



PT LAUTAN LUAS Tbk



# INVESTOR NEWSLETTER 9M2020



# FINANCIAL HIGHLIGHTS

LTLS's operating results for 9M2020 are summarized on the following page. For a more comprehensive analysis of the 9M2020 performance, the quarterly financial report is available on our company website ([www.lautan-luas.com](http://www.lautan-luas.com)).

Our revenues and earnings in 9M2020 were negatively affected by the Covid-19 pandemic, where such affects varied among our business segments. Total revenue has slowed to IDR4,213 billion in 9M2020 (-14.8% YOY), mainly from the Distribution (-18% YOY) and Manufacturing (-11% YOY) segment. Consolidated revenue in 9M2020 comprised of Manufacturing segment (47%), Distribution segment (45%) and Support & Services segment (8%).

Total gross profit was IDR876 billion in 9M2020 or -7.7% YOY. The decrease reflected lower revenue in current period, partly offset by favourable higher gross margin of 20.8% (9M2019: 19.2%).

Profit for the period attributable to the owners of the Parent entity was IDR26.8 billion in 9M2020, or -82% YOY. The decline were primarily due to lower revenue, lower 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 IDR1,960 billion as of September 2020, increased by 1.8% compared to December 2019. The equity amount has translated to a book value per-share of IDR1,280/share at end of September 2020.

In July 2020, LTLS issued unsecured bonds of IDR181.5 billion for 3- year tenor with interest rate of 10.25% p.a. and IDR105.2 billion for 5- year tenor with interest rate of 10.50% p.a.

Net debt to equity ratio was 0.82x as of September 2020, improved from 1.07x YOY. While current ratio as of September 2020 was at 0.95x. We currently believe our capital base and liquidity is adequate to support during this volatile period. Additionally, we have taken actions to reduce capital expenditure and operating costs as appropriate in response to help mitigate the financial impact.

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	9M20	9M19	2019	2018	2017
Revenue	4,213	4,943	6,535	7,076	6,597
Gross Profit	876	948	1,281	1,289	1,207
<i>Gross Margin</i>	<i>20.78%</i>	<i>19.20%</i>	<i>19.61%</i>	<i>18.22%</i>	<i>18.29%</i>
Operating Expenses	592	642	874	839	860
Other Operating Income/(Expenses)	(88)	21	40	(12)	20
<b>Income from Operation</b>	<b>196</b>	<b>327</b>	<b>447</b>	<b>438</b>	<b>366</b>
Finance Costs	(108)	(128)	(209)	(194)	(150)
Income/(Loss) from Affiliates	6	38	66	64	38
<b>Net Income</b>	<b>27</b>	<b>150</b>	<b>181</b>	<b>200</b>	<b>150</b>
<b>Comprehensive Income</b>	<b>91</b>	<b>116</b>	<b>118</b>	<b>281</b>	<b>210</b>
<b>EBITDA</b>	<b>416</b>	<b>482</b>	<b>656</b>	<b>694</b>	<b>553</b>



# FINANCIAL HIGHLIGHTS

## CONSOLIDATED BALANCE SHEET

in Billion IDR	9M20	9M19	2019	2018	2017
Cash & Cash Equivalent	456	163	86	144	125
Trade Receivables	772	985	1,084	1,210	1,333
Inventories	928	987	1,163	1,287	885
Others	256	330	175	202	235
<b>Current Assets</b>	<b>2,412</b>	<b>2,465</b>	<b>2,508</b>	<b>2,843</b>	<b>2,578</b>
Fixed Assets	1,929	1,885	1,881	1,902	1,953
Others	1,480	1,571	1,474	1,574	1,238
<b>Non Current Assets</b>	<b>3,409</b>	<b>3,456</b>	<b>3,355</b>	<b>3,476</b>	<b>3,191</b>
<b>Total Assets</b>	<b>5,821</b>	<b>5,921</b>	<b>5,863</b>	<b>6,318</b>	<b>5,769</b>

in Billion IDR	9M20	9M19	2019	2018	2017
Trade Payables	749	777	1,078	1,247	1,001
Short-term Bank Loans	1,144	1,599	1,329	1,544	716
Current Maturities of Long-terms Debts	369	12	372	36	778
Others	276	293	192	160	143
<b>Current Liabilities</b>	<b>2,538</b>	<b>2,681</b>	<b>2,972</b>	<b>2,987</b>	<b>2,638</b>
Long-term Debts	778	856	488	997	1,038
Others	273	232	243	209	222
<b>Non-Current Liabilities</b>	<b>1,051</b>	<b>1,088</b>	<b>731</b>	<b>1,206</b>	<b>1,260</b>
<b>Total Liabilities</b>	<b>3,589</b>	<b>3,769</b>	<b>3,703</b>	<b>4,193</b>	<b>3,898</b>
<b>Equity</b>	<b>2,232</b>	<b>2,152</b>	<b>2,160</b>	<b>2,125</b>	<b>1,871</b>
<b>Total Liabilities &amp; Equity</b>	<b>5,821</b>	<b>5,921</b>	<b>5,863</b>	<b>6,318</b>	<b>5,769</b>

# FINANCIAL HIGHLIGHTS



## WORKING CAPITAL CYCLE

in Billion IDR	9M20	9M19	2019	2018	2017
Trade Receivables (T/R)	772	985	1,084	1,210	1,333
<b>T/R Days</b>	<b>49</b>	<b>54</b>	<b>60</b>	<b>62</b>	<b>73</b>
Inventories	928	987	1,163	1,287	885
<b>Inventory Days</b>	<b>75</b>	<b>67</b>	<b>80</b>	<b>80</b>	<b>59</b>
Trade Payables (T/P)	749	777	1,078	1,247	1,001
<b>T/P Days</b>	<b>61</b>	<b>53</b>	<b>74</b>	<b>78</b>	<b>67</b>
Working Capital – Trade (T/R + Inv – T/P) days	951	1,195	1,169	1,250	1,217
	<b>64</b>	<b>68</b>	<b>66</b>	<b>64</b>	<b>65</b>

## KEY PERFORMANCE RATIO

	9M20	9M19	2019	2018	2017
Asset Growth (%)	(0.71)	(6.30)	(7.20)	9.52	1.96
Revenue Growth (%)	(14.77)	(6.62)	(7.66)	7.27	2.47
Gross Margin (%)	20.78	19.20	19.61	18.22	18.29
Operating Margin (%)	4.66	6.62	6.84	6.19	5.55
EBITDA */Net Int. Exp. ** (X)	3.86	3.77	3.15	3.59	3.68
Net Debt ***/Equity (X)	0.82	1.07	0.97	1.14	1.29
Net Debt ***/EBITDA* (X)	3.31	3.58	3.21	3.50	4.36
Current Ratio (X)	0.95	0.91	0.84	0.95	0.98

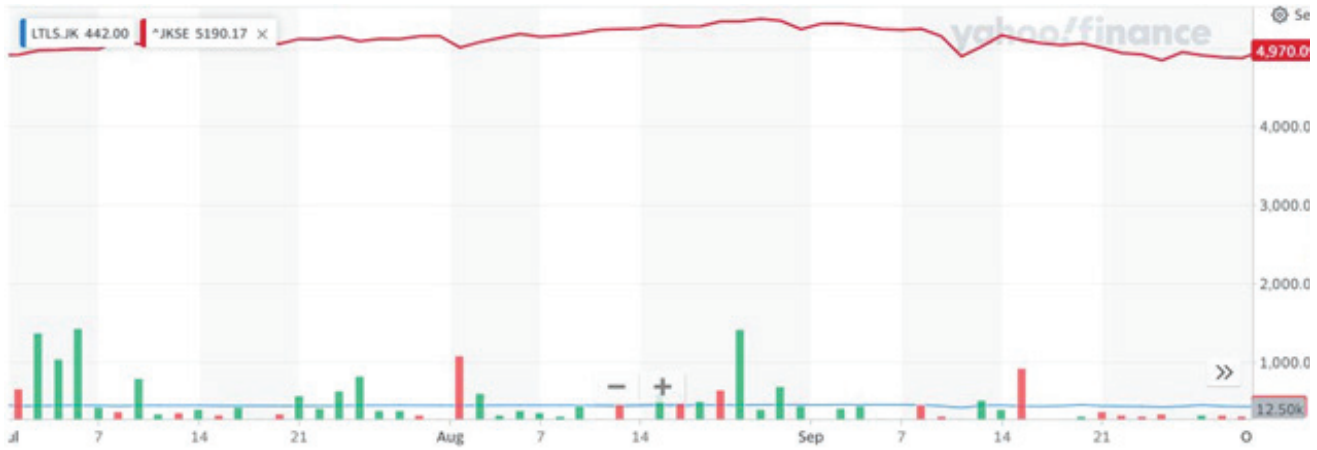
\* EBITDA does not include foreign exchange gains or losses for the relevant period

\*\* 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, Sept 30 (Rp)	426
Price / Earning (x)**	18.79
Dividend Yield (%)	8.22
ROE (%) **	3.83
52wk High (Rp)	675
52wk Low (Rp)	318
EPS (Rp)	17
EPS Annualized** (Rp)	23

\* 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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