

PT Indomarco Prismaatama

Table 1. Summary of unaudited 9 months 2017 results :

(Rp bn)	2Q17	3Q17	qoq	Sep-16	Sep-17	yoy
Sales	17,410.9	15,321.2	-12.0%	44,130.3	47,013.9	6.5%
Cost of Goods Sold	(14,217.7)	(12,247.0)	-13.9%	(35,929.2)	(38,030.1)	5.8%
Gross Profit	3,193.1	3,074.2	-3.7%	8,201.1	8,983.9	9.5%
<i>gross margin</i>	<i>18.3%</i>	<i>20.1%</i>		<i>18.6%</i>	<i>19.1%</i>	
General and Administration	(601.0)	(613.5)	2.1%	(1,573.2)	(1,824.8)	16.0%
Selling	(2,492.7)	(2,482.9)	-0.4%	(6,237.2)	(7,280.1)	16.7%
Others	183.8	181.7	-1.2%	463.1	562.7	21.5%
Total operating expense	(2,909.9)	(2,914.6)	0.2%	(7,347.3)	(8,542.2)	16.3%
Operating profit	283.3	159.6	-43.7%	853.9	441.7	-48.3%
<i>operating margin</i>	<i>1.6%</i>	<i>1.0%</i>		<i>1.9%</i>	<i>0.9%</i>	
Total other inc. (expenses)	(142.6)	(161.9)	13.5%	(418.3)	(426.1)	1.9%
Pretax Profit	140.6	(2.4)	-101.7%	435.5	15.6	-96.4%
Income tax expense, net	10.3	21.7	109.8%	(8.0)	51.7	-749.2%
Net income	151.0	19.3	-87.2%	403.6	67.4	-83.3%
Total comp. income	151.0	19.3	-87.2%	403.6	67.4	-83.3%

Indomarco Prismaatama reported consolidated 9-months revenues of Rp 15.3 trillion in 3Q17, 12% weaker than 2Q17 because of the typically higher spending during Ramadhan month which this year took place in June resulting in a relatively weaker third quarter performance. However, for the year ending September 2017, revenue was 6.5% higher than last year's. The YoY performance benefited from the opening of 10.3% additional stores over the past year. As of 30th September 2017, we operated 14,846 stores, of which 4,449 stores (30% of the total) were owned by our franchisee partners.

Indomaret's average daily store sales (SPD) as of end-June 2017 was Rp 12.20 m/day, 2.1% lower year-over-year.

Expenses were 16% 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 improving average gross margin for the nine months ending September 2017 which was 1.8% higher than the gross margin during 2Q17.

Total borrowings as of end-September was Rp 6.2 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)	2014	2015	2016	Sep-17
Greater Jakarta	3,447	3,823	4,341	4,649
Java – Bali	4,884	5,093	6,087	6,308
Other Islands	2,242	3,294	3,605	3,889
Grand total	10,573	12,210	14,033	14,846

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 2017 results :

(Rp bn)	2Q17	3Q17	qoq	Sep-16	Sep-17	yoy
Revenues	1,400.6	1,291.1	-7.8%	3,567.4	3,896.5	9.2%
Gross Profit	872.2	804.3	-7.8%	2,224.5	2,425.5	9.0%
<i>gross margin</i>	62.3%	62.3%		62.4%	62.2%	
Selling and distribution costs	(727.1)	(648.8)	-10.8%	(1,759.5)	(1,979.1)	12.5%
General and admin. expenses	(103.3)	(152.7)	47.8%	(347.6)	(392.8)	13.0%
Others, net	5.0	31.8	530.5%	17.4	40.0	129.1%
Operating profit	46.9	34.6	-26.3%	134.9	93.6	-30.6%
<i>operating margin</i>	3.3%	2.7%		3.8%	2.4%	
Pretax Profit	49.9	36.8	-26.2%	140.4	100.4	-28.5%
Income tax expense, net	(44.5)	20.9	-147.0%	(33.5)	4.2	-112.6%
Net income	38.5	28.8	-25.1%	106.9	104.6	-2.2%
Other Comp. Income (loss)	(11.9)	(1.7)	-85.4%	(75.2)	(43.4)	-42.3%
Total comprehensive income	26.7	27.1	1.7%	31.8	61.2	92.8%
Basic EPS (Rp)	19.3	14.5	-25.1%	53.6	52.4	-2.2%

For the period ending September 2017, total revenues grew 9.2% yoy, better than 8.6% yoy growth achieved in the first nine months of 2016. Between January and September, we opened 29 additional outlets, inclusive of 11 units of KFC Box, and operated 24 more restaurants as compared to the end of last year. During the period, F&B sales grew 9.4% yoy to reach Rp 3.84 trillion as compared to the previous year of Rp 3.51 trillion whilst CD consignment sales increased by 8.7% to Rp 42.29 billion as compared to the previous year of Rp 38.92 billion. Store productivity went up in 3Q17 as indicated by SSSG growth of 4.7%, bringing the first nine months' SSSG to 3.9% YoY.

The 12.6% year-over-year increase in general and administrative expenses were mainly due the increase in HR costs resulting from the increases in the wages of minimum wage earners, as we saw a nationwide average increase of about 8.5% in wages compared to last year, and the subsequent impact of this on the salary adjustment for positions above the minimum wage earners. We added about 4.9% to our total employment in the first nine months of this year from 17,230 to 18,083, and was also within the 5.0% growth in the number of outlets of 29 that was achieved during the period.

We have not raised prices during the year, except for very few items. However, we have conducted price adjustments in phases by upgrading some stores to higher price grouping if the trade area can sustain further increase in price. The nationwide average impact of this initiative is around 4%. We had also been enticing our loyal customers to visit our restaurants more regularly with more generous combo meals designed for families and groups of individuals who eat-out together, and we have re-launched the much awaited Cheezy Chicken in August this year. With chicken prices remaining stable, we were able to maintain our gross margin at around 62%.

Table 4. KFC's restaurants breakdown by asset type

Store Type	2014	2015	2016	Sep-17
Free Standing Stores	76	91	98	105
In-line Stores	163	183	194	197
Mall stores	213	220	234	237
Food-court Stores	38	39	39	41
Box	3	7	10	19
Total	493	540	575	599

We have received approvals to open up to 10 KFC Box units, but expected to open around 20 units during the year, while continuing to enjoy the initial franchise fee waiver. To date, we have 19 KFC Box units in operations, 11 of which were opened in the first nine months of this year. On top of these, we had also

opened 29 new restaurants to date. Combined with the closure of 5 restaurants, we operated a total of 599 restaurants as of end-September 2017. We have plans to open 24 more restaurants, including 9 KFC box before the year closes.

PT Nippon Indosari Corpindo Tbk (ROTI.IJ) SARI ROTI

Table 5. Summary of unaudited 9-months 2017 results :

(Rp bn)	2Q17	3Q17	qoq	Sep-16	Sep-17	yoy
Sales	581.2	641.6	10.4%	1,837.3	1,825.3	-0.7%
Gross Profit	304.0	341.0	12.1%	950.3	944.0	-0.7%
<i>gross margin</i>	<i>52.3%</i>	<i>53.1%</i>		<i>51.7%</i>	<i>51.7%</i>	
Selling and distribution	(203.6)	(194.7)	-4.4%	(485.5)	(591.8)	21.9%
General and admin exp	(71.9)	(78.3)	8.9%	(185.3)	(215.0)	16.0%
Others, net	13.5	13.7	1.8%	44.3	41.4	-6.5%
Total operating expense	(262.0)	(259.3)	-1.0%	(626.5)	(765.4)	22.2%
Operating profit	42.0	81.7	94.4%	323.9	178.6	-44.9%
<i>operating margin</i>	<i>7.2%</i>	<i>12.7%</i>		<i>17.6%</i>	<i>9.8%</i>	
Total Other income (exps)	(18)	(19)	10.0%	(55.1)	(54.1)	-1.8%
Pretax Profit	24.5	62.4	155.0%	268.8	124.5	-53.7%
Income tax expense, net	(6.0)	(17.2)	187.8%	(64.9)	(33.1)	-49.0%
Net income	18.5	45.2	144.4%	203.9	91.4	-55.2%
Total comp. income	18.3	45.7	150.1%	203.9	78.0	-61.7%
Basic EPS (Rp)	3.7	8.9	144.4%	40.3	18.1	-55.2%

ROTI's third quarter results registered the strongest performance as compared to the previous quarters in 2017. The 3Q17 Sales was Rp 642bn, a 10% improvement QoQ as the consumer demand for Sari Roti breads picked up after Ramadhan. Margins strengthened in 3Q17 due to the improved efficiencies from the Company's increased utilization capacity.

Gross margin improved by 12.1% to 53.1% for this quarter, while Operating margin recovered to 12.7% from 7.2% in the previous quarter as a result of the strong sales performance and sharp improvement in return of expired products.

The Net Income correspondingly improved by 144% QoQ to Rp 45bn from Rp 18bn.

ROTI is confident that the momentum will carry on in 4Q17 with growth to come from new product launch and new points of sale in modern trade and general trade distribution channels.

We completed the offering of 1,124,688,888 new shares at an offering price of Rp 1,275/share in October, 782 million of which (12.64% of the expanded capitalization) was subscribed by KKR – a major global investment fund – through a Singapore-incorporated subsidiary.

PT Indoritel Makmur Internasional Tbk. (DNET.IJ)

Table 6. Summary of unaudited consolidated 9M17 results :

(Rp bn)	2Q17	3Q17	QOQ%	Sep-16	Sep-17	YOY%
Sales	13.1	17.0	29.7%	14.8	39.6	168.1%
Share of profit of associates	74.7	28.5	-61.9%	225.4	81.3	-63.9%
Selling expenses	(9.3)	(16.0)	71.8%	(3.3)	(33.8)	n.m
General and administrative	(19.6)	(14.0)	-28.4%	(38.0)	(46.2)	21.5%
Other expenses (income)	0.2	(2.7)	n.m	3.4	(2.4)	-172.2%
Total operating expense	45.9	(4.3)	-109.3%	187.5	(1.1)	-100.6%
Operating profit	59.1	12.7	-78.4%	202.2	38.4	-81.0%
Non-Operating Income (Exps.)	(2.2)	(2.8)	26.8%	(4.2)	(6.8)	63.1%
Pretax Profit	56.8	9.9	-82.6%	198.1	31.6	-84.0%
Income tax expense, net	0.0	(0.1)	n.m	(3.3)	(0.2)	-95.3%
Net income	56.8	9.8	-82.8%	194.8	31.5	-83.8%
Total comprehensive income	48.8	9.3	-81.0%	194.8	12.0	-93.8%
Basic EPS (Rp)	4.0	0.7	-82.8%	13.7	2.2	-83.8%

Revenues went up 168.1% YoY during the period ending September 2017 to Rp 39.6bn, mostly due to consolidation of our telecom subsidiary - PT. Mega Akses Persada ("MAP"). MAP reported a consolidated revenue of Rp 39.5 bn for the period ending September 2017, up 29.7% QoQ and accounted for about 99.8% of 9M17 Indoritel consolidated revenues.

At the corporate level, operating losses widened as MAP expanded its network of fiber optics, which has reached 75 cities as of end-September 2017, mostly in Java and Bali area with a total length of about 4,071 km. As of end-September, we had 139.4 thousands home-passes in operations and 7,928 users connected (including 851 Indomaret stores and 149 banks) to our network with an average monthly ARPU of Rp 1.1 million.

Associate contributions went down 63.9% YoY to Rp 81.3 billion. These contributions were depressed by across the board weakening in performance and profitability of our associated companies.

Ogahruqi.com registered a total of 4,273 active members as of the end of 9M17. We added 8,686 new members since end-June 2017 Total number of merchants as of September 2017 was 1,830 we added 92 new merchants in 9M17.