

PT Indomarco PrismaTama


Table 1. Summary of unaudited 1H17 results :

(Rp bn)	1Q17	2Q17	qoq	Jun-16	Jun-17	yoy
Sales	14,281.9	17,410.9	21.9%	29,120.6	31,692.7	8.8%
Cost of Goods Sold	(11,565.4)	(14,217.7)	22.9%	(23,800.4)	(25,783.1)	8.3%
Gross Profit	2,716.5	3,193.1	17.5%	5,320.1	5,909.7	11.1%
<i>gross margin</i>	<i>19.0%</i>	<i>18.3%</i>		<i>18.3%</i>	<i>18.6%</i>	
General and Administration	(610.4)	(601.0)	-1.5%	(1,058.5)	(1,211.3)	14.4%
Selling	(2,304.5)	(2,492.7)	8.2%	(4,073.0)	(4,797.2)	17.8%
Others	197.2	183.8	-6.8%	298.2	381.0	27.8%
Total operating expense	(2,717.7)	(2,909.9)	7.1%	(4,833.3)	(5,627.5)	16.4%
Operating profit	-1.1	283.3	n.m	486.8	282.1	-42.0%
<i>operating margin</i>	<i>0.0%</i>	<i>1.6%</i>		<i>1.7%</i>	<i>0.9%</i>	
Total other income (exps.)	(121.5)	(142.6)	17.4%	(255.0)	(264.1)	3.6%
Pretax Profit	(122.6)	140.6	-214.7%	231.8	18.0	-92.2%
Income tax expense, net	19.7	10.3	-47.4%	6.6	30.0	353.8%
Net income	(102.9)	151.0	-246.6%	238.5	48.0	-79.9%
Total comp. income	(102.9)	151.0	-246.6%	238.5	48.0	-79.9%

Indomarco PrismaTama reported consolidated sales of Rp 17.4 trillion for 2Q17, 21.9% higher than 1Q17, and for the first half of 2017, revenue was 8.8% higher than last year's. The second quarter benefited from the increase in sales of food products as Indonesians consumers observed the Ramadhan fasting month which ended with Idul Fitri celebration on 25th June 2017. Year-over-year performance also reflected the impact of the opening of 10.7% additional stores over the past year. As of 30th June 2017, we operated 14,500 stores, of which 4,461 stores (30.8% of the total) were owned by our franchisee partners.

Indomaret's average daily store sales (SPD) as of end-June 2017 was Rp 12.2 m/day, 2.2% lower year-over-year than the figure booked in 1H16.

2Q17 expenses were 6.1% higher than in the 1Q17 as we paid out the state-mandated '13th month bonus' to all our employees. We continued to work on various programs to improve our operational efficiency, as increases in operating expenses of 17.1% yoy continued to weigh down our revenue growth, resulting in margin pressure at the operating level.

Total borrowing as of end-June was Rp 7.4 trillion, 50% higher than the previous year. Fortunately, IDR interest rate environment has been benign and interest charges remain flat yoy. Debt-to-equity rose to 95%.

Table 2. Indomaret's Regional Store Breakdown

(Stores)	2014	2015	2016	1H17
Greater Jakarta	3,447	3,823	4,341	4,532
Java – Bali	4,884	5,093	6,087	6,203
Other Islands	2,242	3,294	3,605	3,765
Grand total	10,573	12,210	14,033	14,500

Java 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. As of end-June 2017, the total number of franchisee owned stores were 4,461.

PT Fastfood Indonesia Tbk (FAST.IJ)


Table 3. Summary of unaudited 1H17 results :

(Rp bn)	1Q17	2Q17	QoQ	Jun-16	Jun-17	YoY
Revenues	1,204.8	1,400.6	16.2%	2,311.8	2,605.4	12.7%
Gross Profit	749.0	872.2	16.5%	1,435.1	1,621.2	13.0%
<i>gross margin</i>	62.2%	62.3%		62.1%	62.2%	
Selling and distribution costs	(603.3)	(727.1)	20.5%	(1,177.9)	(1,330.3)	12.9%
General and admin. expenses	(136.8)	(103.3)	-24.5%	(210.1)	(240.1)	14.2%
Others, net	3.2	5.0	59.8%	6.7	8.2	23.0%
Operating profit	12.1	46.9	287.3%	53.7	59.0	10.0%
<i>operating margin</i>	1.0%	3.3%		2.3%	2.3%	
Pretax Profit	13.7	49.9	264.3%	57.5	63.6	10.6%
Income tax expense, net	23.5	(44.5)	-288.8%	(14.3)	12.2	-185.4%
Net income	37.2	38.5	3.4%	43.2	75.8	75.4%
Other Comp. Income (loss)	(29.8)	(11.9)	-60.2%	(59.8)	(41.6)	-30.4%
Total comprehensive income	7.5	26.7	257.6%	(16.6)	34.1	-305.8%
Basic EPS (Rp)	18.7	19.3	3.4%	21.6	38.0	75.4%

For the period ending 1H17, total revenues grew 12.7% yoy to Rp 2.6 trillion as we opened 35 net additional outlets over the past year, of which fifteen was opened in 1H17. F&B sales grew 12.8% totaling Rp 2.56 trillion compared to the previous year sales of Rp 2.27 trillion whilst CD consignment sales recovered and went up by 13.7% to Rp 28.9 billion in the first half of 2017 as compared to the previous year's Rp 25.45 billion. Store performance continued to improve as SSSG in 1H17 rose 7.0% YoY mainly due to 6.1% growth in same store transactions, a slightly increase of 0.8% in average ticket size.

Operating expenses increased 13.1% mainly due to increase in the minimum wage. We have been improving the efficiency and productivity of our staff by transferring excess employees from existing stores to new store openings (inclusive of relocation openings), however, with 10 new store openings in new territories, transfer of excess employees from existing stores was not possible, thus increasing our manpower by about 11% over the past year.

There was no final financial arrangement yet with our franchisor – Yum Inc. regarding KFC Box, except the arrangement on the 5% marketing fund, as we are still evaluating with them the performance of the trial units. Our franchisor, however, approved in principle the further opening of additional 21 new units of KFC box for 2017. For the first half of 2017, we had opened only 2 new KFC Box, but 14 units are already in progress.

Table 4. KFC's restaurants breakdown by asset type

Store Type	2014	2015	2016	1H17
Free Standing Stores	76	91	98	101
In-line Stores	163	183	194	196
Mall stores	213	220	234	235
Food-court Stores	38	39	39	40
Box	3	7	10	12
Total	493	540	575	584

We continue to target the opening of 35 net new stores this year while continuing with our efficiency program.

PT Nippon Indosari Corpindo Tbk (ROTI.IJ)


Table 5. Summary of unaudited 1H17 Results :

(Rp bn)	1Q17	2Q17	QoQ	Jun-16	Jun-17	YoY
Sales	602.5	581.2	-3.5%	1,193.1	1,183.6	-0.8%
Gross Profit	299.0	304.0	1.7%	617.2	603.0	-2.3%
<i>gross margin</i>	49.6%	52.3%		51.7%	50.9%	
Selling and dist. costs	(193.6)	(203.6)	5.2%	(322.1)	(397.2)	23.3%
General and admin exp	(64.7)	(71.9)	11.1%	(121.4)	(136.6)	12.6%
Others, net	14.3	13.5	-5.6%	32.6	27.7	-15.1%
Total operating expense	(244.1)	(262.0)	7.4%	(410.9)	(506.1)	23.2%
Operating profit	54.9	42.0	-23.5%	206.3	96.9	-53.0%
<i>operating margin</i>	9.1%	7.2%		17.3%	8.2%	
Total Other income (exps)	(17)	(18)	1.7%	(36.5)	(34.8)	-4.8%
Pretax Profit	37.7	24.5	-35.0%	169.8	62.1	-63.4%
Income tax expense, net	(9.9)	(6.0)	-39.8%	(40.9)	(15.9)	-61.1%
Net income	27.7	18.5	-33.3%	128.9	46.2	-64.1%
Other Comp. Income	(13.7)	(0.2)	n.m.		(13.9)	n.m.
Total comp. income	14.1	18.3	30.0%	128.9	32.3	-74.9%
Basic EPS (Rp)	5.5	3.7	-33.3%	25.5	9.1	-64.1%

Second quarter sales performance was somewhat hampered by the fasting month and weaker consumer purchasing power. With the seasonally slower quarter past, the company plans to launch new bread and cake products in the coming quarters. First half 2017 sales were down 3.5% quarter-over-quarter, and down 0.8% yoy. Gross margin declined during the first half of 2017 due to the rise in labor cost as a result of payment of Idul Fitri allowance, and increase in repairs and maintenance cost.

Expenses went up 23.2% yoy mainly due to higher expired products, increase in salaries (payment of bonus and Idul Fitri allowance incurred in Q2) and rising advertising cost as we launched more new products as compared to the previous period. Consequently our operating margin for the first half of 2017 fell to 8.2%.

Since 2013 the company had not added any factory to our existing production facilities and by the end of 2017, utilization capacity would have reached optimal capacity in some of the plants. To meet the demand for our breads, the company had completed a 5-year capex plan and are planning to fund this via internally generated cashflow, equity and borrowings (if needed). We are planning to offer **up to** 1.15 billion new shares issue at a price of between Rp 1,200/share and Rp 1,300/share. The proceeds raised will be spent on the construction of new production facilities in Java, Sumatra, Kalimantan and the Philippines. In addition, we had budgeted new production lines for our existing factories as well as maintenance capex. The planned offering period and rights trading period is between 6th and 12th October 2017, for shareholders registered as of 4th October 2017.

As of end-June 2017, our debt to equity ratio was 0.7, and our total debt was Rp 1 trillion, consisting of two tranches of bonds maturing in 2018 and 2020.

PT Indoritel Makmur Internasional Tbk. (DNET.IJ)

Table 6. Summary of unaudited consolidated 1H17 results :

(Rp bn)	1Q17	2Q17	QoQ%	Jun-16	Jun-17	YoY%
Sales	9.4	13.1	39.3%	9.2	22.5	145.2%
Share of profit of associates	(21.9)	74.7	-441.7%	123.0	52.8	-57.0%
Selling expenses	(8.5)	(9.3)	9.1%	(1.2)	(17.8)	n.m
General and administrative	(12.5)	(19.6)	57.0%	(25.2)	(32.1)	27.4%
Other expenses (income)	0.1	0.2	53.9%	0.1	0.3	128.6%
Total operating expense	(42.8)	45.9	-207.4%	96.6	3.2	-96.7%
Operating profit	(33.3)	59.1	-277.1%	105.8	25.7	-75.7%
Non-Operating Income (Exp)	(1.8)	(2.2)	26.5%	(6.2)	(4.0)	-35.4%
Pretax Profit	(35.1)	56.8	-261.9%	99.7	21.7	-78.2%
Income tax expense, net	(0.1)	(0.3)	391.1%	(2.2)	(0.3)	-85.5%
Net income	(35.2)	56.6	-260.9%	97.5	21.4	-78.0%
Total comprehensive income	(46.0)	48.5	-205.3%	97.5	2.4	-97.5%
Basic EPS (Rp)	(2.5)	4.0	-260.9%	6.9	1.5	-78.0%

Revenues went up 145.2% YoY during the period ending June 2017 to Rp 22.5bn, mostly due to contribution from PT. Mega Akses Persada (“MAP”). MAP reported a consolidated revenue of Rp 22.5 bn for the period ending June 2017, up 39.3% QoQ and accounted for about 99.8% of 1H17 Indoritel’s consolidated revenues.

As of June 2017, we have deployed our network of optical fiber cable in 11 Province, 65 cities, 1,015 Districts with a total length of about 3,994 km. We started our deployment mostly in Java, Sumatera & Bali during the first phase of our roll-out plan. As of the end of June 2017, we have over 6,209 users connected to our network with ARPU for FTTx is Rp 553 thousand, ARPU for LMS is Rp 1.29 million.

During the quarter, together with CBN we signed a Memorandum of Understanding with Google Asia Pacific Pte. Ltd. for the provision of free Wi-Fi zones in various parts of Indonesia. This deal should increase utilization of our network in the medium to long term.

Associate contributions went down 57.0% YoY to negative Rp 52.8 billion, mainly due to weakening of the consumer buying power in the retail business.

Ogahruqi.com registered a total of 3,702 active members as of the end of 1H17. We added 3,058 new members since end-March 2017. Total number of merchants as of June 2017 was 1,699 we added 70 new merchants in 1H17.