

PT Surya Citra Media Tbk (SCMA)

Media Industry

Tailwind from improved ads spending

27 May 2022

Recommendations : BUY

Stock

Price 25/05/2022 (Rp)	214
12M target price (Rp)	280
Capital gain potential	31%

Stock Data

Outstanding shares	63,207,375,385
Market cap (Rp)	15,829,701,874,070
Weight vs IHSG (%)	0.14

Shareholders (%)

Elang Mahkota Teknologi Tbk	71.358%
Board of Directors	0.183%
Public	28.459%

Outstanding Shares (unit)	63,207,375,385
Treasury stocks	10,763,194,120

Price Performance

52-week high/low	Rp480/Rp214
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Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
(13.71)	(17.05)	(39.89)	(25.69)	(34.36)

Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	5,930	6,561	7,249
Operating Income	1,752	1,822	2,164
OPM (%)	29.55%	27.77%	29.86%
EBITDA	2,001	1,994	2,372
EV to EBITDA (x)*	8.99	5.77	4.53
Net Income	1,347	1,395	1,670
NPM (%)	22.72%	21.27%	23.03%
EPS (Rp)	21	22	26
EPS Growth (%)	17.4%	3.5%	19.7%
Price Earnings (x)*	15.29	9.70	8.10
Price to Book (x)*	3.23	2.21	1.87
Price to Sales (x)*	3.47	2.06	1.87
Return on Equity (%)	21.09%	22.76%	23.12%
Return on Assets (%)	13.59%	13.74%	14.27%
Tot Debt/Equity (x)	0.10	0.10	0.09

*) based on market price (25/05/2022) at Rp214

Sources : Company, Bloomberg and KB Valbury Sekuritas

Analyst(s)

Alfiansyah
Devi Harjoto

Laba bersih SCMA berkurang 14,1% YoY pada 1Q22 menjadi Rp284,8 miliar. Penguatan daya beli dapat mendorong belanja iklan tahun ini. Rekomendasi "BUY" dengan target harga Rp280 per saham.

Kenaikan beban menyebabkan penurunan laba bersih

Laba bersih SCMA turun 14,1% YoY pada 1Q22 menjadi Rp284,8 miliar (-0,5% QoQ). Penurunan laba bersih utamanya akibat kenaikan beban penyiaran sebesar 24,9% YoY pada 1Q22 lebih tinggi dibandingkan pertumbuhan net revenue 9,3% YoY menjadi Rp1,53 triliun (-0,3% QoQ). Kenaikan beban penyiaran tersebut pada 1Q22 akibat adanya produksi konten yang meningkat setelah adanya normalisasi kegiatan. Sehingga, GPM turun dari 53,8% pada 1Q21 menjadi 47,2% pada 1Q22. Kemudian, beban operasional meningkat 21,3% YoY pada 1Q22 menjadi Rp362,8 miliar utamanya dari beban operasional dari kenaikan gaji pegawai. Margin operasional terkompresi dari 32,5% pada 1Q21 menjadi 23,6% pada 1Q22. SCMA membukukan bagian kerugian dari rugi bagian asosiasi sebesar Rp65,8 juta pada 1Q22 dibandingkan keuntungan sebesar Rp9,8 miliar pada tahun lalu. Sedangkan, beban keuangan menurun 43,6% YoY pada 1Q22. Neraca kuat dengan posisi net cash pada 1Q22.

Pertumbuhan pesat iklan digital dan luar ruang

Kenaikan pendapatan SCMA sepanjang 1Q22 ditopang oleh kenaikan iklan yang naik 6,6% YoY. Pendapatan dari iklan luar ruang dan digital yang tumbuh signifikan 82,1% YoY, disusul oleh pendapatan dari TV yang naik 7,3% YoY. Hal ini menyebabkan kontribusi dari pendapatan iklan luar ruang dan digital naik dari 7,8% pada 1Q21 menjadi 13,0% pada 1Q22. Meski demikian, segmen iklan luar ruangan dan digital belum membukukan laba. Sementara itu, kontribusi pendapatan TV menurun dari 66,2% pada 1Q21 menjadi 64,9% pada 1Q22. Margin segmen TV menurun dari 37,3% pada 1Q21 menjadi 34,1% pada 1Q22. Sedangkan, pendapatan konten SCMA justru turun 7,3% YoY pada 1Q22. Sehingga, kontribusi pendapatan konten SCMA turun dari 26,0% pada 1Q21 menjadi 22,0% pada 1Q22. Margin segmen ini tumbuh dari 7,4% pada 1Q21 menjadi 9,3% pada 1Q22.

Masa depan cerah dari segmen periklanan digital

Kami memproyeksikan net revenue SCMA dapat tumbuh 11% YoY pada tahun ini, didorong oleh kenaikan dari segmen iklan digital dan luar ruang juga segmen TV terutama pada 2Q22 ditengah datangnya bulan Ramadan dan Lebaran ditengah perbaikan konsumsi karena normalisasi pergerakan. Hal ini mendorong belanja iklan e-commerce dan FMCG. Untuk segmen iklan digital dan luar ruang, kami memproyeksi kontribusinya dapat bertumbuh 17% terhadap pendapatan SCMA, seiring dengan peningkatan user dan pelanggan berbayar untuk aplikasi Vidio.com. Kendati mobilitas meningkat, namun kami meyakini tren konsumsi media via digital akan terus meningkat dalam jangka panjang. Untuk segmen TV, kami mempertahankan proyeksi kami atas audience share SCTV dan IVM yang berada pada 28-30% tahun ini. Dengan adanya restriksi yang dilonggarkan, kami menilai bahwa akan membawa pada peningkatan beban penyiaran tahun ini, sehingga dapat berpengaruh terhadap margin.

Rekomendasi BUY ditengah pangsa audience share yang kuat

Kami merekomendasikan BUY untuk SCMA dengan harga Rp280 per saham, yang merepresentasikan valuasi PE 2022E sebesar 9,70x. Rekomendasi kami berdasarkan pada 1) posisi SCMA yang relatif kuat dari segi audience share melalui SCTV dan IVM; 2) neraca SCMA yang kuat; 3) peluang monetisasi dari pertumbuhan kanal digital terutama melalui kanal Vidio.com yang menjadi katalis jangka panjang juga sinergi dengan EMTK untuk pengembangan platform Vidio. Namun, kami melihat risiko atas rekomendasi kami dari 1) penurunan daya beli sehingga belanja iklan cenderung stagnan; 2) persaingan dengan layanan OTT.

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FINANCIAL OVERVIEW

Income Statement (Rp bn)	1CQ2021	1CQ2022	YoY Change	4Q2021	1Q2022	QoQ Change
Net Revenue	1,404	1,535	9.3%	1,540	1,535	(0.3%)
Program and broadcasting expenses	(649)	(810)	24.9%	(845)	(810)	(4.0%)
Gross Profit	755	724	(4.0%)	695	724	4.2%
Gross Margin (%)	53.8%	47.2%		45.1%	47.2%	
Operating Expenses	(299)	(363)	21.3%	(337)	(363)	7.8%
Operating Profit	456	361	(20.7%)	358	361	1.0%
Operating Margin (%)	32.5%	23.6%		23.3%	23.6%	
Non-Operating Income (Losses)	(3)	(4)	5.1%	(5)	(4)	(16.8%)
Pretax Income	452	358	(20.9%)	354	358	1.1%
Income Tax (Expense)/ Benefit	(103)	(96)	(6.7%)	(103)	(96)	(6.8%)
Profit for This Year	349	262	(25.0%)	251	262	4.3%
Net Profit (Losses)	332	285	(14.1%)	284	285	0.5%
Profit Margin (%)	23.6%	18.6%		18.4%	18.6%	

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Revenue	5,101	5,930	6,561	7,249	8,115
Revenue growth yoy	-7.6%	16.3%	10.6%	10.5%	11.9%
- Cost of Goods Sold	2,492	2,887	3,250	3,577	3,939
Gross Income	2,609	3,044	3,310	3,672	4,176
- Operating Expenses	1,184	1,369	1,489	1,508	1,504
Operating Income	1,459	1,752	1,822	2,164	2,673
Op income growth yoy	9.7%	20.1%	4.0%	18.8%	23.5%
- Non Operating Gains (Losses)	(29)	27	29	(22)	35
EBITDA	1,700	2,001	1,994	2,372	2,807
Pretax Income	1,488	1,726	1,793	2,186	2,638
- Income Tax Expense	338	388	409	503	610
Profit for This Year	1,150	1,338	1,384	1,683	2,028
- Minority Interests	2	(9)	(11)	13	(11)
Net Income	1,148	1,347	1,395	1,670	2,039
Net income growth yoy	7.3%	17.3%	3.5%	19.7%	22.1%
EPS (IDR)	18	21	22	26	32
Dividends Per Share (IDR)	0	0	8	11	16

Sources: Company, Bloomberg and KB Valbury Sekuritas

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	3,609	6,660	6,634	7,916	9,279
+ Cash & Near Cash Items	678	3,232	2,664	3,459	4,246
+ Accounts & Notes Receivable	1,853	1,953	2,261	2,539	2,867
+ Inventories	671	784	908	1,019	1,150
+ Other Current Assets	407	692	801	900	1,016
Total Long-Term Assets	3,158	3,253	3,517	3,787	4,083
+ Property, Plant & Equip, Net	1,616	1,677	1,804	1,925	2,047
Property, Plant & Equip	3,580	3,813	4,110	4,430	4,787
Accumulated Depreciation	1,963	2,136	2,306	2,505	2,740
+ Long Term Investments	45	104	115	126	140
+ Other Long Term Assets	1,496	1,472	1,598	1,735	1,896
Total Assets	6,767	9,913	10,151	11,703	13,362
Total Current Liabilities	1,542	1,698	2,010	2,326	2,638
+ Payables & Accruals	1,147	1,436	1,635	1,799	1,997
+ Short Term Borrowings	201	7	8	9	11
+ Other Short Term Liabilities	194	255	367	517	630
Total Long Term Liabilities	1,328	755	805	816	829
+ Long Term Borrowings	1,123	606	633	662	693
+ Other Long Term Borrowings	205	149	172	153	136
Total Liabilities	2,870	2,452	2,815	3,141	3,467
+ Share Capital & APIC	1,164	1,189	1,189	1,189	1,189
- Treasury Stock	2,865	2,913	2,913	2,913	2,913
+ Retained Earnings & Other Eq.	4,950	6,298	7,205	8,206	9,226
+ Other Equity	24	1,814	648	739	830
Total Shareholders Equity	3,272	6,388	6,130	7,221	8,333
+ Minority/Non Controlling Int.	624	1,073	1,206	1,340	1,563
Total Equity	3,897	7,461	7,335	8,562	9,896
Total Liabilities & Equity	6,767	9,913	10,151	11,703	13,362
Book Value Per Share (IDR)	52	101	97	114	132

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	1,148	1,347	1,395	1,670	2,039
+ Depreciation & Amortization	241	248	271	299	335
+ Other Non-Cash Adjustments	458	(269)	(293)	(324)	(363)
Cash From Operating Activities	1,847	1,326	1,372	1,644	2,011
+ Disposal of Fixed Assets	2	15	17	20	22
+ Capital Expenditures	(189)	(234)	(338)	(374)	(418)
+ Change in Investment	0	(31)	(35)	(40)	(46)
+ Other Investing Activities	(44)	(7)	(126)	(137)	(161)
Cash From Investing Activities	(231)	(257)	(482)	(531)	(603)
+ Dividends Paid	0	0	(488)	(668)	(1,020)
+ Change in long Term Borr.	1,301	(715)	(972)	329	380
+ Change in capital stock	2,792	2,262	0	0	0
+ Other Financing Activities	2	11	2	21	19
Cash From Financing Activities	(1,489)	1,463	(1,458)	(318)	(620)
Net Changes in Cash	127	2,532	(568)	795	788

Sources: Company, Bloomberg and KB Valbury Sekuritas

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RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings*	25.23	15.29	9.70	8.10	6.63
EV to EBIT*	20.29	10.26	6.67	5.18	4.04
EV to EBITDA*	17.42	8.99	5.77	4.53	3.56
Price to Sales*	5.68	3.47	2.06	1.87	1.67
Price to Book*	8.85	3.23	2.21	1.87	1.62
Dividend Yield*	0.0%	0.0%	3.6%	4.9%	7.5%
Profitability Ratios					
Gross Margin	51.16%	51.33%	50.46%	50.66%	51.47%
EBITDA Margin	33.34%	33.73%	30.40%	32.73%	34.59%
Operating Margin	28.61%	29.55%	27.77%	29.86%	32.94%
Profit Margin	22.51%	22.72%	21.27%	23.03%	25.13%
Return on Assets	16.97%	13.59%	13.74%	14.27%	15.26%
Return on Equity	35.09%	21.09%	22.76%	23.12%	24.47%
Leverage & Coverage Ratios					
Current Ratio	2.34	3.92	3.30	3.40	3.52
Quick Ratio	1.91	3.46	2.85	2.97	3.08
Tot Debt/Capital	0.04	0.03	0.05	0.05	0.05
Tot Debt/Equity	0.40	0.10	0.10	0.09	0.08
Others					
Asset Turnover	0.75	0.60	0.65	0.62	0.61
Accounts Receivable Turnover	2.75	3.04	2.90	2.86	2.83
Accounts Payable Turnover	4.45	4.13	4.01	4.03	4.06
Inventory Turnover	7.61	7.57	7.23	7.11	7.05

*) based on market price (25/05/2022) at Rp214

Sources: Company, Bloomberg and KB Valbury Sekuritas

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KB Valbury Sekuritas

Headquarters

Menara Karya, 9th Floor
Jl. H.R. Rasuna Said Blok X-5 Kav 1-2
Jakarta 12950, Indonesia
T +62 21 255 33 600
F +62 21 255 33 778

Branch Office

Jakarta - Kelapa Gading

Rukan Plaza Pasifik
Jl. Raya Boulevard Barat Blok A1 No. 10
Jakarta 11620
T +62 21 - 29451577

Jakarta - Puri Indah

Rukan Grand Aries Niaga
Blok E.1 No. 1 V Jl. Taman Aries, Kembangan,
Jakarta 14450
T +62 21 - 22542390
F +62 21 - 29264310

Jakarta - Pluit

Jl. Pluit Putra Raya No. 2
Jakarta 14240
T +62 21 - 29264300
F +62 21 - 22542391

Bandung

Jl. HOS Cokroaminoto No. 82
Bandung 40171
T +62 22 - 87255888
T +62 22 - 87255800
F +62 22 - 87255811

Semarang

Candi Plaza Building Lt. Dasar
Jl. Sultan Agung No. 90-90A
Semarang 50252
T +62 24 - 3521888
T +62 24 - 8501122
F +62 24 - 8507450

Yogyakarta

Jl. Magelang KM 5.5 no. 75
Yogyakarta 55284
T +62 274 - 4469500
T +62 274 - 623111
F +62 274 - 623222

Galeri Investasi

Padang

Jl. Kampung Nias II no. 10,
Kel. Belakang Pondok,
Kec. Padang Selatan
T +62 751 8955747

Manado

Kawasan Megamas, Ruko Megaprofit
Blok IF2 No. 38 Manado, 95254
T +62 431 7917 836
F +62 431 880 2129

Surabaya

Pakuwon Center Tunjungan Plaza Lantai 21
Jl. Embong Malang No.1
Surabaya 60261
T +62 31 - 2955777
T +62 31 - 2955788
F +62 31 - 2955716

Denpasar

Komplek Ibis Styles Hotel
Jl. Teuku Umar No. 177
Denpasar Bali 80114
T +62 361 - 255888
T +62 361 - 225229
F +62 361 - 225339

Benjarmasin

Jl. Gatot Subroto No.33 Kel. Kebun Bunga
Kec. Banjarmasin Timur
Kaltimantan Selatan 70235
T +62 511 - 3265918
F +62 511 - 3253432

Solo

Jl. Ronggo Warsito no. 34
Solo 57118
T +62 271 632888
F +62 271 656988

Makassar

Ratulangi Points Lt. 3
Jl. Dr Sam Ratulangi No. 2 Kunjungmae, Mariso
Makassar, Sulawesi Selatan 90125
T +62 411 8955999

Malang

Jl. Pahlawan Trip no. 7
Malang 65112
T +62 341 - 585888
F +62 341 - 560056

Solo

Jl. Ronggowarsito No. 34
Surakarta 57118
T +62 271 - 632888

Palembang

Komp. PTC Mall Blok I No. 7 Jl. R. Sukanto Kel. 8 Ilir
Kec. Ilir Timur II Palembang 30114
T 07115700281

Medan

Komplek Jati Junction No. P5-5A
Jl. Perintis Kemerdekaan
Medan 20218
T +62 61 - 88816222
F 62 61 - 88816333

Pekanbaru

Jl. Tuanku Tambusai
Komplek CNN Blok A No.3 Pekanbaru 28291
T +62 761 - 839393
Galeri Investasi

Padang

Jl. Kampung Nias II no. 10,
Kel. Belakang Pondok,
Kec. Padang Selatan
T +62 751 8955747

Manado

Kawasan Megamas, Ruko Megaprofit
Blok IF2 No. 38 Manado, 95254
T +62 431 7917 836
F +62 431 880 2129

Solo

Jl. Ronggowarsito No. 34
Surakarta 57118
T +62 271 - 632888

Palembang

Komp. PTC Mall Blok I No. 7 Jl. R. Sukanto Kel. 8 Ilir
Kec. Ilir Timur II Palembang 30114
T 07115700281

Galeri Investasi BEI - KBVS

Yogyakarta
Universitas Kristen Duta Wacana
T +62 274 - 544032

Manado

Universitas Prisma Manado
T 0431 8800850

Jakarta

Universitas Gunadarma
T +62 21 - 8727541