

INVESTOR

NEWSLETTER 1Q2020



PT LAUTAN LUAS Tbk





FINANCIAL HIGHLIGHTS

LTLS's operating results summary for 1Q2020 are summarized on the following page. For a more comprehensive analysis of the 1Q2020 performance, the quarterly report is available on our company website (www.lautan-luas.com).

Consolidated revenue in 1Q2020 comprised of Distribution segment (45%), Manufacturing segment (48%) and Support & Services segment (7%). Revenue was IDR1,554 billion in the 1Q2020, or 14% lower YOY. The decrease was mainly from Distribution segment (-24%) mainly attributable to lower sales to customers in the agriculture industry.

Revenue from Manufacturing segment was secured at -0.6% YOY. Most of our manufacturing units were permitted to operate during the Large Scale of Social Restriction (or PSBB: Pembatasan Sosial Berskala Besar), since our major products are chemicals that support water treatment facility and ingredients for food and beverage industry.

Consolidated gross margin in 1Q2020 was 21.31%, higher than 1Q2019 of 17.95%. Hence, total gross profit was achieved at IDR331 billion in 1Q2020, higher by 2.4% YOY despite the lower revenue in current period.

Operating income was negative IDR49 billion in 1Q2020, mainly resulting from foreign exchanges loss of IDR170 billion. This was severely impacted by the temporary weakening of IDR against USD in March 2020, where 1USD = IDR16,367; versus IDR14,244 at end of March 2019 and IDR14,302 at end of June 2020. And due to this, profit for the year attributable to owners of the parent entity was negative IDR119 billion.

On the other hand, the Company also recorded a difference in foreign currency translation of positive IDR185 billion as part of other comprehensive income, resulting from currency translation of our foreign subsidiaries and affiliates to the domestic currency.

In summary, our current performance has translated to a total equity attributable to owners of the parent entity of IDR1,988 billion as of March 2020, increased by 3.3% as compared to December 2019. Which has also translated to a book value per-share of IDR1,294/share at end of March 2020, versus IDR1,253/share at end of December 2019. While earning per-share was negative IDR78/share in 1Q2020 due to the reasons explained on the above paragraph.

From financial position perspective, the Company's net debt to equity ratio was 1.00x, improved from 1.07x YOY. Current ratio down to 0.80x due to reclassification of bonds payable that will due in November 2020.

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. Stay safe and healthy.

FINANCIAL HIGHLIGHTS



CONSOLIDATED INCOME STATEMENT

in Billion IDR	1Q20	1Q19	2019	2018	2017
Revenue	1,554	1,803	6,535	7,076	6,597
Gross Profit	331	324	1,281	1,289	1,207
<i>Gross Margin</i>	<i>21.31%</i>	<i>17.95%</i>	<i>19.61%</i>	<i>18.22%</i>	<i>18.29%</i>
Operating Expenses	212	212	874	839	860
Other Operating Income/(Expenses)	(168)	(4)	40	(12)	20
Income from Operation	(49)	108	447	438	366
Finance Costs (Nett)	(34)	(42)	(209)	(194)	(150)
Income/(Loss) from Affiliates	(33)	8	66	64	38
Net Income	(119)	48	181	200	150
Comprehensive Income	63	138	118	281	210
EBITDA	128	159	656	694	553



FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEET

in Billion IDR	1Q20	1Q19	2019	2018	2017
Cash & Cash Equivalent	408	120	86	144	125
Trade Receivables	1,011	1,340	1,084	1,210	1,333
Inventories	1,177	1,129	1,163	1,287	885
Others	268	271	175	202	235
Current Assets	2,864	2,860	2,508	2,843	2,578
Fixed Assets	1,999	1,870	1,881	1,902	1,953
Others	1,692	1,651	1,474	1,574	1,238
Non Current Assets	3,691	3,521	3,355	3,476	3,191
Total Assets	6,555	6,381	5,863	6,318	5,769

in Billion IDR	1Q20	1Q19	2019	2018	2017
Trade Payables	1,120	1,119	1,078	1,247	1,001
Short-term Bank Loans	1,785	1,528	1,329	1,544	716
Current Maturities of Long-terms Debts	370	36	372	36	778
Others	302	222	192	160	143
Current Liabilities	3,577	2,905	2,972	2,987	2,638
Long-term Debts	487	987	488	997	1,038
Others	254	216	243	209	222
Non-Current Liabilities	741	1,203	731	1,206	1,260
Total Liabilities	4,318	4,109	3,703	4,193	3,898
Equity	2,237	2,272	2,160	2,125	1,871
Total Liabilities & Equity	6,555	6,381	5,863	6,318	5,769

FINANCIAL HIGHLIGHTS



WORKING CAPITAL CYCLE

in Billion IDR	1Q20	1Q19	2019	2018	2017
Trade Receivables (T/R)	1,011	1,340	1,084	1,210	1,333
T/R Days	59	67	60	62	73
Inventories	1,177	1,129	1,163	1,287	885
Inventory Days	87	69	80	80	59
Trade Payables (T/P)	1,120	1,119	1,078	1,247	1,001
T/P Days	82	68	74	78	67
Working Capital – Trade (T/R + Inv – T/P) days	63	67	66	64	65

KEY PERFORMANCE RATIO

	1Q20	1Q19	2019	2018	2017
Asset Growth (%)	11.81	0.99	(7.20)	9.52	1.96
Revenue Growth (%)	(13.82)	4.44	(7.66)	7.27	2.47
Gross Margin (%)	21.31	17.95	19.61	18.22	18.29
Operating Margin (%)	(3.16)	5.98	6.84	6.19	5.55
EBITDA */Net Int. Exp. ** (X)	3.78	3.82	3.15	3.59	3.68
Net Debt ***/Equity (X)	1.00	1.07	0.97	1.14	1.29
Net Debt ***/EBITDA* (X)	4.37	3.83	3.21	3.50	4.36
Current Ratio (X)	0.80	0.98	0.84	0.95	0.98

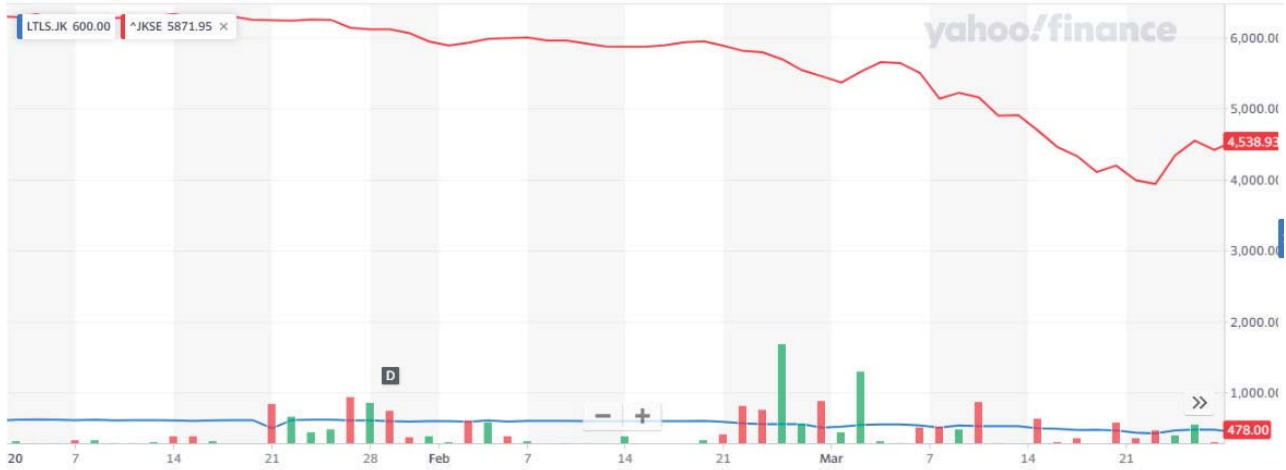
* EBITDA does not include foreign exchange gains or losses for the relevant period

** 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, March 31 (Rp)	450
Price / Earning (x)**	(1.44)
Dividend Yield (%)	7.78
ROE (%) **	(18.96)
52wk High (Rp)	735
52wk Low (Rp)	408
EPS (Rp)	(78)
EPS Annualized** (Rp)	(312)

* 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 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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