THE OIC GROUP

IDN GROUP 11

Monthly Report

February 2026

OIC Research Group | Analyst Group Report

Director: Rebecca Emma **Analysts**: Justin Salvatore, Natasha Aurelia, Nicholas Juan, Vincent Marcellino

February 2026

Tower Bersama Infrastructure closes a Rp 2.2 trillion (US$130M) deal in bonds and Sukuk

Issuance Summary

Announcement Date	November 28, 2025		
Issuance Size	5.500% Rp347.985B + 5.850% Rp1.252T + 5.500% Rp200B + 5.850% Rp400B		
Issuance Spread	INDOGB 6 7/8 04/29 + 18.1 bps | INDOGB 5 7/8 03/31 + 18.5 bps | INDOGB 6 7/8 04/29 + 37.6 bps | INDOGB 5 7/8 03/31 + 5.1 bps		
Capital Rank	Senior Unsecured		
EBITDA Margin	**75**	**EBITDA / Interest Expense**	**2.55x**

Issuance Regulations

The issuance complies with Law No. 8 of 1995 as amended by the 2023 Financial Omnibus Law (Law No. 4 of 2023) and was conducted through the electronic public offering system mandated by POJK No. 41/POJK.04/2020.

Bond Info/Structure

Data as of 01/28/2026	5.500% 12/04/2028 Corp	5.850% 12/04/2030 Corp	5.500% 12/04/2028 Corp	5.850% 12/04/2030 Corp
YTM	5.478626	5.865680	5.674656	5.7298148.
G-Spread	18.1	18.5	37.6	5.1
I-Spread	112.2	107.6	131.8	94.1
Z-Spread	104.1	100.3	123.5	86.9
ASW	104.7	100.3	123.7	87.2
OAS	10.1	3.8	29.7	9.8
Modified Duration	2.561	4.121	2.558	4.126
Convexity	0.081	0.205	0.081	0.206
DV01	259	416	257	419

Tranche Analysis

Data as of 01/28/2026	5.500% 12/04/2028 Corp	5.850% 12/04/2030 Corp	5.500% 12/04/2028 Corp	5.850% 12/04/2030 Corp
Yield	5.60 vs 12.4 (Avg.)	6.00 vs 11.2 (Avg.)	5.81 vs 17.7 (Avg)	5.87 vs 15.7 (Avg.)
Z-Spread	132 vs 868 (Avg.)	149 vs 703 (Avg.)	154 vs 1389 (Avg)	135 vs 1155 (Avg.)

Company

PT Tower Bersama Infrastructure Tbk (IDX: TBIG)

PT Tower Bersama Infrastructure Tbk (TBIG) is a leading Indonesian telecommunications infrastructure provider that primarily leases space on its towers to major wireless operators for antenna and signal equipment services.

Founded Year	2004
HQ	Jakarta, Indonesia
Sector	Telecommunications
Market Cap	Rp39.37T (US$2.3B)
LTM25 Revenue	Rp6.9T (US$409M)
LTM25 EBITDA	**Rp5.19T (US$308M)**

Company Financials

	Data as of FY 2024, in Rp billions
Total Debt	36,751
Net Debt	30,492
Enterprise Value	72,199
EV to LTM EBITDA	13.92
Long-Term Borrowing	13,229
Short-Term Borrowing	0
EBITDA	5,229
Interest Expense	2,075
Net Income	1,303
Cash from operations	3,186
Net Sales	6,867
Total Debt to EBITDA	6.12
Net DEBT to EBITDA	5.83
Total Assets	47,316
Debt to Assets	67.57
Total debt to common equity	**3.2293**

Source: Bloomberg Terminal & Bloomberg Intelligence

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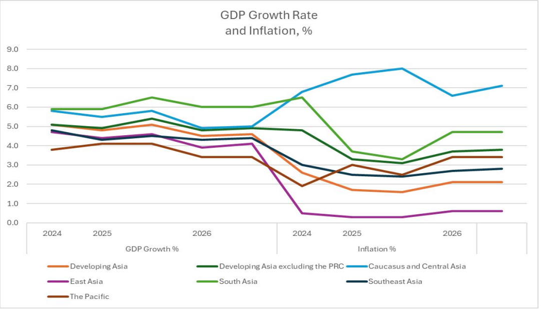
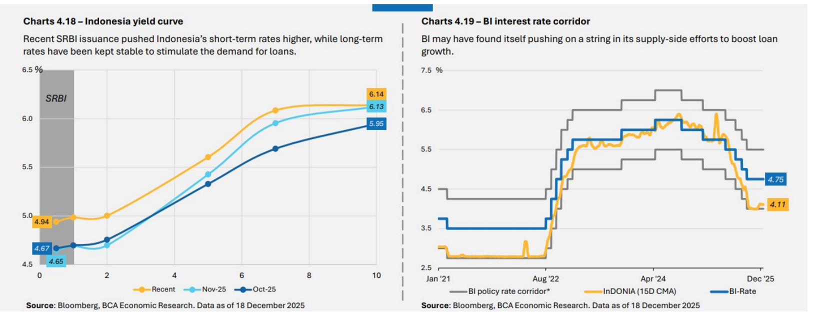
Macro Overview: Diverging Growth Paths Across Asia



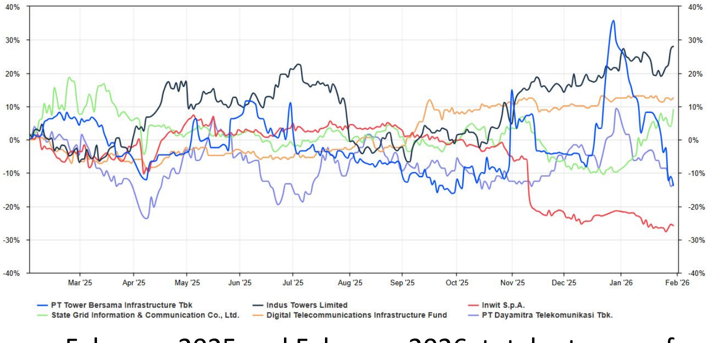


- **Growth momentum is varied across APAC:** Developing Asia is projected to rebound to 5.1% in 2026. Excluding the PRC, growth is stronger at 5.4%. South Asia leads with India's growth peaking at 7.2% in 2025, while East Asia slows below 4% levels by 2026. In contrast, Southeast Asia maintains steady growth.
- **Inflation trends drive policy direction:** Developing Asia's inflation is projected to ease below 2% by 2025, giving central banks room to cut rates. In contrast, Central Asia faces double-digit inflation, likely forcing tighter policy. Investors can anticipate more supportive liquidity in Southeast Asia, but prolonged tightening in Central Asia.
- **MSCI Decision Sparks IHSG Crash:** The IHSG crashed over 7% in January 2026 due to MSCI's suspension of Indonesian stocks over transparency and free float concerns, triggering massive foreign outflows.

High Short Term Rates and Weak IDR Shape Indonesia's Balancing Act

- **Credit growth remains elusive despite SBRI lifts short term yields:** Recent SBRI issuance has raised the short term rates to around 4.94%, while long-term yields remain anchored near 6.14%. BI's dual mandate aims to stabilize the IDR while keeping borrowing costs low to encourage credit expansion, yet weak credit growth shows monetary easing is transmitting poorly amid weak business and consumer confidence.
- **Currency Strains Amid Global Uncertainty:** Indonesia's external exposures, marked by a weak BoP, tightening FED expectations, and narrowing UST–SBN spreads, continue to pressure the IDR and limit foreign inflows.

Industry Overview: TowerCos Pivot to AI and 5G



- **Industry Landscape:** Between February 2025 and February 2026, total return performance among major telecommunications infrastructure firms ranged from approximately -35% to +30%, highlighting significant volatility in investor sentiment across the sector.
- **Market Trends:** Tower Bersama invests in AI-driven site analytics to optimize asset utilization, a strategy that positions it to capture value as the Indonesian telecom tower market is projected to grow at ~4.1% CAGR between 2026–2031, reaching USD 2.29 billion by 2031.
- **5G Rollout Momentum:** Indonesia's 2025 auction of 700 MHz, 2.6 GHz, and 26 GHz spectrum bands is driving dense site grids and new antenna configurations.
- **Comparable Debt Raising Case:** TBIG's Rp 750B bonds and sukuk, part of a larger Rp 20T program

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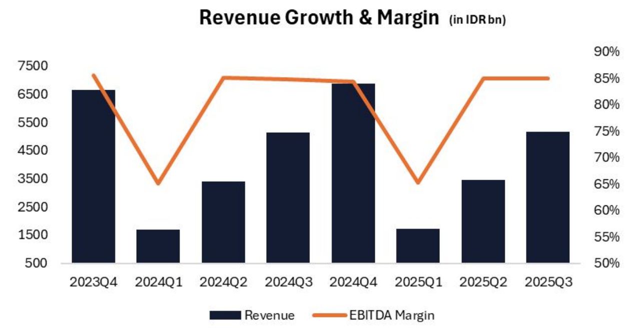
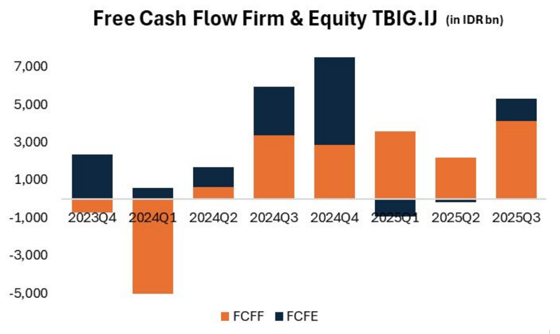
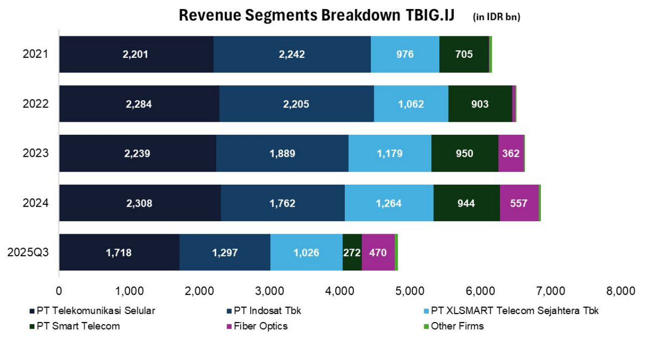
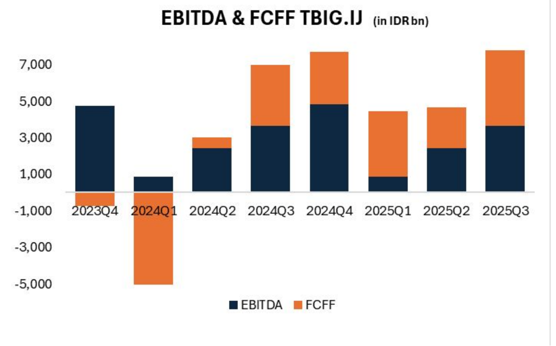
Operational Metrics: Solid margins despite high debt usage shrinks FCF





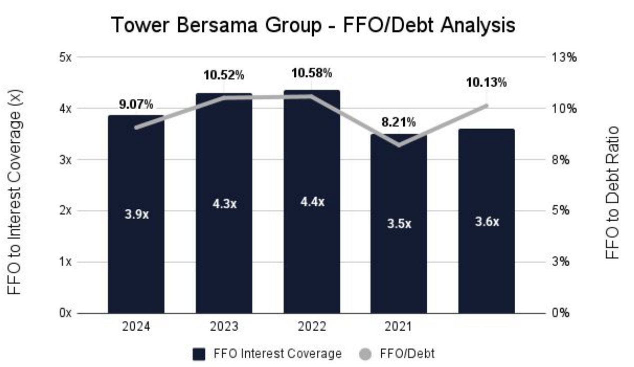




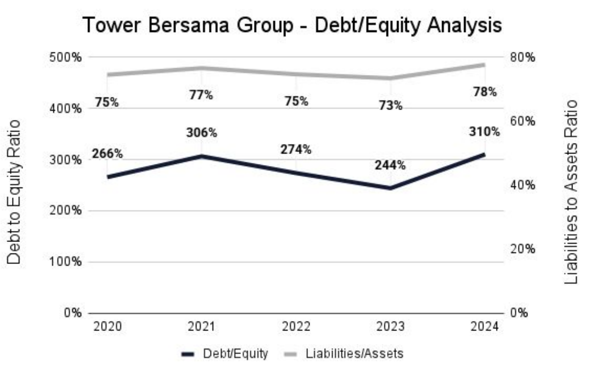
- **Strong customer base reinforces solvent performance:** EBITDA margin trends remain resilient around 80%, despite a high debt ratio, TBIG.IJ is able to generate stable cash flow periodically.
- **Free cash flows are supple, maintaining credit solvency:** Steady free cash flow confirmed an effective use of capital, whilst demonstrating the company's solvency to repay its debt.

Leverage/Coverage Analysis: Higher Leverage within a Manageable Range

FFO/Debt



Leverage/Coverage



- **Fluctuating Interest Coverage**: FFO-based coverage remains fluctuated over time with FFO/Debt of 9.07% and FFO/Interest at 3.9x at the end of 2024, highlighting the capability of TBIG to maintain operational activities for the current debt load.
- **Risky Leverage Among Peers**: Leverage analysis indicates that TBIG Debt/Equity ratio 244-310% is almost 2x of its competitors in the same industry (around 50-170%), emphasizing a higher balance-sheet risk and the importance of rebalancing.

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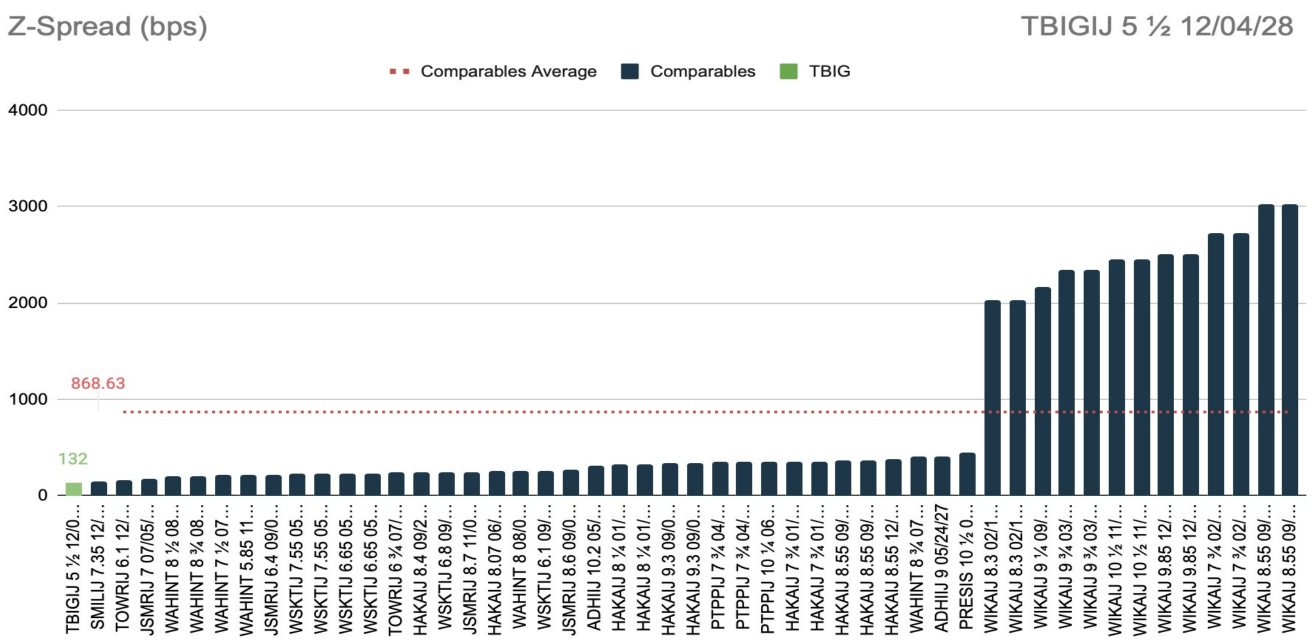
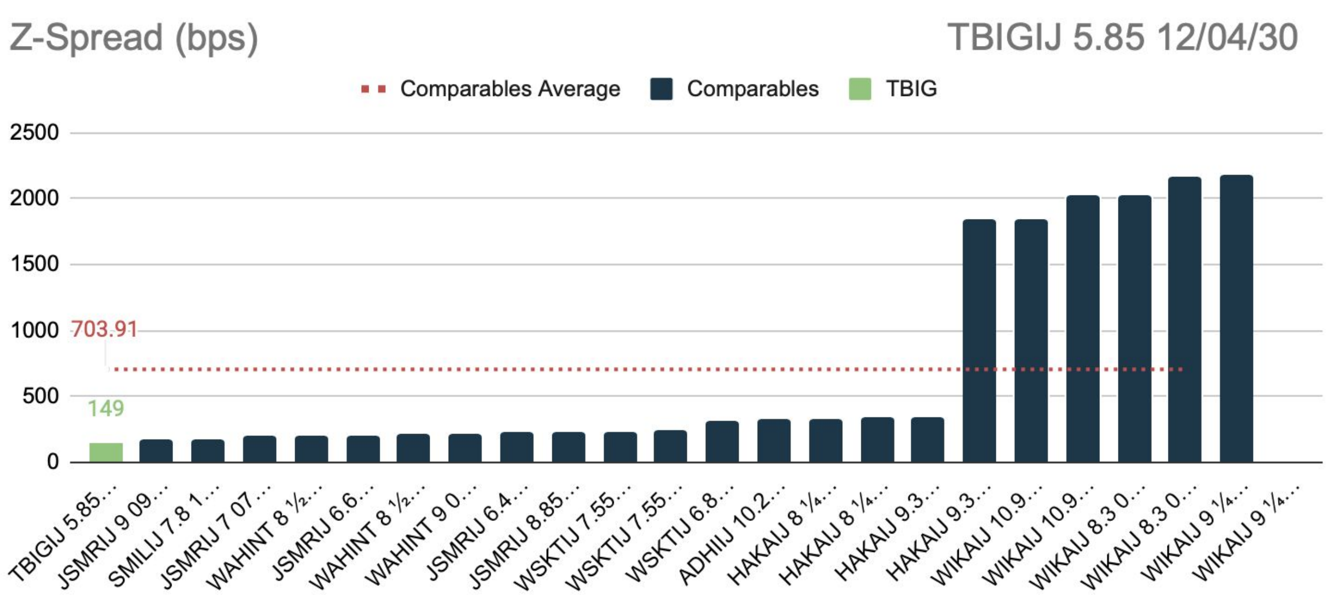
Bond Comparable Analysis

- **Z-spread:** Known as the Zero-volatility Spread, it is defined as the constant spread that, when added onto the yield curve of risk-free sovereign debt (i.e., US Treasuries), makes the Present Value of a bond's cash flows equal to its current market price.
- **How is it useful?** The Zero-volatility Spread provides a comprehensive perspective, taking into consideration the shape of the yield curve and applying a spread across all maturities on top of the yield curve rather than a singular maturity. As a result, it provides a measure of credit risk that adjusts for the term structure.





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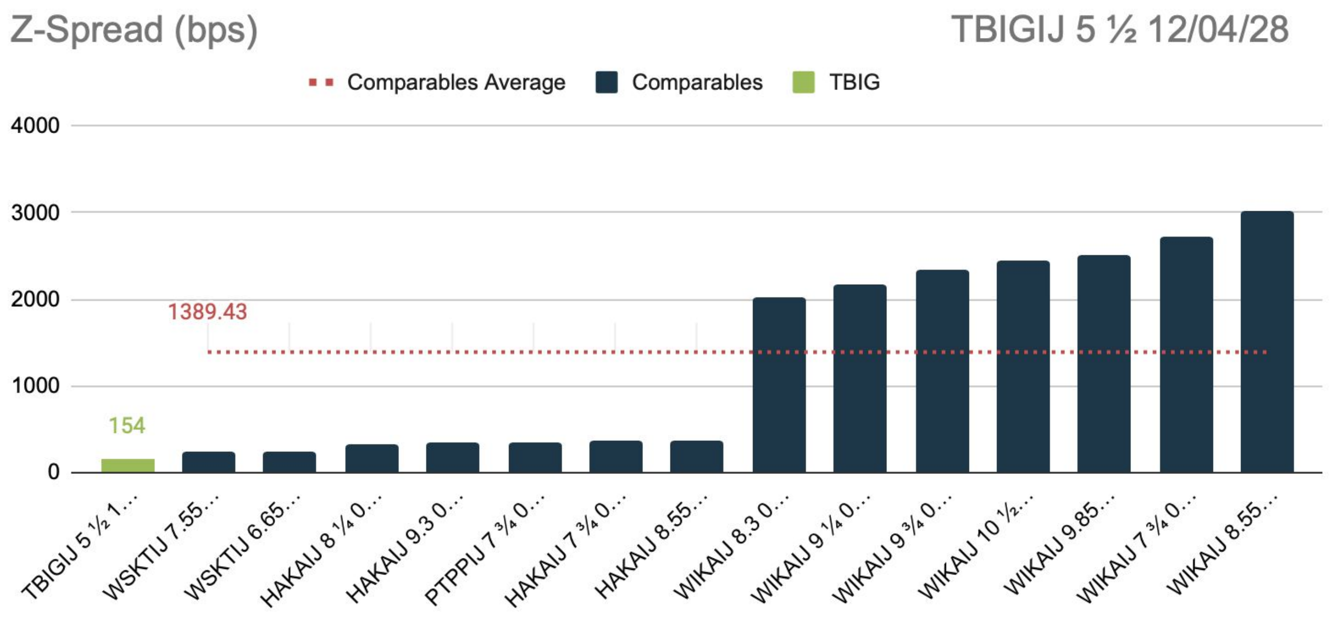

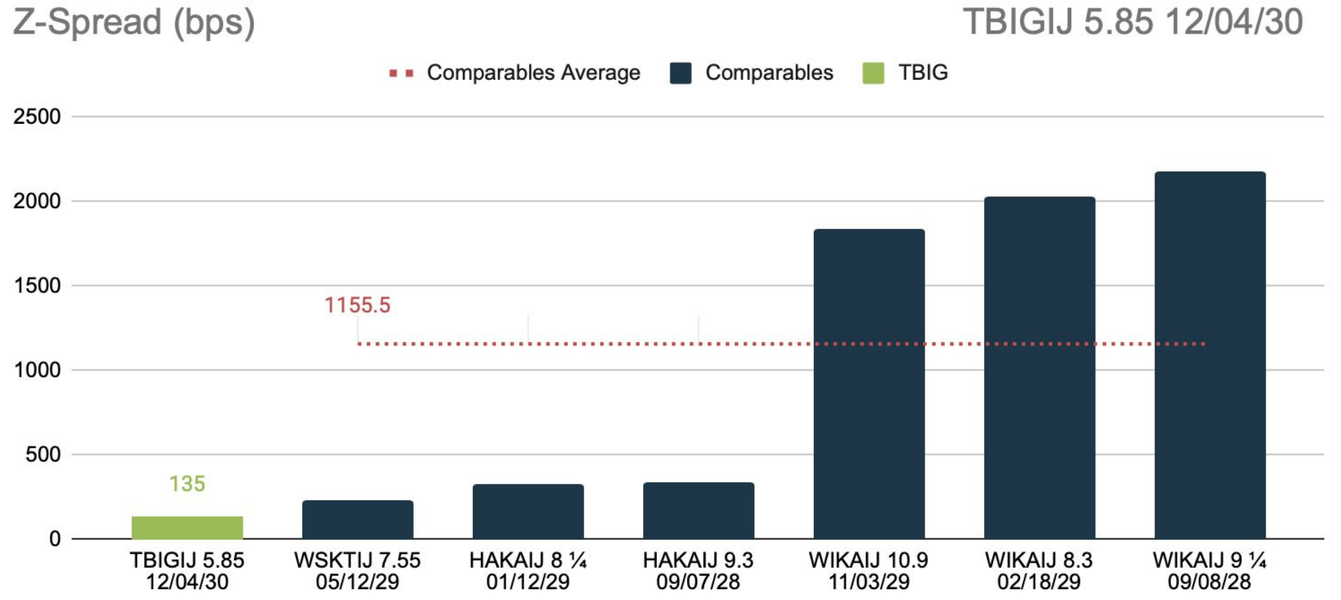

- **Tower Bersama Infrastructure trades at a significant discount to peers**: Across all four bonds, TBIG's Z-spreads (132–154 bps) sit far below its some of its peers (149-2727 bps). The perceived credit risk by investors highlights how TBIG is seen as a high-quality, lower-risk credit company compared to its peers with low compensation demanded.
- **Distortion in the average of comparables**: Outliers like WIKA and HAKA have extremely high spreads, with some exceeding 2,500. In contrast, some companies like WSKT and JSMR have similar spreads to TBIG, and it can be concluded that the outliers have been dragging the industry average, making TBIG look safer than it seems.

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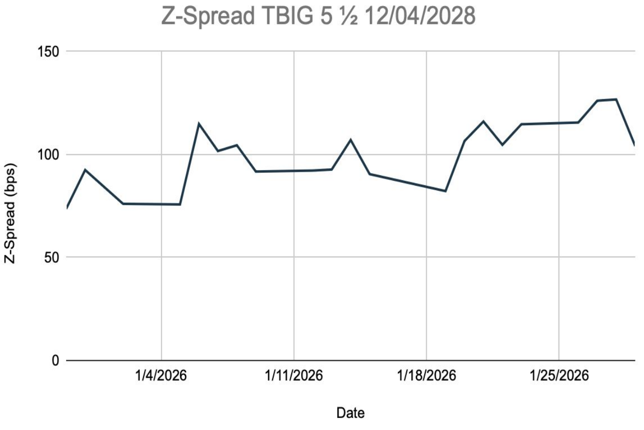
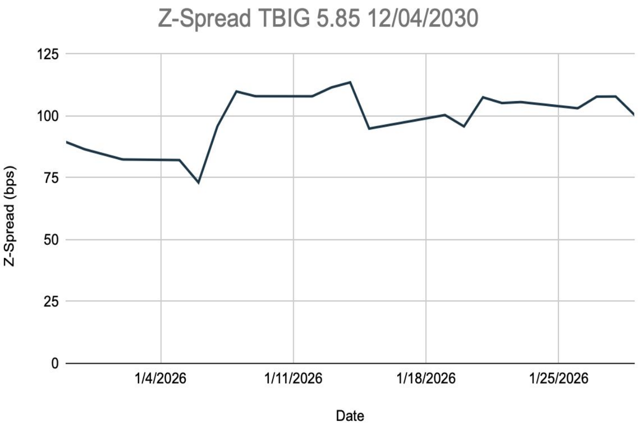
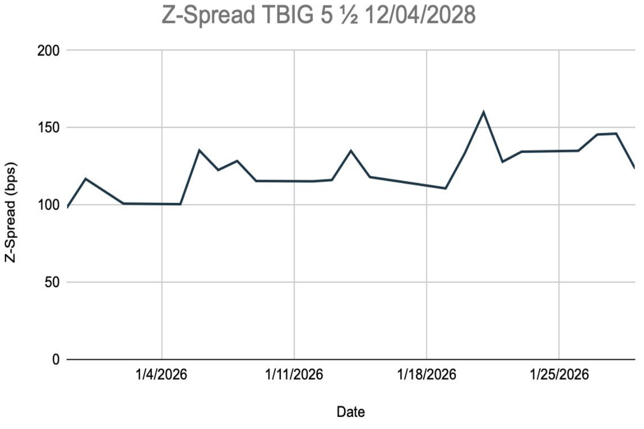
Market Reaction

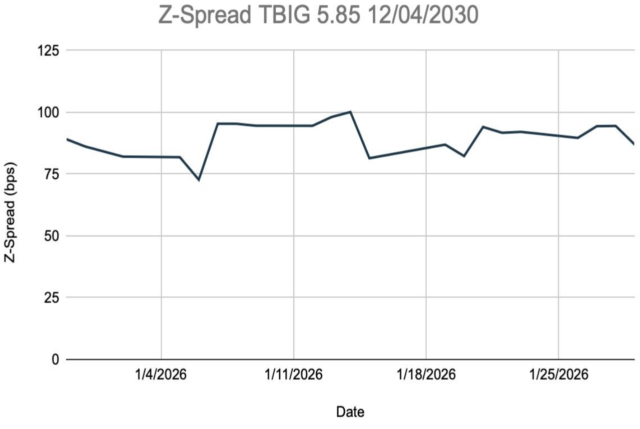
Post-Offering: Momentum Stays Despite Financial Stability Concerns

- The issuance was met with **broadly positive market reception** amid the company's need to refinance existing debts.
- TBIG utilized its IDR 1.6 trillion (US$95.4M) bond and debut Sukuk Ijarah program to **repay maturing 2024 debt and higher-cost bank loans**, effectively maintaining a **healthy 6.6% all-in interest rate and diversifying its investor base**. Despite a 4.9x leverage, the company's CFO, Helmy Yusman Santoso, assured that these periodic issuances allow the company to maintain **significant financial flexibility** to grow its business in tower tenancy.
- Post-issuance contained mixed reactions. The bond's Z-Spread has remained relatively stable, whereas TBIG's stock price had **risen over 40%** shortly after the issuance of the bond, only to **fall by 40%** again, returning to its issuance stock price.









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Catalyst

Increased Stability with Refinancing

- TBIG plans to use the funds collected to **refinance previous debt** that will be due on 22nd February 2026. Indicating that the cash will be used to postponing the debt due without making any additional interest burden. Such refinancing will **increase balance sheet stability** by shifting short-term debts into long-term debts.

Strong Market Position and Management Commitment

- Indonesian telecom infrastructure industry is an oligopoly industry with 85% controlled by three largest companies. TBIG owns about 20% of the towers indicating a **strong market position** for TBIG and the lack of dependency to other tower operators.
- TBIG's management committed to **maintain their profitability** and leverage ratio with a target of Net Debt/EBITDA at around 5x, protecting its balance sheet and the continuity of the business.

Potential Downside & Risks

Lower Demand due to Merger

- The merger between two of the biggest telecommunication services in Indonesia, PT XL Axiata Tbk and PT Smartfren Telecom Tbk on April 2025 would result in a **lower net tenancy growth** as there are lower number of tenants. As an oligopoly industry, the merger could affect TBIG by causing a profitability **risk on the operating activities** and higher risk on balance sheet risk to settle debt in the future.

Risks of Credit Downgrade

- TBIG currently is facing a Net Debt/EBITDA of around 4.9x, in a condition where TBIG could not maintain its profitability and growth, resulting in a stagnant or lower EBITDA, influencing the leverage ratio of TBIG closer to Fitch Rating, a primary rating agency for TBIG, with a benchmark of Net Debt/EBITDA around 5.3x. A single misoperation from TBIG would increase the potentiality of negative outlook or a **downgrade on the bonds rating** from BBB- into BB grade.

Conclusion

Secured Market Share despite a High Leverage Pressure

- TBIG still holds a major share in the telecom infrastructure industry. Securing its position with clients at ease in the oligopoly, while being **prone to leverage risk**, as shown in the 3x debt/equity ratio. Still, TBIG's recent bond issuance indicates its **low perceived risk** to the public, given its low z-spread and g-spread relative to peers.

Strong Operating Cash Flow Provides Solvency

- Given its capital-intensive nature, TBIG has **strong coverage** of both interest and principal payments on its bonds, shown by the FFO-based Coverage analysis, attesting to the **company's solvency and high OCF**. The **market reacted with volatility** in stock prices despite the high credit rating.

Source: Individual research, Q3 2024 Earning Call, Refinitiv, Fitch, TBIG annual report and Trading Economics