

PT Indomarco Prismaatama 

Table 1. Summary of unaudited 2016 results with comparables :

(Figures in Rp bn)	3Q16	4Q16	qoq	2015	2016	yoy
Sales	15,009.7	15,040.6	0.2%	49,447.5	59,170.9	19.7%
Cost of Goods Sold	(12,128.7)	(11,980.2)	-1.2%	(39,978.1)	(47,909.4)	19.8%
Gross Profit	2,881.0	3,060.4	6.2%	9,469.5	11,261.5	18.9%
gross margin	19.2%	20.3%		19.2%	19.0%	
General and Administration	(514.7)	(601.2)	16.8%	(1,873.4)	(2,174.4)	16.1%
Selling	(2,164.1)	(2,220.9)	2.6%	(6,825.1)	(8,458.1)	23.9%
Others	164.8	274.0	66.3%	513.0	737.1	43.7%
Total operating expense	(2,514.0)	(2,548.1)	1.4%	(8,185.5)	(9,895.4)	20.9%
Operating profit	367.0	512.3	39.6%	1,284.0	1,366.1	6.4%
operating margin	2.4%	3.4%		2.6%	2.3%	
Total other inc. (exps.)	(163.3)	(153.4)	-6.1%	(486.9)	(571.7)	17.4%
Pretax Profit	203.7	358.9	76.2%	797.1	794.4	-0.3%
Income tax expense, net	(14.6)	(35.3)	141.8%	(85.1)	(43.3)	-49.1%
Net income	165.2	323.6	95.9%	712.0	727.2	2.1%
Other Comp. income	0.0	0.0	0.0%	46.5	0.0	-100.0%
Total comprehensive income	165.2	323.6	95.9%	758.5	727.2	-4.1%

Indomarco Prismaatama reported consolidated revenues of Rp 59.2 trillion for the year ending December 2016, up 19.7% yoy. Most of this growth was attributable to the opening of 1,823 new stores during the year which represented a 14.9% yoy growth in the number of stores. By the end of 2016, Indomarco operated 14,033 stores, of which 4,364 stores were owned by our franchisees.

Store performance as measured by the average daily store sales (SPD = Sales-per-Day) during 2016 strengthened to Rp 12.4m/day, up 1.9% from 2015's SPD of Rp 12.2m/day. Fourth quarter store performance improved from 3Q16 which recorded yoy decline in SPD.

Operating expenses went up 20.9% yoy mostly due to higher labor costs. Minimum wage increases of around 10% in 2016 continued to put a pressure on margins. As we entered 2017, this pressure may ease as the government mandated minimum wage increases for 2017 range from 8%-9% only (although a few less densely populated provinces mandated higher increases of 10%-18%). Stronger commodity prices in the second half of 2016 combined the government's plans to raise electricity prices in 2017 may – in turn – adversely affect 2017 margins.

With borrowing level relatively stable, financing charges for the year were only Rp 490.7 bn up from Rp 420.3 bn in 2015. Our total borrowings as of end-2016 was Rp 4.8 trillion, as compared to our equity of Rp 7.8 trillion, putting debt-to-equity level at around 0.6 and debt-to-EBITDA at 1.4x.

Table 2. Indomaret's Regional Store Breakdown

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

Approximately 55% of the stores we opened in 2016 were in Java-Bali, 17% outside of Java and the remaining 28% in the Greater Jakarta area, 475 franchisee-owned stores were opened in 2016.

PT Fastfood Indonesia Tbk (FAST.IJ)


Table 3. Summary of 2016 unaudited financial results with comparables :

(Figures in Rp bn)	3Q16	4Q16	%QoQ	Dec-15	Dec-16	%YoY
Revenues	1,255.5	1,315.9	4.8%	4,475.1	4,883.3	9.1%
Gross Profit	789.5	829	5.0%	2,723.7	3,054.1	12.1%
<i>gross margin</i>	62.9%	63.0%		60.9%	62.5%	
Selling and distribution costs	(581.6)	(614.4)	5.6%	(2,192.8)	(2,373.9)	8.3%
General and admin exp.	(137.5)	(149.5)	8.7%	(451.1)	(497.1)	10.2%
Others, net	10.8	17.0	57.4%	43.0	34.9	-18.9%
Operating profit	81.2	83.2	2.5%	123.8	218.1	76.2%
<i>operating margin</i>	6.5%	6.3%		2.8%	4.5%	
Other	1.8	2.7	50.0%	9.6	22.6	135.4%
Pretax Profit	83.0	85.9	3.5%	133.5	226.4	69.6%
Income tax expense, net	(19.2)	(20.3)	5.7%	(28.4)	(53.4)	87.8%
Net income	63.7	65.7	3.1%	105.0	172.6	64.4%
Other Comp Income	(15.4)	50.8	n.m	18.7	(24.4)	n.m
Total Comp Income	48.3	116.4	141.0%	123.7	148.2	19.8%
Basic EPS (Rp)	32	33	3.1%	53	87	64.2%

For the period ending December 2016, revenues grew 9.1% yoy to Rp4.88 trillion as we added 35 net outlets during the year (a 6.4% increase over the past year) and a little higher store productivity as reflected by a 2.2% YoY SSSG growth. F&B sales grew 9.1% compared to the previous year whilst CD consignment sales declined from Rp 199.7 billion in 2015 to Rp 187.5 billion this year. We managed to increase our gross margin as chicken prices were also relatively stable all throughout the year. Thanks to 3.5% average price increases in March we managed to partly offset the impact of cost pressures on margins in 2016.

Despite opening additional 35 net new outlets, our total employees only grew by 5.4% to 17,230 as of end 2016 from 16,345 as of end 2015. This was primarily due to the productivity enhancement program launched three years ago, which have reduced the average total staffing level in each outlet. However, due to the significant increase in Indonesian Regional Minimum Wage, our average salaries increased by approximately 10.9% as compared to the previous year, our operating margin drastically improved to 4.5% from 2.8% in 2015 primarily due to price increases and cost control.

During the year, we introduced Cheezy Chicken which was very well accepted by KFC consumers due to its unique taste, product presentation, format and appeal.

Table 4. KFC's restaurants breakdown by asset type

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

The total number of outlets in the network by the end of 2016 was 575 units, 35 more than the previous year (a total of 32 net new traditional restaurants were opened during the year, plus 7 new outlets to replace permanently or temporary closed stores and 3 box units). By the end of 2016, we had opened 3 units of KFC Box (scaled-down model) and their performances were generally good. We are planning to continue expanding our network in 2017 through a net addition of approximately 20 outlets.

PT Nippon Indosari Corpindo Tbk (ROTI.IJ) 
Table 5. Summary of *unaudited* 2016 results with comparables :

(Figures in Rp bn)	3Q16	4Q16	QoQ	Dec-15	Dec-16	YoY
Sales	644.1	684.7	6.3%	2,174.5	2,522.0	16.0%
Gross Profit	333.1	351.3	5.5%	1,019.5	1,301.6	27.7%
<i>gross margin</i>	<i>51.7%</i>	<i>51.3%</i>		<i>53.1%</i>	<i>51.6%</i>	
Selling and Distribution Costs	(163.4)	(184.4)	12.9%	(544.4)	(669.9)	23.1%
General and Admin Exp.	(63.9)	(58.9)	(7.8%)	(194.7)	(244.2)	25.4%
Others	11.7	15.7	34.2%	37.8	60.0	58.7%
Total operating expense	(215.6)	(230.7)	7%	(701.3)	(857.1)	22.2%
Operating profit	117.6	120.6	2.6%	453.7	444.5	(2.0%)
<i>operating margin</i>	<i>18.3%</i>	<i>17.6%</i>		<i>20.9%</i>	<i>17.6%</i>	
Total Other income (exps)	(18.5)	(18.6)	0.5%	(75.4)	(73.6)	(1.4%)
Pretax Profit	99.0	102.1	3.1%	378.3	370.9	(9.6%)
Income tax expense, net	(24.0)	(24.8)	3.3%	(107.7)	(89.7)	(16.7%)
Net income	75.0	77.3	3.1%	270.5	281.2	4.0%
Other Comprehensive Income	0.0	0.0		(6.8)	(17.7)	
Total Comprehensive Income	75.0	59.6	(20.5%)	263.7	263.5	(0.0%)
Basic EPS (Rp)	15	13.5	(7.4%)	53	56	2.6%

For the year ending December 2016, ROTI recorded a 16% YoY increase in sales to Rp 2.5 trillion (unaudited) higher than the growth rate recorded in 2015, indicating the strength of Sari Roti brand despite challenges faced by the company in the market during the year. Quarter-over-quarter sales grew by 6% to Rp 684 billion, the fourth quarter growth was particularly encouraging given the general weakening of the economy. Gross margin was down by about 2.8% to 51.6% this year. We are positive with our ability to maintain the momentum that we saw in 2016 in the coming year.

During the year, we maintained a total of 62 lines of production and introduced 15 new variants of products which were all well received by consumers.

Our gross profit margin was 51.6% about 2.8% lower from the level we booked in 2015 thanks to the soft price of raw material, especially wheat flour. Despite the increasing number of new products, our advertising and promotion budget was maintained at about 5% of net sales, the majority of this was spent towards activities that support our brand promotion and sales.

We managed to book an increase of 4% in the net profit margin to Rp 281 billion from Rp 270 billion in 2015 despite the fourth quarter growth that was slower as compared to last year.

Our balance sheet continued to improve with debt to equity standing at 71% as compared to 80% as of end-2015. And as profitability remained healthy, our interest cover has also increased to 6.3 from 5.0 times recorded in 2015.

PT Indoritel Makmur Internasional Tbk. (DNET.IJ) 

Table 6. Summary of unaudited consolidated 4Q16 results with comparables :

(Rp bn)	3Q16	4Q16	QOQ%	Dec-15	Dec-16	YOY%
Sales	5.6	7.9	42.0%	9.2	22.7	146.2%
Share of profit of associates	102.4	198.1	93.4%	416.5	423.4	1.7%
Selling expenses	(2.1)	(2.1)	1.4%	(2.3)	(5.4)	137.0%
General and administrative	(12.8)	(15.9)	24.5%	(30.4)	(53.9)	77.1%
Other expenses (income)	3.3	(0.2)	-107.5%	(0.4)	3.1	n.m
Total operating expense	90.8	179.8	98.0%	383.4	367.3	-4.2%
Operating profit	96.4	187.7	94.7%	392.6	389.9	-0.7%
Non-Operating Income (Exps.)	2.0	0.7	-64.4%	26.4	(3.5)	-113.1%
Pretax Profit	98.4	188.4	91.5%	419.0	386.5	-7.8%
Income tax expense, net	(1.1)	(0.1)	-87.9%	(4.1)	(3.4)	-16.6%
Net income	97.3	188.3	93.6%	414.9	383.1	-7.7%
Other Comprehensive Income	-	-	-	-	-	-
Total comprehensive income	97.3	188.3	93.6%	414.5	383.1	-7.6%
Basic EPS (Rp)	6.9	13.3	93.6%	29.3	27.0	-7.7%

Revenues went up 146.2% YoY during the period ending December 2016 to Rp 22.7bn, mostly due to full year consolidation of our subsidiary - PT. Mega Akses Persada ("MAP"). MAP reported a consolidated revenue of Rp 20.1 bn for the period ending December 2016, up 42.1% QoQ and accounted for about 89% of FY16 Indoritel consolidated revenues.

As of end-2016, we have deployed our network of optical fiber cable in 11 Province, 61 cities, 290 Districts, 973 Sub Districts with a total length of about 3,694 km. We started our deployment in Java, Sumatera & Bali during the first phase of our roll-out plan. As of the end of 2016, we have over 3,900 users connected to our network with ARPU for FTTx (fiber-to-the-x) of Rp 441 thousand and ARPU for LMS (last-mile-solution) of Rp 1.3 million.

Associate contributions went up 1.7% YoY to Rp 423.4 billion. Growth recorded by PT Nippon Indosari was offset by weaker earnings of PT Indomarco Prismatama and PT Fastfood Indonesia. However, overall we are satisfied with the performance of our associated companies given the challenging trading environment in the second half of 2016.

Ogahugi.com registered a total of 4,961 active members as of the end of FY16. We added 2,106 new members since end-September 2016. Total number of merchants as of September 2016 was 1,534 we added 56 new merchants in FY16. Ogahugi contributed Rp 76 million in revenue during the year.