

BUY (Maintain)

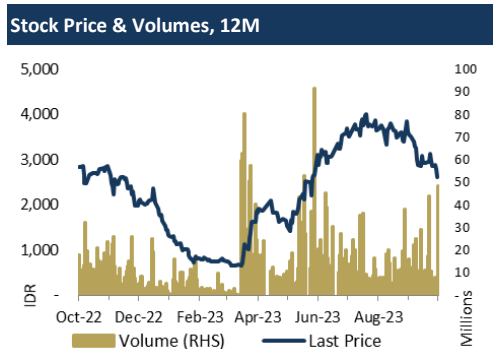
Target Price (IDR) 3,800 (from 2,500)
Potential Upside (%) 20.3

Price Comparison	
Cons. Target Price (IDR)	3,800
SSI vs. Cons. (%)	557.6

Stock Information	
Last Price (IDR)	3,160
Shares Issued (Mn)	9,511
Market Cap. (IDR Bn)	30,055
52-Weeks High/Low (IDR)	4,020/610
3M Avg. Daily Value (IDR Bn)	49.7
Free Float (%)	21.7

Shareholder Structure:	
MD Global Investment (%)	50.5
Morgan Stanley & Co Intl (%)	14.62
Public (%)	7.11

Stock Performance				
(%)	YTD	1M	3M	12M
Absolute	65.4	(11.2)	(11.0)	11.7
JCI Return	1.2	0.0	1.9	0.4
Relative	64.2	(11.3)	(12.9)	11.3



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 media digital.

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Full Steam Ahead

Preview 2H23. Kami memperkirakan FILM akan mencetak performa yang lebih baik di 2H23 dibandingkan 1H23. Optimisme kami didasarkan pada proyek-proyek ambisius FILM yang dijadwalkan rilis pada 2H23, seperti Kisah Tanah Jawa, Do You See What I See, dan Danur 4, serta beberapa judul yang ditunggu-tunggu seperti KKN di Desa Penari 2 dan Layangan Putus the Movie yang dijadwalkan rilis pada tahun 2024. Kami berharap proyek-proyek ini akan menjadi katalis positif bagi FILM di masa depan, dan kami yakin para pelaku pasar akan bereaksi positif terhadap proyek-proyek tersebut. Selain itu, margin FILM dari film bioskop juga mengalami peningkatan yang cukup besar, hal ini terlihat dari margin FILM dari KKN di Desa Penari (>70%). Karenanya, kami memperkirakan FILM akan membukukan laba bersih FY23F sebesar ODR 145 miliar dan EBITDA sebesar IDR 274 miliar, mencerminkan margin EBITDA sebesar 74.3%.

Performa yang lebih baik dari FILM. FILM berhasil membukukan pertumbuhan pendapatan QoQ di 2Q23 (+36% qoq menjadi IDR 144 miliar) berkat kesuksesan Sewu Dino yang menjadi film Indonesia tahun 2023 dengan 4.8 juta penonton. Perlu diingat juga bahwa penurunan YoY lebih disebabkan oleh high-base effect dari keberhasilan KKN di Desa Penari tahun lalu. Tahun ini, FILM memilih fokus untuk membangun kembali bisnis bioskopnya; karenanya, sebagian besar pendapatannya berasal dari bioskop. Namun, kami melihat bahwa FILM berpotensi untung besar dari monetisasi IP karena FILM berencana untuk memproduksi lebih banyak IP di masa depan. Kami memasukkan potensi ini ke dalam perhitungan valuasi kami, dan merevisi proyeksi pendapatan FY24F menjadi IDR 723 miliar, EBITDA menjadi IDR 489 miliar, dan laba bersih menjadi IDR 276 miliar.

BUY, TP IDR 3,800. Bersamaan dengan roll-over valuasi kami ke FY24F, kami mempertahankan rating BUY kami untuk FILM dengan TP baru sebesar IDR 3.800 (berbasis DCF; 9.5% WACC, 5% Tg). Kami telah memperhitungkan potensi cashflow yang signifikan dari IP-nya dalam valuasi kami. **Risiko:** Penjualan tiket dan pendapatan digital yang lebih rendah dari perkiraan.

Forecast and Valuations (@ IDR 2,331 per share)					
Y/E Dec	21A	22A	23F	24F	25F
Revenue (IDR Bn)	255	437	431	723	1,081
EBITDA (IDR Bn)	199	321	274	489	792
EV/EBITDA(X)	137	84	98	54	33
Net Profit (IDR Bn)	34	160	145	276	470
EPS (IDR)	4	17	15	29	49
EPS Growth (%)	na	375	(10)	90	70
P/E Ratio (x)	813	171	189	99	58
BVPS (IDR)	132	162	176	204	251
P/BV Ratio (x)	21.8	17.8	16.3	14.1	11.5
DPS (IDR)	-	-	-	-	-
Dividend Yield (%)	-	-	-	-	-
ROAE(%)	2.6	11.4	9.0	15.3	21.7
ROAA (%)	2.5	10.9	8.6	14.7	21.0
Interest Coverage (x)	-	-	-	-	-
Net Gearing (x)	-	-	-	-	-

Figure 1. Top 10 Best-Selling Indonesian Movies (Ticket Sales)

No	Movie Title	Viewers	Production House	Year	Director
1	KKN di Desa Penari	10,061,033	MD Pictures Pichouse Films	2022	Awi Suryadi
2	Warkop DKI Reborn: Jangkrik Boss! Part 1	6,858,616	Falcon Pictures Rapi Films Sky Media Brown	2016	Anggy Umbara
3	Pengabdian Setan 2: Communion	6,391,982	Entertainment Legacy Pictures Come and See Pictures	2022	Joko Anwar
4	Dilan 1990	6,315,664	Max Pictures	2018	Fajar Bustomi Pidi Baiq
5	Miracle in Cell No 7	5,852,916	Falcon Pictures	2022	Hanung Bramantyo
6	Dilan 1991	5,253,411	Max Pictures	2019	Fajar Bustomi Pidi Baiq
7	Sewu Dino	4,863,533	MD Pictures Miles Films	2023	Kimo Stamboel
8	Laskar Pelangi	4,719,453	Mizan Productions SinemArt Pictures	2008	Riri Riza
9	Habibie & Ainun	4,601,249	MD Pictures	2012	Faozan Rizal
10	Pengabdian Setan	4,206,103	Rapi Films	2017	Joko Anwar

Source: Filmdonesia.or.id, SSI Research

Figure 3. DCF Valuation Method

DCF Valuation (IDRbn)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	Terminal Value
EBIT	523	688	1,070	1,511	1,794	2,286	2,639	3,167	3,591	4,043	
EBIT (1-T)	408	536	835	1,179	1,399	1,783	2,059	2,470	2,801	3,154	
D&A	191	218	261	314	376	440	514	598	694	801	
Chg. In WC	(25)	(23)	(53)	(31)	(42)	(48)	(54)	(60)	(67)	(75)	
Capex	(175)	(233)	(367)	(453)	(539)	(564)	(652)	(750)	(849)	(955)	
Net FCF	400	499	676	1,009	1,194	1,610	1,867	2,259	2,579	2,926	66,416
Discount Factor	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4
PV of FCF	365	416	514	701	757	933	987	1,090	1,136	1,177	26,718
Sum of FCF	34,793										
Less: Total Debt	-										
Less: Minority Interest	(2)										
Plus: Cash	885										
Equity Value	35,677										
Equity Value (IDRbn)	35,677										
Shares Outstanding (bn shares)	10										
Price per Share (IDR)	3,800										

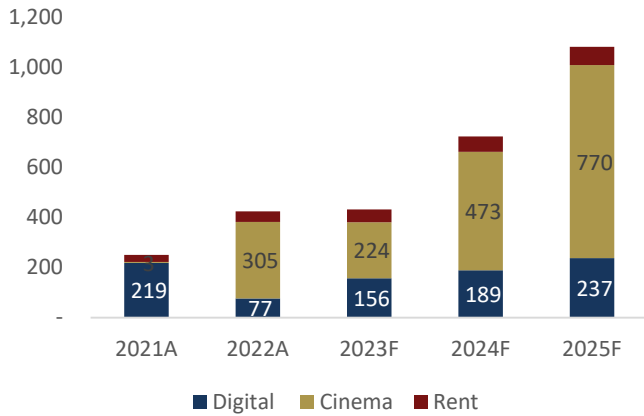
Source: SSI Research

Figure 3. 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	1,748	97.9	54.2	189.2	99.3	16.3	14.1
SCMA IJ Equity	Surya Citra Media PT	751	10.9	7.9	15.2	10.7	1.3	1.2
MNCN IJ Equity	MEDIA NUSANTARA CITRA PT	475	2.7	2.2	3.9	3.3	-	-
	Local Average		60.7	34.2	115.7	61.6	9.9	8.6
NFLX US Equity	NETFLIX INC	171,032	24.0	18.9	31.9	24.9	7.1	6.0
DIS US Equity	WALT DISNEY CO/THE	154,982	13.4	11.2	23.2	17.6	1.6	1.5
CMCSA US Equity	COMCAST CORP-CLASS A	181,877	7.3	6.9	11.7	10.6	2.1	2.0
PGRE US Equity	PARAMOUNT GROUP INC	939	13.2	12.9	-	-	0.3	0.3
IQ US Equity	IQIYI INC-ADR	4,504	12.4	9.7	14.5	10.3	4.0	2.8
WBD US Equity	WARNER BROS DISC	25,666	6.6	6.1	-	43.3	0.6	0.5
LGF/A US Equity	LIONS GATE ENTERTAINMENT CORP	1,802	13.0	10.9	26.5	11.2	2.4	2.3
CNK US Equity	CINEMARK HOLDINGS INC	2,319	7.0	6.8	16.1	15.5	7.8	6.0
	Global Average		14.3	11.9	20.9	18.6	3.5	3.1

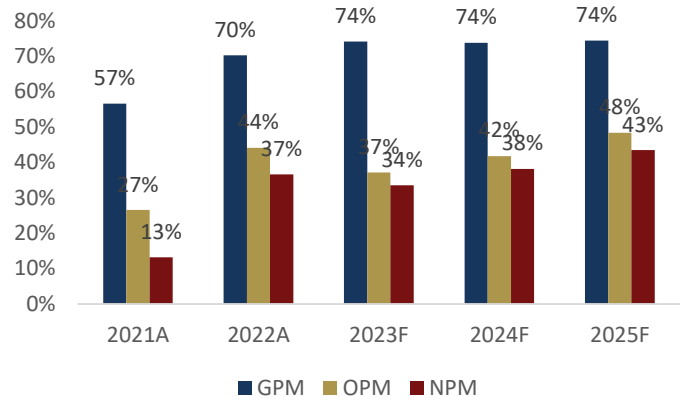
Source: Bloomberg, SSI Research

Figure 3. Revenue Breakdown



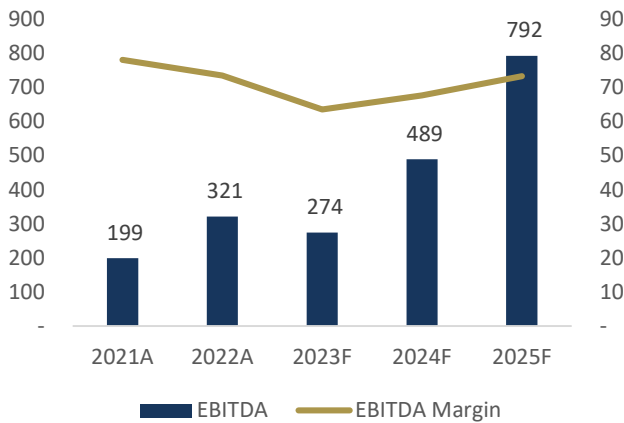
Source: Company, SSI Research

Figure 5. Profitability Margins



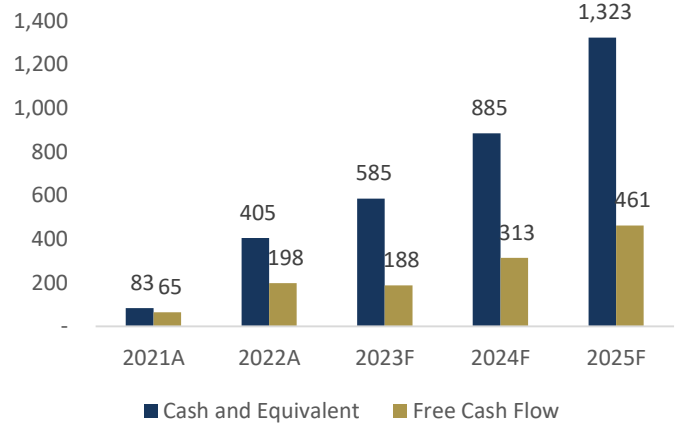
Source: Company, SSI Research

Figure 6. EBITDA & EBITDA Margins



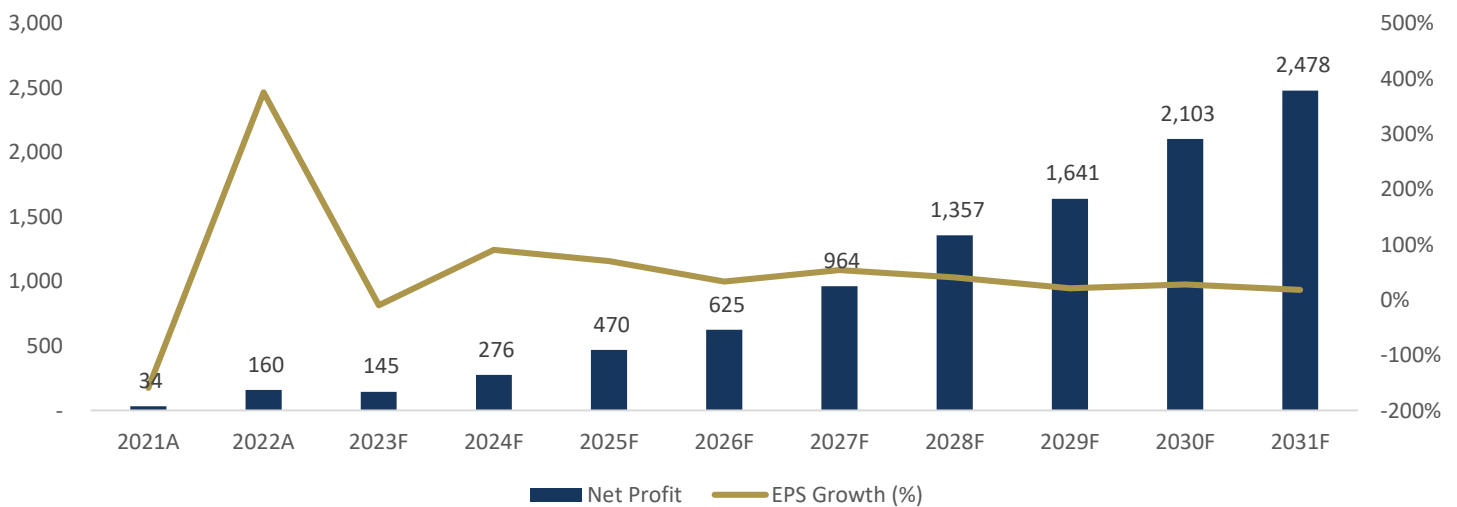
Source: Company, SSI Research

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

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