

Wednesday, 05 December 2018

## OVERWEIGHT

# Media

## Remaining resilient

MNCN relative to JCI Index



SCMA relative to JCI Index



Source : Bloomberg

The latest Nielsen survey reveals that the audience share of SCMA and MNCN was relatively flat on a monthly basis in Nov 18. For SCMA, the total audience share declined slightly, due to slightly lower prime and nonprime time audience share. For MNCN, by comparison, its overall yearly audience share improved, beating the previous year's level. Our Daily TV program tracking reveals that SCMA and MNCN are still resilient. SCMA is our top pick in the sector. It currently trades at 17.7x P/E or slightly above -1std.

**SCMA's audience share declined slightly.** SCMA's prime time audience share declined slightly on a monthly comparison from 33.7% in Oct 18 to 32.6%. However, its Nov 18 audience share is still higher compared to Nov 17 (29.1%). Both its prime and non-prime time audience shares were slightly down. SCMA's audience share was supported by: 1) *Cinta Suci*, 2) *Anak Langit* 3) *Orang Ketiga*, 4) *Azab* and 5) *Cinta Misteri* which place in the top ten programs in 28 days of observation.

**MNCN's audience share is flat.** MNCN's audience share improved from 31.8% in the previous month to 32.8% in Nov 18. On a yearly basis, MNCN's audience share is flat with higher non-prime time audience share. In November 2018, MNCN was supported by the programs: 1) *Cinta yang Hilang* 2) *Dunia terbalik* and 3) *Tukang Ojek Pengkolan* - which was also the case in the previous month.

**SCMA and MNCN's programs are still leading.** From our Daily TV program tracking, SCMA still leads the pack, although *Azab* seems to be losing traction. SCTV also has a new soap opera called *Cinta Misteri*, which started to be aired at the end of Oct 18, and which has consistently shown excellent performance in TV rate terms. Similar TV programs by MNCN are still in the top ten which demonstrates its resilience. SCTV's program *Cinta Suci* has the highest ranking. In Nov 18, four TV channels were consistently ranked in the top ten, namely: SCTV (4 programs), RCTI (3 programs), ANTV (2 programs) and IVM (1 program), with most of them prime time programs. All in all, the programs of SCMA and MNCN still lead the pack.

**Top pick: SCMA.** We think that both SCMA and MNCN look attractive at their current share prices, with SCMA as our top pick given: 1) its high audience share, 2) better 3Q18 results on a yearly basis, and 3) its healthy balance sheet with net cash. In our view, SCMA currently trades at an attractive PE valuation of 17.7x or slightly above -1std. The risks to our call include: 1) external pressure on its clients' business, 2) stiffer competition, 3) higher content costs, and 4) viewers switching to digitalized entertainment.



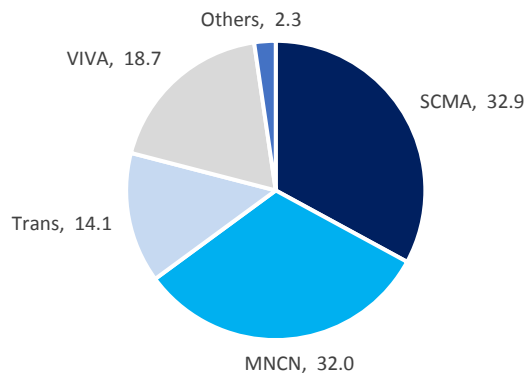
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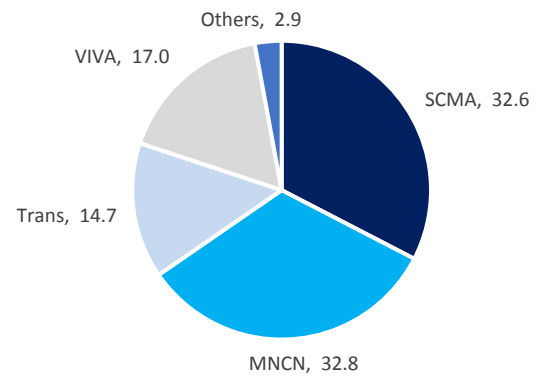
Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%)
					2018F	2019F	2018F	2019F	2019F
MNCN	MNCN IJ	BUY	1,450	11,906.3	8.6	6.2	1.2	1.1	18.3
Surya Citra Media	SCMA IJ	BUY	2,700	27,269.3	17.7	16.0	5.9	5.1	34.4

**Exhibit 1. Average audience share (YTD)**



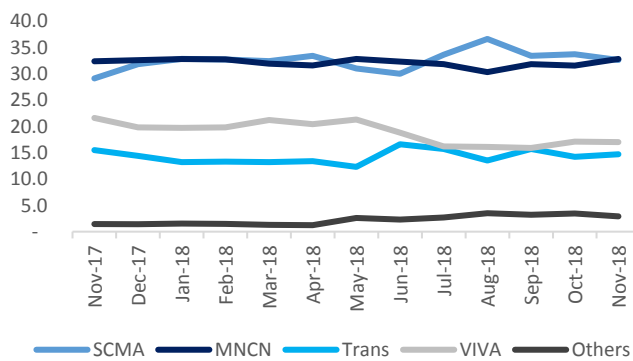
Source: Nielsen

**Exhibit 2. Audience share, November 2018**



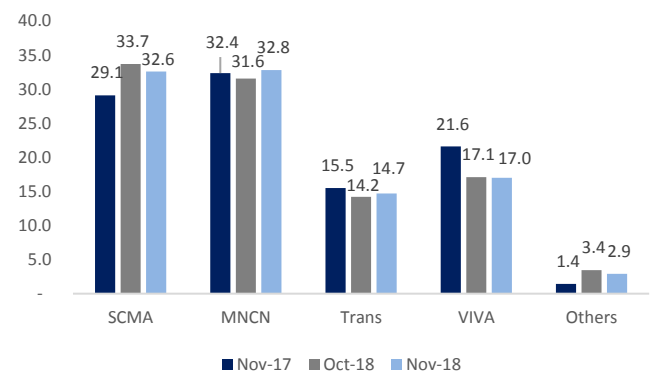
Source: Nielsen

**Exhibit 3. Audience share over the last one year**



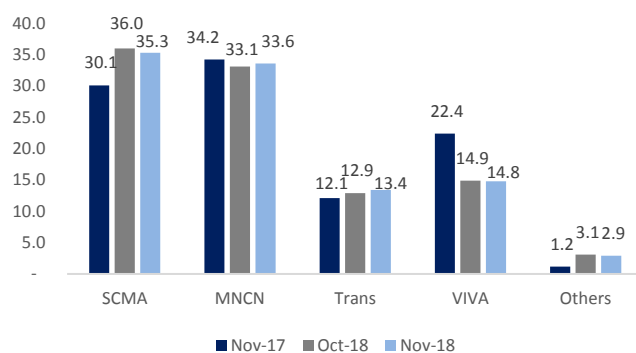
Source: Nielsen

**Exhibit 4. Audience share, November 2018**



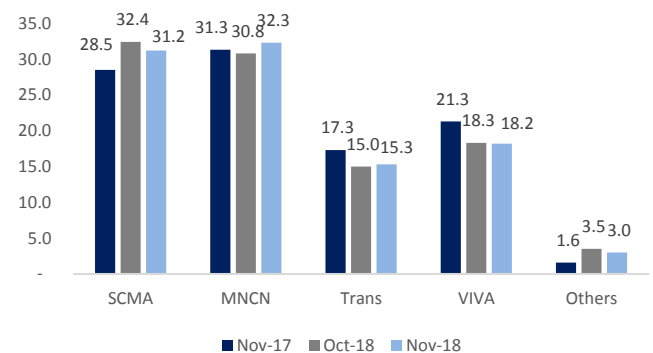
Source: Company, Danareksa Sekuritas estimates

**Exhibit 5. Prime time audience share, November 2018**



Source: Company, Danareksa Sekuritas estimates

**Exhibit 6. Non-prime time audience share, November 2018**



Source: Company, Danareksa Sekuritas estimates

**Exhibit 7. Top 10 based on Avg. TV rating and daily top 10 appearance (1-30 Nov 2018, 28 obs.)**

Rank	Program	Channel	Avg. TV rating	Avg. TV share	Appearance in daily top 10	Schedule
1	CINTA SUCI	SCTV	5.6	21.7	26 times	Everyday 19.45
2	CINTA YANG HILANG	RCTI	3.9	15.1	26 times	Everyday, 18.45
3	ANAK LANGIT	SCTV	3.8	15.9	28 times	Everyday, 18.20
4	DUNIA TERBALIK	RCTI	3.4	16.4	28 times	Everyday, 20.45
5	ORANG KETIGA	SCTV	3.3	19.6	25 times	Everyday, 22.00
6	TUKANG OJEK PENGKOLAN	RCTI	2.8	14.7	24 times	Everyday, 16.45
7	CINTA TIADA AKHIR	ANTV	2.6	11.7	19 times	Everyday, 18:00
8	KUN FAYAKUN	ANTV	2.6	9.9	12 times	Mon to Sat, 19.15
9	AZAB	IVM	2.6	13.5	21 times	Mon to Sat, 17.00, 18.30
10	CINTA MISTERI	SCTV	2.5	14.4	12 times	Everyday 17.00

\*Rank based on average TV rating between 1-30 Nov 18 and frequently appear in daily top 10

Source: Nielsen, Various sources, Danareksa Sekuritas

**Exhibit 8. Top 10 based on Avg. TV rating and daily top 10 appearance (1-30 Oct 2018, 29 obs.)**

Rank	Program	Channel	Avg. TV rating	Avg. TV share	Appearance in daily top 10	Schedule
1	CINTA YANG HILANG	RCTI	5,5	21,7	29 times	Everyday, 18.45
2	CINTA SUCI	SCTV	4,1	16,1	29 times	Everyday, 19.45
3	AZAB	IVM	3,7	14,2	19 times	Monday to Sat 17.00, 18.30
4	ANAK LANGIT	SCTV	3,6	15,1	28 times	Everyday, 18.20
5	ORANG KETIGA	SCTV	3,4	19,3	27 times	Everyday, 22.00
6	DUNIA TERBALIK	RCTI	3,4	17,6	30 times	Everyday, 20.45
7	TUKANG OJEK PENGKOLAN	RCTI	3,4	15,1	18 times	Everyday, 16.45
8	GOJEK LIGA 1	IVM	3,4	14,3	7 times	Various
9	JODOH WASIAT BAPAK	ANTV	2,6	11,7	19 times	Everyday 20.30
10	KUN FAYAKUN	ANTV	2,6	10,2	17 times	Everyday 19.00

\*Rank based on average TV rating between 1-30 Oct 18 and frequently appear in daily top 10

Source: Nielsen, Various sources, Danareksa Sekuritas

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