

## MNC KAPITAL INDONESIA (BCAP) Anticipating the establishment of “MotionDigital”



# COMPANY UPDATE

PT MNC Kapital Indonesia Tbk (BCAP) is a holding of several companies in the MNC Group which mainly involve in financial services, among others are 99% of MNC Sekuritas, Asset Management, Finance, Leasing, Venture Capital, Life Insurance, General Insurance, MNC Teknologi Nusantara (MotionPay), Flash Mobile, and 50% of Bank MNC Internasional Tbk (BABP).

In order to obtain new funding from future strategic investor, it is currently in the process of integrating 4 of its subsidiaries, which are: BABP, MNC Sekuritas, MotionPay and Flash Mobile under the newly founded PT Motion Digital Technology (MotionDigital). It is created to focus on developing transaction-based apps, to be an integrated digital financial services provider, from banking, financing, stock trading, e-money, and beyond.

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**Brief Company Profile**

PT MNC Kapital Indonesia Tbk (BCAP) is a holding of several companies in the MNC Group which mainly involve in financial services, among others are 99% of MNC Sekuritas, Asset Management, Finance, Leasing, Venture Capital, Life Insurance, General Insurance, MNC Teknologi Nusantara (MotionPay), Flash Mobile, and 50% of Bank MNC Internasional Tbk (BABP).

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**We held a conference call with BCAP. Key takeaways are as following:**

- With all transaction-based digital financial services gathered under one entity, Motion Digital helps people make the most of their money, from daily transactions, digital lending to wealth management, enabling customers to manage all their financial needs.
- MotionBanking will take MotionPay's QRIS ability so that MotionBanking users can transact with offline merchants using QRIS.
- MNC Bank is also in the process to get approval from KSEI to manage client fund accounts so that MotionBanking users can open MotionTrade accounts seamlessly and vice versa.
- Apps under Motion Digital will be interconnected to each other with a single sign-on, connected e-KYC, and even cross wallet for convenient transactions.
- Flash Mobile will process all aforementioned transactions to ensure real-time execution. Furthermore, Motion Digital will also maximize synergies with MNC Media and MNC Digital to attract Motion Digital users by collaborating with e-commerce and fintech to quickly increase the number of transactions as well as Motion Digital users.
- Motion Digital will benefit from the high transaction traffic occurring in MNC Media, especially the subscription-based media owned by the Group, such as pay-TV and broadband by MNC Vision, K-Vision, MNC Play, along with Vision+ app, with more than 12.5 million subscribers, also from the future gaming apps. Motion Digital will be the preferred transaction method for those subscribers.

**Financial Performances**

Using equity consolidation of subsidiaries method, BCAP 9M21 Net Profit surged 48% YoY to Rp23.25 bn following better profitability, despite only 9% YoY higher Revenue of Rp1.92 tn. Total Equity grew 12% Ytd to Rp5.7 tn.

Therefore, at the current market cap of Rp10.14 tn (Rp238/share), BCAP is trading at 1.99x of its PBV. IDXFINANCE companies are currently trading at an average of 3.95x of its PBV.

**Ticker: BCAP**

Mkt cap (Rp tn): 10.14  
PBV (x): 1.99

**Shareholders:**

50.4% PT MNC Investama Tbk (BHIT)  
9.3% Jalan Pantai Ltd  
8.2% UOB Kay Hian (Hong Kong) Ltd  
32.1% Public & others

**Share price performance:**

284% Ytd  
197% 3mth  
92% 1yr



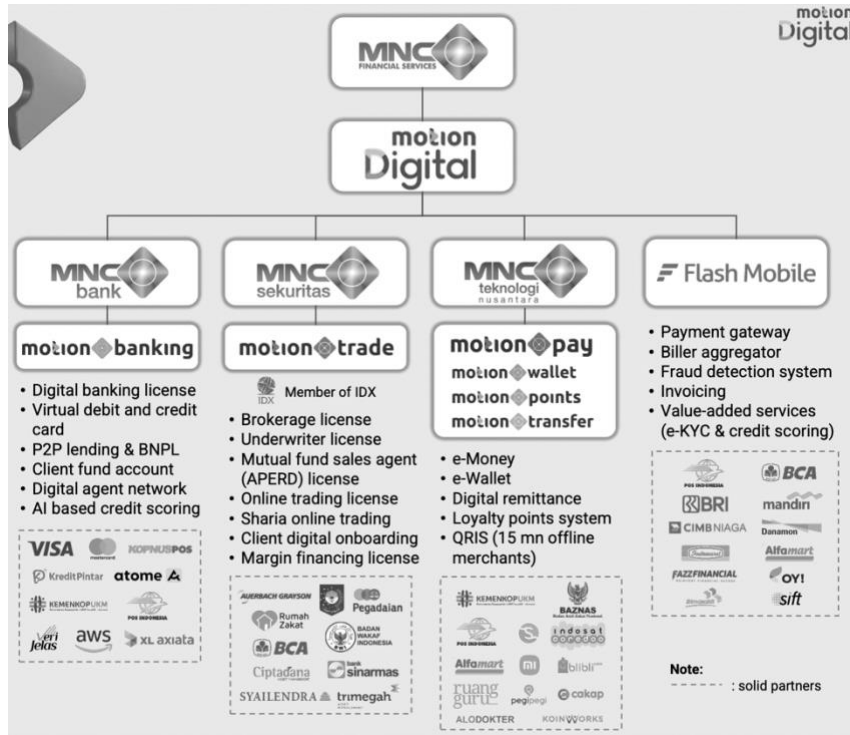
Sources: BCAP, IDX, Bloomberg, HP Analytics



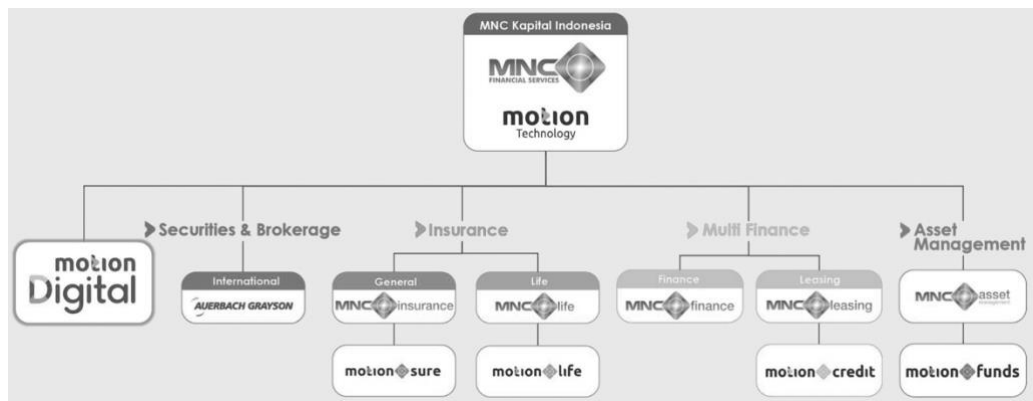
**Analyst:**  
**Robertus Hardy**  
[robertus.hardy@henanputihrai.com](mailto:robertus.hardy@henanputihrai.com)

**MNC Kapital Indonesia (BCAP): The anticipated consolidation of several subsidiaries into “MotionDigital”**

Some of BCAP subsidiaries which will be integrated into “Motion Digital”:



Motion Digital’s position among other BCAP subsidiaries:



Sources: BCAP, IDX, HP Analytics

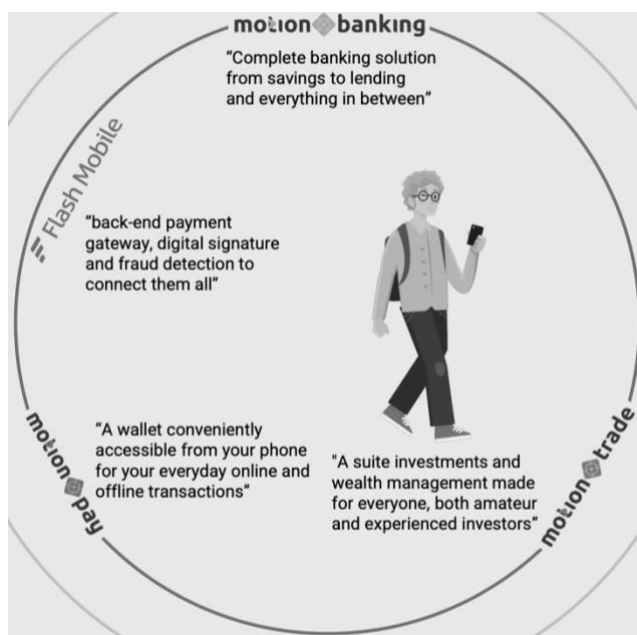
**MNC Kapital Indonesia (BCAP): MNC Media & MNC Financial group’s integrated ecosystem**

**MNC Group’s solid ecosystem is expected to enhance BCAP future growth:**

MNC Media, with its 4 largest Free-To-Air (FTA) TVs in Indonesia, has a combined average audience share of 52.2%, translating to 150 million people by the end of 2021. While its 6 online portals, okezone.com, sindonews.com, iNews.id, idxchannels.com, celebrities.id, and sportstars.id collectively reach 88 million monthly active users (MAU). For the young generation, it is supported by significant growth from super-app RCTI+ and Over the Top (OTT) platform Vision+, that reached 111 million MAU by the end of previous year. These will be vital communication channels for Motion Digital to create brand awareness and promote its products across Indonesia.

Not to mention that MNC is the largest content producer in Indonesia. It produces more than 20,000 hours of fresh content every year, perfect for permanent product placement in its FTA TVs and digital channels like YouTube, Facebook, and TikTok. Those 3 MNC’s social medias generated more than 54 billion views and more than 440 million followers by December 2021.

MNC Group also has the largest talent management in Indonesia, connected with about 400 top artists and entertainers, as well as 288 YouTubers to become influencers and brand ambassadors. All of these Group’s capabilities make it easier for Motion Digital to boost its brand to Indonesians all around the world.



**PERFECT SYNERGY FOR A SEAMLESS USER JOURNEY**

When users move on to more sophisticated platforms, KYC requirements becomes tighter with respect to the associated risk factors of the provided service.

- Single sign-on.
- Connected e-KYC across platform.
- Cross wallet for convenient transaction.
- Complete user data for comprehensive credit scoring.
- Single merchant acquisition for both MotionPay and MotionBanking.

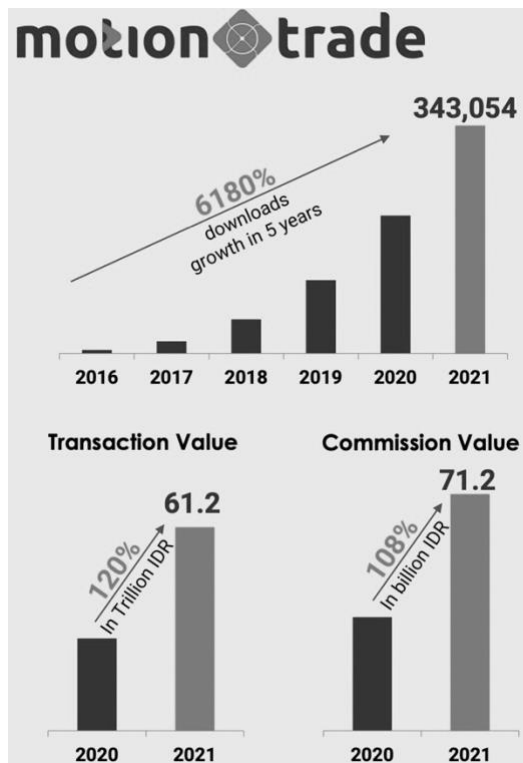
Sources: BCAP, IDX, HP Analytics

MNC Kapital Indonesia (BCAP): Motion Digital's Integrated Ecosystem



**Motion Banking:**

- Light and easy to use.
- Friendly UI/UX.
- Complete features and products.
- Attractive rewards.
- Open banking API.



**Motion Trade:**

- Is planning to obtain more partnerships with asset management companies, communities, fintech companies, apps with huge user base, etc.
- Have a Flexible Limit Trading Policy, with controlled risk management.
- Will bring more convenience with e-mutual fund product as collateral, One-Day Trade (ODT) limit, and margin funding.
- Continue to boost the Margin Account users with a lower trading fees to increase transaction volume.

Sources: BCAP, IDX, HP Analytics

**MNC Kapital Indonesia (BCAP): Motion Digital’s Integrated Ecosystem**



**motion pay**

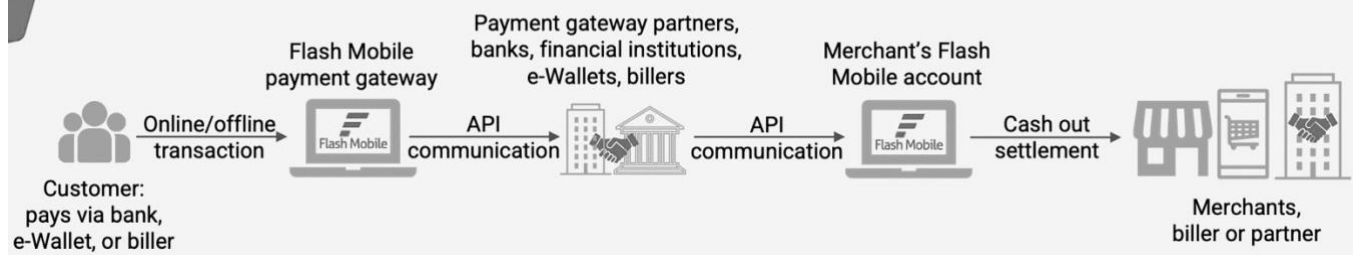
- Seamless and Secure Transactions**  
Seamless customer journey and payment flow for safe transactions without any hassle
- Easy Refunds**  
Easy and seamless refunds for failed transactions
- MotionPoints**  
Redeemable loyalty program and various special offers
- QRIS Payment**  
Connected to 15 million offline merchants
- QRIS Transaction on TV**  
Marketplace integration with MNC Media
- Direct Host to Host**
  - With major banks for lower cost transactions
  - With convenience store for low-cost cashout

**MotionPay by MNC Teknologi Nusantara:**

- Is a digital payment platform that includes electronic money (MotionPay), electronic wallet (MotionWallet), and electronic funds transfer facilities (MotionTransfer).
- MotionPay serves as the main payment instrument in MNC Group Ecosystem as well as mass products payment.
- MotionPay QRIS is expected to be able to serve cross-border remittance in Indonesia, Malaysia, India, Pakistan, Philippines, Thailand.

**Flash Mobile**

**How Payment Gateway Works**



**Flash Mobile:**

- Focus on providing payment gateway services in Indonesia, with qualified certifications including:
- PCI DSS security certification
  - Fund Transfer Certification between Banks & eMoney
  - QRIS Payment Certification
  - Electronic Transaction and System Operator (PSTE)

Sources: BCAP, IDX, HP Analytics

Rating Scale


<b>BUY</b>	: We expect the stock's total return to exceed 10% over the next 12 months.
<b>HOLD</b>	: We expect the stock's total return to be between 0% and positive 10% over the next 12 months.
<b>SELL</b>	: We expect the stock's total return to fall below 0% or more over the next 12 months.
<b>NOT RATED</b>	: We are not assigning any rating or price target to the stock.
<b>OVERWEIGHT</b>	: Fundamentals are improving.
<b>NEUTRAL</b>	: Fundamentals are steady.
<b>UNDERWEIGHT</b>	: Fundamentals are worsening.




**PT Henan Putihrai Sekuritas**

Penthouse @ Tamara Center  
Jl. Jenderal Sudirman 24  
Jakarta 12920

Customer Service

 **(021) 2525 888**

 **0888 2525 888**

[hpfinancials.co.id](http://hpfinancials.co.id)

**Surabaya**

Lobby @ Sheraton Hotel  
Jln. Embong Malang 25 – 31  
Surabaya 60261  
**P (031) 534 3838**  
**F (031) 534 8686**

**Bandung**

Menara Asia Afrika Lt 11  
Jl. Asia Afrika No. 133-137  
Bandung 40112  
**P (022) 423 4050**  
**F (022) 423 9330**

**Medan**

Jalan S Parman No 215-D  
Medan 20112  
**P (061) 88816580**

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