

PRESS RELEASE

For Immediate Release



AGII's Q1 2018 Net Income Up Over 10% Y-O-Y totaling over Rp 30 billion

JAKARTA, May 1, 2018 – PT Aneka Gas Industri, Tbk. (Stock Code: AGII.JK) released its unaudited financial statements for the first quarter of 2018 (Q1 2018) with net income growth exceeding 10% to reach over Rp 31 billion (Profit for the Period Attributable to Owner and Parent Entity was over Rp26 billion) and is reflective of the Management's right strategic direction. Some of the key highlights of Aneka Gas' Q1 2018 financial performance are as follows:

Key Highlights

- Q1 2018 sales grew 13% due to 10% volume growth sales.
- Overall margins improved due to favorable contribution from the retail and medical sectors.
- AGII looks to be on track to achieve its target of building 11 new filling stations for the full year and has added 1 (one) filling station during the first three months of this year.
- Incurred over Rp 38 billion of CAPEX targeted for FY 2018 that was allocated for the building of the new filling station and maintenance.
- Q1 2018 net profit after tax attributable to shareholders amounted to Rp26 billion compared to Rp 23 billion for the same period during 2017.
- Q1 2018 Gross Margin amounted to 47%.
- Q1 2018 Net Margin remained around 6% which is similar to the same period last year.
- Total assets as of March 31, 2018 amounted to Rp 6.5 trillion which was slightly higher than in Full Year 2017.
- DER improved slightly to 0.76x for Q1 2018 compared to the same period in 2017.

Summary of Consolidated Statement of Income

In Rp Million	Q1 2018	Q1 2017	Variance (%)
SALES REVENUES	489,642	431,927	13.4%
GROSS PROFIT	230,587	202,321	14.0%
<i>Gross Margin</i>	<i>47.09%</i>	<i>46.84%</i>	
OPERATING PROFIT	100,536	92,148	9.1%
<i>Operating Margin %</i>	<i>20.53%</i>	<i>21.33%</i>	
EBITDA	163,561	130,567	25.3%
<i>EBITDA Margin %</i>	<i>33.40%</i>	<i>30.23%</i>	
NET PROFIT AFTER TAX	31,112	28,251	10.1%
<i>Net Profit Margin %</i>	<i>6.35%</i>	<i>6.54%</i>	

13% Sales Growth

AGII's 10% increase in net income was preceded by over 13% sales growth for Q1 2018 of Rp 490 billion compared to Rp 432 billion in the same period in 2017.

Rachmat Harsono, the Vice President Director of PT Aneka Gas Industri Tbk, stated that, "Compared to the challenges that we faced in Q1 2017, overall, Aneka Gas Industri's Q1 2018 performance was significantly better. We witnessed that in Q1 2018, the main drivers for our growth were retail (24%), medical (25%), and consumer goods (19%) sectors and is reflective of the favorable conditions experienced in the first three months of the year as well as our ability to implement the right strategy overall."

Table 1. Highlights of Consolidated Statement of Income

In Rp Million

	Q1 2018	Q1 2017	%
Sales	489,642	431,927	13.4%
COGS	(259,055)	(229,606)	12.8%
Gross Profit	230,587	202,321	14.0%
Gross Margin	47.09%	46.84%	
Other Income	319	1,569	-79.7%
Selling Expenses	(69,236)	(59,940)	15.5%
General & Admin Expenses	(57,169)	(51,099)	11.9%
Other Expenses	(3,965)	(702)	464.6%
Operating Profit	100,536	92,148	9.1%
Operating Margin	20.53%	21.33%	
Interest Income	10,916	13,482	-19.0%
Finance Expenses	(70,070)	(66,037)	6.1%
Profit Before Tax	41,382	39,593	4.5%
Tax	(10,269)	(11,342)	-9.5%
Profit For the Period	31,112	28,251	10.1%
Net Margin	6.35%	6.54%	
Other Comprehensive Income	-	-	
Non Controlling Interest	(4,833)	(4,965)	-2.7%
Profit for the Period Attributable to Owner and Parent Entity	26,280	23,286	12.9%
EBITDA	163,561	130,567	25.3%
EBITDA Margin	33.40%	30.23%	

Solid Financial Position

Total assets of the Company in Q1 2018 is Rp 6.5 trillion while total liabilities were approximately Rp 3.0 trillion. Total equity amounted to Rp 3.4 trillion in Q1 2018. AGII continues to place specific emphasis on maintaining the right balance between its assets and liabilities while maintaining the equity needed to ensure sustainable growth.

Table 2. Balance Sheet as of Q1 2018 and 2017A

	Q1 2018	2017 A
<u>Current Assets</u>		
Cash and cash equivalents	296,013	344,351
Short-term investments	80,025	80,025
Trade Receivable	390,064	412,279
Inventories	403,563	384,607
Other current assets	409,044	305,702
Total Current Assets	1,578,709	1,526,964
<u>Non Current Assets</u>		
Property, plant and equipment	4,687,259	4,671,372
Investment in associated company	55,051	55,051
Other non current assets	161,711	150,156
Total Non-Current Assets	4,904,021	4,876,579
TOTAL ASSETS	6,482,730	6,403,543
Liabilities		
Trade Payables	99,244	118,588
Short-term Bank Loan	386,506	384,028
Current Maturities of Long Term Bank Loans and Others	350,276	334,195
Current Maturities of Bonds Payable	-	-
Other Current Liabilities	209,692	177,934
Total Current Liabilities	1,045,718	1,014,745
Long Term Bank Loans and Other	1,071,318	1,156,515
Bonds Payables	700,570	699,888
Other long term liabilities	206,401	100,456
Total non-current liabilities	1,978,289	1,956,859
TOTAL LIABILITIES	3,024,008	2,971,604
Temporary Syirkah Fund	69,600	73,928
Equity	3,389,123	3,358,011
Total equity attributable to owners of the		
Parent Entity	3,090,995	3,064,715
Non-controlling interests	298,128	293,295
Total Equity	3,389,123	3,358,011
TOTAL LIABILITIES AND EQUITY	6,482,730	6,403,543

Sustainable Profit Margins

AGII's gross profit margins was higher at 47% in Q1 2018 while Operating Profit (EBIT) margin amounted to above 20%. The Company's EBITDA margin increased to 33% in Q1 2018 while Net Margin remained at around 6% compared to the same period in the previous year.

Table 3. Financial Ratio

	UOM	Q1 2018	Q1 2017
<u>Profitability ratios</u>			
Gross Profit Margin		47.09%	46.84%
Operating Profit (EBIT) Margin		20.53%	21.33%
Operating Profit Before D&A (EBITDA) Margin		33.40%	30.23%
Net Margin		6.35%	6.54%
<u>Leverage</u>			
Current Ratio	x	1.51	1.50
Asset/equity	x	1.91	1.91
Interest Bearing Debts/Equities	x	0.76	0.79
Net Debts/Equities	x	0.65	0.66
Interest Bearing Debts/EBITDA*	x	3.94	5.07
Net Interest Bearing Debts/EBITDA*	x	3.37	4.26

Rachmat Harsono added that, " During Q1 2018, we have successfully completed 1 (one) new filling station that brings the total number in our inventory to 92 filling stations overall. We are looking to be on track to achieve our full year target of 11-15% sales growth, 15%-20% EBITDA growth and 30% net profit growth. Our achievements to date are in line with our overall plan to complete 11 new filling stations for this year and serves as our commitment to maintain our position as the market leader in Indonesia."

In closing, Rachmat Harsono stressed that, "I am fully confident that AGII will continue to perform positively despite the challenging business environment evidenced by our increasing sales volumes & margins. The current emphasis on infrastructure development in Indonesia provides us with a great opportunity to further expand our presence by building new filling stations, particularly outside of Java. As a result, Aneka Gas will be able to obtain a significant bigger market share in line with our vision to be the most desirable company that continuously grows and expands by utilizing natural resources for the benefit of life. We will continue to embark on efforts and initiatives aimed at improving productivity by employing the right strategy."

Some of the key events that took place in Q1 2018 included the following:

- Opened 1 new filling station.
- In terms of sales breakdown, Retail accounted for 29%, Medical 24%, Consumer Goods 18%, Infrastructure 20%, and Other manufacturers 9%.
- In terms of method of delivery, 77% of AGII's sales comprises of Bulk (42%) and Cylinder (25%).
- In terms of market positioning, Aneka Gas Industri still retains its position as the industry leader with the biggest market share in the production/distribution of air gas & non-air-gas products in Indonesia.

About PT Aneka Gas Industri Tbk:

PT Aneka Gas Industri Tbk ("AGII"), is the largest industrial gas company in Indonesia and is engaged in four business lines, namely: 1) industrial gas production, 2) industrial gas trading, 3) industrial gas equipment trading and 4) industrial gas equipment installation.

AGII is publicly listed on the Indonesian Stock Exchange (IDX) and is majority owned by the Samator Group.

As of December 31, 2017, AGII had 44 industrial gas plants and 91 filling stations in 23 provinces across Indonesia.

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