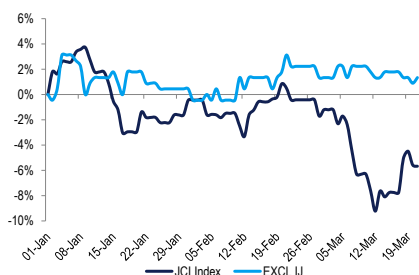


Stock Data

Target price	Rp2,820
Prior TP	Rp2,820
Current price	2,260
Upside/downside	24.8%
Shares outstanding (mn)	13,128
Market cap (Rp bn)	29,670
Free float	33%
Avg. 6m daily T/O (Rp bn)	50

Price Performance

	3M	6M	12M
Absolute	-0.9%	0.1%	-5.8%
Relative to JCI	10.6%	18.7%	9.0%
52w low/high (Rp)	2,080 – 2,610		



Major Shareholders

Axiata Investments	66.3%
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As expected: regulatory approval with minimal changes on the structure

- XLSmart has received regulatory approval from the Ministry of Communication and Digital, as well an effective statement from OJK.
- As part of the merger requirements, EXCL is required to return 2 × 7.5 MHz of the 900 MHz spectrum, which we believe is reasonable.
- It retains unchanged structure for the merger, and expecting the merger becoming effective on 16 Apr 2025.

XLSmart's merger received regulatory approval

EXCL stated that XLSmart has received approval from the Ministry of Communication and Digital (MoCD) as well as an effective statement from the Financial Services Authority (OJK) for the merger. The issuance of the MoCD decree is expected to follow once the legal merger is finalized. As part of the merger requirements, the MoCD mandates the return of 2 × 7.5 MHz of the 900 MHz spectrum by XL, no later than 14th December 2026. We view this requirement as reasonable ([see our previous report](#)).

Unchanged merger structure

In the summary of the merger plan, the transaction structure remains unchanged, whereby Axiata Berhad and Sinarmas Group will each own 34.8% of shares in XLSmart post-transaction. XLSmart will be jointly controlled by Axiata and Sinarmas Group. EXCL's buyback plan for dissenting shareholders also remains unchanged, with a size of up to 10% of total outstanding shares, equivalent to 1.3bn shares, at a buyback price of Rp2,350 per share (totaling Rp3.085tr). Meanwhile, Axiata and Sinarmas Group will equally purchase any excess in shares repurchase. The dilution risk from the merger for existing EXCL shareholders is 27.925%.

Key dates related to the transaction and BoC proposal

Several important dates related to the transaction are provided in the summary of merger plan, including: 1) the shareholders' approval form submission period from 27th Mar to 10th Apr 2025; 2) the cum date for the dividend on 11 Apr 2025, the ex-date on 14 Apr 2025, and the dividend payment on 24 Apr 2025; 3) the signing of the deed of merger on 15 Apr 2025, and the merger becoming effective on 16 Apr 2025; on the same day, the share buyback will also be carried out. In the summary of the merger plan, the proposed list of the Board of Commissioners is revealed, with Mr. Arsjad Rasjid as the potential chairman. Meanwhile, the proposed CEO remains unchanged, Mr. Rajeev Seethi.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	32,323	34,392	39,098	40,279	41,395
EBITDA	15,885	17,880	19,094	19,278	19,895
EBITDA growth	11.6%	12.6%	6.8%	1.0%	3.2%
Core net profit	916	1,508	1,882	2,101	2,403
Core EPS	70	115	144	161	184
Core EPS growth	-17.4%	64.6%	24.8%	11.7%	14.3%
ROE	4.7%	6.9%	7.0%	7.5%	8.1%
PER (x)	32.2	19.6	15.7	14.1	12.3
Adjusted EV/EBITDA (x)	4.4	3.9	3.4	3.1	2.7
Dividend yield	1.9%	2.2%	3.8%	3.2%	3.6%
Forecast change			N/A	N/A	N/A

Source: Company, Indo Premier

Share price closing as of: 21 March 2025

Fig. 1: Proposed Board of Directors for XLSmart

Proposed Directors	Position	From	Experience
Rajev Seethi*	President Director & CEO	XL Axiata	- CEO of Robi Axiata Bangladesh [2022 - now] - Head of Ooredoo Myanmar [2019]
Antony Susilo*	Director & CFO	Sinarmas	- Director of Finance at Smartfren [2011 - now] - Director of PT Smart Telecom [2025 - now]
Shurish Subbramaniam*	Director & CTO	Sinarmas	- Director of Technology & Network at Smartfren [2018 - now] - CTO at Webe Digital [2016 - 2018]
David A. Oses	Director & Chief Commercial Officer	XL Axiata	- Director & CCO at XL Axiata [2020 - now]
Merza Fachys*	Director & Chief Regulatory Officer	Sinarmas	- President Director at Smartfren [2015 - now] - Director of Technology & Network at Smartfren [2011 - 2015]
Yessie D. Yosetya	Director & Chief Information Officer	XL Axiata	- Director & Chief Enterprise Business & Corporate Affairs Officer [2023 - now]
Andrijanto Muljono*	Director & Chief Enterprise & Strategic Relationship	Sinarmas	- Commercial Director of Smartfren [2022 - now] - CFO at PT Dian Swastatika Sentosa [2020 - 2021]
Feiruz Ikhwani	Director & Chief Strategy and Home	XL Axiata	- Director & CFO at PT XL Axiata [2023 - now]
Jeremia Ratadhi*	Director & CHRO		- CHRO at Ooredoo Myanmar [2019 - now]

*Note: *new directors*

Source: Company, Indo Premier

*These names are still subject to change before the Company's EGMS or even during the EGMS proceedings.

Fig. 2: Proposed Board of Commissioners for XLSmart

Proposed Commissioners	Position	From	Experience
Arsjad Rasjid*	President Commissioner	Indika Energy	- President Director at Indika Energy [2018 - now] - Chairman of the Indonesian Chamber of Commerce and Industry [2021 - 2025] - President Director and Group CEO at Indika Energy [2016 - 2018]
Vivek Sood	Commissioner	XL Axiata	- Director at Axiata Digital Labs (Private) Limited [2018 - now] - Commissioner of PT XL Axiata Tbk [2017 - now] - Group CFO at Axiata Group Berhad [2017 - now]
L. Krisnan Cahya*	Commissioner	Sinarmas	- President Director at Dian Swastatika Sentosa [2009 - now] - Commissioner and Director at PT Multipolar [2001 - 2008] - Director of PT Lippo Karawaci [2005 - 2008]
Nik Rizal Kamil	Commissioner	XL Axiata	- Commissioner at PT XL Axiata Tbk [2024 - now] - Group Chief Financial Officer at Axiata Group Berhad [2024 - now] - Group Chief Financial Officer at RHB Banking Group [2021 - 2024]
Sean Quek*	Commissioner	Sinarmas	- Managing Director of Sinarmas Telecommunications & Technology [2020 - now] - Director of MyRepublic Ltd [2014 - now] - Chief commercial officer at GoldenShellBSM [2018 - 2020]
David R. Dean*	Commissioner	XL Axiata	- Commissioner of PT XL Axiata Tbk [2016 - 2023] - Non-executive Director at Axiata Group Berhad [2017 - now] - Chairman of the Supervisory Board at SUSS MicroTec SE [2020 - now]
Retno Lestari Priansari Marsudi*	Independent Commissioner	-	- Minister of Foreign Affairs of Indonesia [2014-2024] - Director for America and Europe [2008 - 2012] - Director for Intra-Regional Cooperation [2001-2003]
Robert Pakpahan*	Independent Commissioner	-	- Director General of Taxes [2017 - 2019] - Director General of Debt Management [2012 - 2015]
Willem Lucas Timmermans*	Independent Commissioner	Linknet	- Commissioner at PT Linknet - Director and Chief corporate transformation officer at PT XL Axiata - Non-executive Director at Celcom Axiata Berhad

*Note: *new commissioners*

Source: Company, Indo Premier

* These names are still subject to change before the Company's EGMS or even during the EGMS proceedings.

SECTOR RATINGS

- OVERWEIGHT** : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL** : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT** : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY RATINGS

- BUY** : Expected total return of 10% or more within a 12-month period
- HOLD** : Expected total return between -10% and 10% within a 12-month period
- SELL** : Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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