



QUICK REVIEW (MNCN)
MEDIA NUSANTARA CITRA TBK.

December 03, 2020

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RESEARCH TEAM

Head of Research

Danny Eugene
danny.eugene@megasekuritas.id

Technical Analyst

Fadlillah Qudsi
fadlillah .qudsi@megasekuritas.id

Analyst

Josua Lois S.
josua.lois@megasekuritas.id

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Recommendation

Recommendation : **BUY**

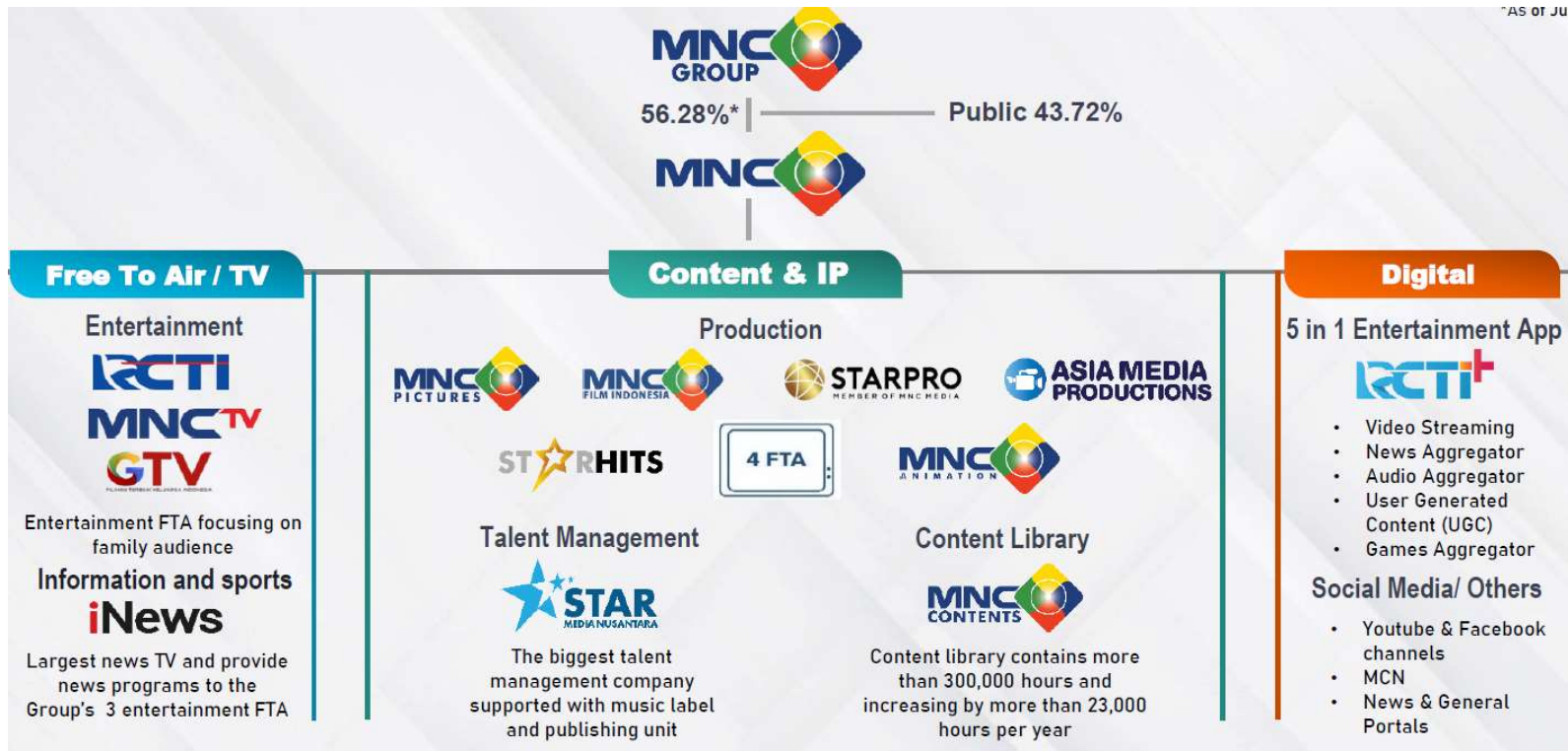
Fair Value : **IDR 2,060**

Current Price (02/12) : **IDR 1,065**

Company Description

PT Media Nusantara Citra Tbk is an integrated media company in Southeast Asia. The Company owns free-to-air TV stations, a regional TV network, local MNC branded pay TV channels, an in-house production company, national and regional newspapers, radio stations, magazines, and advertising agency and a talent management company.

Business Model



Source: Company

Earnings Update

Earnings Results : 3Q 2020

<i>In Billions of IDR</i>	Q3 2020	Q3 2019	%YoY	Q3 2020	Q2 2020	%QoQ
Revenue	1,995	2,019	-1.2%	1,995	1,951	2.3%
- Cost of Revenue	823	808	1.8%	823	719	14.4%
Gross Profit	1,172	1,211	-3.2%	1,172	1,232	-4.8%
- Operating Expenses	493	443	11.4%	493	476	3.5%
Operating Income (Loss)	679	768	-11.6%	679	755	-10.1%
- Non-Operating (Income) Loss	128	80	58.9%	128	82	256.0%
Pretax Income (Loss), GAAP	552	680	-18.8%	552	836	-34.0%
- Income Tax Expense (Benefit)	111	124	-10.8%	111	161	-31.3%
Net Income Avail to Common, GAAP	417	507	-17.7%	417	644	-35.2%

Source: Bloomberg, MCS Research

Earnings Update

Earnings Estimate : 4QE 2020

<i>In Billions of IDR</i>	Q4 2020 Est	Q4 2019	%YoY	Q4 2020 Est	Q3 2020	%QoQ
Revenue	2,056	2,082	-1.3%	2,056	1,995	3.0%
- Cost of Revenue	751	643	16.7%	751	823	-8.8%
Gross Profit	1,305	1,439	-9.3%	1,305	1,172	11.3%
- Operating Expenses	515	639	-19.5%	515	493	4.3%
Operating Income (Loss)	791	800	-1.2%	791	679	16.4%
- Non-Operating (Income) Loss	102	66	55.1%	102	128	-20.3%
Pretax Income (Loss), GAAP	685	723	-5.3%	685	552	24.1%
- Income Tax Expense (Benefit)	141	146	-4.0%	141	111	26.8%
Net Income Avail to Common, GAAP	524	568	-7.9%	524	417	25.5%

Source: Bloomberg, MCS Research

Company Update

Hong Kong-based investment companies officially absorb MNCN shares of IDR 148.5 billion

An investment company from Hong Kong officially absorbed a portion of the shares of PT MNC Media Nusantara Citra Tbk. (MNCN) through a private placement scheme.

Based on the disclosure of information on the Indonesia Stock Exchange, MNCN announced the realization of the issuance of shares through Capital Increase without Pre-emptive Rights (PMTHMETD) totaling 173,684,210 new shares.

The nominal value is IDR 100 per share and the exercise price is IDR 855 per share. The corporate action took place on Tuesday (13/10/2020).

(Source: Bisnis Indonesia)

Company Update

Sinetron Ikatan Cinta and Indonesian Idol Key to Primetime MNCN's Share Audience

The performance of 4 TVs under the banner of PT Media Nusantara Citra Tbk (MNCN) controlled 45.7% of the audience share during prime time on Saturday (11/14/2020).

As of Tuesday, November 17, 2020, the 4 MNC Media TVs still achieved 44.3% audience share in prime time across all demographics.

Meanwhile, the Ikatan Cinta soap opera program at RCTI has reached a rating of 8.3 and an audience share of 31.3% in all demographics as of Tuesday, November 17, 2020.

MNCTV contributed through the performance of the soap operas Returning Raden Kian Santang, Upin & Ipin Begins and Sultan Aji soap operas. MNCTV's highest rating was achieved by the Return of Raden Kian Santang who won a rating of 3.3 and an audience share of 15.6% with a Middle Up audience share as of Tuesday, November 17, 2020.

(Source: Bisnis Indonesia)

Balanced Sheet : Annual

<i>In Billions of IDR</i>	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Assets										
+ Cash, Cash Equivalents & STI	1,640	2,309	2,840	2,006	1,132	398	977	696	865	796
+ Accounts & Notes Receiv	1,986	2,309	2,436	2,712	2,994	3,020	2,924	2,881	2,786	2,917
+ Inventories	915	894	1,139	1,333	1,635	1,593	1,950	2,359	2,757	2,794
+ Other ST Assets	661	507	351	761	2,909	2,715	787	782	929	1,129
Total Current Assets	5,201	6,019	6,767	6,812	8,670	7,727	6,638	6,718	7,337	7,637
+ Property, Plant & Equip, Net	1,040	972	986	1,543	2,659	4,145	4,824	5,307	5,542	5,682
+ LT Investments & Receivables	860	777	244	223	0	1	2	1,114	873	369
+ Other LT Assets	1,095	1,031	964	1,038	2,281	2,601	2,776	1,917	2,588	4,149
Total Noncurrent Assets	2,995	2,780	2,194	2,803	4,940	6,748	7,602	8,339	9,003	10,200
Total Assets	8,197	8,798	8,961	9,615	13,610	14,475	14,240	15,057	16,340	17,836
Liabilities & Shareholders' Equity										
+ Payables & Accruals	969	963	762	1,150	824	887	679	1,102	750	468
+ ST Debt	1,587	234	438	416	47	108	3,429	297	1,317	1,608
+ Other ST Liabilities	49	30	50	41	21	45	91	60	87	64
Total Current Liabilities	2,605	1,227	1,250	1,606	892	1,040	4,199	1,459	2,154	2,139
+ LT Debt	9	588	265	96	3,135	3,649	252	3,387	3,176	2,864
+ Other LT Liabilities	146	148	149	169	182	219	302	410	367	307
Total Noncurrent Liabilities	156	736	414	265	3,318	3,868	554	3,797	3,544	3,171
Total Liabilities	2,760	1,964	1,664	1,872	4,210	4,908	4,753	5,256	5,697	5,310
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0	0
+ Share Capital & APIC	3,469	3,797	3,891	3,738	4,106	4,103	4,126	4,147	4,052	4,052
- Treasury Stock	130	8	0	437	495	722	1,754	2,419	2,830	3,095
+ Retained Earnings	1,482	2,345	3,514	4,090	5,364	5,679	6,460	7,318	8,669	10,693
+ Other Equity	54	25	346	5	59	95	14	21	26	21
Equity Before Minority Interest	4,767	6,109	7,059	7,386	8,916	8,966	8,818	9,025	9,866	11,630
+ Minority/Non Controlling Interest	669	726	238	358	485	601	669	776	777	896
Total Equity	5,436	6,835	7,297	7,744	9,400	9,566	9,487	9,801	10,642	12,526
Total Liabilities & Equity	8,197	8,798	8,961	9,615	13,610	14,475	14,240	15,057	16,340	17,836

Source: Bloomberg, MCS Research

Balanced Sheet : Quarter

<i>In Billions of IDR</i>	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Total Assets										
+ Cash, Cash Equivalents & STI	1,274	1,148	865	641	888	851	796	776	701	874
+ Accounts & Notes Receiv	3,003	3,177	2,786	2,832	2,841	2,819	2,917	3,073	3,118	2,805
+ Inventories	2,481	2,678	2,757	2,716	2,718	2,771	2,794	2,857	2,888	2,878
+ Other ST Assets	851	816	929	906	960	989	1,129	1,334	1,476	1,313
Total Current Assets	7,609	7,820	7,337	7,094	7,408	7,430	7,637	8,040	8,184	7,870
+ Property, Plant & Equip, Net	5,414	5,777	5,542	5,582	5,605	5,706	5,682	5,734	5,650	5,857
+ LT Investments & Receivables	953	305	873	1,015	1,380	1,420	369	1,603	1,417	1,346
+ Other LT Assets	2,113	2,105	2,588	2,761	2,760	2,835	4,149	2,953	3,143	3,362
Total Noncurrent Assets	8,480	8,187	9,003	9,357	9,744	9,961	10,200	10,290	10,210	10,565
Total Assets	16,089	16,007	16,340	16,452	17,152	17,390	17,836	18,330	18,394	18,435
Liabilities & Shareholders' Equity										
+ Payables & Accruals	686	568	750	442	681	462	468	388	250	192
+ ST Debt	958	990	1,317	1,294	1,395	1,500	1,608	1,931	1,761	1,540
+ Other ST Liabilities	73	83	87	74	56	54	64	41	30	24
Total Current Liabilities	1,716	1,641	2,154	1,810	2,132	2,016	2,139	2,360	2,041	1,756
+ LT Debt	3,404	3,425	3,176	3,297	3,296	3,116	2,864	3,053	2,555	2,472
+ Other LT Liabilities	380	418	367	358	317	322	307	301	290	235
Total Noncurrent Liabilities	3,784	3,843	3,544	3,656	3,613	3,438	3,171	3,354	2,845	2,707
Total Liabilities	5,500	5,484	5,697	5,466	5,745	5,454	5,311	5,714	4,886	4,463
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0	0
+ Share Capital & APIC	4,526	4,526	4,052	4,052	4,052	4,052	4,052	4,052	4,052	4,565
- Treasury Stock	2,753	2,756	2,830	3,062	3,061	3,095	3,095	3,095	3,095	2,972
+ Retained Earnings	7,745	8,098	8,669	9,222	9,613	10,120	10,693	11,005	11,649	12,066
+ Other Equity	95	135	26	35	35	29	21	263	46	45
Equity Before Minority Interest	9,424	9,732	9,866	10,178	10,568	11,049	11,630	11,700	12,561	13,615
+ Minority/Non Controlling Interest	1,165	791	777	808	839	887	896	917	947	357
Total Equity	10,589	10,523	10,642	10,986	11,407	11,936	12,526	12,616	13,508	13,972
Total Liabilities & Equity	16,089	16,007	16,340	16,452	17,152	17,390	17,836	18,330	18,394	18,435

Source: Bloomberg, MCS Research

Profit & Loss : Annual

<i>In Billions of IDR</i>	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Est	FY 2021 Est
Revenue	6,265	6,522	6,666	6,445	6,730	7,053	7,444	8,353	8,018	8,771
- Cost of Revenue	2,857	2,851	2,813	2,861	2,875	2,670	2,825	3,030	3,062	3,040
Gross Profit	3,409	3,672	3,853	3,584	3,856	4,382	4,619	5,323	4,956	5,731
+ Other Operating Income	0	0	0	0	0	0	0	0	0	0
- Operating Expenses	1,194	1,111	1,250	1,386	1,526	1,716	1,879	2,064	1,952	2,331
Operating Income (Loss)	2,215	2,560	2,602	2,198	2,329	2,666	2,740	3,259	3,004	3,400
- Non-Operating (Income) Loss	46	167	80	470	186	254	604	304	512	556
Pretax Income (Loss), Adjusted	2,261	2,394	2,522	1,728	2,143	2,411	2,136	2,955	2,492	2,843
- Abnormal Losses (Gains)	0	0	20	47	10	4	33	16	7	19
Pretax Income (Loss), GAAP	2,261	2,394	2,542	1,681	2,153	2,416	2,104	2,939	2,485	2,825
- Income Tax Expense (Benefit)	498	584	660	404	670	848	498	587	491	661
Income (Loss) from Cont Ops	1,763	1,810	1,882	1,277	1,483	1,568	1,606	2,353	1,994	2,164
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	1,763	1,810	1,882	1,277	1,483	1,568	1,606	2,353	1,994	2,164
- Minority Interest	106	119	121	91	114	114	74	119	97	115
Net Income, GAAP	1,657	1,691	1,761	1,186	1,369	1,453	1,531	2,233	1,897	2,049
- Preferred Dividends	0	0	0	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	1,657	1,691	1,761	1,186	1,369	1,453	1,531	2,233	1,897	2,049

Source: Bloomberg, MCS Research

Profit & Loss : Quarter

<i>In Billions of IDR</i>	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020 Est	Q1 2021 Est
Revenue	1,914	1,886	2,366	2,019	2,082	2,016	1,951	1,995	2,056	1,937
- Cost of Revenue	576	701	878	808	643	769	719	823	751	703
Gross Profit	1,338	1,185	1,488	1,211	1,439	1,247	1,232	1,172	1,305	1,234
+ Other Operating Income	0	0	0	0	0	0	0	0	0	0
- Operating Expenses	589	448	534	443	639	468	476	493	515	500
Operating Income (Loss)	749	737	954	768	800	779	755	679	791	734
- Non-Operating (Income) Loss	43	16	142	80	66	365	82	128	102	71
Pretax Income (Loss), Adjusted	706	721	812	688	735	414	837	552	689	663
- Abnormal Losses (Gains)	16	9	6	8	11	3	1	1	4	2
Pretax Income (Loss), GAAP	690	730	806	680	723	411	836	552	685	661
- Income Tax Expense (Benefit)	176	145	171	124	146	78	161	111	141	135
Income (Loss) from Cont Ops	514	585	635	556	577	333	675	441	545	526
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	514	585	635	556	577	333	675	441	545	526
- Minority Interest	28	37	25	48	9	21	31	24	21	20
Net Income, GAAP	542	548	610	507	568	312	644	417	524	506
- Preferred Dividends	0	0	0	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	542	548	610	507	568	312	644	417	524	506

Source: Bloomberg, MCS Research

Cash Flow : Annual

<i>In Billions of IDR</i>	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Cash from Operating Activities										
+ Net Income	730	1,070	1,657	1,691	1,761	1,186	1,369	1,453	1,531	2,233
+ Depreciation & Amortization	211	168	160	161	176	209	299	432	437	454
+ Non-Cash Items	524	326	623	382	752	83	353	333	69	939
Cash from Operating Activities	417	912	1,194	1,471	1,185	1,311	2,021	2,218	2,037	1,748
Cash from Investing Activities										
+ Change in Fixed & Intang	171	83	258	694	1,706	1,414	758	565	642	618
+ Net Change in LT Investment	2	0	0	0	544	490	0	354	489	0
+ Net Cash From Acq & Div	319	14	349	0	0	0	2	0	0	186
+ Other Investing Activities	164	494	1,085	863	572	778	506	172	523	552
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Investing Activities	324	590	994	168	2,822	1,126	251	747	1,655	1,356
Cash from Financing Activities										
+ Dividends Paid	94	207	488	1,007	606	888	587	592	209	214
+ Cash From (Repayment) Debt	62	790	113	301	2,560	200	26	177	545	91
+ Cash (Repurchase) of Equity	100	402	102	164	59	226	1,032	664	411	265
+ Other Financing Activities	0	30	10	450	299	4	23	68	56	93
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Financing Activities	132	565	509	1,593	2,195	919	1,669	1,501	131	481
Net Changes in Cash	38	243	309	46	557	734	101	30	251	89

Source: Bloomberg, MCS Research

Cash Flow : Quarter

<i>In Billions of IDR</i>	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Cash from Operating Activities										
+ Net Income	362	353	542	548	610	507	568	312	644	417
+ Depreciation & Amortization	121	107	98	94	125	121	115	116	137	125
Cash from Operating Activities	4	152	1,616	626	122	494	507	382	384	421
Cash from Investing Activities										
+ Change in Fixed & Intang	193	88	235	140	145	131	202	340	68	752
+ Net Change in LT Investment	4	75	568	0	0	0	0	0	0	0
+ Net Cash From Acq & Div	0	0	0	0	0	0	186	0	0	0
+ Other Investing Activities	2	3	516	255	172	12	113	3	1	252
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Investing Activities	188	16	1,320	395	316	143	501	337	67	500
Cash from Financing Activities										
+ Dividends Paid	0	209	0	0	0	214	0	0	0	0
+ Cash From (Repayment) Debt	56	13	177	168	374	22	93	5	287	380
+ Cash (Repurchase) of Equity	280	4	73	233	0	33	0	0	0	123
+ Other Financing Activities	677	26	677	27	28	78	15	34	34	451
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Financing Activities	341	251	573	428	402	347	107	39	253	194
Net Changes in Cash	149	115	277	197	207	3	102	6	63	116

Source: Bloomberg, MCS Research

Valuation



Source: Bloomberg

Valuation

PER	EPS	Value
12.7x	IDR 162	IDR 2,060



PT. Mega Capital Sekuritas

Menara Bank Mega 2nd Floor

Jl. Kapten P. Tendean Kav. 12-14A

Jakarta Selatan 12790

Telp : 021-79175599

Faks : 021-79193900

Email : research@megasekuritas.id
