Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52208.1	1.2	1.0	(0.2)	8.6
S&P 500	7437.6	1.7	0.4	(0.8)	8.6
FTSE 100	10897.3	(0.1)	2.4	3.8	9.7
AS30	9122.7	(0.8)	1.2	1.5	1.2
CSI 300	4549.7	(1.1)	(3.8)	(8.6)	(1.7)
FSSTI	5673.6	(0.7)	1.6	9.7	22.1
HSCEI	8644.7	0.2	3.5	14.4	(3.0)
HSI	25858.9	0.2	2.6	13.0	0.9
JCI	6186.4	1.6	(2.0)	9.6	(28.5)
KLCI	1720.4	0.3	0.3	3.4	2.4
KOSPI	5593.6	(1.2)	(21.2)	(34.0)	32.7
Nikkei 225	61867.4	0.7	(6.9)	(11.7)	22.9
SET	1598.1	(1.6)	(3.3)	0.4	26.9
TWSE	39933.3	(0.3)	(11.0)	(13.4)	37.9
BDI	2632	(1.2)	(3.4)	5.2	40.2
CPO (RM/mt)	4515	0.4	0.4	0.4	14.8
Brent Crude (US$/bbl)	89	(1.9)	(11.6)	22.1	46.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep

Please click on the page number to move to the relevant pages

Top Stories

Company Results | Indosat (ISAT IJ/**BUY**/Rp1,925/Target: Rp2,500) Page 2

Adjusted net profit came in broadly in line with expectations at 47% of our full-year forecast and 54% of consensus. ISAT continued delivering ARPU growth while maintaining a stable subscriber base, with management upgrading its 2026 revenue and EBITDA growth guidance to high single digits. Maintain BUY with a lower target price of Rp2,500, based on 4.6x 2026F EV/EBITDA, in line with ISAT's five-year historical average. Our lower target price reflects higher net debt from increased AI and 5G capex.

Technical Analysis

Bank Rakyat Indonesia | BBRI IJ Page 5

Trading Buy Range: We have a technical Buy at Rp2,980, and take profit at Rp3,100.

Bumi Resources | BUMI IJ Page 5

Trading Buy Range: We have a technical Buy at Rp162, and take profit at Rp175.

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.*

Indosat (ISAT IJ)

2Q26: ARPU Momentum Continues Amid Higher Investment

BUY (Maintained)	
Share Price	Rp1,925
Target Price	Rp2,500
Upside	+29.8%
Previous TP	Rp2,700

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Highlights

- **ARPU growth supports earnings in line with expectations.** ISAT continued raising mobile ARPU to Rp46,000 while maintaining a stable 93.4m subscriber base, supporting monetisation and prompting management to upgrade its 2026 revenue and EBITDA growth guidance to high single-digit.
- **AI investment and 5G rollout increase capex needs.** ISAT secured Rp5.4t of annual contracted GPU revenue over the next five years, while FiberCo proceeds will fund accelerated 5G deployment and higher capex, with management maintaining its 70% dividend payout target.
- We maintain BUY with a lower target price of Rp2,500 based on historical five-year average EV/EBITDA multiple of 4.6x.

2Q26 Results

Year to 31 Dec (Rpb)	1H26	1H25	yoy (%)	2Q26	1Q26	2Q25	qoq (%)	yoy (%)
Revenue	30,653	27,110	13.1	15,432	15,221	13,532	1.4	14.0
EBITDA	16,044	13,156	22.0	8,911	7,134	6,438	24.9	38.4
EBIT	7,738	5,184	49.3	4,720	3,018	2,394	56.4	97.1
EBT	5,613	3,084	82.0	3,690	1,923	1,325	91.9	178.5
Net Income	4,309	2,335	84.5	2,818	1,491	1,024	88.9	175.1
Margins (%)								
EBITDA Margin	52.3	48.5		57.7	46.9	47.6		
EBIT Margin	25.2	19.1		30.6	19.8	17.7		
EBT Margin	18.3	11.4		23.9	12.6	9.8		
Net Income Margin	14.1	8.6		18.3	9.8	7.6		

Source: ISAT, UOB Kay Hian

Analysis

- **ARPU-driven growth continued.** Indosat (ISAT) lifted blended mobile Average Revenue Per User (ARPU) by 1.7% qoq to Rp46,000 in 2Q26, extending its steady pricing improvement from Rp44,000 in 4Q25. Subscriber numbers remained resilient at 93.4m (-0.1% qoq), demonstrating the company's ability to improve monetisation without sacrificing its customer base. EBITDA increased 25% qoq, supported by a Rp1.5t gain from the FiberCo sale. Excluding one-off items, adjusted net profit reached 47% of our FY26 forecast and 54% of consensus. Reflecting stronger operating momentum, management upgraded its 2026 revenue and EBITDA growth guidance from mid- to high single-digit to high single-digit.

Key Financials

Year to 31 Dec (Rpb)	2024	2025	2026F	2027F	2028
Net turnover	55,887	56,518	61,139	68,801	72,828
EBITDA	26,396	27,106	30,884	33,390	35,636
Operating profit	10,838	11,275	14,899	15,475	16,573
Net profit (rep./act.)	4,911	5,510	8,019	7,847	8,579
Net profit (adj.)	4,885	4,900	6,890	7,847	8,579
EPS (Rp)	151	152	214	243	266
PE (x)	12.8	12.8	9.1	8.0	7.3
P/B (x)	1.7	1.6	1.4	1.4	1.3
EV/EBITDA (x)	4.3	4.2	4.0	3.8	3.4
Dividend yield (%.)	3.4	4.3	6.1	8.9	8.8
Net margin (%)	8.8	9.7	13.1	11.4	11.8
Net debt/(cash) to equity (%)	137.5	126.1	139.9	137.7	119.4
Interest cover (x)	2.4	2.7	3.4	3.0	3.2
ROE (%)	14.6	15.0	20.3	17.9	18.6
Consensus net profit	-	-	6,171	6,727	7,410
UOBKH/Consensus (x)	-	-	1.30	1.17	1.16

Source: ISAT, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Telecommunications
Bloomberg ticker:	ISAT IJ
Shares issued (m):	32,251
Market cap (Rpb):	62,083
Market cap (US$m):	3,435
3-mth avg daily t'over (US$m):	1.9

Price Performance (%)

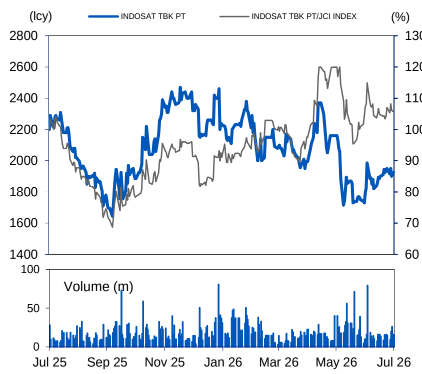
52 week high/low				Rp2,600 / Rp1,615
1mth	3mth	6mth	1yr	YTD
10.7	(3.0)	(13.7)	(15.2)	(17.3)

Major Shareholders	%
Ooredoo Hutchison Asia	65.64

Balance Sheet Metrics

FY25 NAV/Share (Rp)	1,363
FY25 Net Cash/Share (Rp)	(1906.4)

Price Chart

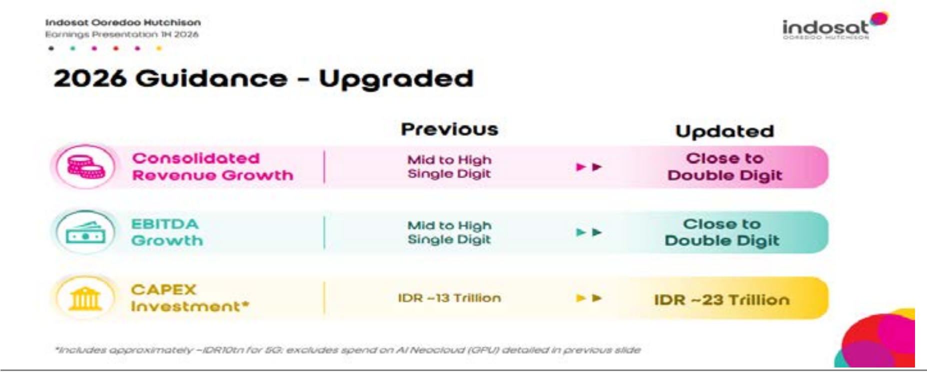


Source: Bloomberg

Company Description

Indosat is one of Indonesia's leading integrated telecommunications operators, providing mobile, fixed broadband, enterprise connectivity, and digital services nationwide. The company is executing a strategic transformation focused on monetisation, network efficiency, and expansion into high-growth digital infrastructure such as AI and data services.

ISAT's 2026 Guidance



Source: ISAT

- **GPU and 5G investment drive higher capex.** Through Lintasarta, ISAT has secured an early-mover advantage as Indonesia's first NVIDIA Cloud Partner, with approximately Rp5.4t of annual contracted GPU revenue (8.8% of our 2026F revenue forecast) locked in over the next five years. Management expects this business to generate an EBITDA margin of around 80%, with Rp11.3t of front-loaded capex in 2026. Meanwhile, management implied that proceeds from the FiberCo sale will be used to accelerate its nationwide 5G rollout rather than fund a special dividend. Following its successful acquisition of 700MHz and 2.6GHz spectrum, ISAT is expected to pay around Rp1.76t to the government in 3Q26. Excluding GPU-related investments, management raised 2026 capex guidance to Rp23t from Rp13t previously and expects elevated spending through 2027 before moderating in 2028. Despite the higher investment cycle, ISAT remains committed to increasing its dividend payout ratio to 70% in 2025-26 from 65% in 2024 and 48% in 2023.

Valuation/Recommendation

- **Maintain BUY with a lower target price of Rp2,500,** based on 4.6x 2026F EV/EBITDA, in line with its five-year historical average. We lower our target price from Rp2,700 primarily to reflect higher net debt following the increase in capex. ISAT currently trades at 4.0x 2026F EV/EBITDA, approximately 0.9SD below its five-year historical mean.

Earnings Revision/Risk

- We revise our earnings forecast to better reflect the new guidance.

Earnings Revision

	New		Original		Difference (%)	
(Rpb)	2026F	2027F	2026F	2027F	2026F	2027F
Revenue	61,139	68,801	60,806	64,276	1%	7%
EBITDA	30,884	33,390	29,206	31,001	6%	8%
Operating Profit	14,899	15,475	13,221	13,967	13%	11%
Net Profit	8,019	7,847	6,938	7,405	16%	6%
Core Profit	6,890	7,847	6,938	7,405	-1%	6%
EBITDA Margin (%)	50.5	48.5	48.0	48.2		
Opr Margin (%)	24.4	22.5	21.7	21.7		
Net Margin (%)	13.1	11.4	11.4	11.5		
Core Net Margin (%)	11.3	11.4	11.4	11.5		

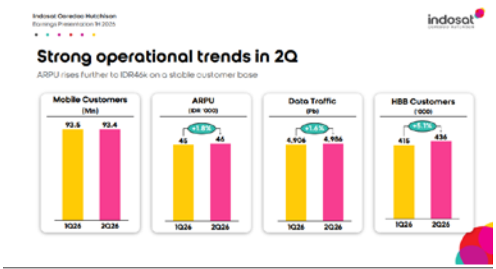
Source: UOB Kay Hian

- **Risks:** a) weaker-than-expected ARPU recovery, and b) unfavourable changes in regulation.

Share Price Catalyst

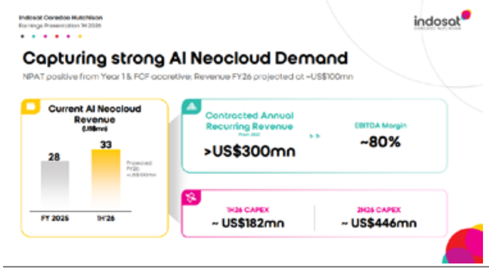
- Newsflow on 5G rollout.

ISAT's Key Statistics



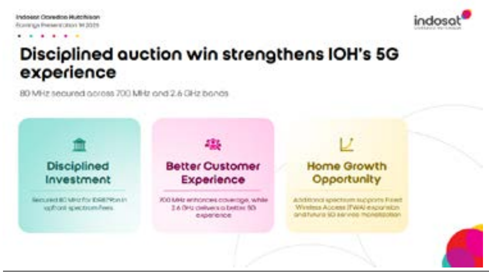
Source: ISAT

ISAT's GPU-As-A-Service



Source: ISAT

ISAT's Spectrum Win



Source: ISAT

Profit & Loss

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Net turnover	56,518	61,139	68,801	72,828
EBITDA	27,106	30,884	33,390	35,636
Deprec, & amort	15,831	15,985	17,916	19,063
EBIT	11,275	14,899	15,475	16,573
Associate Contributions	1	-	-	-
Net interest income/(expense)	(4,012)	(4,140)	(4,947)	(5,060)
Pre-tax profit	7,285	10,781	10,549	11,534
Tax	(1,467)	(2,171)	(2,125)	(2,323)
Minorities	(308)	(590)	(578)	(632)
Net profit	5,510	8,019	7,847	8,579

Balance Sheet

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Fixed assets	75,099	91,866	97,101	95,850
Other LT assets	43,530	43,774	43,440	48,371
Cash/ST investment	5,075	3,514	1,531	6,314
Other current assets	13,929	12,855	14,481	14,805
Total assets	118,630	135,640	140,541	144,220
ST debt	10,089	12,311	12,224	12,167
Other current liabilities	20,410	24,830	27,309	27,715
LT debt	44,826	52,687	52,903	53,027
Other LT liabilities	3,795	1,859	1,931	1,996
Shareholders' equity	36,320	40,482	42,716	45,802
Minority interest	3,189	3,471	3,459	3,513
Total liabilities & equity	118,630	135,640	140,541	144,220

Cash Flow

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Operating	21,551	27,278	26,956	27,989
Net profit	5,818	8,609	8,424	9,211
Deprec, & amort,	15,831	15,985	17,916	19,063
Working capital changes	1,399	996	1,489	213
Other operating cashflows	(1,497)	1,688	(872)	(498)
Investing	(12,097)	(34,757)	(22,864)	(17,203)
Capex (growth)	(16,317)	(32,287)	(22,675)	(17,331)
ROU	(104)	(530)	(291)	(358)
Others	4,324	(1,940)	102	486
Financing	(8,862)	5,917	(6,075)	(6,003)
Dividend payments	(2,974)	(4,165)	(6,204)	(6,070)
Proceeds & repay borrowings	(143)	10,081	129	67
Others	(5,745)	-	-	-
Net cash inflow (outflow)	592	(1,562)	(1,983)	4,783
Beginning cash & cash equivalent	4,454	5,075	3,514	1,531
Change due to forex impact	30	-	-	-
Ending cash & cash equivalent	5,075	3,514	1,531	6,314

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	48.0	50.5	48.5	48.9
Pre-tax margin	12.9	17.6	15.3	15.8
Net margin	9.7	13.1	11.4	11.8
ROA	4.6	5.9	5.6	5.9
ROE	15.2	19.8	18.4	18.7
Growth				
Turnover	1.1	8.2	12.5	5.9
EBITDA	2.7	13.9	8.1	6.7
Pre-tax profit	8.2	48.0	(2.1)	9.3
Net profit	12.2	45.5	(2.1)	9.3
EPS	0.3	40.6	13.9	9.3
Leverage				
Debt to total capital (x)	0.6	0.6	0.6	0.6
Debt to equity (x)	1.4	1.5	1.4	1.3
Net debt/(cash) to equity (x)	126.1	139.9	137.7	119.4
Interest cover (x)	2.7	3.4	3.0	3.2

Source: ChartGenie

Bank Rakyat Indonesia (BBRI IJ)

Technical BUY with 4% potential return

Resistance: Rp3,080, Rp3,130

Support: Rp2,910, Rp2,730

Stop-loss: Rp2,900

Share price closed higher and formed a neutral candlestick. Price advanced with better momentum; hence, we expect price to make more rallies and challenge the resistance levels at Rp3,080 and Rp3,130. Technical indicator RSI is sloping upwards and above its midline, while the MACD remains on a bullish crossover. Buy at Rp2,980 and take profit at Rp3,100.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental HOLD and target price of Rp4,250.

Source: ChartGenie

Bumi Resources (BUMI IJ)

Technical BUY with 8% potential return

Resistance: Rp186, Rp191

Support: Rp157, Rp136

Stop-loss: Rp155

Share price closed higher and formed a neutral candlestick. Price advanced with better momentum; hence we see potential for more bullish pressure, and price could challenge the resistance levels at Rp186 and Rp191. Technical indicator RSI is sloping upwards and above its midline, while the MACD remains on a bullish crossover. Buy at Rp162 and take profit at Rp175.

Approximate timeframe: 2-4 weeks.

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