EQUITY RESEARCH · INDONESIA TELECOMMUNICATIONS

PT XLSMART Telecom Sejahtera Tbk. (EXCL IJ)

3Q26 Earnings Flash · Consolidated · 19 November 2026

EXCL — 3Q26 Results IN-LINE, Earnings Miss: Last Merger Charges Booked

9M26 : Revenue IDR 35.7 Tn (+17.0% yoy) | EBITDA IDR 16.3 Tn (+19.2% yoy) | Net Loss IDR 1.6 Tn (9M25: IDR 2.6 Tn)

Revenue (3Q26)	Operating Profit (3Q26)	EBITDA (3Q26)	Net Loss (3Q26)
IDR 11.7 Tn	IDR 307 Bn	IDR 5.3 Tn	IDR 607 Bn
+2.6% YoY | -3.5% QoQ	n.m YoY | -20.4% QoQ	+9.6% YoY | -4.4% QoQ	Narrower YoY | Wider QoQ

KEY TAKEAWAYS

- **Revenue slipped 3.5% QoQ to IDR 11.7 Tn in 3Q26 but rose 2.6% YoY.** The QoQ drop sits in interconnection and other services, down 43.1% to IDR 637 Bn as 2Q26 one-off enterprise project revenue did not repeat. Data and digital revenue held at IDR 10.6 Tn. **Blended mobile ARPU reached a record IDR 47.5k, up 22.1% YoY, and subscribers rose to 70.0 mn from 69.4 mn in 2Q26.** 9M26 revenue reached 75.6% of FY26 consensus against a two-year 9M average of 73.8%.
- EBITDA rose 9.6% YoY to IDR 5.3 Tn, and **the margin widened to 45.3% from 42.4% in 3Q25 as operating expenses fell 2.6% YoY while revenue grew.** Site consolidation cut rental and utility costs, and integration costs were IDR 49 Bn against IDR 544 Bn in 3Q25. Against 2Q26, EBITDA fell 4.4% as frequency fees for the new 700MHz and 2.6GHz bands and 5G marketing rose.
- **Final merger charges cloud the bottom line.** Operating income fell 20.4% QoQ to IDR 307 Bn on IDR 1.2 Tn of accelerated depreciation, the last of the schedule. The net loss widened to IDR 607 Bn from IDR 277 Bn in 2Q26 but narrowed from IDR 1.4 Tn in 3Q25. **The QoQ deterioration came from below EBITDA, through an IDR 234 Bn impairment on the Linknet stake and finance costs up 15.1% to IDR 1.0 Tn after new borrowing for spectrum.** The 9M26 net loss of IDR 1.6 Tn already exceeds the IDR 944 Bn FY26 consensus loss.
- **Capex surge tightens the cash position.** Capitalised capex rose 4.3x YoY to IDR 18.3 Tn in 9M26, and management raised FY26 guidance to about IDR 24 Tn as 2027 rollout was pulled forward. **Cash of IDR 2.6 Tn in September sat against IDR 5.5 Tn of borrowings due within one year.** Operating cash flow of IDR 21.1 Tn covered cash capex of IDR 17.1 Tn in 9M26 but not lease payments of IDR 5.6 Tn.
- **Valuation sits on the lower band.** XLSMART trades at 4.0x blended-forward EV/EBITDA, on its five-year -1SD of 4.0x and below the 4.4x mean. **That position implies the market is not yet paying for the higher post-merger EBITDA margin,** with reported losses and peak capex in view. ***Key watch: whether 4Q26, the first quarter without accelerated depreciation, delivers the IDR 657 Bn net profit that FY26 consensus requires.***

INCOME STATEMENT · IDR Tn, Consolidated

(IDR Tn)	3Q25	2Q26	3Q26	QoQ	YoY	9M25	9M26	YTD
Revenue	11.5	12.2	11.7	-3.5%	+2.6%	30.5	35.7	+17.0%
Gross Profit*	6.8	7.3	7.2	-0.9%	+6.6%	18.4	21.7	+18.2%
Operating Income*	-0.3	0.4	0.3	-20.4%	*n.m*	1.0	0.6	-39.8%
EBITDA	4.9	5.6	5.3	-4.4%	+9.6%	13.7	16.3	+19.2%
Net Profit	-1.4	-0.3	-0.6	*n.m*	*n.m*	-2.6	-1.6	*n.m*

**Aldiracita calculation*

Smartfren is consolidated from the 16 April 2025 merger, so 9M25 carries it for only part of the period.

MARGIN

(Ratio %)	3Q25	2Q26	3Q26	QoQ pp	YoY pp	9M25	9M26	YTD pp
Gross Margin*	59.0%	59.7%	61.3%	+1.6pp	+2.3pp	60.1%	60.7%	+0.6pp
Operating Margin*	-2.7%	3.2%	2.6%	-0.6pp	+5.4pp	3.2%	1.7%	-1.6pp
EBITDA Margin	42.4%	45.7%	45.3%	-0.4pp	+2.9pp	44.7%	45.6%	+0.9pp
Net Profit Margin*	-12.0%	-2.3%	-5.2%	-2.9pp	+6.9pp	-8.5%	-4.5%	+4.0pp

**Aldiracita calculation*

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REVENUE SEGMENTATION · IDR Tn

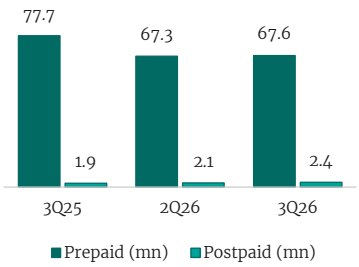
(IDR Tn)	3Q25	2Q26	3Q26	QoQ	YoY	9M25	9M26	YTD
Data & digital services*	10.3	10.6	10.6	-0.5%	+2.9%	27.7	32.1	+15.6%
Interconnection & other	0.9	1.1	0.6	-43.1%	-25.3%	1.9	2.4	+31.3%
Voice & SMS	0.2	0.3	0.4	+35.6%	+123.6%	0.6	0.8	+51.6%
Managed & IT services	0.1	0.1	0.1	+2.5%	-4.8%	0.4	0.4	-3.3%
Total	**11.5**	**12.2**	**11.7**	**-3.5%**	**+2.6%**	**30.5**	**35.7**	**+17.0%**

**Aldiracita calculation*

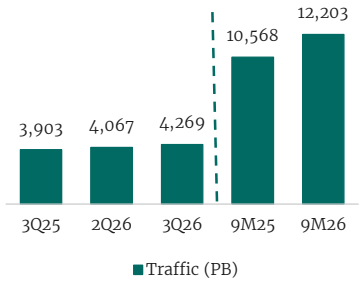
OPERATIONAL PERFORMANCE

Key Metric	Unit	3Q25	2Q26	3Q26	QoQ	YoY	9M25	9M26	YTD
Blended ARPU	IDR '000	38.9	46.9	47.5	+1.3%	+22.1%	37.8	47.3	+25.1%
Prepaid ARPU	IDR '000	37.9	45.8	46.4	+1.3%	+22.4%	36.7	46.1	+25.6%
Postpaid ARPU	IDR '000	81.1	81.5	80.2	-1.6%	-1.1%	82.8	83.6	+1.0%
Capitalised capex	IDR Tn	–	–	–	–	–	4.3	18.3	+329.9%
Gross synergies	USD Mn	–	–	–	–	–	166	294	+77.1%

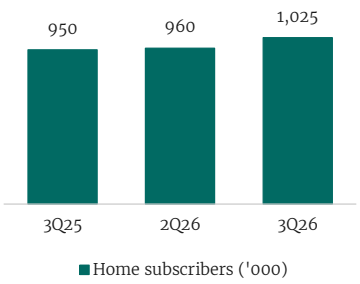
Mobile Subscribers



Data Traffic



XL Home Subscribers

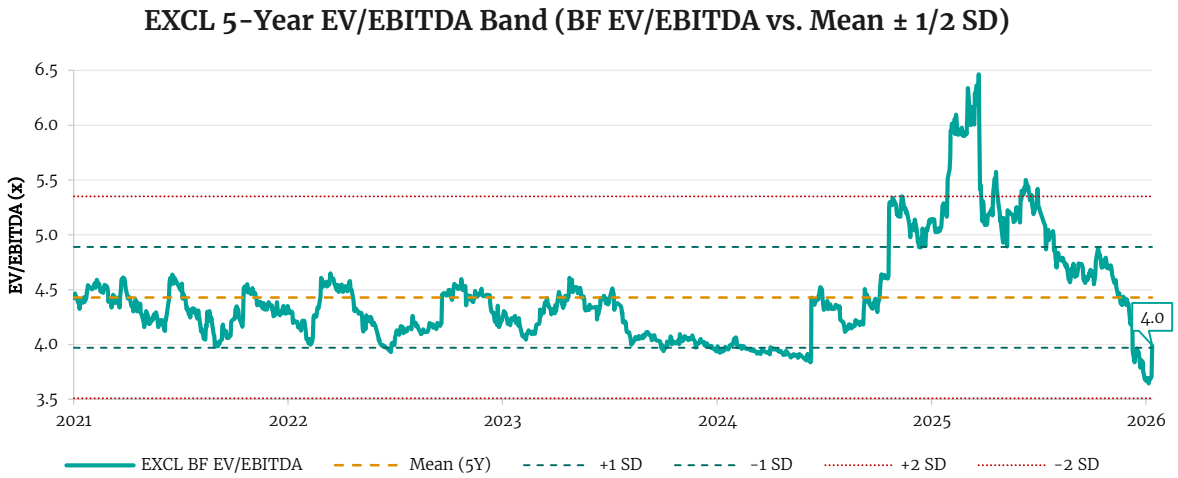


9M26 ACTUAL vs. BLOOMBERG CONSENSUS · % OF FY26F vs. 2-YEAR 9M/FY PACE

Metric (IDR Tn)	9M26 Actual	FY26F Cons.	% of FY26F	Hist. 9M/FY	Verdict
Revenue	35.7	47.2	75.6%	73.8%	In-Line
Operating Income	0.6	2.5	23.6%	73.2%	Miss
EBITDA	16.3	21.4	76.1%	74.2%	In-Line
Net Profit	-1.6	-0.9	*n.m*	76.0%	Miss

Source: PT XLSMART Telecom Sejahtera Tbk; Bloomberg.

VALUATION · EXCL 5-YEAR EV/EBITDA BAND



Current EV/EBITDA 4.0x as of 18 Nov 2026 vs. 5-year mean 4.4x (+1 SD 4.9x / -1 SD 4.0x / +2 SD 5.4x / -2 SD 3.5x). | Source: Bloomberg.

PT Aldiracita Sekuritas Indonesia
Menara Tekno Lt. 9,
Jl. H. Fachrudin No.19, Kampung Bali, Tanah Abang,
Jakarta Pusat, 10250
Indonesia
Phone: 021 39705853

Contact
Research: research@aldiracita.com

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