

THE OIC GROUP

IDN GROUP 12

Monthly Report

March 2026



OIC Research Group | Analyst Group Report

Director: Edward Gomulia Analysts: Vincent Tiono, William Sumarlie, Ernita Jocelyne, Stephanie Kowinto

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INET's Rp106B acquisition of PADA bridges the human-tech gap for digital expansion.

Transaction Summary

Announcement Date	October 27, 2025
Transaction Size	Rp106.39B (US\$6.37M)
Close Date	February 2, 2026
Deal Structure	53.57%, All-Cash
Implied EV/Total Revenue	0.28x
Implied EV/EBITDA	22.79x

Deal Background

- INET executed a significant **Rp3.2T (US\$192M) right issue**, with a 3:4 ratio in late 2025 to fund its strategic expansion.
- A majority of the capital, **Rp2.8T (US\$167B)**, is allocated to develop Wi-Fi 7 FTTH networks in Bali and Lombok, with **Rp213B (US\$13M)** for submarine cables, **Rp135B (US\$8M)** for FTTH Java's rollout, and **the rest** is for working capital & operational growth.
- In addition, INET is planning a **60% stake acquisition** in PT Trans Hybrid Communication to further enhance its digital infrastructure footprint across Singapore, Malaysia, Hong Kong, and Brunei.

Deal Rationale

Acquirer

- Securing a Specialized Workforce:** By acquiring PADA, INET gains an internal team of **36,000 professional workers** across **25 cities**, essential for meeting its goal of **2.8 million** homepasses by **2027**.
- Cost Efficiency and Operational Agility:** The deal **eliminates middleman outsourcing costs** and enables **a leaner deployment** of FTTH networks in regional growth hubs like Bali and Lombok.
- Infrastructure Maintenance & Support:** The acquisition ensures that **INET's multi-trillion rupiah investments** in fiber optics and submarine cables are supported by immediate, high-quality installation and maintenance teams.
- Mitigating Recruitment Shortages:** Effectively **bridges the gap** between hardware deployment and specialized maintenance, ensuring that the expansion **are not delayed** by labor shortages.

Target

- Integration into a Digital Ecosystem:** Transitions PADA from being an Indosat-linked entity to a **core subsidiary** within INET's rapidly growing digital infrastructure ecosystem.
- Enhanced Operational Focus:** Allows PADA to move away from general services towards a **specialized technical workforce management** for fiber optics and submarine cables.
- Regional Growth Alignment:** By becoming a controlled subsidiary, PADA can focus on **leaner** and **more agile deployments** in high-growth regional hubs like Bali and Lombok

Acquirer

PT. Sinergi Inti Andalan Prima Tbk (IDX: INET)



INET is a prominent Indonesian digital infrastructure provider that focuses on B2B connectivity solutions. Since its inception, the company currently manages a vast portfolio of data centers, submarine cables, and FTTH networks across Bali, Lombok, and West Kalimantan.

Founded Year	2016
HQ	Jakarta, Indonesia
Market Cap	US\$359.4M
LTM Revenue	Rp75.6B (US\$2.18M)
LTM EBITDA	Rp39.4B (US\$0.33M)
LTM Net Income	Rp18.6B (US\$0.15M)
EV/EBITDA (TTM)	204.2x
P/E (TTM)	385.0x

Target

PT Personel Alih Daya Tbk (IDX: PADA)



PADA is Indonesia's leading BPO provider company under Kopindosat - the employee cooperative of PT Indosat Tbk - specializing in technical workforce management and integrated office services with over 36,000 workers across 25 cities.

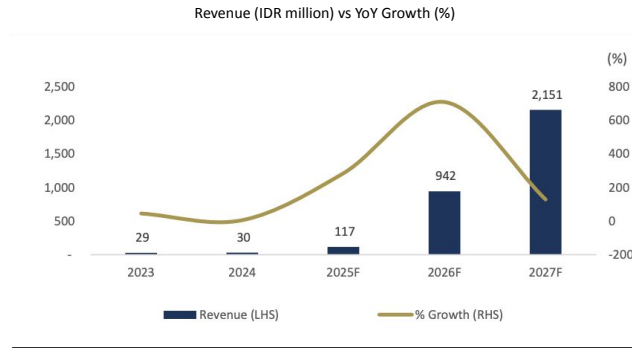
Founded Year	2006
HQ	Jakarta, Indonesia
Market Cap	US\$25.1Mn
LTM Revenue	Rp1.04B (US\$58M)
LTM EBITDA	Rp12.2M (US\$0.25M)
LTM Net Income	-Rp7.8M (-US\$0.88M)
EV/EBITDA (TTM)	97.19x
P/E (TTM)	Neg. due to net loss

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Acquirer Overview: PT. Sinergi Inti Andalan Prima Tbk [IDX: INET]



Sources: Company, SSI Research

Product Breakdown and Trend Analysis

- Revenue remains geographically concentrated in Java/Bali (~90%), though the outside-Java segment delivers higher gross margins, suggesting pricing power and a potential expansion opportunity in less competitive regional markets.
- Growth has normalized post-IPO, with revenue rising +5.4% in FY2024, indicating the company has transitioned from network build-out to capacity utilisation and monetisation.
- Unit economics improved materially, as cost of revenue declined 5.1% YoY, driving gross margin expansion of +710 bps, reflecting better bandwidth procurement terms and improved network utilisation.

Revenue and Profitability Analysis

- Net revenue grew modestly to USD 1M (Rp 30.4 Bn) (+5.4% YoY), while gross profit surged 31.5% due to lower cost of revenue.
- Operating leverage has not yet materialised, as operating expenses rose 40% YoY following a doubling of headcount, causing EBIT to decline slightly (-2.7%) despite strong gross profit growth.
- Net profit increased 51.7% YoY, largely supported income from undeployed IPO proceeds, suggesting part of the earnings growth is non-operational and potentially temporary

Market Sentiment & Future Strategy Focus:

- The announcement of the deal triggered a sharp speculative re-rating, with the share price rising ~229% from Rp 228 to ~Rp 750 within three months, reflecting investor optimism.
- However, sentiment has since cooled significantly, with the stock retracing from peak levels, suggesting investors are reassessing execution risk and dilution impact.
- Market perception remains binary: bullish investors view the capital raise as a transformational infrastructure opportunity, while skeptics highlight share dilution and the operational challenge of scaling from a USD 1.8M (Rp 30 Bn) revenue base to a mass-market broadband operator.

10/2026, stock price rise after announcement

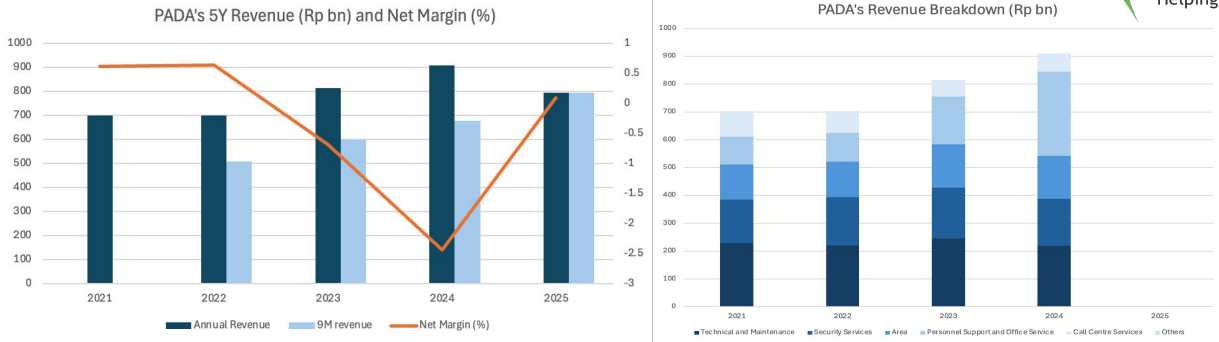


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Target Overview: PT Personel Alih Daya Tbk (IDX: PADA)



Annual Revenue, Net Margin, and Revenue Breakdown Analysis:

- **Annual revenue:** PADA's annual revenue **grew strongly by 30%** from 2022 (Rp700B (US\$41M)) to 2024 (Rp910B (US\$54M)) before **declining by around 12.7%** to Rp794B (US\$47M) in Q3 2025.
- **Net margin:** Despite PADA's revenue growth, the **net margin is negative from 2023 (-0.68%) to 2024 (-2.44%)**. This decline was primarily driven by an increase in cost of revenue due to intense competition, especially in the 'Technical and Maintenance' category.
- **Revenue composition:** PADA's 'Personnel Support and Office Service' category is the largest contributor to its revenue composition with a **significant increase by around 200% over 4 years**.

Cash Flow, Capital Expenditure, and Debt Analysis:

- **Declining CFO:** PADA's **operating cash flow turned from positive in 2021 to deeply negative from 2022 onwards, worsening each year to a Rp47B (US\$3M) loss in 2024**, indicating the core business has been consistently burning cash despite the growth in revenue.
- **CapEx and debt raising profile:** PADA's 9M 2025 CapEx is **Rp3B (US\$185k)**, consisting of Rp 2.8bn (USD 167k) fixed asset and Rp 440mn (USD 26k). As of 30 September 2025, PADA's total debt reached around **Rp 102bn (USD 6mn)**, driven by a Rp 456bn (USD 27mn) in new bank loans.

Market Sentiment and Future Strategy Focus:

- **'Internet Rakyat' (IRA) Project:** aims to strengthen its technical services unit through the **IRA connection project**, which covers installation, distribution, maintenance, technical support, and customer service. This project is expected to drive growth in the technical services business line, targeting 5 million Home Passes (HP) by 2026.
- **Stock price:** PADA's **stock price increased by 9.26%** from Rp108 to Rp118 on the announcement day (27/10/2025).



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Trading Comparables

Company	Ticker	Market Cap	Revenue	EBITDA	Net Income	EV/EBITDA	P/E
PT Personel Alih Daya Tbk	JK: PADA	Rp289.1B (US\$17.3M)	Rp794B (US\$47.6M)	Rp14.8B (US\$0.89M)	Rp0.8B (US\$46,680)	25.5x	277x
PT Shield On Service Tbk	JK: SOSS	Rp600B (US\$35.5M)	Rp1.98T (US\$117.1M)	Rp12B (US\$0.71M)	(Rp6.5B) ((US\$-0.38M))	54.9x	neg. due to net loss
Wipro Limited	NSE: WIPRO	INT2.05T (US\$22.3M)	INR908.9B (US\$9.9M)	INR168.56B (US\$1.83M)	INR132.65B (US\$1.44M)	7.91x	15.48x
Tech Mahindra Limited	NSE: TECHM	INR1.18T (US\$12.8M)	INR551.2B (US\$6M)	INR75.76B (US\$0.82M)	INR46.24B (US\$0.50M)	13.31x	25.59x
Mean						25.43x	106.02x
Median						19.41x	25.59x

Precedent Transaction

Announce Date	Target	Acquirer	%Cash	Transaction Value (\$US mn)	EV (\$US mn)	EqV (\$US mn)	EV / EBITDA	P/E
27 October 2025	PT Personel Alih Daya Tbk (53.57% of stake)	PT. Sinergi Inti Andalan Prima Tbk	100%	11.67	22.7	17.3	22.79	252x
30 April 2025	PT Remala Abadi Tbk. (40% of stake)	PT Sarana Menara Nusantara Tbk.	100%	32.1	87.1	86.4	17.1x	14.1x
11 December 2025	Interlink Telecom Public Company Limited (31% of stake)	SEAX Global	100%	32.2	193.97	87.72	16.1x	neg. due to net loss
Mean				25.32	101.26	63.81	18.66x	133.05x
Median				32.10	87.1	86.4	17.1x	133.05x

Analysis

- PADA's **25.5x EV/EBITDA** (above the 19.41x peer median) and distorted **277x P/E**, driven by **near-zero net income of Rp 0.8B**, suggest valuation is detached from fundamentals and instead reflects INET's strategic premium for PADA's 36,000-strong workforce.
- INET's **implied deal multiple of 22.79x EV/EBITDA** falls below **PADA's 25.5x trading multiple**, likely reflecting Kopindosat's preference to exit over price maximization.

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Synergies

Operational Synergies:

- **Workforce Scalability & Regional Reach:** By acquiring **53.57% controlling interest** in PADA, INET gain immediate access of **36,000 workforces** across 25 cities, accelerating the deployment of **INET's 2.8 million homepass** target by 2027, mitigating the risks of labor shortages in the regional expansion.
- **Infrastructure Maintenance:** PADA's 25 cities reach, including in Bali, Lombok, and West Kalimantan, provides the **necessary technical workforce** to execute **INET's Rp3.2T (US\$199M) right issue** expansion roadmap, ensuring the development of Wi-Fi 7, data centers, and FTTH networks is supported by a dedicated in-house team.

Financial Synergies:

- **Capturing an Untapped Market Shares:** With **Indonesia's** fixed broadband penetration at a mere rate of **15%** - significantly trailing behind Singapore (92%), Thailand (59%), and Malaysia (45%) - INET can leverage PADA's extensive workforce to transition from a pure-play FTTH provider into a **Connectivity-as-a-Service (CaaS)** business, which bundles high-speed fiber with IT managed services to capture a vast untapped market fixed broadband market.
- **Operational Expense Rationalization:** This transaction eliminates **third-party outsourcing markups** by internalizing PADA's services, leading to an immediate OPEX savings that reduces the **"cost-per-hire" expenditures** to maintain and support its digital infrastructure expansion.

Potential Risks & Challenges

Operational and Execution Risks:

- **Execution Gap:** PADA's focus on general services and the **decline** in its technical and maintenance revenue share, now the 5th largest contributor in 3Q25 - limits **the immediate readiness** and potentially create an **execution gap** for INET's 2027 expansion target to reach 2.8 homepasses.
- **Specialized Labor Inflation:** The Indonesian digital infrastructure is projected to grow from US\$85B to US\$169B from 2025 until 2032, registering a massive CAGR rate of 10.3%, which will eventually increase the demand of specialized technicians and potentially lead to an **upward pressure on wages** and **potential talents flight**.

Financial and Market Risks:

- **Interest Rate Risks:** INET's massive expansion is also **sensitive** to the fluctuations in the benchmark interest rate. Rapidly growing inflation rate from **-0.09% to 4.76%** from Feb25 to Feb26 may force Bank Indonesia to **hike rates**, which will potentially increases **the cost of carry** for the capital required to fund the infrastructure rollout.
- **Currency Risks:** Most of INET's assets remain **sensitive to USD/IDR fluctuations**, given that its assets are mostly priced in foreign currency. As the Indonesian rupiah also faces downward pressure to the **Rp. 17,000/USD threshold in 2026**, the cost of expanding and maintaining this network is also projected to rise.

Conclusion

Strategic Value Creation:

- The acquisition of a **53.57% majority stake** in PADA allows INET to internalize **36,000 workers** across **25 cities** to secure the "human-tech" bridge to reach **2.8 million homepasses** by 2027.

Financial Attractiveness:

- PADA's valuation is **detached from its fundamentals**, with an acquisition price of Rp63/share, which falls slightly behind its announcement price of Rp110/share, indicates that the seller (i.e. Kopindosat) prioritized a **strategic exit** over price maximization.

Strategic Alignment:

- Funded by the **Rp3.2T (US\$199M) right issue**, the acquisition of PADA enables a **cost-efficient entry** via human capital to **regional hubs** like Bali and Lombok, ensuring that its assets are well-maintained.

Risk Adjusted Outlook:

- The transaction's success depends on **managing cash flows** and **upskilling personnel** to avoid execution gaps. Macro headwinds like the IDR depreciation towards **Rp. 17,000/USD**, remain a critical for INET's foreign-currency priced assets.

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