

PT Indomarco Prismaatama

Table 1. Summary of unaudited 9months 2015 results :

(Figures in Rp bn)	2Q15	3Q15	qoq	Sep-14	Sep-15	yoy
Sales	12,344.4	13,151.4	6.5%	30,456.5	35,879.5	17.8%
Cost of Goods Sold	(10,078.4)	(10,681.8)	6.0%	(24,929.7)	(29,171.4)	17.0%
Gross Profit	2,266.0	2,469.6	9.0%	5,526.8	6,708.2	21.4%
<i>gross margin</i>	18.4%	18.8%		18.1%	18.7%	
General and Administration	(487.7)	(499.2)	2.4%	(1,154.9)	(1,429.3)	23.8%
Selling expenses	(1,739.5)	(1,764.5)	1.4%	(4,137.8)	(5,015.7)	21.2%
Other income (expenses)	137.9	161.4	17.0%	381.3	403.2	5.8%
Total operating expense	(2,089.2)	(2,102.3)	0.6%	(4,911.4)	(6,041.8)	23.0%
Operating profit	176.9	367.3	107.7%	615.3	666.4	8.3%
<i>operating margin</i>	1.4%	2.8%		2.0%	1.9%	
Total other income (expenses)	(100.6)	(102.9)	2.2%	(177.5)	(299.5)	68.7%
Pretax Profit	76.2	264.5	247.1%	437.9	366.9	-16.2%
Income tax expense, net	(4.3)	(30.7)	619.6%	(49.9)	(20.8)	-58.4%
Net income	71.9	233.8	225.0%	388.0	346.1	-10.8%

Indomarco Prismaatama reported a consolidated revenue of Rp 13.2 trillion in 3Q15, 6.5% higher than 2Q15, and for the year ending September 2015, revenue was 17.8% higher than last year's. The third quarter still benefited from the increase in CPG spending as the Indonesians observe Ramadhan fasting month which ended with Idul Fitri celebration on 17th July 2015. YoY performance also saw the benefit of the opening of 15.5% additional stores over the past year. As of 30th September 2015, we operated 11,632 stores.

Indomaret's average daily store sales (SPD) as of end-Sep 2015 was Rp 12.04 m/day up 2.7% year-over-year and 1.2% quarter-over-quarter. This was encouraging as our systems continue to register value growth despite falling economic growth.

Expenses were 23.8% higher than a year ago mainly due to higher minimum wages and the implementation of various social programs from the beginning of this year. We continued to work on various programs to improve our operational efficiency, consequently, we only saw 2.4% growth in quarterly operating expenses in 3Q15.

Total borrowings as of end-Sep was Rp 4.6 trillion, slightly lower than the total borrowings as of end June 2015 and debt-to-equity was still a healthy 43%, 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	9m15
Greater Jakarta	2,846	3,213	3,447	3,665
Java - Bali	3,132	3,844	4,884	5,300
Other Islands	1,267	1,757	2,242	2,667
Grand total	7,245	8,814	10,573	11,632

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. The total number of franchisee owned stores was 3,701 (31.8% of the total) as of end-September 2015.

PT Fastfood Indonesia Tbk (FAST.IJ)

Table 3. Summary of unaudited 9-month 2015 results :

(Figures in Rp bn)	2Q15	3Q15	qoq	Sep-14	Sep-15	yoy
Revenues	1,082.2	1,198.8	10.8%	3,121.2	3,283.9	5.2%
Gross Profit	666.1	717.9	7.8%	1,873.6	1,996.9	6.6%
<i>gross margin</i>	61.6%	59.9%		60.0%	60.8%	
Selling and distribution costs	(535.7)	(595.7)	11.2%	(1,469.7)	(1,631.5)	11.0%
General and administrative	(122.7)	(72.4)	-41.0%	(278.5)	(308.0)	10.6%
Others, net	9.4	6.6	-29.3%	18.3	24.0	31.4%
Operating profit	17.1	56.5	229.9%	143.6	81.4	-43.3%
<i>operating margin</i>	1.6%	4.7%		4.6%	2.5%	
Pretax Profit	20.4	58.3	185.9%	150.0	88.4	-41.0%
Income tax expense, net	(2.6)	(12.7)	392.5%	(32.1)	(16.2)	-49.5%
Net income	17.8	45.6	156.0%	117.9	72.3	-38.7%
EPS (Rp)	9	23	156.0%	59	36	-38.7%

For the period ending September 2015, total revenues grew 5.2% yoy to Rp 3.3 trillion mainly due to 46 additional outlets opened - including 3 units of KFC Box over the past year - with 26 of them opened in the first nine months of this year. During the period, F&B sales grew 5.5% to reach Rp 3.2 trillion compared to the previous year of Rp 3.1 trillion whilst CD consignment sales increased by 24.9% to Rp 151.9 billion as compared to the previous year of Rp 121.7 billion. Store productivity started to turn positive as SSSG in the 3Q15 grew by 2.8% bringing the first nine months' SSSG to 0.34% YoY, the continued softness in SSSG was mainly caused by 2.2% negative growth in YoY same-store transactions.

The 10.8% year-over-year increase in operating expenses were mainly due to increases in the wages of minimum wage earners, as we saw an average increases (as we operate in areas with various increases in minimum wages) of about 11.6% in wages as compared to last year. We added 1.6% to our total employment in the first nine months of this year from 16,501 as of end-2014 to 16,765 as of end-September 2015. This was significantly less than 5.1% growth in the number of outlet that we recorded, reflecting the continued improvement in efficiency that we implemented throughout our systems.

So far, we have not introduced any price increases, except for the upgrading of several stores categorized in lower price range to a higher price range as a result of our in-depth analysis of stores' trade area. We had also been enticing our loyal customers to frequent our restaurants with more generous meals designed for families and groups of individuals who eat-out together. These efforts, allowed us to maintain our gross margin above 60%.

We have received approvals to open up to 5 KFC Box units during the year, while continuing to enjoy the initial franchise fee waiver. To date, we have 4 KFC Box units in operations, one of which was opened in the first nine months of this year. On top of these, we had also opened 26 new restaurants to date. Combined with the closure of 5 restaurants, we operated a total of 514 restaurants as of end-September 2015. We have plans to open at least 23 more restaurants before the year closes.

Table 4. KFC's restaurants breakdown by asset type

Store Type	2012	2013	2014	9m15
Free Standing Stores	57	66	76	79
In-line Stores	137	152	163	173
Mall stores	212	209	213	219
Food-court Stores	35	39	38	39
Box	-	-	3	4
Total	441	466	493	514

PT Nippon Indosari Corpindo Tbk (ROTI.IJ)

Table 5. Summary of unaudited 9-months 2015 results :

(Figures in Rp bn)	2Q15	3Q15	QoQ	Sep-14	Sep-15	YoY
Sales	520.3	530.3	1.9%	1,360.9	1,569.5	15.3%
Gross Profit	273.4	280.5	2.6%	631.9	829.2	31.2%
<i>gross margin</i>	52.5%	52.9%		46.4%	52.8%	
Selling and distribution	(144.5)	(275.1)	90.4%	(345.6)	(408.2)	60.2%
General and admin exp	(46.8)	90.1	-292.4%	(112.8)	(145.5)	-100.0%
Others, net	8.8	11.0	25.0%	28.3	29.9	5.5%
Total operating expense	(182.5)	(174.1)	-4.6%	(430.1)	(523.9)	21.8%
Operating profit	90.8	106.4	17.2%	201.8	305.3	51.3%
<i>operating margin</i>	17.5%	20.1%		14.8%	19.5%	
Total Other income (exps)	(16.7)	(14.2)	-15.0%	(25.2)	(48.5)	92.8%
Pretax Profit	74.1	92.2	24.4%	176.6	256.7	45.4%
Income tax expense, net	(18.7)	(22.9)	22.5%	(44.9)	(64.0)	42.5%
Net income	55.4	69.3	25.1%	131.7	192.7	46.3%
EPS (Rp)	11	14	25.1%	26	38	46.3%

Despite general economic slowdown, weaker consumer sentiment and slower growth of minimarket outlets – we estimate there were only 7.5% more yoy minimarket outlets by the end-September 2015 as compared 9.3% more yoy last year - ROTI delivered a strong topline growth of 15.3% yoy for the nine-month period ending 30th September 2015, thanks to robust sales demand for ROTI's products.

Gross margin remained healthy at 52.9% in 3Q15, slightly better than 52.5% recorded in 2Q15. This was mainly due to weaknesses in key raw materials prices. Operating expenses went up 21.8% year over year due to higher minimum wages, compulsory employee benefits and higher transportation charges. However, due to the improvements in gross margin, ROTI booked a 4.7% improvement in operating profit margin.

Higher interest charges booked in the first nine months of this year was mainly due to higher borrowing relating to our production capacity growth over the past year. With the success of our second Rp 500 billion bond issue in March, our debt maturity profile is now much longer than our utilization growth, resulting in a healthier balance sheet to weather the current economic downturn.

Overall, we are optimistic we will be able to perform well in the 4th quarter to achieve our annual growth target.

PT Indoritel Makmur Internasional Tbk. (DNET.IJ)

Table 6. Summary of unaudited 9-months 2015 results :

(Figures in Rp bn)	2Q15	3Q15	QoQ%	Sep-14	Sep-15	YoY%
Sales	0.9	2.6	196.3%	1.0	4.5	n.m
Share of profit of associates	49.2	128.0	160.3%	224.5	213.9	-4.7%
Selling expenses	(0.2)	(1.1)	340.5%	(0.6)	(1.6)	148.5%
General and administrative	(4.5)	(9.1)	104.2%	(10.3)	(17.3)	67.9%
Other expenses (income)	(0.6)	(0.3)	-55.0%	0.0	(0.9)	n.m
Total operating expense	43.8	117.5	168.2%	213.6	194.2	-9.1%
Operating profit	44.7	120.1	168.7%	214.6	198.7	-7.4%
Non-operating Income (expenses)	8.4	6.8	-18.8%	17.2	22.4	29.9%
Pretax Profit	53.1	127.0	139.0%	231.8	221.1	-4.6%
Income tax expense, net	(0.0)	(0.0)	26.2%	0.0	(0.0)	n.m
Net income	53.1	127.0	139.0%	231.8	221.1	-4.6%
EPS (Rp)	4	9	139.0%	16	16	-4.6%

Revenues went up by 351.8% yoy in the period ending September 2015 from Rp 1.0 bn to Rp 4.5 bn due to growth in sales generated from our POS software division and our new subsidiary, PT. Mega Akses Persada ("MAP"), which we consolidated from 1st August 2015. We completed the acquisition of new MAP shares on July 22nd, 2015.

Associate contributions went down 4.7% yoy mainly due to retailing and quick-service restaurant businesses' weaker performances as compared to 9m14. Non-operating income consisted mainly of interest income. As of September 2015, we had a total cash balance Rp 303.1 billion.

ND95 had 886 installs all throughout Indonesia as of end-September 2015, of which, 72 were new installs. ND95 accounted for about 61.1% of the 9m15 revenue booking.

With only 2 months' of its results consolidated, MAP accounted for 36.2% of the 9m15 revenue booking. MAP is a fiber-optic startup with nationwide licenses. It is currently cooperating with various local providers in the provision of Internet connectivity to the masses as well as providing backbone connections to businesses.

The remaining 2.6% of revenue was generated by our ecommerce division – Ogahrugi.com. This site saw registered membership went up 14.3% as compared to 9m14, of which 7,862 members were active at the end of 3Q15. We added 1,389 new members since end-June 2015. Total number of merchants as of September 2015 was 1,399. We added 11 new merchants in 9m15.