Press Release
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PT Lautan Luas Tbk

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CREDIT PROFILE

Corporate Rating	*idA-/Stable*
Rated Issues	
Shelf Reg. Bond II/2017	*idA-*
Shelf Reg Bond III/2020	*idA-*
Rating Period	
April 1, 2021 – April 1, 2022	
Rating History	
APR 2020	*idA-/Stable*
APR 2019	*idA-/Stable*
APR 2018	*idA-/Stable*
APR 2017	*idA-/Stable*
APR 2016	*idA-/Stable*
APR 2015	*idA-/Stable*
APR 2014	*idA-/Stable*
APR 2013	*idA-/Stable*
FEB 2012	*idA-/Stable*
FEB 2011	*idA-/Negative*
2005-2010	*idA-/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended	**Dec-2020** (Unaudited)	**Dec-2019** (Audited)	**Dec-2018** (Audited)	**Dec-2017** (Audited)
Total Adjusted Assets [IDR Bn]	5,515.9	5,854.3	6,312.3	5,761.8
Total Adjusted Debt [IDR Bn]	1,959.4	2,189.9	2,576.6	2,531.4
Total Adjusted Equity [IDR Bn]	2,234.7	2,151.3	2,118.9	1,863.6
Total Sales [IDR Bn]	5,592.3	6,534.7	7,076.5	6,596.9
EBITDA [IDR Bn]	597.4	559.9	601.9	489.3
Net Income after MI [IDR Bn]	75.2	180.6	200.3	149.9
EBITDA Margin [%]	10.7	8.6	8.5	7.4
Adjusted Debt/EBITDA [X]	3.3	3.9	4.3	5.2
Adjusted Debt/Adjusted Equity [X]	0.9	1.0	1.2	1.4
FFO/Adjusted Debt [%]	18.5	11.9	12.4	10.1
EBITDA/IFCCI [X]	3.5	2.5	3.0	3.1
USD Exchange Rate [IDR/USD]	14,105	13,901	14,481	13,548

FFO = EBITDA – IFCCI + Interest Income – Current Tax Expense
EBITDA = Operating Profit + Depreciation Expense + Amortization Expense
IFCCI = Gross Interest Expense + Other Financial Charges + Capitalized Interest; (FX Loss not included)
MI= Minority Interest

The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

PT Lautan Luas Tbk rated "idA-" with stable outlook

PEFINDO has affirmed its **"idA-"** ratings for PT Lautan Luas Tbk (LTLS), its Shelf-Registered Bond II/2017, and Shelf-Registered III/2020. The outlook for the corporate rating is **"stable"**.

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. The minus (-) sign indicates that the rating is relatively weak within its category.

The rating reflects LTLS's strong market position within the industry, backed by well-diversified products and market segments, integrated operations and good operating management resulting in a stable margin. The rating is constrained by its high financial leverage, and sensitivity to changes in macroeconomic conditions.

The rating could be raised if LTLS substantially exceed the target revenue and EBITDA on a sustain basis. This should be accompanied by improved financial leverage on a sustained basis with debt to EBITDA and debt to equity (DER) ratios of less than 3.0x and 1.0x, respectively, also, fund from operations (FFO) to debt ratio of more than 20%. The rating could be lowered if its cash flow generation substantially weakens as a result of lower-than-expected business performance, and/or if it incurs higher than expected debt without being compensated by a significant improvement in its business profile.

We view the impact of coronavirus disease (COVID-19) to the Company is moderate. Although the pandemic may impair LTLS's demand and also disrupt its operational activities, particularly export-import, it should be compensated by the Company's ability to maintain a stable profitability margin, resulting in manageable EBITDA generation. We will closely monitor the effects of the COVID-19 pandemic on its business operations and/or financial profile in the near to medium term, such as any significant disruption of its cash flow generation, which could lower the rating.

LTLS is a leading distributor and manufacturer of basic and specialty chemicals in Indonesia. It derives its earnings from three divisions: distribution, manufacture, and service. As of December 31, 2020, its shareholders were PT Caturkarsa Megatunggal (54.7%), the public (40.2%, each below 5% ownership), while the rest are held by the managements.