

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	-	-

Peer Comparables

Company Ticker	Market Cap. (IDR Tn)	Last Price (IDR)	Target Price (IDR)	2024F				
				P/E (x)	EPS Gwt (%)	EV/EBITDA (x)	Net Gearing (%)	ROE (%)
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

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; AI 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

Relative Performance vs JCI

