PT XLSmart Telecom Sejahtera Tbk (EXCL.JK / EXCL.IJ)

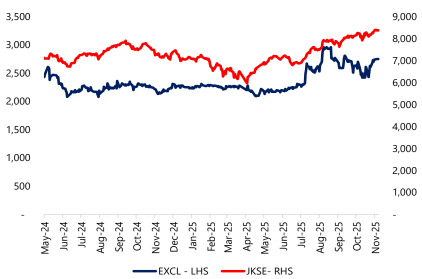
IDX-30 | ISSI | Shariah Compliants Stock

BUY

Price (Nov 13th, 25)	2,750
Target Price	3,100
Potential Upside	13.97%
Market Cap	50.05 T
Number of Share	18.20 B
52w Lo/Hi	1,695/2,650

Source : IDX | Phintraco Sekuritas Research

IHSG vs EXCL



Source : IDX

Shareholder	%
Axiata Investments (Indonesia) Sdn. Bhd.	34.69
PT Bali Media Telekomunikasi	24.57
Public	26.49

Source : Bloomberg

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2025F	-1.36	90.293	-101.50
2026F	132.86	128.466	3.42

Source : Bloomberg

Integration Headwinds Offset by Improving Core Metrics

EXCL continued to record pressured performance in 3Q25 as the integration phase with FREN remains ongoing, reflected in a net loss of IDR1.38 trillion for the quarter (vs IDR1.61 trillion in 2Q25). Cumulatively, the company posted a 9M25 net loss of IDR2.60 trillion. On the top line, EXCL delivered an improvement with revenue reaching IDR11.45 trillion in 3Q25 (+9.14% QoQ), bringing 9M25 revenue to IDR30.55 trillion (+20.45% YoY). Growth continued to be driven by the data segment as the core contributor, generating approximately IDR10.29 trillion in 3Q25 (+7.43% QoQ). This momentum was supported by an increase in data traffic to 3,903 PB (+2.25% QoQ), in line with ongoing starter-pack rationalization efforts that are beginning to enhance the quality of the active subscriber base. From a monetization standpoint, blended ARPU improved to IDR38.90k in 3Q25 (vs IDR36.00k in 2Q25). The ARPU uplift aligns with higher traffic and improving customer productivity, helping support data revenue despite a slightly lower total subscriber base of 79.60 million as of 9M25.

We expect EXCL's focus over the next few quarters to remain centered on the post-merger integration process, as integration-related expenses continue to weigh on profitability. Excluding these integration costs, EXCL's underlying performance actually shows a more constructive trend, with normalized EBITDA reaching IDR5.4 trillion in 3Q25, higher than the reported EBITDA, which was pressured by IDR544 billion in integration expenses during the period. A similar dynamic is reflected at the bottom line, where normalized PAT reached IDR1.15 trillion in 3Q25, in sharp contrast to the reported net loss driven by integration expenses, accelerated depreciation, and asset impairments. The increase in depreciation and amortization mainly stems from accelerated charges on several assets, including the 900 MHz spectrum that will be returned to Komdigi in FY26, as well as the accelerated depreciation of legacy equipment following vendor migration. Despite these temporary pressures, we acknowledge management's commitment to maintain dividend distributions this year, implying a potential dividend yield of 1.32% based on the three-year historical DPR of ~41%. Looking ahead, however, the room for dividend distribution will likely become more limited, and EXCL's ability to sustain dividends will depend heavily on post-merger financial performance and the eventual outcome of the integration process.

EXCL's management has introduced three strategic growth pillars: (1) Mobile, (2) Enterprise, and (3) Home. Through its XL, Axis, and Smartfren brands, the company aims to enhance service quality by simplifying product offerings and strengthening digital ecosystem engagement, supported by increased activity and usage across its applications (MyXL, MySmartfren, and Axisnet). In the enterprise segment, EXCL is expanding its role as a preferred ICT partner through ESTA (Enterprise Smart Technology & Automation), an integrated solutions platform designed to support digital transformation via connectivity, IoT, cloud services, cybersecurity, and business process automation. Meanwhile, in the home broadband segment, EXCL is set to reinforce its position as one of the leading fixed broadband providers by improving customer experience and offering greater service flexibility. Through XL Satu, the company aims to drive stronger customer loyalty and deeper household penetration. Taken together, the ongoing integration efforts, improving customer quality, and the strengthening of these three growth pillars provide a solid foundation for EXCL's medium-term recovery trajectory.

We maintain our BUY recommendation on EXCL with a target price of IDR3,100. Although the company's performance remains under pressure at present, we view the weakness as temporary and largely attributable to the ongoing integration process. Looking ahead, we remain constructive on EXCL's outlook, supported by improving data traffic, a gradually strengthening customer base, and stabilizing ARPU trends. In addition, we expect EXCL's three strategic growth pillars to play a significant role in driving operational improvements. **Downside risks** include potential delays in the integration process that could postpone synergy realization, as well as persistent pricing pressure that continues to challenge monetization.

Research Analyst
Aditya Prayoga
+62 21 255 6138 Ext. 8302
adit@phintracosekuritas.com

Table 1. Financial and Operational Highlight 9M25

PT XLSMART Telecom Sejahtera Tbk - EXCL												
(in Billion IDR)	9M24	9M25	YoY	3Q24	2Q25	3Q25	QoQ	YoY	Phintas Estimate	%Phintas	Consensus Estimate	%Cons
Revenue	**25,361**	**30,547**	**20.45%**	**8,310**	**10,494**	**11,452**	**9.14%**	**37.82%**	**41,543**	**73.53%**	**41,694**	**73.27%**
Data and digital services	*23,377*	*27,753*	18.72%	*7,539*	*9,577*	*10,289*	7.43%	*36.48%*				
Nondata	*692*	*553*	-20.05%	*210*	*179*	*178*	-0.77%	*-15.20%*				
Cellular interconnection services	*716*	*1,844*	157.64%	*343*	*607*	*845*	39.11%	*146.51%*				
Managed Service and IT Services	*576*	*396*	-31.19%	*218*	*130*	*141*	8.30%	*-35.58%*				
Operating Expenses	**21,303**	**29,567**	**38.79%**	**7,036**	**10,549**	**11,767**	**11.55%**	**67.24%**	**38,340**	**77.12%**	**38,385**	**77.03%**
Depreciation Expenses	*9,074*	*12,371*	36.33%	*3,012*	*4,438*	*5,061*	14.03%	*68.01%*				
Ammortization Expenses	*165*	*314*	90.44%	*52*	*103*	*111*	6.85%	*110.95%*				
Infrastructure Expenses	*6,626*	*8,675*	30.93%	*2,225*	*3,024*	*3,310*	9.45%	*48.78%*				
Interconnection And Other Direct Expenses	*2,279*	*3,509*	53.95%	*693*	*1,173*	*1,386*	18.22%	*100.13%*				
Salaries And Employee Benefit	*1,257*	*2,667*	112.17%	*439*	*1,103*	*1,050*	-4.81%	*139.19%*				
Sales And Marketing Expenses	*1,589*	*1,507*	-5.16%	*510*	*527*	*591*	12.25%	*15.89%*				
General And Administrative Expense	*313*	*524*	67.00%	*105*	*181*	*258*	42.55%	*145.89%*				
Operating Profit	**4,058**	**981**	**-75.83%**	**1,274**	**(55)**	**(314)**	**469.86%**	**-124.67%**	**3,203**	**30.62%**	**3,309**	**29.64%**
EBITDA	**13,297**	**13,665**	**2.77%**	**4,339**	**4,487**	**4,857**	**8.26%**	**11.96%**	**18,902**	**72.29%**	**19,062**	**71.69%**
Net Profit	**1,317**	**(2,603)**	**-**	**293**	**(1,608)**	**(1,380)**	**-14.21%**	**-571.52%**	**(178)**	**-**	**(679)**	**-**
Profitability Ratio												
Operating Profit Margin (OPM)	16.00%	3.21%		15.33%	-0.53%	-2.74%			7.71%		7.94%	
EBITDA Margin	52.43%	44.73%		52.21%	42.76%	42.41%			45.50%		45.72%	
Net Profit Margin (NPM)	5.19%	-8.52%		3.52%	-15.32%	-12.05%			-0.43%		-1.63%	
Operational Data												
Subscriber Postpaid (In Million)	1.70	1.90	11.76%									
Subscriber Prepaid (In Million)	56.90	77.70	36.56%									
Total Subscriber (In Million)	**58.60**	**79.60**	**35.84%**									
ARPU Postpaid (In Thousand)	88.00	82.80	-5.91%	86.00	84.00	91.10	8.45%	5.93%				
ARPU Prepaid (In Thousand)	42.00	36.70	-12.62%	40.00	36.00	37.90	5.28%	-5.25%				
ARPU Blended (In Thousand)	**43.00**	**37.80**	**-12.09%**	**41.00**	**36.00**	**38.90**	**8.06%**	**-5.12%**				
Data Consumption (In Petabytes)	7,823	10,568	35.09%	2,554	3,817	3,903	2.25%	52.82%				
Base Transceiver Station (`000 Units)	165	209	26.83%									

Source : Company | Phintraco Sekuritas Research

Figure 1. Normalized EBITDA and Net Profit Excluding Integration Costs

(in IDR Bn)	1Q 25	2Q 25*	3Q 25	9M 25
Reported EBITDA	4,321	4,486	4,858	13,665
Integration costs (Opex)	-	475	544	1,019
Normalized EBITDA	4,321	4,962	5,402	14,684
Reported PAT	388	(1,607)	(1,377)	(2,596)
Integration cost (Opex)**	-	371	424	795
Accelerated depreciation	-	739	1,820	2,559
Asset impairment	-	802	287	1,089
Normalized PAT	388	305	1,154	1,847

Source : Company Presentation

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Rating for Stocks :

Buy : The stock is expected to give return of more than 10% over the next 12 months.

Hold : The stock is expected to give return of between -10% and 10% over the next 12 months.

Sell : The stock is expected to give total return of < -10% 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