



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51655.0	0.8	0.9	(1.7)	7.5
S&P 500	7811.5	0.6	1.2	2.0	14.1
FTSE 100	10552.1	1.1	0.9	(0.9)	6.2
AS30	8877.7	0.6	0.3	(0.5)	(1.6)
CSI 300	4317.3	0.2	(2.7)	(4.3)	(6.8)
FSSTI	5401.9	(0.2)	(4.1)	(5.2)	16.3
HSCEI	8147.9	1.7	1.5	(1.2)	(8.6)
HSI	24211.4	1.8	1.0	(2.4)	(5.5)
JCI	6093.8	1.0	0.9	(6.8)	(29.5)
KLCI	1608.5	0.5	(1.4)	(4.6)	(4.3)
KOSPI	6625.9	(2.6)	(3.1)	(4.1)	57.2
Nikkei 225	69030.9	(0.0)	1.1	7.8	37.1
SET	1577.7	0.4	0.4	(1.7)	25.2
TWSE	49313.4	(1.0)	2.0	6.8	70.3
BDI	2917	(1.9)	(7.3)	(16.8)	55.4
CPO (RM/mt)	4400	1.5	0.2	(6.0)	11.9
Brent Crude (US\$/bbl)	106	0.8	5.2	0.9	73.5

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Sharing Session on Global Vegetable Oil Markets with S&P Global Energy	Singapore	19 Oct	19 Oct
Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Top Stories

Company Update | Sarana Menara Nusantara (TOWR IJ/**BUY**/Rp458/Target: Rp530)

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- Maintain BUY with an unchanged target price of Rp530 based on 7x 2026F EV/EBITDA, or -0.5SD to its three-year mean. Potential upside comes from selective 5G densification, although tower rollout plans remain uncertain and post-merger site integration has largely been completed. Beyond towers, TOWR's fibre network and connectivity businesses offer exposure to data-centre expansion and AI-related demand. Strong 1H26 growth in connectivity activations and FTTH subscribers supports its non-tower growth strategy.

Technical Analysis

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- Trading Buy Range: We have a technical Buy at Rp456, and take profit at Rp486.

Bumi Resources | BUMI IJ

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- Trading Buy Range: We have a technical Buy at Rp179, and take profit at Rp193.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Sarana Menara Nusantara (TOWR IJ)

5G Densification And Potential DC Rollouts Offer Upside

Highlights

- **Potential upside from 5G densification.** Selective 5G rollout could drive incremental tower demand, although operators have yet to provide specific rollout guidance.
- **Fibre expansion and AI-related opportunities.** TOWR's fibre network is positioned to capture future data-centre rollouts, while connectivity to edge DCs provide an existing foothold.
- **Maintain BUY** with an unchanged target price of Rp530.

Analysis

- **Potential upside from 5G network densification.** Higher mobile network operator capex guidance points to an upcoming 5G rollout, although deployment is likely to be selective rather than nationwide as with the 3G to 4G transition, with some operators targeting around 60% population coverage. As 5G requires denser sites than 4G, broader deployment could support incremental tower demand, although operators have yet to provide specific tower rollout guidance. Meanwhile, most site integration work has been completed following the XL Axiata-Smartfren merger, potentially easing pressure on colocation growth. Our sensitivity analysis indicates that a 1% increase in tower and tower tenants would lift net income by 1.5% and 1.4% respectively.
- **Non-tower growth and AI-related opportunities.** Sarana Menara Nusantara (TOWR) is expanding beyond tower leasing through its fibre and connectivity businesses, including its acquisition of Remala Abadi in 2025 and the consolidation of Bach Multi Global, with its ownership reaching 51% in Jul 26. TOWR's extensive fibre network is well positioned to capture future data centre rollouts as demand for AI computing and data storage grows, while its existing fibre connectivity to edge data centres provide an established foothold. In 1H26, connectivity activations rose 48.3% yoy to 28,153, while fibre-to-the-home (FTTH) home-paid subscribers grew 77.8% yoy to 376,461. Our sensitivity analysis indicates that a 1% increase in fibre-to-the-tower (FTTT) utilisation would lift net income by 0.3%.

Key Financials

Year to 31 Dec (Rpb)	2024	2025	2026F	2027F	2028F
Net turnover	12,736	13,328	13,729	14,071	14,879
EBITDA	10,364	10,571	10,915	11,186	11,829
Operating profit	7,266	7,498	7,421	7,550	7,976
Net profit (rep./act.)	3,335	3,678	3,739	3,884	4,356
Net profit (adj.)	3,601	3,994	3,739	3,884	4,356
EPS (Rp)	56	62	63	66	74
PE (x)	8.1	7.4	7.2	7.0	6.2
P/B (x)	1.4	1.0	0.9	0.8	0.8
EV/EBITDA (x)	7.6	6.8	6.4	6.0	5.5
Dividend yield	3.3	4.4	4.5	4.4	4.8
Net margin (%)	26.2	27.6	27.2	27.6	29.3
Net debt/(cash) to equity (%)	268.1	164.6	143.8	123.4	107.0
Interest cover (x)	2.4	2.5	2.8	3.0	3.4
ROE (%)	17.4	13.6	12.6	12.0	12.3
Consensus net profit			3,823	3,989	4,277
UOBKH/Consensus (x)			0.98	0.96	1.00

Source: TOWR, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Rp458
Target Price	Rp530
Upside	+15.7%

Stock Data

Sector	Communication Services
Bloomberg ticker	TOWR IJ
Shares issued (m)	59,098
Market cap (Rpb)	27,067
Market cap (US\$m)	1,512
3-mth avg daily t'over (US\$m)	1.5

Price Performance (%)

52-week high/low				Rp650/Rp310
1mth	3mth	6mth	1yr	YTD
(2.6)	24.5	(7.7)	(10.2)	(21.7)

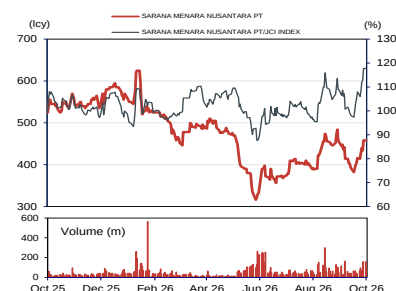
Major Shareholders (%)

Sapta Adhikari Investama	45.3
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Balance Sheet Metrics

FY26 NAV/Share (Rp)	502.7
FY26 Net Cash/Share (Rp)	(721.2)

Price Chart

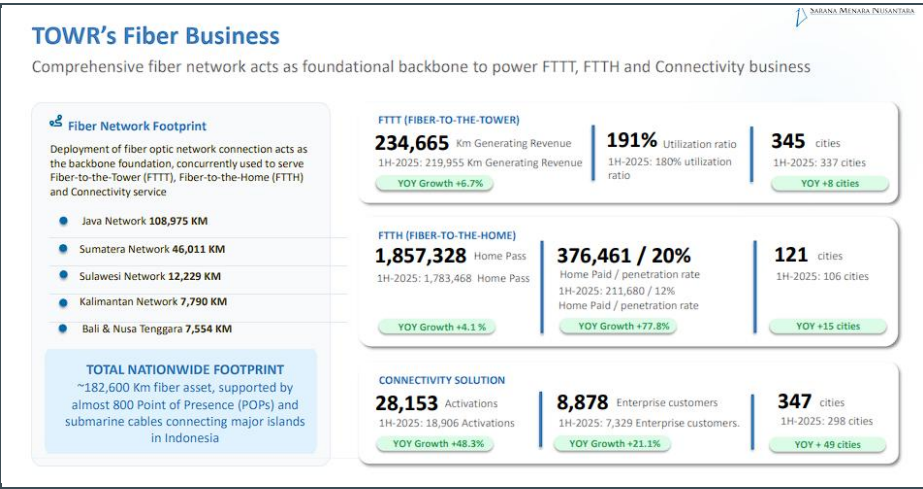


Source: Bloomberg

Company Description

TOWR is a tower company in Indonesia, providing telecom infrastructure primarily through tower leasing and fibre connectivity (FTTT and FTTH) to mobile network operators.

Fibre Portfolio



Source: TOWR

Valuation/Recommendation

- **Maintain BUY** with an unchanged target price of **Rp530** based on 7x 2026F EV/EBITDA, or -0.5SD to its three-year mean, reflecting slower near-term organic growth, with key upside risks coming from 5G densification, rising fibre utilisation and future data centre rollouts.

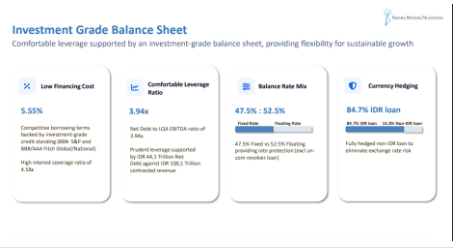
Earnings Revision/Risk

- **Earnings revision:** None.
- **Upside risks:** a) Future tower population increase, and b) DC rollouts increasing fibre utilisation rates.
- **Downside risks:** a) More tower rationalisation than expected from the XLSmart merger, b) weak macroeconomic factors, and c) mobile operators' ARPU increasing less than expected, and d) higher Bank Indonesia rate.

Share Price Catalyst

- Mass 5G and Indonesian DC rollouts.

Balance Sheet Snapshot



Source: TOWR

Tower Portfolio



Source: TOWR

Profit & loss

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Net turnover	13,328	13,729	14,071	14,879
EBITDA	10,571	10,915	11,186	11,829
Deprec, & amort	(3,073)	(3,494)	(3,636)	(3,853)
EBIT	7,498	7,421	7,550	7,976
Net interest income/(expense)	(3,045)	(2,608)	(2,546)	(2,371)
Pre-tax profit	4,453	4,813	5,004	5,605
Tax	(771)	(1,039)	(1,080)	(1,210)
Minorities	4	35	39	39
Net profit	3,678	3,739	3,884	4,356

Cash flow

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Operating	10,355	6,740	8,792	6,790
Net profit	3,682	3,774	3,924	4,395
Deprec, & amort,	3,073	3,494	3,636	3,853
Working capital changes	117	(528)	1,232	(1,458)
Other operating cashflows	3,482	-	-	-
Investing	(3,479)	(3,517)	(4,812)	(3,554)
Capex (growth)	(2,563)	(3,152)	(3,061)	(3,019)
ROU	(1)	-	-	-
Others	(915)	(365)	(1,751)	(536)
Financing	(7,162)	(2,459)	(3,856)	(4,456)
Dividend payments	(1,202)	(1,208)	(1,219)	(1,322)
Proceeds & repay borrowings	(7,098)	(1,251)	(2,637)	(3,135)
Others	4,193	(1,208)	(1,219)	(1,322)
Net cash inflow (outflow)	(293)	764	124	(1,220)
Beginning cash & cash equivalent	940	648	1,411	1,535
Change due to forex impact	(6)	-	-	-
Ending cash & cash equivalent	648	1,411	1,535	315

Balance Sheet

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Fixed assets	48,297	49,400	50,372	51,206
Other LT assets	25,540	24,460	24,664	23,531
Cash/ST investment	648	1,411	1,535	315
Other current assets	2,786	5,388	3,135	5,680
Total assets	77,270	80,659	79,705	80,731
ST debt	15,520	14,101	15,038	13,569
Other current liabilities	4,057	6,132	5,111	6,199
LT debt	29,033	29,190	25,608	23,934
Other LT liabilities	1,576	1,586	1,595	1,602
Shareholders' equity	26,972	29,505	32,190	35,243
Minority interest	111	144	163	183
Total liabilities & equity	77,270	80,659	79,705	80,731

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	48.0	48.3	49.3	50.4
Pre-tax margin	12.9	15.6	16.0	16.5
Net margin	27.6	27.2	27.6	29.3
ROA	4.8	4.6	4.9	5.4
ROE	13.6	12.7	12.1	12.4
Growth				
Turnover	1.1	7.6	3.9	3.9
EBITDA	2.7	8.4	6.1	6.2
Pre-tax profit	8.2	30.4	6.4	7.0
Net profit	12.2	25.8	6.4	7.0
EPS	10.3	1.6	3.9	12.1
Leverage				
Debt to total capital (x)	0.6	0.6	0.6	0.5
Debt to equity (x)	1.7	1.5	1.3	1.1
Net debt/(cash) to equity (x)	1.6	1.4	1.2	1.1
Interest cover (x)	2.5	2.8	3.0	3.4

Technical Analysis



Source: Tradingview



Source: Tradingview

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Sarana Menara Nusantara TOWR IJ

Technical BUY with 6.5% potential return

Resistance: Rp472, Rp486

Support: Rp446, Rp420

Stop-loss: Rp444

Share price closed with strong gains and formed a long-body bullish candlestick. Price advanced with better momentum and higher trading volume; hence, we see potential for more rallies ahead and challenge the resistance at Rp472 and Rp486. Technical indicator RSI is sloping upwards and above its midline, while the MACD has just given a bullish signal. Buy at Rp456 and take profit at Rp486.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp530.

Bumi Resources BUMI IJ

Technical BUY with 8% potential return

Resistance: Rp187, Rp194

Support: Rp171, Rp167

Stop-loss: Rp170

Share price closed higher and formed a bullish candlestick. Price rebounded near its support area; hence, we see potential for more rebounds and challenge the resistance at Rp187 and Rp194. Technical indicator RSI is sloping upwards and approaching its midline, while the Stochastic remains on a bullish crossover. Buy at Rp179 and take profit at Rp193.

Approximate timeframe: 2-4 weeks.

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