

FROM EQUITY RESEARCH

Media: Jan 18: Better all-time audience share (Overweight)

The recent data release by Nielsen reveals: 1) a pick-up in the all-time audience share for both SCMA and MNCN in Jan 18 on a monthly basis, 2) a pick-up in ANTV's all-time audience share in Jan 18 but lower all-time audience share for TransTV, Trans7, and Metro, 3) an improvement in MNCN's prime time audience share on a monthly basis and 4) better non-prime time audience share in Jan 18 for SCMA compared to the previous month.

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Waskita Beton Precast: Finally paid on Becakayu project! (WSBP IJ. IDR 474. BUY. TP IDR 580)

WSBP received the remaining payment for the Becakayu toll road for sections 1B and 1C on 31 Jan 18. The IDR1.55tn payment comes after WSBP received the first tranche payment of IDR429bn in Dec 17. However, around IDR1.4tn of the proceeds will need to be used to repay working capital loans from BRI and BNI as the creditors. Maintain BUY with a new TP of IDR580 (old: IDR520).

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MARKET NEWS

Macroeconomy

- January 2018 Inflation reaches 0,62%

Sector

- Coal Sector: PLN asks the government to regulate domestic coal prices for power plants
- Media: 2017 Adex has reached IDR145tn

Corporate

- Adhi Persada Properti to partner with Perum PPD
- Agung Podomoro to develop Maja project
- Bekasi Fajar obtained a loan of USD75mn
- Surya Semesta allocates IDR800bn capex
- Unilever Indonesia: UNVR announced unaudited FY17 net profits of IDR7tn (+9.6% yoy)

KEY INDEX

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	6,598	(0.1)	3.8	644
Thailand	1,834	0.4	4.6	1,981
Philippines	8,739	(0.3)	2.1	133
Malaysia	1,869	(0.1)	4.0	642
Singapore	3,547	0.4	4.2	1,284
Regional				
China	3,447	(1.0)	4.2	40,174
Hong Kong	32,642	(0.7)	9.1	19,798
Japan	23,486	1.7	3.2	17,006
Korea	2,558	(0.4)	3.7	10,118
Taiwan	11,160	0.5	4.9	4,155
India	35,907	(0.2)	5.4	911
NASDAQ	7,386	(0.3)	7.0	141,109
Dow Jones	26,187	0.1	5.9	12,300

CURRENCY AND INTEREST RATE

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	13,424	(1.0)	1.0	1.0
SBI rate %	5.90	-	-	(1.3)
10y Gov Indo bond	6.22	0.0	(0.1)	(0.1)

HARD COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	104	0.0	3.6	3.6
Gold	US\$/toz	1,348	(0.0)	2.3	3.5
Nickel	US\$/mt.ton	13,966	3.0	9.9	9.9
Tin	US\$/mt.ton	21,550	(1.4)	7.2	7.2

SOFT COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	2,014	1.0	6.0	6.0
Corn	US\$/mt.ton	131	0.3	5.0	5.0
Oil (WTI)	US\$/barrel	66	0.5	9.5	9.4
Oil (Brent)	US\$/barrel	70	1.1	4.2	4.2
Palm oil	MYR/mt.ton	2,479	0.9	3.7	3.7
Rubber	US\$/kg	149	(0.4)	1.4	1.4
Pulp	US\$/tonne	1,034	N/A	3.4	3.4
Coffee	US\$/60kgbag	98	0.4	(10.4)	(10.4)
Sugar	US\$/MT	356	0.9	(9.9)	(9.9)
Wheat	US\$/ton	123	(0.2)	5.6	5.6
Soy Oil	US\$/lb	33	(0.5)	(0.5)	(0.5)
Soy Bean	US\$/by	985	(1.1)	3.5	3.5

Source: Bloomberg

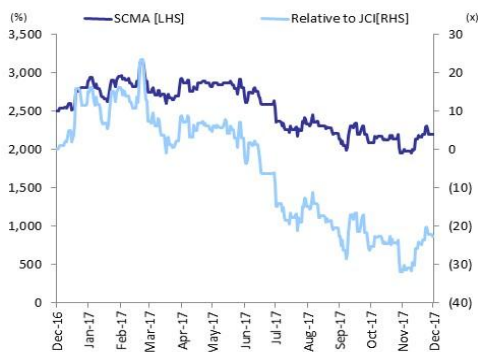
Friday, 02 February 2018

OVERWEIGHT

Media

Jan 18: Better audience share for SCMA & MNCN

SCMA relative to JCI Index



Source : Bloomberg

MNCN relative to JCI Index



Source : Bloomberg

The recent data release by Nielsen reveals: 1) a pick-up in the all-time audience share for both SCMA and MNCN in Jan 18 on a monthly basis, 2) a pick-up in ANTV's all-time audience share in Jan 18 but lower all-time audience share for TransTV, Trans7, and Metro, 3) an improvement in MNCN's prime time audience share on a monthly basis and 4) better non-prime time audience share in Jan 18 for SCMA compared to the previous month.

Better all-time audience share for SCMA and MNCN in Jan 18. The all-time audience share for both SCMA and MNCN improved in Jan 18 on a monthly basis driven by the better performance of SCTV, MNCTV, and GTV, which was able to offset the lagging performance of IVM and RCTI. Furthermore, on a yearly basis, SCMA's all-time audience share has shown a marked improvement thanks to Sinemart on SCTV and the higher ratings for live shows on IVM.

The all-time audience share for ANTV has picked up but fallen for Trans TV, Trans7, and Metro. The all-time audience share for TRANS has fallen due to the poor performance of TransTV and Trans7. VIVA's all-time audience share, meanwhile, was little changed in Jan 18 compared to the previous month as ANTV's performance picked up, offsetting the lagging performance of TVONE, yet still lower on a yearly comparison. As for METRO, its all-time audience share has tended to trend down since last year.

Better prime time audience share for MNCN, down slightly for SCMA. The prime time audience share for MNCN improved in Jan-18 on a monthly basis driven by the better performance of MNCTV and GTV. By comparison, SCMA's prime time audience share declined slightly on a monthly basis due to IVM's weaker performance although SCTV's prime time share improved. For IVM, the performance was relatively weaker on a monthly basis as D'academy Asia Season 3 ended in Dec 17, but its performance was still stronger on a yearly comparison due to Liga Dangdut. For SCTV, it has continued to air 2 new shows (Siapa Takut Jatuh Cinta and Orang Ketiga) since Nov-17 while Anak Langit's ratings have improved.

SCMA's non-prime time audience share improved in Jan 18. The non-prime time audience share for SCMA has markedly improved on a monthly and yearly basis due to better non-prime time audience share for both SCTV and IVM. By comparison, MNCN's non-prime time audience share fell slightly on a monthly and yearly basis as RCTI's share weakened despite GTV's better performance.

Attractive dividend yields with better earnings on the cards. Attractive dividend yields for both SCMA and MNCN will provide further support for the stocks to rerate ahead, in our view. Our top pick is MNCN given its cheap valuation followed by SCMA with expected better earnings delivery. 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 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	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

Friday, 02 February 2018

BUY
Maintain

Last price (IDR) 474
Target Price (IDR) 580
Upside/Downside +22.4%
Previous Target Price (IDR) 520

Stock Statistics

Sector Construction
Bloomberg Ticker WSBP JJ
No of Shrs (mn) 25,685
Mkt. Cap (IDRbn/USDmn) 12,175/909
Avg. daily T/O (IDRbn/USDmn) 50.5/3.8

Major shareholders (%)

Waskita Karya 60.0
Public 40.0
Estimated free float 40.0

EPS Consensus (IDR)

	2017F	2018F	2019F
Danareksa	44.1	52.4	58.8
Consensus	41.6	50.5	55.2
Danareksa/Cons	5.9	3.9	6.5

WSBP relative to JCI Index



Source : Bloomberg



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Waskita Beton Precast (WSBP JJ)

Finally paid for the Becakayu project!

WSBP received the remaining payment for the Becakayu toll road for sections 1B and 1C on 31 Jan 18. The IDR1.55tn payment comes after WSBP received the first tranche payment of IDR429bn in Dec 17. However, around IDR1.4tn of the proceeds will need to be used to repay working capital loans from BRI and BNI as the creditors. Maintain BUY with a new TP of IDR580 (old: IDR520).

WSBP has received full payment for Becakayu 1B and 1C. On 31 Jan 18, WSBP received the remaining payment for the turnkey Becakayu toll road project amounting to IDR1.55tn following the first payment of IDR429bn in Dec 17. The payment comes after the completion of construction of the toll road sections 1B and 1C. Meanwhile, section 1A is still under construction with a contract value of IDR1.1tn. The construction of section 1A is scheduled to be completed by 2Q18 and the payment is expected to be received soon after that.

The Becakayu payment scheme. The value of the contract won by WSBP for sections 1A, 1B, and 1C is IDR3.0tn. Since only sections 1B and 1C have been completed, WSBP has so far received payment for the completed sections amounting to around IDR2.0tn. However, around IDR1.4tn of the proceeds will be used to repay working capital loans from BRI and BNI which were used to carry out the project. The syndication loan facility has a maximum size of IDR1.7tn with an interest rate of 9.25%-10.0% pa. WSBP's DER stood at 0.64x as of Sep 17. If the loan is excluded, the ratio would decline to 0.44x.

Potential works from Becakayu section 2. The Becakayu toll road is divided into another 3 sections: sections 2D, 2E, 2F. Sections 2E and 2F have not been tendered yet due to the change of the design. The toll road authority plans to connect the toll road to the Jakarta – Cikampek toll road, one of the busiest toll roads in the country which is owned by Jasa Marga (JSMR). This will create connectivity among toll roads in Greater Jakarta and generate more traffic on the Becakayu toll road. Based on the current design, section 2 will have a length of around 11.0km or similar to the lengths of sections 1A-C (10.0km). As such, WSBP expects to obtain a similar contract value for section 2. WSBP has already won the contract for section 2D worth IDR600bn.

Reiterate BUY. We reiterate our BUY call on WSBP with a new TP of IDR580. Our new TP is based on the historical mean PE of 11.0x (our previous TP was based on 9.8x implied PE). We maintain our forecast since we are awaiting the issuance of the audited 2017 result. Compared to the management's 2018 revenues target of IDR9.7tn and earnings target of IDR1.4tn, our targets are 5% and 8% lower.

Key Financials

Year to 31 Dec	2015A	2016A	2017F	2018F	2019F
Revenue (IDRbn)	2,644	4,717	7,604	9,172	11,070
EBITDA (IDRbn)	363	970	1,590	1,879	2,111
EBITDA Growth (%)	156.1	166.9	63.9	18.2	12.3
Net profit (IDRbn)	334	635	1,132	1,347	1,510
EPS (IDR)	21.1	33.8	44.1	52.4	58.8
EPS growth (%)	0.0	60.1	30.2	19.0	12.1
BVPS (IDR)	84.1	394.8	320.1	359.3	402.3
DPS (IDR)	0.0	0.0	12.4	13.2	15.7
PER (x)	22.3	13.9	10.7	9.0	8.0
PBV (x)	5.6	1.2	1.5	1.3	1.2
Dividend yield (%)	0.0	0.0	2.6	2.8	3.3
EV/EBITDA (x)	35.2	11.6	9.0	9.0	5.2

Source : WSBP, Danareksa Estimates

MARKET NEWS

MACROECONOMY

January 2018 Inflation reaches 0.62%

Inflation in January 2018 reached 0.62% mom or 3.25%yoy. The consumer price index reached 132.10. The core component of inflation rose by 0.31%mom and 2.69%yoy. The biggest contributors to inflation were foodstuffs and ready-to-consume food. The only component to post deflation was the transportation component. As for year-on-year inflation, housing expenses posted the highest inflation at 4.24% followed by clothing (4.10%). The component with the lowest year-on-year inflation is transportation (1.55%).

From the 82 cities observed, 79 of them experienced inflation while 3 experienced deflation. The city that experienced the highest inflation was Bandar Lampung (1.42%).By contrast, the city that experienced the most deflation was Jayapura (-1.12%). (Badan Pusat Statistik)

SECTOR

Coal Sector: PLN asks the government to regulate domestic coal prices for power plants

Perusahaan Listrik Negara (PLN) has asked the government to regulate the domestic coal price for power plants at USD60/tonne in order to prevent electricity rate hikes. At the moment, PLN and the Ministry of Energy and Mineral Resources (MEMR) are conducting a study to find the best formula in determining coal prices for domestic power plants. Besides DMO for coal sales volume, the Directorate General of Electricity of MEMR has suggested to the government to regulate domestic coal prices under the DMO scheme. (Bisnis Indonesia)

Media: 2017 adex reached IDR145tn

According to Nielsen Indonesia, adex in 2017 increased by about 8% yoy from IDR134.8tn to IDR145.5tn, based on the gross rate calculation which excludes discounts, bonuses, and promotions. TV ads contributed about 80% (IDR115.8tn) of total adex, newspapers contributed about 19.6% (IDR28.5tn) and magazines contributed about 0.75% (IDR1.1tn). TV ads alone in 2017 increased by 12% yoy, newspaper ads fell by about 3.06% yoy, and magazine ads slumped 31.25% yoy. FMCG ads increased by 21% yoy to IDR24.9tn, beverages/RTD (ready to drink) ads rose by 7% yoy to IDR21.6tn and food ads increased by 12% yoy to IDR19.1tn. By brand, adex on Meikarta was the highest in 2017 (more than IDR1.5tn), followed by Traveloka (up by 65% yoy to IDR1.2tn), Indomie (up by 25% yoy to IDR981.5bn), and Vivo Smartphone (up by 557% yoy to IDR823.5bn). (Kontan)

CORPORATE

Adhi Persada Properti to partner Perum PPD

Adhi Persada Properti (APP) will partner Perum PPD to provide infrastructure facilities from Granddhika City Lifestyle, Jatiwarna to Jakarta named Transjabodetabek Premium. Granddhika City Lifestyle is a mixed use project developed by APP on 4.1ha of land bank. (Bisnis Indonesia)

Agung Podomoro to develop Maja project

Agung Podomoro Land (APLN) will develop a new Maja project. At the moment, the company has 700ha of land bank in Maja. The company expects the government to develop infrastructure access in Maja. (Bisnis Indonesia)

Bekasi Fajar obtained a USD75mn loan

Bekasi Fajar Industrial Estate (BEST) and its subsidiaries, Bekasi Mitra Industrial Estate, Bekasi Surya Pratama, and Best Sinar Nusantara obtained a USD75mn syndicated loan on 31 January 2018 from Bangkok Bank and Indonesia Eximbank. There is the option to extend the loan to USD130mn if needed. The funds from the loan will be used to refinance existing USD denominated loans. The loan will have a tenor of 96 months and interest rate of LIBOR 3 months + 5.5%. (Kontan)

Comment: We believe that the drawdown of the new loan will not result in interest expense savings considering the similar interest rate charged (LIBOR 3 months + 5.5%). Nonetheless, the debt maturity profile will be lengthened. The existing USD denominated bank loan will mature in 2020, while the new loan will mature in 2026. (Antonia)

Surya Semesta allocates IDR800bn on capex

Surya Semesta Internusa (SSIA) has earmarked IDR800bn for capex this year sourced from internal cash. The majority of the allocated capex (IDR600bn) will be used for land acquisition in Subang and to develop infrastructure in the area. The remaining amount will be allocated for construction (IDR30bn), hospitality and for the office segment. This year, the company seeks to acquire 200ha of additional land bank. It also hopes to record industrial land sales of 15ha. (Kontan)

Unilever Indonesia: UNVR announced unaudited FY17 net profits of IDR7tn (+9.6% yoy)

Unilever announced unaudited FY17 revenues of IDR41.2tn (+2.9% yoy), in line with our estimate (98%) and the consensus (97%). At the bottom line, the FY17 net profits reached IDR7tn, +9.6% yoy, also inline with our forecast and the consensus estimates. Last year, the company spent IDR1.7tn on capex. The management said that the challenge in 2017 was the low level of household consumption, which put pressure on the consumer sector. (Company)

COVERAGE PERFORMANCE
LEADERS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		01-Feb-18	31-Jan-18					
Summarecon Agung	SMRA	1,190	1,120	6.3	15.0	26.6	25.9	BUY
Bekasi Fajar	BEST	316	300	5.3	11.3	28.5	26.4	BUY
Alam Sutera	ASRI	412	394	4.6	6.7	14.4	15.7	HOLD
Kimia Farma	KAEF	2,550	2,440	4.5	4.5	(1.9)	(5.6)	SELL
Surya Semesta	SSIA	605	585	3.4	15.2	16.3	17.5	HOLD
Bumi Serpong Damai	BSDE	1,875	1,820	3.0	8.7	10.3	10.3	BUY
Media Nusantara Citra	MNCN	1,570	1,525	3.0	7.5	22.2	22.2	BUY
Bank Central Asia	BBCA	23,375	22,725	2.9	3.5	6.7	6.7	HOLD
PP London Sumatra	LSIP	1,340	1,310	2.3	2.3	0.8	(5.6)	BUY
Mayora Indah	MYOR	2,290	2,240	2.2	(0.4)	8.0	13.4	HOLD

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		01-Feb-17	31-Jan-18					
Semen Baturaja	SMBR	3,280	3,700	(11.4)	4.1	(11.1)	(13.7)	SELL
Semen Indonesia	SMGR	10,700	11,150	(4.0)	(3.6)	4.1	8.1	SELL
Pakuwon Jati	PWON	690	710	(2.8)	(0.7)	0.7	0.7	HOLD
Mitra Adi Perkasa	MAPI	7,100	7,300	(2.7)	(3.4)	13.1	14.5	BUY
HM Sampoerna	HMSP	4,780	4,900	(2.4)	(7.6)	0.6	1.1	HOLD
Harum Energy	HRUM	3,220	3,300	(2.4)	(5.6)	57.1	57.1	HOLD
Adaro Energy	ADRO	2,400	2,450	(2.0)	(2.0)	27.7	29.0	BUY
Wijaya Karya	WIKA	2,040	2,080	(1.9)	(3.3)	30.4	31.6	BUY
Bukit Asam	PTBA	3,340	3,400	(1.8)	-	33.6	35.8	BUY
Jasa Marga	JSMR	5,600	5,700	(1.8)	(1.8)	(10.8)	(12.5)	BUY

Sources: Bloomberg

PREVIOUS REPORTS

- Bank Tabungan Pensiunan Nasional: Limited upside for now [SnapShot20180201](#)
- Sumber Alfaria Trijaya: Cautiously growing [SnapShot20180131](#)
- Cigarette: Price hikes bode well for higher earnings, Puradelta Lestari: Upside remains, Tunas Baru Lampung: Growth potential on realized expansion [SnapShot20180129](#)
- Erajaya Swasembada: Spicing up the growth [SnapShot20180126](#)
- Bank Rakyat Indonesia: Still the biggest micro lender in the country, Semen Indonesia: Too Pricey [SnapShot20180124](#)

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