

FLASH NOTES
Indofood Sukses Makmur: INDF 4Q16 earnings: Lower earnings on one-off in the non-operating (INDF IJ. IDR8,075. BUY. TP IDR9,650)

- INDF reported 4Q16 earnings of Rp904bn (down 29.6% yoy and 10.4% qoq), due to one-off non-operating items, which led to FY16 net profits of Rp4.1tn (+39.6% yoy), still in line with our forecast.
- ICBP, which contributed around 50% of INDF's revenues, reported a lower-than-expected FY16 top line. As a result, INDF's top line was only 97% of our full year forecast.
- We will provide more details following the upcoming analyst meeting.

Exhibit 1. FY16 result

	2015	2016	yoy growth	4Q15	3Q16	4Q16	yoy	qoq	2016 /FY16F	
Revenue	64,062	66,750	4.2%	16,498	15,782	16,884	2.3%	7.0%	97%	
COGS	46,804	47,322	1.1%	12,107	11,020	12,018	-0.7%	9.1%		
Gross profit	17,258	19,428	12.6%	4,391	4,762	4,867	10.8%	2.2%		
Opex	10,381	11,157	7.5%	2,596	2,787	2,720	4.8%	-2.4%		
Operating profit	6,877	8,272	20.3%	1,794	1,975	2,146	19.6%	8.7%	105%	
Pretax profit	4,962	7,385	48.8%	2,339	1,869	1,927	-17.6%	3.1%		
Net profit	2,968	4,145	39.6%	1,284	1,009	904	-29.6%	-10.4%	101%	
Ratios	2015	2016		4Q15	3Q16	4Q16			2016F	2017F
Gross margin	26.9%	29.1%		26.6%	30.2%	28.8%			28.3%	29.5%
Operating margin	10.7%	12.4%		10.9%	12.5%	12.7%			11.5%	12.7%
Pretax margin	7.7%	11.1%		14.2%	11.8%	11.4%			37.7%	25.4%
Net margin	4.6%	6.2%		7.8%	6.4%	5.4%			6.0%	6.4%

Source: Danareksa, Bloomberg

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