EQUITY RESEARCH · INDONESIA TELECOMMUNICATIONS

PT Indosat Tbk. (ISAT IJ)

2Q26 / 1H26 Earnings Flash · Consolidated · 28 July 2026

aldiracita SEKURITAS INDONESIA

2Q26 / 1H26 Results · BROADLY IN-LINE (EX ONE-OFF)

EBITDA up 14% on ARPU-led growth; net profit beat flattered by one-off fiber gain

Revenue +13% yoy to IDR 30,653Bn | EBITDA +14% yoy to IDR 14,603Bn | Operating Profit +49% yoy to IDR 7,738Bn | Net Profit +85% yoy to IDR 4,309Bn

Revenue (2Q26)	Operating Profit (2Q26)	EBITDA (2Q26)	Net Profit (2Q26)
IDR 15,432Bn	IDR 4,720Bn	IDR 7,358Bn	IDR 2,818Bn
+1.4% QoQ	+56% QoQ	+1.6% QoQ	+89% QoQ · ex-OO ~1,300

KEY TAKEAWAYS

- 1H26 revenue rose 13.1% YoY to IDR 30,653Bn, tracking 51% of FY26F consensus and in line with pace. Growth is ARPU-led, not volume-led: blended mobile ARPU jumped 17.3% YoY to IDR 46k on pricing discipline, even as the subscriber base shrank to 93.4mn from 95.4mn as Indosat shed low-value prepaid users. Cellular revenue grew 12.2% and MIDI accelerated 18.5% on IT services and fixed connectivity, lifting the enterprise and data-centre mix. Sequentially, 2Q26 revenue rose a softer 1.4% QoQ to IDR 15,432Bn after a strong first quarter.
- EBITDA rose 13.6% YoY to IDR 14,603Bn with margin steady at 47.6%, the cleanest read on underlying performance and on consensus pace. Cost discipline held even as personnel expense rose 45% YoY on variable pay and cost of services rose 9%, with data monetisation outpacing cash-cost inflation. Data traffic grew 19.9% YoY on a network now at 214k 4G and 10k 5G BTS. Crucially, the FiberCo cash inflow cut net debt to EBITDA to 0.10x from 0.49x, giving ample headroom for shareholder returns and upcoming spectrum.
- Reported net profit surged 84.5% YoY to IDR 4,308.9Bn (2Q26 up 89% QoQ), but this is flattered by a one-off IDR 1,517.8Bn gain from the FiberCo deconsolidation and leaseback booked in 2Q26. Excluding the one-off, 1H26 net profit is roughly IDR 2.8tn, up about 20% YoY, and 2Q26 is broadly flat QoQ. Underlying earnings growth is solid, but well below the headline print.
- The key catalyst is a potential special dividend from the roughly US$650mn (IDR 11.7tn) fiber proceeds, which could imply a 7.6 to 9% special yield. Watch spectrum-auction pricing and whether ARPU gains hold as the subscriber base declines. On valuation, ISAT trades at 3.9x forward EV/EBITDA, below its 5-year mean of 4.6x and near the low end of its historical band, undemanding for a business compounding EBITDA at double digits. Verdict: broadly in-line operationally, headline beat on the one-off.

INCOME STATEMENT · IDR Bn, Consolidated

(IDR Bn)	2Q26	1Q26	QoQ%	1H26	1H25	YoY%
Revenue	15,432	15,221	+1.4%	30,653	27,110	+13%
Total Expenses	10,713	12,203	-12%	22,915	21,926	+4.5%
Operating Profit	4,720	3,018	+56%	7,738	5,184	+49%
EBITDA	**7,358**	**7,245**	**+1.6%**	**14,603**	**12,855**	**+14%**
Net Profit (parent)	**2,818**	**1,491**	**+89%**	**4,309**	**2,335**	**+85%**

MARGIN

(Ratio %)	2Q26	1Q26	QoQ pp	1H26	1H25	YoY pp
EBITDA Margin	47.7%	47.6%	+0.1pp	47.6%	47.4%	+0.2pp
Operating Margin	30.6%	19.8%	+10.8pp	25.2%	19.1%	+6.1pp
Net Profit Margin	18.3%	9.8%	+8.5pp	14.1%	8.6%	+5.5pp

REVENUE SEGMENTATION · IDR Bn

(IDR Bn)	2Q26	1Q26	QoQ%	1H26	1H25	YoY%
Cellular	12,825	12,703	+1.0%	25,527	22,750	+12%
MIDI	2,389	2,305	+3.6%	4,694	3,962	+19%
Fixed Telecom	219	213	+2.9%	432	398	+8%
Total	**15,432**	**15,221**	**+1.4%**	**30,653**	**27,110**	**+13%**

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OPERATIONAL PERFORMANCE · Mobile KPIs

Key Metric	Unit	1Q26	2Q26	QoQ%	1H25	1H26	YoY%
Mobile customers	mn	93.5	93.4	-0.1%	95.4	93.4	-2.1%
Postpaid subscribers	mn	1.9	2.1	+10.5%	1.7	2.1	+24%
Blended ARPU	IDR k	45	46	+2.2%	39	46	+17.3%
Data traffic	PB	4,906	4,986	+1.6%	8,249	9,892	+20%
MoU	min	4.3	4.6	+7.0%	5.0	4.4	-12%

REPORTED vs. EX ONE-OFF · IDR Bn

Metric (IDR Bn)	2Q26 Rep.	2Q26 ex-OO	1H26 Rep.	1H26 ex-OO
Operating Profit	**4,720**	**3,202**	**7,738**	**6,220**
Net Profit (parent)	**2,818**	**1,300**	**4,309**	**2,791**

Ex-one-off strips the IDR 1,517.8Bn FiberCo deconsolidation & leaseback gain booked in 2Q26 (assumed non-taxable). Ex-one-off, 1H26 net profit is ~IDR 2.8tn (+20% YoY) and 2Q26 net profit is broadly flat QoQ. EBITDA already excludes the gain.

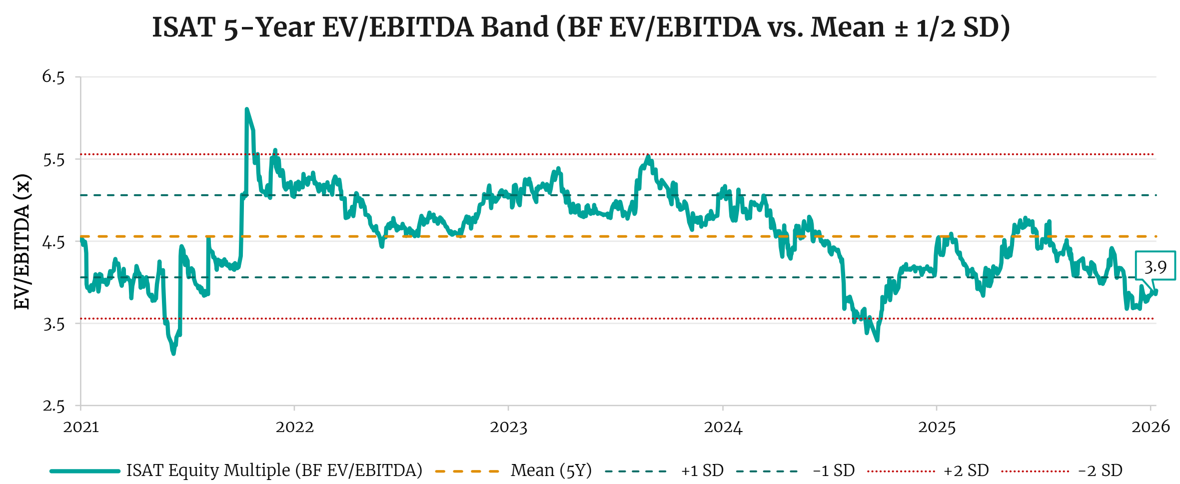
1H26 ACTUAL vs. BLOOMBERG CONSENSUS · % OF FY26F

Metric (IDR Bn)	1H26	FY26F Cons.	% of FY26F	Assessment
Revenue	30,653	60,539	51%	On track
Operating Income	7,738	12,331	63%	Ahead*
EBITDA	14,603	28,606	51%	On track
Net Profit	4,309	6,248	69%	Ahead*

Straight-line pace is ~50% at the half-year. Operating profit and net profit are flattered by the IDR 1,517.8Bn one-off; ex-one-off, 1H26 operating profit is ~50% and net profit ~45% of FY26F consensus, i.e. broadly in-line. Source: Bloomberg consensus (FY26F).

Source: PT Indosat Tbk Investor Memo & Unaudited Interim Financial Statements 1H26, Corporate Presentation 2Q26, Bloomberg Consensus (FY26F). EV/EBITDA valuation band: Bloomberg. Aldiracita Research.

VALUATION · ISAT 5-YEAR EV/EBITDA BAND



Current EV/EBITDA 3.9x as of 28 Jul 2026 vs. 5-year mean 4.6x (+1 SD 5.1x / -1 SD 4.1x / +2 SD 5.6x / -2 SD 3.6x). Source: Bloomberg.

ISAT trades roughly 0.7x turn below its 5-year average EV/EBITDA and near the bottom of its historical band. A potential special dividend from the ~US$650mn (IDR 11.7tn) fiber proceeds, estimated at a 7.6-9% yield, is the key re-rating catalyst, alongside spectrum-auction pricing.

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