INDOPREMIER

XLSmart Telecom Sejahtera

BUY *(unchanged)*

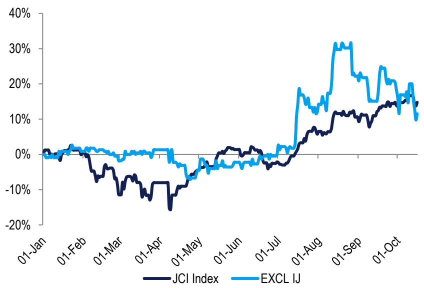
Company Update | Telecommunications | EXCL IJ | 17 October 2025

Stock Data

Target price	**Rp3,500**
Prior TP	*Rp3,500*
Current price	Rp2,510
Upside/downside	39.4%
Shares outstanding (mn)	18,200
Market cap (Rp bn)	45,682
Free float	59%
Avg. 6m daily T/O (Rp bn)	32

Price Performance

	3M	6M	12M
Absolute	-2.3	14.6	9.1
Relative to JCI	-15.3	-12.3	2.9
52w low/high (Rp)			2,090-2,960



Major Shareholders

Axiata Investments Singapore Ltd.	34.7%
Bali Media Telekomunikasi	24.6%

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Potential beat on 3Q25F results amidst on-track integration progress

- We estimate 3Q25F EBITDA at Rp5.4tr (+20% qoq), 28% to consensus estimate, or above 3-year mean of 25%.
- Integration progress remains on-track with expansion is potentially faster than expected.
- We retain our BUY call on EXCL with a TP of Rp3,500. EXCL remains our top pick in the sector.

3Q25F results could be slightly above consensus

Management indicated ARPU improvement in 3Q25F as EXCL removed freebies and shortened package periods to 28 days, though the subscriber base declined with the removal of low-value users. Net revenue impact remains positive as higher ARPU offsets the sub decline. We estimate 3Q25F EBITDA at Rp5.4tr (+20% qoq), slightly above consensus (28% of FY25F), bringing 9M25F EBITDA to Rp14.2tr (+7% yoy), assuming +3% qoq ARPU growth and –2% qoq sub decline.

Integration progress is on-track

Management indicated that the integration remains on-track for completion within two years, possibly sooner. MOCN integration has been completed in 48 cities, resulting in improved network quality and higher data usage. Consequently, EXCL does not plan to pursue aggressive pricing. Smartfren has also gained subscribers in these integrated areas, many of which were previously under served. Management expects minimal cannibalization risk, as both brands target different customer segments.

Expansion could be faster-than-expected

Negotiations with tower providers have reached around 80% completion. EXCL previously guided for network expansion of 7k–8k new sites during integration while decommissioning 15k–16k sites. Our latest discussion suggests expansion could progress faster during the integration period, potentially translating into stronger growth.

Retain BUY with TP of Rp3,500

We maintain our BUY call on EXCL as we expect 3Q25F results to be slightly above expectations, supported by stable growth momentum and on-track integration progress. Potential upside could arise from faster-than-expected network expansion. Our TP remains unchanged at Rp3,500. EXCL continues to be our sector top pick.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	32,323	34,392	41,097	45,500	48,990
EBITDA	15,885	17,880	19,799	22,232	24,941
EBITDA growth	11.6%	12.6%	10.7%	12.3%	12.2%
Core net profit	916	1,508	(452)	535	2,627
Core EPS	70	115	(25)	29	144
Core EPS growth	-17.4%	64.6%	-121.5%	-218.6%	390.5%
ROE	4.8%	7.0%	-3.0%	1.6%	7.2%
PER (x)	35.8	21.8	(101.1)	85.3	17.4
Adjusted EV/EBITDA (x)	4.7	4.2	6.0	5.5	4.1
Dividend yield	1.7%	1.9%	2.4%	-1.1%	0.6%
Forecast change			36.4%	-9.2%	-9.0%

Source: Company, Indo Premier *Share price closing as of: 16 October 2025*

Fig. 1: EXCL 3Q25F results preview

In Rp bn, unless otherwise state	3Q25F*	3Q24	% YoY	2Q25	% QoQ	9M25F*	9M24	% YoY	9M25F to IPS	9M25F to Cons	3Q25F to IPS	3Q25F to Cons	3Q25F seasonality
Revenue	**10,739**	**8,310**	**29%**	**10,494**	**2%**	**29,833**	**25,361**	**18%**	**73%**	**71%**	**26%**	**26%**	**25%**
Data	9,795	7,539	30%	9,577	2%	27,259	23,377	17%					
Other revenue	943	771	22%	917	3%	2,574	1,369	88%					
Operating expenses	(9,888)	(7,036)	41%	(10,549)	-6%	(27,688)	(21,303)	30%					
Operating profit	**851**	**1,274**	**-33%**	**(55)**	**-1643%**	**2,146**	**4,058**	**-47%**					
EBITDA	**5,363**	**4,339**	**24%**	**4,487**	**20%**	**14,170**	**13,297**	**7%**	**72%**	**74%**	**27%**	**28%**	**25%**
Other income/(expense)	(966)	(859)	13%	(1,810)	-47%	(3,603)	(2,304)	56%					
Pre-tax profit	**(115)**	**416**	**-128%**	**(1,865)**	**-94%**	**(1,457)**	**1,754**	**-183%**					
Taxes	16	(118)	-114%	258	-94%	139	(419)	-133%					
Net profit	**(112)**	**292**	**-138%**	**(1,608)**	**-93%**	**(1,335)**	**1,317**	**-201%**					
Core net profit	**(112)**	**184**	**-161%**	**(1,001)**	**-89%**	**(735)**	**1,062**	**-169%**	**163%**	**86%**	**25%**	**13%**	**27%**
Margin (%)													
Operating margin	8%	15%	(741)	-1%	845	7%	16%	(881)					
EBITDA margin	49.9%	52.2%	(228)	42.8%	718	47.5%	52.4%	(493)					
Core net margin	-1.0%	2.2%	(325)	-9.5%	849	-2.5%	4.2%	(665)					
Operational data - Mobile													
Blended ARPU (Rp k/month) - implied	37	41	-9%	36	3%	37	43	-13%					
Mobile subs (mn people) - implied	81	59	38%	83	-2%	81	59	38%					
Operational data - FBB													
FBB ARPU (Rp k/month) - implied	274,921	250,000	n.a	292,469	-6%	292,469	250,000	n.a					
FBB subs (k) - implied	1,029	269	n.a	980	5%	980	289	n.a					

**preview*

Source: Company, Indo Premier

Fig. 2: Forecast changes – our earnings revisions are primarily driven by a lower subscriber base in the mobile segment and lower FTTH ARPU, while we adjust our capex to be deployed more gradually.

In Rp bn, unless otherwise stated	Previous			Current			Change, %		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Profit & Loss									
Revenue	41,480	46,935	50,348	41,097	45,500	48,990	-1%	-3%	-3%
Operating expense	(37,872)	(42,620)	(44,122)	(37,765)	(41,239)	(43,137)	0%	-3%	-2%
EBIT	3,607	4,316	6,226	3,332	4,262	5,853	-8%	-1%	-6%
EBITDA	19,793	22,471	25,150	19,799	22,232	24,941	0%	-1%	-1%
Other income/(expense)	(4,846)	(3,499)	(2,386)	(4,612)	(3,514)	(2,351)	-5%	0%	-1%
Pre-tax profit	(1,239)	817	3,840	(1,279)	747	3,502	3%	-9%	-9%
Taxes	297	(196)	(922)	278	(179)	(840)	-7%	-9%	-9%
Net profit	(971)	590	2,886	(1,032)	535	2,627	6%	-9%	-9%
Core profit	(331)	590	2,886	(452)	535	2,627	36%	-9%	-9%
EPS	(53)	32	159	(57)	29	144	6%	-9%	-9%
Core EPS (Rp)	(18)	32	159	(25)	29	144	36%	-9%	-9%
	16,186	18,155	18,924	16,466	17,971	19,088			
Annual growth, %									
Revenue	21%	13%	7%	19%	11%	8%			
Operating expense	31%	13%	4%	31%	9%	5%			
EBIT	-35%	20%	44%	-40%	28%	37%			
EBITDA	11%	14%	12%	11%	12%	12%			
Other income/(expense)	53%	-28%	-32%	46%	-24%	-33%			
Pre-tax profit	-151%	-166%	370%	-153%	-158%	369%			
Taxes	-151%	-166%	370%	-148%	-165%	369%			
Net profit	-153%	-161%	389%	-157%	-152%	391%			
Core profit	-122%	-278%	389%	-130%	-219%	391%			
EPS	-138%	-161%	389%	-141%	-152%	391%			
Core EPS (Rp)	-116%	-278%	389%	-122%	-219%	391%			
Profitability, %									
EBIT margin	9%	9%	12%	8%	9%	12%			
EBITDA margin	48%	48%	50%	48%	49%	51%			
Net profit margin	-2%	1%	6%	-3%	1%	5%			
Core net profit margin	-1%	1%	6%	-1%	1%	5%			

Operational data	Previous			Current			Change, %		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Mobile									
Blended ARPU (Rp k/month)	37.4	39.1	41.2	37.8	42.2	45.8	1%	8%	11%
Mobile subs (mn people)	82.6	83.1	83.6	75.9	76.3	76.6	-8%	-8%	-8%
FBB									
FBB ARPU (Rp k/month)	335,523	335,523	335,523	292,469	292,469	292,469	-13%	-13%	-13%
FBB subs (k)	1,020	1,129	1,185	1,027	1,129	1,185	1%	0%	0%
Annual growth, %									
Blended ARPU (Rp k/month)	-13%	4%	5%	-12%	12%	9%			
Mobile subs (mn people)	40%	1%	1%	29%	0%	0%			
FBB ARPU (Rp k/month)	38%	0%	0%	68%	0%	0%			
FBB subs (k)	43%	11%	5%	44%	10%	5%			

Source: Company, Indo Premier

Fig. 3: Our TP is based on 6.9x EV/EBITDA FY26F (at 2 s.d above LT mean)

Adjusted EV/EBITDA valuation	FY26F
Debt (Rp bn)	30,016
Market cap (Rp bn)	64,011
Cash (Rp bn)	1,159
Minority interest (Rp bn)	162
Adj. EBITDA (Rp bn)	13,581
Implied EV (Rp bn)	93,030
EV/EBITDA (x)	6.9
TP/sh (Rp)	3,519
Last px (Rp)	2,510
Potential upside/downside	40%

Source: Indo Premier

Fig. 4: Sector's forward P/B band

Source: Indo Premier

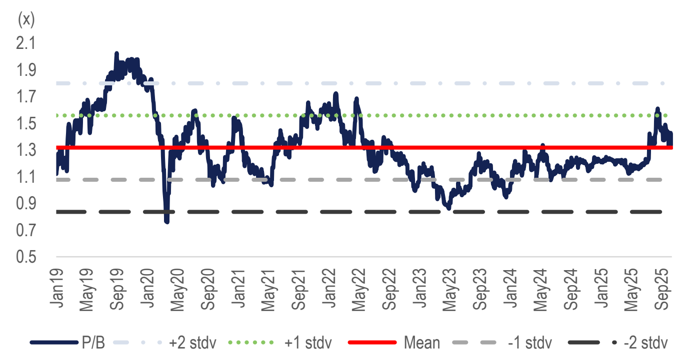
Fig. 5: Sector's forward adjusted EV/EBITDA band

Source: Indo Premier

Fig. 6: Sector's forward EV/EBITDA band

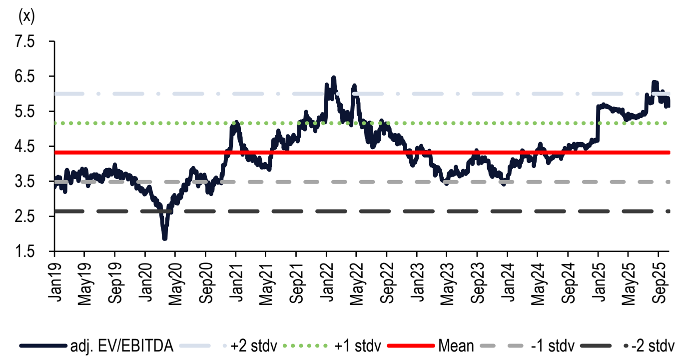
Source: Indo Premier

Fig. 7: EXCL's forward PB band



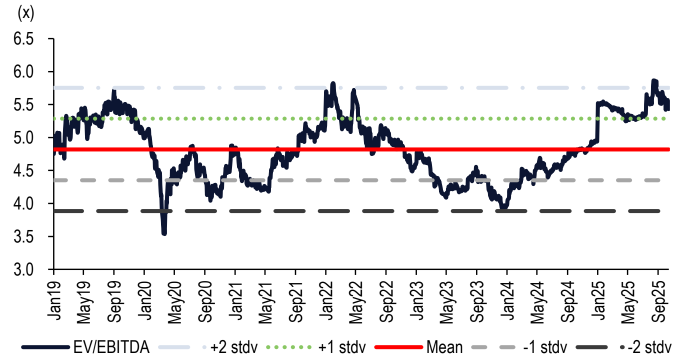
Source: Indo Premier

Fig. 8: EXCL's forward adjusted EV/EBITDA band



Source: Indo Premier

Fig. 9: EXCL's forward EV/EBITDA band



Source: Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	32,323	34,392	41,097	45,500	48,990
Opex	(27,944)	(28,803)	(37,765)	(41,239)	(43,137)
Operating profit	**4,378**	**5,589**	**3,332**	**4,262**	**5,853**
EBITDA	**15,885**	**17,880**	**19,799**	**22,232**	**24,941**
Net interest	(2,840)	(3,033)	(4,325)	(4,391)	(3,976)
Forex gain (loss)	13	(16)	5	-	-
Others	139	(112)	(292)	877	1,624
Pre-tax income	**1,690**	**2,427**	**(1,279)**	**747**	**3,502**
Income tax	(420)	(580)	278	(179)	(840)
Minority interest	(13)	(29)	(30)	(32)	(35)
Net income	**1,257**	**1,819**	**(1,032)**	**535**	**2,627**
Core net profit	**916**	**1,508**	**(452)**	**535**	**2,627**

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalents	966	1,387	1,178	1,159	1,148
Receivables	1,386	1,863	2,645	2,800	3,002
Other current assets	4,822	5,187	5,360	5,412	5,455
Total current assets	**7,174**	**8,436**	**9,182**	**9,372**	**9,605**
Fixed assets	63,897	61,034	81,273	87,777	81,810
Other non-current assets	16,624	16,708	31,221	30,744	29,558
Total non-current assets	**80,521**	**77,743**	**112,494**	**118,521**	**111,368**
Total assets	**87,695**	**86,179**	**121,676**	**127,893**	**120,973**
Payables	9,383	8,251	12,588	13,746	14,379
Other current liab.	3,914	3,675	3,675	3,675	3,675
Lease liabilities	6,023	5,369	7,801	7,801	7,801
Current portion of LT loans	854	3,721	4,601	4,626	3,089
Total current liab.	**20,173**	**21,017**	**28,665**	**29,849**	**28,944**
Lease liabilities	29,791	28,226	35,400	35,613	35,782
Long term loans	9,251	8,772	21,620	25,390	16,846
Other LT liab.	2,010	1,942	2,414	2,414	2,414
Total liabilities	**61,225**	**59,956**	**88,100**	**93,265**	**83,986**
Equity	18,058	16,593	26,080	26,080	26,080
Retained earnings	8,267	9,467	7,335	8,386	10,745
Minority interest	144	162	162	162	162
Total SHE + minority int.	**26,470**	**26,222**	**33,576**	**34,628**	**36,987**
Total liabilities & equity	**87,695**	**86,179**	**121,676**	**127,893**	**120,973**

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net income	1,257	1,819	(1,032)	535	2,627
Depr. & amortization	9,675	11,590	17,100	19,237	20,988
Changes in working capital	1,200	6,643	12,210	9,779	9,217
Others	-	-	-	-	-
Cash flow from operating	**12,131**	**20,052**	**28,278**	**29,552**	**32,831**
Capital expenditure	(13,555)	(9,259)	(43,085)	(25,264)	(13,835)
Others	3,179	(2,107)	(11,293)	(2,527)	(2,527)
Cash flow from investing	**(10,376)**	**(11,366)**	**(54,378)**	**(27,791)**	**(16,362)**
Loans	(2,005)	2,389	13,728	3,795	(10,081)
Leases	3,964	(2,219)	9,607	212	170
Equity	(21)	(1,447)	9,486	-	-
Dividends	(549)	(635)	(1,101)	516	(268)
Others	(7,359)	(6,361)	(5,836)	(6,308)	(6,308)
Cash flow from financing	**(5,971)**	**(8,273)**	**25,884**	**(1,785)**	**(16,488)**
Changes in cash	**(4,216)**	**414**	**(216)**	**(25)**	**(19)**

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	14%	16%	8%	9%	12%
EBITDA margin	49%	52%	48%	49%	51%
Pre-tax margin	5%	7%	-3%	2%	7%
Net margin	4%	5%	-3%	1%	5%
Core net margin	3%	4%	-1%	1%	5%
ROA	1%	2%	0%	0%	2%
ROE	5%	7%	-3%	2%	7%

Source: Company, Indo Premier

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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