



Not Rated

Stock Data

Current Price	: IDR258
52wk Range H-L	: IDR358-230
Share Outstanding	: 42.19 billion
Free Float (%)	: 32.88
Mkt Capitalization (IDR bn)	: 10,882.2

Major Shareholders

PT Global Mediacom Tbk.	: 60.67%
PT MNC Asset Management	: 6.70%
PT MNC Media Investasi	: 6.37%
Public	: 26.26%

MNCS Team Coverage

research@mncsekuritas.id
(021) 2980 3111

PT MNC Vision Networks Tbk (IPTV IJ)

Advertising, Printing and Media

A Never Ending Euphoria

Financial Highlight: Skyrocketing Performance

- In 1Q21, IPTV posted a net income of IDR1.00 trillion which experienced a double digit growth of 18.98% YoY (vs IDR842.66 billion 1Q20). Satellite services contributed 63.69% to IPTV's revenue.
- Meanwhile, revenue through digital IPTV and broadband services grew significantly of 46.04% YoY, equivalent to IDR231.50 billion in 1Q21 (vs IDR158.52 billion 1Q20). Followed by a 306.17% YoY increase in the other segment to IDR132.60 billion (vs IDR32.65 billion 1Q20).
- COGS slightly increased by 13.37% YoY to IDR766.48 billion in 1Q21 (vs IDR676.10 billion 1Q20), due to an increase in Set Top Box expenses of 49.82% YoY. The increase was in line with the increasing demand of digital TV services.
- This condition gives a magnificent results to the company's profit. Net profit rose by 217.16% YoY or equals to IDR95.62 billion in 1Q21 (vs IDR30.15 billion 1Q20).

The Party Ain't Over

- Through MNC Vision, K-Vision, MNC-Play, and Vision+, IPTV reached 10 million users of pay-TV services per 1Q21. Subscriber growth will be in-line with the increase of Indonesia's digital penetration and the transition of analog TV broadcasts to digital TV, based on the Job Creation Law article 72 about the discontinuation of TV broadcasts, Analog Switch Off (ASO) no later than November 2, 2022.
- Currently MNC Group is the king in share of Pay TV channels with 25.90% market share (vs 19.01% in Trans Group, 15.91% in the SCM Group, 13.71% in the Viva Group).
- IPTV also focuses on quality and efficiency. By reducing STB/equipment cost, viewing card/CAS, outdoor unit and Low Noise Block (LNB) by at least 25%, allowing the Company to sell equipment for USD31/set, from USD44/set. This scheme will lower overhead costs, such as sales, technical, and other related costs.
- IPTV won the exclusive UEFA Euro 2020 broadcast license rights. Starting on June 12, 2021 to July 12, 2021 consisting of 51 matches until final.

What's next on IPTV: Reaching Further and Going Global

- IPTV conducted a private placement on June 30, 2021, and announced July 2, 2021, with an exercise price of IDR260/share, with a potential fund raised of IDR172.95 billion to launch expansion.
- The company is currently pursuing an expansive strategy by acquisition 2 local cable operator (LCO, and also building a partnerships with other company. In May-2020, MVN completed its first LCO acquisition located in Batam, Riau Islands. There are 3 acquisition targets in 1H21 which will be completed in East Java, Central Java and West Nusa Tenggara with a total customer base of around 100,000. While the LCO Partnership is targeting 2 million subscribers.
- Building a partnership with Migo as an on-demand offline service provider, later Vision+ will be included on the Migo home page and become a prioritized partnership.
- On June 12, 2021, the company submitted a draft F-4 registration form to the US Securities and Exchange Commission to implement an IPO for the Nasdaq. The company will raise USD144 million in an initial public offering of shares on Nasdaq in July 2021. With Malacca Straits, the company is determined to bring the fastest growing OTT and streaming business in Indonesia to be listed on the Nasdaq.

Valuation and Recommendation: NOT RATED

IPTV is currently traded at 1.41x PBV, while it has only been traded for almost two year. However, IPTV is affiliated with the Company, so we do not offer any recommendation related to company prospects. **Recommendation: NOT RATED.**

Key Financial Highlight				
In billion IDR	FY18	FY19	FY20	1Q21
Revenue	3,227.28	3,524.91	3,685.29	1,002.61
EBITDA	1,355.79	1,521.44	1,492.66	404.56
EBITDA Margin (%)	42.01	43.16	40.50	40.35
Net Profit	(46.99)	312.35	229.99	95.62
Net Profit Margin (%)	(1.46)	8.86	6.24	9.54
ROA (%)	-0.51%	3.06%	2.08%	0.85%
ROE (%)	-1.55%	5.51%	3.15%	1.30%

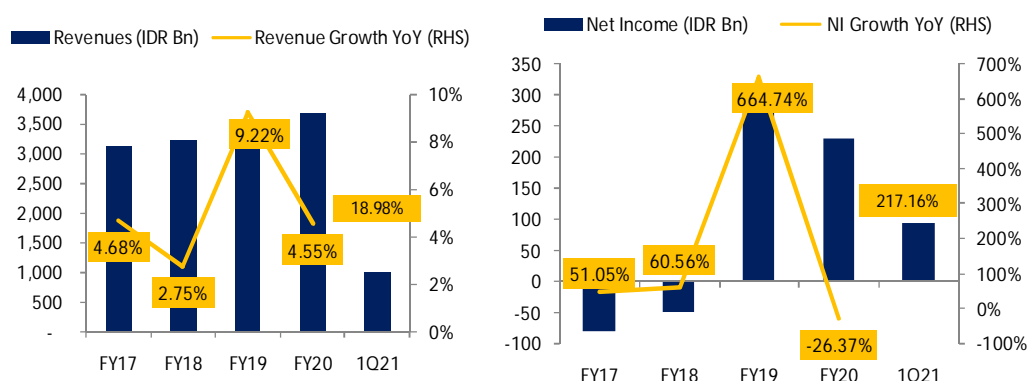
Source : IPTV

Exhibit 01. 1Q21 Financial Results

Income Statements in IDR Billion	1Q20	4Q20	1Q21	% YoY	% QoQ
Revenues	842.66	998.94	1,002.61	18.98%	0.37%
Satellite Services	651.49	629.89	638.51	-1.99%	1.37%
Digital, IPTV and Broadband	158.52	335.41	231.50	46.04%	-30.98%
Others	32.65	33.77	132.60	306.17%	292.64%
Direct Cost	676.10	754.59	766.48	13.37%	1.58%
General & Administrative Expense	60.87	104.41	69.42	14.05%	-33.51%
EBITDA	357.56	340.54	404.56	13.15%	18.80%
EBITDA Margin	42.43%	34.09%	40.35%		
Depreciation and Amortization	256.00	230.69	238.88	-6.69%	3.55%
Profit of the Year	30.15	19.78	95.62	217.16%	383.33%

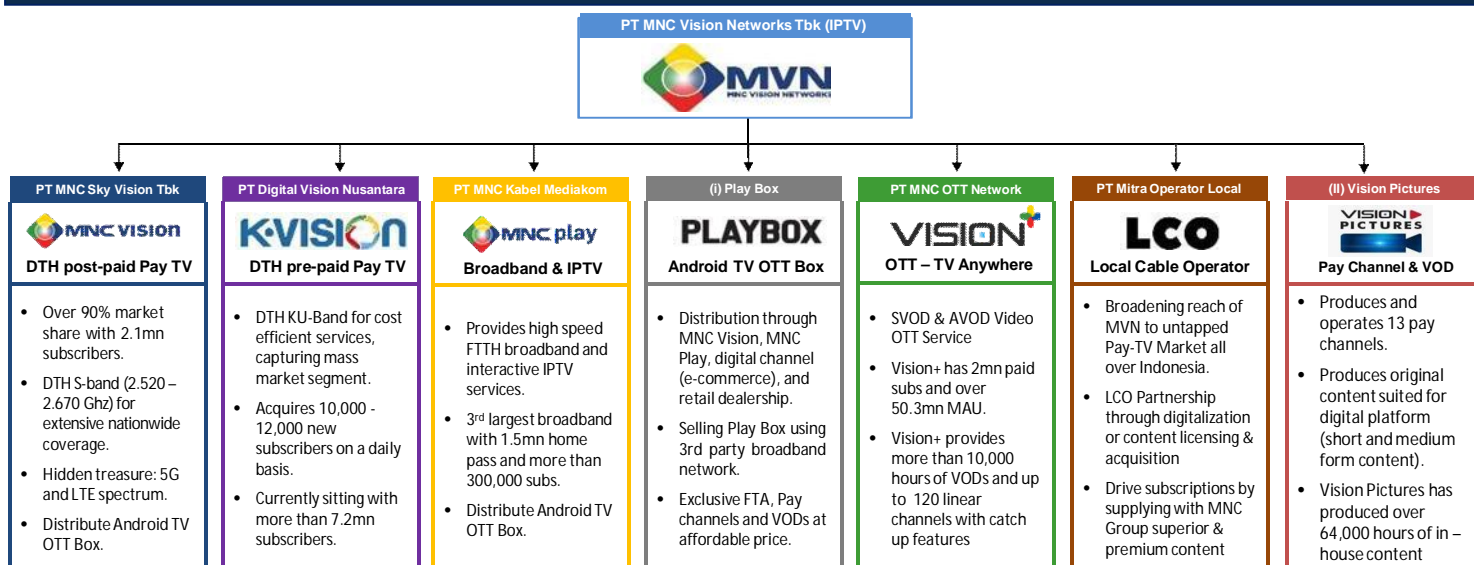
Source : IPTV, MNCS

Exhibit 02. IPTV Revenue and Net Income Trend



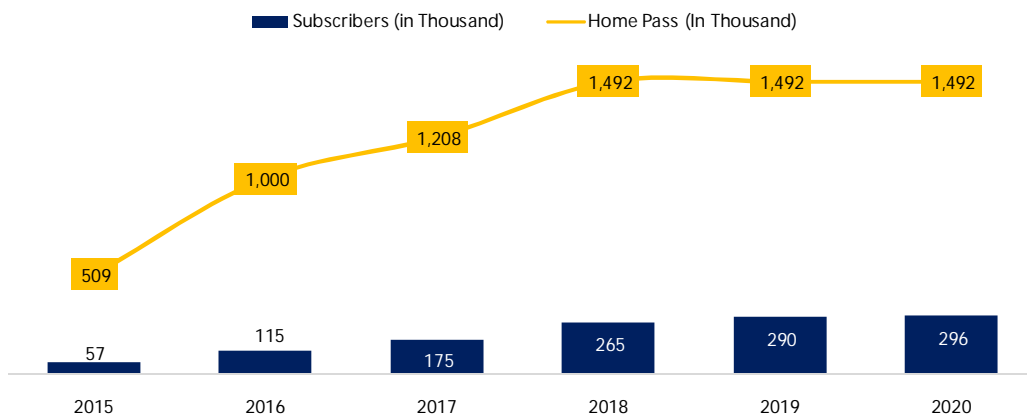
Source : IPTV, MNCS

Exhibit 03. Corporate Structure PT MNC Vision Networks Tbk (IPTV)



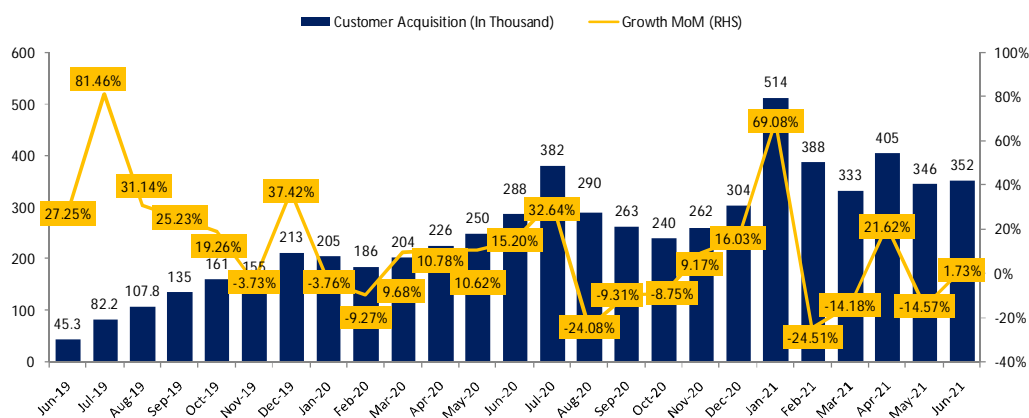
Source : IPTV (as of July 2021)

Exhibit 04. MNC Play Subscribers and Home Pass Growth 2015-2020



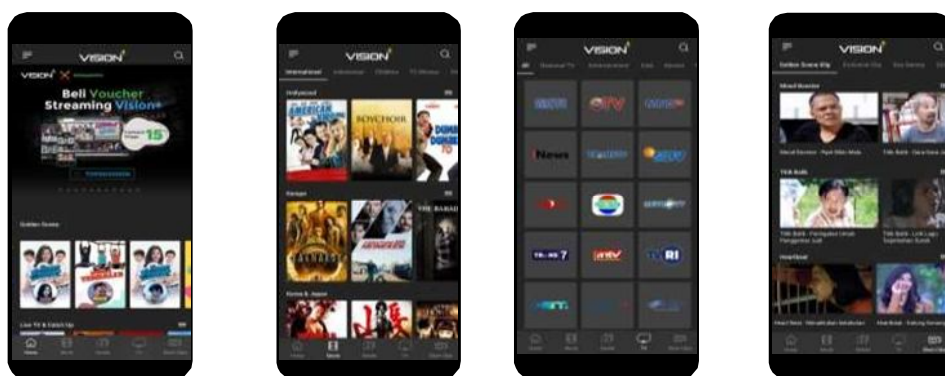
Source : IPTV, MNCS

Exhibit 05. K-Vision Customer Acquisition from Jun-19 until Jun-21



Source : IPTV, MNCS

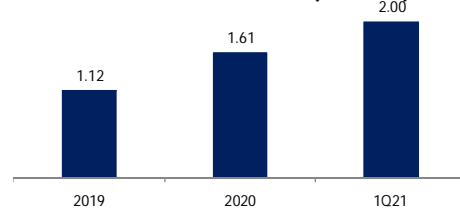
Exhibit 06. Vision+ TV Anywhere, Anytime



6.1mn
Registered

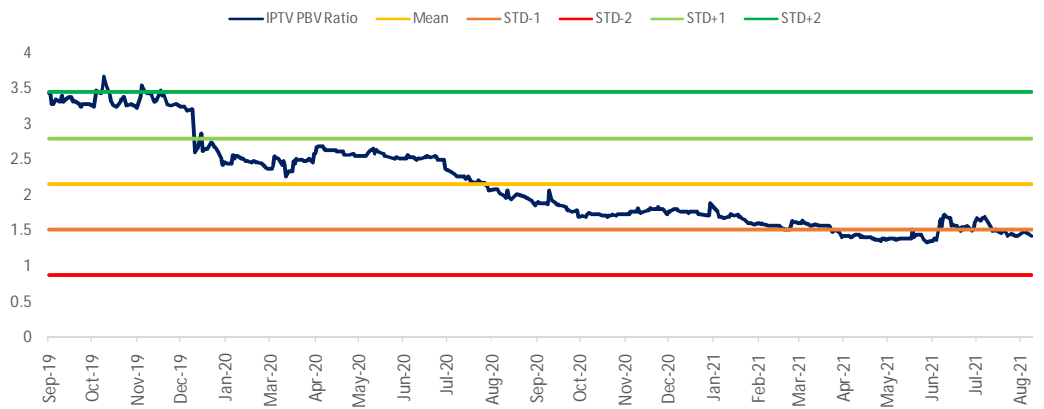
50.3mn
MAU

Vision+ Subscriber's Growth (in millions)



Source : IPTV, MNCS

Exhibit 07. IPTV is currently traded at -1STD (2-years average) on 1.41x PBV



Source : Bloomberg, MNCS

Exhibit 08. Financial Summary

Income Statement					Balance Sheet				
IDR Billion	FY18	FY19	FY20	1Q21	IDR Billion	FY18	FY19	FY20	1Q21
Revenues	3,227.28	3,524.91	3,685.29	1,002.61	Cash and Cash Equivalents	75.39	84.16	1,903.35	2,056.25
Cost of Sales	1,593.42	1,721.68	2,819.03	766.48	Trade Receivables	427.74	507.22	80.75	80.87
Gross Profit	619.25	744.86	866.27	236.13	Inventory	477.98	356.75	529.21	556.75
Operating Expense	287.93	308.07	314.59	70.44	Other Current Assets	548.3	593.46	688.59	690.12
Operating Profit	331.32	436.79	551.68	165.68	Total Current Assets	1,529.40	1,541.60	604.80	728.50
EBITDA	1355.79	1521.44	1,492.66	404.56	Fixed Assets - net	6,986.70	7,681.54	9,161.35	9,130.12
Interest Expense	(253.58)	(229.30)	(187.17)	(48.22)	Other Non-Current Assets	616.33	998.63	8,157.30	8,185.61
Interest Income	-	-	-	-	Total Non-Current Assets	7,603.03	8,680.17	1,004.05	944.51
Other	(190.02)	115.87	(73.80)	(35.21)	TOTAL ASSETS	9,132.43	10,221.76	11,064.70	11,186.37
Profit Before Tax	(112.29)	323.37	290.70	82.25	Trade Payables	632.55	928.28	1,650.72	1,689.07
Tax Expense	43.16	2.82	(50.33)	19.06	Short-term Liabilities	2,470.37	795.18	772.79	749.86
Profit of the Year	(69.13)	326.19	240.37	101.31	Other current liabilities	934.55	790.32	673.80	694.76
Minority Interest	(22.14)	13.84	10.38	5.70	Total Current Liabilities	4,037.47	2,513.78	204.13	244.45
Net Income	(46.99)	312.35	229.99	95.62	Long -Term Debt	1,981.05	1,883.75	2,110.03	2,114.78
					Other Long-term liabilities	91.83	153.15	1,863.91	1,513.11
					Total Long-term Liabilities	2,072.88	2,036.90	246.13	601.67
					Total Equity	3,022.08	5,671.08	7,303.95	7,382.52
					TOTAL LIABILITY & EQUITY	9,132.43	10,221.76	11,064.70	11,186.37

Cash Flow					Ratios				
IDR Billion	FY18	FY19	FY20	1Q21	Ratio	FY18	FY19	FY20	1Q21
CFO Total	1,832.46	1,563.61	1,071.29	352.72	Revenue Growth(%)	2.75%	9.22%	4.55%	18.98%
Net Income	(46.99)	312.35	229.99	95.62	Gross Profit Margin(%)	19.19%	21.13%	23.51%	23.55%
Depreciation	1,024.47	1,103.19	940.98	238.88	Operating Profit Margin(%)	10.27%	12.39%	14.97%	16.53%
Change in Working Capital	90.47	337.47	252.63	367.18	EBITDA Margin(%)	42.01%	43.16%	40.50%	40.35%
Change in others	764.51	(189.39)	(352.31)	(348.95)	Net Profit Margin(%)	-1.46%	8.86%	6.24%	9.54%
CFI Total	181.68	(2,180.32)	(2,307.46)	(272.93)	Current Ratio(%)	37.88%	61.33%	115.30%	121.74%
Change in ST Investment	-	-	-	-	Quick Ratio(%)	12.46%	23.53%	36.95%	37.75%
Change in LT Investment	-	-	-	-	Receivable Days	48.38	52.52	52.41	202.69
Capex	(2,129.20)	(1,798.02)	(1,477.84)	(273.18)	Inventory Days	109.49	75.63	89.16	328.64
Change in Others	2,310.88	(382.30)	(829.62)	0.25	Payable Days	144.90	196.80	100.06	357.09
CFF Total	(2,004.42)	527.12	1,232.76	(52.67)	Debt to Equity (x)	2.02	0.80	0.51	0.52
Net Change in Debt	94.30	(1,772.49)	(583.18)	(329.84)	Debt to EBITDA (x)	3.28	1.76	1.70	5.46
Equity financing	1,210.91	1,441.78	1,298.69	-	ROA (%)	-0.51%	3.06%	2.08%	0.85%
Dividend payment	-	-	-	-	ROE (%)	-1.55%	5.51%	3.15%	1.30%
Others	(3,309.63)	857.83	517.25	277.17					
Net Cash Increase	9.72	(89.59)	(3.41)	0.12					
Closing Balance	75.39	84.16	80.75	80.87					

Source: Bloomberg, IPTV

MNC Research Industry Ratings Guidance

OVERWEIGHT: Stock's total return is estimated to be above the average total return of our industry coverage universe over next 6-12 months

NEUTRAL: Stock's total return is estimated to be in line with the average total return of our industry coverage universe over next 6-12 months

UNDERWEIGHT: Stock's total return is estimated to be below the average total return of our industry coverage universe over next 6-12 months

MNC Research Investment Ratings Guidance

BUY : Share price may exceed 10% over the next 12 months

HOLD : Share price may fall within the range of +/- 10% of the next 12 months

SELL : Share price may fall by more than 10% over the next 12 months

Not Rated : Stock is not within regular research coverage

PT MNC SEKURITAS

MNC Financial Center Lt. 14 – 16

Jl. Kebon Sirih No. 21 - 27, Jakarta Pusat 10340

Telp : (021) 2980 3111

Fax : (021) 3983 6899

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