



PT LAUTAN LUAS Tbk



INVESTOR NEWSLETTER 1H2020

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FINANCIAL HIGHLIGHTS

LTLS's operating results summary for 1H2020 are summarized on the following page. For a more comprehensive analysis of the 1H2020 performance, the quarterly report is available on our company website (www.lautan-luas.com).

Our revenues and earnings in the first half of 2020 were negatively affected by the Covid-19 pandemic, where such affects varied among our business segments. Total revenue has slowed to IDR2,881 billion in the 1H2020 (-14.7% YOY), mainly from the Distribution segment (-22% YOY). While revenue from Manufacturing segment was -6.2% YOY. Consolidated revenue in 1H2020 comprised of Distribution segment (44%), Manufacturing segment (48%) and Support & Services segment (8%).

Total gross profit was IDR599 billion in 1H2020 (-5.7% YOY). The decline reflected the lower revenue in 1H2020, partially offset by higher gross margin of 20.8% (1H2019: 18.8%), mainly supported by higher gross margin from our Manufacturing segments.

Profit for the period attributable to the owners of the Parent entity was IDR6 billion in 1H2020, or -94% YOY. The decline were primarily attributable to lower gross profit, income from affiliates and loss from foreign exchanges; reflecting the effects of Covid-19 that cause an economic slowdown, foreign currency exchange rates volatility as well as higher degree of risks and uncertainties.

Total equity attributable to owners of the parent entity was IDR1,896 billion as of June 2020, lower by 1.5% compared to December 2019. The equity amount has translated to a book value per-share of IDR1,238/share at end of June 2020.

Net debt to equity ratio was 0.95x as of June 2020, improved from 1.18x YOY. While current ratio as of June 2020 was 0.84x, lower compared to June 2019 mainly attributable to reclassification of bonds payable due in November 2020. Current ratio is expected to increase slightly after our 3- and 5-year bonds issued in July 2020. We currently believe our equity base and liquidity are adequate to support during this volatile period.

The coronavirus spread rapidly across the world since early of 2020 and was declared as pandemic by the World Health Organization. The responses to contain its spread started to affect our operations in March and will likely continue to affect our future earnings due to the risks and uncertainties resulting from the pandemic.

In view of the uncertainty amid the outbreak, we do hope that everybody is well in these extraordinary times. Please stay safe and healthy.

FINANCIAL HIGHLIGHTS



CONSOLIDATED INCOME STATEMENT

in Billion IDR	1H20	1H19	2019	2018	2017
Revenue	2,881	3,379	6,535	7,076	6,597
Gross Profit	599	635	1,281	1,289	1,207
<i>Gross Margin</i>	<i>20.79%</i>	<i>18.79%</i>	<i>19.61%</i>	<i>18.22%</i>	<i>18.29%</i>
Operating Expenses	408	426	874	839	860
Other Operating Income/(Expenses)	(68)	8	40	(12)	20
Income from Operation	123	218	447	438	366
Finance Costs (Nett)	(71)	(87)	(209)	(194)	(150)
Income/(Loss) from Affiliates	0	34	66	64	38
Net Income	6	108	181	200	150
Comprehensive Income	27	80	118	281	210
EBITDA	276	330	656	694	553



FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEET

in Billion IDR	1H20	1H19	2019	2018	2017
Cash & Cash Equivalent	454	190	86	144	125
Trade Receivables	772	1,126	1,084	1,210	1,333
Inventories	1,109	1,043	1,163	1,287	885
Others	286	328	175	202	235
Current Assets	2,621	2,687	2,508	2,843	2,578
Fixed Assets	1,897	1,885	1,881	1,902	1,953
Others	1,512	1,621	1,474	1,574	1,238
Non Current Assets	3,409	3,506	3,355	3,476	3,191
Total Assets	6,030	6,193	5,863	6,318	5,769

in Billion IDR	1H20	1H19	2019	2018	2017
Trade Payables	786	857	1,078	1,247	1,001
Short-term Bank Loans	1,639	1,675	1,329	1,544	716
Current Maturities of Long-terms Debts	370	38	372	36	778
Others	319	302	192	160	143
Current Liabilities	3,114	2,872	2,972	2,987	2,638
Long-term Debts	496	977	488	997	1,038
Others	262	225	243	209	222
Non-Current Liabilities	758	1,202	731	1,206	1,260
Total Liabilities	3,872	4,074	3,703	4,193	3,898
Equity	2,158	2,119	2,160	2,125	1,871
Total Liabilities & Equity	6,030	6,193	5,863	6,318	5,769

FINANCIAL HIGHLIGHTS



WORKING CAPITAL CYCLE

in Billion IDR	1H20	1H19	2019	2018	2017
Trade Receivables (T/R)	772	1,126	1,084	1,210	1,333
T/R Days	48	60	60	62	73
Inventories	1,109	1,043	1,163	1,287	885
Inventory Days	88	68	80	80	59
Trade Payables (T/P)	786	857	1,078	1,247	1,001
T/P Days	62	56	74	78	67
Working Capital – Trade (T/R + Inv – T/P) days	1,095 74	1,312 72	1,169 66	1,250 64	1,217 65

KEY PERFORMANCE RATIO

	1H20	1H19	2019	2018	2017
Asset Growth (%)	2.84	(1.99)	(7.20)	9.52	1.96
Revenue Growth (%)	(14.73)	0.63	(7.66)	7.27	2.47
Gross Margin (%)	20.79	18.79	19.61	18.22	18.29
Operating Margin (%)	4.27	6.44	6.84	6.19	5.55
EBITDA */Net Int. Exp. ** (X)	3.92	3.79	3.15	3.59	3.68
Net Debt ***/Equity (X)	0.95	1.18	0.97	1.14	1.29
Net Debt ***/EBITDA* (X)	3.70	3.78	3.21	3.50	4.36
Current Ratio (X)	0.84	0.94	0.84	0.95	0.98

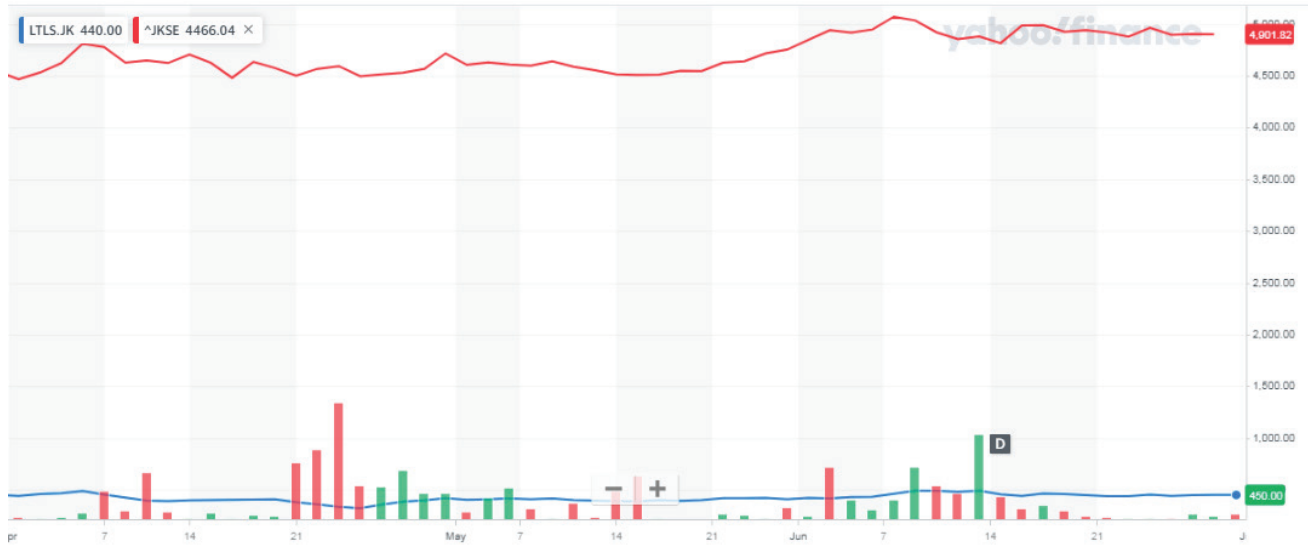
* EBITDA does not include foreign exchange gains or losses for the relevant period

** Net Interest Expense is defined as Interest Expense less Interest Income

*** Net Debt is defined as Total Interest Bearing Loans less Cash & Cash Equivalents



SHARE PRICE HISTORY



Share (millions)*	1,560
Price in 2020, June 30 (Rp)	450
Price / Earning (x)**	56.25
Dividend Yield (%)	7.78
ROE (%) **	3.01
52wk High (Rp)	690
52wk Low (Rp)	318
EPS (Rp)	4
EPS Annualized** (Rp)	8

* Include 28,497,000 treasury stocks

** Annualized



PT LAUTAN LUAS Tbk

Established in 1951, **PT LAUTAN LUAS Tbk** is a distributor and manufacturer of basic and specialty chemicals. The Company represents over 100 international principals, distributing over 1,000 basic and specialty chemical products to more than 2,000 industrial customers throughout Indonesia and the Asia Pacific region.

In addition to the Jakarta headquarters, the Company operates four branches and seven representative offices located in various major cities throughout the archipelago, including a regional office in Singapore that oversees company operations in China, Thailand, and Vietnam.

In manufacturing, the Company currently has stakes in twelve production facilities in Indonesia, two facilities in China, and one in Vietnam.

Its Support & Services business comprise of four subsidiaries that were previously the Company's internal departments, offering supply chain, IT, and laboratory services.

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