KB Valbury Sekuritas

PT Surya Citra Media Tbk (SCMA)

Media Industry

Waiting for the fruit to fall

08 April 2022

Recommendations : BUY

Stock	
Price 07/04/2022 (Rp)	286
12M target price (Rp)	374
Capital gain potential	31%

Stock Data	
Outstanding shares	63,207,375,385
Market cap (Rp)	18,077,309,360,110
Weight vs IHSG (%)	0.19

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/Rp222

Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
28.83	(5.92)	(30.92)	(19.89)	(12.27)

Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	5,930	6,473	7,099
Operating Income	1,752	1,932	2,215
OPM (%)	29.55%	29.84%	31.20%
EBITDA	2,001	2,028	2,291
EV to EBITDA (x)*	8.99	8.25	7.32
Net Income	1,347	1,426	1,632
NPM (%)	22.72%	22.03%	22.99%
EPS (Rp)	21	23	26
EPS Growth (%)	17.4%	5.8%	14.4%
Price Earnings (x)*	15.29	12.68	11.08
Price to Book (x)*	3.23	2.84	2.45
Price to Sales (x)*	3.47	2.79	2.55
Return on Equity (%)	21.09%	22.37%	22.12%
Return on Assets (%)	13.59%	13.62%	13.75%
Tot Debt/Equity (x)	0.10	0.10	0.09

**) based on market price (07/04/2022) at Rp286*
Sources :Company, Bloomberg and KB Valbury Sekuritas

Analyst(s)
Alfiansyah
Devi Harjoto

Laba bersih SCMA tumbuh 17,3% YoY pada 2021 menjadi Rp5,4 triliun
Belanja iklan diproyeksi meningkat menjadi katalis utama pertumbuhan 2022
Rekomendasi “BUY” dengan target harga Rp374 per saham

Pertumbuhan topline yang solid mendorong laba bersih

Laba bersih SCMA tumbuh 17,3% YoY pada 2021 menjadi Rp5,39 triliun (-15,8% QoQ), yang didorong dari pertumbuhan net revenue sebesar 16,3% YoY menjadi Rp5,93 triliun (+6,7% QoQ). Kemudian, GPM SCMA tumbuh marginal dari 51,2% pada 2020 menjadi 51,3% pada 2021 ditengah COGS yang relative terkendali, tumbuh 15,9% YoY. Kemudian, beban operasional SCMA naik 12,3% YoY pada 2021 ditengah kenaikan beban gaji karyawan, namun sebagian dikompensasi oleh pendapatan operasional lain-lain yang naik 128,7% YoY. Sehingga, margin operasional SCMA naik dari 28,6% pada 2020 menjadi 29,6% pada 2021. Adapun, SCMA mencatatkan kenaikan beban keuangan yang signifikan 553,3% YoY pada 2021. Meskipun demikian, neraca SCMA mengalami perbaikan menjadi net cash pada 2021.

Iklan TV masih menjadi contributor utama profitabilitas

Kenaikan pendapatan SCMA sepanjang 2021 ditopang oleh kenaikan pendapatan iklan TV yang naik 13,1% YoY. Akan tetapi, kontribusi segmen iklan TV ini meningkat dari 69,3% pada 2020 menjadi 63,9% pada 2021. Margin segmen iklan TV bertumbuh dari 32,5% pada 2020 menjadi 33,5% pada 2021. Disusul oleh segmen iklan digital dan out of home yang naik signfikan 54,1% YoY menjadi Rp857,37 miliar. Sehingga, kontribusi segmen iklan digital meningkat dari 8,5% pada 2020 menjadi 10,7% pada 2021. Angka ini lebih baik dibandingkan ekspektasi kami yang sebelumnya meramalkan kontribusi iklan digital dapat mencapai 10% pada 2021. Namun, dari segi profitabilitas, margin iklan digital belum mencatatkan keuntungan operasional. Sedangkan pendapatan konten yang naik 40,6% YoY pada 2021, dengan kontribusi mencapai 25,4% turun dibandingkan 22,15% pada 2020, dengan margin yang meningkat dari 4,3% menjadi 9,8% pada 2021.

Pengembangan platform digital menjadi katalis jangka panjang

Kami memproyeksikan pendapatan SCMA dapat tumbuh 9% YoY pada tahun 2022, yang didorong oleh pendapatan iklan televisi ditengah peningkatan mobilitas, optimism konsumen yang tinggi, datangnya momen puasa dan lebaran, mendorong belanja dari FMCG dan tingginya persaingan e-commerce yang juga menyasar iklan. Kemudian, kami menilai bahwa audience share SCTV dan IVM akan stabil pada 28-30%. Kami melihat dengan semakin terkendalinya kasus covid-19 dapat membawa produktivitas konten baik untuk televisi maupun berbagai series original untuk aplikasi digital. Adapun, dengan pertumbuhan user dari Vidio.com sebagai aplikasi OTT paling popular juga pertumbuhan pendapatan iklan pada platform, mendorong kontribusi dari segmen digital terhadap pendapatan SCMA dapat mencapai 12% YoY pada 2022. Kami memperkirakan pengguna Vidio.com dapat bertumbuh 10% YoY tahun ini pengguna ditengah popularitas streaming di ponsel, pengembangan konten terutama untuk olahraga popular seperti EPL, dan juga tariff yang bersaing.

Rekomendasi BUY ditengah pangsa audience share yang kuat

Kami merekomendasikan BUY untuk SCMA dengan harga Rp374 per saham, yang merepresentasikan valuasi PE 2021E sebesar 12,68x. Rekomendasi kami berdasarkan pada 1) posisi SCMA yang relative 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 resiko atas rekomendasi kami dari 1) penurunan daya beli sehingga belanja iklan cenderung stagnan; 2) persaingan dengan layanan OTT lain seperti Netflix.

FINANCIAL OVERVIEW

Income Statement (Rp bn)	FY2020	FY2021	YoY Change	3Q2021	4Q2021	QoQ Change
Net Revenue	**5,101**	**5,930**	*16.3%*	1,444	1,540	*6.7%*
Program and broadcasting expenses	(2,492)	(2,887)	*15.9%*	(669)	(845)	*26.3%*
Gross Profit	**2,609**	**3,044**	*16.6%*	**775**	**695**	*(10.3%)*
Gross Margin (%)	***51.2%***	***51.3%***		***53.7%***	***45.2%***	
Operating Expenses	(1,150)	(1,291)	*12.3%*	(347)	(337)	*(2.9%)*
Operating Profit	**1,459**	**1,752**	*20.1%*	**428**	**358**	*(16.2%)*
Operating Margin (%)	***28.6%***	***29.6%***		***29.7%***	***23.3%***	
Non-Operating Income (Losses)	29	(27)	*(193.6%)*	(7)	(4)	*(34.4%)*
Pretax Income	**1,488**	**1,726**	*16.0%*	**421**	**354**	*(15.9%)*
Income Tax (Expense)/ Benefit	(338)	(388)	*14.7%*	(81)	(103)	*26.4%*
Profit for This Year	**1,150**	**1,338**	*16.3%*	**339**	**251**	***(26.1%)***
Net Profit (Losses)	**1,148**	**1,347**	***17.3%***	**337**	**284**	***(15.8%)***
Profit Margin (%)	***22.5%***	***22.7%***		***23.32%***	***18.41%***	

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**	**6,473**	**7,099**	**8,195**
Revenue growth yoy	*(7.6%)*	*16.3%*	*9.2%*	*9.7%*	*15.4%*
- Cost of Goods Sold	(2,492)	(2,887)	(2,612)	(2,851)	(3,274)
Gross Income	**2,609**	**3,044**	**3,861**	**4,249**	**4,920**
- Operating Expenses	(1,184)	(1,369)	(1,929)	(2,033)	(2,592)
Operating Income	**1,459**	**1,752**	**1,932**	**2,215**	**2,328**
Op income growth yoy	*9.7%*	*20.1%*	*10.2%*	*14.7%*	*5.1%*
- Non Operating Gains (Losses)	29	(27)	(31)	(33)	(37)
EBITDA	**1,700**	**2,001**	**2,028**	**2,291**	**2,419**
Pretax Income	**1,488**	**1,726**	**1,901**	**2,182**	**2,291**
- Income Tax Expense	(338)	(388)	(475)	(546)	(575)
Profit for This Year	**1,150**	**1,338**	**1,426**	**1,636**	**1,716**
- Minority Interests	2	(9)	0	4	4
Net Income	**1,148**	**1,347**	**1,426**	**1,632**	**1,713**
Net income growth yoy	*7.3%*	*17.3%*	*5.8%*	*14.4%*	*4.9%*
EPS (Rp)	**18**	**21**	**23**	**26**	**27**
Dividends Per Share (Rp)	**0**	**0**	**7**	**10**	**14**

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	**3,609**	**6,660**	**5,960**	**6,450**	**7,323**
+ Cash & Near Cash Items	678	3,232	1,990	1,993	2,290
+ 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**	**4,514**	**5,421**	**5,999**
+ Property, Plant & Equip, Net	1,616	1,677	1,805	1,930	2,045
Property, Plant & Equip	3,580	3,813	4,110	4,430	4,787
Accumulated Depreciation	1,963	2,136	2,305	2,500	2,742
+ Long Term Investments	45	104	610	650	692
+ Other Long Term Assets	1,496	1,472	2,098	2,841	3,261
Total Assets	**6,767**	**9,913**	**10,474**	**11,871**	**13,322**
Total Current Liabilities	**1,542**	**1,698**	**2,006**	**2,322**	**2,634**
+ Payables & Accruals	1,147	1,436	1,635	1,799	1,997
+ Short Term Borrowings	201	7	5	6	6
+ Other Short Term Liabilities	194	255	367	517	630
Total Long Term Liabilities	**1,328**	**755**	**818**	**841**	**869**
+ Long Term Borrowings	1,123	606	646	688	733
+ Other Long Term Borrowings	205	149	172	153	136
Total Liabilities	**2,870**	**2,452**	**2,824**	**3,163**	**3,503**
+ 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	7,296	8,275	9,131
+ Other Equity	24	1,814	803	828	913
Total Shareholders Equity	**3,272**	**6,388**	**6,375**	**7,379**	**8,321**
+ Minority/Non Controlling Int.	624	1,073	1,275	1,328	1,498
Total Equity	**3,897**	**7,461**	**7,650**	**8,708**	**9,819**
Total Liabilities & Equity	**6,767**	**9,913**	**10,474**	**11,871**	**13,322**
Book Value Per Share	**52**	**101**	**101**	**117**	**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	1,426	1,632	1,713
+ Depreciation & Amortization	241	248	269	295	341
+ Other Non-Cash Adjustments	458	(269)	(291)	(319)	(368)
Cash From Operating Activities	**1,847**	**1,326**	**1,405**	**1,608**	**1,685**
+ Disposal of Fixed Assets	2	15	16	17	19
+ Capital Expenditures	(189)	(234)	(337)	(370)	(427)
+ Change in Investment	0	(31)	(80)	40	42
+ Other Investing Activities	(44)	(7)	(626)	(743)	(420)
Cash From Investing Activities	**(231)**	**(257)**	**(1,026)**	**(1,056)**	**(786)**
+ Dividends Paid	0	0	(428)	(653)	(856)
+ Change in long Term Borr.	1,301	(715)	(1,210)	92	245
+ Change in capital stock	2,792	2,262	0	0	0
+ Other Financing Activities	2	11	18	10	9
Cash From Financing Activities	**(1,489)**	**1,463**	**(1,620)**	**(550)**	**(602)**
Net Changes in Cash	**127**	**2,532**	**(1,242)**	**3**	**298**

Sources: Company, Bloomberg and KB Valbury Sekuritas

RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings*	25.23	15.29	12.68	11.08	10.56
EV to EBIT*	20.29	10.26	9.52	8.41	7.95
EV to EBITDA*	17.42	8.99	8.25	7.32	6.83
Price to Sales*	5.68	3.47	2.79	2.55	2.21
Price to Book*	8.85	3.23	2.84	2.45	2.17
Dividend Yield*	0.0%	0.0%	2.4%	3.6%	4.7%
Profitability Ratios					
Gross Margin	51.16%	51.33%	59.64%	59.84%	60.04%
EBITDA Margin	33.34%	33.73%	31.33%	32.26%	29.51%
Operating Margin	28.61%	29.55%	29.84%	31.20%	28.41%
Profit Margin	22.51%	22.72%	22.03%	22.99%	20.90%
Return on Assets	16.97%	13.59%	13.62%	13.75%	12.85%
Return on Equity	35.09%	21.09%	22.37%	22.12%	20.58%
Leverage & Coverage Ratios					
Current Ratio	2.34	3.92	2.97	2.78	2.78
Quick Ratio	1.91	3.46	2.52	2.34	2.34
Tot Debt/Capital	0.04	0.03	0.03	0.04	0.04
Tot Debt/Equity	0.40	0.10	0.10	0.09	0.09
Others					
Asset Turnover	0.75	0.60	0.62	0.60	0.62
Accounts Receivable Turnover	2.75	3.04	2.86	2.80	2.86
Accounts Payable Turnover	4.45	4.13	3.96	3.95	4.10
Inventory Turnover	7.61	7.57	7.13	6.97	7.12

**) based on market price (07/04/2022) at Rp286*

Sources: Company, Bloomberg and KB Valbury Sekuritas

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