

Nusantara Sejahtera Raya

BUY (unchanged)

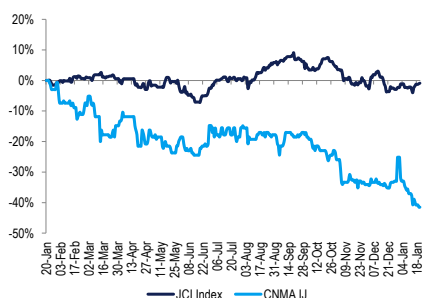
Company Update | Consumer Discretionary | CNMA IJ | 22 January 2025

Stock Data

Target price	Rp200
Prior TP	Rp280
Current price	Rp158
Upside/downside	26.6%
Shares outstanding (mn)	83,345
Market cap (Rp bn)	13,169
Free float	46%
Avg. 6m daily T/O (Rp bn)	2

Price Performance

	3M	6M	12M
Absolute	-23.3%	-30.7%	-41.5%
Relative to JCI	-15.7%	-28.8%	-40.6%
52w low/high (Rp)	158-270		



Major Shareholders

PT Harkatjaya Bumipersada	53.9%
Salween Investment Private Limited	22.5%
PT Adi Pratama Nusantara	13.5%

Andrianto Saputra

PT Indo Premier Sekuritas
andrianto.saputra@ipc.co.id
+62 21 5088 7168 ext. 716

Nicholas Bryan

PT Indo Premier Sekuritas
nicholas.bryan@ipc.co.id
+62 21 5088 7168 ext. 722

4Q24F preview: soft admission amid lacklustre Hollywood movies slate

- We expect 4Q24F CNMA admissions to drop by -16% yoy due to lacklustre Hollywood movies slate.
- FY24 local movie admissions to grow at 55% yoy, implying strong movie going culture trend.
- Maintain BUY with a lower TP of Rp200/sh as we revised down our FY25F earnings by 35%.

4Q24F preview: soft result due to lacklustre Hollywood movies slate

Based on Cinepoint data, 4Q24F cinema industry admissions declined by c.16% yoy and this was driven by 3 Hollywood movies flop. Assuming similar admission share, we estimate CNMA to record 4Q24 admission of c.21mn (vs. 25.2mn in 4Q23). In addition, we observed that 4Q24 local movie contribution to decline to 57% (vs. 69% in 4Q23). As the company has aggressively increased their ATP since early FY24 (Fig. 2), we expect 4Q24F ATP may increase to Rp45.5k (+20% yoy). In sum, we forecast CNMA's 4Q24F earnings to reach Rp204bn (-31.9% yoy), implying FY24F earnings of Rp734bn (89% of consensus) (Fig. 1). To note, there was one-off lease concession gain of Rp120bn in 4Q23.

We revised down FY25F earnings by 35%

Based on FY24 Hollywood movie performance in Indonesia, we see that there are several Hollywood movie flops in FY24 such as Joker, Kraven, etc. Despite total Hollywood theatrical release in FY25F is expected to reach c.125 titles (vs. FY24F's 107 titles), we conservatively revised down our FY25F admission from 116mn to 100mn. Concurrently, we also adjust our FY25F ATP assumption to Rp45.2k (+1% yoy) given an expectation of higher admission contribution from FY25F Hollywood movie slate. In sum, we downgrade our FY25F earnings by -35% to Rp877bn (83% of consensus).

Structural shift in spending behaviour toward entertainment

Based on Cinepoint data, FY24 local movie admission grew significantly by 55% yoy (vs. International's -35% yoy); thus, we expect the movie going culture trend to continue in FY25F. Despite a soft spending power, we expect CNMA shall benefit from the current trend as evidenced by 9M24 CNMA's revenue growth of 12.1% yoy – outphasing aggregate domestic staples/retailers growth of 2.9/10.9% yoy.

Maintain Buy with lower TP of Rp200

We maintain our BUY call for CNMA but with a lower DCF-based TP of Rp200/sh, implying FY25F PE of 19.0x. Risk for our call is lower admission.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	4,401	5,231	5,737	6,665	7,475
EBITDA	1,393	1,754	1,815	2,090	2,424
Net profit	432	688	727	877	1,070
EPS (Rp)	5.2	8.3	8.7	10.5	12.8
EPS growth	-215.5%	59.3%	5.7%	20.7%	21.9%
ROE	13.8%	19.1%	15.0%	17.3%	20.1%
PER (x)		19.1	18.1	15.0	12.3
EV/EBITDA (x)		6.0	5.8	5.0	4.3
Dividend yield		4.6%	3.9%	5.0%	6.0%
Forecast change			-24%	-35%	-39%
IPS vs. consensus			89%	83%	82%

Source: Company, Indo Premier

Share price closing as of: 21 January 2025

Fig. 1: CNMA 4Q24F preview

(Rp bn)	4Q24F	4Q23	%yoy	3Q24	%qoq	12M24F	12M23	%yoy	IPS FY24F	% IPS	Cons FY24F	%Cons
Revenue	1,414	1,420	-0.4%	1,317	7.3%	5,688	5,231	8.7%	6,408	89%	6,140	93%
Cost of revenue	(570)	(559)	1.9%	(530)	7.5%	(2,305)	(2,098)	9.9%				
Gross profit (loss)	844	861	-1.9%	788	7.2%	3,383	3,133	8.0%				
Operating expenses	(536)	(429)	25.0%	(594)	-9.8%	(2,318)	(2,077)	11.6%				
Operating profit	308	432	-28.6%	194	59.1%	1,065	1,056	0.8%	1,352	79%	1,181	90%
Profit (loss) before income tax	300	420	-28.5%	204	46.8%	1,034	950	8.8%				
Income tax benefit (expenses)	(66)	(97)		(43)		(214)	(208)					
Net profit	234	322	-27.4%	161	45.2%	820	742	10.4%				
Minority interest	(30)	(22)		(21)		(86)	(54)					
NPATMI	204	300	-31.9%	141	45.2%	734	688	6.7%	963	76%	820	89%
	206.33											
GPM	59.7%	60.6%		59.8%		59.5%	59.9%					
EBIT margin	21.8%	30.4%		14.7%		18.7%	20.2%					
NPM	14.4%	21.1%		10.7%		12.9%	13.1%					
Opex to sales	-37.9%	-30.2%		-45.1%		-40.8%	-39.7%					

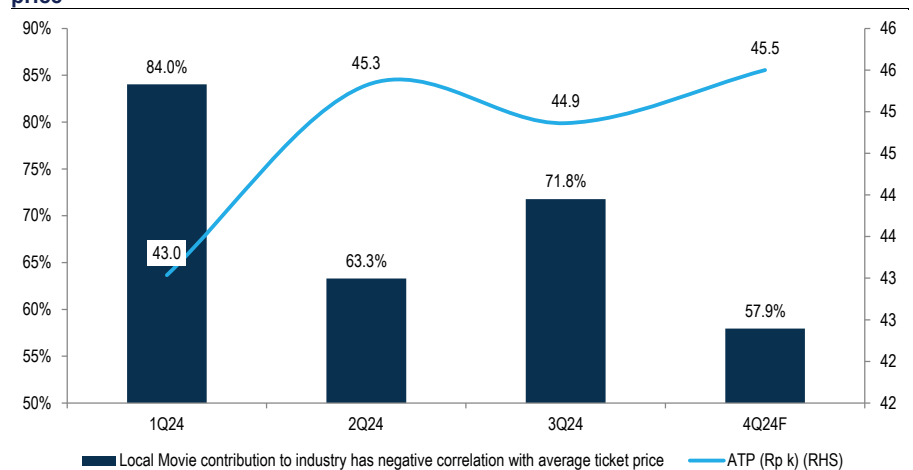
Source: Company, Indo Premier

Fig. 2: Average ticket price increase/(decrease) from Jan24 to Jan25

C21	Mon-Thu	Fri	Weekend/Public Holiday
Jakarta	9.7%	9.4%	9.0%
Tier-1 ex-JKT	6.7%	9.0%	7.5%
Tier-2	11.9%	11.9%	9.8%
Tier-3	9.0%	9.6%	7.7%

Source: Imdb, Indo Premier

Fig. 3: Local Movie contribution to industry has negative correlation with average ticket price



Source: Imdb, Indo Premier

Fig. 4: CNMA forecast changes

	Previous			Current			Changes		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Financial Perform. (Rp bn)									
Net sales	6,408	7,911	9,338	5,737	6,665	7,475	-10.5%	-15.7%	-19.9%
Gross profit	3,797	4,713	5,565	3,405	3,960	4,448	-10.3%	-16.0%	-20.1%
EBIT	1,352	1,869	2,396	1,033	1,225	1,472	-23.6%	-34.5%	-38.6%
EBITDA	1,967	2,568	3,183	1,647	1,924	2,259	-16.2%	-25.1%	-29.0%
NPATMI	963	1,355	1,758	727	877	1,070	-24.5%	-35.3%	-39.1%
EPS (Rp)	11.6	16.3	21.1	8.7	10.5	12.8	-24.5%	-35.3%	-39.1%
Profitability (%)									
Gross margin	59.3%	59.6%	59.6%	59.4%	59.4%	59.5%	0.2%	-0.3%	-0.2%
EBIT margin	21.1%	23.6%	25.7%	18.0%	18.4%	19.7%	-14.7%	-22.2%	-23.3%
Net profit margin	15.0%	17.1%	18.8%	12.7%	13.2%	14.3%	-15.6%	-23.2%	-24.0%
Operational									
Admissions (mn)	97.6	116.2	135.5	87.1	100.0	110.6	-10.7%	-14.0%	-18.4%
ATP (Rp/ticket)	44,884	45,451	46,030	44,719	45,166	45,618	-0.4%	-0.6%	-0.9%

Source: Company, Indo Premier

Fig. 5: FY25F major international movie pipeline

No	FY25F International movie pipeline	Date Released
1	Captain America: Brave New World*	Feb-25
2	Snow White	Mar-25
3	A Minecraft Movie	Apr-25
4	The Accountant 2*	Apr-25
5	Final Destination: Bloodlines*	May-25
6	Mission: Impossible - The Final Reckoning*	May-25
7	Lilo & Stitch	May-25
8	Karate Kid: Legends*	May-25
9	From the World of John Wick: Ballerina*	Jun-25
10	How to Train Your Dragon*	Jun-25
11	F1	Jun-25
12	M3GAN 2.0*	Jun-25
13	Jurassic World Rebirth*	Jul-25
14	Superman*	Jul-25
15	Smurfs*	Jul-25
16	The Fantastic Four: First Steps*	Jul-25
17	The Conjuring: Last Rites*	Sep-25
18	Saw XI*	Sep-25
19	Tron: Ares*	Oct-25
20	Mortal Kombat 2*	Oct-25
21	Predator : Badlands*	Nov-25
22	Now You See Me 3*	Nov-25
23	Wicked: For Good*	Nov-25
24	Zootopia 2*	Nov-25
25	Five Nights at Freddy's 2*	Dec-25
26	Avatar: Fire and Ash*	Dec-25

Source: Imdb, Indo Premier

*Movie sequel

Fig. 6: Top 10 films in FY24

Quarter	No	Movie title	Local/Int	Industry
1Q24	1	Agak Laen	Local	9,125,188
1Q24	2	Exhuma	International	2,600,105
1Q24	3	Pemandi Jenazah	Local	1,511,000
1Q24	4	Ancika: Dia yang Bersamaku	Local	1,317,412
1Q24	5	Kereta Berdarah	Local	989,534
1Q24	6	Trini!: Kembalikan Tubuhku	Local	835,126
1Q24	7	Munkar	Local	774,516
1Q24	8	Sinden Gaib	Local	619,538
1Q24	9	Pemukiman Setan	Local	491,877
1Q24	10	Pasutri Gaje	Local	467,035
2Q24	1	Vina: Sebelum 7 Hari	Local	5,502,919
2Q24	2	Ipar Adalah Maut	Local	4,776,380
2Q24	3	Badaraw uhi di Desa Penari	Local	4,013,558
2Q24	4	Siksa Kubur	Local	4,000,826
2Q24	5	Godzilla x Kong: The New Empire	International	3,488,415
2Q24	6	How to make millions before grandma dies	International	3,093,126
2Q24	7	Inside Out 2	International	2,018,550
2Q24	8	Kung Fu Panda 4	International	1,861,342
2Q24	9	Kingdom of the Planet of the Apes	International	1,007,315
2Q24	10	The Architecture of Love	Local	1,003,999
3Q24	1	Kag Mak (From Pee Mak)	Local	4,859,324
3Q24	2	Deadpool & Wolverine	International	3,133,375
3Q24	3	Sekaw an Limo	Local	2,511,899
3Q24	4	Laura	Local	1,717,346
3Q24	5	Despicable Me 4	International	1,693,471
3Q24	6	Lembayung	Local	1,657,640
3Q24	7	Sumala	Local	1,430,075
3Q24	8	Kaka Boss	Local	861,848
3Q24	9	Jurnal Risa by Risa Sarasw ati	Local	847,237
3Q24	10	Catatan Harian Menantu Sinting	Local	664,924
4Q24	1	Bila Esok Ibu Tiada	Local	3,924,476
4Q24	2	Moana 2	International	3,104,685
4Q24	3	Venom: The Last Dance	International	1,971,355
4Q24	4	Mufasa: The Lion King	International	1,766,326
4Q24	5	2nd Miracle in Cell No. 7	Local	1,708,599
4Q24	6	Kuasa Gelap	Local	1,442,759
4Q24	7	Santet Segoro Pitu	Local	1,242,142
4Q24	8	Panggonan Wingit 2 - Miss K	Local	1,084,202
4Q24	9	Bolehkah Sekali Saja Kumenangis	Local	992,670
4Q24	10	Wicked	International	916,120

Source: Cinepoint, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	4,401	5,231	5,737	6,665	7,475
Cost of sales	(1,774)	(2,098)	(2,331)	(2,705)	(3,027)
Gross profit	2,627	3,133	3,405	3,960	4,448
SG&A Expenses	(1,903)	(2,077)	(2,373)	(2,736)	(2,976)
Operating profit	724	1,056	1,033	1,225	1,472
Net interest	(110)	(95)	(48)	(42)	(36)
Forex gain (loss)	0	0	0	0	0
Others	(7)	(10)	0	0	0
Pre-tax income	607	950	985	1,183	1,437
Income tax	(131)	(208)	(217)	(260)	(316)
Minority Interest	(44)	(54)	(41)	(46)	(51)
Net income	432	688	727	877	1,070

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	2,049	2,687	2,701	2,621	2,632
Receivable	69	51	66	77	86
Inventory	96	93	105	122	137
Other current assets	21	26	26	30	34
Total current assets	2,236	2,858	2,899	2,850	2,889
Fixed assets	3,942	4,155	4,470	4,842	5,182
Other non-current assets	581	358	358	358	358
Total non-current assets	4,523	4,513	4,828	5,200	5,540
Total assets	6,760	7,370	7,727	8,050	8,429
ST loans	1,697	0	0	0	0
Payable	442	293	409	474	531
Other payables	326	378	377	377	376
Current portion of LT loans	0	0	0	0	0
Total current liab.	2,466	671	786	851	907
Long term loans	0	0	0	0	0
Other LT liab.	1,641	1,740	1,729	1,719	1,710
Total liabilities	4,107	2,411	2,515	2,570	2,617
Equity	745	2,917	2,917	2,917	2,917
Retained earnings	1,738	1,818	2,029	2,252	2,532
Minority interest	170	224	265	311	362
Total SHE + minority int.	2,653	4,959	5,212	5,480	5,811
Total liabilities & equity	6,760	7,370	7,727	8,050	8,429

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net income	432	688	727	877	1,070
Depr. & amortization	622	698	783	865	952
Changes in working capital	(54)	(82)	88	33	29
Others	(59)	99	(11)	(10)	(9)
Cash flow from operating	941	1,404	1,587	1,766	2,041
Capital expenditure	(147)	(822)	(1,186)	(1,238)	(1,292)
Others	203	223	0	0	0
Cash flow from investing	56	(599)	(1,186)	(1,238)	(1,292)
Loans	1,697	(1,697)	0	0	0
Equity	525	2,172	0	0	0
Dividends	(2,196)	(608)	(516)	(654)	(790)
Others	(65)	54	41	46	51
Cash flow from financing	(38)	(79)	(475)	(609)	(739)
Changes in cash	959	726	(74)	(80)	11

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	59.7%	59.9%	59.4%	59.4%	59.5%
Operating margin	16.5%	20.2%	18.0%	18.4%	19.7%
Pre-tax margin	13.8%	18.2%	17.2%	17.8%	19.2%
Net margin	9.8%	13.1%	12.7%	13.2%	14.3%
ROA	6.6%	9.7%	9.6%	11.1%	13.0%
ROE	13.8%	19.1%	15.0%	17.3%	20.1%
Acct. receivables TO (days)	4.3	4.2	4.2	4.2	4.2
Inventory TO (days)	15.9	16.5	16.5	16.5	16.5
Payable TO (days)	92.4	64.0	64.0	64.0	64.0
Debt to equity	64.0%	0.0%	0.0%	0.0%	0.0%
Interest coverage ratio (x)	8.7	10.8	10.8	12.5	14.6
Net gearing	-13.3%	-54.2%	-51.8%	-47.8%	-45.3%

Source: Company, Indo Premier

INVESTMENT RATINGS

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.