



NOT RATED

Stock Data

Curent Price	: IDR102
52wk Range H-L	: IDR234 - 99
Share Outstanding	: 80,625 mn
Free Float (%)	: 64.99
Mkt Capitalization (IDR bn)	: 8,223.8

Major Shareholders

PT MNC	: 17.06%
Investama Tbk	
HT Investment Ltd	: 10.89%
Hary Tanoesoedibjo	1.21%
UOB Kay Hian Hongkong Ltd	: 19.50%
Public	: 51.18%

PT MNC LAND Tbk (KPIG IJ)

Tourism, Restaurant, and Hotel Sector

The World-Class Entertainment Hospitality

Office Space Rental Performance Continues to Grow During The Pandemic

- KPIG record a revenue of IDR519.59 billion in 9M20 (-37.9% YoY, vs IDR836.37 billion in 9M19).
- The largest contribution came from Security and other Services revenue around 50.1% from total revenue of IDR260.48 billion in 9M20. Furthermore, office rental grew 6.69% YoY to IDR152.16 billion 9M20 (vs IDR142.62 billion 9M19).
- KPIG managed to implement efficiency, shown in the decrease on Company expenses by -19.5% YoY to IDR406.11 billion 9M20 (vs IDR504.55 billion 9M19). While, gross profit margin stood at 21.84% in 9M20 (vs 39.67% in 9M19).
- Thus, KPIG recorded a net profit of IDR186.50 billion 9M20.

Better Tourism Outlook

- KPIG have just obtained a Special Economic Zone (SEZ) for MNC Lido City for tourism purpose.
- By obtaining the SEZ Tourism status, businesses the MNC Lido City area (Cigombong, Bogor, West Java) will receive incentives for: 1) Income tax; 2) VAT; 3) Import Duty; 4) Luxury Goods Tax (PPnBM); as well as other permits.
- After the completion, the SEZ is expected to be the host for 3.17 million tourists every year, further develop MSMEs and the creative economy, as well as increasing local government revenue.

MNC Lido City: The All-Round Residence and Destination

- Currently MNC Lido City is developing commercial, tourist destinations and integrated resorts covering an area of 3,000 hectares, namely: 1) MNC World Lido which will become the first world-class theme park in Indonesia with advanced technology; 2) International Golf Club Lido featuring 18-hole PGA standard championship golf course; 3) Transit Oriented Development; 4) Lido Music & Arts Center; 5) Movieland; 6) Lido World Garden; & 7) International circuits, various hotels, retail and dining, techno park and data center, universities and office areas will be built soon.
- MNC Lido City is located about 60 km from Jakarta making it one of the integrated tourism SEZ areas and the closest to the most populous area in Indonesia. In addition, with a cold atmosphere in the mountainous area, MNC Lido City is a strategic location for a vacation and enjoying a beautiful views in the middle of an urban atmosphere

Movieland: The most Comprehensive Film Production Area

- MNC Studios International (MSIN) will build Movieland which will offer integrated indoor and outdoor premium sets and props for films, TV and OTT drama-related productions, and a lodging for talents and production team which will lower production cost.
- In addition, Movieland will also have an indoor studio covering an area of 1,500 square meters with a giant green screen to support film and drama series productions. Furthermore, MSIN is also preparing various other areas for shooting colossal scenes with royal backgrounds in Indonesia such as Islamic and Hindu kingdoms are also being developed.

Valuation and Recommendation : NOT RATED

Based on the Company data, KPIG 9M20 RNAV was IDR472 per share. However the stock price is reflected at a **70%** discount to RNAV and trailing PBV currently at 0.39x, near -1.5STD PBV. While MNCS is affiliated with the Company, it does not offer any recommendation related to company prospects. Recommendation: **NOT RATED.**

Key Financial Highlight

In Billion IDR	2016	2017	2018	2019	9M20
Revenue	946.47	938.27	992.45	1,066.63	519.59
EBITDA	204.00	157.15	154.58	178.92	25.91
EBITDA Margin	21.55%	16.75%	15.58%	16.77%	4.99%
Net Profit	1,770.79	1,295.32	619.84	259.73	186.50
Net Profit Margin	187.09%	138.05%	62.46%	24.35%	35.89%
ROA	12.51%	8.45%	3.54%	0.91%	0.64%
ROE	15.72%	10.48%	4.79%	1.13%	0.81%

Source: Bloomberg, MNCS

Research

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Exhibit 01. Special Economic Zone MNC Lido City



Source: Company

Exhibit 02. MNC Park Lido



Source: Company

Exhibit 03. Special Economic Zone - First in Greater Jakarta

Indonesia Special Economic Zones

Designated areas endowed with geo-economic and geo-strategic advantages where special facilities and incentives are extended to attract investment



Source : <https://kek.go.id/>

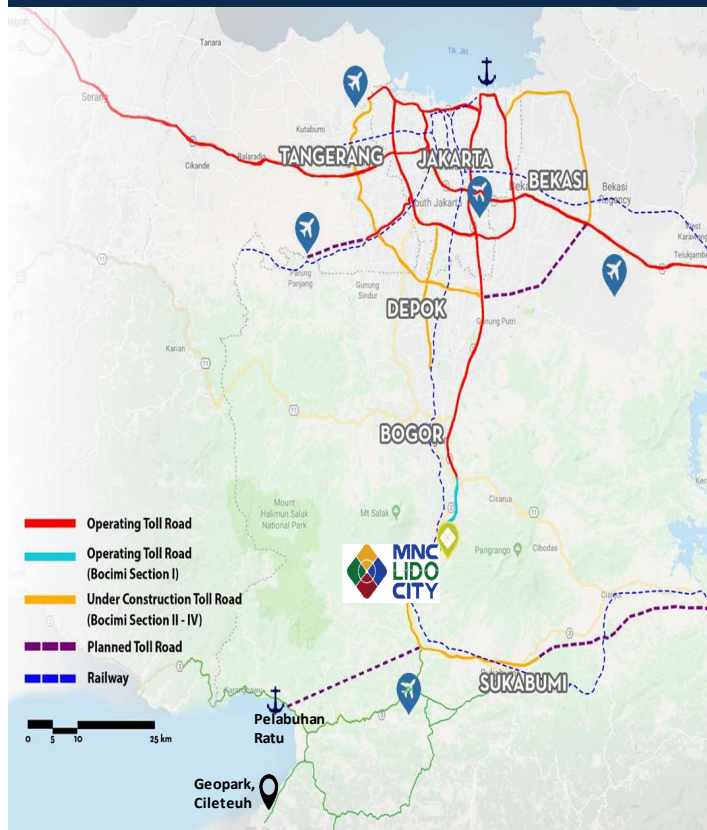
Source: Company

Exhibit 04. Transit Oriented Development



Source: Company

Exhibit 05. Strategic Location and Accessibility



TOLL ROADS

Located about 60 km from Jakarta, MNC Lido City can be directly accessed through Jagorawi - Bocimi Toll Road (section 1) in just an hour drive. The site is served by two exit toll i.e. exit Cigombong 1 (in operation) and Cigombong 2 (construction completed).

Bocimi toll road section 2 - 4 that connecting MNC Lido City to Sukabumi is still under construction.

DOUBLE TRACK TRAIN

Double track train development Bogor – Sukabumi was launched in 2018 with expected completion in 2021.

AIRPORTS

- Supporting airports:
1. Soekarno Hatta International Airport (Jakarta)
 2. Halim International Airport (Jakarta)
 3. Kertajati International Airport (Majalengka)
 4. Cikembar Airport (Sukabumi) – *under construction*

LIGHT RAIL TRANSIT

Jakarta – Bogor – Depok – Bekasi



Source: Company

Exhibit 06. Movieland, Lido World Garden, Lido Music & Arts Center



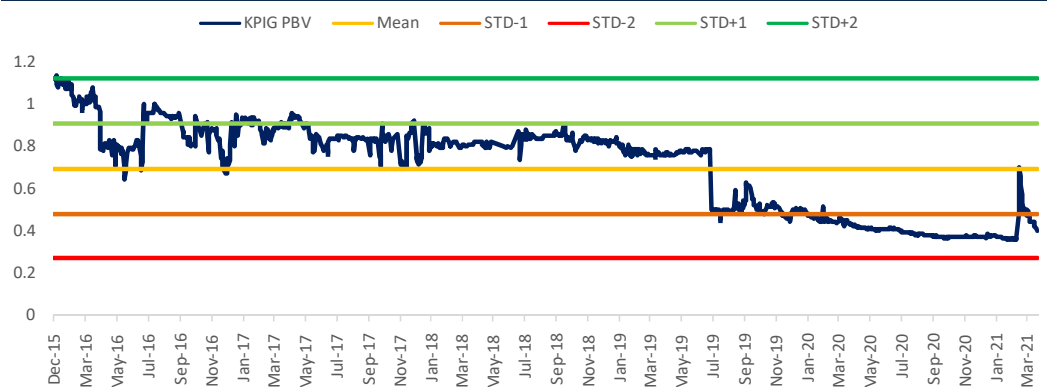
Source: Company

Exhibit 07. Development Progress



Source: Company

Exhibit 08. KPIG is currently trading at 0.39x PBV, close to its -1.5STD (5-years average).



Source: Bloomberg, MNCS

Exhibit 09. Financial Summary

Income Statement						Balance Sheet					
IDR Billion	FY16	FY17	FY18	FY19	9M20	IDR Billion	FY16	FY17	FY18	FY19	9M20
Revenue	946.47	938.27	992.45	1,066.63	519.59	Cash and cash equivalents	192.62	196.36	289.24	181.82	65.93
Cost of sales	585.14	573.18	566.37	666.86	406.11	Trade Receivables	115.86	108.00	179.45	153.41	163.91
Gross Profit	361.34	365.09	426.08	399.77	113.48	Inventory	975.56	1,031.27	1,153.05	1,251.95	1,321.00
Operating Expenses	325.69	356.86	356.51	309.43	153.32	Other Current Assets	4,082.81	2,537.37	2,481.80	2,857.43	2,599.54
Operating Profit	35.65	8.23	69.57	90.34	(39.84)	Total Current Assets	5,366.86	3,873.00	4,103.54	4,444.61	4,150.38
Interest Income	31.76	6.33	8.05	7.49	1.18	Fixed Assets - net	7,745.93	10,245.59	12,094.47	22,874.48	13,864.37
Interest Expenses	86.86	129.16	164.04	156.51	164.30	Other Non-Current Assets	1,044.64	1,208.57	1,323.35	1,255.77	11,041.96
Other income (expenses)-net	1,809.11	1,424.56	782.60	343.03	352.49	Total Non-Current Assets	8,790.57	11,454.16	13,417.83	24,130.25	24,906.33
Profit Before Tax	1,789.65	1,309.96	696.18	284.35	149.52	TOTAL ASSETS	14,157.43	15,327.16	17,521.36	28,574.87	29,056.71
Tax Expenses (Benefit)-net	(11.17)	(5.27)	30.70	10.22	2.39	Trade Payables	113.02	200.49	207.54	204.16	310.90
Minority Interest	30.04	19.91	45.64	14.41	(39.37)	Short-term Debt	553.93	194.68	419.33	643.49	424.13
Net Income	1,770.79	1,295.32	619.84	259.73	186.50	Other current liabilities	325.56	168.41	421.32	708.90	743.15
EPS (full amount)	256.97	187.36	17.25	3.46	2.31	Total Current Liabilities	992.52	563.59	1,048.19	1,556.55	1,478.18
						Long-term Debt	1,662.98	2,187.54	3,325.56	3,762.11	4,269.24
						Other Long-term liabilities	238.31	212.04	208.26	175.12	162.50
						Total Long-term Liabilities	1,901.28	2,399.58	3,533.81	3,937.23	4,431.74
						Total Equity	11,263.63	12,363.99	12,939.36	23,081.09	23,146.79

Cash Flow						Ratios					
IDR Billion	FY16	FY17	FY18	FY19	9M20	Ratio	FY16	FY17	FY18	FY19	9M20
Cash Receipt from Customers	894.82	883.86	945.07	1,054.86	504.06	Growth Year on Year					
Cash Receipt from Interest and Dividend Income	31.76	6.33	8.04	7.49	1.18	Revenue Growth (%)	-16.93%	-0.87%	5.77%	7.47%	-37.88%
Cash Paid to Suppliers and Employees	(678.63)	(861.70)	(841.86)	(908.54)	(443.65)	Gross Profit Growth (%)	-32.91%	1.04%	16.71%	-6.18%	-65.80%
Others	(149.79)	(173.57)	(198.72)	(213.51)	(134.16)	EBITDA Growth (%)	-45.22%	-22.96%	-1.64%	15.75%	-84.85%
CFO Total	98.16	(145.08)	(87.47)	(59.69)	(72.57)	Net Income Growth (%)	675.83%	-26.85%	-52.15%	-58.10%	-41.95%
Capital Expenditure	(1,299.91)	(1,121.32)	(1,131.51)	(1,247.42)	(502.67)	Current Ratio (x)	5.41	6.87	3.91	2.86	2.81
Others	631.66	312.00	(60.70)	(783.62)	262.41	Quick Ratio (x)	4.42	5.04	2.81	2.05	1.91
CFI	(668.26)	(809.31)	(1,192.21)	(2,031.04)	(240.26)	Asset/Debt (x)	6.39	6.43	4.68	6.49	6.19
Dividend Paid	(46.51)	(1.46)	(9.34)	(23.01)	-	Debt/Equity (x)	0.20	0.19	0.29	0.19	0.20
Net Change in Debt	562.27	164.09	879.65	401.23	186.33	GPM (%)	38.18	38.91	42.93	37.48	21.84
Equity Fund Raised	-	747.36	-	1,030.51	-	OPM (%)	3.77	0.88	7.01	8.47	(7.67)
Others	(82.41)	47.91	502.15	574.96	10.66	EBITDA Margin(%)	21.55	16.75	15.58	16.77	4.99
CFF	433.34	957.90	1,372.46	1,983.69	196.99	NPM(%)	187.09	138.05	62.46	24.35	35.89
Net Cash Increase	(136.76)	3.50	92.78	(107.05)	(115.84)	ROA (%)	12.51	8.45	3.54	0.91	0.64
Closing Balance	192.62	196.36	289.24	181.82	65.93	ROE (%)	15.72	10.48	4.79	1.13	0.81

Source: Company, MNCS

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MNC Research Investment Ratings Guidance

BUY : Share price may exceed 10% over the next 12 months

HOLD : Share price may fall within the range of +/- 10% of the next 12 months

SELL : Share price may fall by more than 10% over the next 12 months

Not Rated : Stock is not within regular research coverage

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