EQUITY RESEARCH · INDONESIA MEDIA

PT Media Nusantara Citra Tbk. (MNCN IJ)

2Q26 Earnings Flash · Consolidated · 31 July 2026

aldiracita SEKURITAS INDONESIA

MNCN — 2Q26 revenue down 7.7% with no cost absorption; the reported gross margin fall is a D&A reclassification, not margin loss

2Q26 · Revenue -7.7% yoy to IDR 1,636 Bn | Gross Margin 34.0% (-3.4pp) but flat ex-D&A reallocation | Operating Profit -34.0% yoy | Net Profit IDR 49 Bn (-59.9% yoy) | Total advertising -5.3% yoy | Cash G&A ratio +2.1pp to 21.7% | 1H26 flattered by a IDR 130 Bn deferred tax credit taken in 1Q26

Revenue (2Q26)	EBITDA (2Q26)	Operating Profit (2Q26)	Net Profit (2Q26)
IDR 1,636 Bn	**IDR 355 Bn**	**IDR 141 Bn**	**IDR 49 Bn**
-7.7% YoY | **-13.1%** QoQ	**-15.9%** YoY | **-39.4%** QoQ	**-34.0%** YoY | **-62.4%** QoQ	**-59.9%** YoY | **-87.6%** QoQ

KEY TAKEAWAYS

- **Revenue is contracting and no cost absorption is coming through.** 2Q26 revenue fell 7.7% YoY to IDR 1,636 Bn and 1H26 13.6% to IDR 3,518 Bn. **Total advertising, 54.9% of quarterly sales, fell 5.3%**; Content and IP fell 16.9% after a positive first quarter; only Subscription grew, up 9.2%. Cash direct costs fell 7.7%, exactly in line with revenue, so nothing was recovered through scale, and **operating profit fell 34.0% to IDR 141 Bn** while net profit attributable to owners fell 59.9% to IDR 49 Bn.
- **The reported gross margin collapse is an accounting reallocation, not margin loss.** Gross margin appears to fall 3.4pp to 34.0%, but the driver is where depreciation sits: **D&A charged to direct costs rose 44.6% to IDR 153 Bn while D&A charged to G&A fell 40.8% to IDR 60 Bn, moving roughly IDR 41 Bn across the line with total D&A up just 2.9%**. Strip D&A from both legs and **the cash gross margin was flat at 43.4% against 43.4%**. The same reallocation inflates the apparent 7.6pp fall in the advertising segment result margin, since segment results are struck after direct costs.
- **The genuine cost problem is general and administrative, and the same shift hides it.** Reported G&A fell 7.7% and the ratio looks flat at 25.4% of revenue. Excluding the D&A that left the line, **cash G&A rose 1.9% YoY against revenue down 7.7%, taking the cash G&A ratio up 2.1pp to 21.7%**. Operating profit is unaffected by the reallocation because both legs sit above it, which makes the 34.0% decline the cleanest measure of the quarter. EBITDA fell 15.9% to IDR 355 Bn.
- **Treat the digital versus conventional split with care; it is not like-for-like.** On the figures as filed, Ads-related fell 14.8% in 2Q26 while Non-digital rose 5.1%. But **the 1H25 Ads-related base was restated down by IDR 257 Bn against the originally published accounts, from IDR 1,438 Bn to IDR 1,180 Bn, with no reconciling note**, apparently moving media and talent agency revenue into the Content line, which was raised by a similar amount, while Non-digital was left untouched. On the originally published base the 2Q26 Ads-related decline would be 30.8% rather than 14.8%. **Only total advertising, down 5.3%, is consistent on both bases**. The filings also never define Ads-related as digital; that reading is inferred from the contrast with Non-digital.
- **Tax flatters the half, and the balance sheet is not the constraint.** 1H26 net income of IDR 482 Bn exceeds pre-tax profit of IDR 404 Bn because of **a deferred tax credit of IDR 130 Bn, of which IDR 98 Bn falls in the first quarter**; 2Q26 itself carried a net tax charge of IDR 14 Bn. The disclosure is not self-consistent, since the rate reconciliation in Note 33 builds to a charge rather than a benefit and Note 40 carries the identical figure under a non-cash expense caption, so we would not rely on it. MNCN remains close to debt-free, with net debt of IDR 411 Bn against equity of IDR 23,455 Bn. **Note the FY25 base includes a IDR 388 Bn gain on the January 2025 disposal of MNC Portal Indonesia, recognised in the second half**; that entity was already outside the 1H25 comparative, so it does not explain the revenue decline.

INCOME STATEMENT · IDR Bn, Consolidated, Reported Basis

(IDR Bn)	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Revenue	1,773	1,882	1,636	-13.1%	-7.7%	4,071	3,518	-13.6%
Gross Profit	664	828	557	-32.7%	-16.2%	1,831	1,384	-24.4%
Operating Income	214	376	141	-62.4%	-34.0%	837	518	-38.2%
EBITDA	421	585	355	-39.4%	-15.9%	1,255	940	-25.1%
Finance Costs	80	51	47	-7.6%	-41.0%	166	99	-40.6%
Profit Before Tax	149	333	70	-78.9%	-52.7%	687	404	-41.2%
Net Profit (Owners)	**121**	**391**	**49**	**-87.6%**	**-59.9%**	**565**	**440**	**-22.2%**

Source: Company Disclosure, Aldiracita Sekuritas

MARGIN · Consolidated, Reported Basis

(Ratio %)	2Q25	1Q26	2Q26	QoQ pp	YoY pp	1H25	1H26	YTD pp
Gross Margin	37.5%	44.0%	34.0%	-10.0pp	-3.4pp	45.0%	39.4%	-5.6pp
Operating Margin	12.1%	20.0%	8.6%	-11.4pp	-3.4pp	20.6%	14.7%	-5.8pp
EBITDA Margin	23.8%	31.1%	21.7%	-9.4pp	-2.1pp	30.8%	26.7%	-4.1pp
Net Profit Margin	6.8%	20.8%	3.0%	-17.8pp	-3.9pp	13.9%	12.5%	-1.4pp

Source: Company Disclosure, Aldiracita Sekuritas

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REVENUE SEGMENTATION · IDR Bn, Net Revenues by Line

(IDR Bn)	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Advertising - Ads related	498	516	425	-17.8%	-14.8%	1,180	941	-20.3%
Advertising - Non-digital	451	541	474	-12.5%	+5.1%	1,360	1,015	-25.4%
Total advertising	949	1,058	898	-15.1%	-5.3%	2,540	1,956	-23.0%
Content and IP	620	595	515	-13.4%	-16.9%	1,096	1,110	+1.2%
Subscription	202	228	221	-2.9%	+9.2%	429	448	+4.4%
Others	2.6	1.8	1.8	-3.9%	-32.2%	4.7	3.6	-23.6%
Total revenues - net	**1,773**	**1,882**	**1,636**	**-13.1%**	**-7.7%**	**4,071**	**3,518**	**-13.6%**

Source: Company Disclosure, Aldiracita Sekuritas

OPERATIONAL PERFORMANCE · Segment Margins, Mix and Cost Structure

Key Metric	Unit	2Q25	1Q26	2Q26	QoQ	YoY	1H25	1H26	YTD
Cash gross margin (ex-D&A)	%	43.4%	50.1%	43.4%	-6.7pp	0.0pp	50.1%	47.0%	-3.1pp
Advertising segment margin	%	68.2%	76.5%	60.6%	-15.9pp	-7.6pp	70.4%	69.2%	-1.2pp
Content segment margin	%	9.6%	10.7%	8.3%	-2.4pp	-1.3pp	13.6%	9.6%	-4.0pp
Digital share of advertising	%	52.5%	48.8%	47.3%	-1.5pp	-5.2pp	46.5%	48.1%	+1.6pp
Cash G&A ratio (ex-D&A)	%	19.7%	19.0%	21.7%	+2.7pp	+2.1pp	19.3%	20.3%	+1.0pp
D&A charged to direct costs	IDR Bn	106.0	115.6	153.3	+32.5%	+44.6%	208.7	268.9	+28.9%
D&A charged to G&A	IDR Bn	101.2	93.1	59.9	-35.6%	-40.8%	209.3	152.9	-26.9%
Programme and content expense	IDR Bn	1,003	938	926	-1.3%	-7.7%	2,031	1,864	-8.2%
Capital expenditure	IDR Bn	21.7	63.8	109.8	+72.2%	+406%	70.3	173.6	+147%
Content asset additions	IDR Bn	0.9	14.2	11.0	-23.0%	+1127%	37.5	25.2	-32.7%

Source: Company Disclosure, Aldiracita Sekuritas

1H26 ACTUAL vs. ESTIMATES · No published forecasts available for this name

Metric (IDR Bn)	1H26 Actual	1H25 Actual	YoY	FY25 Actual	1H25 Share	FY26F
Revenue	3,518	4,071	-13.6%	7,653	53.2%	**no estimate**
Gross Profit	1,384	1,831	-24.4%	3,426	53.5%	**no estimate**
Operating Profit	518	837	-38.2%	1,425	58.8%	**no estimate**
EBITDA	940	1,255	-25.1%	2,314	54.2%	**no estimate**
Pre-Tax Profit	404	687	-41.2%	1,535	44.8%	**no estimate**
Net Profit	440	565	-22.2%	1,321	42.8%	**no estimate**

Source: Company Disclosure, Aldiracita Sekuritas

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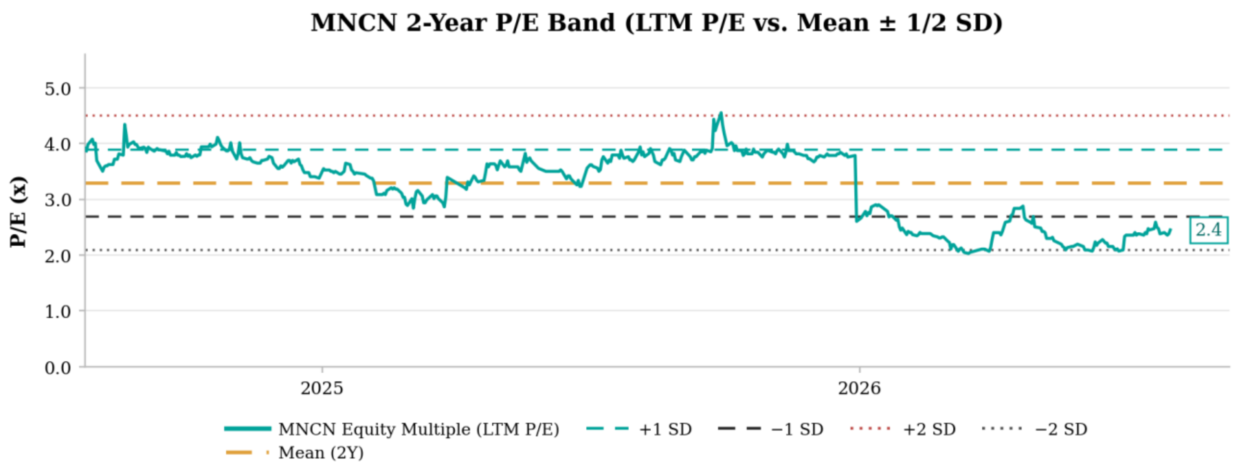
VALUATION · MNCN 2-YEAR P/E BAND



Source: Company Disclosure, Aldiracita Sekuritas

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