



PT LAUTAN LUAS Tbk

Distributor and Manufacturer - Specialty and Basic Chemicals

INVESTOR NEWSLETTER

1Q18

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FINANCIAL HIGHLIGHTS

PT LAUTAN LUAS Tbk (LTLS) is pleased to announce its 1Q2018 results as follows:

LTLS's gain in net income during 1Q2018 was IDR51 billion, or higher by 16% versus 1Q2017. The current performance achievement was mainly contributed by favorable results from our affiliates.

Revenue in 1Q2018 was IDR1,727 billion, or 1% above 1Q2017; with gross margin has improved from 17.2% in 1Q2017 to 18.56% in 1Q2018. Revenue in 1Q2018 comprise of 46% from Distribution segment, 45% from Manufacturing segment, and the remaining 9% from our Support & Services segment.

Operating income in 1Q2018 was IDR94 billion, decreased by 14% yoy due to a combination of loss on foreign exchanges in 1Q2018 as opposed to gain on foreign exchanges been recorded in 1Q2017, as well as higher operating expenses in 1Q2018. While EBITDA in 1Q2018 has reached IDR160 billion, up by 20% compared to the same period last year of IDR133 billion.

In summary, our current performance in 1Q2018 has translated to an earning per-share attributable to the parent entity amounting IDR33/share (or annualized of IDR134/share), with book value per-share was IDR1,179/share as end of March 2018.

For additional information, our Annual general shareholders meeting will be held on 11 May 2018, where we will announce the performance including dividend distribution as in accordance to our internal policy. Also, analyst meeting event to further discuss 1Q2018 performance will be held on 16 May 2018.

FINANCIAL HIGHLIGHTS

CONSOLIDATED INCOME STATEMENT

in Million IDR	1Q18	1Q17	2017	2016	2015
Revenue	1,727	1,710	6,597	6,438	6,466
Gross Profit	320	294	1,207	1,153	1,084
<i>Gross Margin</i>	<i>18.56%</i>	<i>17.20%</i>	<i>18.29%</i>	<i>17.90%</i>	<i>16.77%</i>
Operating Expenses	224	194	860	788	747
Income from Operation	94	109	366	342	327
Finance Costs	(48)	(36)	(150)	(150)	(182)
Income/(Loss) from Affiliates	22	2	38	(47)	(67)
Other Operating Income/(Expenses)	(2)	8	20	(23)	(10)
Net Income	51	44	150	60	4
Comprehensive Income	150	50	210	18	128
EBITDA	160	133	550	465	408

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

** Average Rate is defined as the average closing rate at the end of each day for the relevant period

FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEET

in Billion IDR	1Q18	1Q17	2017	2016	2015
Cash & Cash Equivalent	162	87	125	69	120
Trade Receivables	1,416	1,387	1,333	1,488	1,333
Inventories	1,070	659	885	778	900
Others	289	419	235	298	296
Current Assets	2,937	2,552	2,578	2,633	2,649
Fixed Assets	1,973	1,866	1,973	1,864	1,589
Others	1,338	1,169	1,218	1,161	1,155
Non Current Assets	3,311	3,035	3,191	3,025	2,744
Total Assets	6,248	5,588	5,769	5,658	5,393

in Billion IDR	1Q18	1Q17	2017	2016	2015
Trade Payables	1,232	1,128	1,001	1,249	1,146
Short-term Bank Loans	706	1,053	716	1,114	1,338
Current Maturities of Long-terms Debts	773	162	778	159	87
Others	259	237	143	155	156
Current Liabilities	2,970	2,580	2,638	2,677	2,727
Long-term Debts	1,023	1,072	1,038	1,117	866
Others	229	193	222	186	180
Non-Current Liabilities	1,252	1,265	1,260	1,303	1,046
Total Liabilities	4,222	3,845	3,898	3,979	3,773
Equity	2,026	1,743	1,871	1,679	1,620
Total Liabilities & Equity	6,248	5,588	5,769	5,658	5,393

FINANCIAL HIGHLIGHTS

WORKING CAPITAL CYCLE

in Billion IDR	1Q18	1Q17	2017	2016	2015
Trade Receivables (T/R)	1,416	1,387	1,333	1,488	1,333
<i>T/R Days</i>	<i>74</i>	<i>73</i>	<i>73</i>	<i>83</i>	<i>74</i>
Inventories	1,070	659	885	778	900
<i>Inventory Days</i>	<i>68</i>	<i>42</i>	<i>59</i>	<i>53</i>	<i>60</i>
Trade Payables (T/P)	1,232	1,128	1,001	1,249	1,146
<i>T/P Days</i>	<i>79</i>	<i>72</i>	<i>67</i>	<i>85</i>	<i>77</i>
Working Capital – Trade	1,254	918	1,217	1,017	1,087
<i>(T/R + Inv – T/P) days</i>	<i>63</i>	<i>43</i>	<i>65</i>	<i>51</i>	<i>57</i>

KEY PERFORMANCE RATIOS

	1Q18	1Q17	2017	2016	2015
Asset Growth (%)	8.30	(1.25)	1.96	4.91	15.37
Revenue Growth (%)	0.95	14.23	2.47	(0.43)	9.81
Gross Margin (%)	18.56	17.20	18.29	17.90	16.77
Operating Margin (%)	5.44	6.36	5.55	5.31	5.04
EBITDA */Net Int. Exp. ** (X)	3.31	3.71	3.66	3.12	2.25
Net Debt ***/Equity (X)	1.16	1.25	1.29	1.38	1.34
Net Debt ***/EBITDA* (X)	3.65	4.02	4.38	4.95	5.32
Current Ratio (X)	0.99	0.99	0.98	0.98	0.97

* 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 2018, March 29 (Rp)	650
Price / Earning (x)	4.92
Deviden Yield (%)	1.85
ROE (%)	10%
52wk High (Rp)	760
52wk Low (Rp)	480
EPS (Rp)	33

* **Include 47,338,000 treasury stocks**

ABOUT LTLS

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 fourteen production facilities in Indonesia, two facilities in China, and one in Vietnam.

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

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