

PT Indomarco Primatama 

Table 1. Summary of unaudited 1Q17 results :

(Rp billion)	4Q16	1Q17	qoq	Mar-16	Mar-17	yoy
Sales	15,040.6	14,281.9	-5.0%	13,470.5	14,281.9	6.0%
Cost of Goods Sold	(11,980.2)	(11,565.4)	-3.5%	(10,923.8)	(11,565.4)	5.9%
Gross Profit	3,060.4	2,716.5	-11.2%	2,546.7	2,716.5	6.7%
<i>gross margin</i>	20.3%	19.0%		18.9%	19.0%	
General and Admin.	(601.2)	(610.4)	1.5%	(509.2)	(610.4)	19.9%
Selling	(2,220.9)	(2,304.5)	3.8%	(1,974.8)	(2,304.5)	16.7%
Others	274.0	197.2	-28.0%	124.5	197.2	58.4%
Total operating expense	(2,548.1)	(2,717.7)	6.7%	(2,359.6)	(2,717.7)	15.2%
Operating profit (loss)	512.2	(1.1)	-100.2%	187.2	(1.1)	-100.6%
<i>operating margin</i>	3.4%	0.0%		1.4%	0.0%	
Total other inc. (expenses)	(153.4)	(121.5)	-20.8%	(123.9)	(121.5)	-1.9%
Pretax Profit	358.9	(122.6)	-134.2%	63.3	(122.6)	-293.7%
Income tax expense, net	(35.3)	19.7	-155.7%	14.8	19.7	33.1%
Net income	323.6	(102.9)	-131.8%	78.1	(102.9)	-231.9%
Total comprehensive income (loss)	323.6	(102.9)	-131.8%	78.1	(102.9)	-231.9%

Indomarco Primatama reported consolidated Sales of Rp 14.3 trillion for 1Q17, 6% higher than Rp 13.5 trillion booked in 1Q16. Considering the Company opened 15% more stores in the past year, performance recorded was the weakest in the past five years. Average sales-per-day during the quarter was Rp 11.14 million, 5.5 % lower than SPD registered during the first quarter of 2016. 1Q16 SPD was 9.8% higher than the previous year's. Sales comparison with fourth quarter's achievement also reaffirmed the general weakening of the consumer buying power in the first quarter of 2017.

While we managed to maintain a gross margin of 19% during the quarter, yoy expense growth of 15% was outstripping top line growth resulting in the company registering an operating loss for the quarter. Compared to 4Q16, expenses were relatively stable, despite 7-8% higher minimum wage starting from the beginning of 2017. This clearly indicates the effectiveness of our cost management measures despite our rapid network expansion.

Financing charges continued to remain moderate at Rp 101 bn during the quarter as we maintained our debt level at around Rp 5 trillion. Debt to equity at the end of 1Q17 was stable at 50%.

Table 2. Indomaret's Regional Store Breakdown

(Stores)	2014	2015	2016	1Q17
Greater Jakarta	3,447	3,823	4,341	4,427
Java - Bali	4,884	5,093	6,087	6,204
Other Islands	2,242	3,294	3,605	3,705
Grand total	10,573	12,210	14,033	14,336

Going forward, Java-Bali continues to be our focus growth area as we continue to increase penetration of these areas. By the end of 1Q17, a total of 4,446 stores or 31.01% of our stores were owned by our franchisee partners, while the remainder were owned by us. We added 82 franchised stores in 1Q17.

PT Fastfood Indonesia Tbk (FAST.IJ)


Table 3. Summary of unaudited 1Q17 results :

(Rp bn)	4Q16	1Q17	qoq	Mar-16	Mar-17	yoy
Revenues	1,315.9	1,204.8	-8.4%	1,102.4	1,204.8	9.3%
Gross Profit	829.5	749.0	-9.7%	667.9	749.0	12.1%
<i>gross margin</i>	<i>63.0%</i>	<i>62.2%</i>		<i>60.6%</i>	<i>62.2%</i>	
Selling and distribution costs	(614.4)	(603.3)	-1.8%	(535.8)	(603.3)	12.6%
General and admin. expenses	(149.5)	(136.8)	-8.5%	(124.1)	(136.8)	10.2%
Others, net	17.5	3.2	-82.0%	1.7	3.2	85.6%
Operating profit	83.2	12.1	-85.4%	9.8	12.1	24.0%
<i>operating margin</i>	<i>6.3%</i>	<i>1.0%</i>		<i>0.9%</i>	<i>1.0%</i>	
Pretax Profit	85.9	13.7	-84.1%	12.1	13.7	13.0%
Income tax expense, net	(20.3)	23.5	-216.3%	(3.8)	23.5	-716.5%
Net income	65.7	37.2	-43.3%	8.3	37.2	348.9%
Other Comp. Income (loss)	50.8	(29.8)	n.m	(1.2)	(29.8)	n.m
Total comprehensive income	116.4	7.5	-93.6%	7.1	7.5	5.3%
Basic EPS (Rp)	33	19	-43.3%	4	19	348.9%

1Q16 total revenues grew 9.3% yoy to Rp 1.2 trillion mainly due the opening of 35 net additional outlets opened throughout 2016 and higher store productivity as SSSG grew 3.6% YoY. F&B sales grew 9.5% on a total system basis compared to the previous year whilst CD consignment sales commission grew 4.9% to Rp 13.0 billion in 1Q17 from Rp 12.4 billion in 1Q16.

Operating expenses rose 12.3% over a year ago as higher minimum wage kicked in from 1st January and we added 163 employees over the last year to operate our new restaurants. As of end-March 2017, we employed 17,393 employees. Our staffing has consistently lagged our restaurant's growth as we have continuously implemented various employee productivity enhancement programs.

In 1Q17, we launched several new products which was widely accepted by consumers including KFC Hotz Chicken, KFC Winger Norishi, KFC Chokocha Float (a combination of matcha and chocolate), and several other combo value offerings.

We successfully launched our second 5-year IDR bond in November 2016 with a fixed coupon of 8.5% payable quarterly. Proceeds from the bonds will be used to finance development of new restaurant outlets, renovations of existing outlets, new warehouse developments and fleet upgrading.

Table 4. KFC's restaurants breakdown by asset type

Store Type	2014	2015	2016	1Q17
Free Standing Stores	76	91	98	100
In-line Stores	163	183	194	193
Mall stores	213	220	234	231
Food-court Stores	38	39	39	40
Box	3	7	10	12
Total	493	540	575	576

The total number of outlets operating during the 1Q17 was 576 units, just 1 unit more than the total as of the end of 2016. Five new units were opened during the first quarter of 2017, but four units were permanently closed, thus giving just 1 unit net opening. We have already gotten approval from our franchisor – Yum Inc. to continue developing KFC Box and will add around 10 box units in 2017. However, no final decision yet on the charges for initial development fee.

PT Indoritel Makmur Internasional Tbk. (DNET.IJ) 

Table 5. Summary of unaudited consolidated 1Q17 results :

(Figures in Rp bn)	4Q16	1Q17	QOQ%	Mar-16	Mar-17	YOY%
Sales	7.9	9.4	19.3%	4.4	9.4	113.0%
Share of profit of associates	202.5	(21.9)	-110.8%	57.5	(21.9)	-138.0%
Selling expenses	(14.9)	(8.5)	-42.9%	(0.5)	(8.5)	n.m
General and administrative	(4.8)	(12.5)	159.3%	(11.1)	(12.5)	12.9%
Other expenses (income)	(1.7)	0.1	-106.3%	(0.0)	0.1	n.m
Total operating expense	181.0	(42.8)	-123.6%	45.9	(42.8)	-193.3%
Operating profit	188.9	(33.3)	-117.7%	50.3	(33.3)	-166.3%
Non-operating Income (expenses)	13.9	(1.8)	-112.6%	(9.1)	(1.8)	-80.7%
Pretax Profit	202.8	(35.1)	-117.3%	41.1	(35.1)	-185.4%
Income tax expense, net	0.5	(0.1)	-110.8%	(0.9)	(0.1)	-93.8%
Net income	203.3	(35.2)	-117.3%	40.3	(35.2)	-187.3%
Total comprehensive income	179.1	(46.0)	-125.7%	40.3	(46.0)	-214.3%
EPS (Rp)	14.3	(2.5)	-117.3%	2.8	(2.5)	-187.3%

Revenues went up 113.0% YOY during the period ending March 2017 from Rp 4.4 bn to Rp 9.4bn, mostly due to consolidation of our new subsidiary - PT. Mega Akses Persada ("MAP"). MAP reported a consolidated revenue of Rp 9.4 billion for the period ending March 2017, up 19.3% QOQ accounted for about 99.8% of 1Q17 Indoritel consolidated revenues.

As of March 2017, we have deployed our network of optical fiber cable in 11 Provinces, 65 cities, 1,015 Districts with a total length of about 3,754 km. We started our deployment mostly in Java, Sumatera and Bali during the first phase of our roll-out plan. As of the end of March 2017, we have over 5,182 users connected to our network with ARPU for FTTx of Rp 500 thousand and ARPU for LMS of Rp 1,25 million.

Associate contributions went down 138.0% YOY to negative Rp 21.9 billion, mainly due to weakening of the consumer buying power in the retail business.

Ogahruqi.com registered a total of 4,519 active members as of the end of 1Q17. We added 3,141 new members since end-December 2016. Total number of merchants as of March 2017 was 1,629 we added 95 new merchants in 1Q17.