

# Surya Citra Media Tbk (SCMA)

## Segmen Digital sebagai Pendorong Pertumbuhan

SCMA berhasil mencatatkan laba bersih sebesar Rp 911 miliar di 9M20 (-8,1% yoy, +12,2% qoq), didukung pemulihan belanja iklan dan biaya program yang lebih rendah. Meskipun TV *Free to Air* masih menjadi kontributor pendapatan terbesar, segmen Digital Online mengalami pertumbuhan yang pesat dengan potensi pemasukan yang besar ke depannya.

**Keuntungan 9M20 Hanya Turun Tipis.** Hingga September 2020, SCMA mampu mencatatkan pendapatan sebesar Rp 3,5 triliun (-13,5% yoy, +15,8 qoq). Pemulihan belanja iklan memainkan peran penting bagi SCMA untuk kenaikan kinerja keuangannya. Terlebih lagi, perusahaan juga telah berhasil mengurangi biaya program dan siaran sebesar 22,4%yoy (Rp 1.560 miliar pada 9M20 vs Rp 2.012 miliar pada 9M19), yang membantu mendongkrak *bottom line*. Secara keseluruhan, laba bersih SCMA hanya turun 8,1% yoy ke Rp 911 miliar di 9M20, dari Rp 991 miliar pada periode yang sama tahun lalu. Kami melihat pencapaian ini merupakan suatu hal yang sangat positif mengingat banyaknya tantangan ekonomi sejak dimulainya pandemi Covid-19.

**Masih Bertumpu pada TV *Free-to-Air*.** Pendapatan dari siaran *Free-to-Air* masih berkontribusi cukup signifikan pada total pendapatan SCMA, dengan porsi 89,2% (turun tipis dari 90,5% tahun lalu). *Channel* utama perusahaan, SCTV, saat ini menduduki posisi kedua dengan 13,6% pangsa penonton *prime time*, didorong oleh beberapa judul sinetron populer. Sementara Indosiar pun masih menjadi salah satu *channel* TV favorit dengan beberapa program andalan seperti kontes musik dan infotainment. Secara umum, program di bawah channel TV milik SCMA mengisi 7 dari 15 program dengan rating tertinggi di Indonesia per akhir September lalu.

**Digital Media sebagai Kunci Pertumbuhan.** Selama pandemi Covid-19, segmen digital online membukakan pertumbuhan yang pesat. Pendapatan sebelum eliminasi dari segmen ini naik 29,79% yoy. Media online milik SCMA, Kapan Lagi, saat ini memiliki sekitar 1,4 miliar *pageview* per bulan. Selain itu, *platform* OTT, Vidio.com, juga mencatatkan pencapaian yang luar biasa dengan lebih dari 60 juta pengguna aktif bulanan. Dengan tren yang mengarah ke media digital, kami melihat bahwa SCMA akan lebih fokus pada segmen ini, dengan hampir 20% belanja iklan nasional saat ini masuk ke segmen online.

**Rekomendasi BUY dengan TP Rp 1.800/lembar.** Kami merekomendasikan BUY untuk SCMA ditopang kinerja yang solid dengan potensi pertumbuhan yang besar dari segmen digital. Target harga kami di Rp 1.800 kami mencerminkan 18,6x di 2021 Forward P/E atau sekitar rata-rata 3 tahunan. Neraca SCMA yang kuat, dilihat dari tingkat hutang yang rendah, juga merupakan nilai plus terutama pada masa perlambatan ekonomi.

### Surya Citra Media Tbk | Summary (IDR bn)

in IDR bn	2019/12A	2020/12E	2021/12F	2022/12F
Sales	5,523	5,061	5,536	5,613
Sales growth	4.7%	-8.4%	9.4%	1.4%
EBITDA	1,559	1,736	1,961	2,011
Net profit	989	1,186	1,427	1,465
EPS (IDR)	68	80	97	99
EPS growth	-30.3%	20.0%	20.2%	2.7%
BVPS (IDR)	375	403	444	478
EBITDA margin	28.2%	34.3%	35.4%	35.8%
NPM	17.9%	23.4%	25.8%	26.1%
ROE	18.0%	19.9%	21.8%	20.8%
ROA	14.7%	16.8%	18.7%	18.0%
ROIC	17.1%	19.4%	21.2%	20.2%
P/E	20.9x	18.6x	18.6x	18.2x
P/BV	3.8x	3.7x	4.1x	3.8x
EV/EBITDA	13.3x	12.4x	13.3x	12.9x
DPS (IDR)	56	-	56	68
Dividend yield	4.0%	0.0%	3.1%	3.8%

Source: Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

## BUY

Target Price (IDR)	1,800
Consensus Price (IDR)	1,695
TP to Consensus Price	+6.2%
vs. Last Price	+17.6%

### Shares data

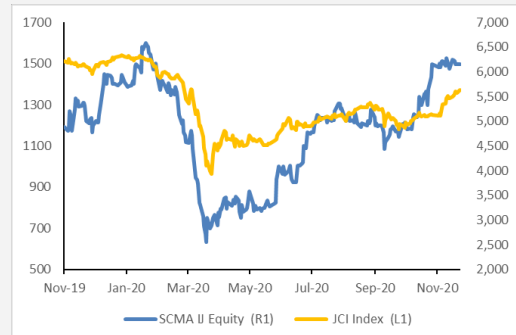
Last Price (IDR)	1,530
Price date as of	24 November 2020
52 wk range (Hi/Lo)	1,625 / 600
Free float (%)	33.0
Outstanding sh.(mn)	14,774
Market Cap (IDR bn)	22,162
Market Cap (USD mn)	1,557
Avg. Trd Vol - 3M (mn)	15.9
Avg. Trd Val - 3M (bn)	20.7
Foreign Ownership (%)	25.5

### Media Services

#### Broadcasting

Bloomberg	SCMA IJ
Reuters	SCMA JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	7.9%	8.7%	24.6%	23.6%
Rel. Ret.	18.4%	-1.3%	18.0%	30.9%

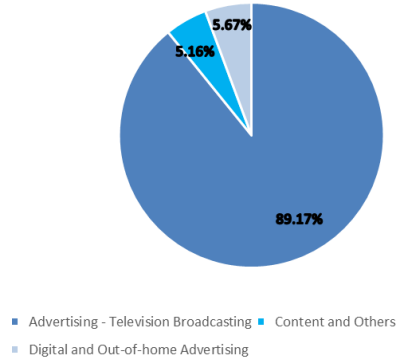
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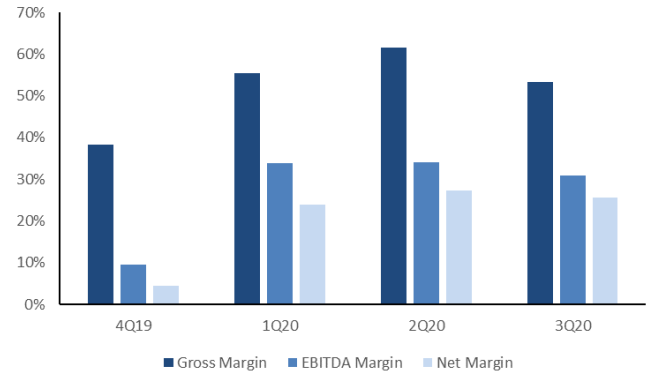
# Performance Highlights

## Revenue Breakdown | 9M20



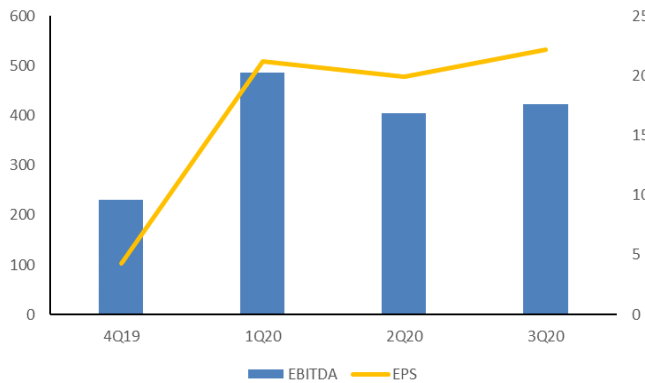
Source: Bloomberg, NHKSI Research

## Profitability Margin | Quarterly



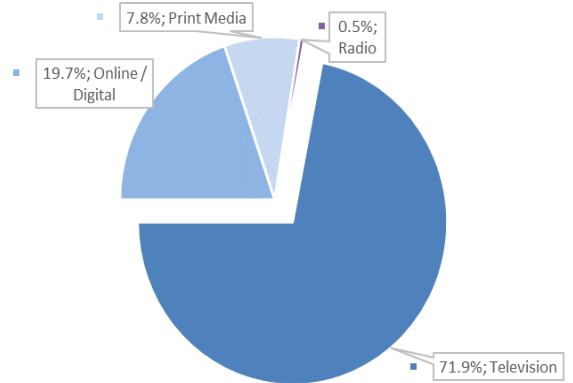
Source: Bloomberg, NHKSI Research

## EPS and EBITDA Movement | Quarterly



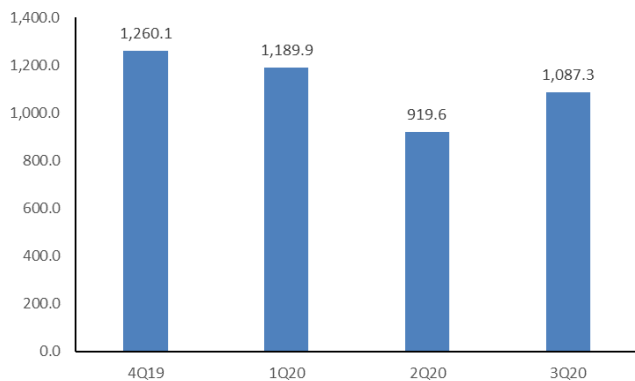
Source: Bloomberg, NHKSI Research

## National Ads Spending by Media Segment | Jan—Jul 2020



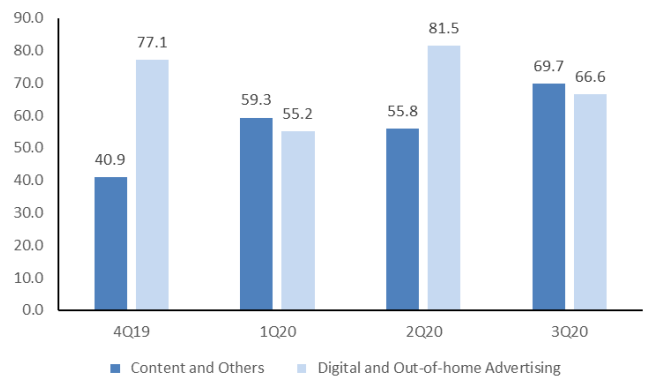
Source: Nielsen

## SCMA Advertising Revenue (in IDR Bn) | Quarterly



Source: Bloomberg, NHKSI Research

## SCMA Content & Digital Revenue (in IDR Bn) | Quarterly



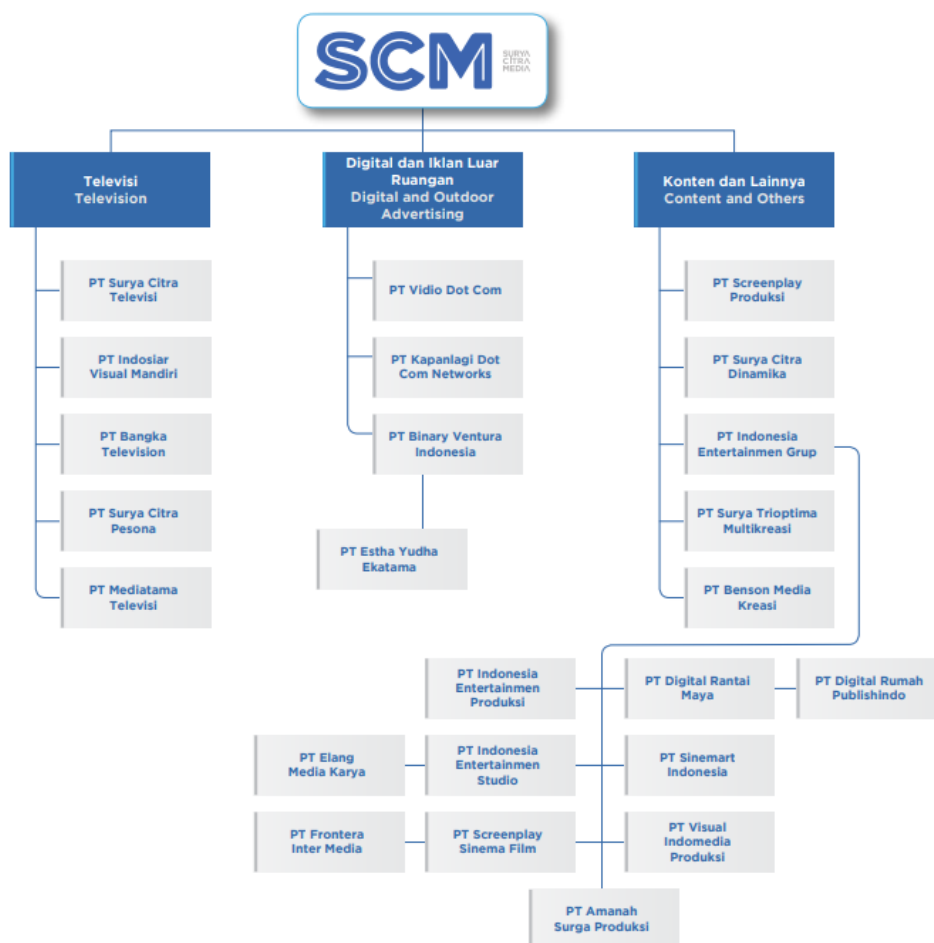
Source: Bloomberg, NHKSI Research



### Latar Belakang Perusahaan

PT Surya Citra Media Tbk (SCMA) didirikan pada 1999, dengan usaha komersil dimulai pada 2002 ketika perusahaan mengakuisisi 99,99% saham PT Surya Citra Televisi. Pemegang saham utama perseroan adalah PT Elang Mahkota Teknologi Tbk (EMTK). Bisnis utama perusahaan adalah Siaran Televisi dengan *channel free to air* seperti SCTV dan Indosiar. Perusahaan juga bergerak di bidang Media Digital (OTT dan website) melalui Kapan Lagi dan Vidio. Selain itu, SCMA juga memiliki bisnis pendukung media lainnya seperti: *in house production*, *content creation*, distribusi film, *event organizer*, dan manajemen artis.

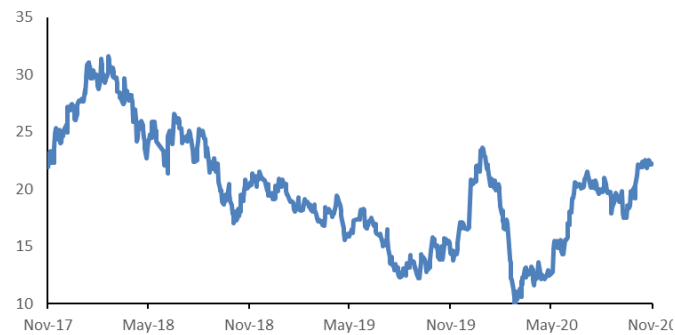
### Line of Business and Subsidiaries



Source: Company Report

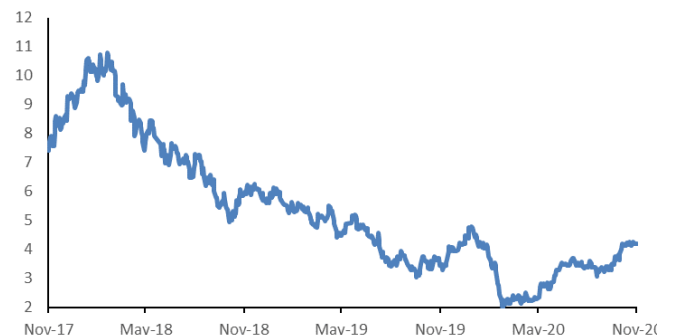
## Multiple Valuation

Historical P/E Movement | Last 3 years



Source: Bloomberg, NHKSI research

Historical P/BV Movement | Last 3 years



Source: Bloomberg, NHKSI research

## Rating and Target Price Update

### Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
25/11/2020	Buy	1,800	1,530	1,695	+17.6%	+6.2%

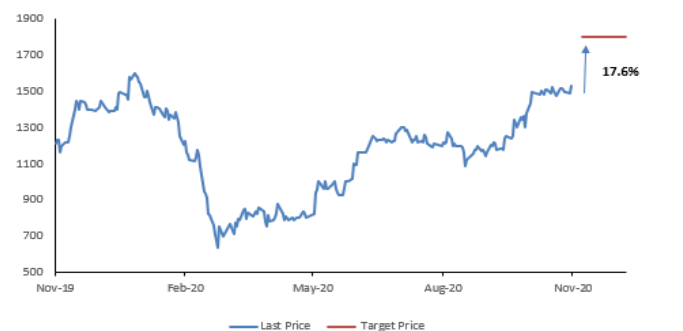
Source: NHKSI research

### Analyst Coverage Rating



Source: Bloomberg

### Closing and Target Price



Source: NHKSI research

### NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

- Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
- Rating system based on a stock's potential upside from the date of publication
  - Buy : Greater than +15%
  - Overweight : +5% to 15%
  - Hold : -5% to +5%
  - Underweight : -5% to -15%
  - Sell : Less than -15%

## Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2019/12A	2020/12E	2021/12E	2022/12E		2019/12A	2020/12E	2021/12E	2022/12E
<b>Net Sales</b>	<b>5,523</b>	<b>5,061</b>	<b>5,536</b>	<b>5,613</b>	ROE	18.0%	19.9%	21.8%	20.8%
<i>Growth</i>	4.7%	-8.4%	9.4%	1.4%	ROA	14.7%	16.8%	18.7%	18.0%
COGS	(2,863)	(2,288)	(2,565)	(2,531)	ROIC	17.1%	19.4%	21.2%	20.2%
<b>Gross Profit</b>	<b>2,660</b>	<b>2,773</b>	<b>2,971</b>	<b>3,082</b>	Cash Dividend (IDR bn)	820	-	831	999
<i>Gross Margin</i>	48.2%	54.8%	53.7%	54.9%	Dividend Yield	4.0%	0.0%	3.1%	3.8%
Operating Expenses	(1,343)	(1,217)	(1,096)	(1,156)	Payout Ratio	82.9%	0.0%	58.2%	68.2%
<b>EBIT</b>	<b>1,329</b>	<b>1,556</b>	<b>1,875</b>	<b>1,926</b>	DER	0.2%	0.0%	0.0%	0.0%
<i>EBIT Margin</i>	24.1%	30.7%	33.9%	34.3%	Net Gearing	0.3%	0.0%	0.0%	0.0%
Depreciation	231	180	86	85	LT Debt to Equity	0.0%	0.0%	0.0%	0.0%
<b>EBITDA</b>	<b>1,559</b>	<b>1,736</b>	<b>1,961</b>	<b>2,011</b>	Capitalization Ratio	0.2%	0.0%	0.0%	0.0%
<i>EBITDA Margin</i>	28.2%	34.3%	35.4%	35.8%	Equity Ratio	81.7%	84.3%	85.9%	86.8%
Interest Expenses	-	-	-	-	Debt Ratio	0.2%	0.0%	0.0%	0.0%
<b>EBT</b>	<b>1,371</b>	<b>1,592</b>	<b>1,914</b>	<b>1,965</b>	Financial Leverage	101.2%	96.9%	98.2%	98.9%
Income Tax	(401)	(401)	(412)	(496)	Current Ratio	359.9%	481.4%	516.7%	552.5%
Minority Interest	19	7	8	8	Par Value (IDR)	50	50	50	50
<b>Net Profit</b>	<b>989</b>	<b>1,186</b>	<b>1,427</b>	<b>1,465</b>	Total Shares (mn)	14,622	14,775	14,775	14,775
<i>Growth</i>	-30.3%	20.0%	20.2%	2.7%	Share Price (IDR)	1,410	1,530	1,800	1,800
<i>Net Profit Margin</i>	17.9%	23.4%	25.8%	26.1%	Market Cap (IDR tn)	20.6	22.6	26.6	26.6

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2019/12A	2020/12E	2021/12E	2022/12E		2019/12A	2020/12E	2021/12E	2022/12E
Cash	545	1,178	1,092	1,335	Price /Earnings	20.9x	19.1x	18.6x	18.2x
Receivables	1,731	1,613	1,829	1,855	Price /Book Value	3.8x	3.8x	4.1x	3.8x
Inventories	925	759	908	896	Price/Sales	3.7x	4.5x	4.8x	4.7x
<b>Total Current Assets</b>	<b>3,559</b>	<b>4,038</b>	<b>4,329</b>	<b>4,580</b>	PE/EPS Growth	-0.7x	1.0x	0.9x	6.8x
Net Fixed Assets	1,502	1,464	1,657	1,828	EV/EBITDA	13.3x	12.7x	13.3x	12.9x
Other Non Current Assets	1,656	1,560	1,647	1,720	EV/EBIT	15.6x	14.2x	14.0x	13.5x
<b>Total Assets</b>	<b>6,717</b>	<b>7,062</b>	<b>7,634</b>	<b>8,128</b>	EV (IDR bn)	20,670	22,091	26,169	25,961
Payables	888	787	764	754	Sales CAGR (3-Yr)		4.4%	1.6%	0.5%
ST Bank Loan	12	-	-	-	EPS CAGR (3-Yr)		-3.7%	0.2%	14.0%
LT Debt	0	-	-	-	Basic EPS (IDR)	68	80	97	99
<b>Total Liabilities</b>	<b>1,228</b>	<b>1,110</b>	<b>1,079</b>	<b>1,071</b>	Diluted EPS (IDR)	68	80	97	99
Capital Stock & APIC	1,175	1,141	1,141	1,141	BVPS (IDR)	375	403	444	478
Retained Earnings	3,802	5,031	5,632	6,099	Sales PS (IDR)	378	343	375	380
<b>Shareholders' Equity</b>	<b>5,489</b>	<b>5,953</b>	<b>6,555</b>	<b>7,057</b>	DPS (IDR)	56	-	56	68
	-	0	(0)	(0)					

CASH FLOW STATEMENT					OWNERSHIP			
(IDR bn)	2019/12A	2020/12E	2021/12E	2022/12E	By Geography	% Shareholders	%	
Operating Cash Flow	1,301	1,409	1,512	1,550	Indonesia	74.5	Elang Mahkota Teknolog	61.1
Investing Cash Flow	(1,107)	(291)	(206)	159	United States	13.3	Surya Citra Media	5.9
Financing Cash Flow	(828)	(12)	(1,393)	(1,466)	Norway	2.4	Northern Trust Corp	5.7
<b>Net Changes in Cash</b>	<b>(634)</b>	<b>1,106</b>	<b>(86)</b>	<b>244</b>	Others	9.8	Others	27.4

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