

PT Lautan Luas Tbk

Credit Rating(s)

General Obligation (GO)	idA/Stable
SR Bond III	idA
SR Bond IV	idA

Rating Period

March 11, 2025 – March 1, 2026

Published Rating History

MAR 2024	idA/Stable
APR 2023	idA/Positive
APR 2022	idA/Stable
APR 2021	idA-/Stable
APR 2020	idA-/Stable

PEFINDO has affirmed its idA rating with stable outlook for PT Lautan Luas Tbk. We have also affirmed idA ratings for the Company's Shelf Registered Bond III Year 2020-2021 and Shelf Registered Bond IV Year 2024. The rating reflects Lautan Luas' strong market position, good integrated operations and distribution channel, and good operating management. The rating is constrained by its sizeable capital expenditure requirement and sensitivity to changes in macroeconomic conditions. We are of the view that the current legal case against Lautan Luas' vice president director, Mr. Jimmy Masrin, related to his position as the president director of PT Caturkarsa Megatunggal (the Company's controlling shareholder), will have a limited impact on Lautan Luas' rating, considering the Company is not involved in the case, which we will monitor for further development.

The rating may be raised if Lautan Luas continues to conduct debt deleveraging while simultaneously improving its revenue and EBITDA generation, resulting in sustainable conservative financial leverage with maximum expected debt to EBITDA and debt to equity ratio of 2.0x and 0.8x, respectively, and cash flow protection also maintained sustainably with FFO to debt and EBITDA to IFCCI ratios at least 27% and 3.9x, respectively. The rating may be lowered if its cash flow generation substantially weakens as a result of lower-than-expected business performance or if the Company incurs higher-than-expected debt without being compensated for by a significant improvement in its business profile.

Lautan Luas is a leading distributor and manufacturer of basic and specialty chemicals in Indonesia, established in 1951. The Company derives its earnings from three divisions: distribution, manufacture, and support and services. As of December 31, 2024, its shareholders consisted of PT Caturkarsa Megatunggal (56.6%) and the public (36.4%, each below 5% ownership), while the rest are held by the managements.

Rating Definition

Debt security rated idA indicates that the issuer's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian issuers, is strong. However, the issuer's capacity is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated issuers.

Financial Highlights

As of/for the year ended	Dec-2024 (Audited)	Dec-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)
Total adjusted assets [IDR bn]	6,049.6	5,614.7	6,079.3	6,206.5
Total adjusted debt [IDR bn]	1,182.5	1,035.3	1,373.8	1,754.4
Total adjusted equity [IDR bn]	3,120.0	2,959.2	2,971.9	2,726.4
Total sales [IDR bn]	7,722.4	7,316.9	7,879.1	6,635.5
EBITDA [IDR bn]	537.4	541.8	765.7	733.5
Net income after MI [IDR bn]	220.4	160.9	321.0	274.5
EBITDA margin [%]	7.0	7.4	9.7	11.1
Adjusted debt/EBITDA [X]	2.2	1.9	1.8	2.4
Adjusted debt/adjusted equity [X]	0.4	0.3	0.5	0.6
FFO/adjusted debt [%]	32.5	37.2	37.2	31.1
EBITDA/IFCCI [X]	5.7	5.7	5.5	6.0
USD exchange rate [IDR/USD]	16,162	15,416	15,731	14,269

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.

Contact Analysts:

ayuningtyas.nur@pefindo.co.id

fella.vina@pefindo.co.id

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.