Solusi Sinergi Digital (WIFI IJ)

Telecommunications Sector
12 August 2026

JCI Index 6,335

BUY (Maintained)

Target Price (IDR)	**5,200**
Potential Upside (%)	**165**

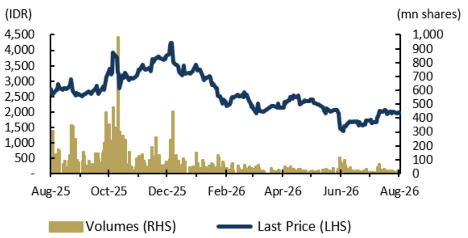
Company Data	
Cons. Target Price (IDR)	4,460
SSI vs. Cons (%)	116.6

Stock Information	
Last Price (IDR)	1,965
Market Cap. (IDR tn)	10.4
52-Weeks High/Low (IDR)	4,420/1,270
3M Avg. Daily Value (IDR bn)	46.5
Free Float (%)	40.0
Shareholders (%):	
PT Investasi Sukses Bersama	54.4
Public	40.3
Others	5.3

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	(39.5)	13.9	(18.1)	(28.0)
JCI Return	(26.6)	7.2	(10.6)	(15.5)
Relative	(12.9)	6.7	(7.6)	(12.6)

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.

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Better Times Ahead

Strong 3Q26 future revenues backed by Starlite subscribers and IRA rollouts. For WIFI, we expect 3Q26F topline to reach IDR 1.2tn (+53.2% QoQ, +141.0% YoY) from FTTH (Starlite) expansion and FWA (IRA) rollouts, while net profit should increase to IDR140.7bn (-15.6% QoQ, +81.0% YoY). In 2Q26, revenues came in at IDR 787bn (+0.5% QoQ, +179.3% YoY primarily driven by the telco segment, which reached IDR 691bn (+17.1% QoQ, +366.4% YoY) in top line, underpinned by a growing subscriber base across its broadband business (FWA + FTTH). This will bring 1H26 revenues to IDR 1,571bn (+205.9% YoY) reaching 40.2% of our FY estimate and 42.2% of cons. 2Q26 operating profit rose to IDR 432bn (+21.8% QoQ, +136.3% YoY) with OPM improved to 55% (1Q26: 45.3%). EBITDA reached IDR 412bn (-24.7% QoQ, +88.8% YoY) with margin having declined to 52.3% (1Q26:69.8%; 2Q25: 77.4%), mainly attributable to a shift in business mix and promotional activities during the World Cup period, affecting overall ARPU at IDR70K/month in 2Q26. Thus, net profit reached IDR 167bn (+1.3% QoQ, +14.7% YoY), bringing 1H26 to IDR 331bn (+45.3% YoY), broadly in line with ours (41.9%) and cons (45.6%).

More conservative 2026F guidance amid challenging operating conditions. WIFI has adopted a more conservative target for its FWA business, guiding for 1mn subscribers in 2026F (previous: 3mn), as both internal and external issues weighed on the overall FWA rollouts. The company nonetheless maintained its three-year subscriber target of c.8mn by 2028F. On the FWA business, following the Feb-26 launch of the Internet Rakyat (IRA) brand, WIFI recorded 513k subscribers across 902 BTS on air (FY26F target: 5,500 sites), with a take-up rate of ~57% in 1H26. Nonetheless, we view IRA as a lucrative business expansion given its scalable deployment addresses Indonesia's low fiber penetration (~30%) and its affordable pricing of IDR100k/month suits current domestic purchasing power amid challenging macro conditions. In the FTTH business, WIFI also slightly toned down its FY26F subscriber target to 2.1mn (previous: 2.3mn), while 1H26 home connects reached 1.85mn (+377% YoY), with the take-up rate maintained at ~61%. The company therefore expects combined FWA and FTTH subscribers to reach 3.5mn in 2026F. In Jul-26, WIFI also launched three new plans catering to the mid-to-high-end segment: Starlite Prime (FTTH), Starlite Combo (FTTH + FWA) and Starlite Super (FTTH, WiFi 7), priced from IDR168k/month to IDR250k/month, while offering materially cheaper yield (IDR/Mbps) at ~85% discount to peers. We believe these superior product offerings should further boost customer acquisition going forward.

Undervaluation and strong growth ahead: BUY with TP of IDR 5,200 (+165%). We reiterate BUY rating on WIFI with TP of IDR 5,200 (165% upside), reflecting 9.3x 2027F EV/EBITDA, which is undemanding (15% discount to the industry average excl MORA– Fig.4). We expect FWA monetization and further FTTH developments to expand its footprint across Indonesia, securing potential customer base over the medium term. Key risks: 1) lower-than-expected subscriber acquisition, 2) weaker purchasing power, and 3) stretched balance sheet on elevated interest rates.

Forecasts and Valuations (at closing price IDR 1,965 per share)

Y/E Dec	24A	25A	26F	27F	28F
Revenue (IDR Bn)	672	1,659	3,703	7,888	12,394
EBITDA (IDR Bn)	493	1,115	2,322	4,652	7,514
EBITDA Growth	116.3	126.2	108.2	100.4	61.5
Net Profit (IDR Bn)	231	413	629	1,743	3,303
EPS (IDR)	44	77	112	310	588
EPS Growth (%)	294.8	76.7	45.6	177.1	89.5
P/E (x)	45.1	25.5	17.5	6.3	3.3
EV/EBITDA (x)	12.0	6.7	8.0	5.4	4.3
ROAE (%)	27.0	10.0	8.3	19.8	29.3
ROIC (%)	12.8	5.6	3.3	6.1	9.3
Net Gearing (%)	131	n.c.	95	146	164
Interest Coverage (x)	4.7	2.9	2.0	2.7	3.6

Figure 1. 2Q26 Results

WIFI Results: (IDR Bn)	2Q26	1Q26	2Q25	QoQ (%)	YoY (%)	6M26	6M25	YoY (%)	SSI (%)	Cons (%)
Revenue	787	784	282	0.5	179.3	1,571	513	205.9	40.2	42.2
Operating Profit	432	355	183	21.8	136.3	787	320	145.6	45.1	45.7
EBITDA	412	547	218	-24.7	88.8	959	399	140.7	39.4	44.3
Net Profit	167	165	145	1.3	14.7	331	228	45.3	41.9	45.6
Key Ratios										
OPM (%)	54.9	45.3	64.8	-	-	50.1	62.4	-	-	-
EBITDA Margin (%)	52.3	69.8	77.4	-	-	61.1	77.6	-	-	-
NPM (%)	21.2	21.0	51.6	-	-	21.1	44.4	-	-	-

Sources: Company, SSI Research

WIFI booked 2Q26 revenue of IDR 787bn (+179.3% YoY), driven by a significant increase in telco revenue to IDR 691bn (+366.4% YoY) from higher subscriber growth, reaching 1.85mn for its FTTH (+377% YoY)

Figure 2. Earnings changes

IDRmn	Old			New			Percentage		
	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Revenue	3,911	7,765	11,426	3,703	7,888	12,394	-5.3%	1.6%	8.5%
% growth	135.7%	98.6%	47.1%	123.2%	113.0%	57.1%	-	-	-
EBITDA	2,434	4,585	6,959	2,322	4,652	7,514	-4.6%	1.5%	8.0%
% growth	118.3%	88.4%	51.8%	108.2%	100.4%	61.5%	-	-	-
Net Profit	790	1,854	3,029	629	1,743	3,303	-20.4%	-6.0%	9.1%
% growth	91.3%	134.5%	63.4%	52.2%	177.1%	89.5%	-	-	-

Source: Company, SSI Research

Toning down FY26F earnings as the FWA rollout's impact skews to FY28F

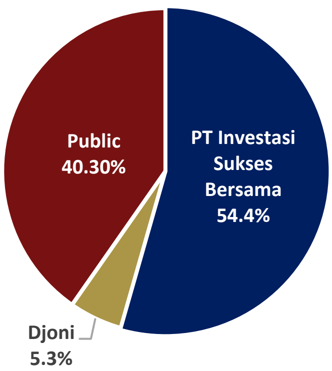
Figure 3. Peer Comparables

Company Ticker	Market Cap. (USD Bn)	EV/EBITDA (x)	2026F EBITDA Gwt (%)	Net Debt to EBITDA (x)	Net Gearing (%)	ROE (%)	ROIC (%)	EBITDA margin
MORA IJ	13,999	107.4	0.0	6.0	50.3	6.4	6.4	50.2
TDC MK	2,734	13.4	7.5	-0.5	-28.1	16.5	12.3	39.4
CNVRG PM	1,300	3.6	8.7	0.7	31.0	18.3	16.8	57.5
railtel in	979	13.9	0.0	-0.9	-26.1	16.3	14.7	14.9
WIFI IJ	**582**	**8.0**	**108.2**	**3.2**	**94.5**	**8.3**	**3.3**	**62.7**
LINK IJ	222	14.8	0.0	9.8	187.1	-39.3	-9.4	27.9
Sector	**19,816**	**79.0**	**4.1**	**4.3**	**34.1**	**8.6**	**8.3**	**47.7**

Sources: SSI Research, Companies

Currently, WIFI is trading at 8.0x EV/EBITDA, 35% lower than peers excluding MORA, while offering potential EBITDA growth of 108.2% YoY in 2026F

Figure 4. Company Ownership



Sources: Company, SSI Research

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

Financial Highlights

Figure 6. Income Statement

Y/E Dec (IDR Bn)	24A	25A	26F	27F	28F
Revenue	**672**	**1,659**	**3,703**	**7,888**	**12,394**
Cost of Revenue	(257)	(533)	(1,579)	(3,078)	(4,471)
Gross Profit	**415**	**1,127**	**2,124**	**4,810**	**7,923**
Opex	(69)	(206)	(542)	(1,154)	(1,813)
Operating Profit	**346**	**921**	**1,583**	**3,657**	**6,110**
EBITDA	**493**	**1,115**	**2,322**	**4,652**	**7,514**
Interest Income	1	61	68	71	54
Interest Expense	(73)	(313)	(802)	(1,376)	(1,707)
Other Incomes (Expenses	(1)	39	(0)	(0)	(0)
Pre-tax Profit	**272**	**709**	**849**	**2,351**	**4,456**
Taxes	(43)	(71)	(85)	(236)	(447)
Minority Interest	2	(224)	(134)	(372)	(705)
Net Profit	**231**	**413**	**629**	**1,743**	**3,303**

Source: Company, SSI Research

We expect WIFI's 2027F revenue to reach IDR 3.7tn (+123.2% 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	10,240	7,544	5,911
Receivables	136	223	504	1,074	1,688
Inventory	-	966	2,863	5,580	8,107
Others	431	1,334	2,977	6,343	9,965
Total Current Asset	**586**	**8,688**	**16,584**	**20,541**	**25,671**
Net Fixed Asset	2,299	5,219	12,088	15,800	21,885
Other Assets	22	1,263	1,891	4,014	6,300
Total Asset	**2,907**	**15,170**	**30,563**	**40,356**	**53,856**
Payables	33	407	1,207	2,353	3,418
ST. Debt and CMLTD	415	1,863	5,248	5,865	6,562
Other Current Liabilities	136	1,711	4,181	6,438	10,117
Current Liability	**584**	**3,981**	**10,636**	**14,656**	**20,097**
LT. Debt	878	1,973	9,097	11,005	13,184
Other LT. Liabilities	476	698	1,557	3,318	5,213
Total Liability	**1,938**	**6,652**	**21,290**	**28,978**	**38,493**
Minority Interest	0	1,219	1,353	1,725	2,430
Total Equity	**970**	**8,518**	**9,273**	**11,377**	**15,363**

Source: Company, SSI Research

Increasing debt levels…

Figure 8. Cash Flow

Y/E Dec (IDR Bn)	24A	25A	26F	27F	28F
Net Profit	231	413	629	1,743	3,303
D&A	147	194	739	995	1,404
Chg. in Working Capital	(61)	(678)	(1,378)	(2,142)	(2,075)
Operating CF	**89**	**(754)**	**(1,215)**	**(1,867)**	**(19)**
Capital Expenditure	(1,259)	(3,161)	(7,779)	(5,127)	(8,056)
Others	92	(1,194)	(457)	(1,703)	(1,719)
Investing CF	**(1,167)**	**(4,355)**	**(8,236)**	**(6,830)**	**(9,775)**
Dividend Paid	-	(3)	(3)	(4)	(7)
Net Borrowing	696	3,895	12,537	3,876	5,579
Others	360	7,363	992	2,130	2,588
Financing CF	**1,056**	**11,255**	**13,527**	**6,002**	**8,161**
Net - Cash flow	**(22)**	**6,146**	**4,075**	**(2,696)**	**(1,633)**
Adjustment	-	-	-	-	1
Cash at Beginning	40	18	6,165	10,240	7,544
Cash at Ending	**18**	**6,165**	**10,240**	**7,544**	**5,911**

Source: Company, SSI Research

... due to high capex going forward to support FTTH expansion and FWA rollout

Figure 9. Key Ratios

Y/E Dec	24A	25A	26F	27F	28F
Gross Profit Margin (%)	61.7	67.9	57.4	61.0	63.9
Operating Margin (%)	51.5	55.5	42.7	46.4	49.3
Net Profit Margin (%)	34.4	24.9	17.0	22.1	26.7
Revenue Growth (%)	52.9	147.0	123.2	113.0	57.1
EBITDA Margin (%)	73.4	67.2	62.7	59.0	60.6
EBITDA Growth (%)	116.3	126.2	108.2	100.4	61.5
Net Gearing Ratio (x)	1.3	n.c.	0.5	1.0	1.1

Source: Company, SSI Research

FWA business is expected to propel WIFI's growth onwards

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