Buy

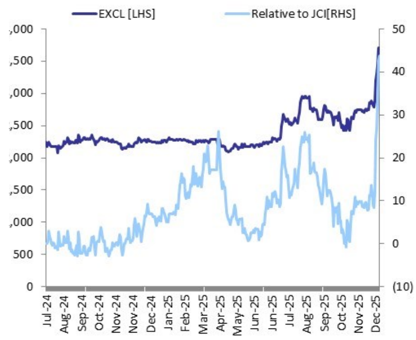
(Maintained)

Last Price (Rp)	3,700
Target Price (Rp)	4,100
Previous Target Price (Rp)	*3,310*
Upside/Downside	+10.8%
No. of Shares (mn)	18,200
Mkt Cap (Rpbn/US$mn)	67,339/4,038
Avg, Daily T/O (Rpbn/US$mn)	42.0/2.5
Free Float (%)	65.2
Major Shareholder (%)	
Axiata Investments Indonesia Sdn. Bhd.	34.7
PT Bali Media Telekomunikasi	24.6

EPS Consensus (Rp)

	2025F	2026F	2027F
BRIDS	(208)	(76.0)	106.1
Consensus	(135)	14.8	171.3
BRIDS/Cons (%)	**53.4**	**(613)**	**(38.0)**

EXCL relative to JCI Index



Source: Bloomberg

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XLSmart Telecom Sejahtera (EXCL IJ)

Positioned for Post-Merger Upside

- **Network integration will boost coverage, capacity, and efficiency, hence positioning EXCL for stronger traffic and sustained yield gains.**
- **We project leverage to drop to 2.8x ND/EBITDA in FY26-27F, reflecting balance-sheet flexibility, supported by the MORA divestment proceeds.**
- **Maintain Buy rating with a higher TP of Rp4,100, supported by robust post-integration free cash flow of Rp8-10tr p.a. over FY27-30F.**

Network integration unlocks further upside for LT mobile monetization

The MOCN integration, targeted for completion in 1H26, should unlock meaningful monetization upside for EXCL by expanding its effective spectrum pool to 152MHz (pre-900 MHz return) and strengthening network capacity. Early benefits already appeared in 3Q25, with download speeds across the three brands rising 71%. The company also noted that not all of the planned 17-18k site removals will proceed, as some will be redeployed to underserved areas. With broader coverage, higher efficiency, and greater capacity, EXCL is better positioned to drive sustained yield improvement. Smartfren's low ARPU base also offers upside, as its mass-market positioning could enable ARPU re-rating supported by the enhanced integrated network.

Divestment of MORA strengthens balance sheet profile

EXCL divested its 18.32% stake in MORA at Rp432/share (implying a 7.7x EV/EBITDA), generating Rp1.87tr in proceeds and an estimated accounting gain of ~Rp112.6bn. While EXCL distributed a Rp2.9tr special dividend in Dec25, funded by the Rp2.7tr sale of treasury shares, we believe the proceeds from MORA divestment are primarily intended to restore balance-sheet flexibility. This is particularly important given EXCL's elevated capex intensity in FY25-26F, and a higher debt load post-merger. Reflecting this improved liquidity position, we project ND/EBITDA to fall to 2.8x in FY26-27F (from our previous estimate of 3.1x).

Reiterate Buy rating on stronger free cash flow post-integration

We revise our FY26/27F net profit by +12/+20% on lower interest exp. from a leaner debt profile. We project reported EBITDA growth of 13.7%/ 12.5% yoy in FY26F/27F, with margins recovering toward ~49% by FY27F, supported by topline uplift from network integration and synergy-driven cost savings across sites, spectrum, and labor. We expect capex intensity to peak at 24%/ 21% of revenue in FY25-26F, due to merger consolidation, modernization, and early 5G preparation, before normalizing to sub-20% in FY27F onwards as EXCL shifts to a more mobile-focused post–fiber restructuring. We raise our TP to Rp4,100 (implying 6.2x/ 5.5x EV/EBITDA for FY26F/ 27F), underpinned by a stronger free cash flow generation over FY27-30F (projected Rp8-10tr p.a.).

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	32,323	34,392	42,567	46,820	49,343
EBITDA (Rpbn)	15,885	17,879	18,916	21,508	24,195
EBITDA Growth (%)	11.6	12.6	5.8	13.7	12.5
Net Profit (Rpbn)	1,257	1,818	(3,786)	(1,383)	1,932
EPS (Rp)	69.1	99.9	(208.0)	(76.0)	106.1
EPS Growth (%)	14.0	44.7	(308.2)	(63.5)	(239.7)
BVPS (Rp)	1,446.5	1,431.9	1,636.1	1,560.1	1,666.2
DPS (Rp)	30.2	35.5	220.9	0.0	0.0
PER (x)	53.6	37.0	n/m	n/m	34.9
PBV (x)	2.6	2.6	2.3	2.4	2.2
Dividend yield (%)	0.8	1.0	6.0	0.0	0.0
EV/EBITDA	8.1	7.2	6.8	6.0	5.3

Source: EXCL, BRIDS Estimates

Exhibit 1. EXCL forecast revision summary

Rp bn	2024A	OLD 2025F	OLD 2026F	OLD 2027F	BRIDS NEW 2025F	BRIDS NEW 2026F	BRIDS NEW 2027F	Δ% 2025F	Δ% 2026F	Δ% 2027F
Revenue	**34,392**	**42,567**	**46,820**	**49,343**	**42,567**	**46,820**	**49,343**	-	-	-
growth %	*6.4*	*23.8*	*10.0*	*5.4*	*23.8*	*10.0*	*5.4*	-	-	-
of which fixed BB revenue	*1,145*	*2,960*	*3,421*	*3,473*	*2,960*	*3,421*	*3,473*	-	-	-
Reported EBITDA	**17,863**	**18,916**	**21,508**	**24,195**	**18,916**	**21,508**	**24,195**	-	-	-
EBITDA margin %	*51.9*	*44.4*	*45.9*	*49.0*	*44.4*	*45.9*	*49.0*	-	-	-
EBIT	**5,757**	**(208)**	**2,332**	**7,053**	**(208)**	**2,332**	**7,053**	-	-	-
EBIT margin %	*16.7*	*(0.5)*	*5.0*	*14.3*	*(0.5)*	*5.0*	*14.3*	-	-	-
Net Income	**1,818**	**(3,674)**	**(1,562)**	**1,610**	**(3,674)**	**(1,383)**	**1,932**	-	***11.5***	***20.0***
NI margin %	*5.3*	*(8.6)*	*(3.3)*	*3.3*	*(8.6)*	*(3.0)*	*3.9*	-	*0.4*	*0.7*
ND/EBITDA	**2.5**	**3.1**	**3.1**	**3.1**	**3.0**	**2.8**	**2.8**	***(0.0)***	***(0.3)***	***(0.3)***
Mobile Subscribers (mn)	**58.8**	**78.6**	**78.6**	**78.6**	**78.6**	**78.6**	**78.6**	-	-	-
growth %	*2.3*	*33.6*	-	-	*33.6*	-	-	-	-	-
Fixed BB Subscribers (mn)	***1.0***	***1.0***	***1.2***	***1.2***	***1.0***	***1.2***	***1.2***	-	-	-
growth %	*325.5*	*(4.4)*	*21.7*	*6.8*	*(4.4)*	*21.7*	*6.8*	-	-	-
Data traffic (PBs)	**10,547**	**15,329**	**15,648**	**16,482**	**15,329**	**15,648**	**16,482**	-	-	-
growth %	*9.4*	*45.3*	*2.1*	*5.3*	*45.3*	*2.1*	*5.3*	-	-	-
Data yield (Rp k.)	**2.9**	**2.5**	**2.5**	**2.5**	**2.5**	**2.5**	**2.5**	-	-	-
growth %	*1.7*	*(13.8)*	*1.1*	*0.9*	*(13.8)*	*1.1*	*0.9*	-	-	-
Calculated Mobile ARPU (Rp	**43.1**	**41.3**	**42.6**	**45.2**	**41.3**	**42.6**	**45.2**	-	-	-
growth %	*3.1*	*(4.2)*	*3.0*	*6.1*	*(4.2)*	*3.0*	*6.1*	-	-	-
Fixed BB. ARPU (Rp k.)	**270**	**258**	**245**	**233**	**258**	**245**	**233**	-	-	-
growth %	*40.1*	*(4.4)*	*(5.0)*	*(5.0)*	*(4.4)*	*(5.0)*	*(5.0)*	-	-	-

Source: Company, BRIDS Estimates

Exhibit 2. EXCL forecast FCF generation (2023-30F)

(Rp Bn)	2023	2024	2025	2026	2027	2028	2029	2030
EBITDA	15,898	17,863	18,916	21,508	24,195	25,738	27,314	28,912
EBITDA margin	*49.2%*	*51.9%*	*44.4%*	*45.9%*	*49.0%*	*49.5%*	*50.0%*	*50.4%*
Change in Working Capital	(3,139)	(2,212)	4,023	2,721	652	1,029	(489)	1,813
Taxes cash out	(420)	(580)	638	381	(613)	(1,013)	(1,134)	(1,274)
Cash flow from operations	**12,339**	**15,071**	**15,530**	**19,168**	**22,930**	**23,695**	**26,668**	**25,825**
Capex	(6,795)	(6,670)	(10,000)	(10,000)	(9,375)	(9,869)	(10,376)	(10,892)
% of Revenue	*21.0%*	*19.4%*	*23.5%*	*21.4%*	*19.0%*	*19.0%*	*19.0%*	*19.0%*
Financial expenses	(2,940)	(3,113)	(4,155)	(4,160)	(4,564)	(5,068)	(5,000)	(4,892)
Capex & Financial expenses	**(9,735)**	**(9,783)**	**(14,155)**	**(14,160)**	**(13,939)**	**(14,937)**	**(15,376)**	**(15,784)**
FCF	**2,604**	**5,288**	**1,375**	**5,008**	**8,991**	**8,758**	**11,292**	**10,041**

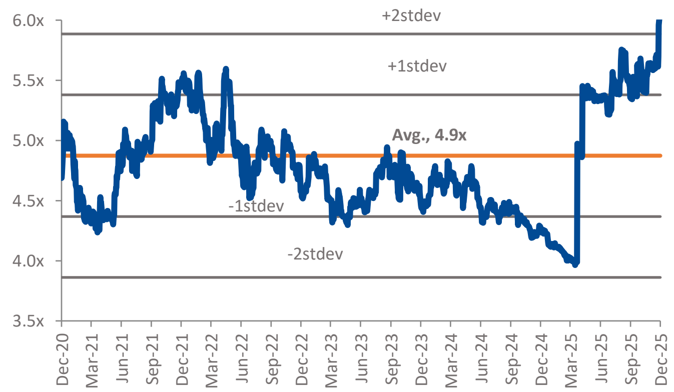
Source: Company, BRIDS Estimates

Exhibit 3. Telco peers valuation

Company	Rec.	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)			EV/EBITDA (x)			PBV (x)			ROE (%)			Dividend yield (%)	
				'25F	'26F	'27F	'25F	'26F	'27F	'25F	'26F	'27F	'25F	'26F	'27F	'25F	'26F
EXCL	BUY	4,100	67,339	n.a	n.a	34.9	6.8	6.0	5.3	2.3	2.4	2.2	-13.6	-4.8	6.6	n.a	n.a
ISAT	BUY	3,000	76,757	16.5	13.7	12.6	4.8	4.6	4.4	2.1	2.0	1.9	13.4	15.2	15.6	4.6	5.1
TLKM	BUY	4,000	353,652	16.9	15.9	15.0	5.5	5.2	4.9	2.5	2.4	2.4	14.7	15.4	16.0	5.3	5.6
Weighted average				**13.5**	**12.4**	**11.6**	**5.6**	**5.2**	**4.9**	**2.4**	**2.3**	**2.3**	**8.9**	**11.4**	**14.1**	**4.1**	**4.4**

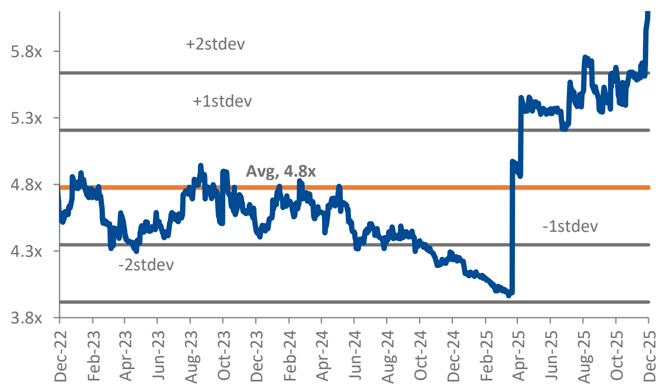
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 4. EXCL 5-year forward EV/EBITDA multiple band



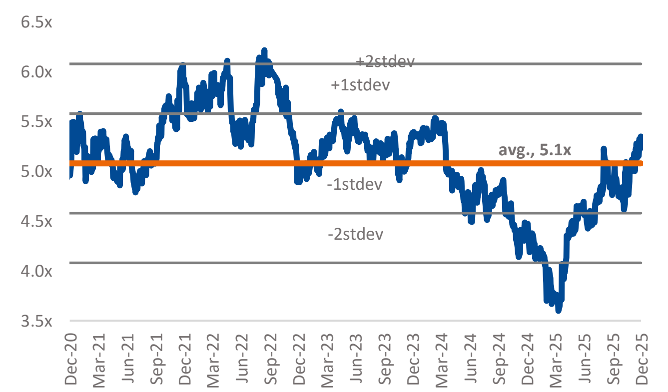
Source: Company, BRIDS

Exhibit 5. EXCL 3-year forward EV/EBITDA multiple band



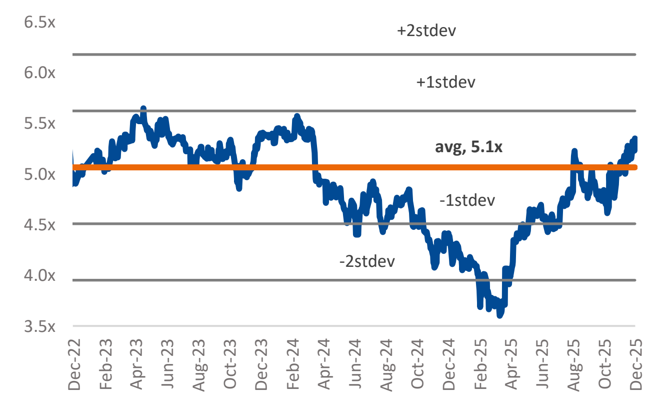
Source: Company, BRIDS

Exhibit 6. Sector 5-year forward EV/EBITDA multiple band



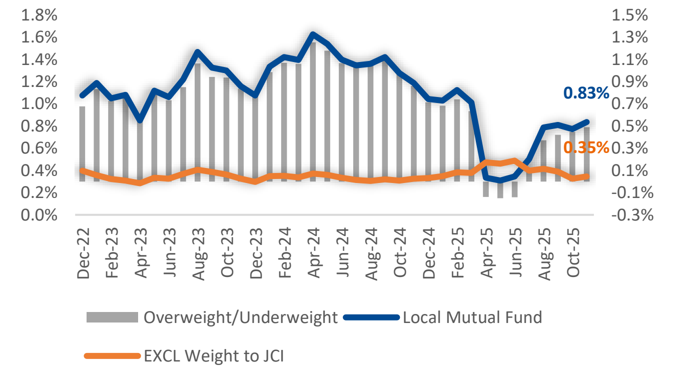
Source: Company, BRIDS

Exhibit 7. Sector 3-year forward EV/EBITDA multiple band



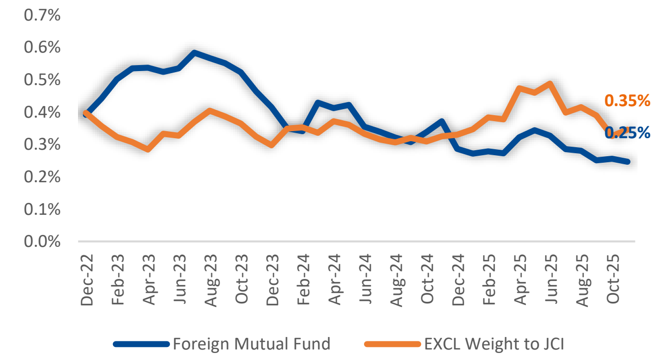
Source: Company, BRIDS

Exhibit 8. EXCL's Domestic Fund Positioning



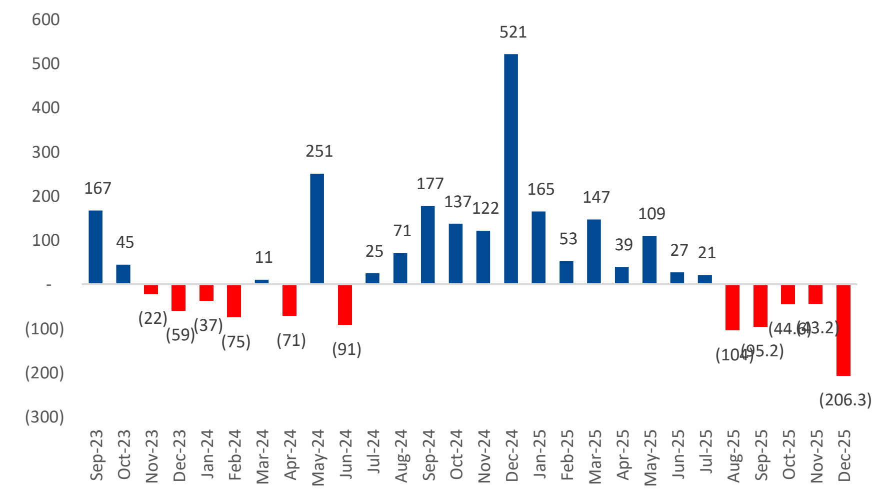
Source: KSEI, BRIDS

Exhibit 9. EXCL's Foreign Ownership



Source: KSEI, BRIDS

Exhibit 10. EXCL's Monthly Foreign Flow (Rpbn)

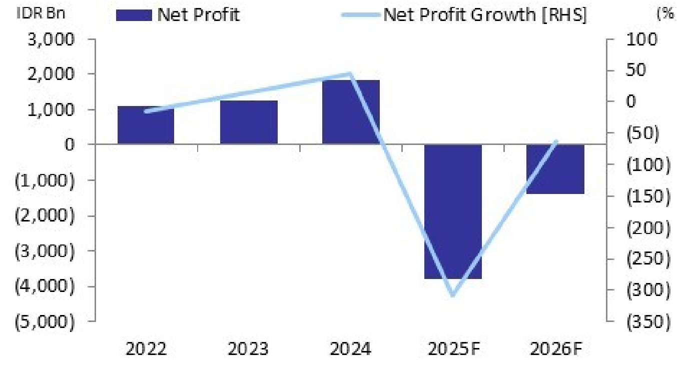


Source: IDX, Bloomberg, BRIDS

Exhibit 11. Revenue and Growth

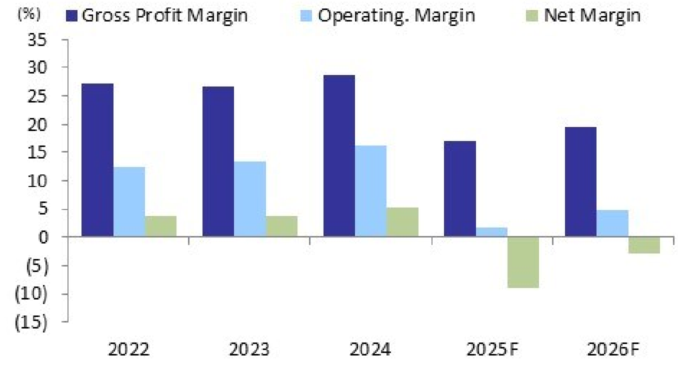
Source: Company, BRIDS Estimates

Exhibit 12. Net Profit and Growth



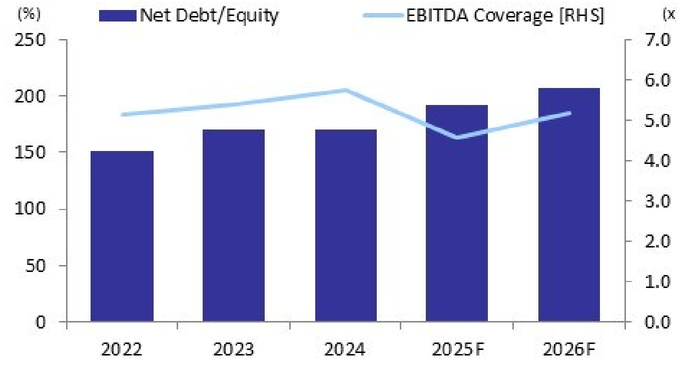
Source: Company, BRIDS Estimates

Exhibit 13. Margins



Source: Company, BRIDS Estimates

Exhibit 14. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 15. Income Statement

Year to 31 Dec (IDRbn)	2023A	2024A	2025F	2026F	2027F
Revenue	**32,323**	**34,392**	**42,567**	**46,820**	**49,343**
COGS	(23,674)	(24,518)	(35,339)	(37,711)	(35,269)
Gross profit	**8,648**	**9,873**	**7,228**	**9,108**	**14,074**
EBITDA	**15,885**	**17,879**	**18,916**	**21,508**	**24,195**
Oper. profit	**4,378**	**5,588**	**736**	**2,187**	**7,053**
Interest income	100	80	80	90	77
Interest expense	(2,940)	(3,113)	(4,155)	(4,160)	(4,564)
Forex Gain/(Loss)	13	(16)	0	0	1
Income From Assoc. Co’s	(191)	(298)	(121)	0	0
Other Income (Expenses)	330	185	(944)	145	0
Pre-tax profit	**1,690**	**2,427**	**(4,403)**	**(1,738)**	**2,568**
Income tax	(420)	(580)	638	381	(613)
Minority interest	(13)	(29)	(21)	(25)	(23)
Net profit	**1,257**	**1,818**	**(3,786)**	**(1,383)**	**1,932**
Core Net Profit	**1,244**	**1,835**	**(3,786)**	**(1,383)**	**1,931**

Exhibit 16. Balance Sheet

Year to 31 Dec (IDRbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	956	1,387	1,226	1,022	2,976
Receivables	1,435	2,175	2,010	2,218	2,353
Inventory	378	194	332	366	388
Other Curr. Asset	4,395	4,680	5,616	5,148	5,382
Fixed assets - Net	63,898	61,035	70,286	79,012	86,784
Other non-curr.asset	16,623	16,708	27,907	22,307	25,107
Total asset	**87,685**	**86,179**	**107,377**	**110,074**	**122,991**
ST Debt	6,877	9,090	9,363	9,644	9,933
Payables	9,383	8,251	12,162	14,188	14,952
Other Curr. Liabilities	3,914	3,675	4,697	5,166	5,444
Long Term Debt	39,041	36,998	49,276	50,579	60,232
Other LT. Liabilities	2,000	1,942	1,942	1,942	1,942
Total Liabilities	**61,215**	**59,956**	**77,439**	**81,518**	**92,504**
Shareholder'sFunds	26,326	26,060	29,776	28,394	30,325
Minority interests	144	162	162	162	162
Total Equity & Liabilities	**87,685**	**86,179**	**107,377**	**110,074**	**122,991**

Exhibit 17. Cash Flow

Year to 31 Dec (IDRbn)	2023A	2024A	2025F	2026F	2027F
Net income	1,257	1,818	(3,786)	(1,383)	1,932
Depreciation and Amort.	11,506	12,291	18,180	19,321	17,141
Change in Working Capital	(3,139)	(2,212)	4,023	2,721	652
OtherOper. Cash Flow	649	1,964	(3,381)	(2,772)	784
Operating Cash Flow	**10,274**	**13,862**	**15,036**	**17,887**	**20,508**
Capex	(3,994)	(5,563)	(9,333)	(9,500)	(8,875)
Others Inv. Cash Flow	(128)	(4)	(11,119)	5,689	(2,723)
Investing Cash Flow	**(4,123)**	**(5,567)**	**(20,452)**	**(3,811)**	**(11,598)**
Net change in debt	1,838	112	12,550	1,584	9,943
New Capital	0	(1,499)	11,411	0	0
Dividend payment	(549)	(646)	(4,021)	0	0
Other Fin. Cash Flow	(11,663)	(5,892)	(14,797)	(15,865)	(16,899)
Financing Cash Flow	**(10,374)**	**(7,926)**	**5,143**	**(14,281)**	**(6,956)**
Net Change in Cash	**(4,223)**	**368**	**(273)**	**(205)**	**1,954**
Cash - begin of the year	5,184	956	1,387	1,226	1,022
Cash - end of the year	956	1,387	1,226	1,022	2,976

Exhibit 18. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	10.9	6.4	23.8	10.0	5.4
EBITDA	11.6	12.6	5.8	13.7	12.5
Operating profit	19.7	27.6	(86.8)	197.2	222.5
Net profit	14.0	44.7	(308.2)	(63.5)	(239.7)
Profitability (%)					
Gross margin	26.8	28.7	17.0	19.5	28.5
EBITDA margin	49.1	52.0	44.4	45.9	49.0
Operating margin	13.5	16.2	1.7	4.7	14.3
Net margin	3.9	5.3	(8.9)	(3.0)	3.9
ROAA	1.4	2.1	(3.9)	(1.3)	1.7
ROAE	4.8	6.9	(13.6)	(4.8)	6.6
Leverage					
Net Gearing (x)	1.7	1.7	1.9	2.1	2.2
Interest Coverage (x)	1.5	1.8	0.2	0.5	1.5

Source : EXCL, Danareksa Estimates

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INVESTMENT RATING

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