EQUITY RESEARCH · INDONESIA TELCO INFRASTRUCTURE

PT Sarana Menara Nusantara Tbk (TOWR IJ)

3Q26 Earnings Flash · Consolidated · 5 November 2026

TOWR — 3Q26 Results IN-LINE: Acquired Revenue Dilutes Margin

9M26 : Revenue IDR 11.1 Tn (+14.2% yoy) | Operating Profit IDR 5.7 Tn (+4.0% yoy) | EBITDA IDR 8.5 Tn (+5.5% yoy) | Net Profit IDR 2.8 Tn (+8.6% yoy) | Tenancy Ratio 1.67x (1.61x in 9M25)

Revenue (3Q26)	Operating Profit (3Q26)	EBITDA (3Q26)	Net Profit (3Q26)
IDR 3.9 Tn	IDR 2.0 Tn	IDR 2.9 Tn	IDR 917 Bn
+17.1% YoY | +5.6% QoQ	+7.0% YoY | +6.3% QoQ	+6.8% YoY | +3.3% QoQ	+1.6% YoY | +0.2% QoQ

KEY TAKEAWAYS

- **Acquisitions carry the top line.** TOWR's 3Q26 revenue rose 17.1% YoY and 5.6% QoQ to IDR 3.9 Tn. **Newly consolidated businesses supplied most of the IDR 562 Bn YoY gain.** Generator set and construction work at Bach Multi Global (BACH) added IDR 236 Bn against nil in 3Q25, and connectivity revenue jumped 42.5% YoY to IDR 631 Bn with Remala Abadi (DATA) consolidated from July 2026. Lease income grew only 3.2% YoY to IDR 2.9 Tn. **9M26 revenue reached 77.2% of FY26 consensus against a three-year 9M average of 73.7%.**
- **Lower-margin businesses dilute EBITDA.** Cost of revenue excluding depreciation more than doubled YoY to IDR 622 Bn, absorbing more than half (IDR 322 Bn) of the revenue gain. **Gross margin fell to 62.7% from 67.8% in 3Q25 and EBITDA margin to 75.0% from 82.2%,** as generator sets, construction and DATA earn thinner margins than tower leases. Operating profit still grew 7.0% YoY to IDR 2.0 Tn and EBITDA 6.8% to IDR 2.9 Tn.
- **Higher finance cost caps profit growth.** Net profit edged up 1.6% YoY to IDR 917 Bn in 3Q26 and was flat QoQ. **Finance cost rose 16.8% QoQ to IDR 779 Bn, above the IDR 759 Bn of 3Q25,** as bank interest climbed to IDR 673 Bn from IDR 595 Bn in 2Q26. 3Q25 already carried the lower interest bill that followed the July 2025 rights issue. Minorities took IDR 50 Bn against IDR 2 Bn a year earlier. 9M26 net profit grew 8.6% YoY, reaching 71.4% of FY26 consensus against a 72.5% pace.
- **Tenancies grow while tower revenue slips.** 9M26 tower revenue fell 3.1% YoY to IDR 6.2 Tn on the XLSmart lease repricing after the XL Axiata and Smartfren merger, with no leased towers lost. **Tenancies still rose 6.0% YoY to 61,671, lifting the tenancy ratio to 1.67x from 1.61x.**
- **Valuation gives little credit for growth.** TOWR trades at 5.7x forward EV/EBITDA, **below its -1SD of 6.8x and its five-year mean of 8.3x.** The discount implies the acquired businesses add revenue faster than EBITDA, as 3Q26 showed. ***Key watch: whether EBITDA margin holds near 73% in 4Q26 with BACH and DATA fully in the base.***

INCOME STATEMENT · IDR Tn, Consolidated

(IDR Tn)	3Q25*	2Q26*	3Q26*	QoQ	YoY	9M25	9M26	YTD
Revenue	3.3	3.6	3.9	+5.6%	+17.1%	9.7	11.1	+14.2%
Gross Profit	2.2	2.3	2.4	+4.5%	+8.2%	6.6	7.0	+6.6%
Operating Income	1.9	1.9	2.0	+6.3%	+7.0%	5.5	5.7	+4.0%
EBITDA	2.7	2.8	2.9	+3.3%	+6.8%	8.0	8.5	+5.5%
Net Profit	0.9	0.9	0.9	+0.2%	+1.6%	2.6	2.8	+8.6%

**Aldiracita calculation*

2026 figures consolidate BACH (from January 2026) and DATA (51%, from 13 July 2026), both formerly associates; 2025 is not restated.

MARGIN · Ratio %

(Ratio %)*	3Q25	2Q26	3Q26	QoQ pp	YoY pp	9M25	9M26	YTD pp
Gross Margin	67.8	63.4	62.7	-0.7pp	-5.1pp	68.2	63.6	-4.5pp
Operating Margin	56.3	51.2	51.5	+0.3pp	-4.8pp	56.5	51.5	-5.0pp
EBITDA Margin	82.2	76.7	75.0	-1.7pp	-7.2pp	82.9	76.6	-6.3pp
Net Profit Margin	27.4	25.1	23.8	-1.3pp	-3.6pp	26.4	25.1	-1.3pp

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REVENUE SEGMENTATION · IDR Bn

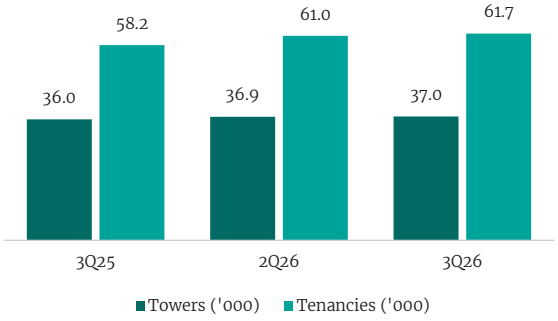
(IDR Bn)	3Q25*	2Q26*	3Q26*	QoQ	YoY	9M25	9M26	YTD
Lease income	2,840	2,874	2,932	+2.0%	+3.2%	8,505	8,682	+2.1%
Connectivity	442.6	517.6	630.9	+21.9%	+42.5%	1,159	1,638	+41.4%
Generator set sales	–	187.2	206.3	+10.2%	*n.m*	–	536.6	*n.m*
Construction & maintenance	–	36.4	29.6	-18.8%	*n.m*	–	89.7	*n.m*
Other services	9.6	34.0	56.2	+65.1%	+483.1%	22.6	114.1	+405.7%
Total	**3,292**	**3,650**	**3,855**	**+5.6%**	**+17.1%**	**9,687**	**11,060**	**+14.2%**

**Aldiracita calculation*

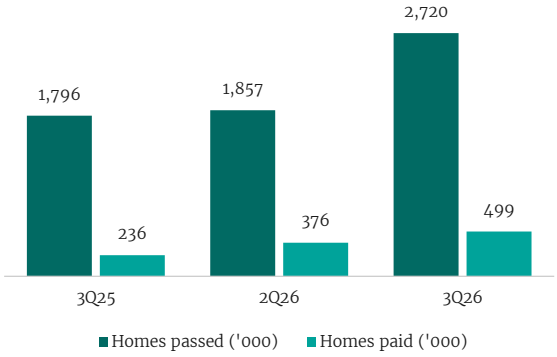
OPERATIONAL PERFORMANCE · Tower and fiber utilisation

Key Metric	Unit	3Q25	2Q26	3Q26	QoQ	YoY
Tenancy ratio	x	1.61	1.65	1.67	+0.02x	+0.06x
FTTT utilisation ratio	%	180	191	184	-7pp	+4pp
FTTH penetration rate	%	13	20	18	-2pp	+5pp

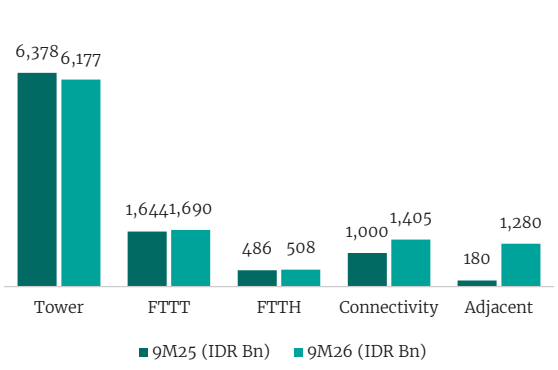
Towers and Tenancies



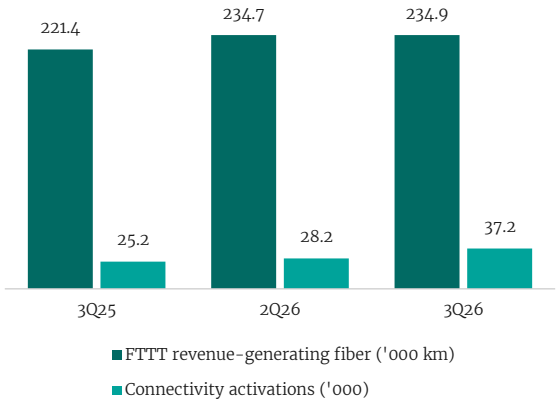
FTTH Homes Passed and Paid



Revenue by Segment (9M)



Fiber and Connectivity



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9M26 ACTUAL vs. BLOOMBERG CONSENSUS · % OF FY26F vs. 3-YEAR 9M/FY PACE

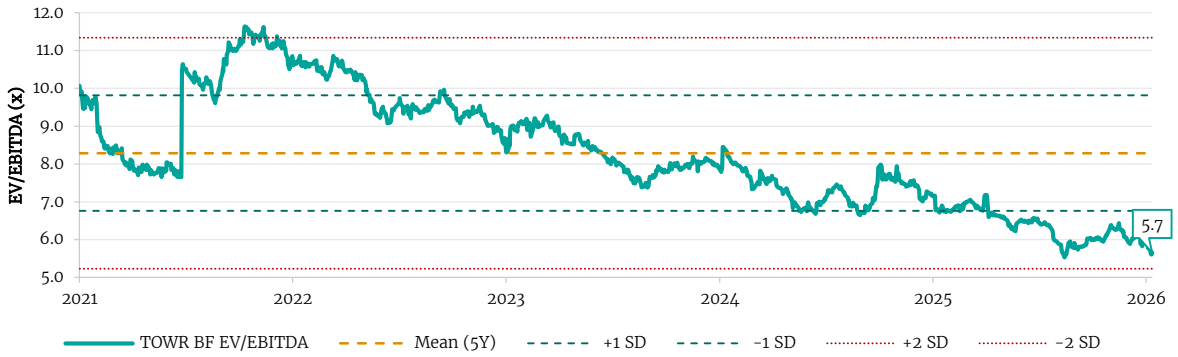
Metric (IDR Tn)	9M26 Actual	FY26F Cons.	% of FY26F	Hist. 9M/FY	Verdict
Revenue	11.1	14.3	77.2%	73.7%	Beat
Operating Income	5.7	7.9	72.1%	73.8%	In-Line
EBITDA*	8.1	11.3	72.1%	73.3%	In-Line
Net Profit	2.8	3.9	71.4%	72.5%	In-Line

**Bloomberg basis*

Source: PT Sarana Menara Nusantara Tbk; Bloomberg.

VALUATION · TOWR 5-YEAR EV/EBITDA BAND

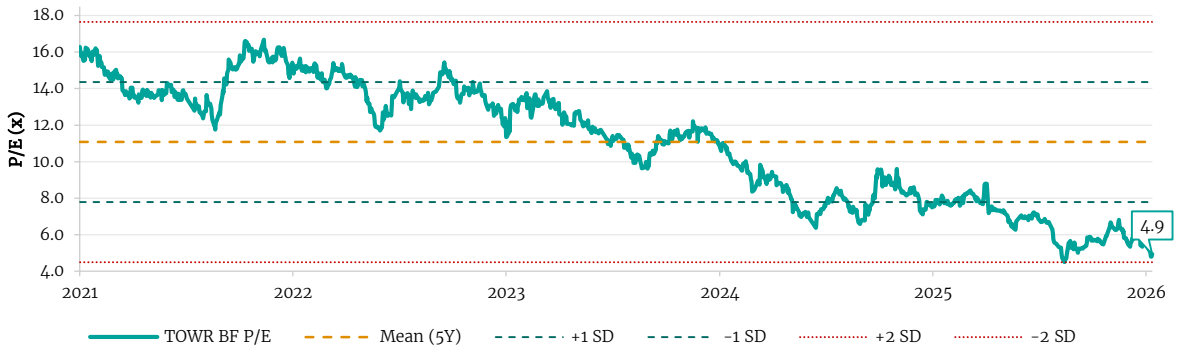
TOWR 5-Year EV/EBITDA Band (BF EV/EBITDA vs. Mean ± 1/2 SD)



Current BF EV/EBITDA 5.7x as of 5 Nov 2026 vs. 5-year mean 8.3x (+1 SD 9.8x / -1 SD 6.8x / +2 SD 11.3x / -2 SD 5.2x). Source: Bloomberg.

VALUATION · TOWR 5-YEAR P/E BAND

TOWR 5-Year P/E Band (BF P/E vs. Mean ± 1/2 SD)



Current BF P/E 4.9x as of 5 Nov 2026 vs. 5-year mean 11.1x (+1 SD 14.4x / -1 SD 7.8x / +2 SD 17.7x / -2 SD 4.5x). Source: Bloomberg.

PT Aldiracita Sekuritas Indonesia
Menara Tekno Lt. 9,
Jl. H. Fachrudin No.19, Kampung Bali, Tanah Abang,
Jakarta Pusat, 10250
Indonesia
Phone: 021 39705853

Contact
Research: research@aldiracita.com

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