Ketrosden Triasmitra (KETR IJ)

Strong Industry Positioning With Expansion Into Central Indonesia

Highlights

- **Niche subsea infrastructure with strong barriers to entry.** KETR boasts 30 years of experience, strong industry relationships and shared infrastructure model.
- **Merindo to drive expansion.** An upcoming 9,000km subsea network project across central Indonesia, with only one-third of the capacity needed to be pre-sold before construction.
- **Rp2.4t maintenance backlog supports revenue visibility.** KETR has a 2026 revenue target of Rp1.01t, with Bentang Bahari adding vessel revenue opportunities.

Analysis

- **KETR is a niche but essential subsea fibre infrastructure provider.** With around 30 years of operating history, Ketrosden Triasmitra (KETR) has built a strong reputation among telcos, clients and regulators. Its business model involves developing subsea fibre-optic cable systems and selling individual unused fibre pairs to operators, allowing multiple customers to share infrastructure rather than build their own cables. Each pair is sold at around 2x construction cost and comes with a 15-year maintenance contract, equivalent to an additional 60% of the initial selling price over the contract period. Maintenance costs increase minimally with additional customers, supporting margin expansion as utilisation rises. KETR also recently came under Sinar Mas Group control, after its affiliate acquired a 35% stake, potentially opening up further opportunities within the group's telecommunications and digital infrastructure ecosystem.
- **Merindo to expand subsea connectivity across central Indonesia, with Rising 8 driving capacity monetisatio.** Merindo is KETR's next major project, involving a planned 9,000km subsea cable network across Central Indonesia, with 16 fibre pairs and total investment of close to US$400m over six years. Phase one will cover approximately 1,300km from Surabaya to Makassar, with a branch to Mataram. Management has already secured letter of interests from Indosat and several other parties. Importantly, KETR does not need to secure all offtakers before commencing construction, as it typically requires only around one-third of cable capacity to be pre-sold before starting a project. This provides sufficient funding to cover approximately two-thirds of construction costs with the project reaches breakeven at around 50% utilisation. MoraRepublic will co-invest 50/50, with KETR funding its portion through internal cash and potentially equity. Meanwhile, Rising 8 (Jakarta–Batam), completed this year, has sold seven of its 16 pairs, with another three expected to be sold in 2027.

Key Financials

Year to 31 Dec (Rpb)	2021	2022	2023	2024	2025
Net turnover	449	353	391	556	750
EBITDA	191	142	161	190	260
Operating profit	174	123	143	172	240
Net profit (rep./act.)	115	68	78	85	138
EPS (Rp)	n.a.	27.6	27.3	29.9	48.7
PE (x)	n.a.	17.6	17.8	16.3	10.0
P/B (x)	n.a.	1.6	1.5	1.3	1.2
EV/EBITDA (x)	3.9	5.2	4.6	3.9	2.9
Dividend yield (%)	n.a.	n.a.	0.0	0.0	0.0
Net margin (%)	25.5	19.1	19.8	15.3	18.5
Net debt/(cash) to equity (%)	40.3	36.2	16.2	68.0	3.4
Interest cover (x)	3.8	2.8	3.1	2.7	3.7
ROE (%)	18.8	8.8	8.6	8.6	12.6

Source: KETR, Bloomberg, UOB Kay Hian

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NOT RATED

Share Price	Rp486
Target Price	n.a.
Upside	n.a.

Stock Data

Sector	Industrials
Bloomberg ticker	KETR IJ
Shares issued (m)	2,841
Market cap (Rpb)	1,381
Market cap (US$m)	75
3-mth avg daily t'over (US$m)	1.8

Price Performance (%)

52-week high/low				Rp705/Rp520
1mth	3mth	6mth	1yr	YTD
(1.7)	(0.8)	(8.5)	(7.0)	(8.5)

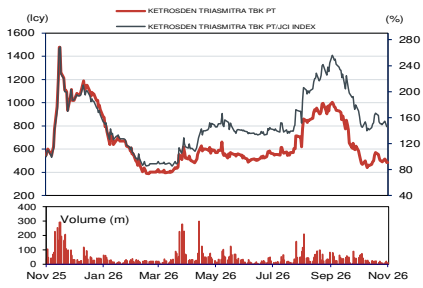
Major Shareholders (%)

Inti Mas Bangun Sejahtera	35.0
Fajar Sejahtera Mandiri Nusantara	18.1
Gema Lintas Benua	9.6

Balance Sheet Metrics

FY26 NAV/Share	n.a.
FY26 Net Debt/Share	n.a.

Price Chart



Source: Bloomberg

Company Description

Ketrosden Triasmitra (KETR) is an Indonesian telecommunications infrastructure company established in 1994, specialising in the development, construction, sale, operation and maintenance of submarine and terrestrial fibre-optic cable networks. The company provides end-to-end infrastructure services through its developer, contractor and managed services businesses, serving more than 30 domestic and international telecommunications operators.

Upcoming Merindo Project



Source: KETR

- **Maintenance backlog and vessel ownership strengthen long-term revenue visibility.** KETR targets revenue of Rp1.01t in 2026, up 35% yoy from Rp750b in 2025, with its developer business remaining the main contributor. Beyond cable development, the company has a Rp2.4t contracted maintenance backlog extending to 2042-43, providing long-term recurring revenue visibility. KETR also recently invested close to Rp700b in Bentang Bahari, its own cable-laying vessel, which allows it to undertake cable installation, repairs and rerouting projects without relying entirely on third-party vessels. The vessel also opens an additional revenue stream through external contracts, with its 2027 work pipeline already full. According to management, this is particularly relevant given the limited number of players capable of undertaking subsea cable repairs in Indonesia, creating an opportunity for KETR to capture demand from existing and new cable networks.

Valuation

- KETR trades at a trailing 12-month PE of 19.9x, which is a 55.2% discount compared with its global peers, based on Bloomberg**.**

Risk/Catalyst

- **Risks include:** a) A worsening macro environment, b) changes in regulation.
- **Catalyst:** New project kick-off.

New ship's commercial plan



Source: KETR

Revenue guidance



Source: KETR

Profit & loss

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Net turnover	353	391	556	750
EBITDA	142	161	190	260
Deprec. & amort.	19	18	18	20
EBIT	123	143	172	240
Total other non-op. income	(64)	(83)	(99)	(47)
Associate contributions				
Net interest income/(expense)	9	19	11	(55)
Pre-tax profit	68	78	85	138
Tax	(0)	(0)	0	0
Minorities	(0)	(0)	(0)	(0)
Net profit	68	78	85	138
Net profit (adj.)	68	78	85	138

Balance Sheet

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Fixed assets	302	433	624	760
Other LT assets	153	156	157	48
Cash/ST investment	278	412	99	255
Other current assets	872	1174	1191	1329
Total assets	1605	2175	2071	2393
ST debt	4	446	122	144
Other current liabilities	140	121	229	742
LT debt	588	239	679	180
Other LT liabilities	8	426	12	160
Shareholders' equity	863	940	1027	1165
Minority interest	2	2	2	2
Total liabilities & equity	1605	2175	2071	2393

Cash Flow

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Operating	(55)	(121)	49	251
Pre-tax profit	68	78	85	138
Tax	(0)	(0)	0	0
Deprec. & amort.	19	18	18	20
Working capital changes	(153)	(78)	(71)	20
Non cash items	31	(120)	35	92
Investing	146	(249)	(57)	(84)
Capex (growth)	(145)	(130)	(175)	(135)
Investments	3	0	0	0
Others	289	(120)	118	51
Financing	121	504	(305)	(11)
Dividend payments	0	0	0	0
Issue of shares	0	0	0	0
Proceeds from borrowings	0	509	303	357
Loan repayment	(4)	(5)	(604)	(358)
Others/interest paid	125	(0)	(4)	(9)
Net cash inflow (outflow)	213	134	(313)	156
Beginning cash & cash equivalent	66	278	412	99
Ending cash & cash equivalent	278	412	99	255

Key Metric

Year to 31 Dec (%)	2022	2023	2024	2025
Profitability				
EBITDA margin	40.2	41.2	34.2	34.7
Pre-tax margin	19.2	19.9	15.3	18.5
Net margin	19.1	19.8	15.3	18.5
ROA	4.5	4.1	4.0	6.2
ROE	8.8	8.6	8.6	12.6
Growth (% yoy)				
Turnover	(21.3)	10.6	42.5	34.8
EBITDA	(25.8)	13.4	18.1	36.8
Pre-tax profit	(41.0)	14.9	9.0	63.1
Net profit	(41.1)	14.7	9.5	63.1
Net profit (adj.)	(41.1)	14.7	9.5	63.1
EPS	n.a.	(1.0)	9.5	63.1
Leverage				
Debt to total capital	40.6	42.1	43.8	21.7
Debt to equity	68.4	72.7	77.8	27.8
Net debt/(cash) to equity	36.2	16.2	68.0	3.4
Interest cover (x)	2.8	3.1	2.7	3.7

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