

PT Indomarco PrismaTama 

Table 1. Summary of unaudited 1H15 results :

(Figures in Rp bn)	1Q15	2Q15	qoq	Jun-14	Jun-15	yoy
Sales	10,383.7	12,344.4	18.9%	19,336.6	22,728.1	17.5%
Cost of Goods Sold	(8,411.2)	(10,078.4)	19.8%	(15,859.8)	(18,489.6)	16.6%
Gross Profit	1,972.5	2,266.0	14.9%	3,476.8	4,238.5	21.9%
<i>gross margin</i>	<i>19.0%</i>	<i>18.4%</i>		<i>18.0%</i>	<i>18.6%</i>	
General and Administration	(442.4)	(487.7)	10.2%	(763.0)	(930.1)	21.9%
Selling	(1,511.8)	(1,739.5)	15.1%	(2,675.8)	(3,251.2)	21.5%
Others	103.9	137.9	32.8%	240.2	241.8	0.7%
Total operating expense	(1,850.3)	(2,089.2)	12.9%	(3,198.6)	(3,939.5)	23.2%
Operating profit	122.2	176.9	44.7%	278.2	299.0	7.5%
<i>operating margin</i>	<i>1.2%</i>	<i>1.4%</i>		<i>1.4%</i>	<i>1.3%</i>	
Total other income (expenses)	(96.0)	(100.6)	4.9%	(89.5)	(196.6)	119.7%
Pretax Profit	26.2	76.2	190.6%	188.7	102.4	-45.7%
Income tax expense, net	14.2	(4.3)	-130.0%	(11.8)	10.0	-184.7%
Net income	40.4	71.9	77.8%	177.0	112.4	-36.5%

Indomarco PrismaTama reported a consolidated revenue of Rp 12.3 trillion for 2Q15, 18.9% higher than 1Q15, and for the first half of 2015, revenue was 17.5% than last year's. The second quarter had clearly benefited from the increase in food product spending as the Indonesians observed Ramadhan fasting month which ended with Idul Fitri celebration on 17th July 2015. YoY performance also saw the benefit of the opening of 677 new stores (15.4% growth YoY) over the previous twelve months' period. As of 30th June 2015, we operated 11,250 stores, of which 3,588 stores (32% of the total) were owned by our franchisee partners.

Indomaret's average daily store sales (SPD) as of end-June 2015 was Rp 11.47 m/day up 1.3% year-over-year and 5.2% quarter-over-quarter. This was encouraging after a somewhat unexciting store performance during 1Q15, which saw 3.6% decline in store productivity.

Expenses were 23.2% higher than a year ago mainly due to higher minimum wages and the implementation of various government-mandated employee benefits programs from the beginning of this year. We continued to work on various programs to improve our operational efficiency, consequently, we only saw 12.9% growth in quarterly operating expenses in 2Q15, much lower than the revenue growth posted during the quarter.

Total borrowing as of end-June was Rp 4.2 trillion, 10% higher than the total as of end 1Q15. This resulted in slightly higher financing charges during the second quarter. As of end-June, debt-to-equity was still a healthy 41%, leaving us a lot of room for further debt-funded store network expansion over the next few years.

Table 2. Indomaret's Regional Store Breakdown

(Stores)	2012	2013	2014	1H15
Greater Jakarta	2,846	3,213	3,447	3,581
Java – Bali	3,132	3,844	4,884	5,146
Other Islands	1,267	1,757	2,242	2,523
Grand total	7,245	8,814	10,573	11,250

We continued to focus on areas with low store penetration outside of the Greater Jakarta area.

PT Fastfood Indonesia Tbk (FAST.IJ)


Table 3. Summary of unaudited 1H15 results :

(Figures in Rp billion)	1Q15	2Q15	qoq	Jun-14	Jun-15	yoy
Revenues	1,002.9	1,082.2	7.9%	2,008.4	2,085.1	3.8%
Gross Profit	612.8	666.1	8.7%	1,202.8	1,279.0	6.3%
<i>gross margin</i>	<i>61.1%</i>	<i>61.6%</i>		<i>59.9%</i>	<i>61.3%</i>	
Selling and distribution	(500.1)	(535.7)	7.1%	(942.2)	(1,035.8)	9.9%
General and administrative	(112.9)	(122.7)	8.7%	(208.0)	(235.6)	13.3%
Others, net	8.0	9.4	16.9%	13.1	17.4	33.3%
Operating expenses	(605.0)	(649.0)	7.3%	(1,137.2)	(1,254.0)	10.3%
Operating profit	7.9	17.1	117.8%	65.7	25.0	-62.0%
<i>operating margin</i>	<i>0.8%</i>	<i>1.6%</i>		<i>3.3%</i>	<i>1.2%</i>	
Pretax Profit	9.7	20.4	109.3%	68.8	30.1	-56.2%
Income tax expense, net	(0.9)	(2.6)	194.9%	(13.8)	(3.5)	-75.0%
Net income	8.9	17.8	100.9%	54.9	26.7	-51.4%
EPS (Rp)	4.4	8.9	100.9%	27.5	13.4	-51.4%

For the period ending 1H15, total revenues grew 3.8% yoy to Rp2.1 trillion mainly due to 49 additional outlets opened over the past year, of which, 17 were new outlets opened in 1H15. F&B sales grew 4.4% totaling Rp. 2.05 trillion as compared to the previous year's revenues of Rp 1.97 trillion. CD consignment sales increased by 18.1% to Rp 102.16 billion in the first half of 2015 as compared to the previous year's of Rp. 86.49 billion. Store productivity was down as experienced by almost all players in the QSR sector. SSSG in 1H15 was -1.4% YoY attributed to -4.9% negative growth in same store transactions.

The 10.3% year-over-year increase in operating expenses were mainly due to increasing minimum wage of minimum wage earners with a cumulative average of around 18% and increase in the number of employees to 16,679 from 16,501 as of end-2014 resulting from the additional store openings. We continue to improve the efficiency of our staff by transferring excess employees from existing stores to new store openings, and as a result, despite a 10.8% increase in the number of stores yoy, we only increased our staff by 1.1%.

We are still in discussion with our franchisor – Yum Inc. on the final details and financial arrangements of KFC Box which has proved quite popular among consumers. YUM, however, has given an in-principle approval for the opening of additional 5 new outlets in 2015. We have, so far, opened 1 new KFC Box in the Ferry Terminal in Batam going to Singapore and are planning to open four more outlets before the end of the year.

Table 4. KFC's restaurants breakdown by asset type

Store Type	2012	2013	2014	1H15
Free Standing Stores	57	66	76	79
In-line Stores	137	152	163	167
Mall stores	212	209	213	217
Food-court Stores	35	39	38	39
Box	-	-	3	4
Total	441	466	493	506

The total number of outlets operating during the 1H15 was 506 units, or 45 gross units more than last year's.

PT Nippon Indosari Corpindo Tbk (ROTI.IJ)


Table 5. Summary of unaudited 1H15 results :

(Rp billion)	1Q15	2Q15	QoQ	Jun-14	Jun-15	YoY
Sales	518.9	520.3	0.3%	914.6	1,039.1	13.6%
Gross Profit	275.3	273.4	-0.7%	423.0	548.6	29.7%
<i>gross margin</i>	<i>53.0%</i>	<i>52.5%</i>		<i>46.2%</i>	<i>52.8%</i>	
Selling and distribution	(134.1)	(144.5)	7.8%	(229.4)	(278.6)	21.5%
General and admin exp	(43.3)	(46.8)	8.2%	(74.3)	(90.1)	21.2%
Others, net	10.1	8.8	-13.4%	21.1	18.9	-10.3%
Total operating expense	(167.2)	(182.5)	9.1%	(282.6)	(349.8)	23.8%
Operating profit	108.0	90.8	-15.9%	140.4	198.8	41.6%
<i>operating margin</i>	<i>20.8%</i>	<i>17.5%</i>		<i>15.4%</i>	<i>19.1%</i>	
Total Other income (exps)	(18)	(17)	-4.8%	(6)	(34)	435.3%
Pretax Profit	90.4	74.1	-18.0%	134.0	164.5	22.8%
Income tax expense, net	(22.5)	(18.7)	-17.0%	(33.7)	(41.2)	22.2%
Net income	67.9	55.4	-18.4%	100.3	123.3	23.0%
EPS (Rp)	13.4	11.0	-18.4%	19.8	24.4	23.0%

First half 2015 sales were up 0.3% quarter-over-quarter, or 13.6% higher than a year ago. Gross margin remained at a healthy 53% as prices of key raw materials remained weak and gross profit surged 30% higher than last year's. The two new variants introduced early this year - pandan dorayaki and vanilla minibun – continued to be widely accepted. Other new variants of breads will be introduced in the second half of this year.

Expenses rose 23.8% yoy due to a combination of increased wages, compulsory employee benefits cost and higher transportation costs. However, these increases were offset by the improvements in gross margin resulting in 41.6% year-over-year increase in operating profit and 3.7% improvement in operating margin.

Interest charges in the first half of 2015 were higher than the previous period because interest cost in the previous first half were capitalized in Fixed Assets. In March 2015, we issued another Rp 500 billion 5-year bonds at 10%. Approximately 68% of the bond issue was used to refinance bank loans priced at a higher interest rate. 2015 capex is budgeted at Rp345 billion and will be funded in part by the balance of the bond proceeds and by internally generated cash flow. We estimate debt-to-equity ratio to improve from 0.8 X to 0.3 X by 2018 when the first Rp 500 billion bond is repaid.

PT Indoritel Makmur Internasional Tbk. (DNET.IJ)

Table 6. Summary of unaudited 2Q15 results :

(Figures in Rp bn)	1Q15	2Q15	QOQ%	Jun-14	Jun-15	YOY%
Sales	1.0	0.9	-11.0%	1.2	1.9	55.6%
Share of profit of associates	36.8	49.2	33.6%	111.2	85.9	-22.7%
Selling expenses	(0.3)	(0.2)	-16.2%	(1.2)	(0.5)	-57.9%
General and administrative	(3.7)	(4.5)	22.5%	(6.2)	(8.1)	30.4%
Other expenses (income)	0.0	(0.6)	n.m	0.0	(0.6)	n.m
Total operating expense	32.9	43.8	33.4%	103.8	76.7	-26.1%
Operating profit	33.8	44.7	32.1%	105.0	78.5	-25.2%
Non-operating Income (expenses)	7.1	8.4	18.1%	11.1	15.6	39.7%
Pretax Profit	41.0	53.1	29.6%	116.1	94.1	-19.0%
Income tax expense, net	0.0	(0.0)	n.m	0.0	(0.0)	n.m
Net income	41.0	53.1	29.6%	116.1	94.1	-19.0%
EPS (Rp)	2.9	3.7	29.6%	8.2	6.6	-19.0%

Sales went up by 55.6% yoy in 2Q15 from Rp 1.2 bn to Rp 1.9 bn due to sales generated from our POS software division which we consolidated from 1st May 2014. ND95 had 879 installs all throughout Indonesia as of end-June 2015, of which, 33 were new installs. ND95 accounted for about 95% of the 2Q15 sales booking. We are launching our new POS version in the 3Q15 and we believe this should strengthen our users loyalty to our product.

The remaining 4.4% of sales was generated by our ecommerce division - Ogahruqi.com. This site saw registered membership went up 17.7% as compared to 1H14, of which 9,596 members were active at the end 1H15. We added 1,512 new members since end-March 2015. Total number of merchants as of June 2015 was 1,355. We added 21 new merchants in the 2Q15.

Associate contributions went down 22.7% YoY mainly due to retailing and quick-service restaurant businesses weaker performances as compared to 1H14. Non-operating income consisted mainly of interest income. As of June 2015, we had a total cash balance of Rp 285 billion, up from June 2014's balance of Rp 281 billion.