

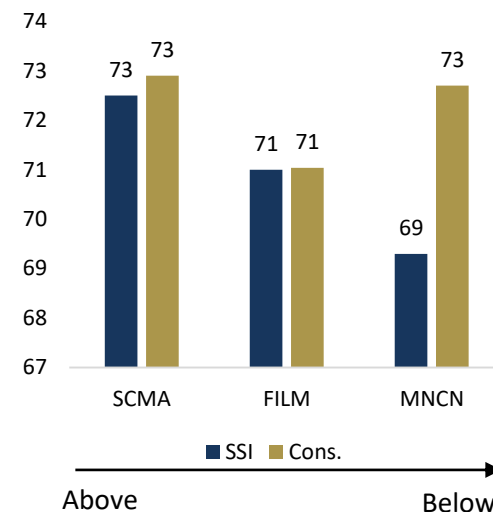
Our Take on the Sector

- In 3Q24, our media coverage booked relatively disappointing aggregate revenue growth of -5.0% QoQ and +3.5% YoY. The QoQ decline was attributed to the plunge in MNCN's FTA revenue (c.45% of sector's total FTA revenue) of -35.8% QoQ and -37.6% YoY as more audience shifted to Over-the-Top (OTT) platforms. On the profitability front, the downturn was even worse at -33.5% QoQ and +0.6% YoY, primarily due to the spike in MNCN's opex/sales ratio to 32.1% (+1050 bps QoQ, +10 bps YoY). On the flipside, SCMA managed to post robust net profit growth of +32.5% QoQ and +8.6% YoY, driven mainly by low-base effect.
- We expect FTA revenue of our media coverage to continue its downtrend as OTT platforms gain further popularity. Furthermore, those platforms have advanced algorithms that allow advertisers to reach their targets more efficiently, which may prompt major shift in ad budget towards OTT. However, there is potential for a rebound in FTA viewers; the affordability of Set Top Boxes (STBs), now priced as low as IDR 100k (previously IDR 200k-300k), could attract viewers back to FTA, especially amid weakening consumer purchasing power.
- Despite our cautious outlook, maintain positive stance on FILM (BUY, IDR 7,000) as we expect to see more blockbusters in 4Q24 and 2025F, especially after its recent stellar performance in securing 21% of national movie viewers of 68.9mn YTD, the highest since 1926 (c. 60.2mn).

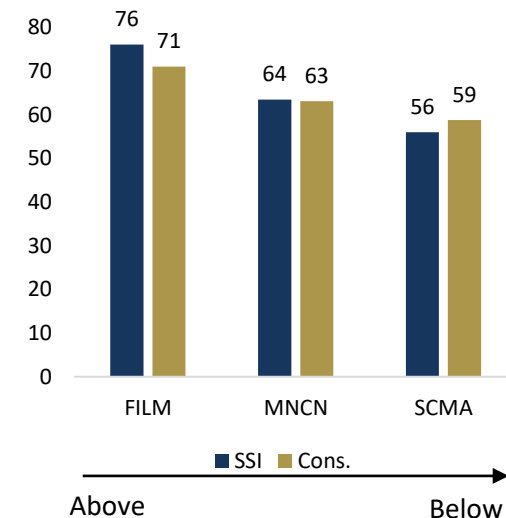
Peer Comparables

Company	Rating	Market Cap	Last Price	Target Price	2024F				
					P/E	P/B	EV/EBITDA	EPS Growth	ROE
Ticker		(IDR Tn)	(IDR)	(IDR)	(x)	(x)	(x)	(%)	(%)
FILM IJ	BUY	33.2	3,180	7,000	223.5	14.9	102.8	40.0	10.2
SCMA IJ	SELL	9.3	122	110	11.6	0.8	7.7	99.2	7.6
MNCN IJ	SELL	4.6	302	270	3.6	0.2	2.2	4.3	9.1
RAAM IJ	N.A	2.5	342	N.A	(16.3)	1.8	26.7	N.A	(10.7)
Sector		49.6			149.3	10.2	72.1	32.6	7.9

9M24 Revenue / SSI & Cons



9M24 Net Profit / SSI & Cons



YTD Relative Performance vs JCI

