

TOWR — 2Q26 Results BROADLY IN-LINE, with operating income the miss, as resale revenue masks flat leasing

2Q26 · Revenue +14.6% yoy to IDR 3.6 Tn | Operating Profit +2.0% yoy to IDR 1.9 Tn | EBITDA +3.4% yoy to IDR 2.7 Tn | Net Profit +7.9% yoy to IDR 916 Bn | EBITDA Margin 73.6% (-7.9pp yoy) | Lease income +2.5% yoy

Revenue (2Q26) IDR 3.6 Tn +14.6% YoY +2.6% QoQ	Operating Profit (2Q26) IDR 1.9 Tn +2.0% YoY +1.6% QoQ	EBITDA (2Q26) IDR 2.7 Tn +3.4% YoY +1.9% QoQ	Net Profit (2Q26) IDR 916 Bn +7.9% YoY -2.6% QoQ
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KEY TAKEAWAYS

- **2Q26 revenue rose 14.6% YoY and 2.6% QoQ to IDR 3.6 Tn**, taking 1H26 to IDR 7.2 Tn, up 12.7% and **52.1% of FY26F consensus, in-line**. The composition is the story: **lease income, the contracted tower and fibre core, grew only 2.5% YoY in 2Q26 and 1.5% in 1H26**, while services and others doubled to IDR 1.5 Tn. Almost half of the IDR 811 Bn increase in 1H26 revenue came from the newly consolidated Bach Multi Global, whose generator set sales and construction work added IDR 390 Bn against nil a year earlier. Excluding both, 1H26 revenue grew 6.6%.
- **2Q26 gross profit rose only 6.8% YoY to IDR 2.3 Tn** and gross margin fell 4.6pp YoY to 63.4%, as cost of revenues excluding depreciation more than doubled, up 103.2% YoY, tracking the equipment resale. **2Q26 operating profit grew 2.0% YoY to IDR 1.9 Tn and EBITDA 3.4% to IDR 2.7 Tn**, with EBITDA margin down 7.9pp YoY to 73.6%. Cost pressure is not confined to resale: selling and marketing rose 63.2% YoY and other operating expenses 127.4%. On the half year, **operating profit at 46.7% of FY26F is the one miss**, EBITDA is 47.4%, and both run behind their prior-year 1H shares of 48.2% and 48.6%.
- **2Q26 net profit rose 7.9% YoY to IDR 916 Bn** but fell 2.6% QoQ, taking 1H26 to IDR 1.9 Tn, up 12.4% and **47.6% of FY26F consensus, in-line**. The growth is not operating: 1H26 operating profit added only IDR 91 Bn while net finance cost fell IDR 330 Bn, or 20.1%, on last year's rights issue and debt repayment. Group profit rose 16.5%, but IDR 63 Bn of it accrued to minorities against a small loss a year earlier, and operating cash flow fell 23.3% YoY to IDR 5.0 Tn.
- **Watch whether the newly consolidated equipment and construction revenue recurs in 2H26**; it carries very little margin and its absence would leave revenue growing at the 6.6% underlying rate. Net profit is 2H-weighted, at 44.9% of FY25 in 1H25, so 47.6% is running ahead of that pace, but holding it needs another leg down in finance cost. **On valuation, TOWR trades at 5.7x blended forward earnings against a five-year mean of 11.8x, below the -1SD of 8.2x.**

INCOME STATEMENT · IDR Tn, Consolidated

(IDR Bn)	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Revenue	3.2	3.6	3.7	+2.6%	+14.6%	6.4	7.2	+12.7%
Gross Profit	2.2	2.3	2.3	+0.3%	+6.8%	4.4	4.6	+5.8%
Operating Income	1.8	1.8	1.9	+1.6%	+2.0%	3.6	3.7	+2.5%
EBITDA	2.6	2.6	2.7	+1.9%	+3.4%	5.1	5.3	+3.6%
Net Profit	0.85	0.94	0.92	-2.6%	+7.9%	1.7	1.9	+12.4%

1Q26 and 1H26 consolidate PT Bach Multi Global, stepped up from a 30% associate to a subsidiary on 8 January 2026; the 2025 comparatives are not restated. Its generator set and construction revenue of IDR 390 Bn is 48% of the IDR 811 Bn increase in 1H26 revenue.

MARGIN · Ratio %

(Ratio %)	2Q25	1Q26	2Q26	QoQ pp	YoY pp	1H25	1H26	YTD pp
Gross Margin	68.0%	64.9%	63.4%	-1.5pp	-4.6pp	68.3%	64.1%	-4.2pp
Operating Margin	57.5%	51.7%	51.2%	-0.5pp	-6.3pp	56.5%	51.4%	-5.1pp
EBITDA Margin	81.5%	74.1%	73.6%	-0.5pp	-7.9pp	80.3%	73.8%	-6.5pp
Net Profit Margin	26.7%	26.5%	25.1%	-1.4pp	-1.6pp	25.8%	25.8%	-0.1pp

REVENUE SEGMENTATION · IDR Bn, by Revenue Type

(IDR Bn)	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Lease income	2,803	2,876	2,874	0.0%	+2.5%	5,665	5,750	+1.5%
Connectivity	376	489	518	+5.8%	+37.8%	716	1,007	+40.6%
Sales of generator set	–	143	187	+30.9%	<i>n.m</i>	–	330	<i>n.m</i>
Other services	7.1	48	71	+48.2%	<i>n.m</i>	13	119	<i>n.m</i>
Total	3,186	3,556	3,650	+2.6%	+14.6%	6,394	7,206	+12.7%

OPERATIONAL PERFORMANCE · Cost & Cash Drivers, IDR Bn

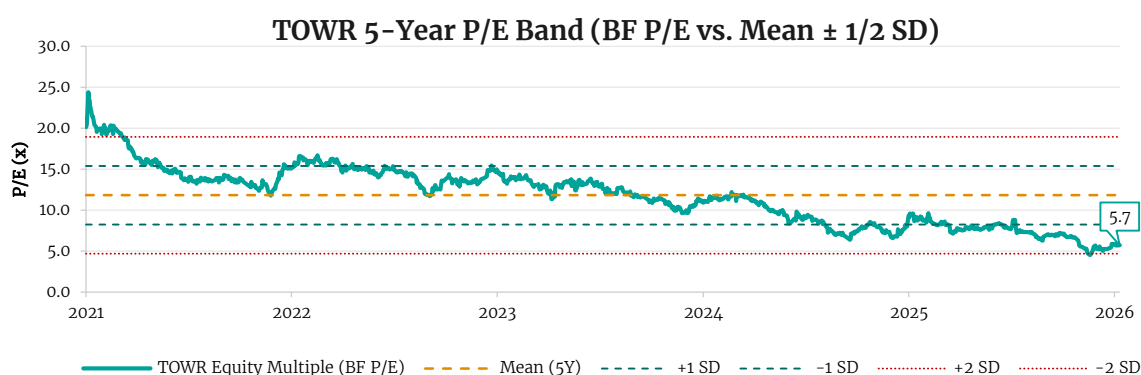
Key Metric	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Cash cost of revenues	255	453	519	+14.5%	+103.2%	504	972	+92.8%
Selling & marketing	57	95	93	-2.1%	+63.2%	133	188	+42.1%
Capex	753	911	1,036	+13.7%	+37.6%	1,602	1,948	+21.6%
Operating cash flow	3,026	2,814	2,195	-22.0%	-27.5%	6,527	5,009	-23.3%

1H26 ACTUAL vs. BLOOMBERG CONSENSUS · % OF FY26F (1H26 PACE = 50%)

Metric (IDR Tn)	1H26 Actual	FY26F Cons.	% of FY26F	Verdict
Revenue	7.2	13.8	52.1%	In-Line
Operating Income	3.7	7.9	46.7%	Miss
EBITDA	5.3	11.2	47.4%	In-Line
Net Profit	1.9	3.9	47.6%	In-Line

Source: PT Sarana Menara Nusantara Tbk financial statements; Bloomberg consensus.

VALUATION · TOWR 5-YEAR P/E BAND



Current blended forward P/E 5.7x as of 31 Jul 2026, between the -1 SD of 8.2x and the -2 SD of 4.7x, versus a five-year mean of 11.8x (+1 SD 15.4x / +2 SD 18.9x). Source: Bloomberg.



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