

PT Indomarco Prismaatama 

Table 1. Summary of unaudited 1Q16 results :

	4Q15	1Q16	QOQ	Mar-15	Mar-16	YOY
Sales	13,568.0	13,470.5	-0.7%	10,383.7	13,470.5	29.7%
Cost of Goods Sold	(10,806.7)	(10,923.8)	1.1%	(8,411.2)	(10,923.8)	29.9%
Gross Profit	2,761.3	2,546.7	-7.8%	1,972.5	2,546.7	29.1%
<i>gross margin</i>	20.4%	18.9%		19.0%	18.9%	
General and Administration	(444.1)	(509.2)	14.7%	(442.4)	(509.2)	15.1%
Selling	(1,809.4)	(1,974.8)	9.1%	(1,511.8)	(1,974.8)	30.6%
Others	109.8	124.5	13.4%	103.9	124.5	19.8%
Total operating expense	(2,143.7)	(2,359.6)	10.1%	(1,850.3)	(2,359.6)	27.5%
Operating profit	617.6	187.2	-69.7%	122.2	187.2	53.2%
<i>operating margin</i>	4.6%	1.4%		1.2%	1.4%	
Total other income (expenses)	(187.5)	(123.9)	-33.9%	(96.0)	(123.9)	29.1%
Pretax Profit	430.2	63.3	-85.3%	26.2	63.3	141.4%
Income tax expense, net	(64.3)	14.8	-123.0%	14.2	14.8	3.9%
Net income	365.9	78.1	-78.7%	40.4	78.1	93.0%
Total comprehensive income	412.3	78.1	-81.1%	40.4	78.1	93.0%

Indomarco Prismaatama reported a consolidated revenue of Rp 13.5 trillion for 1Q16 or 29.7% higher than Rp 10.4 trillion booked in 1Q15. Revenue growth was attributable to additional stores and stronger sales-per-day for most of the stores operated by the company. As of 31 March 2016, we operated 12,650 stores, of which 3,987 stores were owned by our franchisee partners.

Indomaret's average daily store sales (SPD) as of end-1Q16 was Rp 12.0 m/day up 9.8% year-over-year. Similar to 1Q15, this good performance followed on the back of relatively little rainfall and limited flooding in various parts of Indonesia in 1Q16.

Expenses were 27.5% higher than a year ago mainly due to larger workforce, higher minimum wages and increases in social security costs (BPJS) that took effect from mid-2015. QOQ comparison showed a 10.1% increase, in-line with increases in minimum wage that commenced in January.

Financing charges for the quarter were only Rp 106.8 bn as compared to Rp 96.0 bn in 1Q15 as total debt level reached Rp 4.5 trillion as compared to Rp 3.9 trillion as of end-March 2015.

Table 2. Indomaret's Regional Store Breakdown

(Stores)	2013	2014	2015	1Q16
Greater Jakarta	3,213	3,447	3,823	4,003
Java – Bali	3,844	4,884	5,093	5,510
Other Islands	1,757	2,242	3,294	3,137
Grand total	8,814	10,573	12,210	12,650

With a total population of about 5 times that of the Greater Jakarta, Java-Bali continues to be our focus growth area as we continue to increase penetration of these areas. By the end of 1Q16, 31.5% of our stores were owned by our franchisee partners, while the remainder were owned by us. We added 98 franchised stores in 1Q16.

PT Nippon Indosari Corpindo Tbk (ROTI.IJ)


Table 5. Summary of unaudited 1Q16 results :

	4Q15	1Q16	QOQ	Mar-15	Mar-16	YOY
Sales	605.1	611.0	1.0%	518.9	611.0	17.8%
Gross Profit	325.8	324.2	-0.5%	275.0	324.2	17.9%
<i>gross margin</i>	53.9%	53.1%		53.0%	53.1%	
Selling and distribution	(136.2)	(161.4)	18.5%	(133.8)	(161.4)	20.7%
General and admin exp	(49.2)	(49.3)	0.3%	(44.1)	(49.3)	11.8%
Others, net	7.9	18.9	137.8%	9.3	18.9	102.1%
Total operating expense	(177.4)	(191.9)	8.2%	(168.6)	(191.9)	13.8%
Operating profit	148.4	132.2	-10.9%	106.4	132.2	24.3%
<i>operating margin</i>	24.5%	21.6%		20.5%	21.6%	
Other income (exps)	(27)	(18)	-33.5%	(18)	(18)	1.6%
Pretax Profit	121.5	114.4	-5.9%	88.8	114.4	28.9%
Income tax expense, net	(43.7)	(28.0)	-35.8%	(22.3)	(28.0)	25.8%
Net income	77.9	86.3	10.9%	66.5	86.3	29.9%
Total compr. income	71.0	86.3	21.6%	64.8	86.3	33.3%
EPS (Rp)	15.4	17.1	10.9%	13.1	17.1	29.9%

We achieved a sales increase of 17.8% YOY and maintained a flat sales QOQ amid the slight recovery in the economy. Our gross profit margin improved over the past two quarters due to stable raw materials and decreased utilities expense. As a result, we managed to book 18% growth in the first quarter gross profit. In 2015, we introduced vanilla mini bun and pandan dorayaki with a positive market reception. We plan to continue introducing more new variants of breads in the coming years.

Gross margin has stabilized as most of the major cost components have stabilized, except for labor costs which continued to increase as the minimum wage increased but this was offset by decreases in other cost components. With the outlook for commodity prices expected to be stable, we expect margins could be maintained throughout the rest of the year.

Operating expenses were stable with some increases offset by the decrease in transportation cost. Our advertising and promotional expenses were maintained at around 5% of sales. Our operations continue to benefit from higher economies of scale.

Balance sheet remained strong with total debt to equity falling below one and annualized interests cover exceeding five times. With a cash balance in excess of Rp 500 billion, we are in a strong position to continue paying dividends while preparing for our next major capital expenditure program. Indeed, in 19th May 2016 Annual Shareholders Meeting, the shareholders approved a total dividend of Rp 53.7 billion (20% payout ratio).

PT Fastfood Indonesia Tbk (FAST.IJ)


Table 3. Summary of unaudited 1Q16 results :

	4Q15	1Q16	QOQ	Mar-15	Mar-16	YOY
Revenues	1,191.2	1,102.4	-7.5%	1,002.9	1,102.4	9.9%
Gross Profit	726.8	667.9	-8.1%	612.8	667.9	9.0%
<i>gross margin</i>	<i>61.0%</i>	<i>60.6%</i>		<i>61.1%</i>	<i>60.6%</i>	
Selling and distribution costs	(560.3)	(535.8)	-4.4%	(500.1)	(535.8)	7.1%
General and admin. expenses	(143.1)	(124.1)	-13.3%	(112.9)	(124.1)	9.9%
Others, net	19.0	1.7	-91.0%	8.0	1.7	-78.8%
Operating expenses	(684.4)	(658.2)	-3.8%	(605.0)	(658.2)	8.8%
Operating profit	42.4	9.8	-77.0%	7.9	9.8	24.3%
<i>operating margin</i>	<i>3.6%</i>	<i>0.9%</i>		<i>0.8%</i>	<i>0.9%</i>	
Pretax Profit	45.0	12.1	-73.1%	9.7	12.1	24.4%
Income tax expense, net	(12.3)	(3.8)	-68.8%	(0.9)	(3.8)	336.0%
Net income	32.8	8.3	-74.7%	8.9	8.3	-6.4%
Total comprehensive income	51.4	7.1	-86.2%	8.9	7.1	-20.1%
EPS (Rp)	16.4	4.2	-74.7%	4.4	4.2	-6.4%

1Q16 total revenues grew 9.9% YOY to Rp 1.1 trillion mainly due to 40 net additional outlets opened throughout 2015 and higher store productivity as SSSG grew 3.0% YOY. F&B sales grew 9.8% on a total system basis compared to the previous year whilst CD consignment sales declined from Rp 49.4 billion in 1Q15 to Rp 43.5 billion in 1Q16.

Operating expenses rose 8.8% over a year ago as higher minimum wage kicked in from 1st January, despite the decrease in the number of our employees during the 1Q16 to 16,198 from 1Q15 total of 16,354. Although we have added 3 new units during the quarter, we have consistently reduced our employee count because of continuous productivity enhancement program.

In 1Q16, we launched several new products which were widely accepted by consumers, and we re-launched the high selling Red Hot Chicken. Among the new products introduced are Burger Crunch (a new way of eating burger), KFC Winger (bigger and crispier), and a new variety of Bento using fish as a main ingredient packaged with Mango Pudding in a combo meal.

Our Rp 200 bn bonds are maturing on 6th October 2016, and the current plan is to refinance it through re-issuance of new bonds of the same amount in anticipation of our future investment plan. We are working with a reputable underwriter to manage this process.

Table 4. KFC's restaurants breakdown by asset type

Store Type	2013	2014	2015	1Q16
Free Standing Stores	66	76	91	91
In-line Stores	152	163	183	185
Mall stores	209	213	220	221
Food-court Stores	39	38	39	39
Box	-	3	7	7
Total	466	493	540	543

The total number of outlets operating during the 1Q16 was 543 units, 3 units more than end-2015. We have already gotten approval from our franchisor – Yum Inc. to populate this concept and add at least 10 box units in 2016. By the end of March 2016, the sourcing of potential sites is still underway.

PT Indoritel Makmur Internasional Tbk. (DNET.IJ) 

Table 6. Summary of unaudited consolidated 1Q16 results :

(Figures in Rp bn)	4Q15	1Q16	QOQ	Mar-15	Mar-16	YOY
Sales	4.7	4.4	-5.8%	1.0	4.4	344.3%
Share of profit of associates	202.6	57.5	-71.6%	36.8	57.5	56.2%
Selling expenses	(0.7)	(0.5)	-25.4%	(0.3)	(0.5)	84.9%
General and administrative	(13.2)	(11.1)	-16.0%	(3.7)	(11.1)	202.8%
Other expenses (income)	0.5	(0.0)	-103.6%	0.0	(0.0)	-333.6%
Total operating expense	189.2	45.9	-75.8%	32.9	45.9	39.6%
Operating profit	193.9	50.3	-74.1%	33.8	50.3	48.5%
Non-operating Income (expenses)	4.0	(9.1)	-326.3%	7.1	(9.1)	-228.2%
Pretax Profit	197.9	41.1	-79.2%	41.0	41.1	0.4%
Income tax expense, net	(4.1)	(0.9)	n.m	0.0	(0.9)	n.m
Net income	193.9	40.3	-79.2%	41.0	40.3	-1.7%
EPS (Rp)	193.4	40.3	-79.2%	41.0	40.3	-1.7%

Revenues went up 344.3% YOY during the period ending March 2016 from Rp 1.0 bn to Rp 4.4bn, mostly due to consolidation of our new subsidiary - PT. Mega Akses Persada (“MAP”) – from 1st August 2015. We acquired new shares of MAP on July 22, 2015. Mega Akses Persada (MAP) reported a consolidated revenue of Rp 2.8 billion for the period ending March 2016, down 26.2% QOQ. We commenced our operations in September 2014 making YOY comparison less meaningful.

As of end-1Q16, we have deployed our network of optical fiber cable in 28 Indonesian cities, with a total length of about 800 km. We started with deployment in Java and Sumatra during the first phase of our roll-out plan. As of the end of 1Q16, we have about 2,000 users connected to our network with an ARPU of Rp 575 thousand. MAP accounted for about 62.7% of 1Q16 Indoritel consolidated revenues.

Associate contributions went up 56.2% YOY to Rp 58 billion, mainly due to contributions from Indomarco Prismatama and Nippon Indosari (see previous sections).

Ogahruqi.com registered a total of 6,103 active members as of the end of 1Q16. We added 2,562 new members since end-December 2015. Total number of merchants as of March 2016 was 1,397 we added 21 new merchants in 1Q16. On 13th April 2016, we entered into a conditional sale and purchase agreement with PT Paramadaksa Teknologi Nusantara to divest NexSoft division from 1st April 2016. We are booking a gain of approximately Rp 3.3 billion from this divestment.