



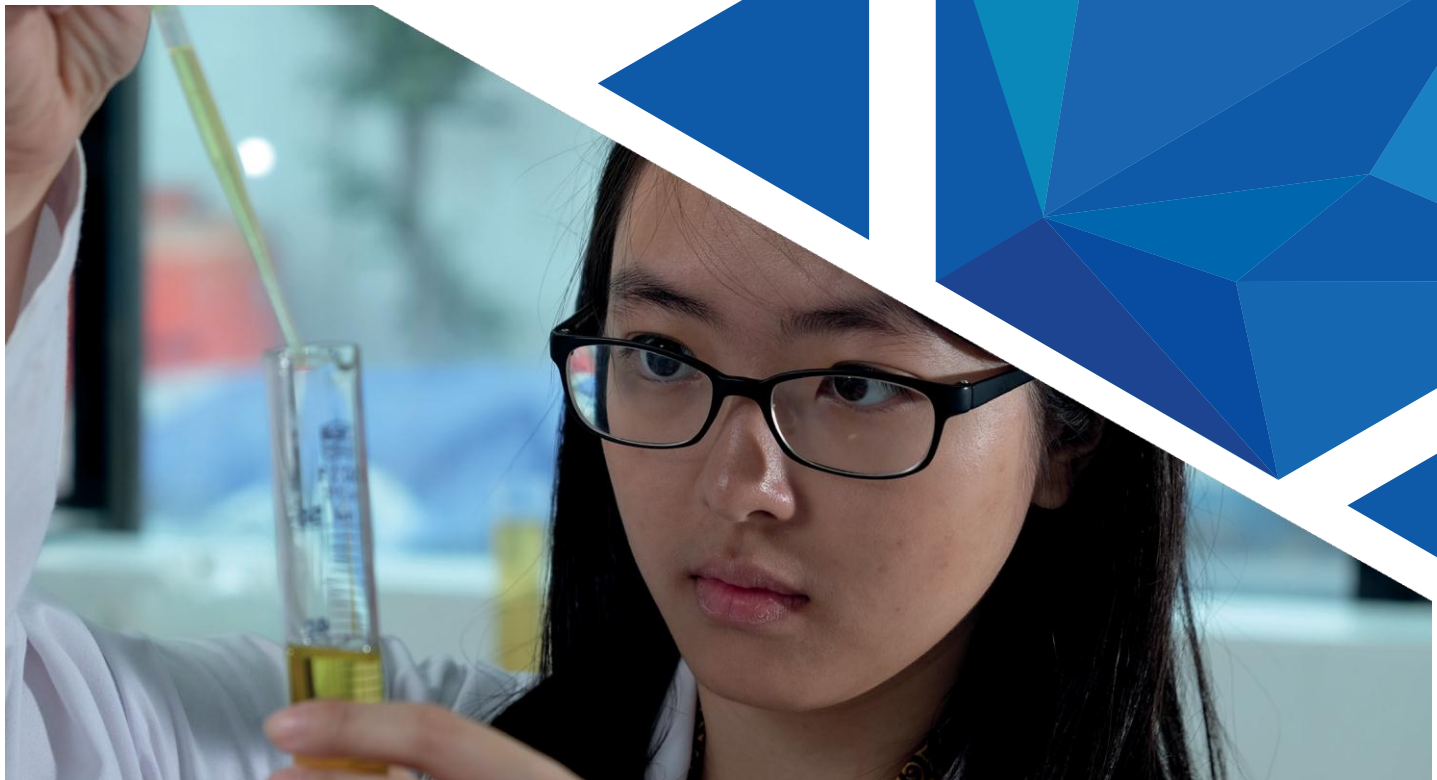
PT LAUTAN LUAS Tbk
DISTRIBUTOR AND MANUFACTURER – SPECIALTY AND BASIC CHEMICALS



INVESTOR NEWSLETTER | 2018

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SUMMARY

PT LAUTAN LUAS Tbk (LTLS) is pleased to announce its 2018 results as follows:

LTLS's gain in net income during full year 2018 was IDR200 billion, or 33.33% above 2017. Higher earnings in current period was mainly driven by higher revenue and gross profit, lower operating expenses, as well as favourable results in earnings from investments in associates; partly offset by loss on foreign exchange and higher finance costs.

Revenue in 2018 was IDR7,076 billion, or 7.27% above 2017; which comprise of 48.01% from Distribution segment, 43.66% from Manufacturing segment, and the remaining 8.32% from our Support & Services segment. Revenue from Manufacturing segment increased by 20.02% in 2018, and has been the major contributor to the total revenue growth in current period. Almost all of our manufacturing units has shown a favourable revenue growth in 2018, with major revenue growth was generated by PT Lautan Natural Krimerindo – our creamer manufacturing facility, and PT Dunia Kimia Jaya – engages in industrial and specialty chemicals which has been showing a positive results post-merger with other subsidiaries in early 2017. Revenue from Support & Services segment – mainly comprised of supply chain services was slightly up by 3.53%, while revenue from Distribution segments was slightly down by 1.62% mainly due to lower contribution from our distribution unit in overseas.

Our gross margin has been relatively stable at 18.22% in 2018 versus 18.29% in 2017, mainly driven by higher gross margin from our Distribution segment reflecting improvement in the product and customer portfolio. While lower gross margin from Manufacturing and Support & Services segment was partly to grow market shares.

Operating income increased from IDR366 billion in 2017 to IDR438 billion in 2018, in line with the improvement in gross profit (+6.79%) and lower operating expenses (2.44%); partly offset by higher other operating expenses due to loss on foreign exchanges. While EBITDA in 2018 has reached IDR694 billion, or up by 25.50% compared to the same period last year of IDR553 billion.

From financial position view, net interest bearing debt to equity improved from 1.29x to 1.14x yoy, current ratio slightly down from 0.98x to 0.95x yoy, while working capital was stable at 64 days.

In summary, our current performance has translated to an increase in earning per-share from IDR99/share in 2017 to IDR131/share in 2018, with book value per-share at IDR1,225/share as end of December 2018.

For a more comprehensive analysis of the 2018 performance, our audited report is available on company website (www.lautan-luas.com). While our Annual report will be released in end of April 2019.

As an additional information, our Annual general shareholders meeting will be held on May 16th 2019, where we will announce our performance including dividend distribution as in accordance to our internal policy. Also, analyst meeting event to further discuss 1Q2019 performance will be held on May 16th 2019.

CONSOLIDATED INCOME STATEMENT

in Billion IDR	FY18	FY17	YoY%	4Q18	3Q18	QoQ%
Revenue	7,076	6,597	7.27	1,783	1,935	(7.86)
Gross Profit	1,289	1,207	6.79	333	349	(4.58)
Gross Profit Margin	18.22%	18.29%	(0.07)	18.68%	18.04%	0.64
Selling, general and administrative expenses	(839)	(860)	(2.44)	(211)	(217)	(2.76)
Forex Gain (Loss)	(37)	0	0	11	(18)	(161.11)
Other Income (Expenses)	25	19	31.58	26	(4)	(750)
Operating Income	438	366	19.67	159	110	44.55
Operating Income Margin	6.19%	5.55%	0.64	8.91%	5.68%	3.23
Profit Before Income Tax	305	252	21.03	125	81	54.32
Total Comprehensive Income	316	242	30.58	121	16	656.25
Profit for The Year Attributable to Owners of the Parent Entity	200	150	33.33	83	53	56.60
Net Margin	2.83%	2.27%	0.56	4.66%	2.74%	1.92
EBITDA*	694	553	25.50	204	186	9.68
USD : IDR Exchange Rate						
Average Rate**	14,237	13,381		14,791	14,614	
Ending Rate	14,481	13,548		14,481	14,929	

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

** Average Rate is defined as the average closing rate at the end of each day for the relevant period

CONSOLIDATED BALANCE SHEET

in Billion IDR	As of 31-Dec-2018	As of 31-Dec-2017	YoY%	As of 31-Dec-2018	As of 30-Sept-2018	QoQ%
Cash & Equivalent	144	125	15.20	144	104	38.46
Short Term Investments – net	17	11	54.55	17	14	21.43
Trade Receivables	1,210	1,333	(9.23)	1,210	1,639	(26.17)
Inventories	1,287	885	45.42	1,287	1,016	26.67
Others	185	224	(17.41)	185	305	(39.34)
Current Assets	2,843	2,578	10.28	2,843	3,078	(7.63)
Fixed Assets	1,902	1,953	(2.61)	1,902	1,977	(3.79)
Others	1,574	1,238	27.14	1,574	1,237	27.24
Non-Current Assets	3,476	3,191	8.93	3,476	3,214	8.15
Total Assets	6,318	5,769	9.52	6,318	6,292	0.41

in Billion IDR	As of 31-Dec-2018	As of 31-Dec-2017	YoY%	As of 31-Dec-2018	As of 30-Sept-2018	QoQ%
Bank Borrowings	1,544	716	115.64	1,544	1,424	8.43
Trade Payables	1,247	1,001	24.58	1,247	1,325	(5.89)
Leasing / Bank	36	778	(95.37)	36	36	0
Others	160	143	11.89	160	214	(25.23)
Current Liabilities	2,987	2,638	13.23	2,987	2,999	(0.40)
Bond/Leasing/Bank	997	1,038	(3.95)	997	1,028	(3.02)
Others	209	222	(5.86)	209	243	(13.99)
Non-Current Liabilities	1,206	1,260	(4.29)	1,206	1,271	(5.11)
Equity	2,125	1,871	13.58	2,125	2,022	5.09
Total Liabilities & Equity	6,318	5,769	9.52	6,318	6,292	0.41

WORKING CAPITAL CYCLE

in Billion IDR	2018	2017	2016	2015	2014
Trade Receivables (T/R)	1,210	1,333	1,488	1,333	1,127
T/R Days	62	73	83	74	69
Inventories	1,287	885	778	900	897
Inventory Days	80	59	53	60	66
Trade Payables (T/P)	1,247	1,001	1,249	1,146	1,027
T/P Days	78	67	85	77	76
Working Capital – Trade	1,250	1,217	1,017	1,087	997
(T/R + Inv – T/P) days	64	65	51	57	59

KEY PERFORMANCE RATIOS

	2018	2017	2016	2015	2014
Asset Growth (%)	9.52	1.96	4.91	15.37	3.02
Revenue Growth (%)	7.27	2.47	(0.43)	9.81	2.67
Gross Margin (%)	18.22	18.29	17.90	16.77	17.31
Operating Margin (%)	6.19	5.55	5.31	5.04	7.10
EBITDA */Net Int. Exp. ** (X)	3.59	3.68	3.10	2.25	4.24
Net Debt ***/Equity (X)	1.14	1.29	1.38	1.34	1.03
Net Debt ***/EBITDA* (X)	3.50	4.36	4.99	5.32	3.04
Current Ratio (X)	0.95	0.98	0.98	0.97	1.20

* 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

**** The Current Ratio includes the Company's Bond III/2008 obligations which matured in March 2013

SHARE PRICE HISTORY



Share(millions)*	1,560
Price in 2018, Dec 28 (Rp)	615
Price / Earning (x)	4.69
Dividend Yield (%)	4.88
ROE (%)	9.43
52wk High (Rp)	615
52wk Low (Rp)	482
EPS (Rp)	131

* Include 23,338,000 treasury stocks

* Annualized

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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