PT Indosat Tbk (ISAT IJ)

3Q26 Earnings Flash · Consolidated · 28 October 2026

ISAT — 3Q26 Results IN-LINE: One-Off Masks Weak Quarter

9M26 : Revenue IDR 45.8 Tn (+11.1% yoy) | Operating Profit IDR 8.4 Tn (+12.2% yoy) | EBITDA IDR 21.0 Tn (+8.8% yoy) | Net Profit IDR 4.9 Tn (+37.2% yoy) | EBITDA Margin 46.0% (-1.0pp yoy) | Capex IDR 29.0 Tn (+170.0% yoy)

Revenue (3Q26)	Operating Profit (3Q26)	EBITDA (3Q26)	Net Profit (3Q26)
IDR 15.1 Tn	IDR 2.1 Tn	IDR 6.4 Tn	IDR 613 Bn
+7.4% YoY | -2.2% QoQ	-19.6% YoY | -34.5% QoQ	-0.7% YoY | -12.4% QoQ	-51.1% YoY | -78.2% QoQ

KEY TAKEAWAYS

- **Revenue slips as customers fall.** ISAT's 3Q26 revenue rose 7.4% YoY to IDR 15.1 Tn but slipped 2.2% QoQ. **Cellular revenue fell 3.9% QoQ as customers dropped to 91.5 mn from 93.4 mn in June, which the company links to biometric SIM registration,** while blended ARPU held at IDR 46k. MIDI revenue grew 24.9% YoY to IDR 2.5 Tn. 9M26 revenue reached 74.5% of FY26 consensus, in line, and 4Q26 revenue needs to rise 3.7% QoQ to meet it.
- **Higher costs squeeze margins.** 3Q26 cost of services rose 13.0% YoY, driven by maintenance and annual spectrum fees for the 700 MHz and 2.6 GHz licences awarded on 21 July. Personnel costs also climbed 36.9% as bonuses nearly doubled. **These pressures weighed on margins, while higher depreciation further dragged operating profit.** With 9M26 operating profit at only 65.9% of FY26 consensus, earnings missed expectations.
- **Leaseback and one-off distort profit.** Net profit fell 51.1% YoY and 78.2% QoQ to IDR 613 Bn in 3Q26. Finance costs rose 38.5% YoY to IDR 1.4 Tn, and **most of that increase (IDR 323 Bn) came from lease charges in the first full quarter after the fiber assets sold in the FiberCo deal were leased back.** 2Q26 profit carried the IDR 1.5 Tn pre-tax gain on that sale, so 9M26 net profit reached 76.6% of FY26 consensus, but only 53.0% without the gain.
- **Capex drains the FiberCo cash. 3Q26 capex jumped to IDR 19.5 Tn, more than the whole of FY25 (IDR 13.3 Tn).** Cash fell to IDR 8.2 Tn in September from IDR 15.8 Tn in June, and net debt excluding leases rose to IDR 10.3 Tn from IDR 2.8 Tn. Procurement payables more than doubled to IDR 20.5 Tn from IDR 8.8 Tn in December, while IDR 22.0 Tn of assets sit in construction in progress, not yet depreciated.
- **Valuation sits below its own range.** ISAT trades at 8.0x blended-forward P/E, between its -1SD of 10.1x and -2SD of 7.6x, against a three-year mean of 12.5x. **The multiple implies doubt that profit growth survives the new spectrum, lease, and depreciation charges.** ***Key watch: whether the customer base stabilises after biometric registration and the new 5G spectrum lifts 4Q26 revenue.***

INCOME STATEMENT · IDR Tn, Consolidated

(IDR Tn)	3Q25	2Q26	3Q26	QoQ	YoY	9M25	9M26	YTD YoY
Revenue	14.1	15.4	15.1	-2.2%	+7.4%	41.2	45.8	+11.1%
Gross Profit*	8.0	9.0	8.2	-7.9%	+3.2%	23.6	26.3	+11.6%
Operating Income*	2.6	3.2	2.1	-34.5%	-19.6%	7.5	8.4	+12.2%
EBITDA	6.5	7.4	6.4	-12.4%	-0.7%	19.3	21.0	+8.8%
Net Profit	1.3	2.8	0.6	-78.2%	-51.1%	3.6	4.9	+37.2%

**Aldiracita calculation*

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MARGIN

(Ratio %)	3Q25	2Q26	3Q26	QoQ pp	YoY pp	9M25	9M26	YTD pp
Gross Margin*	56.9%	58.0%	54.6%	-3.4pp	-2.2pp	57.2%	57.5%	+0.2pp
Operating Margin*	18.4%	20.5%	13.7%	-6.8pp	-4.6pp	18.1%	18.3%	+0.2pp
EBITDA Margin	46.2%	47.7%	42.7%	-5.0pp	-3.5pp	47.0%	46.0%	-1.0pp
Net Profit Margin*	8.9%	18.3%	4.1%	-14.2pp	-4.9pp	8.7%	10.8%	+2.0pp

**Aldiracita calculation*

REVENUE SEGMENTATION · IDR Tn

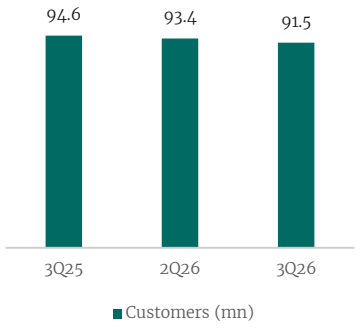
(IDR Tn)	3Q25	2Q26	3Q26	QoQ	YoY	9M25	9M26	YTD YoY
Cellular	11.8	12.8	12.3	-3.9%	+4.4%	34.6	37.9	+9.5%
MIDI	2.0	2.4	2.5	+6.6%	+24.9%	6.0	7.2	+20.7%
Fixed Telecom	0.2	0.2	0.2	+2.4%	+9.0%	0.6	0.7	+8.6%
Total	**14.1**	**15.4**	**15.1**	**-2.2%**	**+7.4%**	**41.2**	**45.8**	**+11.1%**

OPERATIONAL PERFORMANCE · disclosed ARPU and capex

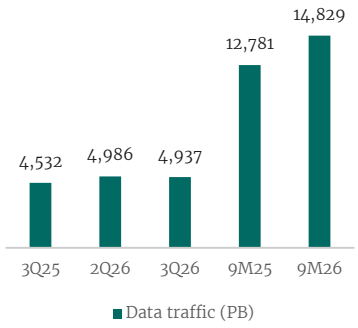
Key Metric	3Q25	2Q26	3Q26	QoQ	YoY	9M25	9M26	YTD YoY
ARPU blended (IDR k)	40	46	46	0.0%	+15.0%	39	46	+17.9%
ARPU prepaid (IDR k)	39	45	45	0.0%	+15.4%	38	45	+18.4%
ARPU postpaid (IDR k)	91	98	96	-2.0%	+5.5%	94	97	+3.2%
Capex (IDR Tn)	3.3*	5.3*	19.5*	+264.8%	+496.8%	10.7	29.0	+170.0%

**Aldiracita calculation*

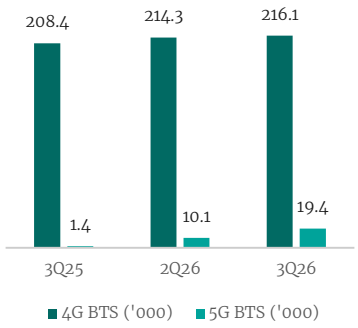
Mobile Customers



Data Traffic



Network



9M26 ACTUAL vs. BLOOMBERG CONSENSUS · % OF FY26F (9M26 PACE = 75%)

Metric (IDR Tn)	9M26 Actual	FY26F Cons.	% of FY26F	Verdict
Revenue	45.8	61.4	74.5%	In-Line
Operating Income	8.4	12.7	65.9%	Miss
EBITDA	21.0	29.2	72.0%	In-Line
Net Profit	4.9	6.4	76.6%	In-Line

Source: PT Indosat Tbk; Bloomberg.

VALUATION · ISAT 3-YEAR P/E BAND

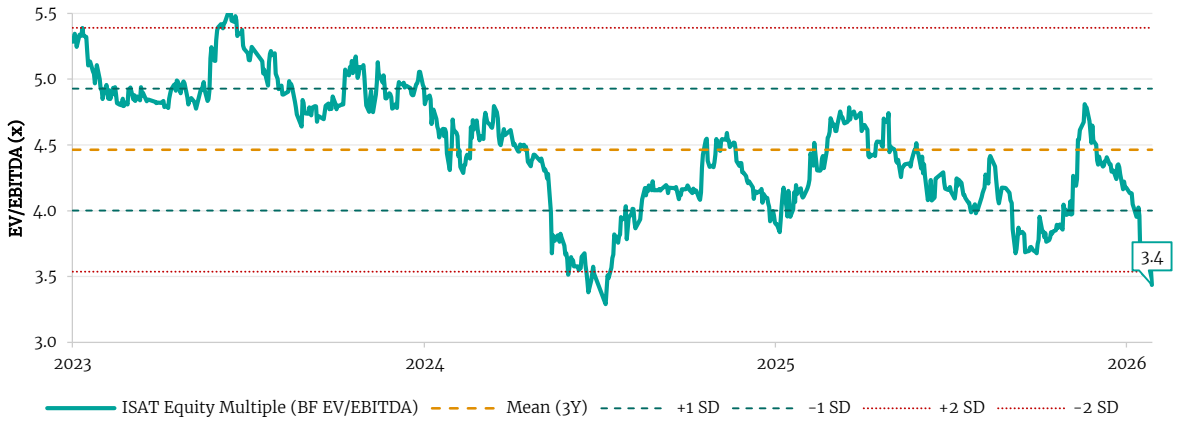
ISAT 3-Year P/E Band (BF P/E vs. Mean ± 1/2 SD)



Current P/E 8.0x as of 28 Oct 2026 vs. 3-year mean 12.5x (+1 SD 15.0x / -1 SD 10.1x / +2 SD 17.5x / -2 SD 7.6x). Source: Bloomberg.

VALUATION · ISAT 3-YEAR EV/EBITDA BAND

ISAT 3-Year EV/EBITDA Band (BF EV/EBITDA vs. Mean ± 1/2 SD)



Current EV/EBITDA 3.4x as of 28 Oct 2026 vs. 3-year mean 4.5x (+1 SD 4.9x / -1 SD 4.0x / +2 SD 5.4x / -2 SD 3.5x). Source: Bloomberg.

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