

Friday, 02 March 2018

OVERWEIGHT

Media

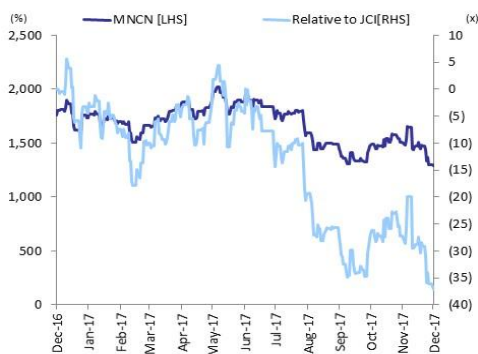
Feb 18: Flattish all-time audience share

SCMA relative to JCI Index



Source : Bloomberg

MNCN relative to JCI Index



Source : Bloomberg

The latest data release by Nielsen reveals: 1) flattish all-time audience share for MNCN and SCMA in Feb-18, 2) flattish all-time audience share for TRANS and VIVA, 3) improving GTV, decreasing RCTI and IVM prime time audience share, and 4) better non-prime time audience share for SCTV and GTV in Feb-18. Overall, we remain optimistic on the outlook for 2018 with expectations of better adex.

Flat all-time audience share for MNCN and SCMA in Feb-18. The all-time audience share for MNCN remained flat in Feb-18 compared to the previous month. RCTI's all-time audience share fell further in Feb-18 but the performance was offset by better performance from MNCTV and GTV. Meanwhile, SCMA's all-time audience share has also remained flat in Feb-18. IVM's audience share lagged in Feb-2018, although SCTV still improved.

The all-time audience share for the TRANS group and VIVA has remained flat in Feb-18. TRANS group's all-time audience share has remained flat, driven by the slightly better performance from TRANS TV. Meanwhile, VIVA's all-time audience share has also remained flat with TVONE's better performance, despite ANTV's slightly weaker performance. METRO's all-time audience share remained flat compared to the previous month yet lower compared to last year.

Improving GTV, decreasing RCTI and IVM prime time audience share. In Feb-18, RCTI's prime time audience share was down (-0.8 ppt mom and -9.9 ppt yoy), signalling that its top 3 shows, 1) "Dunia Terbalik", 2) "Hafizah", and 3) "Catatan Harian Aisha" could not successfully increase their audience share. On a positive note, the weak performance was offset by improving prime time audience share in GTV for its 3 top shows during February 2018, namely 1) "Bedah Rumah", 2) "Uang Kaget", and 3) "Mask Singer". Meanwhile, SCTV's prime time audience share has remained flat with its top 3 shows, 1) "Anak Langit", 2) "Siapa Takut Jatuh Cinta", and 3) "Orang Ketiga". Nonetheless, IVM's prime time audience share declined since the President's Cup had finished, but Liga Dangdut's ratings picked up - potentially supporting better audience share in Mar-18.

Better non-prime time audience share for SCTV and GTV in Feb-18. The non-prime time audience share for SCMA has remained flat in Feb-18 markedly on a monthly basis due to SCTV's better non-prime time audience. By comparison, MNCN's non-prime time audience share fell slightly on a monthly basis as RCTI's performance weakened despite GTV's better performance. The non-prime time audience share of TRANS improved on the back of TRANSTV's better performance.

Remaining optimistic in 2018. Our top pick in the sector is MNCN given its cheap valuation followed by SCMA with expected better earnings delivery. We will review our forecasts upon the release of the upcoming full-year results. The risks to our call include: 1) audience share stagnating or worsening, 2) higher content and operating costs, and 3) stiffer competition.



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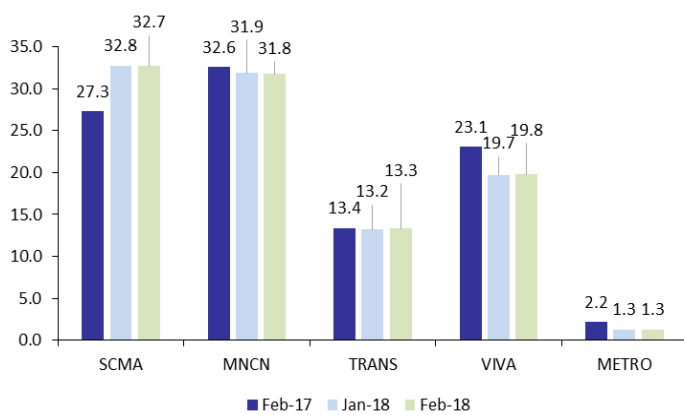
Company	Ticker	Rec	Target	Market	P/E (x)		P/BV (x)		ROE (%)
			Price (Rp)	Cap. (RpBn)	2017F	2018F	2017F	2018F	2017F
Surya Citra Media	SCMA IJ	BUY	2,800	39,624	26.9	25.0	10.6	8.7	40.5
Media Nusantara Citra	MNCN IJ	BUY	1,750	22,413	15.8	12.7	2.2	1.8	18.2

Flat all-time audience share for MNCN and SCMA in Feb-18

The all-time audience share for MNCN remained flat in Feb-18 compared to the previous month. RCTI's all-time audience share fell further in Feb-18 but the performance was offset by better performance from MNCTV and GTV. Meanwhile, SCMA's all-time audience share has also remained flat in Feb-18. IVM's audience share lagged in Feb-2018, although SCTV still improved.

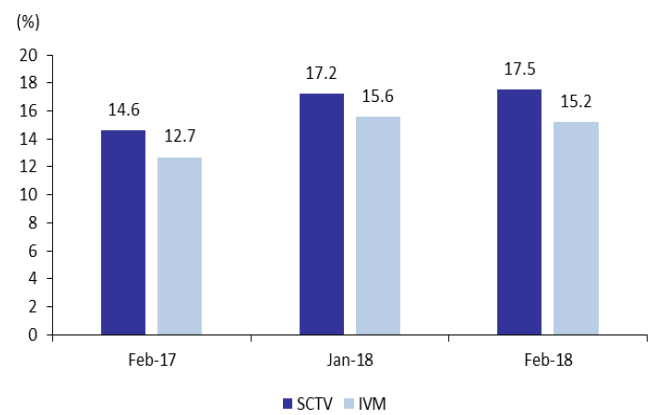
TRANS group's all-time audience share has remained flat, driven by the slightly better performance from TRANS TV. Meanwhile, VIVA's all-time audience share has also remained flat with TVONE's better performance, despite ANTV's slightly weaker performance. METRO's all-time audience share remained flat compared to the previous month yet lower compared to last year.

Exhibit 1. All-time audience share in Feb-18



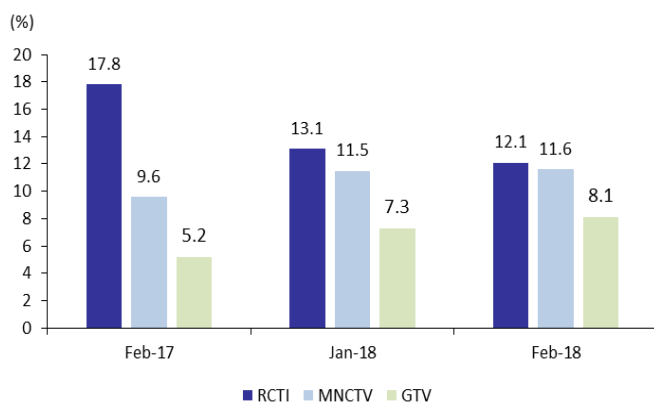
Source: Nielsen

Exhibit 2. SCMA's all-time audience share in Feb-18



Source: Nielsen

Exhibit 3. MNCN's all-time audience share in Feb-18



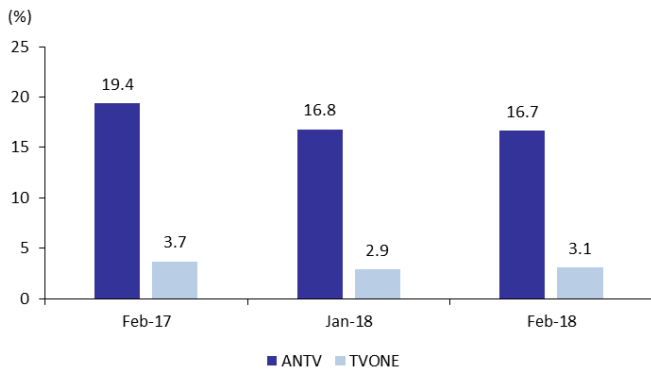
Source: Nielsen

Exhibit 4. TRANS' all-time audience share in Feb-18



Source: Nielsen

Exhibit 5. VIVA' all-time audience share in Feb-18

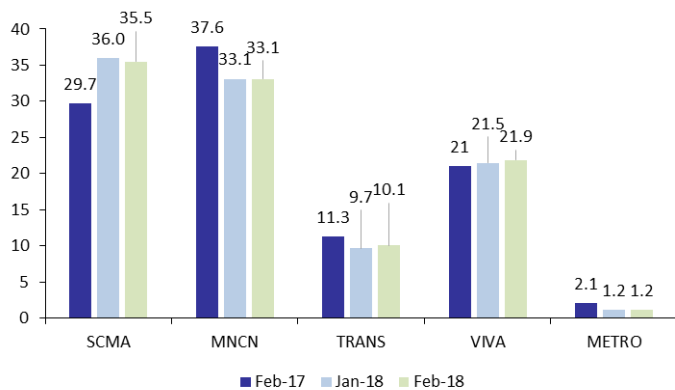


Source: Nielsen

Improving GTV, decreasing RCTI and IVM prime time audience share

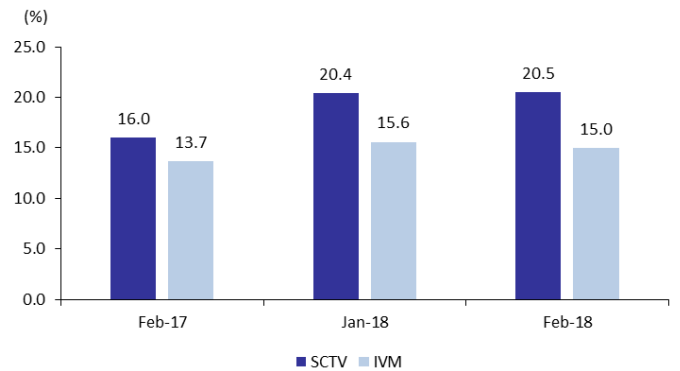
In Feb-18, RCTI's prime time audience share was down (-0.8 ppt mom and -9.9 ppt yoy), signalling that its top 3 shows, 1) "Dunia Terbalik", 2) "Hafizah", and 3) "Catatan Harian Aisha" could not successfully increase their audience share. On a positive note, the weak performance was offset by improving prime time audience share in GTV for its 3 top shows during February 2018, namely 1) "Bedah Rumah", 2) "Uang Kaget", and 3) "Mask Singer". Meanwhile, SCTV's prime time audience share has remained flat with its top 3 shows, 1) "Anak Langit", 2) "Siapa Takut Jatuh Cinta", and 3) "Orang Ketiga". Nonetheless, IVM's prime time audience share declined since the President's Cup had finished, but Liga Dangdut's ratings picked up - potentially supporting better audience share in Mar-18.

Exhibit 6. Prime time audience share in Feb-18



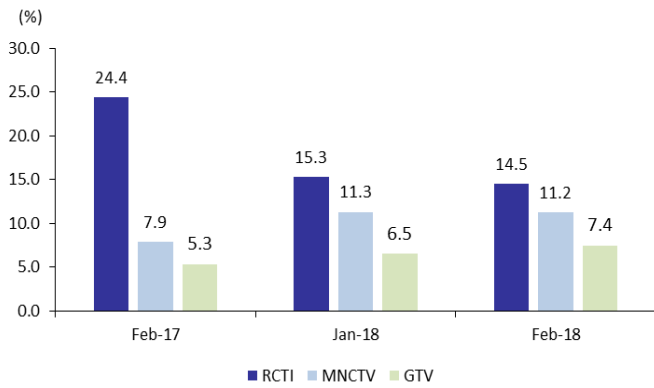
Source: Nielsen

Exhibit 7. SCMA's prime time audience share in Feb-18



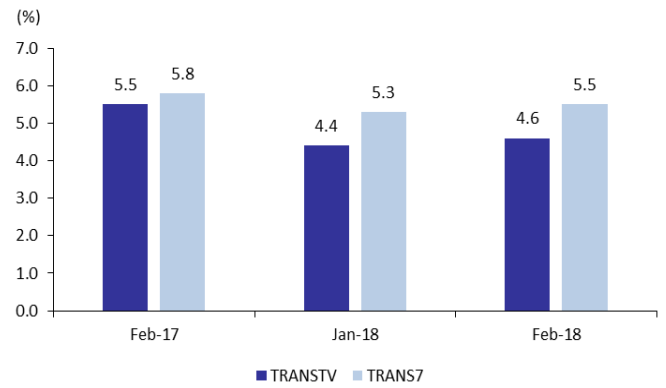
Source: Nielsen

Exhibit 8. MNCN's prime time audience share in Feb-18



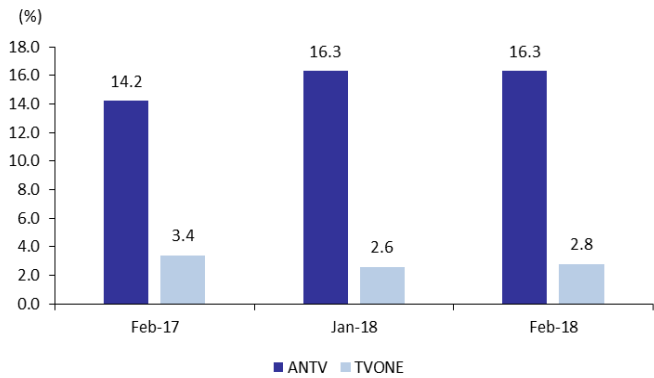
Source: Nielsen

Exhibit 9. TRANS prime time audience share in Feb-18



Source: Nielsen

Exhibit 10. VIVA's prime time audience share in Jan-18: Driven by ANTV

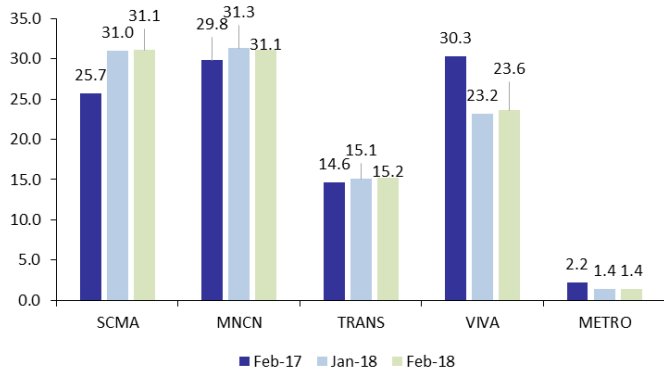


Source: Nielsen

Better non-prime time audience share for SCTV and GTV in Feb-18

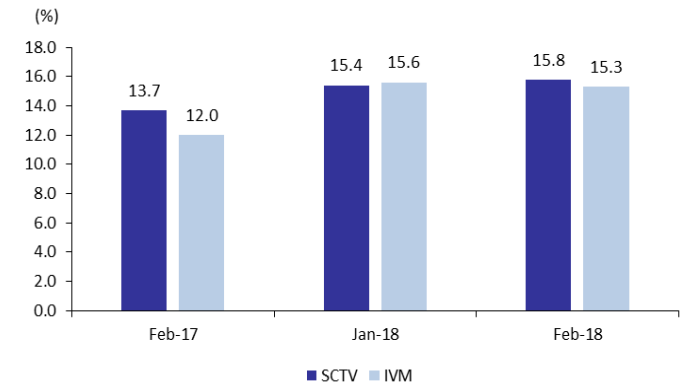
The non-prime time audience share for SCMA has remained flat in Feb-18 markedly on a monthly basis due to SCTV's better non-prime time audience. By comparison, MNCN's non-prime time audience share fell slightly on a monthly basis as RCTI's performance weakened despite GTV's better performance. The non-prime time audience share of TRANS improved on the back of TRANSTV's better performance.

Exhibit 11. Non-prime time audience share in Feb-18



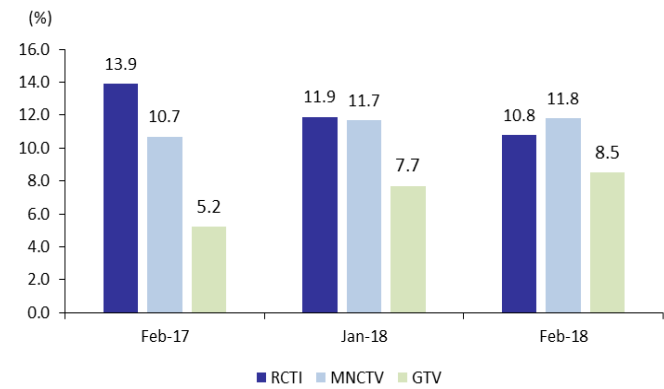
Source: Nielsen

Exhibit 12. SCMA's non-prime time audience share in Feb-18



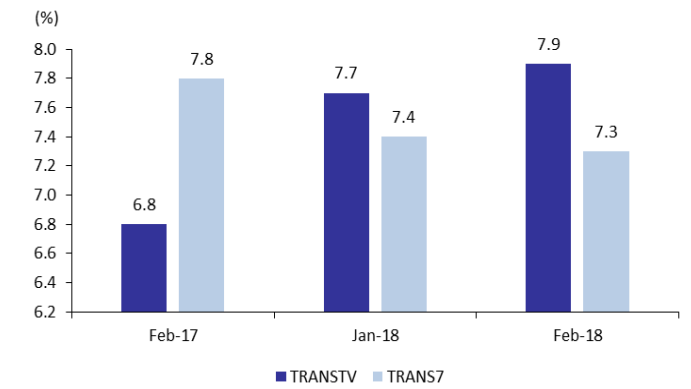
Source: Nielsen

Exhibit 13. MNCN's non-prime time audience share in Feb-18



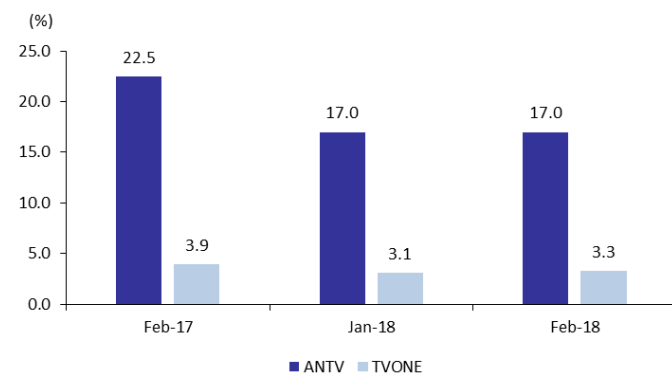
Source: Nielsen

Exhibit 14. TRANS' non-prime time audience share in Feb-18



Source: Nielsen

Exhibit 15. VIVA's non-prime time audience share in Feb-18



Source: Nielsen

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