



# PT United Tractors Tbk

## Investor Bulletin, Fourth Quarter 2016

### United Tractors Recorded Net Revenue of Rp 45.5 Trillion

**Operational:**  
Y.o.y Komatsu sales volume up 3%, coal production flattish and overburden decreased 8%, while coal sales volume up 48%

**Financial:**  
Consolidated revenue was Rp 45.5 trillion, with net income of Rp 5.0 trillion

The Company recorded consolidated net revenue during 2016 decreased by 8% to Rp45.5 trillion compared to Rp49.3 trillion in 2015. The decrease was mainly driven by lower production volume and revenue from Mining Contracting business unit. Meanwhile, the Company recorded net income of Rp5.0 trillion in 2016, up 30% compared to Rp3.9 trillion in 2015 due to the absence of impairment loss on the carrying value of its coal mining properties which affected in 2015. Excluding the impact of non-cash impairment loss, the 2016 net income would have been 22% lower than 2015 (2015: Rp6.4 trillion) due to lower profit margin and the impact of strengthening Rupiah on US dollar monetary assets.

Construction Machinery segment recorded an increase in Komatsu sales volume by 3% to 2,181 units from 2,124 units. On the other hand, the revenue of spare parts sales and maintenance services decreased by 5% to Rp5.8 trillion. Meanwhile the sales of other brands such as UD Trucks and Scania were increased. Overall, Construction Machinery segment recorded an increase in revenue by 7% to Rp14.6 trillion. Mining Contracting business segment recorded a 21% decrease in net revenue of Rp24.0 trillion, primarily driven by lower overburden removal by 8% to 701.5 million bcm, while coal production was flattish amounted to 109.2 million tons. Mining business segment recorded an increase in coal sales volume by 48% to 6.8 million tons, with net revenue increased by 34% to Rp5.1 trillion. The fourth segment, Construction Industry booked a revenue of Rp1.8 trillion and net profit of Rp68.3 billion.

Overall, revenue contribution was mostly from Mining Contracting segment that is 53%, followed by 32% from Construction Machinery, 11% from Mining, and 4% from Construction Industry.

In Rupiah billion	FY 2016	FY 2015	Y/Y%
Exchange rate (Rp/US\$)	13,436	13,795	-3%
<b>Revenue Breakdown</b>			
Construction Machinery	14,618	13,629	7%
Mining Contracting	24,003	30,545	-21%
Mining	5,124	3,817	34%
Construction Industry	1,794	1,357	32%
<b>Total Revenue</b>	<b>45,539</b>	<b>49,347</b>	<b>-8%</b>
Gross Profit	9,661	11,702	-17%
Gross Profit Margin	21.2%	23.7%	-11%
Profit for the year	5,104	2,792	83%
<b>Net Income</b>	<b>5,002</b>	<b>3,853</b>	<b>30%</b>
Earnings Per Share (expressed in full Rp)	1,341	1,033	30%

Note: The Company's FY 2015 & FY 2016 report was audited

February 27, 2017



# CONSTRUCTION MACHINERY Performance Overview

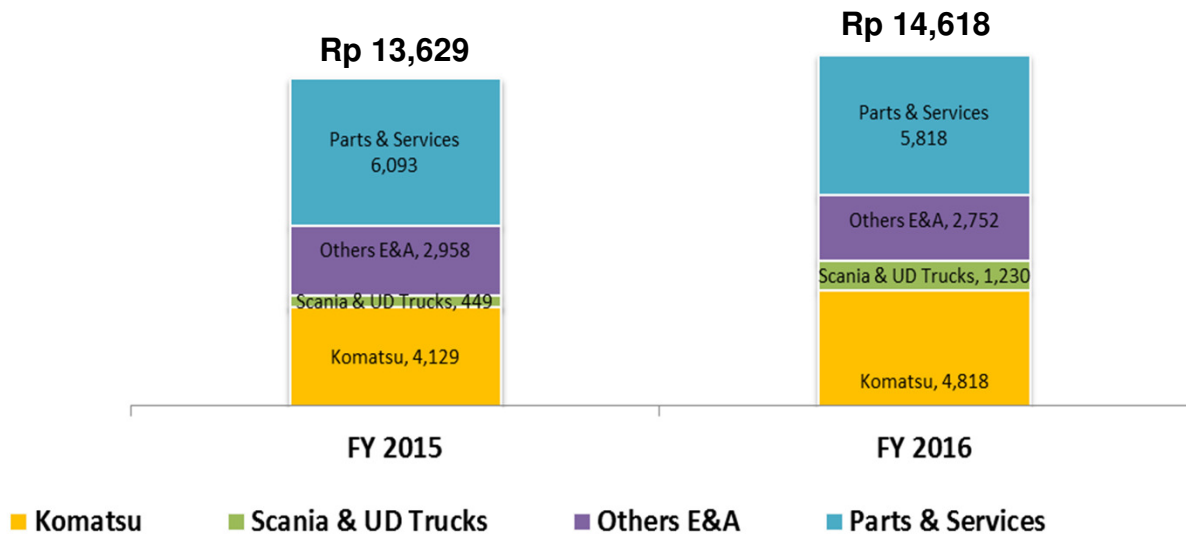
**Komatsu sales volume was 2,181 units, with 32% market share**

**Revenue was Rp 14.6 trillion, increased 7%**

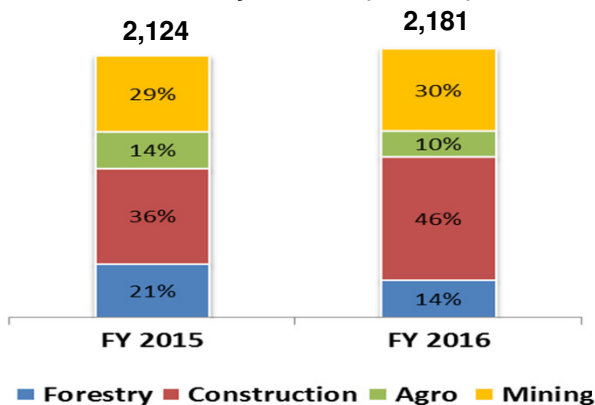
As of December 2016, Komatsu sales volume rose by 3% to 2,181 units from 2,124 units in 2015. Higher sales volume of heavy equipment was originated from construction and mining sectors. Komatsu remains the market leader in the heavy equipment market in Indonesia, with market share at 32% (according to internal market research). Sales volume of UT's other distributed brands such as UD Trucks was increased significantly from 77 units to 361 units, and Scania products sales were increased from 246 units to 532 units. The increase was mainly driven by sales in the segment of on-road truck and Scania bus.

The revenue of spare parts sales and maintenance services decreased by 5% to Rp5.8 trillion. Overall, total revenue of Construction Machinery business segment in 2016 increased by 7% to Rp14.6 trillion, compared to Rp13.6 trillion in 2015.

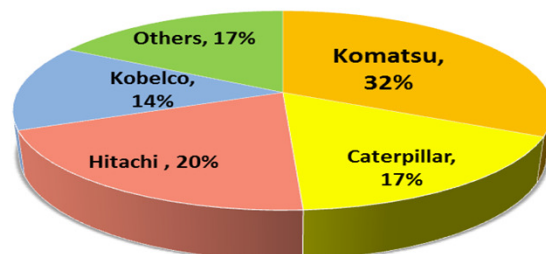
**CM Revenue Breakdown (in billion Rupiah)**



**Komatsu Sales Volume By Sectors (in units)**



**Domestic Market Share FY 2016**



Source: Internal Market Research



# MINING CONTRACTING Performance Overview

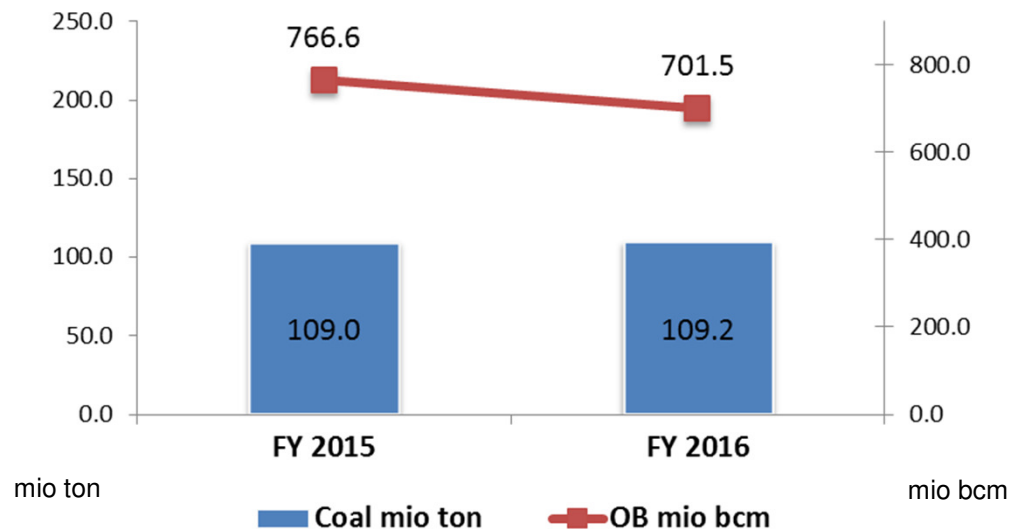
**Pama coal production was 109.2 mio tons, flattish, with overburden removal of 701.5 mio bcm, or down 8%**

**Revenue was Rp 24.0 trillion, down 21%**

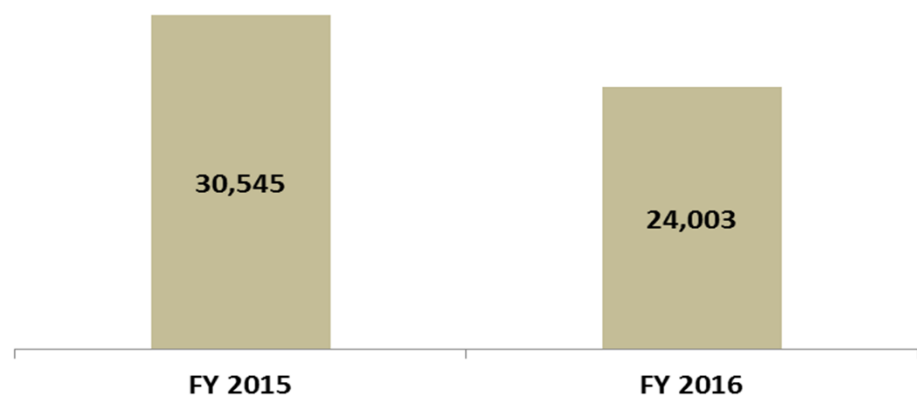
The Company operates its Mining Contracting business through PT Pamapersada Nusantara (PAMA). In 2016, PAMA was able to maintain 48% revenue market share (source: internal market research).

PAMA recorded a 21% decrease in net revenue of Rp24.0 trillion in 2016, compared to Rp30.5 trillion in 2015. This was driven by lower overburden removal by 8% from 766.6 million bcm to 701.5 million bcm, while total coal production was 109.2 million tons, relatively the same as last year.

## Coal and Overburden Removal



## MC Revenue (Rupiah billion)



February 27, 2017



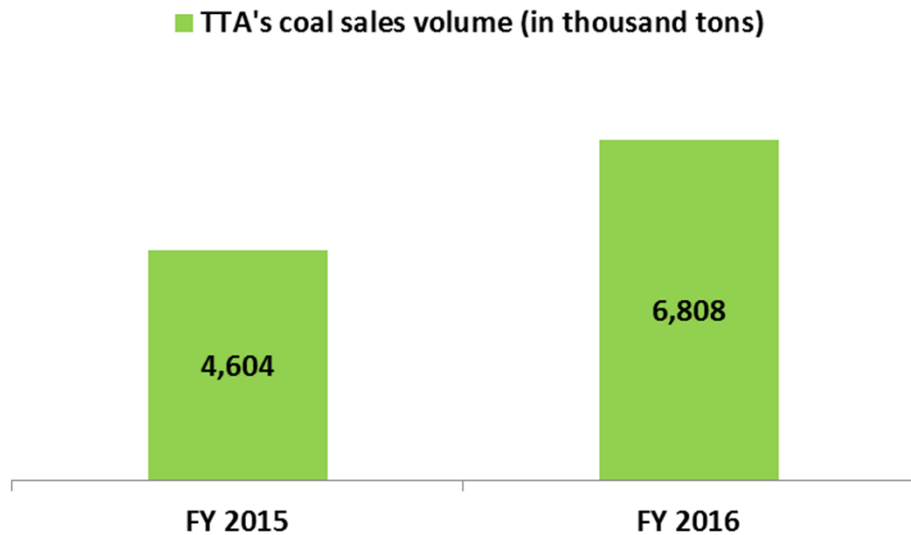
## COAL MINING Performance Overview

**Coal sales volume reached 6.8 million tons, increased 48%**

**Revenue was Rp 5.1 trillion, increased 34%**

The Company's Mining business segment was operated by PT TUAH TURANGGA AGUNG (TTA).

Total coal sales volume in 2016 increased by 48% to 6.8 million tons from 4.6 million tons, driven by increased production capacity and better weather condition. In line with increasing coal sales volume, revenue of Mining business was also increased by 34% to Rp5.1 trillion from Rp3.8 trillion.





# CONSTRUCTION INDUSTRY

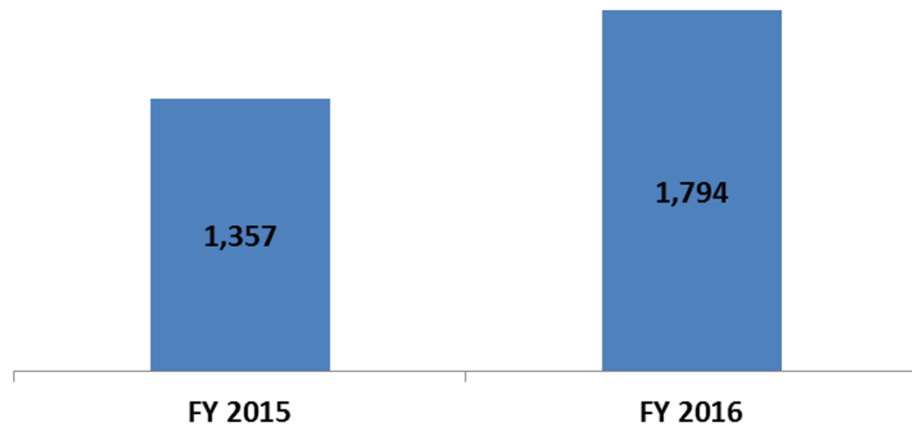
## Performance Overview

**Revenue was Rp 1.8 trillion, increased 32%, net income was Rp 68.3 billion, increased 63%**

The Construction Industry business unit was represented by PT Acset Indonusa Tbk (ACSET), which was acquired in 2015 with 50.1% share ownership. ACSET is a public company and listed in the IDX since 2013.

In 2016, ACSET posted an increase in net revenue from Rp1.4 trillion to Rp1.8 trillion, with net income increased by 63% to Rp68.3 billion. ACSET has successfully obtained new contracts worth of Rp3.8 trillion in 2016 compared to Rp 3.1 trillion in 2015.

**Construction Industry Revenue (Rupiah billion)**



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Rate Rp/US\$: 31/12/2016 = 13,436 and 31/12/2015 = 13,795

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 AND 2015 (expressed in million of Rupiah, unless otherwise stated)					CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2016 AND 2015 (in million Rupiah, except earning per share)			
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY						
	12/31/2016	12/31/2015	12/31/2016	12/31/2015		2016	2015	
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		<b>NET REVENUE</b>	45,539,238	49,347,479	
Cash and cash equivalents	19,460,864	15,413,210	Trade payables:		<b>COST OF REVENUE</b>	(35,878,274)	(37,645,186)	
Trade receivables:			- Third parties	14,018,234	13,234,357			
- Third parties	10,841,276	11,391,542	- Related parties	101,238	172,735			
- Related parties	200,237	88,169	Non-trade payables:		<b>GROSS PROFIT</b>	<b>9,660,964</b>	<b>11,702,293</b>	
Non-trade receivables:			- Third parties	232,140	393,767	Selling expenses	(633,763)	(557,949)
- Third parties	779,470	462,558	- Related parties	253,069	86,111	General and administrative expenses	(2,320,891)	(2,558,012)
- Related parties	293,528	227,355	Taxes payables:		Impairment Loss	-	(5,255,287)	
Inventories	7,108,044	8,328,331	- Corporate income taxes	27,693	529,568	Other expenses	(742,362)	(313,553)
Project under construction			- Other taxes	216,274	367,164	Other income	508,758	1,015,431
- Third parties	343,348	300,720	Accruals	1,305,414	1,368,316	Finance income	682,184	396,017
- Related parties	24,713	11,581	Customer deposits		Finance costs	(490,726)	(323,654)	
Prepaid taxes:			- Third parties	689,089	508,273	Share of net profit of associates and jointly controlled entities	65,866	87,460
- Corporate income taxes	519,391	668,286	- Related parties	2,687	31,870			
- Other taxes	1,111,744	1,198,036	Deferred revenue	329,112	245,455	<b>PROFIT BEFORE INCOME TAX</b>	<b>6,730,030</b>	<b>4,192,746</b>
Advances and prepayments	450,693	469,920	Employee benefit obligations	152,928	173,675	Income tax expense	(1,625,553)	(1,400,307)
Other current assets	214,806	-	Short-term bank loans	304,397	23,750			
Other investments	849,209	700,000	Current portion of long-term debt:			<b>PROFIT FOR THE YEAR</b>	<b>5,104,477</b>	<b>2,792,439</b>
			- Bank loans	-	586,288			
<b>Total Current Assets</b>	<b>42,197,323</b>	<b>39,259,708</b>	- Finance leases	687,959	401,903	<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>		
			- Other borrowings	35,714	123,954	Items that will not be reclassified to profit or loss		
<b>NON-CURRENT ASSETS</b>			Current portion of other long-term financial liabilities	-	33,099	Remeasurement of employee benefit obligations	166,155	(11,115)
Trade receivables						Related income tax expense	(39,519)	2,285
- Third parties	480,324	-	<b>Total Current Liabilities</b>	<b>18,355,948</b>	<b>18,280,285</b>			
Non-trade receivables						<b>Items that will be reclassified to profit or loss</b>		
- Third parties	221,352	-	<b>NON-CURRENT LIABILITIES</b>			Exchange difference from financial statements translation	(123,617)	740,109
- Related parties	216,122	89,250	Trade payables:			Hedging reserves	(225)	2,434
Restricted cash and time deposits	242,395	262,501	- Related parties	230,355	-	Change in fair value of available for sale financial asset	71,775	(71,775)
Advances	301,221	184,353	Deferred tax liabilities	980,288	1,028,533	Share of other comprehensive (expenses)/income		
Investments in associates and jointly controlled entities	706,265	498,712	Provision	102,676	88,993	of associates and jointly controlled entities, net of tax	(10,006)	1,442
Other investments	598,514	1,438,217	Employee benefit obligations	1,476,191	1,560,322	Investment properties fair value revaluation reserves	8,615	-
Fixed assets	12,072,399	12,659,736	Long-term debt, net of current portion:			Related income tax expense	17,625	(144,005)
Mining properties	4,612,741	4,858,944	- Bank loans	-	228,480			
Investment properties	121,680	52,746	- Finance leases	64,891	862,836	<b>Other comprehensive (expense)/income for the period, net of tax</b>	<b>90,803</b>	<b>519,375</b>
Deferred exploration and development expenditures	409,278	376,843	- Other borrowings	20,327	56,147			
Production mining assets	257,498	297,931	Deferred Revenue	19,785	53,782	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>5,195,280</b>	<b>3,311,814</b>
Deferred charges	113,633	146,063	Other long-term financial liabilities	118,825	305,696			
Goodwill	439,767	439,767				<b>PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:</b>		
Deferred tax assets	1,000,717	1,150,628	<b>Total Non-current Liabilities</b>	<b>3,013,338</b>	<b>4,184,789</b>	- Owners of the parent	5,002,225	3,853,491
			<b>TOTAL LIABILITIES</b>	<b>21,369,286</b>	<b>22,465,074</b>	- Non-controlling interest	102,252	(1,061,052)
<b>Total Non-current Assets</b>	<b>21,793,906</b>	<b>22,455,691</b>	<b>EQUITY</b>				<b>5,104,477</b>	<b>2,792,439</b>
			Equity attributable to owners of the parent			<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
			Share capital:			- Owners of the parent	5,115,001	4,275,920
			Authorized capital 6,000,000,000 ordinary shares, issued and fully paid capital 3,730,135,136 ordinary shares, with par value of Rp 250 per share	932,534	932,534	- Non-controlling interest	80,279	(964,106)
			Additional paid-in capital	9,703,937	9,703,937		<b>5,195,280</b>	<b>3,311,814</b>
			Retained earnings :			<b>EARNINGS PER SHARE</b>	<b>1,341</b>	<b>1,033</b>
			- Appropriated	186,507	186,507	(expressed in full Rupiah)		
			- Unappropriated	28,015,375	25,061,126			
			Exchange difference on financial statements translation	2,188,394	2,282,537			
			Investment fair value revaluation reserve	173,016	101,241			
			Hedging reserve	-	163			
			Investment properties fair value revaluation reserve	8,615	-			
			Exchange difference on translating financial statements in foreign currencies	(348,323)	(348,323)			
				<b>40,860,055</b>	<b>37,919,722</b>			