



NOT RATED

Stock Data

Current Price	: IDR860
52wk Range H-L	: IDR1,320-695
Share Outstanding	: 15.05bn
Free Float (%)	: 53.64
Mkt Capitalization (IDR tn)	: 12.72

Major Shareholders

PT Global	: 46.29%
Mediacom Tbk	
Public	: 53.71%

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PT Media Nusantara Citra Tbk (MNCN IJ) Advertising, Printing and Media

1H21 Financial Results: Everything is New Record High

Solid Performance in 1H21

- MNCN booked IDR4.86tn revenue in 1H21 which experienced double digit growth of +22.59% YoY (vs IDR3.97tn in 1H20). Advertisement becomes MNCN's main revenue driven and continuing a magnificent growth of +27.09% YoY at IDR4.60tn in 1H21 (vs IDR3.62tn in 1H20).
- Meanwhile, revenue stream on digital advertisement services grew significantly by 117.36% YoY equivalent to IDR889.19bn in 1H21 (vs IDR409.08bn in 1H20). Digital advertisement contributed 18.28% of total revenue and as the time goes by the contribution may increase in line with the digitalization on media sector.
- COGS increased by +35.44% YoY to IDR2.02tn in 1H21 (vs IDR1.49tn in 1H20), it was due to program and content expense. On the other hand MNCN booked IDR2.85tn gross profit which positively grew by +14.88% YoY (vs IDR2.48tn in 1H20).
- MNCN's 1H21 net profit that attributed to parents company increased by +24.71% YoY to IDR1.19tn (vs IDR956.22bn in 1H20) implying 55% of FY21E target. Net profit margin rise to 24.52%, it was a good improvement than the previous years (vs 24.10% 1H20).

FTA Business Remain Strong

- Advertising revenue strongly increased by 47% YoY in 2Q21 to IDR2.66tn. Non-digital revenue continued to be the main contributor to the advertising segment, which rose by 31% YoY.
- RCTI's prime time remains strong supported by its in-house drama production and special program line-up. As of Jul-2021, MNCN has managed to book an overall audience share of 53.4% on prime-time and non-prime time audience share reached 40.8%, where RCTI dominated a significant share with 37.5% and 18.6% audience share, respectively.
- In terms of programming, MNCN has also been producing and broadcasting leading family-driven programs. As of Jul-2021, 24 out of 30 top programs from all genres are broadcasted out of MNCN FTA TV, including its signature drama series, 'Ikatan Cinta'. The management was very confident that the company will be able to continue robust performance of their FTA TV throughout the year.
- Some of the upcoming programs in 2H21 from RCTI will include Master Chef Indonesia, X Factor Indonesia, Dahsyatnya Award 2021, etc. Meanwhile, GTV will launch several music concert programs and E-sport Star Indonesia. Moreover, MNC TV will have the KDI 2021 program, Anugrah Dangdut Indonesia, AFC Cup and Mom & Kids Awards.

Capturing a Vibrant Digital Opportunity

- As the largest media company, MNCN seeks to optimize the online portal business line, which in 1H21 contributed 18.28% to total revenue. The entire MNCN online portal recorded 57mn MAU in Jul-2021. Going forward, MNCN expects digital revenue to be able to contribute 50% in FY24E.
- Furthermore, MNCN tries to expand to enter the world of e-sports in Indonesia by collaborating with the leading online game developer Garena which has 4.68mn YouTube subscribers. As an initial step in the agreement, MNCN and Garena will produce the 4th season of the Free Fire Master League, which will be broadcast through their own platforms such as: 1) MNCN FTA TV; 2) GTV; and 3) RCTI+. All productions will be conducted at the MNCN studio complex and broadcast on August 21, 2021.
- As an illustration, Free Fire Indonesia has 8.9mn Instagram followers and the Free Fire Master League season 3 event recorded 13 episodes with a total of 8.30mn views via YouTube (as of August 12 2021). MNCN will also launch the mobile game "Rapid Fire" which will be launched in Sep-2021. Moreover, MNCN also plans to extend its collaboration with mobile game developer Moonton to organize season 2 of a talent search program called E-Sports Star Indonesia.

Valuation and Recommendation: NOT RATED

MNCN is currently traded at 5.77x PE, close to its -1STD (3-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

In billion IDR	FY18	FY19	FY20	1H21
Revenue	7,443.91	8,353.37	7,956.24	4,863.09
Gross Profit	4,618.90	5,322.88	4,905.57	2,847.24
Gross Profit Margin (%)	62.05	63.72	61.66	58.55
Net Profit	1,531.40	2,233.32	1,747.52	1,192.52
Net Profit Margin (%)	20.57	26.74	21.96	24.52
ROA (%)	9.37	12.52	9.23	5.96
ROE (%)	14.39	17.83	12.08	7.30

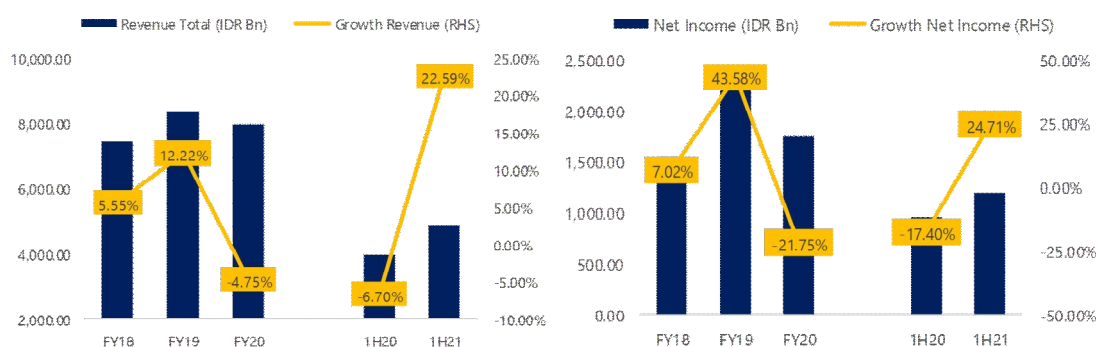
Source: Bloomberg, MNCS

Exhibit 01. Financial Summary on 1H21

IDR bn	1H20	1H21	% YoY	FY20E Consensus	% Consensus Target
Revenue	3,966.93	4,863.09	22.59%	8,863.79	54.86%
Direct Cost	(1,488.42)	(2,015.86)	35.44%		
Gross Profit	2,478.51	2,847.24	14.88%		
EBITDA	1,958.23	1,945.32	-0.66%	3,581.89	54.31%
EBITDA Margin	49.36%	40.00%			
Net Profit Attributable to Parent Company	956.22	1,192.52	24.71%		
Net Profit Margin	24.10%	24.52%			
Gain (Loss) on FX	(35.77)	(49.98)			
Net Profit-exclude FX	991.98	1,242.49	25.25%	2,244.00	55.37%

Sources: Bloomberg, MNCS

Exhibit 02. MNCN's Revenue and Net Income Trend



Source: MNCN

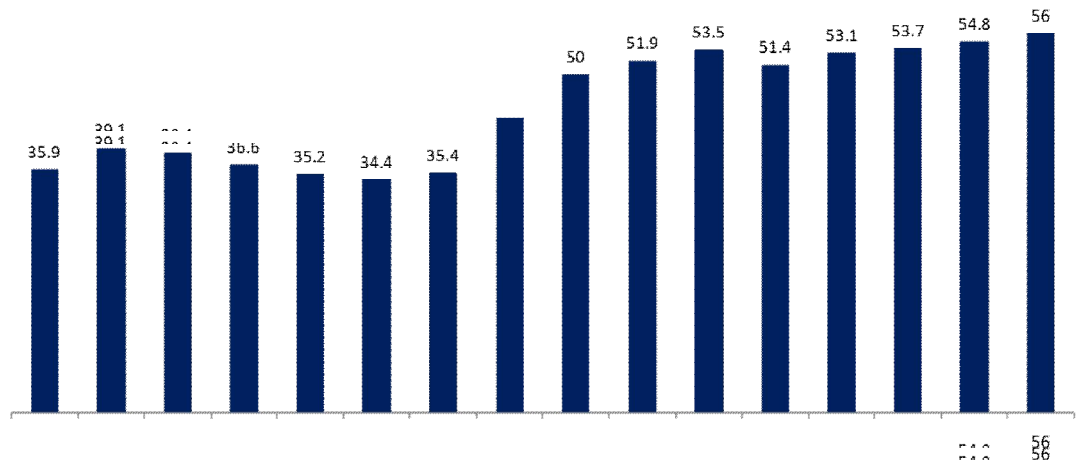
Exhibit 03. 30 Top Program YTD July 2021, 24 Program from MNCN

No	Program Name	Channel	TVR	Share
1	Lazada Panas! Promo Terpanas	RCTI	12.9	45.2
2	Ikatan Cinta	RCTI	12.8	47.7
3	Lazada Panas! Promo Ramadhan	RCTI	11.9	43.8
4	Lazada Panas! Lazada 5.5 Ramadhan	RCTI	11.9	44.7
5	Shopee 4.4 Mega S Day BSM MAMA	RCTI	8.3	33.7
6	Telkomsel Awards 2021 26TH ANN	RCTI	7.9	30.1
7	Tokopedia Waktu Indonesia B TV	RCTI	6.8	26.3
8	Shopee Big Ramadhan Sale TV SHO	RCTI	6.8	29.3
9	Gojek Tokopedia Waktu Indonesia	RCTI	6.7	26.3
10	Blibli 10TH Bareng Kamu	RCTI	6.5	26.5
11	Piala Menpora: Persib VS Persija(L)	IVM	6.4	26.5
11	Piala Menpora: Persib VS Persija(L)	IVM	6.4	26.5
12	Piala Menpora: Persib VS Persija(L)	IVM	6.1	23.2
13	Tokopedia WIB TV Show SPS Ramadhan	RCTI	5.9	26.3
14	Malam Keluarga Ruang Guru	RCTI	5.9	24.4
15	EURO 2020: Portugal vs German(L)	RCTI	5.5	43.7

No	Program Name	Channel	TVR	Share
16	Lamaran Lesti & Billar	IVM	5.4	36.6
17	Perjalanan Cinta Kiyut	IVM	5.3	25.9
18	Restu Keluarga Leslar	IVM	5.2	19.9
19	Amanah Wali 4	RCTI	5.2	26.5
20	Lazada Panas! Lazada Birthday	RCTI	5.1	21.8
21	Skill Academy Show By Ruang Guru	RCTI	5	20.4
22	80TH Anniverasry OCBC NISP TAY	RCTI	5	20.5
23	Piala Menpora: Sleman VS Persib(L)	IVM	4.9	20.5
24	Tik Tok Awards Indonesia 2020	RCTI	4.9	24.6
25	Lazada Super Party Beren9an LA	RCTI	4.7	19.9
26	Preman Presiun 5	RCTI	4.7	36.9
27	Master Chef Indonesia	RCTI	4.7	25.4
28	Lazada Panas! Pemanasan Lazada	RCTI	4.4	18.2
29	Amanah Wali 5	RCTI	4.4	30.3
30	Lazada Panas! Lazada 3.3 Sale	RCTI	4.2	18.7

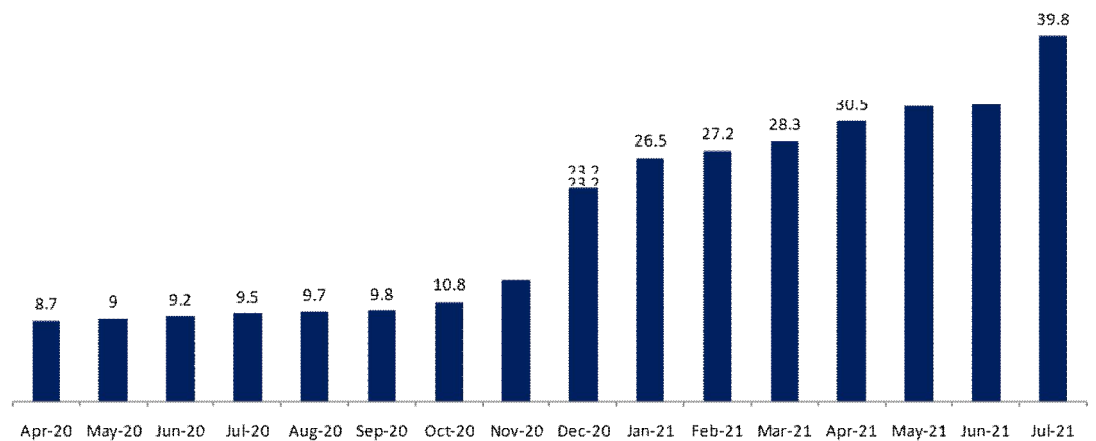
Source: MNCN

Exhibit 04. FTA TV Audience Share until July 2021 (Prime Time)



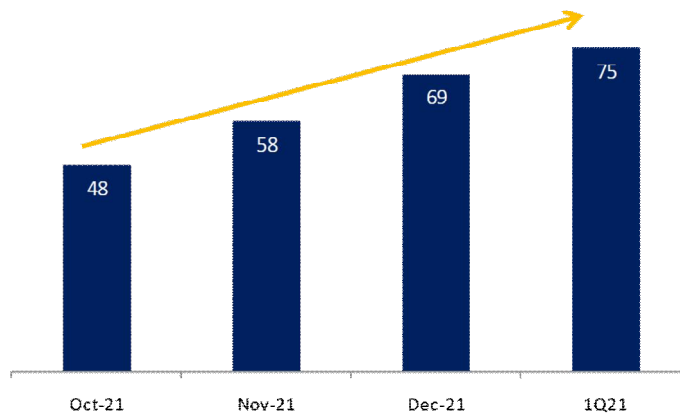
Source: MNCN

Exhibit 05. Super App RCTI+ July 2021 (MAU in million)



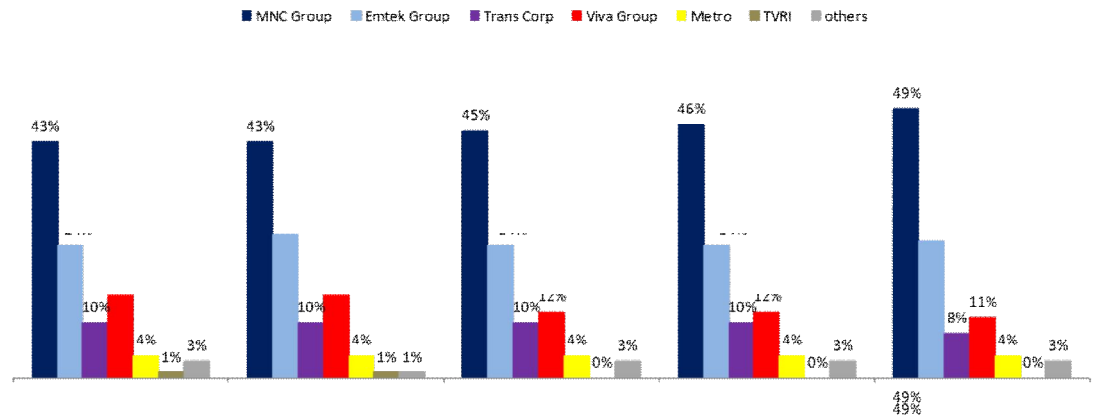
Sources: MNCN

Exhibit 06. Trend Online Portal (MAU in million)



Sources: MNCN

Exhibit 07. Indonesia FTA TV Advertising Market Share until 2Q21



Source: MNCN

Exhibit 08. MNCN is currently traded at -1STD (3-years average) on 5.77x PE



Sources: Bloomberg, MNCN

Exhibit 09. Financial Summary

Profit/Loss Statement					Balance Sheet Statement				
IDR Billion	FY18	FY19	FY20	1H21	IDR Billion	FY18	FY19	FY20	1H21
Revenue	7,443.91	8,353.37	7,956.24	4,863.09	Cash and Cash Equivalents	720.25	630.87	940.20	1,012.68
Cost of sales	(2,825.00)	(3,030.49)	(3,050.67)	(2,015.86)	Trade Receivables	2,785.63	2,916.88	2,935.36	3,138.90
Gross Profit	4,618.90	5,322.88	4,905.57	2,847.24	Inventory	2,756.91	2,794.39	2,867.03	2,987.28
Operating Expenses	2,231.86	2,063.88	2,085.37	1,038.88	Other Current Assets	1,074.07	1,294.41	1,573.22	1,497.22
Operating Profit	2,387.04	3,259.00	2,820.19	1,808.36	Total Current Assets	7,336.85	7,636.54	8,315.81	8,636.08
Other income	29.21	24.37	29.30	12.76	Fixed Assets-net	5,541.77	5,682.37	5,781.22	5,821.37
Other Expenses	(311.75)	(436.13)	422.21	163.52	Other Non-Current Assets	3,460.94	4,517.52	4,826.21	5,539.45
Other income (expenses)-net	-	-	(36.22)	(8.19)	Total Non-Current Assets	9,002.70	10,199.89	10,607.43	11,360.82
Profit Before Tax	2,104.50	2,847.23	3,235.49	1,976.46	TOTAL ASSETS	16,339.55	17,836.43	18,923.24	19,996.90
Tax Expenses-net	(497.95)	(586.59)	468.63	334.80	Trade Payables	311.63	204.79	124.78	117.45
Profit of the year	1,606.56	2,260.65	3,704.12	2,311.25	Short-term Debt	1,387.13	1,656.05	1,904.13	1,978.79
Minority Interest	74.23	119.21	(123.51)	(72.12)	Other current liabilities	454.96	278.65	130.26	112.95
Net Profit	1,531.40	2,233.32	1,747.52	1,192.52	Total Current Liabilities	2,153.72	2,139.49	2,159.17	2,209.19
					Long-term Debt	3,240.95	2,877.29	2,091.94	1,252.12
					Other Long-term Liabilities	302.58	294.16	210.22	198.06
					Total Long-term Liabilities	3,543.53	3,171.44	2,302.16	1,450.18
					Total Equity	10,642.35	12,525.50	14,461.91	16,337.53
					TOTAL LIABILITY AND EQUITY	16,339.60	17,836.43	18,923.24	19,996.90

Cash Flow Statement					Ratios				
IDR Billion	FY18	FY19	FY20	1H21	Ratio	FY18	FY19	FY20	1H21
Net Profit	1,531.40	2,233.32	1,747.52	1,192.52	Growth Year on Year				
Depreciation	436.96	454.41	407.66	254.49	Revenue Growth (%)	5.55	12.22	(4.75)	22.59
Change in Working Capital	(655.11)	(450.82)	(1,076.07)	(548.13)	Operating Profit Growth (%)	(0.78)	36.53	(13.46)	14.88
Change in others	694.59	(513.04)	300.16	353.94	Net Profit Growth (%)	5.37	45.84	(21.75)	24.71
CFO Total	2,007.84	1,723.87	1,379.27	1,252.82	Current Ratio (x)	3.41	3.57	3.85	3.91
Capital Expenditure	(648.61)	(570.60)	(588.64)	(401.05)	Quick Ratio (x)	2.13	2.26	2.52	2.56
Others	(976.84)	(761.53)	(583.05)	67.78	Asset/Liabilities (x)	2.87	3.36	4.24	5.46
CFI	(1,625.46)	(1,332.13)	(1,171.68)	(333.27)	Liabilities/Equity (x)	0.43	0.36	0.28	0.20
Dividend Paid	(209.24)	(214.14)	-	-	GPM (%)	62.05	63.72	61.66	58.55
Net Change in Debt	489.02	(1.82)	(1,302.68)	(1,583.23)	OPM (%)	32.07	39.01	35.45	37.19
Equity Fund Raised	(410.90)	(265.15)	661.50	-	NPM (%)	20.57	26.74	21.96	24.52
Others	-	-	742.92	736.06	ROA (%)	9.37	12.52	9.23	5.96
CFF	(131.12)	(481.11)	101.74	(847.17)	ROE (%)	14.39	17.83	12.08	7.30
Net Cash Increase	251.26	(89.38)	309.33	72.38					
Closing Balance	720.25	630.87	940.20	1,012.58					

Sources: 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

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