



**PT LAUTAN LUAS Tbk**

Distributor and Manufacturer - Specialty and Basic Chemicals

# INVESTOR NEWSLETTER

1H18

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# FINANCIAL HIGHLIGHTS

**PT LAUTAN LUAS Tbk** (LTLS) is pleased to announce its 1H2018 results as follows:

LTLS gain in net income during 1H2018 was IDR64 billion, or 24% below 1H2017. Lower earnings in current period was mainly due to lower operating income as an impact of the slow of sales in June due to long holiday and exchange rate pressure on Rupiah; partly offset by favourable results in earnings from investments in associates, higher gross profit and moderate increase in operating expenses. While EBITDA in 1H2018 has reached IDR304 billion, or up by 13% compared to the same period last year of IDR269 billion.

Revenue in 1H2018 was IDR3,358 billion, or 3% below 1H2017; which comprise of 47% from Distribution segment, 44% from Manufacturing segment, and the remaining 9% from our Support & Services segment. Revenue from our Manufacturing segment increased by 24% in 1H2018, and has been the major contributor to revenue growth in current period, primarily driven by our creamer manufacturing facility that is gradually increasing its production since the capacity expansion in mid last year. While lower revenue from other segments was mainly due to lower contribution from our distribution unit in overseas.

Our gross margin has improved from 16.9% in 1H2017 to 18.1% in 1H2018 driven by higher gross margin from our Distribution segment reflecting an improvement in the product mix portfolio. While lower gross margin from Manufacturing segment partly in order to grow market shares.

In summary, our current performance in 1H2018 has translated to an earning per-share attributable to the parent entity amounting IDR42/share (or annualized of IDR84/share). The book value per-share was IDR1,152/share as end of June 2018.

In addition to the above, we have held our Annual General Shareholders Meeting on 11 May 2018 and announced a dividend distribution of IDR30/share; which translate to a dividend yield of approximately 4.29% , calculated based on share price of IDR700/share as of end June 2018.

As an additional information, LTLS has repaid its shelf-registered bond I/2013 on its maturity date on 19 June 2018. The principal of the bonds paid was IDR700 billion with coupon of 9.75% per annum.

Looking forward in the coming periods of this year, LTLS is actively participating in public expose held by the IDX. We will attend the public expose in Surabaya on 19 September 2018. For a more comprehensive analysis of the 1H2018 performance, our quarterly report is available on company website ([www.lautan-luas.com](http://www.lautan-luas.com)).

# FINANCIAL HIGHLIGHTS

## CONSOLIDATED INCOME STATEMENT

in Billion IDR	2015	2016	2017	1H17	1H18
Revenue	6,466	6,438	6,597	3,456	3,358
Gross Profit	1,084	1,153	1,207	585	607
<i>Gross Margin</i>	<i>16.77%</i>	<i>17.90%</i>	<i>18.29%</i>	<i>16.93%</i>	<i>18.08%</i>
Operating Expenses	747	788	860	401	411
Other Operating Income/(Expenses)	(10)	(23)	20	10	(28)
<b>Income from Operation</b>	<b>327</b>	<b>342</b>	<b>366</b>	<b>195</b>	<b>168</b>
Finance Costs	(182)	(150)	(150)	(69)	(94)
Income/(Loss) from Affiliates	(67)	(47)	38	15	26
<b>Net Income</b>	<b>4</b>	<b>60</b>	<b>150</b>	<b>85</b>	<b>64</b>
<b>Comprehensive Income</b>	<b>128</b>	<b>18</b>	<b>210</b>	<b>65</b>	<b>166</b>
<b>EBITDA</b>	<b>408</b>	<b>465</b>	<b>550</b>	<b>269</b>	<b>304</b>

# FINANCIAL HIGHLIGHTS

## CONSOLIDATED BALANCE SHEET

in Billion IDR	2015	2016	2017	1H17	1H18
Cash & Cash Equivalent	120	69	125	158	96
Trade Receivables	1,333	1,488	1,333	1,505	1,598
Inventories	900	778	885	848	1,099
Others	296	298	235	484	340
<b>Current Assets</b>	<b>2,649</b>	<b>2,633</b>	<b>2,578</b>	<b>2,995</b>	<b>3,133</b>
Fixed Assets	1,589	1,864	1,973	1,875	1,985
Others	1,155	1,161	1,218	1,120	1,285
<b>Non Current Assets</b>	<b>2,744</b>	<b>3,025</b>	<b>3,191</b>	<b>2,995</b>	<b>3,270</b>
<b>Total Assets</b>	<b>5,393</b>	<b>5,658</b>	<b>5,769</b>	<b>5,990</b>	<b>6,403</b>

in Billion IDR	2015	2016	2017	1H17	1H18
Trade Payables	1,146	1,249	1,001	1,193	1,303
Short-term Bank Loans	1,338	1,114	716	1,172	1,521
Current Maturities of Long-terms Debts	87	159	778	862	53
Others	156	155	143	276	243
<b>Current Liabilities</b>	<b>2,727</b>	<b>2,677</b>	<b>2,638</b>	<b>3,503</b>	<b>3,120</b>
Long-term Debts	866	1,117	1,038	535	1,028
Others	180	186	222	205	234
<b>Non-Current Liabilities</b>	<b>1,046</b>	<b>1,303</b>	<b>1,260</b>	<b>740</b>	<b>1,262</b>
<b>Total Liabilities</b>	<b>3,773</b>	<b>3,979</b>	<b>3,898</b>	<b>4,243</b>	<b>4,382</b>
<b>Equity</b>	<b>1,620</b>	<b>1,679</b>	<b>1,871</b>	<b>1,747</b>	<b>2,021</b>
<b>Total Liabilities &amp; Equity</b>	<b>5,393</b>	<b>5,658</b>	<b>5,769</b>	<b>5,990</b>	<b>6,403</b>

# FINANCIAL HIGHLIGHTS

## WORKING CAPITAL CYCLE

In Billion IDR	2015	2016	2017	1H17	1H18
Trade Receivables (T/R)	1,333	1,488	1,333	1,505	1,598
<i>T/R Days</i>	<i>74</i>	<i>83</i>	<i>73</i>	<i>78</i>	<i>86</i>
Inventories	900	778	885	848	1,099
<i>Inventory Days</i>	<i>60</i>	<i>53</i>	<i>59</i>	<i>53</i>	<i>72</i>
Trade Payables (T/P)	1,146	1,249	1,001	1,193	1,303
<i>T/P Days</i>	<i>77</i>	<i>85</i>	<i>67</i>	<i>75</i>	<i>85</i>
Working Capital – Trade	1,087	1,017	1,217	1,160	1,394
<i>(T/R + Inv – T/P) days</i>	<i>57</i>	<i>51</i>	<i>65</i>	<i>56</i>	<i>72</i>

## KEY PERFORMANCE RATIOS

	2015	2016	2017	1H17	1H18
Asset Growth (%)	15.37	4.91	1.96	5.86	10.98
Revenue Growth (%)	9.81	(0.43)	2.47	12.46	(2.84)
Gross Margin (%)	16.77	17.90	18.29	16.93	18.08
Operating Margin (%)	5.04	5.31	5.55	5.65	5.01
EBITDA */Net Int. Exp. ** (X)	2.25	3.12	3.66	3.90	3.25
Net Debt ***/Equity (X)	1.34	1.38	1.29	1.38	1.24
Net Debt ***/EBITDA* (X)	5.32	4.95	4.38	4.49	4.12
Current Ratio (X)	0.97	0.98	0.98	0.86	1.00

\* 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, June 29 (Rp)	700
Price / Earning (x) **	8.33
Deviden Yield (%)	4.29
ROE (%) **	6.36
52wk High (Rp) *	745
52wk Low (Rp)	620
EPS (in Millions Rp)	42

\* Include 23,338,000 treasury stocks

\*\* Annualized

# 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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