

PRESS RELEASE

For Immediate Release



AGII's Net Income for 2017 Surge 52% in excess of Rp 90 billion,

JAKARTA, March 29, 2018 – PT Aneka Gas Industri, Tbk. (Stock Code: AGII.JK) released its audited financial statements for the full year of 2017 (FY 2017) with net income growth exceeding 52% to reach over Rp 97.5 billion. Some of the key highlights of Aneka Gas' FY 2017 financial performance are as follows:

Key Highlights

- FY 2017 sales grew 11% due to 7% volume growth sales.
- Overall margins improved and is reflective of the right strategy employed by management
- Achieved target of building 11 new filling stations for the full year thereby increasing the number of total filling stations to 91 by the end of December of 2017
- Incurred over Rp 297 billion of CAPEX for FY 2017 that was mainly attributed to the building of new filling stations
- FY 2017 net profit after tax attributable to shareholders were Rp97.6 billion compared to Rp 64.3 billion for the same period during 2016
- FY 2017 Gross Margin consistently remained above 40%
- FY 2017 Net Margin improved to 5% compared to 3% for the same period last year
- Total assets as of December 31, 2017 were Rp 6.4 trillion increasing from Rp 5.8 trillion in the same period in 2016
- Gearing ratio improved to 0.79x for FY2017 compared to 0.93x for the same period in 2016

Summary of Consolidated Statement of Income

In Rp Million	FY 2017	FY 2016	Variance (%)
SALES REVENUES	1,838,417	1,651,136	11.3%
GROSS PROFIT	841,596	763,563	10.2%
<i>Gross Margin</i>	<i>45.78%</i>	<i>46.24%</i>	
OPERATING PROFIT	379,971	355,718	6.8%
<i>Operating Margin %</i>	<i>20.67%</i>	<i>21.54%</i>	
EBITDA	610,802	557,599	9.5%
<i>EBITDA Margin %</i>	<i>33.22%</i>	<i>33.77%</i>	
NET PROFIT AFTER TAX	97,598	64,287	51.8%
<i>Net Profit Margin %</i>	<i>5.31%</i>	<i>3.89%</i>	

Double Digit Sales Growth

AGII's significant increase in net income was preceded by double digit sales growth of 11% in sales revenue for FY 2017 of Rp 187 billion to Rp 1,838 billion from Rp 1,651 billion in the same period in 2016.

Rachmat Harsono, the Vice President Director of PT Aneka Gas Industri Tbk, stated that, "Despite the challenges faced earlier in 2017, overall, Aneka Gas Industri continued to register positive growth for the full year in 2017. The sales growth in Full Year 2017 was mostly attributed to the Infrastructure (42%) Consumer Goods (22%), and Medical (11%) sectors compared to the same period in 2016. This sales growth reflects the government's increased spending in infrastructure and industrialization but also the implementation of the right strategy by our Company overall."

Table 1. Highlights of Consolidated Statement of Income

In Rp Million

	FY 2017	FY 2016	%
Sales	1,838,417	1,651,136	11.3%
COGS	(996,821)	(887,573)	12.3%
Gross Profit	841,596	763,563	10.2%
Gross Margin	45.78%	46.24%	
Other Income	13,947	16,573	-15.8%
Selling Expenses	(246,443)	(237,607)	3.7%
General & Admin Expenses	(218,541)	(184,498)	18.5%
Other Expenses	(10,588)	(2,313)	357.8%
Operating Profit	379,971	355,718	6.8%
Operating Margin	20.67%	21.54%	
Interest Income	39,893	11,718	240.4%
Finance Expenses	(286,044)	(279,521)	2.3%
Profit Before Tax	133,820	87,915	52.2%
Tax	(36,222)	(23,628)	53.3%
Profit For the Period	97,598	64,287	51.8%
Net Margin	5.31%	3.89%	
Other Comprehensive Income	497,072	8,457	5778%
Non Controlling Interest	(64,749)	(11,585)	458.9%
Profit for the Period Attributable to Owner and Parent Entity	529,921	61,159	766.5%
EBITDA	610,802	557,599	9.5%
EBITDA Margin	33.22%	33.77%	

Financial Position

Total assets of the Company in FY 2017 is Rp 6.4 trillion while total liabilities was approximately Rp 3.0 trillion. Total equity amounted to Rp 3.4 trillion in FY 2017. The Company places specific emphasis to maintain the right balance between its assets and liabilities coupled with robust equity needed to ensure sustainable growth.

Table 2. Balance Sheet as of FY 2017 and FY 2016

	FY 2017	FY 2016
<u>Current Assets</u>		
Cash and cash equivalents	344.351	390.381
Short-term investments	80.025	80.025
Trade Receivable	412.279	294.278
Inventories	384.607	295.680
Other current assets	305.702	419.464
Total Current Assets	1.526.964	1.479.828
<u>Non Current Assets</u>		
Property, plant and equipment	4.671.372	4.217.336
Investment in associated company	55.051	55.051
Other non current assets	150.156	95.507
Total Non-Current Assets	4.876.579	4.367.894
TOTAL ASSETS	6.403.543	5.847.722
<u>Liabilities</u>		
Trade Payables	118.588	145.453
Short-term Bank Loan	384.028	389.026
Current Maturities of Long Term Bank Loans and Others	334.195	268.518
Current Maturities of Bonds Payable	-	389.000
Other Current Liabilities	177.934	120.714
Total Current Liabilities	1.014.745	1.312.711
Long Term Bank Loans and Other	1.156.514	1.421.993
Bonds Payables	699.888	-
Other long term liabilities	100.458	262.225
Total non-current liabilities	1.956.860	1.684.218
TOTAL LIABILITIES	2.971.605	2.996.929
Temporary Syirkah Fund	73.928	89.953
<u>Equity</u>		
Total equity attributable to owners of the Parent Entity	3.064.715	2.534.794
Non-controlling interests	293.295	226.046
Total Equity	3.358.010	2.760.840
TOTAL LIABILITIES AND EQUITY	6.403.543	5.847.722

Consistently Positive Profit Margins

AGII's gross profit consistently remained at above 45% for FY 2017 to Rp 841 billion while Operating Profit (EBIT) increased over 6% to close to Rp 380 billion thereby maintaining operating margins above 20%. The Company's EBITDA grew over 9% to Rp 610 billion in FY 2017 thereby resulting in Net Income of Rp 97.5 billion, or a growth of 52% compared to the same period in the previous year.

Table 3. Financial Ratio

	UOM	FY 2017	FY 2016
Profitability ratios			
Gross Profit Margin		45.78%	46.24%
Operating Profit (EBIT) Margin		20.67%	21.54%
Operating Profit Before D&A (EBITDA) Margin		33.22%	33.77%
Net Margin		5.31%	3.89%
Leverage			
Current Ratio	x	1.50	1.13
Asset/equity	x	1.91	2.12
Interest Bearing Debts/Equities	x	0.79	0.93
Net Debts/Equities	x	0.66	0.76
Interest Bearing Debts/EBITDA	x	4.34	4.59
Net Interest Bearing Debts/EBITDA	x	3.64	3.74

As a result of the significant sales and profitability growth, the Company was able to consistently maintained healthy ratios, namely in terms of its gross profit margin, EBITDA margin, EBIT margin and net profit margin for the year, which was respectively at 46%, 33%, 21%, and 5%. Rachmat Harsono, added that, "In 2017, we successfully completed 11 new filling stations that brings the total number in our inventory to 91 overall. This achievement is reflective of our commitment to maintain our position as the market leaders in Indonesia."

In closing, Rachmat Harsono stressed that, "AGII continues to perform despite the challenging business environment evidenced through our increasing sales volumes & margins. With continuing infrastructure development across the country, this provides us with a great opportunity to further expand our presence by building new filling stations, particularly outside of Java. We are confident that with these developments, Aneka Gas will be able to obtain a bigger market share and achieve our vision to be the most desirable company that continuously grows and expands by utilizing natural resources for the benefit of life. To achieve this, we are taking strides to improve productivity as well as employ the right strategy as reflected by improved capacity utilization on our plants."

Some of the key events that took place in 2017 included the following:

- Opened 11 new filling stations in 23 provinces to cater for the growing needs of air products by customers.
- Fitch ratings-maintained A- ratings for PT Aneka Gas Industri Tbk for its Shelf Registration Bond Issuance whereby two tranches were successfully launched in 2017.
- 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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