PT ITSEC Asia Tbk. (CYBR)

Pipeline Compounds, Delivery Skews 2H — Maintain BUY

We maintain our BUY rating on CYBR with a target price of IDR 1,050/share (post 1:2 stock split), implying +94.4% upside based on our DCF valuation. CYBR's 2Q26 results confirmed a sharp operating leverage inflection, with operating profit surging 1,171% YoY even as gross margin softened on project mix. While FX gains and a non-cash tax benefit flatter parts of the headline numbers, underlying execution improved meaningfully. With project delivery skewed toward 2H26 and a broadening SOE and defense-sector pipeline, we see a stronger second half ahead.

2Q26 & 1H26 Financial Performance

- **Revenue growth resumes on stronger project execution.** CYBR's 2Q26 revenue grew 21% YoY (+34% QoQ) to IDR 115.0 bn, a clean rebound from the 1Q26 cyclical trough, driven by stronger project execution and the timing of key project deliveries during the quarter.
- **Operating leverage surges as gross margin moderates.** Gross profit rose 12% YoY to IDR 52.1 bn, though GPM eased to 45.3% (vs. 48.9% in 2Q25) on project mix. Despite the softer gross margin, OPM expanded sharply to 20.0% (vs. 1.9% in 2Q25), driving operating profit up 1,171% YoY to IDR 23.0 bn and PBT up 1,407% YoY to IDR 22.7 bn (PBT margin: 19.7% vs. 1.6%).
- **Underlying improvement extends beyond FX.** 2Q26 operating profit included approximately IDR 10.3 bn of net other income, mainly FX gains from rupiah depreciation. Excluding this item, gross profit less G&A expenses still improved 41.6% YoY, indicating that better cost absorption and project execution, not FX alone, drove the margin inflection.
- **1H26 headline earnings mask a stronger underlying trajectory.** 1H26 revenue declined 13% YoY to IDR 201.2 bn, and net profit came in at IDR 34.3 bn (vs. IDR 36.7 bn in 1H25), a decline driven almost entirely by the soft 1Q26 base. Reported 1H26 net profit also included a IDR 28.9 bn non-cash income tax benefit, limiting comparability. We forecast that project delivery will be more heavily weighted toward 2H26, setting up for stronger revenue conversion ahead.

Regulation and SOE Ecosystem Broadens the Pipeline

- **New access into SOE and government buyers.** In July 2026, CYBR announced an MoU with PT Industri Telekomunikasi Indonesia (Persero) covering cybersecurity solutions, SOC capability development, and Academy talent development, alongside business development access into SOE, provincial, and regional government buyers.
- **Deepening exposure to the defense ecosystem.** CYBR also signed an MoU with PT Len Industri (Persero), the holding company of DEFEND ID, to provide cybersecurity capabilities supporting its C4ISR/C5ISR mandate. We view this as strategically important given cybersecurity's increasingly critical role in defense systems, with potential to broaden CYBR's pipeline across government-linked institutions and open follow-on project opportunities.
- **Regulatory tailwind on the horizon**. The Cyber Security and Resilience Bill (RUU KKS), currently under deliberation, is expected to broaden cybersecurity obligations across critical infrastructure and its supporting ecosystem, potentially shifting cybersecurity spending from discretionary to increasingly mandatory expenditure.

Revising FY26 Estimates on a More Back-Loaded Contract Timeline

- **Adjusting FY26 estimates on contract phasing, revenue skewed toward 2H26.** We adjust our FY2026 revenue forecast to IDR 717 bn implying +35.9% YoY growth, and net profit to IDR 161 bn, implying +148.6% YoY growth. The adjustment reflects our assumption that new contracts contribute more heavily in 2H26 and into 2027 onward, rather than being fully absorbed within FY2026**.**

Maintain BUY Recommendation with TP at IDR 1,050/Share

- **We maintain our BUY rating on CYBR with an adjusted target price of IDR 1,050/share, implying +94.4% upside based on our DCF valuation.** This adjustment solely reflects the 1:2 stock split executed in May 2026. In our view, 2Q26 marked a clear improvement in operating momentum. With expanding SOE and government access, a broadening defense-sector footprint, and a potentially supportive regulatory backdrop from RUU KKS, we believe 2H26 execution will be the key determinant of whether CYBR can sustain its margin inflection and convert its growing pipeline into recurring growth.
- **Key Risks:** (1) Execution risk on large-scale contracts, (2) Intensifying competition within the Indonesian and regional cybersecurity sector, and (3) Sensitivity to cyclical corporate IT security budgets during economic slowdowns.

PT ITSEC Asia Tbk. | Summary

(IDR Bn)	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	527	717	1.310	1.575
Growth (%y/y)	*62,1%*	*35,9%*	*82,9%*	*20,2%*
Net Profit	64	161	317	407
Growth (%y/y)	*8491,3%*	*148,6%*	*95,9%*	*28,1%*
Basic EPS (IDR)	4,8	12,0	23,5	30,2
Price / Earnings	188,42	45,11	22,95	17,90
Price / Book Value	47,47	17,49	9,92	6,38
EV / EBITDA	124,46	33,25	16,97	12,92
ROE	25,2%	38,8%	43,2%	35,7%
ROA	15,4%	26,7%	31,0%	27,2%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Update Report | 4th September 2026

BUY

Target Price (IDR)	**1,050**
Consensus Price	980
TP to Consensus Price	+7.1%
Potential Upside	+94.4%

Shares Data

Last Price (IDR)	540
Price date as of	4th September 2026
52 wk range (Hi/Lo)	985 / 470
Free Float (%)	19.8
Outstanding sh (mn)	13,484
Market Cap (IDR bn)	7,282
Market Cap (USD mn)	410
Avg. Trd Vol – 3M (mn)	25.8
Avg. Trd Vol – 3M (IDR Bn)	15.0
Foreign Ownership (%)	21.2

Sector
Technology

Sub-Sector
Cyber Security

Bloomberg	CYBR IJ Equity
Reuters	CYBR JK

Shares Price Performance

	YTD	3M	6M	12M
Abs.Ret	-39.3%	-9.2%	-26.5%	+13.7%
Rel.Ret	-14.7%	-15.8%	-8.1%	+29.1%

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DCF Valuation of CYBR

We use the Discounted Cash Flow (DCF) method to estimate CYBR's fair value. Based on our financial performance projections, along with the estimates that have been made, we have set CYBR's company value to IDR 14.1 trillion, with a rounded share price of IDR 1,050.

The following is the relevant methodology and calculation:

CYBR DCF Fair Valuation And Base Assumptions:

Fair Value	
EV Present Value (IDR Bn)	14.102,6
Total Cash 26F (IDR Bn)	133,6
Total Debt 26F (IDR Bn)	67,3
Total Value to the Firm (IDR Bn)	14.169,0
Total Share Outstanding (Mn)	13.484
Fair Value Rounded	1.050,0
EPS FY30	48,6
PE FY30	21,6

Base Assumptions		
Assumption	**Value**	**Source**
Indonesia Rf	7,0%	Indonesia 10-Y Govt. Bond Yield
Beta	0,3	Bloomberg
Equity Risk	3,3%	Bloomberg
Cost of Equity	7,9%	
Terminal Growth	4,5%	NHKSI Analytics [Internal]
WACC	7,6%	
Cost of Debt	7,6%	Interest Expense / Total Debt

Source : Company, Bloomberg, NHKSI Research

CYBR DCF:

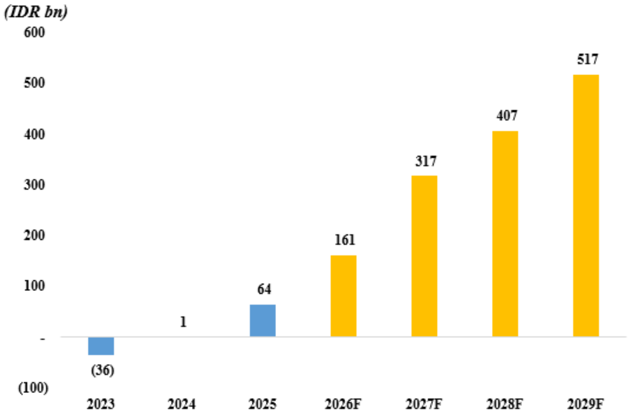
WACC						
Item	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Discrete Forecast Year	0	1	2	3	4	5
CASH FLOW TYPE						
[1] FCFF	(41,2)	137,9	146,8	312,9	415,0	545,0
FINANCING COMPOSITION						
[1] Debt Financing	14%	14%	12%	10%	8%	7%
[2] Equity Financing	86%	86%	88%	90%	92%	93%
[3] Tax Rate	22,0%	22,0%	22,0%	22,0%	22,0%	22,0%
WACC	7,6%					

Discounted FCFF						
Free Cash Flow to the Firm	**FY25F**	**FY26F**	**FY27F**	**FY28F**	**FY29F**	**FY30F**
Discrete Forecast Year						
[1] EBIT	90,1	210,8	406,0	510,9	636,0	789,4
[2] EBIT *(1-tax rate)	70,3	164,4	316,7	398,5	496,1	615,7
[3] Depreciation & Amortization	3,1	4,6	7,1	10,3	13,0	15,5
[4] Changes in WC	(105,7)	(16,7)	(157,3)	(75,6)	(71,5)	(63,8)
[5] Net Capex	(8,8)	(14,3)	(19,7)	(20,5)	(22,5)	(22,4)
FCFF	(41,2)	137,9	146,8	312,9	415,0	545,0

Source : Company, Bloomberg, NHKSI Research

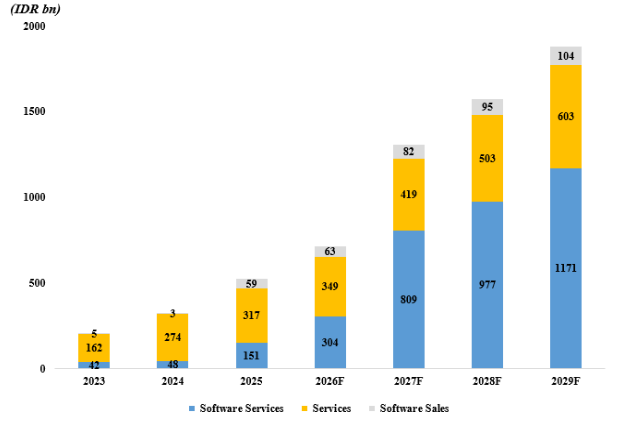
Performance Highlight For CYBR

Exhibit 1. CYBR Net Profit Performance (2023-2029F)



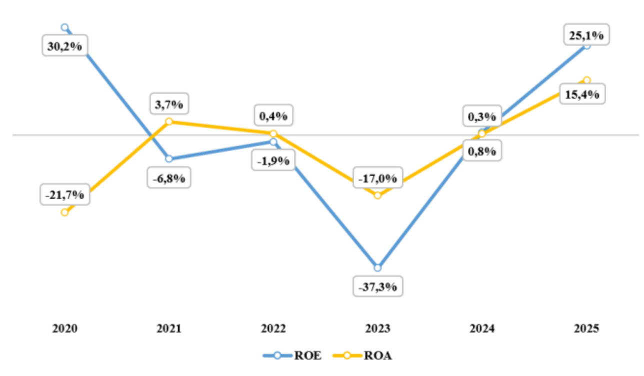
Source : CYBR, NHKSI Research

Exhibit 2. CYBR Revenue Breakdown (2023-2029F)



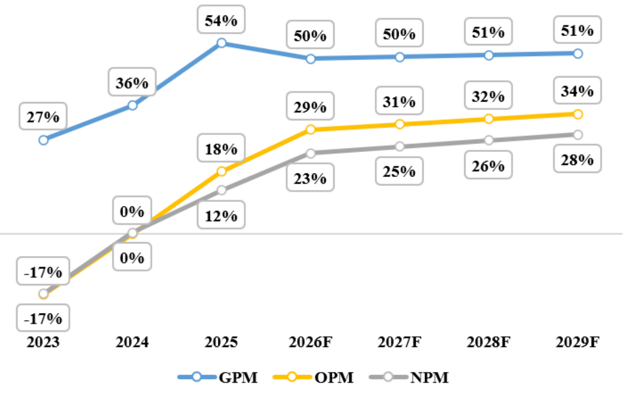
Source : CYBR, NHKSI Research

Exhibit 3. CYBR ROE & ROA Performance (2020-2025)



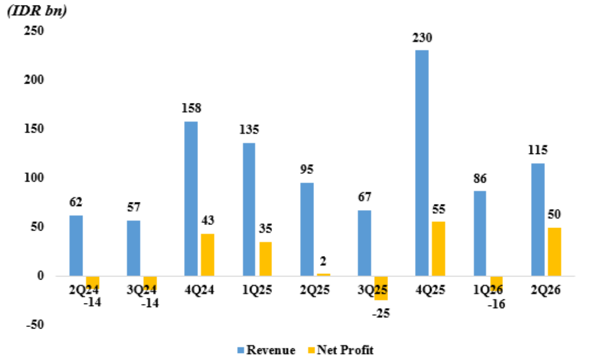
Source : CYBR, NHKSI Research

Exhibit 4. CYBR Margin Performance (2023-2029F)



Source : CYBR, NHKSI Research

Exhibit 5. CYBR Quarterly Revenue & Net Profit Performance (2Q24-2Q26)



Source : CYBR, NHKSI Research

Exhibit 6. CYBR 3-Year P/S Band

Source : NHKSI Research

Please consider the rating criteria & important disclaimer

Summary of CYBR's Financials & Forecast

INCOME STATEMENT

(IDR bn)	2025/12A	2026/12F	2027/12F	2028/12F	2029F/12
Revenue	**527**	**717**	**1.310**	**1.575**	**1.879**
Growth	*62,1%*	*35,9%*	*82,9%*	*20,2%*	*19,3%*
COGS	(243)	(361)	(654)	(779)	(920)
Gross Profit	**285**	**355**	**656**	**796**	**959**
Gross Margin	*54,0%*	*49,6%*	*50,1%*	*50,6%*	*51,1%*
Operating Expenses	(192)	(144)	(250)	(285)	(323)
EBIT	**93**	**211**	**406**	**511**	**636**
EBIT Margin	*17,6%*	*29,4%*	*31,0%*	*32,4%*	*33,9%*
Depreciation	5	5	7	10	13
EBITDA	**97**	**215**	**413**	**521**	**649**
EBITDA Margin	18,4%	30,0%	31,5%	33,1%	34,5%
Finance Expenses	(2)	(2)	2	12	28
EBT	**90**	**208**	**408**	**523**	**664**
Income Tax	(25)	(46)	(90)	(115)	(146)
Net Profit	**64**	**161**	**317**	**407**	**517**
Growth	*8491,3%*	*148,6%*	*95,9%*	*28,1%*	*27,0%*
Net Profit Margin	*12,2%*	*22,5%*	*24,2%*	*25,8%*	*27,5%*

PROFITABILITY & STABILITY

	2025/12A	2026/12F	2027/12F	2028/12F	2029F/12
ROE	25,2%	38,8%	43,2%	35,7%	31,2%
ROA	15,4%	26,7%	31,0%	27,2%	25,0%
Inventory Turnover	-	-	-	-	-
Receivable Turnover	6,8	6,3	6,9	6,9	7,2
Payables Turnover	19,5	7,8	11,7	9,8	11,3
DER	4%	2%	1%	1%	1%
DAR	2%	2%	1%	1%	0%
Net Gearing	-3%	-30%	-37%	-48%	-54%
Cash Conversion Cycle	35,3	11,3	22,1	15,9	18,0
Interest Coverage	38,0	91,6	(174,7)	(41,9)	(22,5)
Current Ratio	3,0	3,8	4,6	5,4	6,6
Quick Ratio	3,0	3,8	4,6	5,4	6,6
Total Shares (mn)	13.484	13.484	13.484	13.484	13.484
Market Cap (IDR bn)	12.102	7.282	7.282	7.282	7.282

BALANCE SHEET

(IDR bn)	2025/12A	2026/12F	2027/12F	2028/12F	2029F/12
Cash	18	134	282	557	912
Receivables	58	84	141	169	192
Inventories	0	0	0	0	0
Other Current Assets	233	236	388	478	550
Total Current Assets	**309**	**454**	**811**	**1.203**	**1.654**
Net Fixed Assets	18	27	40	50	60
Other Non Current Assets	90	123	172	244	350
Total Non Current Assets	**107**	**151**	**212**	**294**	**410**
Total Assets	**416**	**605**	**1.023**	**1.497**	**2.064**
Payables	6	26	31	43	45
ST Bank Loan	10	10	10	10	10
Other Current Liabilities	86	83	134	167	194
Total Current Liabilities	**101**	**118**	**175**	**221**	**249**
LT Debt	-	-	-	-	-
Other Non Current Liab	59	70	114	134	155
Total Non Current Liab	**59**	**70**	**114**	**134**	**155**
Total Liabilities	**160**	**188**	**289**	**355**	**404**
Capital Stock & APIC	249	249	249	249	249
Retained Earnings	3	164	482	888	1.405
Shareholders' Equity	**255**	**416**	**734**	**1.141**	**1.657**

VALUATION INDEX

	2025/12A	2026/12F	2027/12F	2028/12F	2029F/12
Price /Earnings	188,42	45,11	22,95	17,90	14,09
Price /Book Value	47,47	17,49	9,92	6,38	4,39
EPS Growth	4230%	151%	97%	28%	27%
EV/EBITDA	124,46	33,25	16,97	12,92	9,83
EV/EBIT	130,70	33,96	17,27	13,18	10,03
EV (IDR bn)	12.094	7.158	7.010	6.735	6.380
Sales CAGR (3-Yr)	41%	51%	59%	44%	38%
Net Income CAGR (3-Yr)	282%	266%	648%	84%	47%
Basic EPS (IDR)	4,76	11,97	23,53	30,17	38,34
BVPS (IDR)	18,91	30,88	54,41	84,58	122,92

CASH FLOW STATEMENT

(IDR bn)	2025/12A	2026/12F	2027/12F	2028/12F	2029F/12
Operating Cash Flow	(38)	149	167	342	458
Investing Cash Flow	(50)	(38)	(37)	(82)	(117)
Financing Cash Flow	96	23	31	25	24
Net Changes in Cash	**7**	**134**	**161**	**285**	**365**

OWNERSHIP

Shareholders	**%**
INV Management Pte. Ltd.	38,7
MB Investment Management Pte. Ltd.	26,2
UBS Switzerland AG	8,5
Others	26,6
By Geography	**%**
Singapore	42,7
Indonesia	34,5
Switzerland	9,4
Others	13,4

Source : CYBR, Bloomberg & NHKSI Research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication
2. Rating system based on a stock's potential upside from the date of publication

- Buy : Greater than 15%
- Overweight : +5% to 15%
- Hold : -5% to +5%
- Underweight : -5% to -15%
- Sell : Less than -15%

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