

United Tractors Recorded Net Income of Rp4.1 Trillion in the First Half 2020

29 July 2020 – Jakarta

PT United Tractors Tbk (“the Company”) today released its consolidated financial statements for the first half 2020. The COVID-19 pandemic and weakening coal price dampened the domestic market and impacted all the Company’s business units. This is reflected in the first half 2020 consolidated revenue that was down 23% to Rp33.2 trillion from Rp43.3 trillion. In line with the decrease in revenue, the Company’s net profit in the first half of 2020 decreased by 28% to Rp4.1 trillion compared to Rp5.7 trillion in the first half of 2019.

Overall, to the Company’s consolidated net revenue, Mining Contracting segment contributed 46%, followed by 22% from Construction Machinery, 18% from Coal Mining, 12% from Gold Mining and 2% from Construction Industry.

Construction Machinery Segment

Construction Machinery segment recorded a decrease in Komatsu sales volume by 56% to 853 units from 1,917 units in the same period of 2019. The decline in commodity prices and large-scale social restrictions due to pandemic have an impact on the decline of activity in all sectors that resulted in severe impacts in heavy equipment demand. In addition to unit sales, sales of spare parts and heavy equipment services decreased by 25% to Rp3.3 trillion. Based on internal market research, Komatsu maintained its position as market leader with 33% market share.

Sales volume of UD Trucks was decreased from 302 units to 94 units, and Scania products was decreased from 291 units to 100 units. In total, Construction Machinery segment recorded a decrease in revenue by 40% from Rp12.1 trillion to Rp7.3 trillion.

Mining Contracting Segment

The Company operates its Mining Contracting segment through PT Pamapersada Nusantara (PAMA). As of June 2020, Mining Contracting recorded net revenue of Rp15.1 trillion, down by 22% from Rp19.3 trillion in the same period of 2019. PAMA recorded 8% decrease in coal production from 60.8 million tons to 55.9 million tons, and 10% decrease in overburden removal volume, from 469.2 million bcm to 420.3 million bcm.

Coal Mining Segment

The Company’s coal mine segment was operated by PT Tuah Turangga Agung (TTA). As of June 2020, TTA recorded total coal sales volume of 5.6 million tons including 869 thousand tons of coking coal, or increased 14% compared to 4.9 million tons in the first half 2019. Despite the increased volume, Coal Mining revenue was decreased by 11% to Rp6.1 trillion due to lower average coal selling price.

Gold Mining Segment

The Company’s gold mine segment was operated by PT Agincourt Resources (PTAR). PT Agincourt Resources operates Martabe gold mine located in South Tapanuli, North Sumatra. Until June 2020, the total sales volume of gold equivalent from Martabe was recorded at 185.6 thousand ounces and recorded net revenue of Rp4.0 trillion, increased by 11% from Rp 3.6 trillion the same period 2019. The average realized selling price for gold was USD1,498 per ounce, compared to USD1,315 per ounce in the same period last year.

Construction Industry Segment

The Construction Industry segment was represented by PT Acset Indonusa Tbk (ACSET). As of June 2020, Construction Industry reported net revenue of Rp746 billion, compared to Rp1.5 billion in the same period of 2019. ACSET recorded a net loss of Rp252 billion, down from previous net loss of Rp404 billion. Due to COVID-19 pandemic, several ongoing projects were slowed down and the acquisition of new contracts were also delayed. However, ACSET posted lower net loss compared to the same period last year due to reduced funding costs following the collection of amounts in respect of the Contractor Pre Financing project.

Energy Segment

PT Bhumi Jati Power (BJP) whose 25% shares are owned by the Company is currently in the construction process of 2x1,000 MW thermal power plant in Jepara, Central Java. Until June 2020, the construction progress has reached 94% and is scheduled to start commercial operation in 2021. BJP is a joint venture between a subsidiary of the Company, Sumitomo Corporation, and Kansai Electric Power Co. Inc.

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