



PT LAUTAN LUAS Tbk
Distributor and Manufacturer - Specialty and Basic Chemicals



INVESTOR NEWSLETTER

August 2017

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FINANCIAL HIGHLIGHTS

PT LAUTAN LUAS Tbk (LTLS) is pleased to announce its result for 1H2017 as follows:

LTLS' gain in net income was IDR85 billion during the 1H2017, against the IDR33 billion attained in 1H2016. The favorable outcome was mainly due to a combination of higher gross profit generated during the period, improving profit from our associated companies, as well as the relatively stable currency fluctuation and lower financing cost.

Revenue in 1H2017 grew by 12% yoy to IDR3,456 billion, mainly supported by our Distribution and Manufacturing segments. While gross margin is slightly down from 17.95% in 1H2016 to 16.93% in 1H2017 partly due to lower margin in the Distribution segment, and the seasonal impact from Eid-al Fitr holiday that has lowered our production quantity level in our Manufacturing segment; thus driving to higher cost of goods sold in 2Q2017.

The above result translates to an increase of our Earning Per Share from IDR21 in 1H2016 to IDR56 in 1H2017. While our per-share book value as of June 2017 was IDR984 per share.

From the financial position standpoint, net interest bearing debt to equity was maintained around 1.38x, with working capital days at 56 days. While current ratio is at 0.86x, or slightly below the common acceptable level, mainly as we have classified our bond I/2013 of IDR700 billion that will due on June 2018 as current liabilities.

In addition to the above, LTLS has issued the new shelf-registered bond II/2017 in June this year with total offering target of IDR1,000 billion. The first issuance in June was IDR200 billion with coupon of 10.5%, and we expect to gradually offer the next issuance in early next year or end this year.

Looking forward in the coming periods of this year, LTLS is actively participating in public expose marathon held by the IDX. We just came back from public expose in Medan on 1 August 2017, and we will attend the public expose in Denpasar on 7 September 2017 and Makassar on 14 September 2017.

FINANCIAL HIGHLIGHTS

Consolidated Income Statement

in Billion IDR	2013	2014	2015	2016	1H16	1H17
Revenue	5,735	5,888	6,466	6,438	3,073	3,456
Gross Profit	935	1,019	1,084	1,153	552	585
<i>Gross Margin</i>	<i>16.30%</i>	<i>17.31%</i>	<i>16.77%</i>	<i>17.90%</i>	<i>17.95%</i>	<i>16.93%</i>
Operating Expenses	620	684	749	788	385	401
Income from Operation	315	335	336	365	180	195
Finance Costs	(116)	(124)	(182)	(150)	(83)	(69)
Income/(Loss) from Affiliates	11	(19)	(67)	(47)	(28)	15
Other Operating Income/(Expenses)	(37)	85	(10)	(23)	13	10
Net Income	85	165	4	60	33	85
Comprehensive Income	267	181	128	18	76	65
EBITDA	601	526	408	465	214	269



FINANCIAL HIGHLIGHTS

Consolidated Balance Sheet

in Billion IDR	2013	2014	2015	2016	1H16	1H17
Cash & Cash Equivalent	146	228	120	69	99	158
Trade Receivables	1,143	1,127	1,333	1,488	1,156	1,505
Inventories	891	897	900	778	787	848
Others	217	245	296	298	499	484
Current Assets	2,397	2,497	2,649	2,633	2,541	2,995
Fixed Assets	1,120	1,161	1,589	1,864	1,739	1,875
Others	1,018	1,017	1,155	1,161	1,211	1,120
Non Current Assets	2,138	2,178	2,744	3,025	2,950	2,995
Total Assets	4,535	4,675	5,393	5,658	5,491	5,990

in Billion IDR	2013	2014	2015	2016	1H16	1H17
Trade Payables	1,133	1,027	1,146	1,249	1,073	1,193
Short-term Bank Loans	710	849	1,338	1,114	1,052	1,172
Current Maturities of Long-terms Debts	79	80	87	159	130	862
Others	184	129	156	155	194	276
Current Liabilities	2,106	2,085	2,727	2,677	2,449	3,503
Long-term Debts	932	904	866	1,117	1,119	535
Others	118	151	180	186	213	205
Non-Current Liabilities	1,050	1,055	1,046	1,303	1,332	740
Total Liabilities	3,156	3,140	3,773	3,979	3,781	4,243
Equity	1,379	1,535	1,620	1,679	1,709	1,747
Total Liabilities & Equity	4,535	4,675	5,393	5,658	5,491	5,990

FINANCIAL HIGHLIGHTS

Working Capital Cycle

in Billion IDR	2013	2014	2015	2016	1H16	1H17
Trade Receivables (T/R)	1,143	1,127	1,333	1,488	1,156	1,505
T/R Days	72	69	74	83	68	78
Inventories	891	897	900	778	787	848
Inventory Days	67	66	60	53	56	53
Trade Payables (T/P)	1,133	1,027	1,146	1,249	1,073	1,193
T/P Days	85	76	77	85	77	75
Working Capital – Trade	901	997	1,087	1,017	870	1,160
(T/R + Inv – T/P) days	54	59	57	51	47	56

Key Performance Ratios

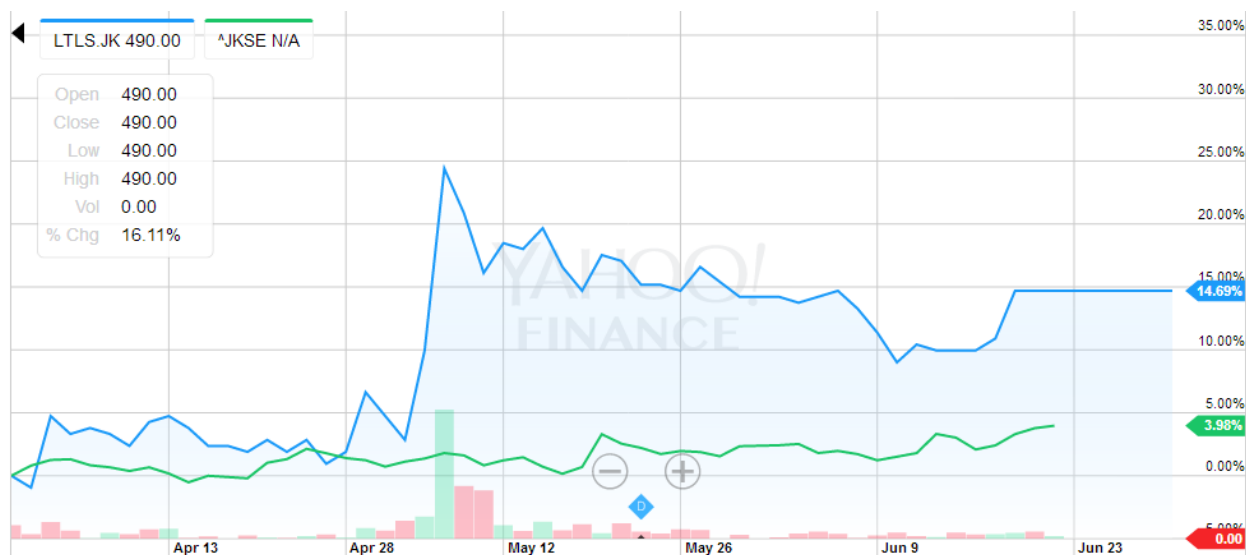
	2013	2014	2015	2016	1H16	1H17
Asset Growth (%)	11.77	3.02	15.37	4.91	1.81	5.86
Revenue Growth (%)	(7.70)	2.67	9.81	(0.43)	(7.54)	12.46
Gross Margin (%)	16.30	17.31	16.77	17.90	17.95	16.93
Operating Margin (%)	4.85	7.10	5.04	5.31	5.85	5.65
EBITDA */Net Int. Exp. ** (X)	5.19	4.24	2.25	3.12	2.58	3.90
Net Debt ***/Equity (X)	1.13	1.03	1.34	1.38	1.29	1.38
Net Debt ***/EBITDA* (X)	2.62	3.04	5.32	4.95	5.14	4.49
Current Ratio (X)	1.14	1.20	0.97	0.98	1.04	0.86

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

** Net Interest Expenses is defined as Interest Expenses 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 2017, June 22 (Rp)	484
Price / Earning (x)	4.31
Deviden Yield (%)	3.41
ROE (%)	12.18
52wk High (Rp)	565
52wk Low (Rp)	340
EPS (in Millions Rp)	56

* 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 five branches and six 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.

For more information, please contact:

Investor Relations

Eurike Hadijaya

Investor.relations@lautan-luas.com

+62 21 8066 0300

