

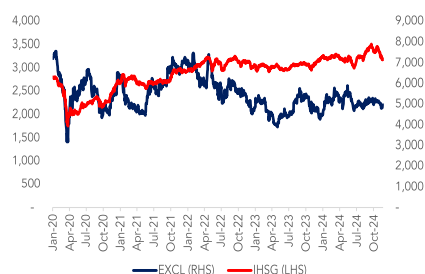


BUY

Price (Feb 5 th , 25)	2,270
Target Price	2,900
Potential Upside	27.80%
Market Cap	29.41 T
Number of Share	13.13 B
52w Lo/Hi	1,695/2,650

Source : IDX | Phintraco Sekuritas Research
| as of Feb 5th, 2025

IHSG vs EXCL



Source : IDX

Shareholder	%
Axiata Investment Sdn. Bhd.	66.25
Public	33.16

Source : Company | as of fin. statement FY2024

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	127.78	142.00	-9.95
2025F	150.18	175.00	-14.09

Source : *marketscreener | as of Feb 5th, 2025

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PT XL Axiata Tbk

(EXCL.JK / EXCL.IJ)

Robust Performance Inline with Solid 4Q24 Results

EXCL managed to record a net profit of IDR502 billion in 4Q24 (+92.81% YoY; 22.07% QoQ), which was in line with our projection of 101.51% of the target. Solid net profit contributed to an improved net profit margin, which reached 5.29% in 12M4 (vs 3.93% in 12M23). The Company managed to keep operating expenses growing at a low-single-digit level. Operating expenses grew 3.08% YoY or reached Rp28.80 trillion in 12M24. The Company's success in maintaining operating expenses growth in the lower single digits was reflected in sales and marketing expenses that were successfully reduced by >10%. Sales and marketing expenses were recorded at IDR505 billion in 4Q24 (-22.53% YoY; -1.03% QoQ). In addition, EXCL managed to record EBITDA of IDR4.50 trillion (+10.97% YoY; +5.64% QoQ) in 4Q24. On a cumulative basis, EBITDA reached IDR17.88 trillion, representing 107% of our target, with EBITDA margin continuing to grow, reaching 51.99% in 12M24 (vs49.14% in 12M23).

The data segment continues to show mid-high single-digit growth throughout 2024. Despite year-end price hikes, the subscriber base grew to 58.80k in 12M24 (vs. 57.50 in 12M23), with combined ARPU rising to Rp43k (vs. Rp41k in 12M23). In addition, data consumption also saw an improvement at the end of the year. Data consumption reached 2,724 petabytes (PB) in 4Q24 (vs 2,194 PB in 3Q24; vs 2,529 PB in 4Q23). The increase in data consumption was supported by high demand due to the momentum of Christmas and New Year, as well as the regional elections that took place in 4Q24.

We highlight EXCL's strategic position in the fixed broadband segment, where the company has become Indonesia's second-largest ISP player with >1 million subscribers. Although the fixed broadband contribution to revenue is still relatively small (<10%), this segment still shows attractive growth potential in the future. Update related to Currently, the company is applying for approval to OJK and Komdigi, expecting the merger process to be completed by 1H25. Post-merger, the combined entity XL Axiata, which will be transformed into XL Smart, will operate three leading brands: XL, Axis, and Smartfren. Although the segmentation of each brand has not yet been announced in detail, we expect this move to strengthen the company's position in the market and improve competitiveness by leveraging the strengths of the three brands.

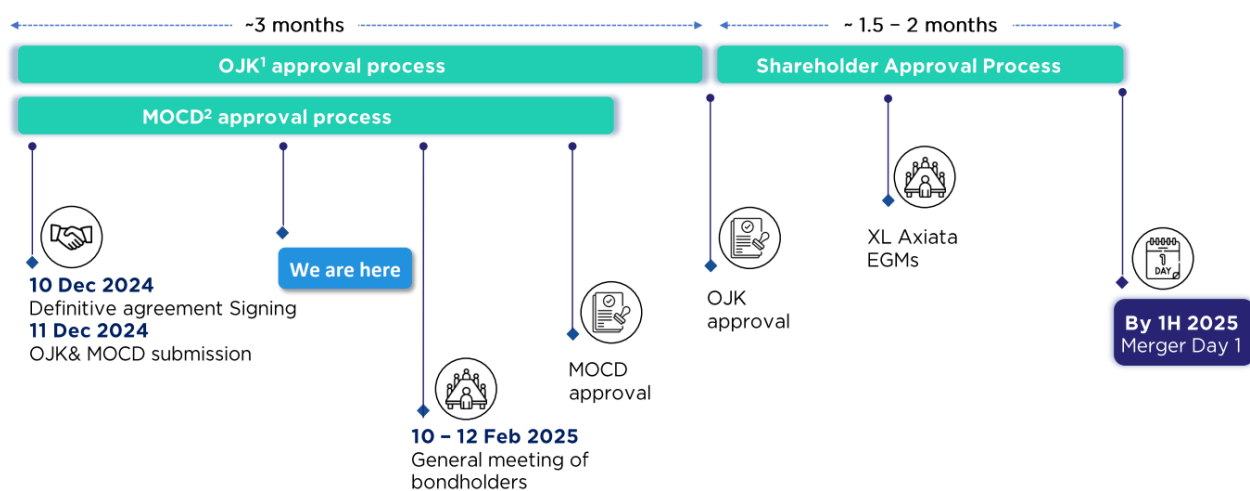
We maintain a BUY rating on EXCL with a potential upside of 22.76% to IDR2,900 per share. Currently, we have not updated our valuation pending FY25 guidance from the management. However, we remain optimistic about EXCL's prospects, especially as the fixed broadband segment still has significant room for growth, supported by the acquisition of ~750k Link Net subscribers, as we have discussed in our previous report ([please see report](#)). We see this segment as having great potential going forward, both in fixed broadband and fixed mobile convergence. Downside risk: potential regulatory hurdles in the merger process and pressure from price competition.

Table 1. Financial and Operational Highlight

PT XL Axiata Tbk										
(In Billion IDR)	12M23	12M24	YoY	4Q23	3Q24	4Q24	YoY	QoQ	Phintas Estimate	%Phintas
Revenue	32,323	34,392	6.40%	8,455	8,310	9,030	6.80%	8.67%	34,350	100.12%
Data and digital services	29,401	31,578	7.40%	7,680	7,539	8,201	6.79%	8.78%		
Nondata	1,005	899	-10.58%	226	210	424	87.76%	101.76%		
Cellular interconnection services	1,430	1,140	-20.30%	409	343	424	3.62%	23.68%		
Managed Service and IT Services	501	775	54.73%	143	218	199	39.54%	-8.85%		
Operating Expenses	27,943	28,803	3.08%	7,305	7,036	7,500	2.67%	6.59%	29,226	98.55%
Depreciation Expenses	11,348	12,074	6.40%	(2,933)	(3,012)	(3,000)	2.30%	-0.39%		
Ammortization Expenses	157	217	37.98%	(47)	(52)	(52)	10.85%	-0.27%		
Infrastructure Expenses	8,996	8,942	-0.59%	(2,338)	(2,225)	(2,317)	-0.90%	4.15%		
Interconnection And Other Direct Expenses	8,996	3,284	-63.49%	(852)	(693)	(1,005)	17.92%	45.03%		
Salaries And Employee Benefit	1,402	1,736	23.81%	(343)	(439)	(479)	39.68%	9.17%		
Sales And Marketing Expenses	2,455	2,094	-14.69%	(650)	(510)	(505)	-22.35%	-1.03%		
General And Administrative Expense	413	455	10.16%	(142)	(105)	(142)	-0.13%	34.69%		
Operating Profit	4,380	5,589	27.60%	1,150	1,274	1,531	33.10%	20.15%	5,124	109.08%
EBITDA	15,885	17,880	12.56%	4,130	4,339	4,583	10.97%	5.64%	16,688	107.14%
Finance Cost	2,940	3,113	5.88%	(766)	(766)	(807)	5.28%	5.26%	2,739	113.66%
Net Profit	1,271	1,819	43.10%	261	411	502	92.81%	22.07%	1,792	101.51%
Profitability Ratio										
Operating Profit Margin (OPM)	13.55%	16.25%		13.60%	15.33%	16.95%			14.92%	
EBITDA Margin	49.14%	51.99%		48.85%	52.21%	50.75%			48.58%	
Net Profit Margin (NPM)	3.93%	5.29%		3.08%	4.95%	5.56%			5.22%	
Operational Data										
Subscriber Postpaid (In Million)	1.60	1.70								
Subscriber Prepaid (In Million)	55.90	57.10								
Total Subscriber (In Million)	57.50	58.80								
ARPU Postpaid (In Thousand)	90.00	91.00		87.00	86.00	90.00				
ARPU Prepaid (In Thousand)	40.00	41.00		41.00	40.00	40.00				
ARPU Blended (In Thousand)	41.00	43.00		43.00	41.00	41.00				
Data Consumption (In Petabytes)	9,638	10,547		2,529	2,194	2,724				
XL Home Subscribers (In Thousand)	441	1,024		235	289	735				
Fiberized Site % - Cumulative	61.00%	63.00%								

Source : Company | Phintraco Sekuritas Research

Figure 1. Time Table Merger XL and FREN



Source : Company Presentation



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Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of $> +10\%$ over the next 12 months.
- Hold : The stock is expected to give total return of $> 0\%$ to $\leq +10\%$ over the next 12 months.
- Sell : The stock is expected to give total return of $< 0\%$ over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

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Kantor Cabang & Mitra GI BEI



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