# XL Axiata (EXCL): IDR 2,140 - BUY, SSI TP: IDR 2,900; Cons. TP: IDR 2,883



Results: (IDR Bn)	3Q24	2Q24	3Q23	QoQ (%)	YoY (%)	9M24	9M23	YoY (%)	SSI (%)	Cons (%)
Revenue	8,310	8,613	8,103	-3.5	2.5	25,361	23,868	6.3	74.4	73.0
Operating Profit	1,274	1,394	1,145	-8.6	11.3	4,058	3,229	25.7	75.5	76.3
EBITDA	4,339	4,503	4,103	-3.7	5.8	13,297	11,755	13.1	76.1	75.7
Net Profit	292	486	349	-39.9	-16.5	1,317	1,000	31.7	72.5	69.6
Key Ratios										
OPM (%)	15.3	16.2	14.1	-	-	16.0	13.5	-	-	-
EBITDA Margin (%)	52.2	52.3	50.6	-	-	52.4	49.2	-	-	-
NPM (%)	3.5	5.6	4.3	-	-	5.2	4.2	-	-	-
ARPU (IDR)	41,000	44,000	42,000	-6.8	-2.4	41,000	41,000	4.9	-	-
Num. of Subs. (mn)	58.6	58.5	57.5	0.2	1.9	58.6	57.5	1.9	-	-
Data Payload (PB)	2,554	2,660	2,453	-4.0	4.1	7,823	7,109	10.0	-	-
Data Yield/GB (IDR)	2,952	3,013	2,980	-2.0	-0.9	2,988	3,055	-2.2	-	-

# **SWOT** Analysis of the Results (below ours and cons)

## Strength

Positive YoY growth in 3Q24 top-line, driven by increased number of subscribers and higher data payload as more activities shift to digital platforms and online entertainment becomes more widespread; stable subscriber base with low single-digit churn rate

### Weakness

-39.9% QoQ decline in 3Q24 bottom-line, primarily due to share of loss from associates, particularly the underperforming Link Net (20% stake); weak purchasing power led to downtrading among subscribers, causing lower data payload in 3Q24

## **Opportunity**

750k new subscribers acquired from First Media may be converted into new mobile subscribers through EXCL's Fixed Mobile Convergence (FMC) strategy; Al adoption is expected to benefit EXCL's operations by enabling more efficient cost management, faster customer behavior analysis, and improved subscriber experience

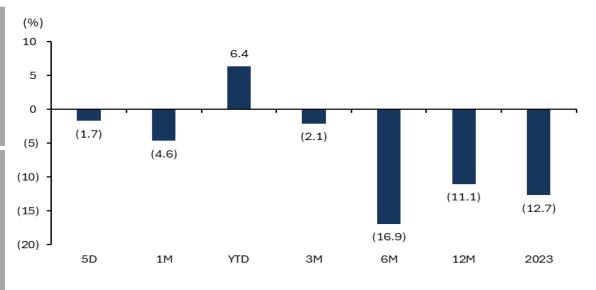
#### **Threat**

Narrowing gap between EXCL and TLKM's mobile ARPU suggests that EXCL may need to consider lowering its prices to remain competitive; price war in fixed broadband (FBB) market could pressure the company to reduce its ARPU, potentially leading to further earnings downgrades

## **Peer Comparables**

	Market	Last	Target	2024F				
Company	Cap.	Price	Price	P/E	<b>EPS Gwt</b>	EV/EBITDA	<b>Net Gearing</b>	ROE
Ticker	(IDR Tn)	(IDR)	(IDR	(x)	(%)	(x)	(%)	(%)
2412 TT	29,324	n.a.	-	25.5	0.9	11.0	-2.2	9.7
TRUE TB	11,942	n.a.	-	51.1	-151.8	4.0	515.4	3.5
TCOM IN	5,970	n.a.	-	28.0	-93.1	14.3	573.7	9.3
T MK	5,634	n.a.	-	15.3	-13.1	5.6	38.5	16.8
Regional Average	52,870	-	-	30.5	-45.7	9.2	184.1	9.0
TLKM IJ	16,917	2,690	3,600	10.9	-0.8	4.1	24.1	17.1
ISAT IJ	4,381	2,140	3,125	13.3	15.6	4.2	144.4	15.7
EXCL IJ	1,784	2,140	2,900	15.1	47.4	4.2	169.6	6.9
Local Average	23,082	-	-	11.7	6.0	4.2	58.2	16.1
Blended Average	75,952	-	-	24.8	-30.0	7.7	145.8	11.2

#### Relative Performance vs JCI



Sources: Company, Bloomberg, SSI Research

Analyst: Jason Sebastian