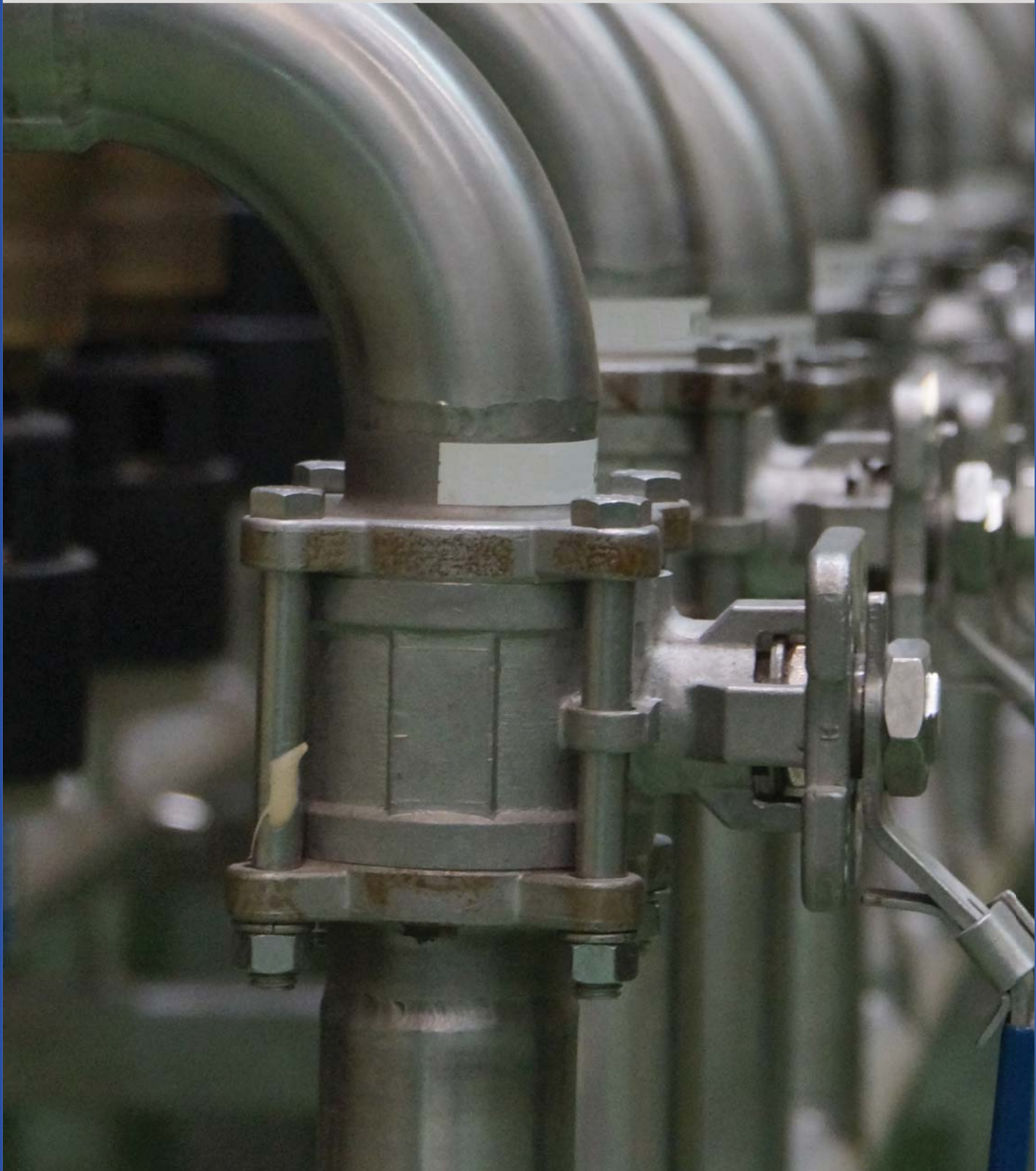


# INVESTOR

# NEWSLETTER 9M19



PT LAUTAN LUAS Tbk





# FINANCIAL HIGHLIGHTS

**PT LAUTAN LUAS Tbk (LTLS)** ) is pleased to announce its 9M2019 results as follows:

LTLS's gain in net income during 9M2019 was IDR150 billion or 28.2% above 9M2018, primarily driven by improvement in gross margin and lower other operating expenses attributable to lower volatility of Rupiah against foreign currency as reflected in the decrease of foreign exchange losses in current period.

Revenue in 9M2019 totalling IDR4,943 billion comprised of 47% from Distribution segment, 45% from Manufacturing segment, and the remaining 8% from our Support & Services segment. Revenue growth of -6.6% in 9M2019 mainly reflected lower revenue from the agriculture and food & beverage industry, which partly due to the overall softness in market demand.

Gross profit was IDR948 billion in 9M2019, slightly lower by -0.8% compared to 9M2018, however gross margin increased from 18.1% in 9M2018 to 19.2% in 9M2019 mainly supported by our Manufacturing segment.

Operating income increased from IDR279 billion in 9M2018 to IDR327 billion in 9M2019, primarily due to decrease in other operating expenses. EBITDA in 9M2019 has reached IDR482 billion, or -1.6% compared to the same period last year of IDR490 billion.

Financial position was relatively stable as of September 2019, with net interest bearing debt to equity at 1.07x, current ratio at 0.91x, and working capital at 68 days.

In summary, our current performance has translated to an earning per-share of IDR98/share in 9M2019 (or annualized at IDR130/share), with book value per-share at IDR1,252/share as end of September 2019.

For a more comprehensive analysis of the 9M2019 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	9M19	9M18	2018	2017	2016
Revenue	4,943	5,293	7,076	6,597	6,438
Gross Profit	948	956	1,289	1,207	1,153
<i>Gross Margin</i>	<i>19.20%</i>	<i>18.06%</i>	<i>18.22%</i>	<i>18.29%</i>	<i>17.90%</i>
Operating Expenses	642	628	839	860	788
Other Operating Income/(Expenses)	21	(50)	(12)	20	(23)
<b>Income from Operation</b>	<b>327</b>	<b>279</b>	<b>438</b>	<b>366</b>	<b>342</b>
Finance Costs	(128)	(142)	(194)	(150)	(150)
Income/(Loss) from Affiliates	38	45	64	38	(47)
<b>Net Income</b>	<b>150</b>	<b>117</b>	<b>200</b>	<b>150</b>	<b>60</b>
<b>Comprehensive Income</b>	<b>116</b>	<b>172</b>	<b>281</b>	<b>210</b>	<b>18</b>
<b>EBITDA</b>	<b>482</b>	<b>490</b>	<b>694</b>	<b>553</b>	<b>465</b>



# FINANCIAL HIGHLIGHTS

## CONSOLIDATED BALANCE SHEET

in Billion IDR	9M19	9M18	2018	2017	2016
Cash & Cash Equivalent	163	104	144	125	69
Trade Receivables	985	1,639	1,210	1,333	1,488
Inventories	987	1,016	1,287	885	778
Others	330	319	202	235	298
<b>Current Assets</b>	<b>2,465</b>	<b>3,078</b>	<b>2,843</b>	<b>2,578</b>	<b>2,633</b>
Fixed Assets	1,885	1,977	1,902	1,953	1,844
Others	1,571	1,237	1,574	1,238	1,181
<b>Non Current Assets</b>	<b>3,456</b>	<b>3,214</b>	<b>3,476</b>	<b>3,191</b>	<b>3,025</b>
<b>Total Assets</b>	<b>5,921</b>	<b>6,292</b>	<b>6,318</b>	<b>5,769</b>	<b>5,658</b>

in Billion IDR	9M19	9M18	2018	2017	2016
Trade Payables	777	1,325	1,247	1,001	1,249
Short-term Bank Loans	1,599	1,424	1,544	716	1,114
Current Maturities of Long-terms Debts	12	36	36	778	159
Others	293	214	160	143	155
<b>Current Liabilities</b>	<b>2,681</b>	<b>2,999</b>	<b>2,987</b>	<b>2,638</b>	<b>2,677</b>
Long-term Debts	856	1,028	997	1,038	1,117
Others	232	243	209	222	186
<b>Non-Current Liabilities</b>	<b>1,088</b>	<b>1,271</b>	<b>1,206</b>	<b>1,260</b>	<b>1,303</b>
<b>Total Liabilities</b>	<b>3,769</b>	<b>4,270</b>	<b>4,193</b>	<b>3,898</b>	<b>3,979</b>
<b>Equity</b>	<b>2,152</b>	<b>2,022</b>	<b>2,125</b>	<b>1,871</b>	<b>1,679</b>
<b>Total Liabilities &amp; Equity</b>	<b>5,921</b>	<b>6,292</b>	<b>6,318</b>	<b>5,769</b>	<b>5,658</b>

# FINANCIAL HIGHLIGHTS



## WORKING CAPITAL CYCLE

in Billion IDR	9M19	9M18	2018	2017	2016
Trade Receivables (T/R)	985	1,639	1,210	1,333	1,488
<b>T/R Days</b>	<b>54</b>	<b>84</b>	<b>62</b>	<b>73</b>	<b>83</b>
Inventories	987	1,016	1,287	885	778
<b>Inventory Days</b>	<b>67</b>	<b>63</b>	<b>80</b>	<b>59</b>	<b>53</b>
Trade Payables (T/P)	777	1,325	1,247	1,001	1,249
<b>T/P Days</b>	<b>53</b>	<b>82</b>	<b>78</b>	<b>67</b>	<b>85</b>
Working Capital – Trade (T/R + Inv – T/P) days	1,195	1,330	1,250	1,217	1,017
	<b>68</b>	<b>65</b>	<b>64</b>	<b>65</b>	<b>51</b>

## KEY PERFORMANCE RATIO

	9M19	9M18	2018	2017	2016
Asset Growth (%)	(6.03)	9.07	9.52	1.96	4.91
Revenue Growth (%)	(6.62)	7.11	7.27	2.47	(0.43)
Gross Margin (%)	19.20	18.06	18.22	18.29	17.90
Operating Margin (%)	6.62	5.26	6.19	5.55	5.31
EBITDA */Net Int. Exp. ** (X)	3.77	3.46	3.59	3.68	3.10
Net Debt ***/Equity (X)	1.07	1.18	1.14	1.29	1.38
Net Debt ***/EBITDA* (X)	3.58	3.65	3.50	4.36	4.99
Current Ratio (X)	0.91	1.03	0.95	0.98	0.98

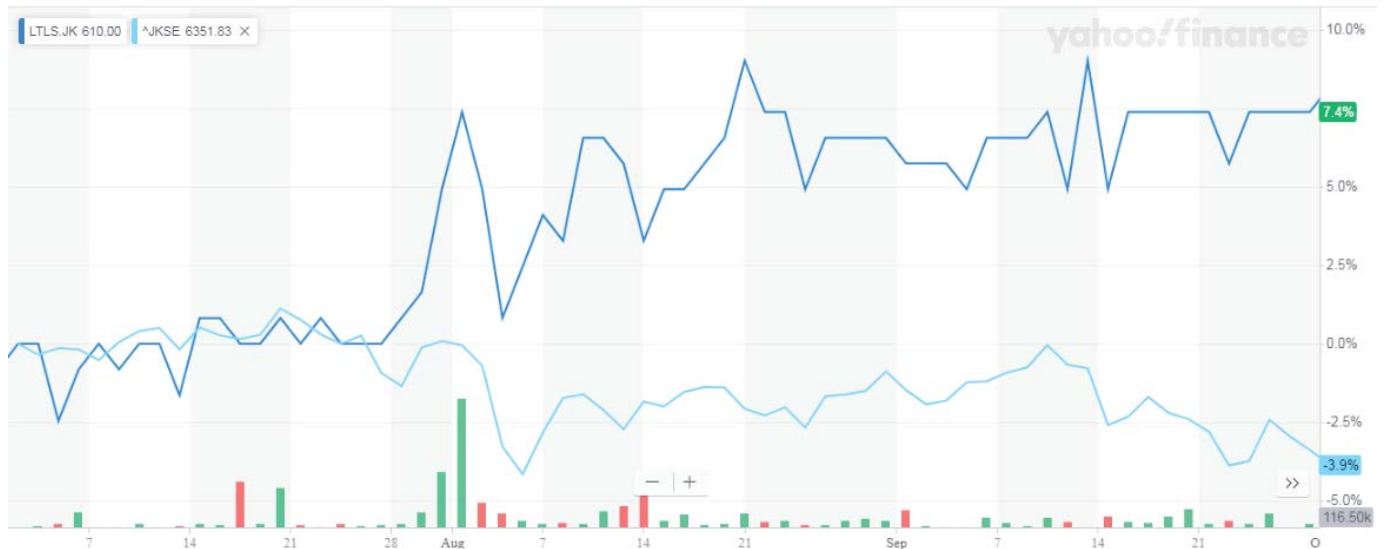
\* EBITDA does not include foreign exchange gains or losses for the relevant period

\*\* 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 2019, September 30 (Rp)	655
Price / Earning (x) **	6.68
Deviden Yield (%)	4.49
ROE (%) **	9%
52wk High (Rp)	735
52wk Low (Rp)	482
EPS (Rp)	98
EPS Annualized ** (Rp)	131

\* Include 23,338,000 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 thirteen 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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