156 | 104.6 | 3.0 | 1.5 | 35.2 |

Sources: SSI Research, Companies

Currently, WIFI is trading at 4.4x EV/EBITDA, 60% lower than peers excluding MORA, while offering potential EBITDA growth of 67% YoY in 2026F

Figure 5. Company Ownership



WIFI is owned by PT Investasi Sukses Bersama (54.4%)

Sources: Company, SSI Research

Financial Highlights

Figure 6. Income Statement

| Y/E Dec (IDR Bn) | 24A | 25A | 26F | 27F | 28F |
|--------------------------|------------|--------------|--------------|--------------|---------------|
| Revenue | 672 | 1,659 | 3,911 | 7,765 | 11,426 |
| Cost of Revenue | (257) | (533) | (1,596) | (2,989) | (4,117) |
| Gross Profit | 415 | 1,127 | 2,315 | 4,776 | 7,309 |
| Opex | (69) | (206) | (572) | (1,136) | (1,671) |
| Operating Profit | 346 | 921 | 1,743 | 3,640 | 5,638 |
| EBITDA | 493 | 1,115 | 2,434 | 4,585 | 6,959 |
| Interest Income | 1 | 61 | 48 | 33 | 22 |
| Interest Expense | (73) | (313) | (724) | (1,172) | (1,574) |
| Other Incomes (Expenses) | (1) | 39 | (0) | (0) | (0) |
| Pre-tax Profit | 272 | 709 | 1,066 | 2,500 | 4,085 |
| Taxes | (43) | (71) | (107) | (251) | (410) |
| Minority Interest | 2 | (224) | (169) | (396) | (647) |
| Net Profit | 231 | 413 | 790 | 1,854 | 3,029 |

Source: Company, SSI Research

We expect WIFI's 2026F revenue to reach IDR 3.9tn (+135.7% YoY), driven by further FTTH expansion and the FWA rollout

Figure 7. Balance Sheet

| Y/E Dec (IDR Bn) | 24A | 25A | 26F | 27F | 28F |
|----------------------------|--------------|---------------|---------------|---------------|---------------|
| Cash | 18 | 6,165 | 5,187 | 3,005 | 2,517 |
| Receivables | 136 | 223 | 533 | 1,058 | 1,556 |
| Inventory | - | 966 | 2,894 | 5,420 | 7,465 |
| Others | 431 | 1,334 | 3,145 | 6,244 | 9,188 |
| Total Current Asset | 586 | 8,688 | 11,757 | 15,726 | 20,725 |
| Net Fixed Asset | 2,299 | 5,219 | 11,281 | 14,991 | 20,558 |
| Other Assets | 22 | 1,263 | 1,996 | 3,952 | 5,809 |
| Total Asset | 2,907 | 15,170 | 25,035 | 34,668 | 47,093 |
| Payables | 33 | 407 | 1,220 | 2,285 | 3,147 |
| ST. Debt and CMLTD | 415 | 1,863 | 2,900 | 3,517 | 4,214 |
| Other Current Liabilities | 136 | 1,711 | 4,226 | 6,412 | 9,907 |
| Current Liability | 584 | 3,981 | 8,346 | 12,214 | 17,269 |
| LT. Debt | 878 | 1,973 | 5,575 | 7,483 | 9,662 |
| Other LT. Liabilities | 476 | 698 | 1,645 | 3,266 | 4,806 |
| Total Liability | 1,938 | 6,652 | 15,566 | 22,962 | 31,736 |
| Minority Interest | 0 | 1,219 | 1,387 | 1,783 | 2,430 |
| Total Equity | 970 | 8,518 | 9,469 | 11,706 | 15,357 |

Source: Company, SSI Research

WIFI is expected to have high capex going forward to support FTTH expansion and FWA rollout, resulting in...

Figure 8. Cash Flow

| Y/E Dec (IDR Bn) | 24A | 25A | 26F | 27F | 28F |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Net Profit | 231 | 413 | 790 | 1,854 | 3,029 |
| D&A | 147 | 194 | 691 | 945 | 1,321 |
| Chg. in Working Capital | (61) | (678) | (1,425) | (1,986) | (1,681) |
| Operating CF | 89 | (754) | (1,270) | (1,456) | 513 |
| Capital Expenditure | (1,259) | (3,161) | (6,924) | (5,047) | (7,427) |
| Others | 92 | (1,194) | (563) | (1,563) | (1,319) |
| Investing CF | (1,167) | (4,355) | (7,487) | (6,610) | (8,746) |
| Dividend Paid | - | (3) | (3) | (4) | (9) |
| Net Borrowing | 696 | 3,895 | 6,667 | 3,876 | 5,579 |
| Others | 360 | 7,363 | 1,114 | 2,013 | 2,175 |
| Financing CF | 1,056 | 11,255 | 7,779 | 5,885 | 7,746 |
| Net - Cash flow | (22) | 6,146 | (978) | (2,182) | (488) |
| Adjustment | - | - | - | - | 1 |
| Cash at Beginning | 40 | 18 | 6,165 | 5,187 | 3,005 |
| Cash at Ending | 18 | 6,165 | 5,187 | 3,005 | 2,517 |

... increasing debt levels

Source: Company, SSI Research

Figure 9. Key Ratios

| Y/E Dec | 24A | 25A | 26F | 27F | 28F |
|-------------------------|-------|-------|-------|------|------|
| Gross Profit Margin (%) | 61.7 | 67.9 | 59.2 | 61.5 | 64.0 |
| Operating Margin (%) | 51.5 | 55.5 | 44.6 | 46.9 | 49.3 |
| Net Profit Margin (%) | 34.4 | 24.9 | 20.2 | 23.9 | 26.5 |
| Revenue Growth (%) | 52.9 | 147.0 | 135.7 | 98.6 | 47.1 |
| EBITDA Margin (%) | 73.4 | 67.2 | 62.2 | 59.1 | 60.9 |
| EBITDA Growth (%) | 116.3 | 126.2 | 118.3 | 88.4 | 51.8 |
| Net Gearing Ratio (x) | 1.3 | n.c. | 0.4 | 0.8 | 0.9 |

FWA business is expected to lever
WIFI's growth onwards

Source: Company, SSI Research

Equity Research Team

| | | | |
|------------------------------|--|--------------------------------|-----------------|
| Harry Su | Managing Director of Research | harry.su@samuel.co.id | +6221 2854 8100 |
| Prasetya Gunadi | Head of Equity Research, Strategy, Banking | prasetya.gunadi@samuel.co.id | +6221 2854 8320 |
| Fithra Faisal Hastiadi, Ph.D | Senior Macro Strategist | fithra.hastiadi@samuel.co.id | +6221 2854 8100 |
| Juan Harahap | Coal, Metals, Mining Contracting, Oil & Gas, Plantations | juan.oktavianus@samuel.co.id | +6221 2854 8392 |
| Jonathan Guyadi | Consumer, Retail, Healthcare, Cigarettes, Telco | jonathan.guyadi@samuel.co.id | +6221 2854 8846 |
| Ahnaf Yassar | Banking, Strategy, Plantation, Renewables | ahnaf.yassar@samuel.co.id | +6221 2854 8392 |
| Kenzie Keane | Cigarettes, Consumer, Healthcare, Retail, Property | kenzie.keane@samuel.co.id | +6221 2854 8325 |
| Fadhlan Banny | Cement, Media, Mining Contracting, Oil & Gas, Plantations, Poultry, Technology | fadhlan.banny@samuel.co.id | +6221 2854 8325 |
| Jason Sebastian | Automotive, Telco, Tower | jason.sebastian@samuel.co.id | +6221 2854 8392 |
| Yehezkiel Neville | Research Associate; Macroeconomic, Coal, Mining | yehezkiel.neville@samuel.co.id | +6221 2854 8392 |

Digital Production Team

| | | | |
|------------------------|---|-------------------------------|-----------------|
| Sylvanny Martin | Creative Production Lead & Graphic Designer | sylvanny.martin@samuel.co.id | +6221 2854 8100 |
| M. Indra Wahyu Pratama | Video Editor & Videographer | muhammad.indra@samuel.co.id | +6221 2854 8100 |
| M. Rifaldi | Video Editor | m.rifaldi@samuel.co.id | +6221 2854 8100 |
| Raflyyan Rizaldy | SEO Specialist | raflyyan.rizaldy@samuel.co.id | +6221 2854 8100 |
| Ahmad Zupri Ihsyan | Team Support | ahmad.zupri@samuel.co.id | +6221 2854 8100 |

Equity

| | | | |
|------------------|--------------------------|-------------------------------|-----------------|
| Joseph Soegandhi | Director of Equity Sales | joseph.soegandhi@samuel.co.id | +6221 2854 8872 |
|------------------|--------------------------|-------------------------------|-----------------|

Equity Institutional Sales Team

| | | | |
|--------------------|------------------------------------|---------------------------------|-----------------|
| Widya Meidrianto | Head of Institutional Equity Sales | anto@samuel.co.id | +6221 2854 8317 |
| Ronny Ardianto | Institutional Equity Sales | ronny.ardianto@samuel.co.id | +6221 2854 8399 |
| Fachruly Fiater | Institutional Sales Trader | fachruly.fiater@samuel.co.id | +6221 2854 8325 |
| Alexander Tayus | Institutional Equity Dealer | alexander.tayus@samuel.co.id | +6221 2854 8319 |
| Leonardo Christian | Institutional Equity Dealer | leonardo.christian@samuel.co.id | +6221 2854 8147 |

Equity Retail Team

| | | | |
|---------------------|------------------------------|-----------------------------------|-----------------|
| Damargumilang | Head of Equity Retail | atmaji.damargumilang@samuel.co.id | +6221 2854 8309 |
| Clarice Wijana | Head of Equity Sales Support | clarice.wijana@samuel.co.id | +6221 2854 8395 |
| Denzel Obaja | Equity Retail Chartist | denzel.obaja@samuel.co.id | +6221 2854 8342 |
| Gitta Wahyu Retnani | Equity Sales & Trainer | gitta.wahyu@samuel.co.id | +6221 2854 8365 |
| Vincentius Darren | Equity Sales | darren@samuel.co.id | +6221 2854 8348 |
| Sylviawati | Equity Sales Support | sylviawati@samuel.co.id | +6221 2854 8113 |
| Handa Sandiawan | Equity Sales Support | handa.sandiawan@samuel.co.id | +6221 2854 8302 |
| Yonathan | Equity Dealer | yonathan@samuel.co.id | +6221 2854 8347 |
| Reza Fahlevi | Equity Dealer | reza.fahlevi@samuel.co.id | +6221 2854 8359 |

Fixed Income Sales Team

| | | | |
|--------------------------|----------------------|-------------------------------|-----------------|
| R. Virine Tresna Sundari | Head of Fixed Income | virine.sundari@samuel.co.id | +6221 2854 8170 |
| Sany Rizal Keliobas | Fixed Income Sales | sany.rizal@samuel.co.id | +6221 2854 8337 |
| Khairanni | Fixed Income Sales | khairanni@samuel.co.id | +6221 2854 8104 |
| Dina Afrilia | Fixed Income Sales | dina.afrilia@samuel.co.id | +6221 2854 8100 |
| Muhammad Alfizar | Fixed Income Sales | muhammad.alfizar@samuel.co.id | +6221 2854 8305 |

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