

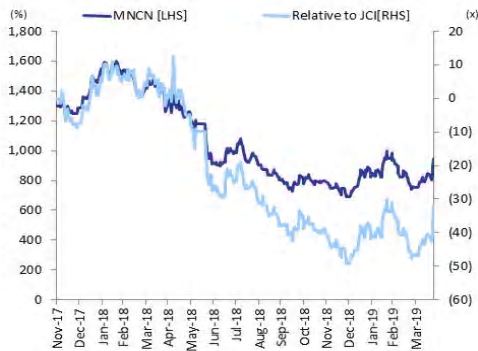
Tuesday, 11 June 2019

OVERWEIGHT

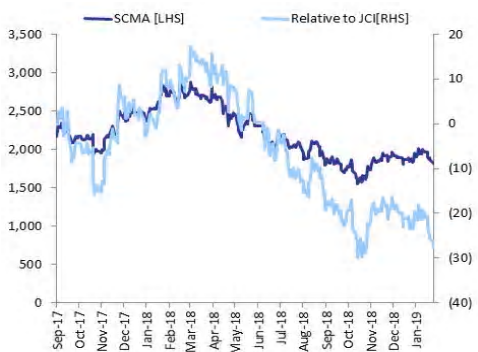
Media

Ramadan season: MNCN still leads, SCMA rises

MNCN relative to JCI Index



SCMA relative to JCI Index



Source : Bloomberg

The latest Nielsen survey reveals that the May 19 audience share of MNCN was lower on a monthly comparison, reflecting lower prime time and flat nonprime time audience share. Meanwhile, SCMA's audience share improved on both a mom and yoy basis thanks to higher prime time and nonprime time audience share. In our Daily TV program tracking, we observed several new TV programs produced for the Ramadan season which supported the audience share of both companies. We expect higher revenues in Q2 for both companies due to seasonality. MNCN looks attractive to BUY given its impressive 1Q19 results and cheap valuation of 9.2x PE.

MNCN loses audience share, but still leads. MNCN's audience share slipped from 35.5% in Apr19 to 34.4% in May19. However, its current audience share is still higher compared to last year (32.8%). Its lower audience share reflects declines in both prime time and non-prime time audience share on a monthly basis (although higher on a yearly basis). In May 2019, our tracker shows that MNCN was supported by its flagship programs: 1) Cinta yang Hilang, 2) Tukang Ojek Pengkolan and 3) Dunia Terbalik as well as new programs for Ramadan: 1) Buka Puasa Bareng Upin Ipin and 2) Kultum. Despite the decline, MNCN still leads with 34.4% audience share.

SCMA starts to pick up. SCMA's audience share improved on a monthly basis from 30% to 31.4%, albeit flat on a yearly comparison (31%). This improvement was backed by increasing prime time and non-prime time audience share. For non-prime time, we observe that the station aired a popular TV program during Sahur (02.30 AM) in May 19 called *Para Pencari Tuhan 12*. For prime time, SCMA is still supported by its backbone programs: 1) *Cinta Suci*, 2) *Cinta Buta*, and 3) *Anak Langit*.

Expecting higher revenues during the Ramadan season. We think that both SCMA and MNCN look attractive at their current share prices, supported by strategies to tap digital media and monetize their content library. We also anticipate a better second quarter for both companies due to seasonality. We like MNCN given: 1) its leading audience share year-to-date, 2) impressive 1Q19 results and 3) cheap valuation of 9.2x PE. 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.



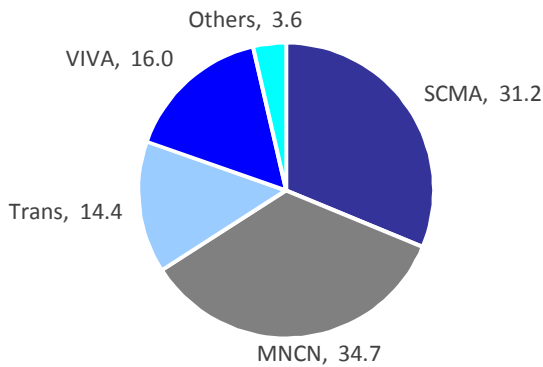
Ignatius Teguh Prayoga

(62-21) 2955 5888 ext 3511

ignatius.prayoga@danareksa.co.id

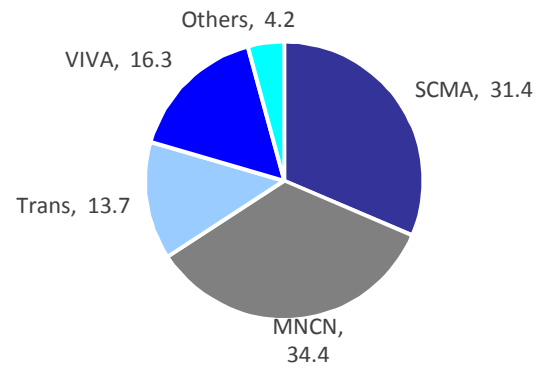
Company	Ticker	Rec	Target Price	Market Cap.	P/E (x)		P/BV (x)		ROE (%)
			(Rp)	(RpBn)	2019F	2020F	2018F	2019F	2019F
MNCN	MNCN IJ	BUY	1,400	13,490.9	8.4	7.7	1.3	1.1	15.6
Surya Citra Media	SCMA IJ	BUY	2,350	27,269.3	16.9	15.2	5.9	5.1	35.9

Exhibit 1. Average audience share (YTD)



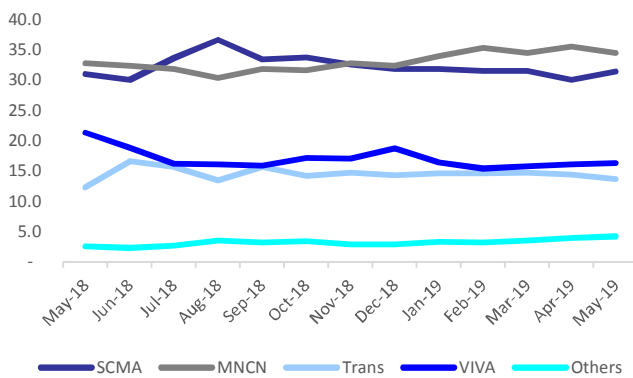
Source: Nielsen

Exhibit 2. Audience share, May 2019



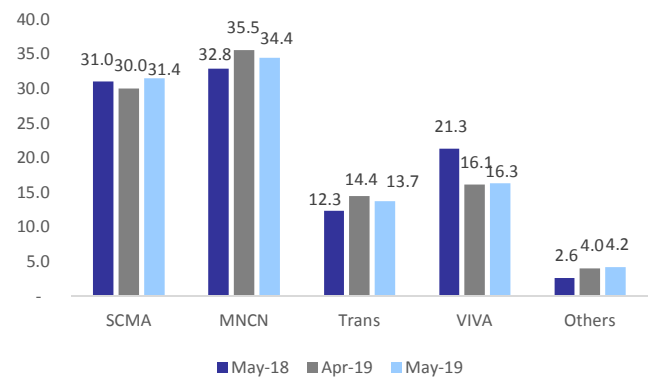
Source: Nielsen

Exhibit 3. Audience share over the last one year



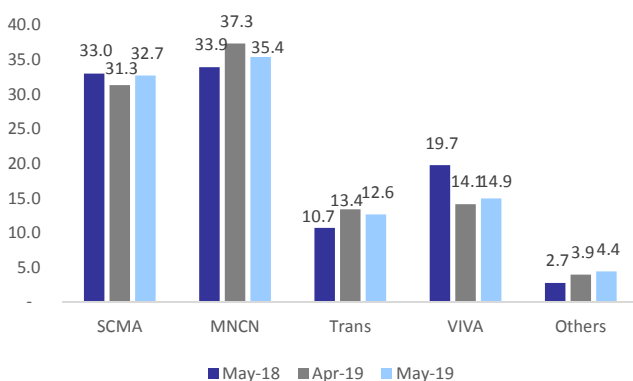
Source: Nielsen

Exhibit 4. Audience share, May 2019



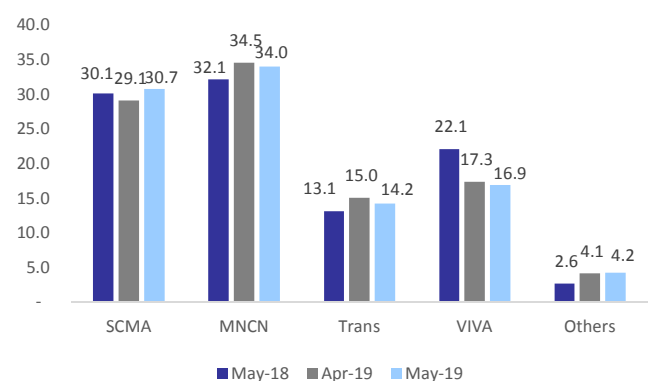
Source: Company, Danareksa Sekuritas estimates

Exhibit 5. Prime time audience share, May 2019



Source: Company, Danareksa Sekuritas estimates

Exhibit 6. Non-prime time audience share, May 2019



Source: Company, Danareksa Sekuritas estimates

Exhibit 7. Top 10 based on Avg. TV rating and daily top 10 appearance (1-30 May 2019. 11-day obs.)

Rank	Program	Channel	Avg. TV rating	Avg. TV share	Ranked in daily top 10	Schedule
1	CINTA SUCI	SCTV	3.6	14.9	11 times	Everyday, 19.45
2	ANAK LANGIT	SCTV	3.1	16.0	11 times	Everyday, 18.20
3	CINTA BUTA	SCTV	3.3	14.5	10 times	Everyday, 19.00
4	CINTA YANG HILANG	RCTI	3.2	12.8	10 times	Everyday, 19.00
5	DUNIA TERBALIK	RCTI	2.6	14.6	10 times	Everyday, 21.00
6	TUKANG OJEK PENGKOLAN	RCTI	3.8	16.5	9 times	Everyday, 16.30
7	MENGETUK PINTU HATI	SCTV	3.4	14.7	9 times	Everyday, 17.45
8	BUKA PUASA BARENG UPIN & IP	MNCTV	2.8	11.4	7 times	Everyday, 18.00
9	PARA PENCARI TUHAN 12	SCTV	2.8	19.1	6 times	Everyday 02.30
10	KULTUM	RCTI	3.1	14.0	4 times	Everyday 10.54

*Rank based on average TV rating between 1-29 May 19 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 Apr 2019. 17-day obs.)

Rank	Program	Channel	Avg. TV rating	Avg. TV share	Ranked in daily top 10	Schedule
1	CINTA BUTA	SCTV	3.5	14.6	17 times	Everyday, 19.00
2	CINTA YANG HILANG	RCTI	4.2	16.4	16 times	Everyday, 19.00
3	CINTA SUCI	SCTV	3.8	15.5	15 times	Everyday, 19.45
4	ANAK LANGIT	SCTV	2.7	15.8	15 times	Everyday, 18.20
5	TUKANG OJEK PENGKOLAN	RCTI	3.7	17.6	15 times	Everyday, 16.30
6	UPIN & IPIN BERMULA	MNCTV	2.6	11.7	13 times	Everyday, 18.00
7	DUNIA TERBALIK	RCTI	3.1	17.2	11 times	Everyday, 21.00
8	FATIH DI KAMPUNG JAWARA	MNCTV	2.4	9.3	11 times	Everyday 17.00
9	ORANG KETIGA	SCTV	2.6	15.4	10 times	Everyday, 21.30
10	KONSER LIDA 2019	IVM	2.5	12.9	8 times	Everyday 20.30

*Rank based on average TV rating between 1-30 Mar 19 and frequently appear in daily top 10

Source: Nielsen, Various sources, Danareksa Sekuritas

Exhibit 9. Top 10 based on Avg. TV rating and daily top 10 appearance (3-28 Mar 2019. 20-day obs.)

Rank	Program	Channel	Avg. TV rating	Avg. TV share	Ranked in daily top 10	Schedule
1	CINTA YANG HILANG	RCTI	3.9	14.7	20 times	Everyday, 19.00
2	ANAK LANGIT	SCTV	2.9	16.8	19 times	Everyday, 18.20
3	CINTA SUCI	SCTV	4.8	19.0	18 times	Everyday, 19.45
4	DUNIA TERBALIK	RCTI	3.5	16.0	18 times	Everyday, 21.00
5	TUKANG OJEK PENGKOLAN	RCTI	3.3	16.1	18 times	Everyday, 16.30
6	ORANG KETIGA	SCTV	2.8	16.1	16 times	Everyday, 21.30
7	UPIN & IPIN BERMULA	MNCTV	2.9	12.9	13 times	Everyday, 18.00
8	FATIH DI KAMPUNG JAWARA	MNCTV	2.6	8.8	11 times	Everyday 17.00
9	PIALA PRESIDEN	IVM	3.1	16.0	11 times	Various
10	KONSER LIDA 2019	IVM	2.6	13.6	7 times	Everyday, 18.00

*Rank based on average TV rating between 3-28 Mar 19 and frequently appear in daily top 10

Source: Nielsen, Various sources, Danareksa Sekuritas

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