

PT Indomarco Prismatama

Table 1. Summary of unaudited 9 months 2016 results :

(Rp bn)	2Q16	3Q16	qoq	Sep-15	Sep-16	yoy
Sales	15,650.0	15,009.7	-4.1%	35,879.5	44,130.3	23.0%
Cost of Goods Sold	(12,876.6)	(12,128.7)	-5.8%	(29,171.4)	(35,929.2)	23.2%
Gross Profit	2,773.4	2,881.0	3.9%	6,708.2	8,201.1	22.3%
gross margin	17.7%	19.2%		18.7%	18.6%	
General and Administration	(549.2)	(514.7)	-6.3%	(1,429.3)	(1,573.2)	10.1%
Selling	(2,098.2)	(2,164.1)	3.1%	(5,015.7)	(6,237.2)	24.4%
Others	173.7	164.8	-5.1%	403.2	463.1	14.8%
Total operating expense	(2,473.7)	(2,514.0)	1.6%	(6,041.8)	(7,347.3)	21.6%
Operating profit	299.7	367.0	22.5%	666.4	853.9	28.1%
operating margin	1.9%	2.4%		1.9%	1.9%	
Total other income (expenses)	(131.1)	(163.3)	24.5%	(299.5)	(418.3)	39.7%
Pretax Profit	168.6	203.7	20.9%	366.9	435.5	18.7%
Income tax expense, net	(8.2)	(14.6)	78.6%	(20.8)	(8.0)	-61.6%
Net income	160.4	165.2	3.0%	346.1	403.6	16.6%
Total comprehensive income	160.4	165.2	3.0%	346.1	403.6	16.6%

Indomarco Prismatama reported consolidated 9-months revenues of Rp 15 trillion in 3Q16, 4.1% weaker than 2Q16 because of the typically higher spending during Ramadhan month which this year took place fully in June resulting in a relatively weaker third quarter performance. However, for the year ending September 2016, revenue was 23.0% higher than last year's. The YoY performance benefited from the opening of 15.7% additional stores over the past year. As of 30th September 2016, we operated 13,458 stores, of which 4,256 stores (31.6% of the total) were owned by our franchisee partners.

Indomaret's average daily store sales (SPD) as of end-Sep 2016 was Rp 11.9 m/day down 1.2% year-over-year and was lower than the first six months' SPD of Rp 12.5 m/day.

Expenses were 21.6% higher than a year ago mainly due to higher minimum wages and new store openings. By virtue of our continuous operational improvements, we managed to slow our rising expenses while maintaining average gross margin for the nine months ending September 2016.

Total borrowings as of end-September was Rp 5.05 trillion, and debt-to-equity was still a healthy 48%. As we grow our store portfolio and increase our cash generation capability, we are likely to see debt growth continue lagging our asset growth.

Table 2. Indomaret's Regional Store Breakdown

(Stores)	2013	2014	2015	Sep-16
Greater Jakarta	3,213	3,447	3,823	4,213
Java – Bali	3,844	4,884	5,093	5,453
Other Islands	1,757	2,242	3,294	3,792
Grand total	8,814	10,573	12,210	13,458

Java-Bali continues to be our focus growth area as we continue to increase penetration of these areas, which have about 5 times the population of Greater Jakarta.

PT Fastfood Indonesia Tbk (FAST.IJ)


Table 3. Summary of unaudited 9-month 2016 results :

(Rp bn)	2Q16	3Q16	qoq	Sep-15	Sep-16	yoy
Revenues	1,209.4	1,255.5	3.8%	3,283.9	3,567.4	8.6%
Gross Profit	767.1	789.5	2.9%	1,996.9	2,224.5	11.4%
<i>gross margin</i>	63.4%	62.9%		60.8%	62.4%	
Selling and distribution costs	(642.1)	(581.6)	-9.4%	(1,629.9)	(1,759.5)	7.8%
General and admin expenses	(86.1)	(137.5)	59.7%	(307.5)	(347.6)	12.8%
Others, net	5.0	10.8	117.3%	24.0	17.4	-27.4%
Operating profit	43.9	81.2	84.9%	83.5	134.9	65.6%
<i>operating margin</i>	3.6%	6.5%		2.5%	3.8%	
Pretax Profit	45.4	83.0	82.9%	90.5	140.4	58.8%
Income tax expense, net	(10.5)	(19.2)	83.8%	(16.7)	(33.5)	107.1%
Net income	34.9	63.7	82.7%	73.8	106.9	48.0%
Other Comp. Income (loss)	(58.6)	(15.4)	-73.7%	14.0	(75.2)	n.m
Total comprehensive income	(23.7)	48.3	-304.3%	87.8	31.8	-56.1%
Basic EPS (Rp)	17.5	31.9	82.7%	37.0	53.6	48.0%

For the period ending September 2016, total revenues grew 8.6% yoy, better than 5.2% growth achieved in the first nine months of 2015. Between January and September, we opened 25 additional outlets - including 1 unit of KFC Box – and operated 46 more restaurants than same period of last year. During the period, F&B sales grew 8.5% yoy to reach Rp 3.51 trillion compared to the previous year of Rp 3.23 trillion whilst CD consignment sales decreased by 9.05% to Rp 138.2 billion as compared to the previous year of Rp 151.9 billion. Store productivity went down in 3Q16 as indicated by the negative SSSG growth of 2.4 %, bringing the first nine months' SSSG to 1.61% YoY.

The 12.8% year-over-year increase in general and administrative expenses were mainly due to increases in the wages of minimum wage earners, as we saw an average increases of about 14 % in wages as compared to last year. We added 0.67% to our total employment in the first nine months of this year from 16,345 as of end-2015 to 16,454 as of end-September 2016. This was significantly less than 4.6% growth in the number of outlet that we recorded, reflecting the continued improvement in efficiency that we implemented throughout our systems.

We raised prices by around 3.5% in March 2016. We had also been enticing our loyal customers to visit our restaurants more regularly with more generous meals designed for families and groups of individuals who eat-out together. Chicken prices have remained fairly stable and we were able to maintain over 60% gross margin.

We have received approvals to open up to 10 KFC Box units during the year, while continuing to enjoy the initial franchise fee waiver. To date, we have 8 KFC Box units in operations, 1 of which were opened in the first nine months of this year. On top of these, we had also opened 25 new restaurants to date. Combined with the closure of 6 restaurants, we operated a total of 559 restaurants as of end-September 2016. We have plans to open 16 more restaurants before the year closes.

Table 4. KFC's restaurants breakdown by asset type

Store Type	2013	2014	2015	Sep-16
Free Standing Stores	66	76	91	94
In-line Stores	152	163	183	189
Mall stores	209	213	220	229
Food-court Stores	39	38	39	39
Box	-	3	7	8
Total	466	493	540	559

PT Nippon Indosari Corpindo Tbk (ROTI.IJ)


Table 5. Summary of unaudited 9-months 2016 results :

(Rp bn)	2Q16	3Q16	QoQ	Sep-15	Sep-16	YoY
Sales	582.1	644.1	10.7%	1,569.5	1,837.3	17.1%
Gross Profit	293.0	333.1	13.7%	829.2	950.3	14.6%
<i>gross margin</i>	<i>50.3%</i>	<i>51.7%</i>		<i>52.8%</i>	<i>51.7%</i>	
Selling and dist. costs	(160.7)	(163.4)	1.6%	(408.2)	(485.5)	18.9%
General and admin exp	(72.0)	(63.9)	-11.3%	(145.5)	(185.3)	27.3%
Others, net	13.8	11.7	-15.3%	29.9	44.3	48.3%
Total operating expense	(219.0)	(215.6)	-1.5%	(523.9)	(626.5)	19.6%
Operating profit	74.0	117.6	58.8%	305.3	323.9	6.1%
<i>operating margin</i>	<i>12.7%</i>	<i>18.3%</i>		<i>19.5%</i>	<i>17.6%</i>	
Total Other income (exps)	(19)	(19)	-0.8%	(49)	(55)	13.4%
Pretax Profit	55.4	99.0	78.9%	256.7	268.8	4.7%
Income tax expense, net	(12.8)	(24.0)	87.5%	(64.0)	(64.9)	1.3%
Net income	42.6	75.0	76.3%	192.7	203.9	5.8%
Comprehensive income	42.6	75.0	76.3%	192.7	203.9	5.8%
Basic EPS (Rp)	8.4	14.8	76.3%	38.1	40.3	5.8%

After a slower growth in Q2 due to the Ramadhan season, we booked a respectable 10.7% qoq growth in sales to Rp 644.1 bn and 17.1% annual growth at the top line for the first nine months of 2016.

Gross margin improved by 13.7% to 51.7% for this quarter. The operating margin was also up 58.8% to Rp 117.6 billion after a seasonal hike in 2Q16 due to the fasting period. Our net income jumped 76.3% QoQ and improved by about 6% in 9M16.

As at Sept 30, 2016, the company has launched 3 new products. More new products will be launched in the fourth quarter this year.

PT Indoritel Makmur Internasional Tbk. (DNET.IJ)

Table 6. Summary of unaudited consolidated 9M16 results :

(Rp bn)	2Q16	3Q16	QoQ%	Sep-15	Sep-16	YoY%
Sales	4.8	5.6	16.6%	4.5	14.8	227.5%
Share of profit of associates	65.5	102.4	56.4%	213.9	225.4	5.4%
Selling expenses	(0.7)	(2.1)	192.2%	(1.6)	(3.3)	110.0%
General and administrative	(14.1)	(12.8)	-9.6%	(17.3)	(38.0)	120.0%
Other expenses (income)	0.1	3.3	n.m	(0.9)	3.4	-474.4%
Total operating expense	50.8	90.8	78.8%	194.2	187.5	-3.4%
Operating profit	55.6	96.4	73.5%	198.7	202.2	1.8%
Non-Operating Income (Exps.)	3.0	2.0	-32.5%	22.4	(4.2)	-118.7%
Pretax Profit	58.5	98.4	68.1%	221.1	198.1	-10.4%
Income tax expense, net	(1.3)	(1.1)	-13.9%	(0.0)	(3.3)	n.m
Net income	57.2	97.3	70.0%	221.1	194.8	-11.9%
Total comprehensive income	57.2	97.3	70.0%	221.1	194.8	-11.9%
Basic EPS (Rp)	4.0	6.9	70.0%	15.6	13.7	-11.9%

Revenues went up 227.5% YoY during the period ending September 2016 to Rp 14.8bn, mostly due to consolidation of our new subsidiary - PT. Mega Akses Persada ("MAP"). MAP reported a consolidated revenue of Rp 13.1 bn for the period ending September 2016, up 16.8% QoQ and accounted for about 88.5% of 9M16 Indoritel consolidated revenues.

At the corporate level, operating losses widened as MAP expanded its network of fiber optics, which has reached 60 cities as of end-September 2016, mostly in Java and Bali area with a total length of about 3,250 km. As of the end of 9M16, we had reached about 70 thousands home-passes in operations and 2,545 users connected (including 300 Indomaret stores and 96 banks) to our network with an average monthly ARPU of Rp 735.200. Total capex since January 2016 was approximately Rp 105 bn.

Associate contributions went up 5.4% YoY to Rp 225.4 billion. These contributions were depressed by losses from FAST's re-measurement defined benefit plans recognized under Other Comprehensive Income. Due to its planned IDR bond issue, FAST had recalculated its interim employee benefits liability, our other associated companies have yet to do so.

Ogahruqi.com registered a total of 5,611 active members as of the end of 9M16. We added 1,388 new members since end-June 2016. Total number of merchants as of September 2016 was 1,478 we added 52 new merchants in 9M16.