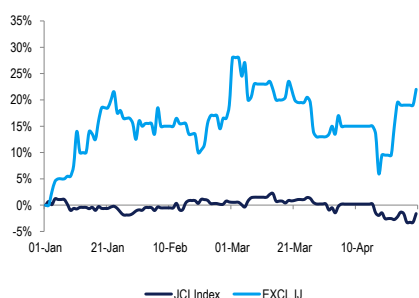


Stock Data

Target price	Rp3,200
Prior TP	Rp3,100
Current price	2,440
Upside/downside	33%
Shares outstanding (mn)	13,128
Market cap (Rp bn)	32,033
Free float	33%
Avg. 6m daily T/O (Rp bn)	57

Price Performance

	3M	6M	12M
Absolute	4.7%	15.1%	39.4%
Relative to JCI	4.5%	9.2%	36.0%
52w low/high (Rp)	1,730-2,560		



Major Shareholders

Axiata Investments	66.3%
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1Q24 results: earnings beat on solid EBITDA and revenue

- 1Q24 net profit jumped by +168% yoy/+107% qoq to Rp539bn, a beat. Meanwhile, EBITDA came in at Rp4.5tr (+24% yoy), also a beat.
- Revenue came at Rp8.4tr (+12% yoy/flat qoq) in the quarter, forming 24/25% of our/consensus FY24F – in-line.
- ARPU improved further to Rp44k in 4Q23 (vs. Rp40/43k in 1Q23/4Q23), reflecting a full-quarter impact from its Nov23 price hikes. Reaffirm Buy.

Earnings was a strong beat on the back of solid EBITDA and revenue

EXCL's 1Q24 net profit rose to Rp539bn (+168% yoy/+107% qoq), better than our/consensus estimates at 33% of FY24F, largely due to solid EBITDA delivery. Indeed, EBITDA grew to Rp4.5tr (+24% yoy/+8% qoq) in the quarter, also a beat at 26% of our/consensus forecasts (vs. 3-year average run-rate of 24%). EBITDA margin expanded to 52.8% (+531bps yoy/+394bps qoq) as the impact from solid 1Q24 topline growth was magnified by better cost discipline. Cash opex only rose by +1% yoy (vs. +12% yoy topline growth) and declined by 8% qoq. Notably, O&M and marketing costs fell by -5/6% yoy and -5/18% qoq, supported by cost normalization post-enterprise project completion and higher digitalization, respectively. Of note, its apps MAU (monthly active users) rose further to 30.3mn (vs. Rp26.1/29.2mn in 1Q23/4Q23).

In-line 1Q24 revenue supported by strong operational figures

1Q24 revenue came in at Rp8.4tr (+12% yoy/flat qoq) – broadly in-line at 24/25% of our/consensus FY24F (3yr average: 24%). Data and digital revenue rose by +13% yoy/+2% qoq, while other revenue decreased by -4% yoy/-21% qoq. Blended ARPU rose to Rp44k in 4Q23 (vs. Rp40/43k in 1Q23/4Q23), largely reflecting a full-quarter impact from its c.8-10% price hikes in Nov23 as well as additional support from the higher traffic (+18% yoy/+3% qoq) due to the election and potentially, uptrading. Lastly, subscriber base improved marginally qoq to 57.6mn (-300k subs yoy/+100k subs qoq) despite its Nov23 price hikes and against seasonal trend.

Maintain Buy, with a slightly higher TP of Rp3,200

Overall, the company posted a solid 1Q24 results. We fine-tuned our model and revised up EXCL's FY24-25F EBITDA by 3% mainly to incorporate FY23 and 1Q24 data points as well as a slightly lower cost base. We maintain our Buy rating on EXCL with a slightly higher blended valuation-based (DCF and EV/EBITDA multiple) 12-month TP of Rp3,200 (vs. Rp3,100 previously). Downside risks: unfavorable deal terms and competition.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	29,142	32,323	34,981	37,119	39,326
EBITDA	14,235	15,885	17,714	18,965	20,176
EBITDA growth	7.1%	11.6%	11.5%	7.1%	6.4%
Net profit	1,109	1,271	1,970	2,305	2,709
EPS (Rp)	84	97	150	176	206
EPS growth	-13.9%	14.6%	55.0%	17.0%	17.5%
ROE	4.3%	4.8%	7.1%	7.9%	8.9%
PER (x)	28.9	25.2	16.3	13.9	11.8
EV/EBITDA (x)	5.4	4.9	4.4	4.1	3.8
Dividend yield	1.7%	1.7%	2.0%	3.4%	4.7%
Forecast change			N/A	N/A	N/A
IPS vs. consensus			121%	119%	112%

Source: Company, Indo Premier

Share price closing as of: 29 April 2024

Fig. 1: EXCL 1Q24 results

(Rp bn)	1Q24	1Q23	% YoY	4Q23	% QoQ	IP FY24F	% of IP	% of Cons
Revenue	8,438	7,547	11.8%	8,455	-0.2%	34,560	24.4%	24.5%
Operating expenses	(7,048)	(6,706)	5.1%	(7,305)	-3.5%			
Operating profit	1,390	841	65.2%	1,150	20.9%			
EBITDA	4,454	3,583	24.3%	4,130	7.9%	17,268	25.8%	26.3%
Other income/(expense)	(713)	(604)	18.1%	(696)	2.4%			
Pre-tax profit	677	238	184.8%	454	49.2%			
Taxes	(130)	(34)	286.2%	(188)	-31.0%			
Net profit	539	201	168.3%	261	106.9%	1,628	33.1%	33.2%
Margin (%)								
EBITDA margin	52.8%	47.5%		48.8%				
Net margin	6.4%	2.7%		3.1%				
Operational data								
Data and digital services	7,823	6,909	13.2%	7,680	1.9%			
Other revenue	615	638	-3.5%	775	-20.6%			
Data traffic (PB)	2,609	2,204	18.4%	2,529	3.2%			
Blended ARPU (Rp k/month)	44	40	10.0%	43	2.3%			
Subscribers (mn people)	57.6	57.9	-0.5%	57.5	0.2%			

Source: Company, Indo Premier

Fig. 2: Forecast changes

EXCL (Rp bn)	Previous			Current			Changes (%)		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Revenue	34,560	36,668	N/A	34,981	37,119	39,326	1.2	1.2	N/A
EBITDA	17,268	18,486	N/A	17,714	18,965	20,176	2.6	2.6	N/A
Net profit	1,628	1,963	N/A	1,970	2,305	2,709	21.1	17.4	N/A

Source: Company, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	29,142	32,323	34,981	37,119	39,326
Cost of sales	-	-	-	-	-
Gross profit	29,142	32,323	34,981	37,119	39,326
SG&A Expenses	(25,484)	(27,943)	(29,333)	(30,985)	(32,527)
Operating profit	3,658	4,380	5,648	6,134	6,799
EBITDA	14,235	15,885	17,714	18,965	20,176
Net interest	(2,666)	(2,840)	(2,859)	(2,900)	(3,031)
Forex gain (loss)	(61)	13	(35)	(37)	(39)
Others	422	152	(210)	(223)	(236)
Pre-tax income	1,353	1,705	2,544	2,974	3,493
Income tax	(232)	(420)	(560)	(654)	(768)
Minority interest	(12)	(13)	(14)	(15)	(16)
Net income	1,109	1,271	1,970	2,305	2,709

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	5,184	966	901	907	955
Receivable	852	1,435	1,342	1,424	1,508
Other current assets	4,372	4,773	4,848	5,002	5,159
Total current assets	10,408	7,174	7,091	7,333	7,622
Fixed assets	60,474	63,890	61,220	59,384	58,042
Goodwill	16,396	16,624	19,949	23,939	28,726
Total non-current assets	76,869	80,515	81,169	83,322	86,768
Total assets	87,278	87,688	88,260	90,656	94,390
Payable	11,491	9,570	10,447	11,036	11,585
Other payables	3,941	3,696	3,733	3,695	3,658
Current portion of LT loans	10,919	6,877	7,968	8,082	8,446
Total current liab.	26,351	20,142	22,148	22,813	23,689
Long term loans	33,041	39,041	36,297	36,817	38,475
Other LT liab.	2,112	2,000	1,975	1,965	1,955
Total liabilities	61,504	61,183	60,420	61,595	64,119
Equity	18,093	18,093	18,093	18,093	18,093
Retained earnings	7,550	8,267	9,602	10,824	12,034
Minority interest	131	144	144	144	144
Total SHE + minority int.	25,774	26,505	27,840	29,061	30,272
Total liabilities & equity	87,278	87,688	88,260	90,656	94,390

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net income	1,109	1,271	1,970	2,305	2,709
Depr. & amortization	12,180	11,146	12,066	12,830	13,377
Changes in working capital	599	(3,150)	932	315	271
Others	(3,503)	(327)	(3,336)	(3,985)	(4,782)
Cash flow from operating	10,386	8,940	11,633	11,465	11,574
Capital expenditure	(19,139)	(14,922)	(9,395)	(10,994)	(12,035)
Others	(1,603)	359	-	-	-
Cash flow from investing	(20,741)	(14,563)	(9,395)	(10,994)	(12,035)
Loans	8,311	1,958	(1,653)	634	2,022
Equity	5,058	(0)	(14)	(15)	(16)
Dividends	(544)	(549)	(636)	(1,084)	(1,498)
Others	-	-	-	-	-
Cash flow from financing	12,825	1,409	(2,303)	(464)	508
Changes in cash	2,520	(4,218)	(65)	6	47

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	100.0%	100.0%	100.0%	100.0%	100.0%
EBITDA margin	48.8%	49.1%	50.6%	51.1%	51.3%
Pre-tax margin	4.6%	5.3%	7.3%	8.0%	8.9%
Net margin	3.8%	3.9%	5.6%	6.2%	6.9%
ROA	1.3%	1.4%	2.2%	2.5%	2.9%
ROE	4.3%	4.8%	7.1%	7.9%	8.9%
ROIC	6.2%	6.4%	7.9%	8.5%	9.1%
Acct. receivables TO (days)	9	13	14	14	14
Acct. payables - other TO (days)	141	141	141	141	141
Net debt/EBITDA (inc.leases) (x)	2.7	2.8	2.4	2.3	2.3
Net debt/EBITDA (ex. leases) (x)	0.5	0.6	0.2	0.1	0.0
Interest coverage (x)	1.3	1.5	2.0	2.1	2.2

Source: Company, Indo Premier

INVESTMENT 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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