

WIFI Equity Update

PT Solusi Sinergi Digital Tbk (WIFI)

Strong Start to 2026 with IRA Rollout Underway

Published on 08 June 2026



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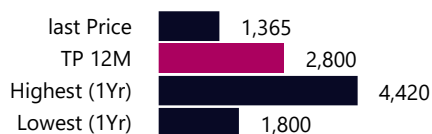
Stock Rate
Industry **Buy**
Overweight

TP 12M **IDR 2,800**
vs. Last Price **+105.1%**

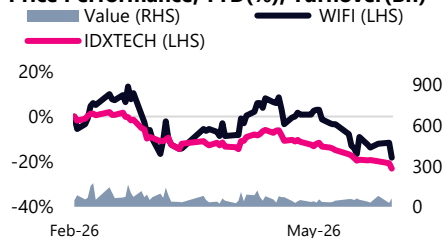
Stock Data
Ticker Code **WIFI**
Sub Sector **Technology & Software**
Sector **IDXTECHNO**

Market Cap (IDR.Tn) **10.16**
Shares Issued (Bn) **5.31**
AVG YTD Turnover (Bn) **65.58**

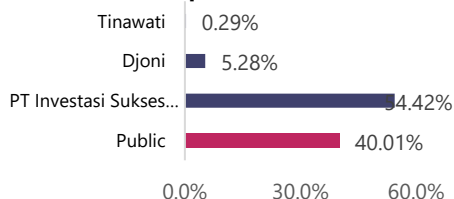
Price (IDR)



Price Performance, YTD(%), Turnover(Bn)



Shareholders Composition



ESG Rating

Environmental **6.71**
Social **0.59**
Governance **3.39**

Strong Revenue Growth Drives Earnings Expansion. WIFI posted revenue of IDR 783.6 billion in 1Q26, up 461% YoY and 22% QoQ, driven by strong growth in its telecommunications (+646% YoY) and advertising (+122% YoY) segments. The robust top-line performance lifted net profit by 460% YoY and 11% QoQ to IDR 164.5 billion. While profitability margins softened on a quarterly basis, with GPM declining to 56% from 68% and EBITDA margin easing to 59% from 70%, we remain positive on WIFI's outlook following the launch of IRA, which should support strong growth throughout FY26F.

Grand Launch of IRA Supported by FolaPlay Bundling. IRA (Internet Rakyat) was recently launched with an attractive promotional offering that bundles broadband services with FolaPlay access for three months at only IDR100K. We view this initiative positively as it enhances the service's value proposition and could serve as an effective customer acquisition strategy, supported by access to premium digital content at an affordable price point. In addition, IRA is currently supported by more than 550 active sites and 3,189 radio units across 82 cities and regencies, providing a solid infrastructure foundation to support subscriber growth, network utilization, and future revenue expansion.

Positive Earnings Outlook Remains Intact. We believe the company's growth momentum remains strong, supported by the recent service launch and continued network expansion. As a result, we revise our FY26F revenue forecast to IDR 3.76 trillion (+127% YoY) and net profit forecast to IDR 800 billion (+96% YoY). Despite the downward revision from our previous estimates, we believe the company remains well-positioned to deliver robust growth as subscriber acquisition accelerates and network utilization improves.

Key Takeaways:

- **Strong 1Q26 Performance.** Revenue and net profit surged 461% YoY and 460% YoY, respectively, driven by strong **growth in the telecommunications and advertising segments.**
- **IRA Launch Supports Growth.** The launch of IRA, supported by a FolaPlay bundle and a network of 550+ sites, could accelerate subscriber acquisition and network utilization.
- **Attractive Valuation.** We remain positive on growth prospects, while the current EV/EBITDA of 6.52x appears attractive relative to the company's long-term potential.

Recommendation "BUY"

We maintain our BUY recommendation on WIFI, while lowering our target price to IDR2,800 (from IDR 4,000 previously) to reflect heightened market uncertainty, currency risks, and more conservative assumptions. Despite the lower target price, we continue to view the current valuation as attractive, supported by the company's strong growth prospects driven by ongoing network expansion, the launch of IRA, and potential subscriber growth. *However, investors should remain mindful of key risks, including weaker consumer spending, intensifying competition, rising operating expenses that may pressure margins, a softer macroeconomic outlook, and foreign exchange volatility.*

Financial Highlight

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue (IDR Bn)	439	672	1,659	3,766	4,165	5,962
Net Profit (IDR Bn)	59	231	409	800	862	1,723
EPS (IDR Full)	25	98	77	151	162	325
EBITDA Margin	52%	73%	69%	53%	50%	53%
NPM	13.3%	34.4%	24.6%	21.2%	20.7%	28.9%
ROE	8%	24%	6%	10%	10%	16%
P/E (x)	7.1	2.45	36.38	18.59	17.24	8.63
P/BV (x)	0.6	0.58	1.75	1.64	1.51	1.29
EV/EBITDA (x)	4.1	3.17	10.46	6.90	6.06	3.50

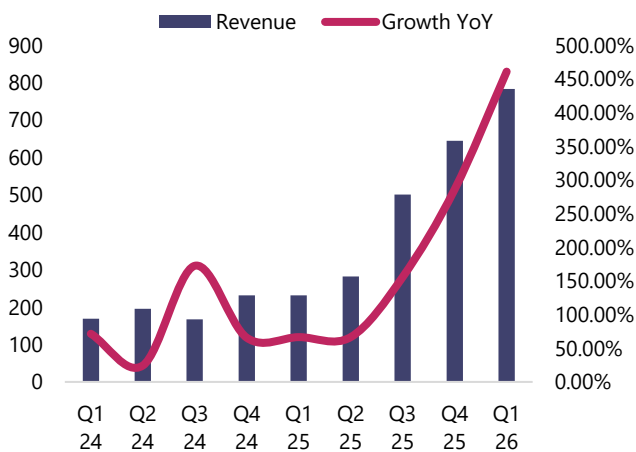
Source: Company and KSI Research

Performance Review

IDR Bn	1Q24	4Q25	1Q25	y/y	q/q
Revenue Segment					
Advertising	76	44	169	122%	285%
Telecommunication	64	458	476	646%	4%
Revenue	139.8	644.5	783.6	461%	22%
Gross Profit	79.9	437.1	439.3	450%	0%
Operating Profit	64.1	381.2	365.2	470%	-4%
EBITDA	99.2	451.5	459.0	363%	2%
Net Income	29.4	148.5	164.5	460%	11%
EPS (Full IDR)	12.5	28.0	31.0	149%	11%
Asset	2,022.44	15,169.66	16,196.31	701%	7%
Liabilities	1,249.45	6,651.72	7,436.75	495%	12%
Equity	772.99	8,517.94	8,759.55	1033%	3%
GPM %	57%	68%	56%	-2%	-17%
OPM %	46%	59%	47%	2%	-21%
Ebitda Margin %	71%	70%	59%	-17%	-16%
NPM %	21%	23%	21%	0%	-9%
ROE %	15%	7%	8%	-8%	1%
ROA %	6%	4%	4%	-2%	0%

Source: Company & KSI Research

Revenue (IDR Bn) vs Growth



Source: Company & KSI Research

Net Income (IDR Bn) vs Growth



Source: Company & KSI Research

Grand launch IRA



Source: Company & KSI Research

IRA With Promo FolaPlay (IRSX OTT)



Source: Company & KSI Research

Network Expansion and OTT Partnership Strengthen Growth Prospects. Supported by more than 550 active sites and 3,189 radio units across over 82 cities and regencies in Java, Maluku, and Papua, SURGE is well-positioned to accelerate the penetration of its IRA Internet Rakyat service. The expanding network footprint enables the company to reach a broader addressable market, particularly in underserved areas where affordable fixed broadband penetration remains relatively low. We believe this growing infrastructure base provides a solid foundation for subscriber growth while supporting higher network utilization as service coverage continues to expand.

In addition, **SURGE's partnership with FolaPlay** through a bundled broadband and FIFA World Cup streaming offering enhances the attractiveness of IRA Internet Rakyat's value proposition. We view this initiative positively as it not only differentiates the service in an increasingly competitive fixed broadband market but also supports customer acquisition through access to premium digital content. Going forward, we believe the combination of network expansion and OTT ecosystem development could serve as key growth drivers, supporting sustainable subscriber growth and strengthening the company's recurring revenue profile.

Financial Exhibits

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F	2029F	2030F
Revenue	439	672	1,659	3,766	4,165	5,962	6,320	6,682
Costs of revenue	(267)	(257)	(533)	(2,044)	(2,358)	(2,954)	(3,108)	(3,264)
Gross profit	172	415	1,127	1,722	1,806	3,008	3,212	3,417
Operating profit	125	345	955	1,290	1,325	2,358	2,429	2,588
Interest expense	(57.9)	(73.0)	(312.6)	(366.1)	(270.9)	(188.3)	(133.1)	(84.2)
Interest income	0.2	0.5	61.3	122.2	74.2	86.1	109.8	114.3
EBITDA	229	491	1,148	1,984	2,065	3,132	3,320	3,593
Income before tax	68	272	704	1,046	1,128	2,255	2,406	2,618
Net income	59	231	409	800	862	1,723	1,838	2,000
EPS (IDR)	24.81	97.99	76.96	150.62	162.40	324.61	346.32	376.83

Balance sheet

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F	2029F	2030F
Cash and equivalents	40	18	6,165	3,746	4,343	5,541	5,765	6,152
Account receivables	91	136	225	759	840	1,202	1,274	1,347
Inventories	-	-	966	942	833	1,192	1,264	1,336
Fixed assets	1,198	2,299	5,219	5,823	5,623	5,273	5,629	5,868
Other assets	235	453	2,594	707	699	1,001	1,061	1,121
Total assets	1,564	2,907	15,170	11,977	12,338	14,210	14,993	15,825
S-T liabilities	97	164	120	265	183	129	92	48
Other S-T liabilities	126	419	3,861	724	818	1,099	1,161	1,224
L-T liabilities	466	844	1,973	1,365	942	662	471	246
Other L-T liabilities	133	510	698	565	541	775	822	869
Total liabilities	822	1,938	6,652	2,920	2,484	2,665	2,545	2,386
Equity	741	970	7,300	8,116	8,979	10,710	11,689	12,772
BVPS (IDR)	315	411	1,605	1,706	1,856	2,175	2,345	2,532

Cash Flows Statement

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F	2029F	2030F
Net Income	59	231	409	800	862	1,723	1,838	2,000
Depreciation	104	109	174	624	666	697	801	904
Change in working capital	41	(54)	(628)	(630)	82	(620)	(118)	(119)
Operating cash flow	167	(13)	(945)	1,541	1,631	1,558	2,474	2,737
Capital expenditure	(255)	(1,210)	(3,095)	(1,228)	(466)	(348)	(1,157)	(1,143)
Others	38	81	(1,241)	1,139	(13)	(59)	(12)	(12)
Investing cash flow	(217)	(1,128)	(4,335)	(89)	(480)	(407)	(1,169)	(1,155)
Dividend paid	(0)	(2)	(2)	-	-	-	(862)	(919)
Net change in debt	(94)	445	2,437	(1,814)	(506)	(334)	(228)	(269)
Others	163	677	8,991	(2,057)	(49)	381	8	(5)
Financing cash flow	69	1,120	11,426	(3,872)	(555)	47	(1,082)	(1,194)
Effect of Foreign Exc. Rates	-	-	-	-	-	-	-	-
Change in cash	19	(22)	6,146	(2,419)	597	1,199	223	388
Beginning cash flow	21	40	18	6,165	3,746	4,343	5,541	5,765
Ending cash flow	40	18	6,165	3,746	4,343	5,541	5,765	6,152

Source : Company, KSI Research & Bloomberg

Financial Ratio

Key Ratios	2023A	2024A	2025A	2026F	2027F	2028F	2029F	2030F
Revenue Growth (%)	-5%	278%	147%	127%	11%	43%	6%	6%
Gross Profit Growth (%)	58%	141%	172%	53%	5%	67%	7%	6%
Operating Profit Growth (%)	35%	175%	177%	35%	3%	78%	3%	7%
EBITDA Growth (%)	51%	114%	134%	73%	4%	52%	6%	8%
Net Profit Growth (%)	0%	295%	77%	96%	8%	100%	7%	9%
EPS Growth (%)	0%	295%	-21%	96%	8%	100%	7%	9%
Gross margin (%)	39%	62%	68%	46%	43%	50%	51%	51%
EBITDA margin (%)	52%	73%	69%	53%	50%	53%	53%	54%
EBIT margin (%)	29%	51%	58%	34%	32%	40%	38%	39%
Net margin (%)	13%	34%	25%	21%	21%	29%	29%	30%
ROE (%)	8%	24%	6%	10%	10%	16%	16%	16%
ROA (%)	4%	8%	3%	7%	7%	12%	12%	13%
Current ratio (x)	1.2x	1.0x	2.2x	6.1x	6.6x	7.1x	7.3x	7.7x
Quick ratio (x)	1.2x	1.0x	1.9x	5.1x	5.7x	6.1x	6.3x	6.6x
LT D/Equity (x)	0.63x	0.87x	0.27x	0.17x	0.10x	0.06x	0.04x	0.02x
DER (x)	1.11x	2.00x	0.91x	0.36x	0.28x	0.25x	0.22x	0.19x
DAR (x)	0.53x	0.67x	0.44x	0.24x	0.20x	0.19x	0.17x	0.15x
Interest Coverage (x)	2x	5x	3x	4x	5x	13x	18x	31x
Cash Ratio	18%	3%	155%	378%	434%	451%	460%	484%
Sustainable Growth (%)	8%	23%	6%	10%	10%	16%	8%	8%
Earning Yield (%)	14%	41%	3%	5%	6%	12%	12%	13%
PE (x)	7.1x	2.5x	36.4x	18.6x	17.2x	8.6x	8.1x	7.4x
PBV (x)	0.6x	0.6x	1.7x	1.6x	1.5x	1.3x	1.2x	1.1x
EV/Ebitda	4.1x	3.2x	10.5x	6.9x	6.1x	3.5x	3.1x	2.7x

Source : Company, KSI Research & Bloomberg

Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings Sector/Industry

OVERWEIGHT : Sector & Industry Outlook has potential and good condition
NEUTRAL : Sector & Industry Outlook Stable or tend to be stagnant
UNDERWEIGHT : Sector & Industry Outlook has challenges and bad condition

Stock

BUY : Stock Performance > +15% Over the next 12 month (excluding dividend)
TRADING BUY : Stock Performance, range between +5% to +15% Minor to Medium Term
HOLD : Stock Performance, range between -10% to +15% Over the next 12 month (excluding dividend)
SELL : Stock Performance > -15% Over the next 12 month (excluding dividend)
TRADING SELL : Stock Performance, range between -5% to -15% Minor to Medium Term
NOT RATED : Stock is not within regular research coverage Over the next 12 month (excluding dividend)



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