

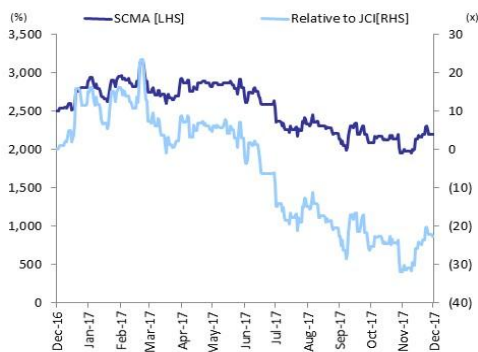
Thursday, 04 January 2017

## OVERWEIGHT

# Media

## December 2017: better all time audience shares

### SCMA relative to JCI Index



Source : Bloomberg

### MNCN relative to JCI Index



Source : Bloomberg

Recent Nielsen survey reveals that 1) Dec 2017 all-time audience shares for both SCMA and MNCN have improved; 2) SCMA performance in Dec 2017 was better mainly due to a better prime time audience shares; meanwhile, 3) MNCN performance in Dec 2017 was cushion by a better non-prime time audience shares; 4) in 2017, MNCN still dominates the overall Indonesian TV audience shares. In 2018, we are positive to see higher FTA TV spending.

**Dec 2017 all-time audience shares have improved for both SCMA and MNCN.** Recent Nielsen survey has revealed an improvement in all time audience share for both SCMA and MNCN in December 2017 alone by 0.3 ppt mom to 31.8% and by 0.6% ppt mom to 31.5%. This has weakened ANTV's audience share in December 2017 by 0.4% ppt mom to 16.2%.

**SCMA performance in Dec 2017 was better mainly due to a better prime time audience shares.** For SCMA, the good performance in December 2017 has been mainly cushion by a significant better prime time audience shares compared to the previous month by 6.3 ppt mom to 36.4%. This was mainly due to 1) SCTV's prime time audience shares that improved by 2.7 ppt mom to 18.8% on the back of "Siapa Takut Jatuh Cinta" and "Anak Langit", and 2) IVM's prime time audience share that improved by 3.6 ppt mom to 17.6% on the back of D Academy Asia. Meanwhile, SCMA's non-prime audience share also improved by 1.1 ppt mom to 29.6%.

**MNCN performance in Dec 2017 was better mainly due to non-prime time audience shares.** For MNCN, a better performance in December 2017 has been mainly cushion by a better performance in its non-prime time audience share, despite a slight weakening in the prime time compared to the previous month. MNCN's non-prime time improved by 1.7 ppt mom to 31.6%, thanks to 1) GTV's non-prime time audience shares by 1.9 ppt mom to 7.4%, and 2) stable outlook on RCTI and MNCTV. On the flip side, MNCN's prime time audience shares was slightly down compared to the previous month by 1.3 ppt mom to 31.3%.

**2017: MNCN still dominates the audience shares.** In 2017, MNCN all-time audience shares still dominates Indonesian TV industry at ~34%, although the figure was lower than 2016 at ~37%. SCMA's all-time audience shares in 2017 has improved to ~28% compared to 2016 at ~25%. This was mainly due to an increase in ANTV's all-time audience shares to ~17% compared to ~15.5% in 2016, mainly after taking up the prime time audience share.

**2018: FTA TV ad spending will improve in 2018.** We are positive on the outlook for the media sector in 2018 given that 1) FTA TV ad spending will improve in 2018 driven by local FMCG and internet companies, 2) content cost efficiencies, and 3) attractive dividend yield. Valuation wise, MNCN still offers the most attractive upside. The risks to our call include: 1) audience share stagnating or worsening, 2) higher content and operating costs, 3) stiffer competition.



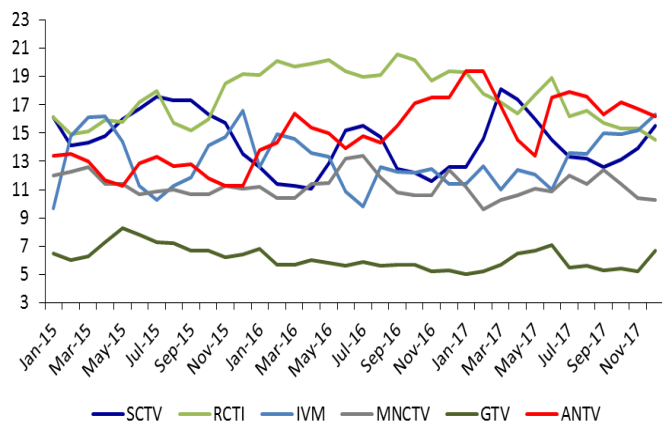
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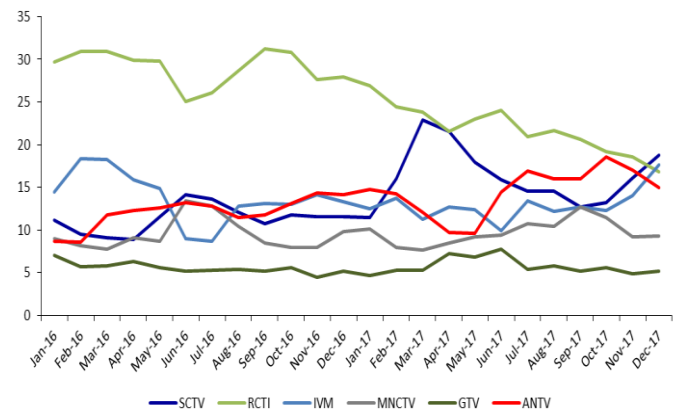
Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%)
					2017F	2018F	2017F	2018F	2017F
Surya Citra Media	SCMA IJ	BUY	2,800	35,823	23.8	22.2	9.3	8.4	40.5
Media Nusantara Citra	MNCN IJ	BUY	1,750	18,416	11.8	9.8	1.9	1.7	18.2

**Exhibit 1. All time audience share, % - December 2017**



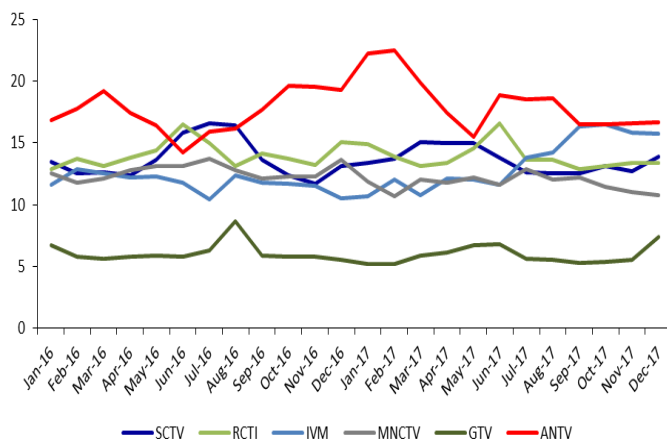
Source: Nielsen

**Exhibit 2. Prime time audience share, % - December 2017**



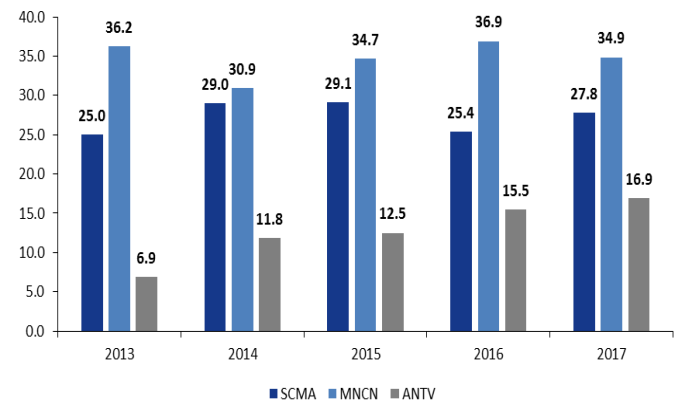
Source: Nielsen

**Exhibit 3. Non prime time audience share, % - December 2017**



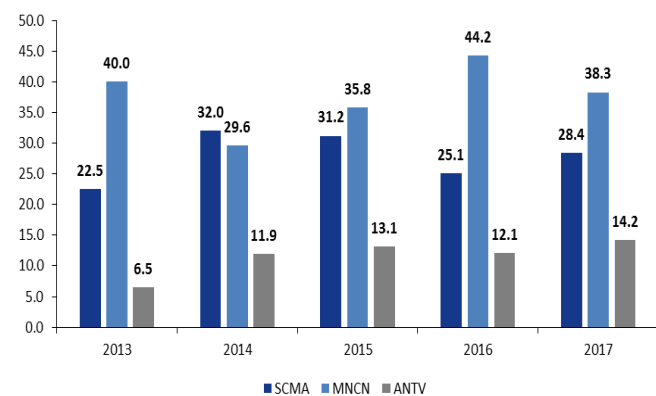
Source: Nielsen

**Exhibit 4. All time audience share, SCMA vs. MNCN, % - 2017**



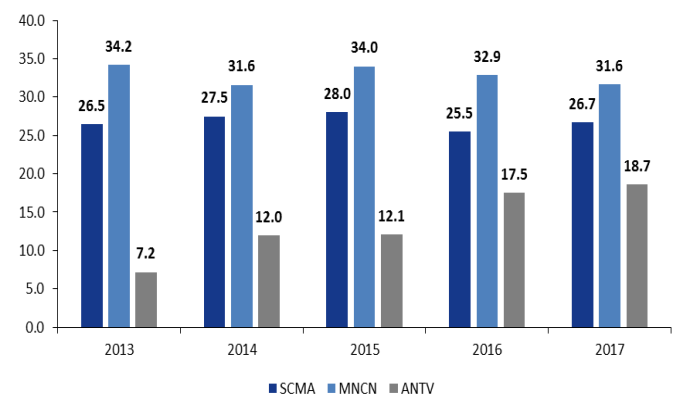
Source: Nielsen

**Exhibit 5. Prime time audience share, SCMA vs. MNCN, % - 2017**



Source: Nielsen

**Exhibit 6. Non prime time audience share, SCMA vs. MNCN, % - 2017**



Source: Nielsen

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