

BUY (Maintain)

Target Price (IDR) 2,500 (from 3,300)
Potential Upside (%) 30.2

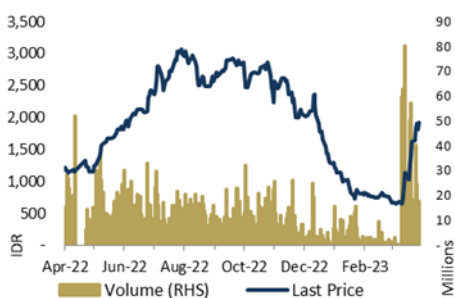
Price Comparison	
Cons. Target Price (IDR)	2,331
SSI vs. Cons. (%)	557.6

Stock Information	
Last Price (IDR)	1,920
Shares Issued (Mn)	9,511
Market Cap. (IDR Bn)	17,691
52-Weeks High/Low (IDR)	3,100/610
3M Avg. Daily Value (IDR Bn)	13.8
Free Float (%)	27.1

Shareholder Structure:	
MD Global Investment (%)	50.50
Public (%)	12.65
Morgan Stanley Plc (%)	14.62

Stock Performance				
(%)	YTD	1M	3M	12M
Absolute	(2.6)	156.6	44.7	52.5
JCI Return	(0.3)	2.8	2.8	(5.6)
Relative	(2.3)	153.7	41.9	58.1

Stock Price & Volumes, 12M



Company Background

MD Pictures Tbk (FILM) bergerak di bidang produksi film. FILM memproduksi film sendiri atau bekerja sama dengan rumah produksi lain. FILM mendistribusikan filmnya melalui layar bioskop, TV, video, dan saluran digital.

Muhammad Farras Farhan

+62 21 2854 8346

farras.farhan@samuel.co.id

Laurencia Hiemas

+62 21 2854 8392

laurencia.hiemas@samuel.co.id

Finding Wonderland

Tahun yang luar biasa. FILM mencetak pendapatan sebesar IDR 54 miliar di 4Q22 (-24.4% yoy, -49.6% qoq), IDR 17 miliar di antaranya berasal dari pendapatan bioskop (+44,988% yoy, -72.5% qoq). Penurunan pendapatan bioskop secara kuartalan terutama disebabkan oleh high-base effect dari 'KKN Di Desa Penari' yang dirilis pada 3Q22. Sementara itu, EBITDA perusahaan turun drastis pada 4Q22 (IDR 20 miliar; -63.1% yoy, -73.2% qoq) akibat kenaikan biaya S&M untuk mempromosikan film-film terbaru perseroan. Secara kumulatif, FILM berhasil membukukan pendapatan sebesar IDR 437 miliar (+71.3% yoy) dan EBITDA sebesar IDR 321 miliar (+61.2% yoy) pada FY22, dengan margin EBITDA sebesar 73.4%. Terkait laba bersih, FILM berhasil mencatatkan pertumbuhan laba bersih hingga tiga kali lipat menjadi IDR 160 miliar, merefleksikan pertumbuhan EPS sebesar +375.2% yoy.

Mencari 'lubang kelinci' baru. Sama seperti Alice di 'Alice in Wonderland'. FILM saat ini tengah mencari 'lubang kelinci' baru untuk memperluas bisnisnya dan menemukan peluang baru. Menurut kami, rights issue akan menjadi kunci yang akan membuka potensi FILM dan memberikan amunisi untuk menemukan sumber pendapatan baru. Jika rights issue tersebut berhasil, FILM dapat menggunakan dana tersebut untuk merambah dua lini bisnis media sekaligus, OTT (melalui platform OTT milik FILM sendiri, Mox) dan FTA, dengan OTT sebagai penggerak utama pertumbuhan perusahaan dan FTA sebagai 'cash cow'. Strategi dengan dua ujung tombak tersebut berpotensi memberikan keuntungan yang signifikan bagi perusahaan. Di samping itu, FILM juga bermitra dengan pemain OTT baru, seperti Amazon Prime, yang dimulai dengan peluncuran serial eksklusif, seperti Tilik dan Induk Gajah, di Amazon Prime. Terlepas dari strateginya yang condong ke OTT, FILM tidak memiliki rencana untuk mengendurkan bisnis film bioskopnya; FILM baru saja merilis dua film, Bismillah Kunikahi Suamimu dan Sewu Dino, di bioskop, dan Sewu Dino diharapkan dapat mengalahkan kesuksesan KKN.

Outlook 2023. Kami mempertahankan proyeksi pendapatan FY23F kami untuk FILM sebesar IDR 690 miliar (+58% yoy), didukung oleh pertumbuhan yang kuat dari bisnis digitalnya, meskipun pendapatan bioskopnya mungkin mengalami sedikit penurunan karena high-base effect di FY22. Kami juga meyakini FILM mempertahankan margin yang solid di FY23F, dengan proyeksi margin GPM dan EBITDA sebesar 74%. Terkait laba bersih, kami memproyeksikan FILM membukukan pertumbuhan laba bersih sebesar +75% yoy menjadi IDR 280 miliar di FY23F. Harap diperhatikan bahwa kami belum memasukkan strategi baru FILM ke dalam model kami, karena strategi tersebut akan sangat bergantung pada rights issue perusahaan. Namun demikian, kami percaya FILM dapat terus beroperasi dalam skala besar bahkan hanya dengan kas internalnya saja, mengingat kas bebasnya yang sangat besar (IDR 242 miliar).

BUY, TP IDR 2,500. Kami mempertahankan peringkat BUY kami untuk FILM, dengan TP berbasis DCF sebesar IDR 2,500 (8.9% WACC, 5% Tg). Risiko Utama: Pendapatan bioskop dan digital yang lebih rendah dari perkiraan.

Forecast and Valuations (@ IDR 1,920 per share)

Y/E Dec	21A	22A	23F	24F	25F
Revenue (IDR Bn)	255	437	690	953	1,259
EBITDA (IDR Bn)	199	321	513	702	924
EV/EBITDA(x)	89	54	33	24	18
Net Profit (IDR Bn)	34	160	280	398	537
EPS (IDR)	4	17	29	42	56
EPS Growth (%)	na	375	75	42	35
P/E Ratio (x)	528	111	64	45	33
BVPS (IDR)	132	162	190	230	283
P/BV Ratio (x)	14.1	11.6	9.9	8.1	6.6
DPS (IDR)	-	-	-	-	-
Dividend Yield (%)	-	-	-	-	-
ROAE (%)	2.6	11.4	16.7	20.0	22.0
ROAA (%)	2.5	10.9	16.1	19.3	21.3
Interest Coverage (x)	-	-	-	-	-
Net Gearing (x)	-	-	-	-	-

Figure 1. 4Q22 Results

PT MD Pictures Tbk. (FILM IJ)								
(IDR Bn)	4Q21	3Q22	4Q22	QoQ (%)	YoY (%)	12M21	12M22	YoY
Revenue	72	108	54	(49.6)	(24.4)	255	437	71.3
Operating Profit	27	36	(3)	(109.0)	(112.0)	68	193	185.0
EBITDA	54	74	20	(73.2)	(63.1)	199	321	61.2
Net Profit	11	30	6	(79.9)	(46.4)	34	160	375.2
EBITDA Margin (%)	75.1	68.9	36.6	-3,236 bps	-3,851 bps	78.0	73.4	-457 bps
Operating Margin (%)	37.5	33.2	(5.9)	-3,914 bps	-4,339 bps	26.6	44.2	1,762 bps
Net Margin (%)	15.6	27.7	11.0	-1,661 bps	-453 bps	13.2	36.6	2,342 bps

Source: Company, SSI Research

Figure 2. Top 15 Indonesia Movies of All Time (By Ticket Sales)

No	Film	Tahun Rilis	Jumlah Penonton
1	KKN Desa Penari	2022	10,061,033
2	Warkop DKI Reborn: Jangkrik Boss! part 1	2016	6,858,616
3	Pengabdi Setan 2: Communion	2022	6,390,970
4	Dilan 1990	2018	6,315,664
5	Miracle in Cell No 7	2022	5,858,329
6	Dilan 1991	2019	5,253,411
7	Laskar Pelangi	2008	4,719,453
8	Habibie & Ainun	2012	4,601,249
9	Pengabdi Setan	2017	4,206,103
10	Warkop DKI Reborn: Jangkrik Boss Part 2	2017	4,083,190
11	Ayat-ayat Cinta	2008	3,676,210
12	Ada Apa Dengan Cinta 2	2016	3,665,509
13	Suzzanna: Bernapas dalam Kubur	2018	3,346,185
14	Milea: Suara dari Dilan	2020	3,157,817
15	My Stupid Boss	2016	3,052,657

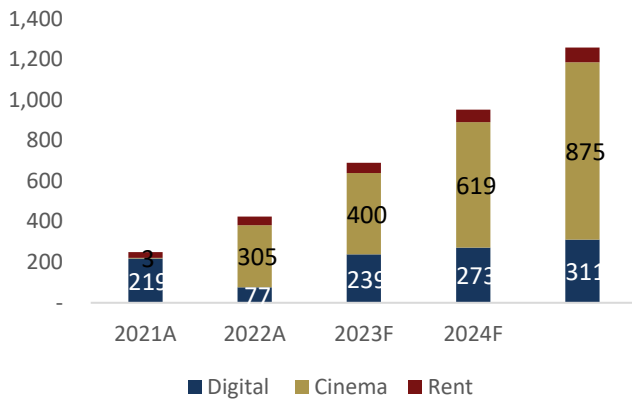
Source: filmindonesia.or.id

Figure 3. DCF Valuation

DCF Valuation (IDRbn)	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	Terminal Value
EBIT	460	613	816	1,123	1,262	1,410	1,570	1,742	1,928	2,128	
EBIT (1-T)	352	468	623	858	964	1,078	1,200	1,331	1,473	1,626	
D&A	190	222	264	309	360	416	480	551	629	716	
Chg. In WC	(18)	(21)	(28)	(43)	(19)	(29)	(32)	(36)	(41)	(46)	
Capex	(199)	(265)	(356)	(383)	(432)	(485)	(543)	(605)	(672)	(746)	
Net FCF	325	404	503	741	872	980	1,105	1,241	1,389	1,551	41,587
Discount Factor	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4
PV of FCFF	298	340	390	527	569	587	608	627	644	660	17,704
Sum of FCF	22,952										
Less: Total Debt	-										
Less: Minority Interest	(2)										
Plus: Cash	633										
Equity Value	23,584										

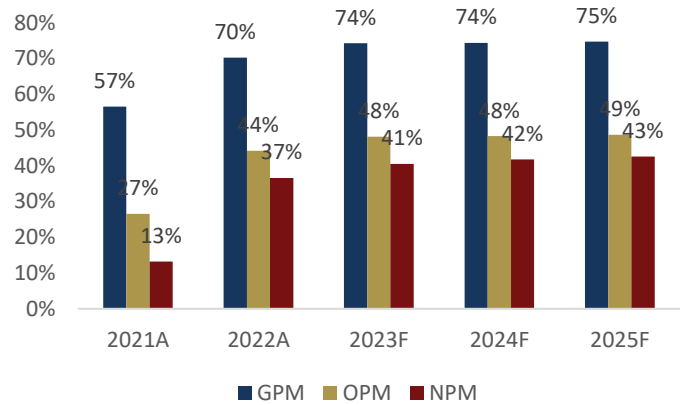
Source: SSI Research

Figure 3. Revenue Breakdown



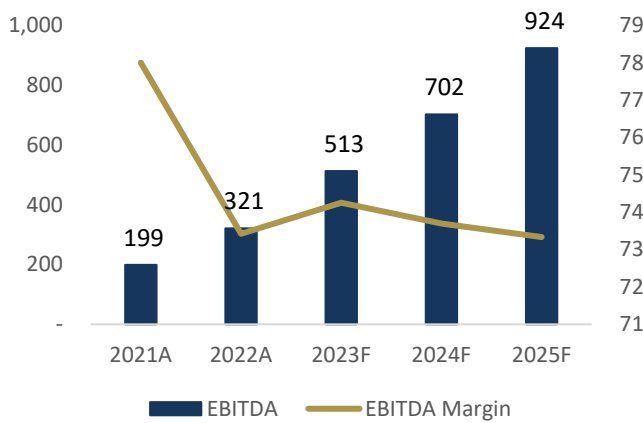
Source: Company, SSI Research

Figure 5. Profitability Margins



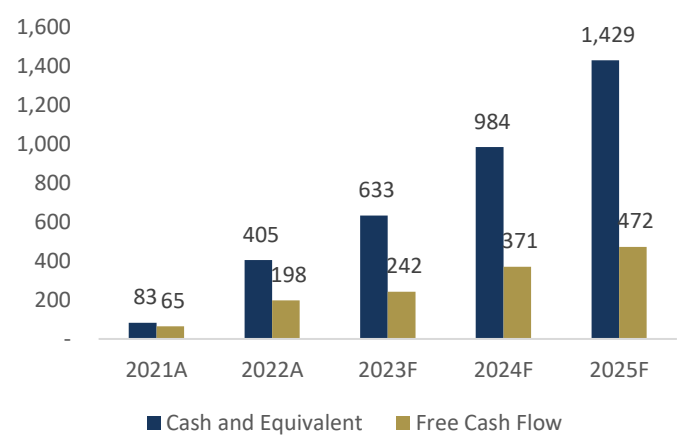
Source: Company, SSI Research

Figure 6. EBITDA & EBITDA Margins



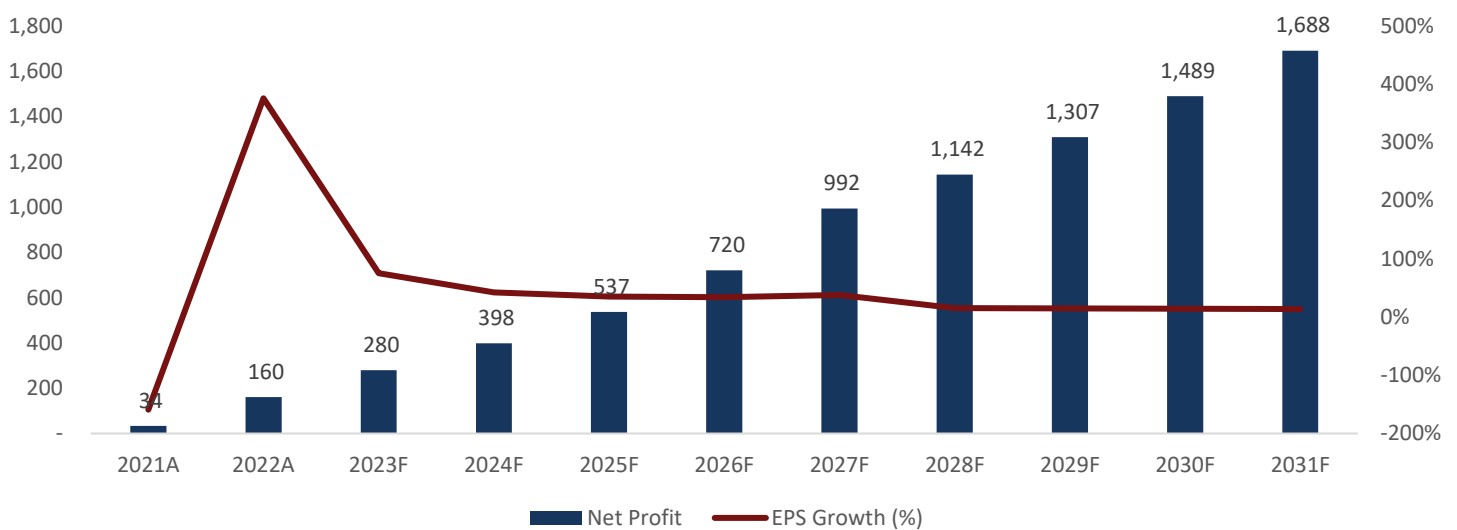
Source: Company, SSI Research

Figure 7. Cash and Free Cash Flow Level



Source: Company, SSI Research

Figure 7. 10-Year Net Profit Forecast



Source: Company, SSI Research

Key Financial Figures

Profit and Loss					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Revenue	255	437	690	953	1,259
Cost of revenue	(111)	(130)	(178)	(244)	(318)
Gross Profit	144	307	513	709	941
SGA Expense	(77)	(114)	(180)	(249)	(329)
Operating Profit	68	193	333	460	613
EBITDA	199	321	513	702	924
Net Interest Income	8	5	24	38	59
Other Income (Expense)	(25)	6	1	10	14
Pre-tax profit	50	204	357	509	685
Income Tax	(20)	(48)	(84)	(120)	(162)
Profit for Period	30	156	273	389	524
Minority Interest	4	4	7	10	13
Net Profit	34	160	280	398	537

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Cash & equivalents	83	405	633	984	1,429
Receivables	68	53	71	98	129
Others	33	46	46	46	46
Total Current Asset	184	504	751	1,129	1,605
Net Fixed Asset	753	714	701	694	692
Other Non-Current Asset	373	397	419	436	481
Total Asset	1,310	1,615	1,871	2,259	2,779
ST. Bank loan	-	-	-	-	-
Payables	9	35	25	34	44
Other current Liability	33	33	33	33	33
Total Current Liability	42	68	58	67	77
LT. Debt	-	-	-	-	-
Other LT Liabilities	10	9	9	9	9
Total Liabilities	51	77	66	76	86
Minority Interest	6	2	2	2	2
Total Equity	1,258	1,539	1,805	2,183	2,693

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Net Profit	34	160	280	398	537
D&A	124	128	166	190	222
Changes in Working Capital	-	-	-	-	-
Operating Cash Flow	52	188	417	570	737
Capital Expenditure	(12)	11	(15)	(21)	(28)
Others	26	(1)	(160)	(178)	(237)
Investing Cash Flow	14	10	(175)	(199)	(265)
Net - Borrowing	-	-	-	1	2
Other Financing	(104)	124	(14)	(20)	(27)
Financing Cash Flow	(104)	124	(14)	(20)	(27)
Net - Cash Flow	(38)	322	228	351	445
Cash at beginning	121	83	405	633	984
Cash at ending	83	405	633	984	1,429

Key Ratios					
Y/E Dec	21A	22A	23F	24F	25F
Gross Profit Margin (%)	56.6	70.3	74.3	74.4	74.8
Operating Margin (%)	26.6	44.2	48.2	48.3	48.7
EBITDA Margin (%)	78.0	73.4	74.3	73.7	73.3
Pre-Tax Margin (%)	19.8	46.8	51.8	53.4	54.4
Net Profit Margin (%)	13.2	36.6	40.6	41.8	42.6
Debt to Equity (%)	-	-	-	-	-
Net Gearing (%)	-	-	-	-	-

Major Assumptions					
	21A	22A	23F	24F	25F
Digital Growth	224%	-65%	212%	14%	14%
Movies Volume	1	6	8	11	14
Sponsorship Revenue	1.5	50.0	100	105	110

Peers Comparison

Ticker	Name	Market Cap (USDbn)	EV/EBITDA		P/E		P/BV	
			2023	2024	2023	2024	2023	2024
FILM IJ Equity	MD PICTURES TBK PT	1,169	33.5	23.9	63.5	44.7	9.9	8.1
SCMA IJ Equity	Surya Citra Media PT	885	7.3	6.3	9.8	9.0	1.6	1.4
MNCN IJ Equity	MEDIA NUSANTARA CITRA PT	597	2.7	2.5	3.6	3.2	0.4	0.4
Local Average			17.8	13.2	32.1	23.4	5.0	4.1
NFLX US Equity	NETFLIX INC	150,621	21.2	17.2	29.5	23.5	6.1	4.9
DIS US Equity	WALT DISNEY CO/THE	183,450	15.2	12.7	24.7	18.4	1.8	1.7
CMCSA US Equity	COMCAST CORP-CLASS A	161,812	7.1	6.9	10.5	9.3	1.9	1.8
PGRE US Equity	PARAMOUNT GROUP INC	999	13.2	13.3	65.7	n.a	0.3	0.3
IQ US Equity	IQIYI INC-ADR	6,445	18.8	14.3	20.1	13.5	6.0	3.9
AMZN US Equity	AMAZON.COM INC	1,023,906	12.5	10.2	74.7	41.0	5.7	4.4
WBD US	WARNER BROS DISC	36,364	7.4	6.8	21.8	10.4	0.8	0.8
Global Average			13.0	10.8	56.4	32.5	4.7	3.8

Source: Company, SSI Research

Research Team			
Prasetya Gunadi	Head of Equity Research, Strategy, Banking, Digital Banks	prasetya.gunadi@samuel.co.id	+6221 2854 8320
Lionel Priyadi	Macro Equity Strategist	lionel.priyadi@samuel.co.id	+6221 2854 8854
Muhamad Alfatih, CSA, CTA, CFTe	Senior Technical Analyst	m.alfatih@samuel.co.id	+6221 2854 8129
William Mamudi, CFTe, CMT, CCT	Senior Technical Analyst	william.mamudi@samuel.co.id	+6221 2854 8382
Yosua Zisokhi	Cement, Cigarette, Paper, Plantation, Telco Infra, Chemicals	yosua.zisokhi@samuel.co.id	+6221 2854 8387
M. Farras Farhan	Media, Poultry, Oil & Gas, Technology	farras.farhan@samuel.co.id	+6221 2854 8346
Pebe Peresia	Automotive, Consumer Staples, Retail	pebe.peresia@samuel.co.id	+6221 2854 8339
Juan Oktavianus Harahap	Coal, Metal Mining	juan.oktavianus@samuel.co.id	+6221 2854 8846
Jonathan Guyadi	Banking, Healthcare, Telco	jonathan.guyadi@samuel.co.id	+6221 2854 8321
Adolf Richardo	Editor	adolf.richardo@samuel.co.id	+6221 2864 8397
Ashalia Fitri Yuliana	Research Associate	ashalia.fitri@samuel.co.id	+6221 2854 8389
Abraham Timothy	Research Associate	abraham.timothy@samuel.co.id	+6221 2854 8322
Daniel Aditya Widjaja	Research Associate	daniel.aditya@samuel.co.id	+6221 2854 8322
Laurencia Hiemas	Research Associate	laurencia.hiemas@samuel.co.id	+6221 2854 8392
Brandon Boedhiman	Research Associate	brandon.boedhiman@samuel.co.id	+6221 2854 8392

Equity Institutional Team			
Benny Bambang Soebagjo	Head of Institutional Equity Sales	benny.soebagjo@samuel.co.id	+6221 2854 8312
Ronny Ardianto	Institutional Equity Sales	ronny.ardianto@samuel.co.id	+6221 2854 8399
Anthony Yunus	Institutional Equity Sales	anthony.yunus@samuel.co.id	+6221 2854 8314
Widya Meidrianto	Institutional Equity Sales	widya.meidrianto@samuel.co.id	+6221 2854 8317
Fachruly Fiater	Institutional Sales Trader	fachruly.fiater@samuel.co.id	+6221 2854 8325
Lucia Irawati	Institutional Sales Trader	lucia.irawati@samuel.co.id	+6221 2854 8173
Alexander Tayus	Institutional Equity Dealer	alexander.tayus@samuel.co.id	+6221 2854 8319
Leonardo Christian	Institutional Equity Dealer	leonardo.christian@samuel.co.id	+6221 2854 8147

Equity Retail Team			
Joseph Soegandhi	Head of Equity	joseph.soegandhi@samuel.co.id	+6221 2854 8872
Damargumilang	Head of Equity Retail	damargumilang@samuel.co.id	+6221 2854 8309
Denzel Obaja	Head of Community & Partnership	denzel.obaja@samuel.co.id	+6221 2854 8342
Clarice Wijana	Head of Equity Sales Support	clarice.wijana@samuel.co.id	+6221 2854 8395
Gitta Wahyu Retnani	Equity Sales & Trainer	gitta.wahyu@samuel.co.id	+6221 2854 8365
Vincentius Darren	Equity Sales	darren@samuel.co.id	+6221 2854 8348
Michael Alexander	Equity Sales	michael.alexander@samuel.co.id	+6221 2854 8369
Sylviawati	Equity Sales	sylviawati@samuel.co.id	+6221 2854 8112
Wandha Ahmad	Equity Sales	wandha.ahmad@samuel.co.id	+6221 2854 8316
Handa Sandiawan	Equity Sales	handa.sandiawan@samuel.co.id	+6221 2854 8302
Wahyudi Budiyo	Dealer	wahyudi.budiyo@samuel.co.id	+6221 2854 8152

Fixed Income Sales Team			
R. Virine Tresna Sundari	Head of Fixed Income	virine.sundari@samuel.co.id	+6221 2854 8170
Rudianto Nugroho	Fixed Income Sales	rudianto.nugroho@samuel.co.id	+6221 2854 8306
Sany Rizal Keliobas	Fixed Income Sales	sany.rizal@samuel.co.id	+6221 2854 8337
Safitri	Fixed Income Sales	safitri@samuel.co.id	+6221 2854 8376
Khairanni	Fixed Income Sales	khairanni@samuel.co.id	+6221 28548104
Nadya Attahira	Fixed Income Sales	nadya.attahira@samuel.co.id	+6221 2854 8305

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