



ISAT IJ

Indosat Tbk (Indosat Ooredoo Hutchison)

Financial Summary					
Y/E Dec	23A	24A	25A	9M25	9M26
Revenue (IDRbn)	51,229	55,887	56,518	41,162	45,750
EBITDA (IDRbn)	23,938	26,375	26,597	19,348	21,050
Net Profit (IDRbn)	4,506	4,911	5,510	3,587	4,922
EPS (IDR)	140	152	171	111	153
EPS Growth (%)	(4.6)	9.0	12.2	(7.5)	37.2
P/E (x)	11.2	10.3	9.2	10.6	7.7
EV/EBITDA (x)	4.3	4.0	3.9	4.1	4.1
P/BV (x)	1.6	1.5	1.4	1.5	1.3
ROAE (%)	15.3	15.3	15.8	14.1	17.7
Net Gearing (%)	144.4	137.5	126.1	138.0	152.0
Interest Coverage (x)	5.1	5.9	6.3	6.0	5.6

SSI RATING

BUY

TARGET PRICE

IDR 2,500

(DCF Based TP)

UPSIDE

70.6

Cons. TP (IDR)

2.990

Last Price (IDR)

1,465

52-Week High/Low (IDR)

2,850/1,465

3M avg daily value (IDRbn)

147.8

Market Cap (IDRtn)

47.2

Ooredoo Hutchison Asia (%)

65.6

Public (%)

16.3



3Q26 Top-line

3Q26 revenue declined 2.2% QoQ to IDR15.1tn (+7.4% YoY). Cellular revenue fell 3.9% QoQ to IDR12.3tn on fewer subscribers, partly offset by 6.6% QoQ growth in MIDI (Multimedia, Data Communication, Internet) to IDR2.5tn. 9M26 revenue grew 11.1% YoY to IDR45.8tn.



3Q26 Bottom-line

3Q26 net profit declined 78.2% QoQ and 51.1% YoY to IDR613bn; 2Q26 included IDR1.5tn one-off disposal gain. EBITDA fell 12.4% QoQ, weighed down by IDR510bn of new spectrum, FiberCo and one-off costs. Finance costs rose 27.2% QoQ on higher lease charges.



9M26 Operations

Blended ARPU (average revenue per user) rose 16.5% YoY to IDR46,000 in 9M26, offsetting 3.3% YoY decline in subscribers or GPUaaS reinvestment, both positive. 3Q26 data traffic grew 8.9% YoY. 5G now covers 75 cities with 19,402 base stations, up from 1,404 in 9M25.



Important Ratios

3Q26 EBITDA margin contracted 5.0pp QoQ to 42.7%. Management's underlying margin of 46.1% excludes spectrum and FiberCo costs that appear recurring; adjusting for one-offs alone, margin was 44.0%. Net gearing rose to 152% including leases (FY25: 126%).



Positive Catalysts

Cheaper 5G auction scheme adds financial flexibility, and FiberCo proceeds lift FCF, deployable for special dividends or GPUaaS reinvestment, both positive. Zankore, the AI-factory JV and contracted NeoCloud revenue should boost earnings from FY27F and drive further re-rating.



Key Risks

Spectrum annual fees and fiber leaseback rents potentially drag down mid-term profitability, while elevated capex cycle during IDR depreciation could potentially impact financial flexibility.



Share-Price Relative

(%)	YTD	1M	3M	12M
Absolute	(32.3)	(29.9)	(19.5)	(19.5)
JCI Return	(38.9)	(14.1)	(13.8)	(34.7)
Relative	6.6	(15.8)	(5.7)	15.2



Company Background

Established in 1967 and listed in 1994, PT Indosat Tbk merged with PT Hutchison 3 Indonesia in 2022 to form Indosat Ooredoo Hutchison. It operates IM3 and 3 mobile brands (91.5mn subscribers), MIDI services and fixed telecoms. Ooredoo Hutchison Asia holds 65.6%.

DISCLAIMER



Figure 1. ISAT's 3Q26 Results

(IDRbn)	3Q26	QoQ (%)	YoY (%)	9M25	9M26	YoY (%)
Revenue	15,097	(2.2)	7.4	41,162	45,750	11.1
EBITDA	6,446	(12.4)	(0.7)	19,348	21,050	8.8
Operating profit (EBIT)	2,075	(34.5)	(19.6)	7,463	8,371	12.2
Finance costs	1,445	27.2	38.5	3,233	3,746	15.9
Pre-tax profit	851	(76.9)	(48.8)	4,748	6,465	36.2
Net profit	613	(78.2)	(51.1)	3,587	4,922	37.2
Key Ratios (%)						
EBITDA margin	42.7	-	-	47.0	46.0	-
Operating margin	13.7	-	-	18.1	18.3	-
Net margin	4.1	-	-	8.7	10.8	-

Sources: Bloomberg, Companies, SSI Research

Figure 2. Peer Comparables

Company Ticker	Market Cap	2026				EBITDA Margin
		EV/EBITDA	Net Gearing	ROE	ROIC	
	(USD Bn)	(x)	(%)	(%)	(%)	(%)
Indonesia						
TLKM IJ	10,866	3.5	26.2	15.9	13.9	49.1
ISAT IJ	2,604	3.8	126.1	19.0	10.3	48.0
EXCL IJ	1,640	4.2	200.3	-13.5	-0.8	39.7
Sector	15,110	3.6	62.3	13.3	11.7	47.9
Malaysia						
CDB MK	7,214	7.3	80.9	9.5	7.6	42.4
Maxis MK	6,887	8.1	138.6	26.9	13.2	40.5
AXIATA MK	3,822	5.6	55.1	1.2	2.4	40.6
Sector	17,924	7.3	97.6	14.4	8.6	41.2
Philippines						
GLO PM	3,453	6.2	206.6	11.5	5.3	49.1
TEL PM	3,781	4.6	271.2	22.0	8.7	50.3
Sector	7,233	5.4	240.3	17.0	7.1	49.7
Thailand						
ADVANC TB	29,514	9.2	155.0	69.5	20.3	53.7
TRUE TB	13,101	7.3	553.3	24.0	6.2	48.3
Sector	42,615	8.6	277.4	55.5	16.0	52.0

Sources: Bloomberg, Companies, SSI Research

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