Initiation Report

January 21, 2026

ajaib RESEARCH
PT Ajaib Sekuritas Asia

WIFI

PT Solusi Sinergi Digital Tbk.

Building Indonesia's Digital Backbone

- **WIFI is anchored by a ~6,900 km rail-aligned fiber backbone that provides high reliability, strong operating leverage, and recurring long-tenor wholesale revenues.**
- **IRA is a scalable national growth catalyst, targeting ~61% of Indonesian households with a cost-efficient 5G FWA offering priced at ~Rp100,000 per month and supported by 1,105,075 pre-registrations.**
- **FTTH scale-up is driving a clear earnings inflection, with Home Pass and Home Connect projected to reach ~5.7 million and ~3.1 million by 2027F, underpinning telco revenues of ~Rp3.5 trillion.**
- **We initiate coverage with a BUY rating and a target price of Rp4,200, implying 7.8x 2026F EV/EBITDA, supported by strong earnings visibility and long-life infrastructure assets.**

Integrated, Infrastructure-Led Connectivity Platform with a Structural Backbone Moat
PT Solusi Sinergi Digital Tbk (WIFI) operates as an integrated digital infrastructure provider anchored on long-life fiber optic backbone assets that generate recurring, contract-based revenues while supporting scalable services such as connectivity, data centers, and digital monetization. Positioned upstream in the connectivity value chain, WIFI benefits from operating leverage and defensiveness as traffic and demand grow without proportional cost increases. Its core competitive moat is a rail-centric fiber backbone developed with PT Kereta Api Indonesia, spanning ~6,900 km across Java and delivering high reliability (up to 99.99% SLA), low right-of-way risk, and scalable capacity supported by DWDM/ASON technology. This infrastructure-led model structurally positions WIFI to capture rising demand for high-capacity, low-latency connectivity from telcos, ISPs, hyperscalers, and data center operators across Indonesia.

IRA as a Scalable National Growth Catalyst
Launched for full commercial deployment in 2025, Internet Rakyat (IRA) is a structurally transformative growth engine for WIFI, converting access to 1.4 GHz spectrum and its nationwide backbone into a mass-market broadband platform. Targeting Region I—home to ~61% of Indonesia's households (45+ million homes)—IRA addresses the country's low fixed-broadband penetration with a cost-efficient 5G FWA model. Execution risk is de-risked by extensive tower availability, a deep multi-vendor ecosystem, and leverage of existing fiber and IP backbone assets, enabling a disruptive offering (~Rp100,000/month, up to 100 Mbps) that has already attracted 1,105,075 pre-registration

Accelerating FTTH Scale-Up Driving Revenue Inflection
WIFI's FTTH platform is scaling rapidly, with Home Pass expanding from ~220,000 in Dec-24 to 1.5 million by Sep-25 and projected to reach ~5.7 million by 2027F, while Home Connect rose from 185,000 to ~830,000 and is expected to exceed ~3.1 million over the same horizon. After a temporary compression during the peak rollout phase, take-up rates rebounded to 55% by Sep-25 and are forecast to stabilize in the mid-50% range as network maturity improves. This synchronized growth in coverage and connections underpins a sharp inflection in telco revenues, with B2C Railway, Internet Rakyat, and Open Access revenues projected to scale to ~Rp3.5 trillion by 2027F, supported by a 10,000 km+ backbone network and reinforcing a repeatable, high-visibility growth trajectory with sustained operating leverage.

Attractive Infrastructure-Driven Upside
We initiate coverage on WIFI with a **BUY** rating and a target price of **Rp4,200**, implying 7.8x 2026F EV/EBITDA, reflecting the Company's ownership of a rail-aligned fiber backbone and dense edge infrastructure that generate high operating leverage and predictable, recurring cash flows from long-tenor wholesale contracts. Earnings visibility is expected to strengthen through 2026–2027, driven by higher asset utilization, incremental capacity monetization, growing edge data center contributions, and the gradual ramp-up of IRA. Key risks: potential delays in IRA rollout, slower-than-expected wholesale demand growth, regulatory changes affecting railway right-of-way access, and higher interest costs in a tighter funding environment.

Key Financial Highlights

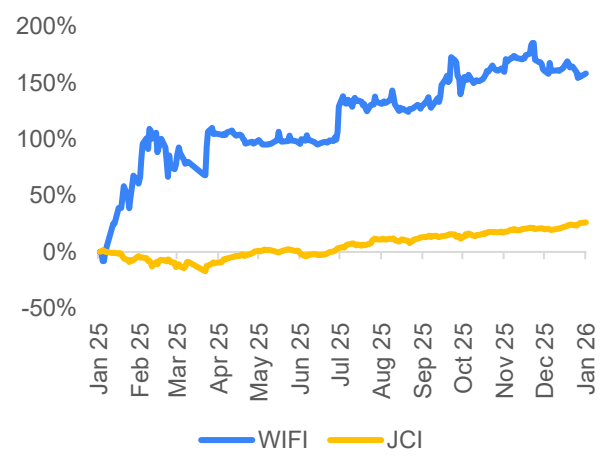
Key Metrics	2023	2024	2025F	2026F	2027F
Revenue (Rp bn)	439	672	1,556	3,360	4,273
EBITDA (Rp bn)	229	491	1,112	2,592	3,336
Net Profit (Rp bn)	59	231	467	1,313	1,611
EPS Growth (%)	0.1	294.9	101.9	181.4	22.7
P/E (x)	285.7	72.4	35.8	12.7	10.4
P/BV (x)	22.5	17.2	2.1	1.8	1.5
EV/EBITDA (x)	75.3	36.7	12.3	6.0	4.4

BUY

Stock Information (as of January 20, 2026)

Last Price (Rp)	3,100
Target Price (Rp)	4,200
Potential Upside	35.5%
Market Cap (Rp tn)	16.5
52 Week Range (Rp)	4,420 - 635
Free Float	40.0%
Share Out. (bn)	5.3
Beta	-1.5

1-Year Stock Performance Comparison vs JCI



Shareholders

WIFI's Shareholders	%
PT Investasi Sukses Bersama	54.42
Public	40.01
Djoni	5.28
Tinawati	0.29

Company Description

WIFI's Company Profile

PT Solusi Sinergi Digital Tbk is an Indonesia-based company. The Company's activities are in the advertising sector, as well as a holding company that invests in advertising, digital products and services, and fiber optic networks through subsidiary companies. Its business activities focus on fiber optic network infrastructure, digital products and services, technology, and advertising media.

Analyst

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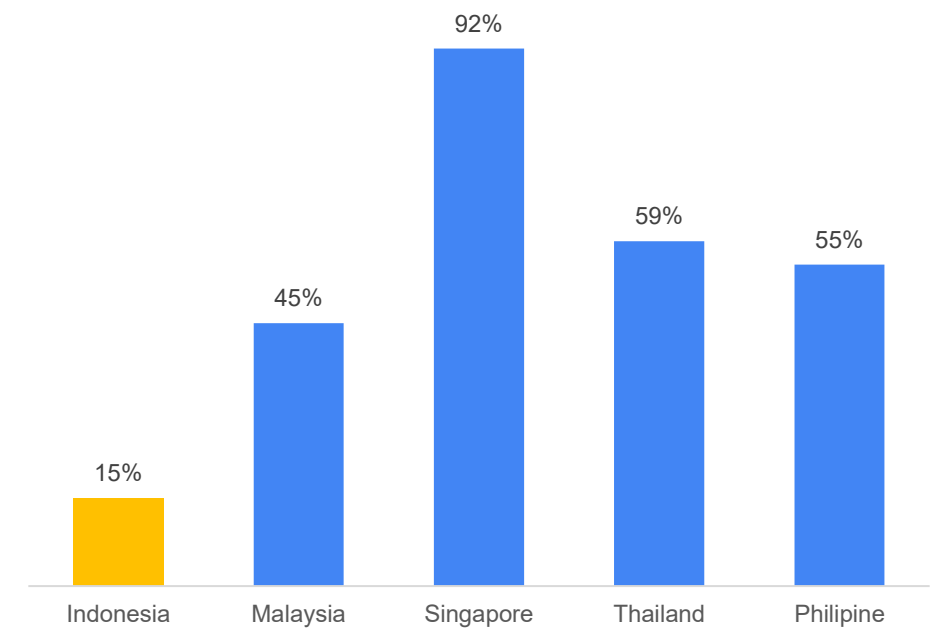
INDUSTRY OVERVIEW

Large Untapped Fixed Broadband Market in Indonesia
Indonesia's fixed broadband penetration remains low at ~15%, significantly trailing regional peers such as Malaysia at 45%, Thailand at 59%, the Philippines at 55%, and Singapore at 92%, implying that roughly 85% of households remain unserved or underserved. This gap reflects structural constraints around affordability, last mile economics, and uneven infrastructure deployment rather than weak underlying demand, pointing to a large and unsaturated addressable market. Against this backdrop, infrastructure led models that partner with ISPs and telcos, such as IJE's approach, are well positioned to unlock latent demand by lowering unit connectivity costs and accelerating rollout into underserved areas. As penetration gradually converges toward regional norms, Indonesia offers a long runway for volume driven growth, operating leverage, and sustained infrastructure monetization.

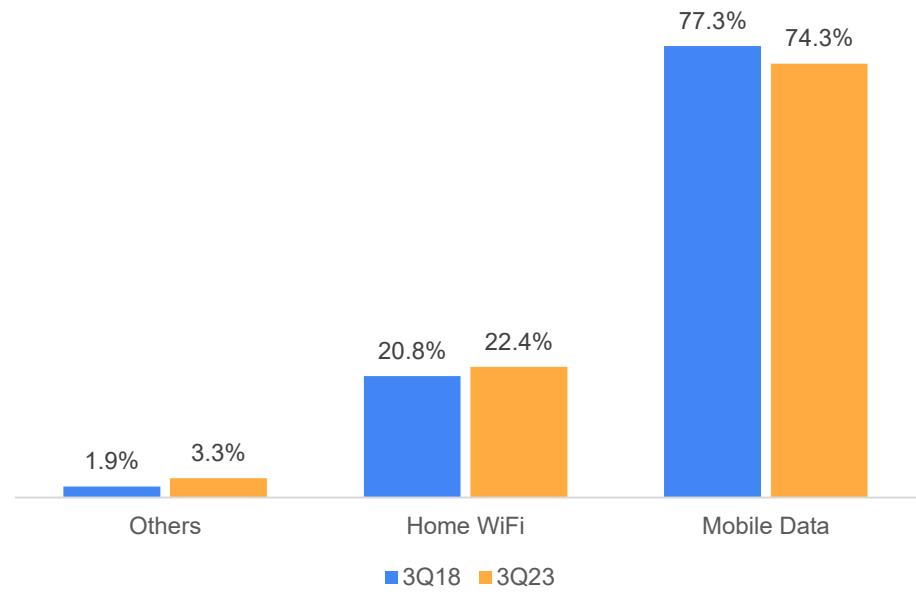
Shift Toward Home Based Connectivity
Indonesia is experiencing a gradual structural shift in household connectivity behavior, with "Home WiFi" usage rising from 20.8% to 22.4% between FY23 and FY24 based on APJII 2024 data, signaling a slow but steady substitution away from mobile data for in home consumption. While mobile data remains dominant at ~74–77%, its growth is increasingly incremental as the mobile market matures, reinforcing demand for more stable, higher capacity, and cost efficiency fixed broadband solutions. These dynamics support a favorable demand outlook for FTTH and FWA, particularly for affordable home broadband offerings as households seek to optimize data quality and cost.

Figure 1. SEA Fixed Broadband Penetration



Source: Weave, Ajaib Research

Figure 2. Internet Access from Location

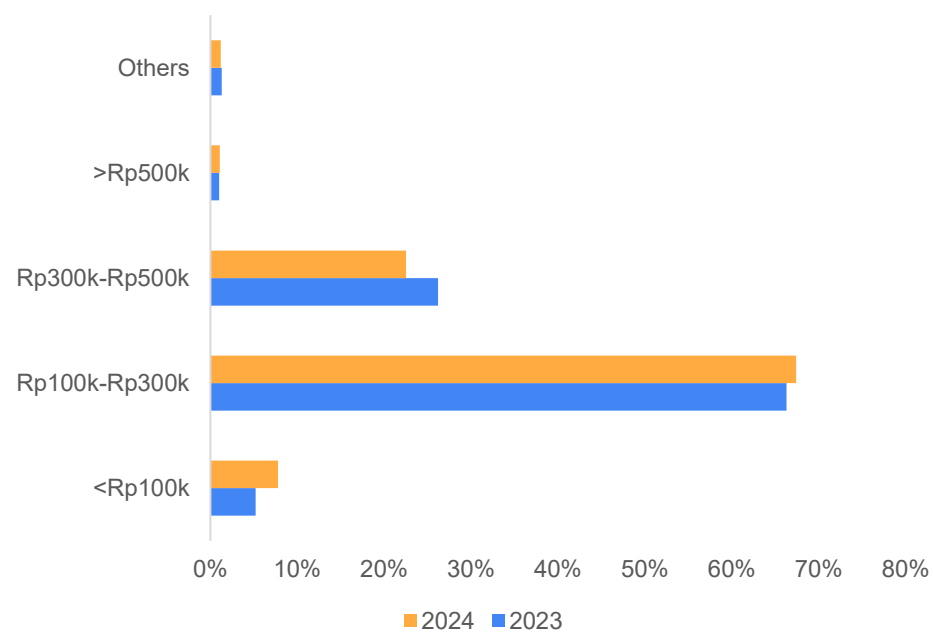


Source: APJII, Weave, Ajaib Research

Affordability Driven Mass Market Demand
Indonesia's internet market remains firmly mass market oriented, with mobile data still the most widely used access method despite a modest year on year decline, while home WiFi adoption continues to rise. Affordability is the primary constraint, as around 75.2% of users can only afford monthly internet spending below Rp300,000, with the largest segment in the Rp100,000 to Rp300,000 range increasing to 67.4% in 2024. Spending above Rp300,000 continues to contract, highlighting limited pricing elasticity at the premium end, while the perceived ideal price point clusters around Rp150,000 per month. These trends suggest future broadband growth will be driven by penetration expansion through competitively priced offerings aligned with mass market purchasing power rather than premium upselling.

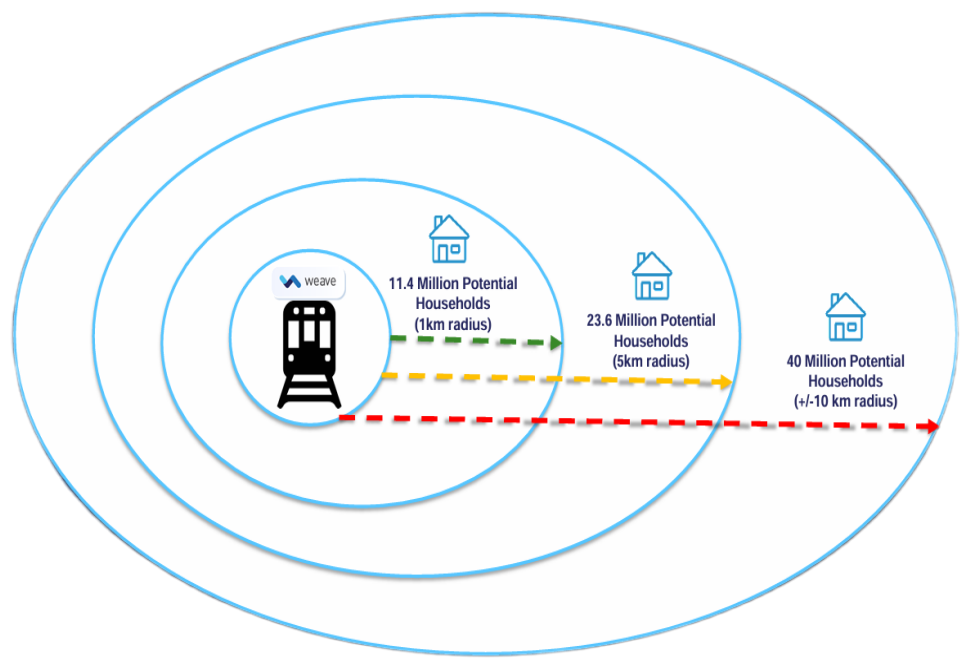
Rail Proximity Creating a High-Quality Addressable Market
Weave, or PT Integrasi Jaringan Ekosistem, a subsidiary of WIFI, benefits from a structurally attractive addressable market enabled by its strategic placement along Java's railway backbone. Proximity analysis indicates an estimated 11.4 million households within a 1 km radius of the network, expanding to 23.6 million within 5 km and up to ~40 million households within a 10 km catchment area. This spatial advantage materially lowers last mile deployment costs, shortens rollout timelines, and enhances capital efficiency for FTTH and fixed wireless expansion by leveraging existing railway rights of way, positioning Weave to rapidly scale broadband penetration across dense residential corridors in Java while maximizing returns on incremental network investment.

Figure 3. Monthly Home Internet Subscription Fees



Source: APJII, Weave, Ajaib Research

Figure 4. Proximity along Weave Java Railway Backbone



Source: Weave, Ajaib Research

BUSINESS DESCRIPTION

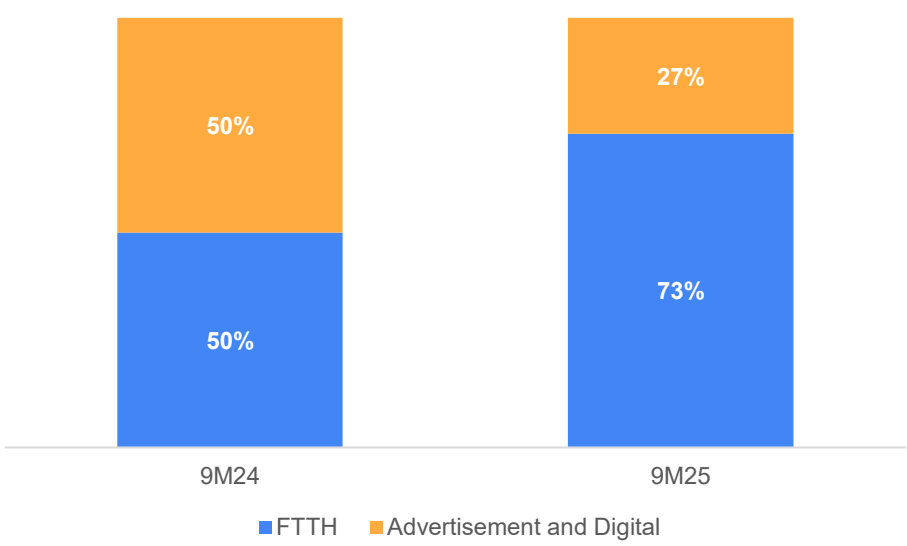
Integrated, Infrastructure-Led Digital Connectivity Platform

PT Solusi Sinergi Digital Tbk (WIFI) operates as an integrated digital infrastructure company with core exposure to fiber optic backbone, carrier-neutral connectivity services, edge data centers, and infrastructure-led digital monetization. The Company's business model is anchored on owning and operating long-life physical assets—primarily fiber optic networks—that generate recurring revenues through multi-year contracts, while layering incremental services such as bandwidth leasing, colocation, CDN, and advertising. Unlike traditional telcos or retail ISPs, WIFI positions itself upstream in the connectivity value chain as an infrastructure enabler, allowing the Company to scale traffic and customer count without proportional increases in customer acquisition or operating costs. This asset-heavy, wholesale-oriented model provides operating leverage and defensiveness amid structurally rising demand for data, cloud, and low-latency connectivity across Indonesia.

Rail-Centric Fiber Backbone as the Core Structural Moat

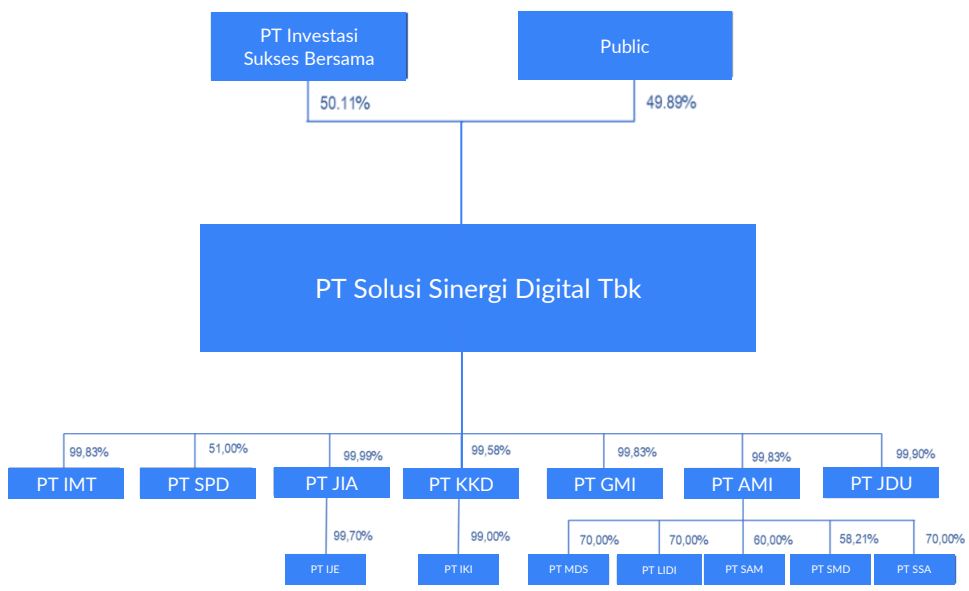
WIFI's core competitive moat lies in its rail-centric fiber optic backbone developed through a long-term collaboration with PT Kereta Api Indonesia (KAI), executed via subsidiaries Weave (IJE). As of end-2023, the Company operates 6,927 km of fiber optic infrastructure across Java, spanning railway corridors, toll roads, and arterial highways, forming one of the densest non-telco backbone networks in the country. Fiber deployment along railway corridors materially reduces right-of-way risk, minimizes fiber cut incidents, and enables superior service reliability, supporting Service Level Agreements (SLA) of up to 99.99%. The backbone is equipped with 144-core fiber and supported by DWDM and ASON technologies, allowing scalable capacity upgrades without major incremental civil works. With total lit and planned bandwidth capacity reaching up to 64 Tbps, WIFI's backbone is structurally well positioned to serve data centers, hyperscalers, telcos, and ISPs requiring secure, high-capacity, and low-latency point-to-point connectivity.

Figure 5. WIFI's Revenue Mix



Source: Company, Ajaib Research

Figure 6. WIFI's Shareholders Structure



Source: Company, Ajaib Research

Figure 7. Roadside Fiber Backbone (1187 Km)

Source: Weave

Figure 8. Railway Fiber Backbone (5017 Km)

Source: Weave

Figure 9. Highway Backbone (265 Km)

Source: Weave

Figure 10. Inner Jakarta Fiber Backbone (458 Km)

Source: Weave

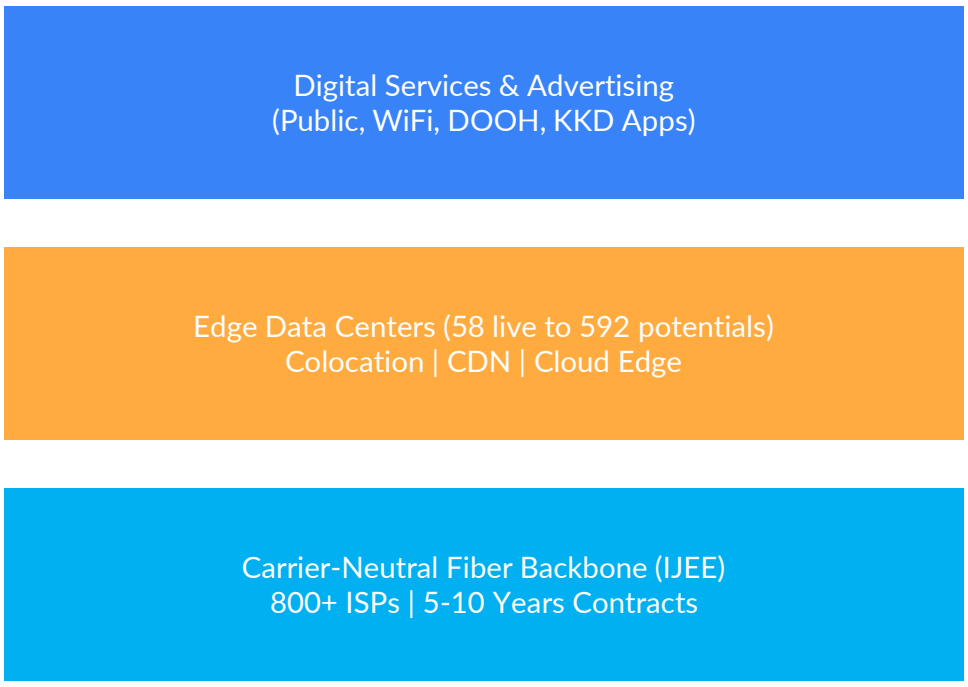
Carrier-Neutral Wholesale Model with Expanding Edge Data Center Layer

Through PT Integrasi Jaringan Ekosistem (IJEE), WIFI adopts a neutral carrier backbone model, positioning itself as a strategic infrastructure partner to more than 800 Internet Service Providers (ISPs) nationwide. Revenue streams include long-tenor fiber core leasing (5–10 years), managed bandwidth (leased line), colocation, and CDN services, resulting in predictable and recurring cash flows. Complementing the backbone, WIFI has developed an extensive edge data center (EDC) footprint, with 58 EDCs operational across Java and an expansion runway of up to 592 locations. Each EDC typically offers 6–10 racks (42U per rack) and serves as a localized node for colocation, content caching, and cloud edge processing. This distributed architecture enhances network performance while lowering delivery costs for customers, strengthening customer lock-in and increasing monetization per route-kilometer of fiber.

Multi-Layer Monetization Flywheel Driving Long-Duration Returns

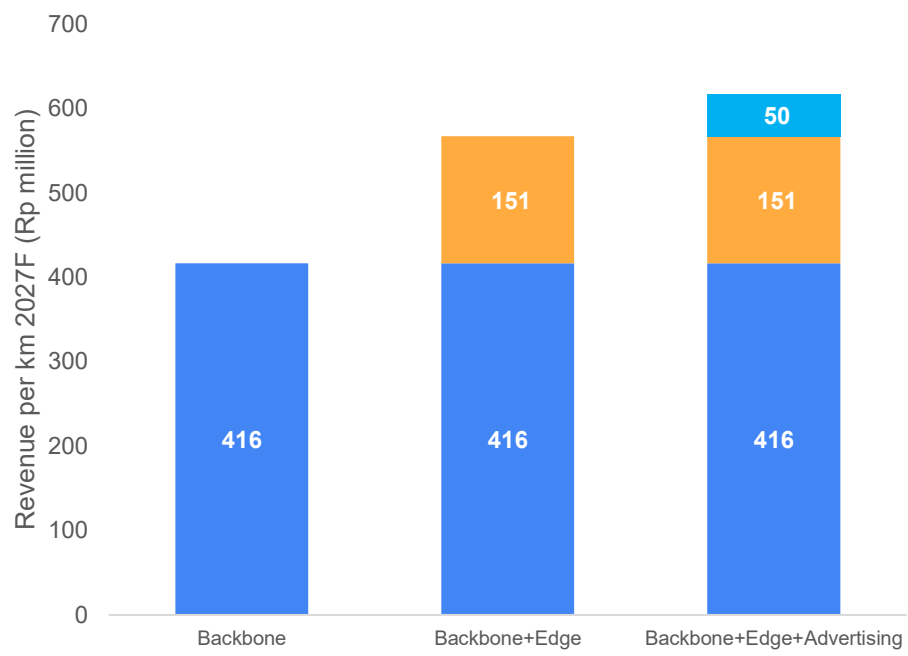
Beyond core connectivity, WIFI monetizes its infrastructure through digital services and advertising, creating incremental yield without significant capital duplication. Public WiFi services deployed across commuter and intercity railway stations function as a public access layer, with revenues primarily derived from digital advertising rather than end-user fees. The advertising segment—spanning Digital Out-of-Home (DOOH), railway media, and non-rail transport assets—benefits directly from captive passenger traffic and data-enabled targeting. In parallel, software development via subsidiary KKD enhances ecosystem integration through proprietary applications aligned with network usage and partner needs. Collectively, WIFI's business model creates a scalable infrastructure flywheel: backbone fiber drives ISP and cloud demand; edge data centers enhance service density; digital and advertising layers improve asset yield; and the neutral carrier approach minimizes competitive conflict. This positions WIFI as a long-duration infrastructure play with increasing returns to scale as Indonesia's data consumption and digital economy continue to expand.

Figure 11. Integrated Neutral Carrier Infrastructure Stack



Source: Ajaib Research

Figure 12. Asset Yield & Monetization Expansion



Source: Ajaib Research

Figure 13. WIFI's BoC & BoD Profiles

Name	Position	Background & Notable Roles	Years of Experience
Board of Commissioners			
 Hermansjah Haryono (53)	President Commissioner	Hermansjah Haryono has served as President Director of PT Solusi Sinergi Digital Tbk since his appointment by the 2019 GMS, overseeing the Company's strategy and operations. He has over 20 years of experience in the telecommunications industry, with senior roles at XL Axiata, Hutchison 3 Indonesia, and Digicel Asia-Pacific. He holds a Bachelor's degree from Trisakti University, an MBA from Cleveland State University, and completed an Executive Management Program at Macquarie University.	22
 Doni Satiaji Soetadi (62)	Indepndent Commissioner	Doni Satiaji Soetadi has served as Independent Commissioner of PT Solusi Sinergi Digital Tbk since 2022. He has extensive experience in corporate finance and strategic advisory, having spent over a decade at Ciptadana Capital and held leadership and advisory roles with Uber Indonesia, JUUL, WeWork, and Ismaya Group. He is a graduate of the University of Georgia and Les Roches International School, Crans–Montana, Switzerland.	21
Board of Directors			
 Yune Marketamo (56)	President Director	Yune Marketatmo has served as Commissioner of PT Solusi Sinergi Digital Tbk since 2022. He holds a Bachelor's degree in Telecommunications from the Bandung Institute of Technology (ITB) and a postgraduate degree from RMIT University, and has extensive experience in the telecommunications sector. He previously held senior technology and executive roles at Indosat Ooredoo and Indosat Mega Media (IM2), including CTO/CTIO, COO, Acting CEO, and Board member. He is an Indonesian citizen and is domiciled in Jakarta.	10
 Andrew	Operational & SCM Director	Andrew was appointed as Director of Operations & SCM of PT Solusi Sinergi Digital Tbk following the EGMS on 26 November 2025. He holds a Bachelor's degree in Information Systems from Bina Nusantara University and brings extensive leadership experience across digital, e-commerce, and technology-driven businesses, having previously served as President Director of PT Kioson Komersial Indonesia Tbk, CEO of PT Gudang Anak Bangsa, and Head of Digital and Partner at PT Stucel Media Kreatif. He is an Indonesian citizen.	10
 Moh. Mustaghfirin (58)	Network Director	Moh. Mustaghfirin was appointed as Director of Network of PT Solusi Sinergi Digital Tbk in September 2024. He holds a Bachelor's degree in Electrical Engineering from ITS and a Master's degree from Telkom University, with additional executive programs in Germany and the US. He previously spent over 15 years in senior network leadership roles at Telkomsel and served as Chairman of PT Telkomcel Timor Leste.	19
 Shannedy Ong (51)	Technology Director	Shannedy Ong holds a Bachelor's degree in Electrical and Computer Engineering from Queensland University of Technology, Australia. He was appointed Director of PT Solusi Sinergi Digital Tbk in 2024. Prior to this, he served as Country Managing Director of Qualcomm Indonesia (2015–2024) and held various senior leadership roles at Ericsson Indonesia and Australia, spanning new business, carrier customer accounts, commercial, sales, and network architecture. Earlier in his career, he worked as a Senior Transmission Engineer at NEC Indonesia.	30

Source: Company, Ajaib Research

COMPANY UPDATE

IRA Launch and Market Scale as a Structural Growth Engine…

Internet Rakyat (IRA) was formally launched for full-scale commercial deployment in 2025, with the public brand rollout on 12 November, following the comprehensive agreement signed in March 2025 and the completion of technology demonstrations, lab trials, and local readiness by mid-2025. Analytically, IRA represents a structurally transformative initiative for WIFI, converting regulatory 1.4 GHz spectrum access and nationwide backbone assets into a mass-market broadband monetization platform. The opportunity is anchored in Region I (Java, Maluku, and Papua), which accounts for ~61% of Indonesia's total households, or 45 million+ homes, making it the country's most economically attractive broadband market given superior population density, income profile, and data consumption intensity. This demand concentration positions IRA to directly address Indonesia's structurally low fixed broadband penetration at national scale.

…Supported by Infrastructure Readiness, Economics, and Execution De-Risking

Crucially, the scale of demand in Region I is matched by strong execution readiness and ecosystem depth, with an estimated ~55,000 existing telecom towers deployed as of 2Q25 and owned by diversified incumbents such as Tower Bersama, Mitratel, Sarana Menara Nusantara, Protelindo/PKP, and Centratama—materially reducing rollout dependency, time-to-market, and capex intensity. This physical readiness is reinforced by end-to-end partner coverage across the 5G FWA 1.4 GHz value chain, with multi-vendor support for CPE (e.g., Nokia, MEIG, ZTE, WeWins), chipsets (Qualcomm, ASR), Open RAN and baseband (Nokia, ZTE, Huawei, FiberHome, OREX SAI), and managed services, ensuring supply resilience and cost discipline. By deploying 5G FWA on the 1.4 GHz band, WIFI can deliver wide-area coverage at lower capex per home versus FTTH or higher-frequency 5G while leveraging existing towers, fiber-to-PoP connectivity, and Surge-controlled IP backbone (Metro Tier-1/Tier-2, domestic and international transit via Palapa Ring and gateways). The disruptive retail proposition—~Rp100,000 per month, up to 100 Mbps, unlimited data, and free CPE installation/rental—has already demonstrated strong market validation, with ~1,105,075 pre-registrations by 20 January 2026 ahead of full rollout. Supported by the OREX SAI partnership (backed by NTT DOCOMO and NEC) and a planned deployment of up to 4,800 base stations starting in 2026, IRA positions WIFI to transition from a wholesale infrastructure owner into a national digital utility, improving asset utilization, recurring revenue visibility, and long-term valuation upside.

Figure 14. The launch of IRA by WIFI

Source: Company

Figure 15. Total Number of IRA Pre-Registrations

Source: Company

Wi-Fi 7 Launch as a Premium Broadband Catalyst

The launch of Indonesia's first Starlite Wi-Fi 7 network on 3 October 2025 marks a strategically important milestone for WIFI, strengthening its positioning as an innovation-driven broadband infrastructure platform ahead of broader IRA monetization. Analytically, Wi-Fi 7 capability—delivering speeds of up to 2 Gbps with lower latency and higher device density—enhances WIFI's product competitiveness at the premium end, enabling clear differentiation versus legacy FTTH and incumbent ISPs typically offering ~1 Gbps at comparable price points. Crucially, the project is executed in collaboration with INET (Bali Internet) as the local operating partner and Huawei as the technology provider, underscoring WIFI's asset-light, partnership-led expansion model that accelerates rollout while limiting balance-sheet intensity. The use of schools as anchor sites aligns with WIFI's Affordable Internet and Internet Rakyat strategy, allowing early traffic validation, strong community adoption, and institutional support, while positioning Bali as a showcase market for high-speed wireless broadband. With a targeted ~2 million home passes across Bali–Lombok, the Wi-Fi 7 deployment demonstrates WIFI's ability to translate advanced technology into scalable commercial infrastructure, reinforcing its long-term role as a national digital utility with improving asset utilization and monetization optionality.

Figure 16. Wi-Fi 6 vs Wi-Fi 7 Comparison

Feature	Wi-Fi 6/6E	Wi-Fi 7
Maximum Speed	9.6 Gbps	Up to 46 Gbps
Maximum Channel Bandwidth	160 MHz	320 MHz
Spatial Streams	Up to 8	Up to 16
QAM (Quadrature Amplitude Modulation)	1024-QAM	4096-QAM
Multi-Link Operation (MLO)	No	Yes (connects to multiple bands at once)
Latency	Improved over previous generations	Significantly lower, ideal for real-time applications
Supported Bands	2.4, 5, and 6 GHz (6E)	2.4, 5, and 6 GHz

Source: Ajaib Research

COMPANY POSITIONING

Rail Aligned Backbone Driving Durable Growth

WIFI's competitive edge is underpinned by its ~6,927 km rail-aligned fiber optic backbone across Java with scalable capacity of up to ~64 Tbps, where railway corridor deployment reduces right-of-way risk, fiber cuts, and downtime, supporting SLAs of up to 99.99% and long asset life. Built with high-core-count fiber of up to 144 cores and enabled by DWDM and ASON, capacity expansion is achieved mainly through equipment upgrades, reinforcing capital efficiency. This infrastructure is monetized via a carrier-neutral, wholesale model serving 800+ ISPs, with revenues dominated by 5–10-year fiber core leasing, managed bandwidth, colocation, and CDN services, delivering predictable recurring cash flows, strong operating leverage, and resilient margins as traffic scales with national data growth.

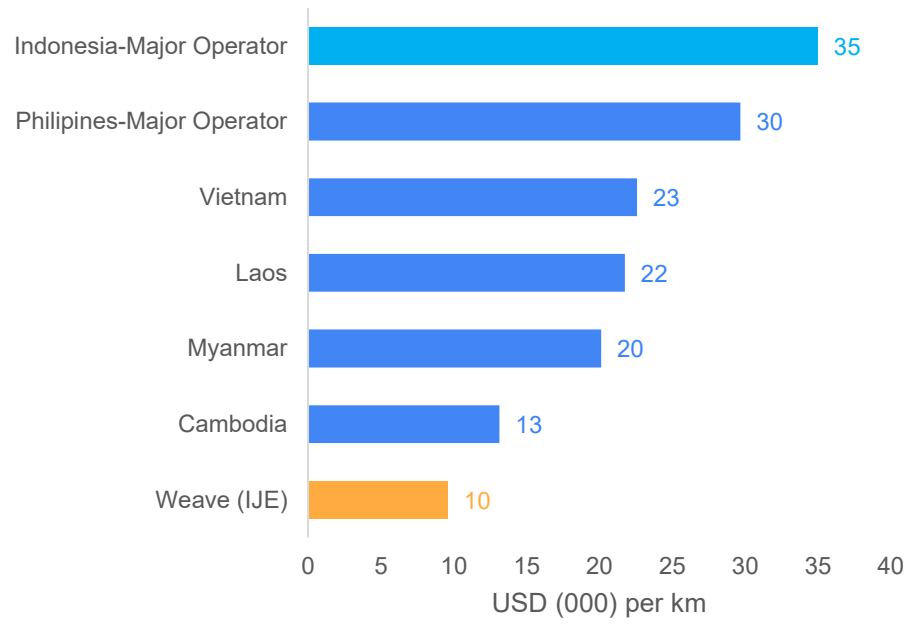
Structural Cost Advantage in Backbone Infrastructure Deployment

The group's cost-efficient infrastructure highlights superior capital efficiency in deploying backbone underground outside plant compared with both regional and domestic peers. With capex of approximately USD 9,594 per km, Weave (IJE) operates at a materially lower cost base than comparable markets such as Cambodia, Myanmar, Laos, and Vietnam (USD ~13,000–23,000 per km), and at a substantial discount to major operators in the Philippines (~USD 29,700 per km) and Indonesia (~USD 35,000 per km). This structural advantage is driven by streamlined licensing, faster deployment cycles, disciplined construction practices, and lean operating execution, enabling rapid network expansion while preserving capital efficiency and return economics.

Figure 17. Fiber Optic Infrastructure

Source: Weave

Figure 18. Backbone Underground Outside Plant Capex



Source: Weave, Hardiman Telecommunications Research, Ajaib Research

Dense Edge Data Center Footprint Enhancing Monetization and Stickiness

Complementing the backbone, WIFI has developed a dense edge data center (EDC) architecture, with 58 operational sites across Java and a long-term expansion runway of up to ~592 locations. Each EDC typically houses 6–10 racks (42U per rack), enabling localized colocation, content caching, and cloud edge processing. This distributed footprint lowers latency, reduces delivery costs for customers, and increases revenue per route-kilometer of fiber by layering higher-value services onto existing assets, strengthening customer stickiness and monetization efficiency.

Layered Monetization Strategy Expanding Infrastructure Yields Beyond Core Connectivity

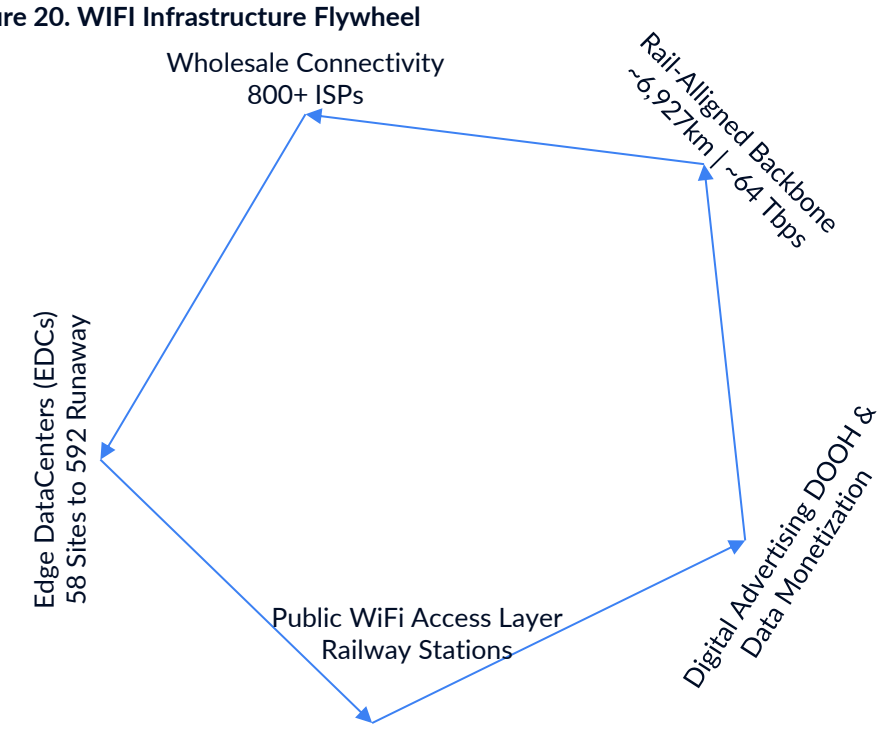
Beyond core connectivity, WIFI enhances infrastructure yields through digital services, advertising, and selective access-layer monetization. Public WiFi deployments across commuter and intercity railway stations generate revenues primarily from Digital Out-of-Home (DOOH), railway media, and data-enabled advertising, delivering incremental returns without material capital duplication. Proprietary software further strengthens ecosystem integration and monetization efficiency. In parallel, Internet Rakyat (IRA) provides a scalable 5G FWA monetization avenue, leveraging Region I coverage (~60%+ of national households), ~55,000 existing towers, and backbone capacity to deliver ~100 Mbps broadband at ~Rp100,000 per month with lower capex per home versus FTTH. With up to ~4,800 base stations planned from 2026 and early demand validation (~1,1 million pre-registrations), IRA is designed to improve asset utilization rather than alter WIFI's carrier-neutral foundation. Collectively, these layers raise revenue per route-kilometer of fiber, enhance recurring cash flows, and reinforce an infrastructure flywheel with increasing returns to scale as Indonesia's digital economy expands.

Figure 19. Distributed Edge Data Center Footprint & Monetization Role

Metric	Description	Strategic Impact
Operational EDCs	58 sites (Java)	Immediate service coverage
Expansion runway	Up to ~592 locations	Long-term growth optionality
Rack capacity	6–10 racks per EDC (42U)	Scalable colocation economics
Core use cases	Colocation, CDN, cloud edge	Higher-margin services
Network impact	Lower latency, lower delivery cost	Strong customer stickiness
Asset efficiency	Layered on existing fiber	Higher revenue per route-km

Source: Company, Ajaib Research

Figure 20. WIFI Infrastructure Flywheel



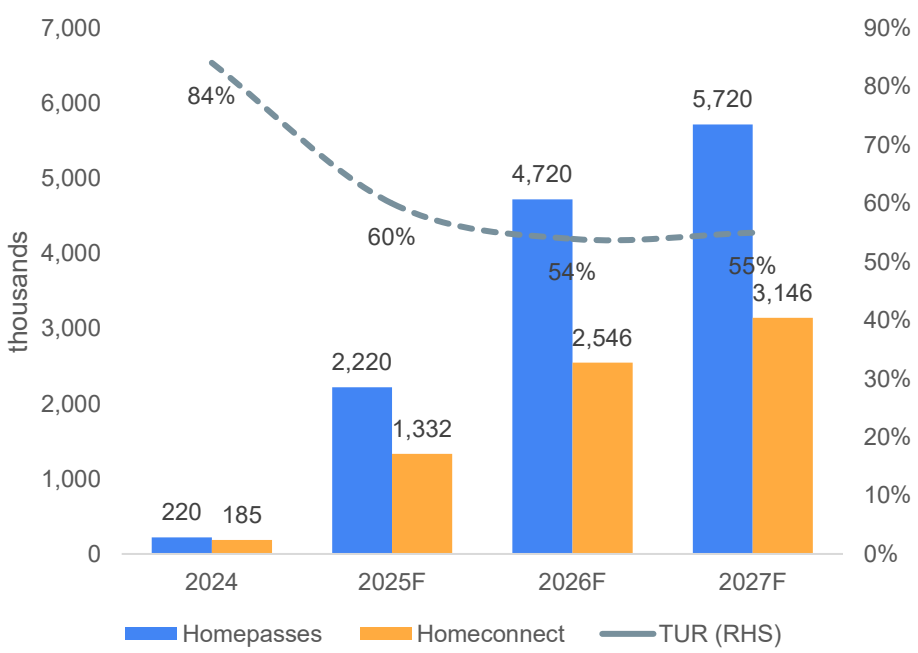
Source: Ajaib Research

FINANCIAL ANALYSIS

Network Scale-Up Driving Revenue Inflection

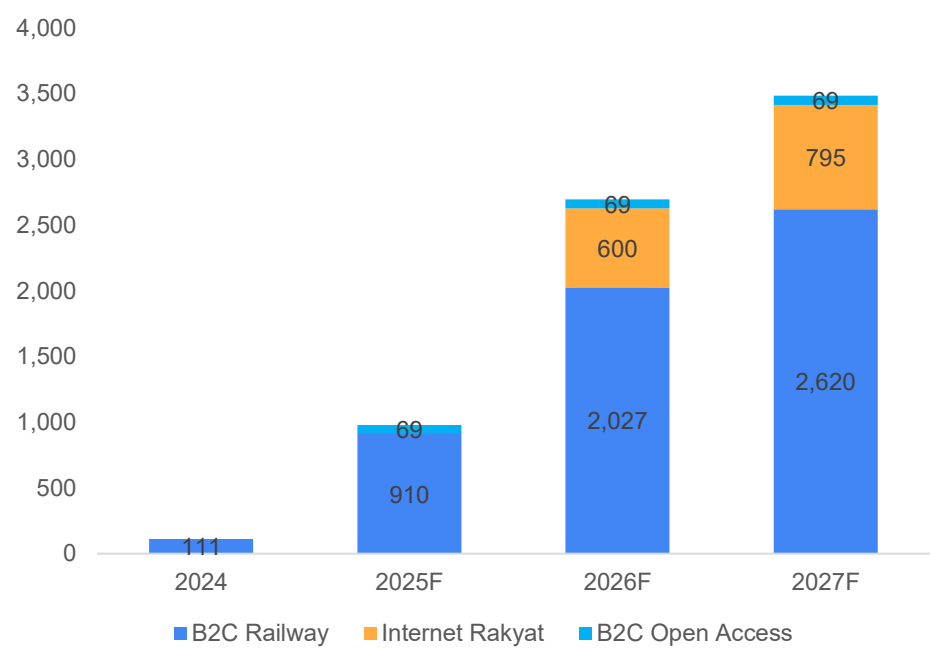
Home Pass expanded rapidly from ~220,000 in Dec-24 to 1.5 million by Sep-25 and is projected to scale to ~4.7 million in 2026F and ~5.7 million in 2027F, while Home Connect increased from 185,000 to ~830,000 over the same period and is expected to reach ~2.5 million in 2026F and ~3.1 million in 2027F. Although take-up rates compressed during the most aggressive rollout phase, the rebound to 55.0% by Sep-25 points to improving absorption, with projections indicating stabilization in the mid-50% range as network maturity improves and connections catch up with coverage. This operating scale-up directly supports a sharp step-up in telco revenues, with B2C Railway, Internet Rakyat, and Open Access revenues collectively projected to rise from a low base in 2024 to ~Rp3.5 trillion by 2027F, driven by growth in connected homes and incremental monetization layers. Backed by a 10,000 km+ backbone fiber network that provides ample capacity, latency control, and redundancy, the synchronized expansion in coverage, connections, and revenues indicates that WIFI has moved beyond pilot-phase economics into a repeatable, high-visibility growth trajectory, supporting IRA's national rollout while sustaining operating leverage over the medium term.

Figure 21. WIFI's Homepasses & Homeconnect Projections



Source: Company, Ajaib Research

Figure 22. WIFI's Telco Revenue Projections

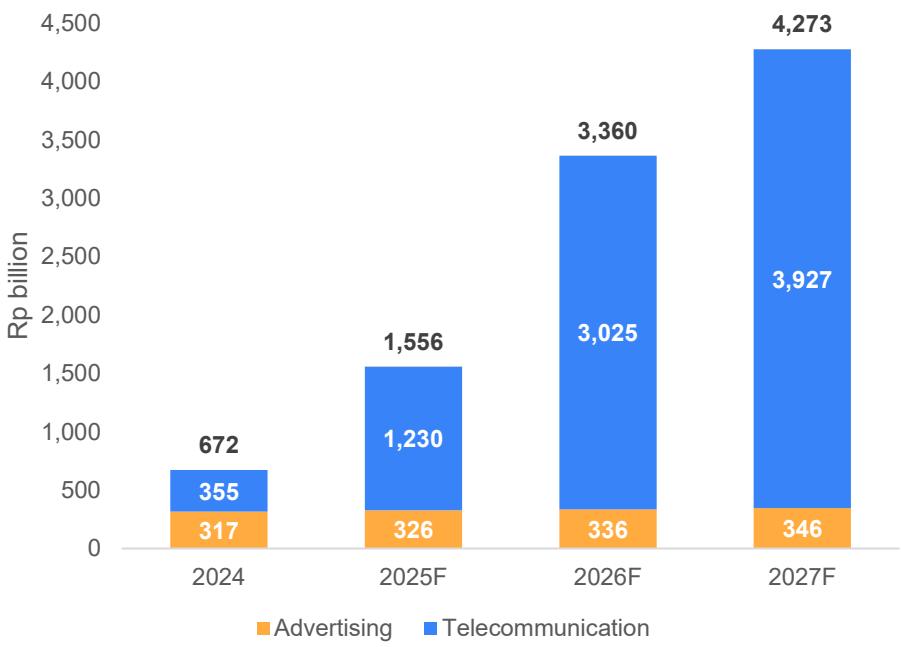


Source: Company, Ajaib Research

Strong Earnings Momentum and Margin Expansion

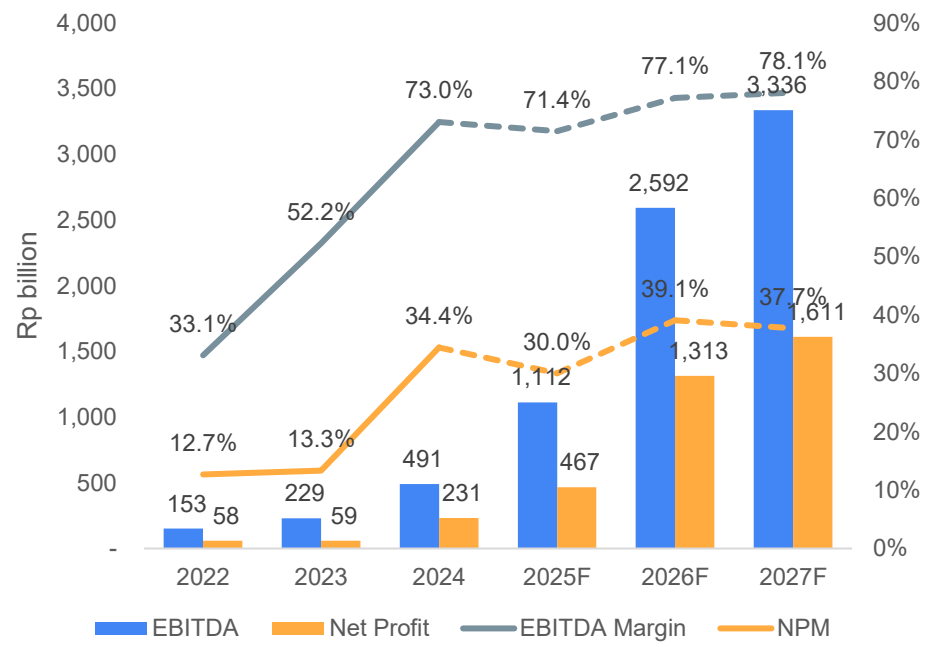
Revenue reached Rp1.01 trillion (+101% YoY) in 9M25, while EBITDA surged to Rp697 billion (+96% YoY), reflecting meaningful scale efficiencies despite some QoQ normalization following peak expansion. This momentum is expected to continue, with total revenue projected to grow from Rp672 billion in 2024 to Rp3.36 trillion in 2026F and Rp4.27 trillion in 2027F, largely driven by telecommunications revenues as advertising remains relatively stable and complementary. Net income increased to Rp330 billion (+108% YoY), supported by strong operating leverage as subscriber and traffic growth outpaced cost increases, a trend reinforced by projected EBITDA expansion to ~Rp2.6 trillion in 2026F and ~Rp3.3 trillion in 2027F. Profitability metrics have strengthened alongside this growth, with EBITDA margins structurally elevated in the mid-to-high 70% range over the forecast period and net profit margins expanding toward the mid-30s, reflecting the high operating leverage inherent in the backbone and FTTH model. The improvement is closely tied to a decisive shift in product mix, with FTTH contributing 73% of total revenue in 9M25 versus a balanced mix previously, and increasingly dominating EBITDA contribution. Although operating cash flow declined YoY to Rp116 billion due to elevated investment and working capital needs during the expansion phase, the combined historical performance and forward projections indicate that WIFI is successfully converting network scale into sustainable, high-margin earnings, signaling a transition into a more mature, repeatable growth phase anchored by recurring FTTH revenues.

Figure 23. WIFI's Revenue Breakdown Projections



Source: Company, Ajaib Research

Figure 24. WIFI's Profitability Projections

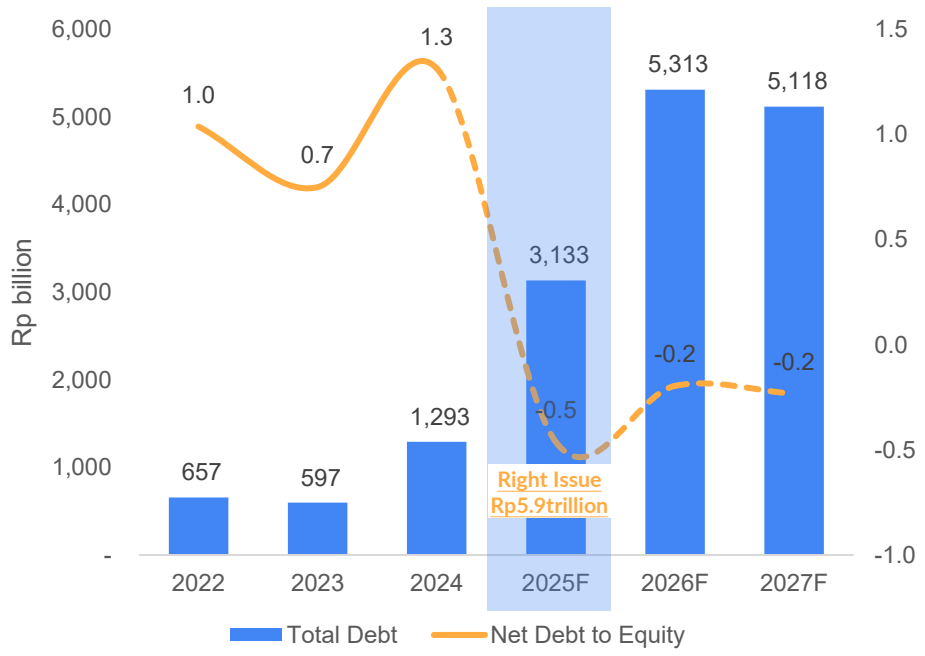


Source: Company, Ajaib Research

Balance Sheet Strength Supporting Growth Capex

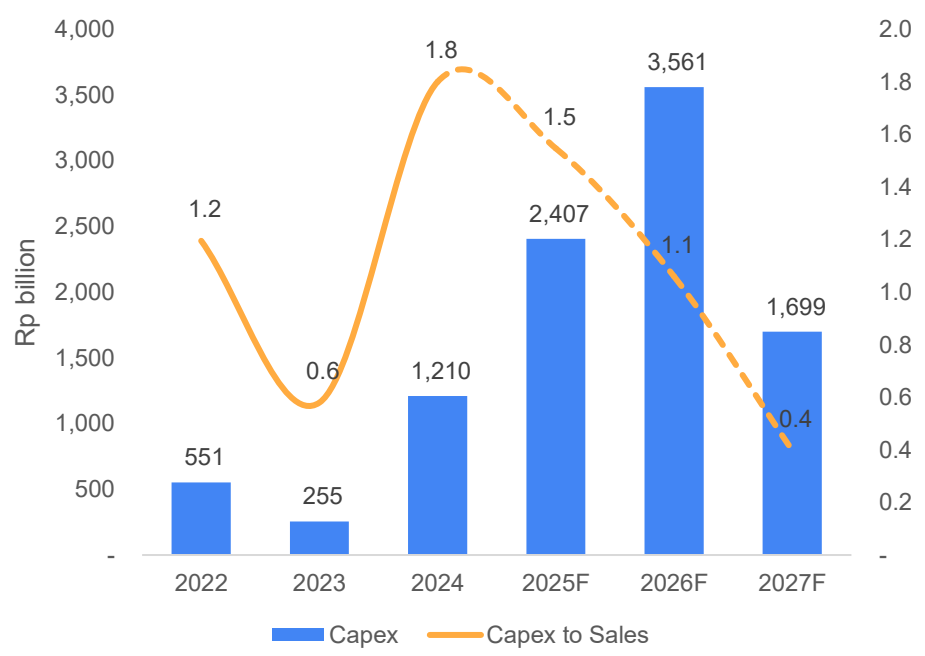
Total indebtedness increased from Rp1.85 trillion as of 6M25 to Rp3.16 trillion by 9M25 and is projected to peak at ~Rp5.3 trillion in 2026F before stabilizing, reflecting front loaded investment supported by the Rp5.7 trillion rights issue and a clear shift from bank loans toward longer tenor bond financing. As a result, net debt to equity temporarily moved into negative territory in 2025F, underscoring strong balance sheet liquidity, before normalizing modestly in 2026F–2027F as capex deployment accelerates. Capital expenditure is projected to rise sharply from Rp1.21 trillion in 2024 to Rp2.41 trillion in 2025F and peak at Rp3.56 trillion in 2026F, driven primarily by FTTH expansion and backbone reinforcement, before tapering to Rp1.70 trillion in 2027F as the rollout matures. Importantly, capex intensity peaks in 2024–2025F and steadily declines thereafter, signaling improving capital efficiency as revenue scales faster than incremental investment. Despite higher interest expense from increased bond funding, WIFI maintains healthy leverage metrics, strong liquidity headroom, and solid debt service capacity, indicating that the balance sheet is sufficiently robust to support near term growth investments while gradually transitioning toward cash flow driven deleveraging in the outer years.

Figure 25. WIFI's Solvability Projections



Source: Company, Ajaib Research

Figure 26. WIFI's Capex Projections



Source: Company, Ajaib Research

NTT Partnership Enhancing Long-Term Strategic Value

The 9M25 business update reflects both the near-term accounting impact and the long-term strategic upside of NTT e-Asia's investment in WIFI's FTTH subsidiary, IJE. Following NTT's acquisition of a 49% stake in July 2025, IJE's ownership shifted from being effectively wholly owned by WIFI (99.7%) to a 51% WIFI/49% NTT structure, resulting in the first recognition of minority interest and Rp70 billion of net income attributable to NTT. This accounting reallocation drove a reported quarterly decline in net income attributable to WIFI's shareholders to Rp32.2 billion (-78% QoQ), despite attributable-to-parent earnings still delivering strong growth to Rp145.3 billion (+76% YoY), underscoring that the decline is not operational in nature. Importantly, the transaction brings significant strategic value, as NTT contributes a proven global track record with FY24 revenue of USD11.7 billion, 13 million FTTH subscribers, and extensive infrastructure spanning 660,000 km of fiber, 406 km of cable tunnels, and 3,000 telecommunications buildings, supported by 35,500 employees. Through structured knowledge transfer, globally proven SOPs, planning frameworks, and design standards, the partnership is expected to accelerate WIFI's capability development and elevate service quality, while also providing access to NTT's global technology ecosystem, vendor relationships, financial resources, and a bridge to Japan's capital markets.

Figure 27. WIFI's NTT Investment Statistics

Aspect	Before Transaction	After NTT Investment (9M25)	Key Implications
Ownership Structure (IJE)	WIFI ~99.7%	WIFI 51% / NTT e-Asia 49%	First recognition of minority interest
Transaction Timing	–	July 2025	Structural change, not operational
Net Income Attribution	100% to WIFI	51% to WIFI; 49% to NTT	Accounting reallocation of earnings
Net Income to WIFI (QoQ)	Higher base in prior quarter	Rp32.2bn (-78% QoQ)	Reported decline driven by minority interest
Net Income to WIFI (YoY)	Lower base in 9M24	Rp145.3bn (+76% YoY)	Core earnings momentum remains strong

Source: Company, Ajaib Research

VALUATION

Attractive Valuation with Strong Earnings Visibility

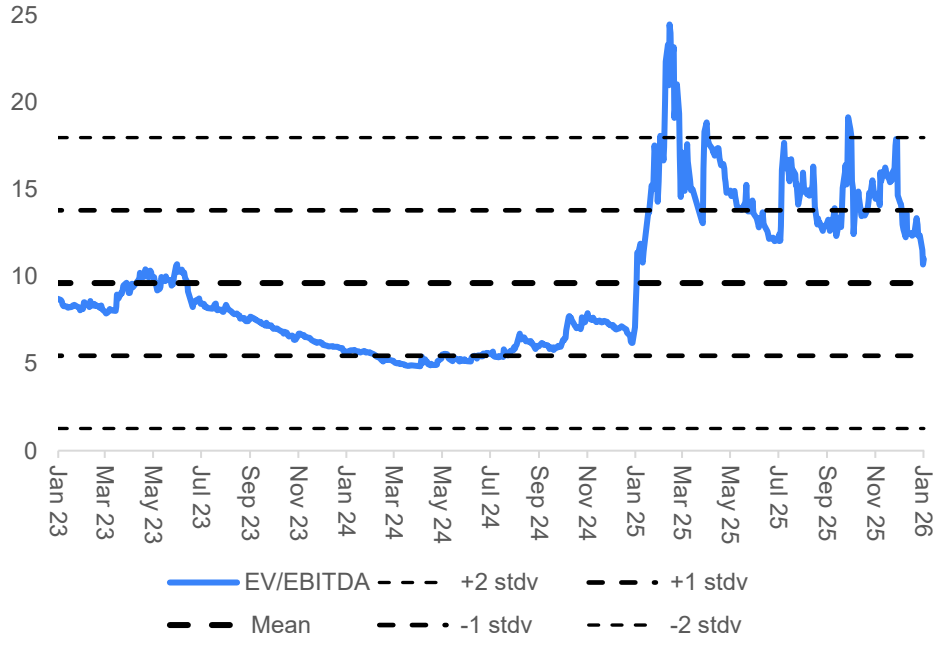
We initiate coverage on WIFI with a **BUY** rating and a target price of **Rp4,200**, implying 7.8x 2026F EV to EBITDA. Our positive stance is underpinned by the Company's ownership of a rail aligned fiber backbone and dense edge infrastructure that delivers high operating leverage, predictable recurring cash flows from long tenor wholesale contracts, and rising asset utilization as national data traffic continues to scale. Earnings visibility is expected to improve through 2026–2027, supported by incremental capacity monetization, expanding edge data center contributions, and the gradual ramp up of IRA as an asset light access layer that enhances returns without diluting the carrier neutral core model. **Key risks:** delays in IRA rollout, slower than expected wholesale demand growth, regulatory changes affecting railway right of way access, and hhigher interest costs if funding conditions tighten.

Figure 28. WIFI's DCF Valuations

DCF Valuation	2025F	2026F	2027F	2028F	2029F	2030F
EBIT	704	1,981	2,430	3,269	3,959	4,628
EBIT (1-Tax)	549	1,545	1,895	2,550	3,088	3,610
Add (+) Depreciation & Amortization	230	448	759	682	761	835
Less (-) Capex	-2,407	-3,561	-1,699	-1,663	-1,687	-1,709
Changes in Working Capital	44	-422	-151	-158	-146	-268
FCFF	-1,584	-1,990	804	1,412	2,016	2,467
Sum of FCF						18,501
(-) Debt						3,133
(-) Minority Interest						-82
(+) Cash						6,866
Equity Value						22,316
Shares (in Bn)						5
Target Price						**4,200**

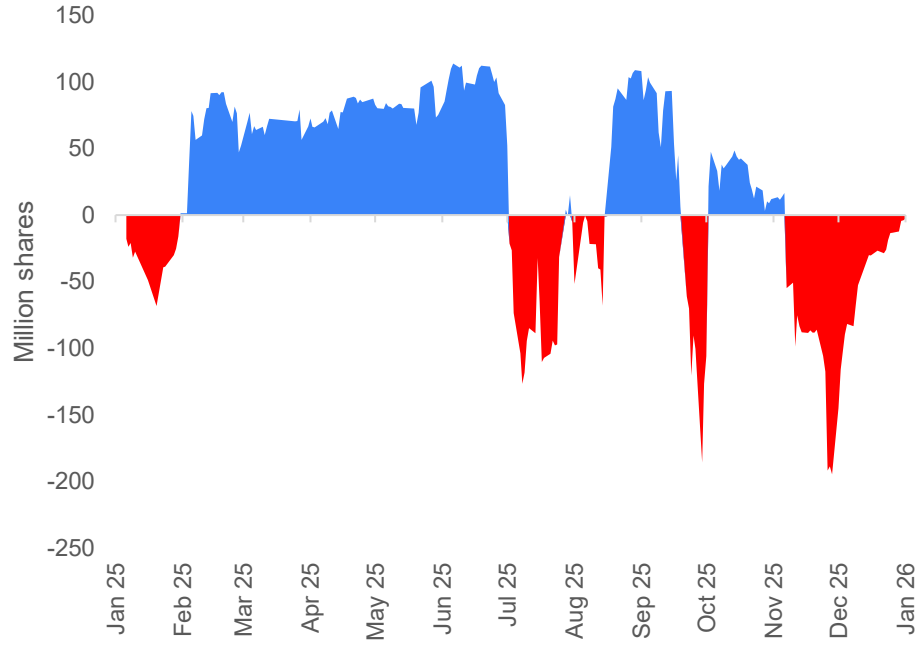
Source: Bloomberg, Ajaib Research

Figure 29. WIFI's Forward EV/EBITDA Band



Source: Bloomberg, Ajaib Research

Figure 30. WIFI's 1-year Foreign Net Buy Volume



Source: Bloomberg, Ajaib Research

Figure 31. WIFI's Peers Comparison

Ticker	Mkt Cap (Rp tn)	PE (x)		EV/EBITDA (x)		ROE (%)		PB (x)	EV/EBITDA Gth (%)	EPS Gth (%)
		2025F	2026F	2025F	2026F	2025F	2026F	2026F	2026F	2026F
WIFI IJ	16.4	39.7	34.0	15.6	6.7	6.1	5.9	2.4	-56.7	7.0
TLKM IJ	360.6	16.4	15.1	5.7	5.5	14.8	15.6	2.5	-4.3	0.2
MTEL IJ	49.7	22.6	21.7	8.8	8.5	6.4	6.5	1.4	-3.5	0.1
EXCL IJ	73.9	N.A	126.3	7.0	6.1	-7.0	0.7	2.1	-12.2	19.3
ISAT IJ	72.6	15.2	13.3	4.5	4.8	13.4	13.8	2.0	5.8	0.5
RELIANCE IN	3,693.5	24.1	22.0	12.3	11.0	9.0	9.1	2.1	-10.9	1.8
RAILTEL IN	21.2	29.1	26.5	17.0	N.A	N.A	N.A	5.0	N.A	1.9
6823 HK	190.8	15.8	14.9	9.4	9.2	14.6	15.5	2.3	-2.7	-0.2
Average		**23.3**	**34.2**	**10.0**	**7.4**	**8.2**	**9.6**	**2.5**	**-12.1**	**3.8**
Median		**22.6**	**21.9**	**9.1**	**6.7**	**9.0**	**9.1**	**2.2**	**-4.3**	**1.2**

Source: Bloomberg, Ajaib Research

Financial Statement

Income Statement (Rp bn)	2023	2024	2025F	2026F	2027F
Revenue	**439**	**672**	**1,556**	**3,360**	**4,273**
Cost of revenue	-267	-257	-545	-961	-1,353
Gross Profit	**172**	**415**	**1,011**	**2,400**	**2,920**
OpEx	-47	-70	-131	-256	-344
Operating Profit	**125**	**345**	**881**	**2,143**	**2,575**
EBITDA	229	491	1,112	2,592	3,336
Other Income (Expenses)	-58	-73	-177	-163	-146
Pre-tax profit	**68**	**272**	**704**	**1,981**	**2,430**
Income Tax	-9	-43	-155	-436	-535
NPAT	**58**	**229**	**549**	**1,545**	**1,895**
Minority Interest	0	2	-82	-232	-284
Net Profit	**59**	**231**	**467**	**1,313**	**1,611**

Cashflow Statement (Rp bn)	2023	2024	2025F	2026F	2027F
Net Profit	59	231	467	1,313	1,611
D&A	104	109	230	448	759
Changes in Working Capital	45	-290	44	-422	-151
Operating Cash Flow	**207**	**50**	**740**	**1,339**	**2,219**
Change in fixed assets	-255	-1,210	-2,407	-3,561	-1,699
Change in long-term assets	38	81	-25	-55	-12
Changes in other assets	17	364	69	272	103
Investing Cash Flow	**-199**	**-764**	**-2,363**	**-3,344**	**-1,608**
Net - Borrowing	-60	696	1,840	2,180	-195
Other Financing	72	-4	6,630	131	161
Financing Cash Flow	**12**	**692**	**8,470**	**2,311**	**-34**
Net - Cash Flow	19	-22	6,847	306	577
Cash at beginning	21	40	19	6,866	7,172
Cash at ending	**40**	**19**	**6,866**	**7,172**	**7,750**

Balance Sheet (Rp bn)	2023	2024	2025F	2026F	2027F
Cash & equivalents	40	18	6,866	7,173	7,750
Receivables	91	136	316	683	868
Advance Payments	45	394	156	336	427
Others	87	38	87	188	240
Total Current Assets	**263**	**586**	**7,425**	**8,380**	**9,285**
Fixed Assets	1,198	2,299	4,476	7,590	8,530
Other Non-Current Assets	103	22	47	102	114
Total Non-Current Assets	**1,301**	**2,321**	**4,523**	**7,692**	**8,644**
Total Assets	**1,564**	**2,907**	**11,948**	**16,072**	**17,929**
ST. Debt	110	415	1,006	1,706	1,643
Payables	49	33	70	123	174
Other current Liability	65	136	134	307	434
Total Current Liability	**223**	**584**	**1,210**	**2,136**	**2,251**
LT.Debt	487	878	2,128	3,609	3,476
Other LT Liabilities	111	476	544	817	920
Total Non-Current Liability	**599**	**1,354**	**2,673**	**4,425**	**4,396**
Total Liability	**822**	**1,938**	**3,882**	**6,561**	**6,647**
Total Equity	**743**	**970**	**8,066**	**9,510**	**11,282**
Total LiabilitiesEquity	**1,564**	**2,907**	**11,948**	**16,072**	**17,929**

Key Ratios	2023	2024	2025F	2026F	2027F
Gross Profit Margin (%)	39.1	61.7	65.0	71.4	68.3
EBITDA Margin (%)	52.2	73.0	71.4	77.1	78.1
Net Profit Margin (%)	13.3	34.4	30.0	39.1	37.7
Return on Equity (%)	3.7	8.0	3.9	8.2	9.0
Cash Ratio (x)	0.2	0.0	5.7	3.4	3.4
Debt to Equity (x)	0.8	1.3	0.4	0.6	0.5
Net Gearing (x)	0.7	1.3	-0.5	-0.2	-0.2

Source: Company, Ajaib Research

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Rating for Sectors:
Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.
Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.
Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

Rating for Stocks:
Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.
Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.
Sell : The stock is expected to give total return of < 0% over the next 12 months.
Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”
Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

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