



NOT RATED

Stock Data

Current Price	: 995
52wk Range H-L	: 1,080 – 780
Share Outstanding	: 13.23 Bn
Free Float	: 53.63%
Mkt Capitalization	: 14.97 (IDR tn)

Major Shareholders

PT Global Mediacom	: 52.67%
Hary Tanoesoedibjo	: 0.05%
Public	: 47.25%

PT Media Nusantara Citra Tbk (MNCN IJ)

Advertising, Printing and Media

Strong Financial Stature in the Digitalization Era

1Q22 Performed Better with Net Profit Margin Returned Double Digits

MNCN IJ recorded a revenue growth in 1Q22 to IDR2.60 tn (+21.69% YoY) with advertisement revenue contributed to 90.97% of the total consolidated revenue (+22.14% YoY). The digital segment was recorded a significant rise to IDR648.70 bn (+102.08% YoY) with the main drive coming from the exceptional performance by RCTI+ (AVOD super app) as well as the social media platform. Meanwhile, the non-digital revenue was recorded at IDR1.72 tn (+6.29% YoY) with the main catalyst being the strong performance from the TV show segments, including dramas and special programs, as well as continued utilization of creative non-TV-consuming ads. Furthermore, net profit was booked at IDR619.11 bn (+55.05% YoY), implying a net profit margin of 23.77% (vs 1Q21 NPM: 18.66%) thanks to the decrease in its net debt, particularly in the USD loan, by -35.58% YoY, which reduced its exposure on the USD/IDR currency weakening.

Keeping Its Dominance

MNCN is currently nominated to have the biggest content library in Indonesia with more than 300k hours of content with more than 20k hours of annual fresh production. As projected by the company, RCTI+ aims to have total AVOD market share of 18% by FY24F. Through VISION+, MNCN had the fastest growth of over the top (OTT) media in Indonesia, offering more than 18k hours of exclusive VOD content, original productions with 10-20 episodes/month and the most linear TV channels with more than 110 channels offered independently through bundles. Furthermore, VISION+ also offered User Generated Content (UGC) through Klaklik and gaming feature with 74 owned casual games included in the platform. With this achievement, VISION+ has more than 8.1 mn registered users with more than 45 mn monthly active users and more than 2 mn subscribers. Furthermore, MNCN also used the social media platform, including Youtube, Facebook and Tiktok to promote the company's products to the public and gain additional revenue. It is noted that the company generates 1.5-2 bn views per month and allows the monetization from the third party. Moreover, MNCN planned to expand to e-gaming industry by forming Esports Star Indonesia, collaborating with IESPL, Garena and Moonton for production and broadcasting. The company also planned to release "Rapid Fire" in 2Q22 and "Fight of Legends" in 3Q22. In addition, the company's online portals had grown in FY21 with the additional portals of IDX Channel, Celebrities.id, Sportstars.id and Buddyku, where the latter is a digital platform with contents suited to each of its user using AI.

Maintaining Audience Share with 45.5% in 1Q22

As of May-22, the company had the biggest market share of audience in Indonesia and consistently maintained its prime-time and all-time audiences by 45.5% and 41.3% respectively, dominating its peers and keeping its status as the leading broadcasting group in the free-to-air (FTA) industry in Indonesia. This was attributed from its in-house production as well as special programs particularly in RCTI+ and VISION+. As reported by Nielsen, MNCN was placed 14 out of the top 20 programs in May-22 while its newest series, "Aku Bukan Wanita Pilihan", had claimed fourth place on the top broadcast FTA TV program category. Moreover, MNCN was able attract the public, as seen from the company having 37% nationwide market share in drama category, 56.5% market share in the animation category, 48% market share in the reality program category, as well as 31% of market share in the infotainment category.

Valuation and Recommendation: NOT RATED

MNCN is currently traded at 5.15x PE, close to its STD-1 (5-years average). However, MNCN is affiliated with the Company, so we do not offer any recommendation related to company prospects. **Recommendation: NOT RATED.**

Key Financial Highlight

Billion IDR	FY18	FY19	FY20	FY21	1Q22
Revenue	7,443.91	8,353.37	7,956.24	9,621.84	2,604.55
Net Income	1,531.40	2,233.32	1,747.52	2,377.38	619.11
EPS (IDR)	123	180	132	180	47
PE (x)	8.12	5.52	7.53	5.54	5.31*
BVS (IDR)	851.70	1,011.75	1,093.18	1,324.45	1,369.87
PBV (x)	1.17	0.98	0.81	0.75	0.73
EV/EBITDA (x)	10.24	8.76	9.78	7.99	8.38*
ROA (%)	9.37	12.52	9.23	11.13	2.86
ROE (%)	14.39	17.83	12.08	13.57	3.42

*: Annualized

Sources: Bloomberg, MNCS

MNCS Team Coverage
research@mncsekuritas.id
 (021) 2980 3111

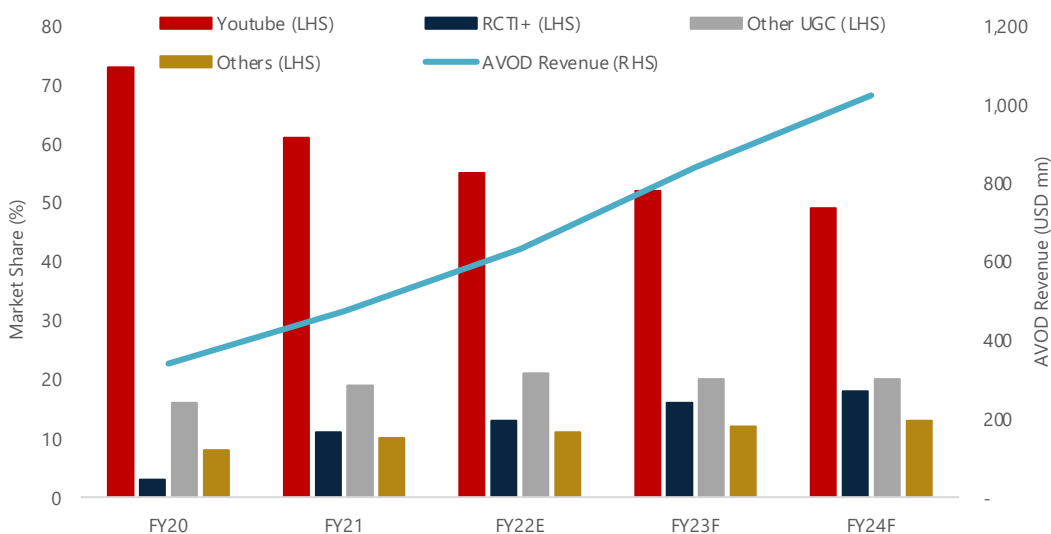
Exhibit 01. MNCS 1Q22 Result vs Bloomberg Consensus

	1Q21	4Q21	1Q22	% QoQ	% YoY	FY22E Consensus	% Consensus
Revenue	2,140	2,549	2,605	2.18%	21.69%	10,282	25.33%
Operating Expense	519	669	602	-10.04%	15.82%		
EBITDA	953	1,105	971	-12.09%	1.85%	4,280	22.69%
EBITDA Margin	44.54%	43.33%	37.28%				
Operating Profit	805	917	936	2.08%	16.26%	3,823	24.49%
Operating Margin	37.63%	35.98%	35.95%				
Pre-tax Profit	523	937	874	-6.69%	67.10%	3,599	24.30%
Net Profit	399	695	619	-10.89%	55.05%	2,683	23.07%
Net Margin	18.66%	27.25%	23.77%				

Source : Bloomberg, MNCS

Overall, MNCS Financial Projection was in line with the consensus projection

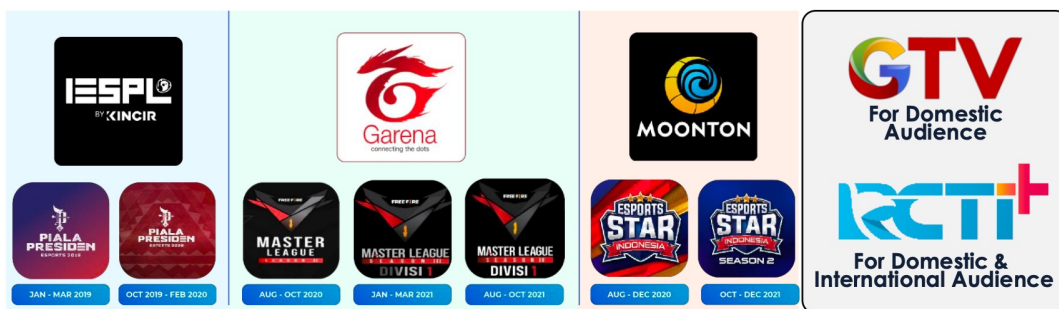
Exhibit 02. AVOD Market Share vs Revenue



MNCS is projected to have 18% of the AVOD market share by FY24F.

Source : Company

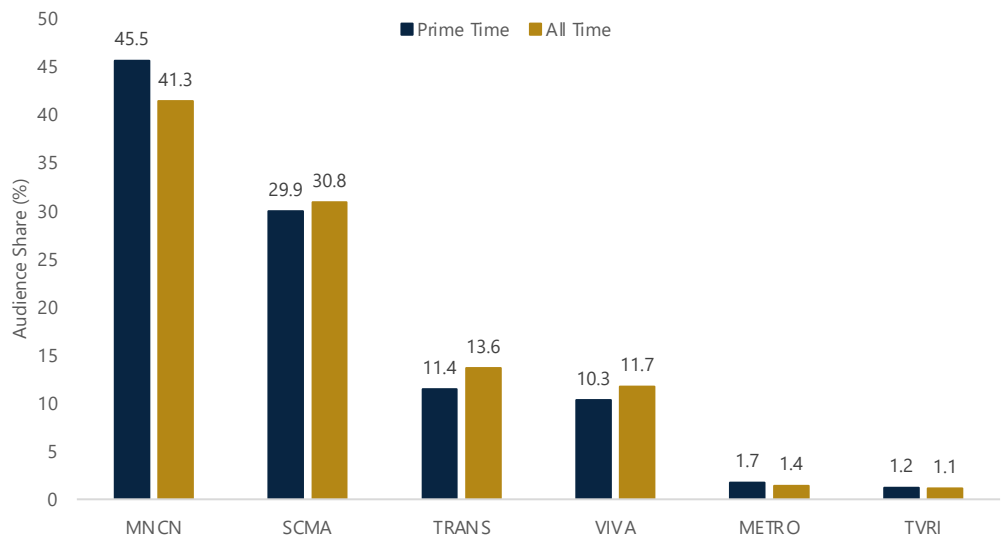
Exhibit 03. MNCS's Producers and Broadcasters on its Expansion to E-Sport Industry



Source : Company

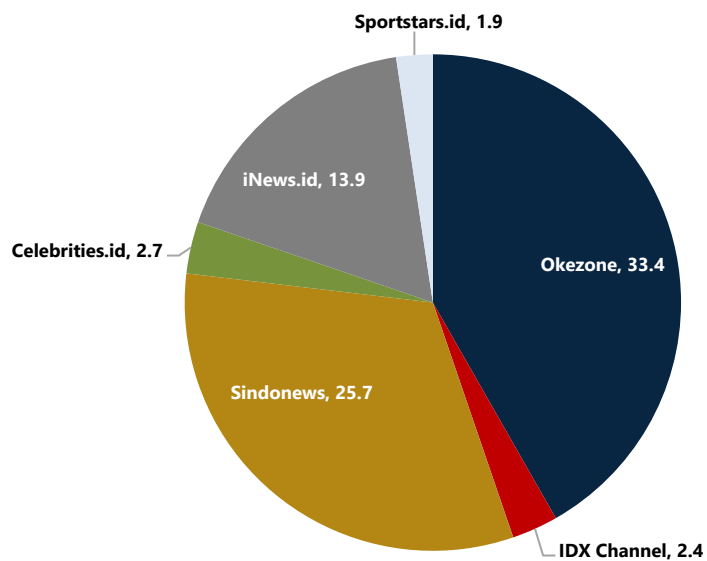
MNCN is currently the leading broadcasting group in the FTA industry.

Exhibit 04. Audience Share FTA TV May-22



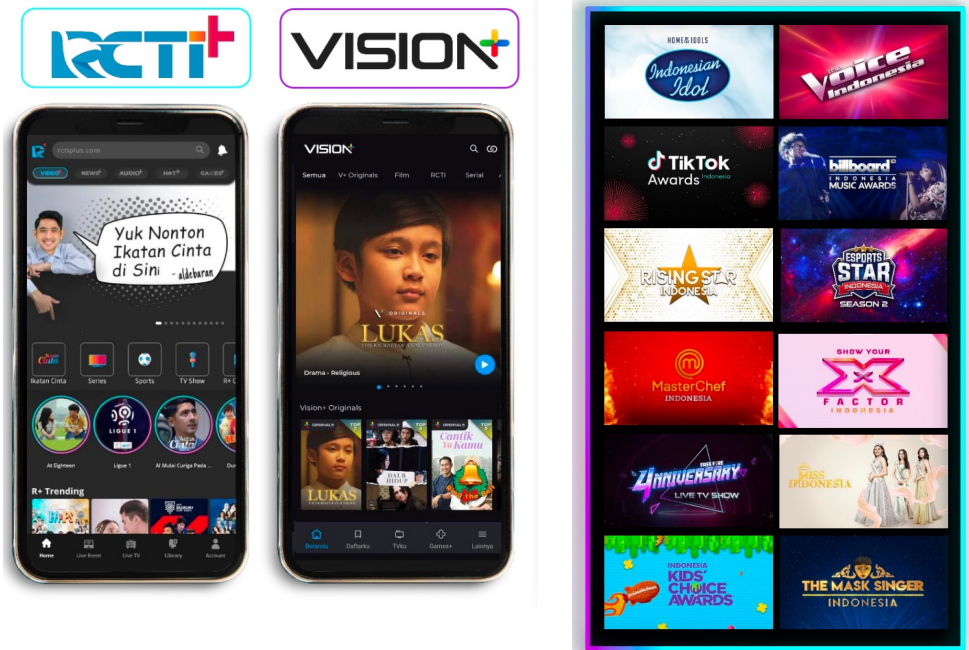
Source : Nielsen, Company

Exhibit 05. Monthly Active Users (MAU) of Online Portals as of Jan-22 (mn)



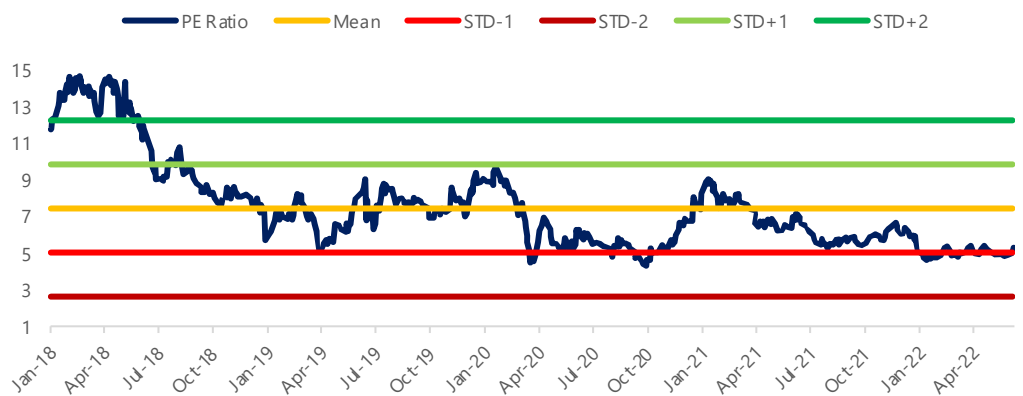
Source : Google Analytics, Company

Exhibit 06. RCTI+, VISION+ and MNCN's Special Programs



Source : Company

Exhibit 07. MNCN is currently traded at STD-1 (5-years average) on 5.15x PE



Source : Bloomberg, MNCS

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

Call Center : 1500 899

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