



# PT United Tractors Tbk

## Investor Bulletin, Third Quarter 2018

### United Tractors Recorded Net Income of Rp 9.1 Trillion

**Operational:**  
Y.o.y Komatsu sales volume up 34%, coal production up 10%, overburden increased 22%, while coal sales volume rose 15%

**Financial:**  
Consolidated revenue was Rp 61.1 trillion, with net income of Rp 9.1 trillion

United Tractors (UT/the Company) recorded increased consolidated net revenue for the first nine months of 2018 by 32% to Rp61.1 trillion from Rp46.3 trillion in the same period 2017. The growth across the Company’s whole lines of business, and higher profit margins resulted in the Company’s net profit increased by 61% to Rp9.1 trillion compared to Rp5.6 trillion in the same period 2017.

Heavy Equipment sales under the Construction Machinery segment recorded an increase of 34% in Komatsu sales volume to 3,681 units from 2,744 units. Sales of spare parts and maintenance services increased by 34% to Rp6.9 trillion. The overall Construction Machinery business revenues grew 22% to Rp21.3 trillion. Mining Contracting business segment posted 36% increase in net revenue to Rp28.9 trillion, with 90.3 million tons of coal production and 716.6 million bcm of overburden removal. Mining business segment recorded increased coal sales volume by 15% to 5.8 million tons, and net revenue increased by 44% to Rp8.1 trillion due to higher average coal selling price. The fourth segment, Construction Industry, recorded 40% net revenue growth to Rp2.7 trillion with new contract value of Rp835 billion.

During the first nine months, Mining Contracting segment contributed 47% to the Company’s consolidated net revenue, followed by Construction Machinery that contributed 35%, Mining contributed 13%, and Construction Industry with 5% contribution.

In August 2018, United Tractors’ subsidiary, PT Danusa Tambang Nusantara signed a Conditional Share Sale Agreement to acquire a 95% stake in PT Agincourt Resources, which operates a gold mine in North Sumatera, for approximately US\$1.0 billion.

In Rupiah billion	9M 2018	9M 2017	Y/Y%	FY 2017
Exchange rate (Rp/US\$)	14,929	13,492	11%	13,548
<b>Revenue Breakdown</b>				
Construction Machinery	21,343	17,441	22%	24,711
Mining Contracting	28,913	21,223	36%	29,637
Mining	8,134	5,646	44%	7,181
Construction Industry	2,735	1,949	40%	3,031
<b>Total Revenue</b>	<b>61,125</b>	<b>46,258</b>	<b>32%</b>	<b>64,559</b>
Gross Profit	15,079	10,439	44%	14,483
Gross Profit Margin	24.7%	22.6%	9%	22.4%
Profit for the period	9,424	5,898	60%	7,673
<b>Net Income</b>	<b>9,072</b>	<b>5,638</b>	<b>61%</b>	<b>7,403</b>
Earnings Per Share (expressed in full Rp)	2,432	1,512	61%	1,985

Note: The Company’s 9M 2018 & 9M 2017 report was unaudited

October 26, 2018



# CONSTRUCTION MACHINERY Performance Overview

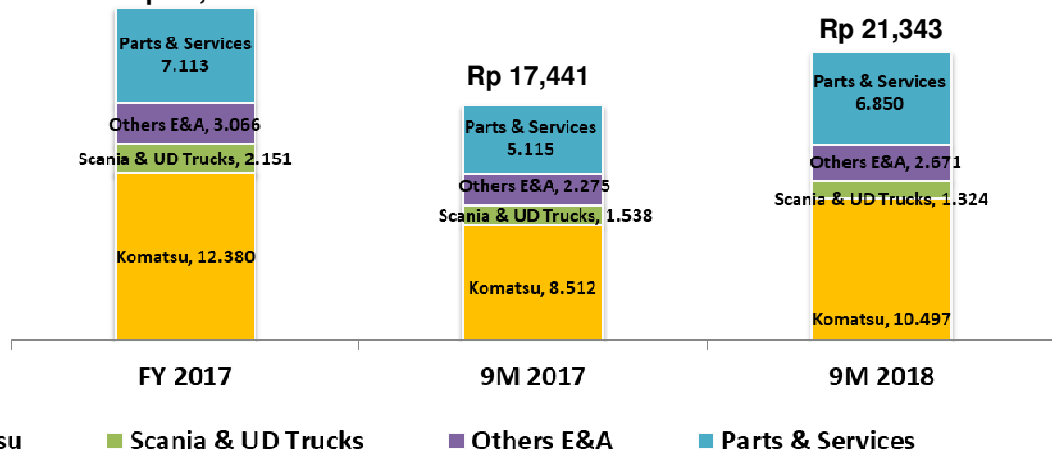
**Komatsu sales volume was 3,681 units**

**Revenue was Rp 21.3 trillion, increased 22%**

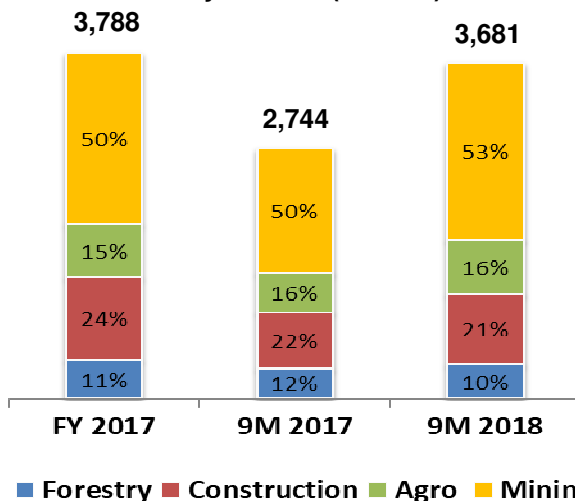
Until September 2018, Komatsu sales volume grew by 34% reaching 3,681 units compared to 2,744 units in the same period 2017. Such rising sales performance was driven by increased demand across all sectors, with the highest increase in the mining sector. Komatsu maintained its position as market leader of heavy equipment with 35% market share (source: internal market research). Sales volume of UT's other distributed brands, such as UD Trucks was increased from 485 units to 624 units, while Scania products was slightly decreased from 762 units to 683 units.

The increase in heavy equipment sales and general needs to extend machine life cycle also triggered an increase in spare parts sales and heavy equipment services by 34% to Rp6.9 trillion. In total, Construction Machinery business line recorded an increase in revenue by 22% to Rp21.3 trillion, compared to Rp17.4 trillion in the same period 2017.

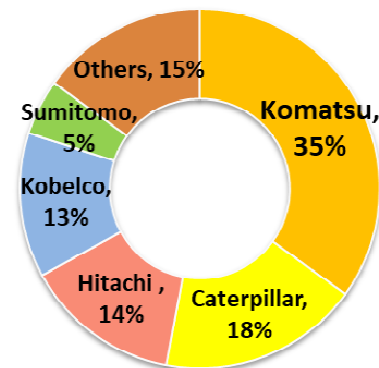
**CM Revenue Breakdown (in billion Rupiah)**  
Rp 24,711



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



**Domestic Market Share 9M 2018**



Source: Internal Market Research



# MINING CONTRACTING Performance Overview

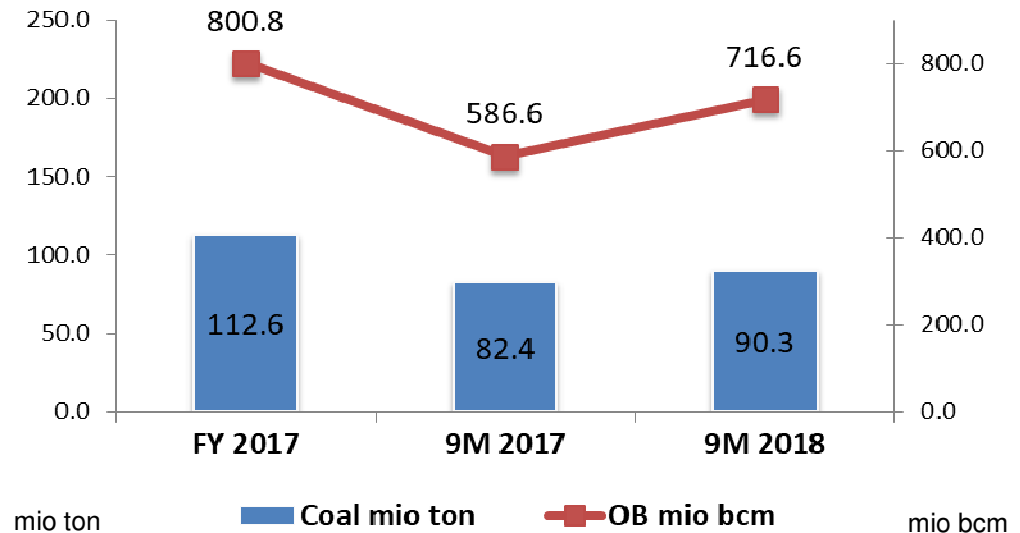
**Pama coal production was 90.3 mio tons, up 10%, with overburden removal of 716.6 mio bcm, or up 22%**

**Revenue was Rp 28.9 trillion, up 36%**

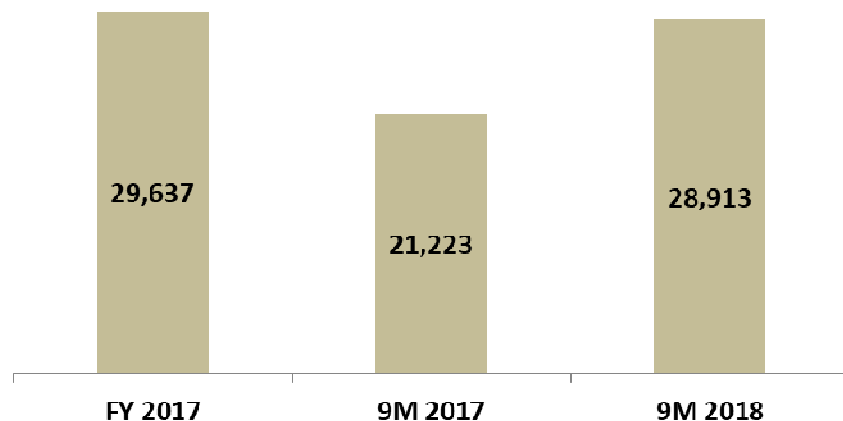
UT's Mining Contracting business line is carried out through PT Pamapersada Nusantara (PAMA). Subsidiary under PAMA that also provides additional support and services in mining contracting is PT Kalimantan Prima Persada (KPP).

As of September 2018, PAMA posted 36% increase in net revenue from Rp21.2 trillion to Rp28.9 trillion. The increase in revenue was driven by 10% increase in coal production from 82.4 million tons to 90.3 million tons, and 22% increase in overburden removal volume, from 586.6 million bcm to 716.6 million bcm.

### Coal and Overburden Removal



### MC Revenue (Rupiah billion)





# COAL MINING

## Performance Overview

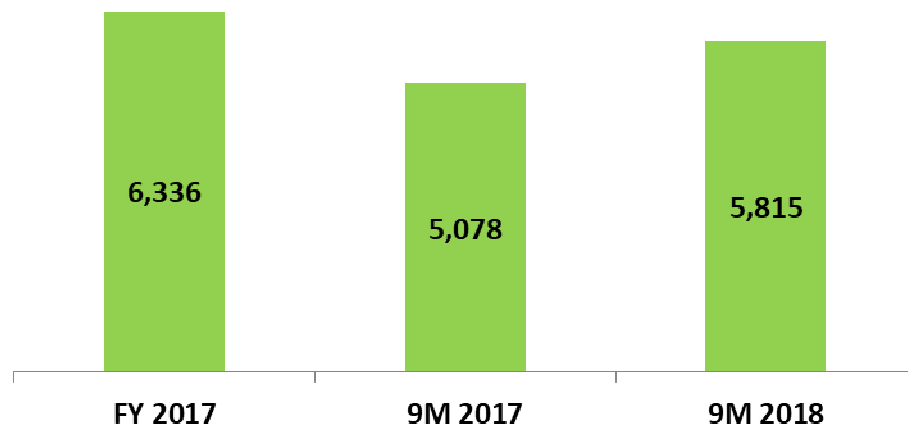
**Coal sales volume reached 5.8 million tons, increased 15%**

**Revenue was Rp 8.1 trillion, increased 44%**

The Company's Mining business segment was operated by PT Buah Turangga Agung (TTA). Currently, TTA operates coal mines under management of PT Asmin Bara Bronang (ABB), PT Telen Orbit Prima (TOP), and PT Suprabari Mapanindo Mineral (SMM). SMM which was acquired in March 2017 is a coking coal concession in Central Kalimantan, and has started its commercial production by the end of 2017.

Until September 2018, TTA recorded total coal sales volume of 5.8 million tons including 526 thousand tons of coking coal from SMM and 992 thousand tons from coal trading business, compared to 5.1 million tons in the same period 2017. Mining business revenue increased by 44% to Rp8.1 trillion from Rp5.6 trillion, due to a significant increase in average coal selling price in the period.

■ TTA's coal sales volume (in thousand tons)



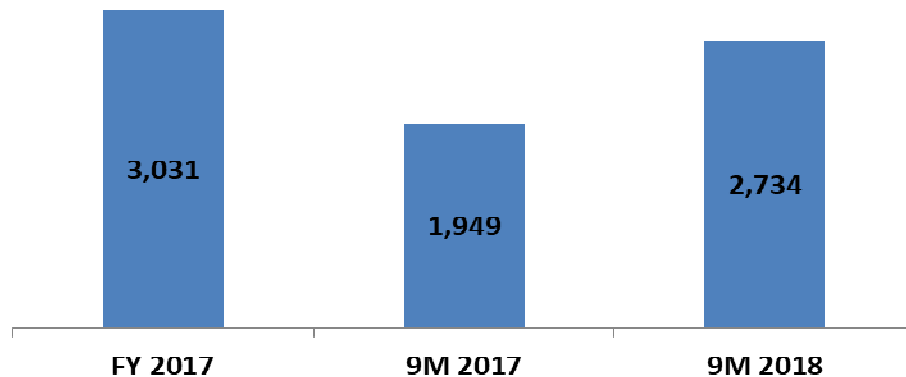


# CONSTRUCTION INDUSTRY Performance Overview

**Revenue was Rp 2.7 trillion, increased 40%, net income was Rp 91 billion, decreased 18%**

The Construction Industry business unit was represented by PT Acset Indonusa Tbk (ACSET). As of September 2018, ACSET reported net revenue of Rp2.7 trillion, compared to Rp1.9 trillion in the same period 2017, while net profit declined by 18% to Rp91 billion from Rp111 billion due to higher finance costs related to Contractor Pre-Financing projects. ACSET has secured new contracts worth of Rp835 billion during the period.

**Construction Industry Revenue (Rupiah billion)**



For further information:

Investor Relations

Attn. : Ari Setiyawan

Ph. : 62 21 2457-9999 Ext. 18048

E-Mail : [ir@unitedtractors.com](mailto:ir@unitedtractors.com)

<http://www.unitedtractors.com>

# PT UNITED TRACTORS Tbk and SUBSIDIARIES

Jl. Raya Bekasi Km. 22 - JAKARTA 13910  
Phone (021) 24579999

Rate Rp/US\$: 30/09/2018 = 14,929 and 31/12/2017 = 13,548

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018 AND 31 DECEMBER 2017 (expressed in million of Rupiah, unless otherwise stated)			CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2018 AND 2017 (in million Rupiah, except earning per share)					
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY			2018		2017	
	31/09/2018	12/31/2017	31/09/2018	12/31/2017				
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		<b>NET REVENUE</b>	61,125,423		46,258,376
Cash and cash equivalents	28,615,138	20,831,489	Trade payables:		<b>COST OF REVENUE</b>	(46,046,452)		(35,819,332)
Trade receivables:			- Third parties	28,497,391				
- Third parties	19,999,100	16,297,531	- Related parties	95,410				
- Related parties	349,737	257,751	Non-trade payables:		<b>GROSS PROFIT</b>	<b>15,078,971</b>		<b>10,439,044</b>
Non-trade receivables:			- Third parties	759,743	Selling expenses	(536,341)		(598,604)
- Third parties	1,205,990	942,539	- Related parties	883,351	General and administrative expenses	(2,200,473)		(1,870,697)
- Related parties	878,761	689,822	Taxes payables:		Other expenses	(399,888)		(430,842)
Inventories	12,356,001	7,854,913	- Corporate income taxes	2,171,182	Other income	859,485		134,311
Project under construction			- Other taxes	4,562,575	Finance income	566,868		765,054
- Third parties	647,695	344,763	Accruals		Finance costs	(902,352)		(671,358)
Prepaid taxes:			Customer deposits		Share of net profit of associates and jointly controlled entities	203,990		103,929
- Corporate income taxes	585,725	346,138	- Third parties	641,855				
- Other taxes	2,401,712	1,745,417	- Related parties	4,022				
Advances and prepayments	1,326,138	1,335,030	Deferred revenue	492,072				
Other current assets	152,874	159,082	Employee benefit obligations	979,601				
Other investments	-	397,725	Short-term bank loans	6,449,060				
<b>Total Current Assets</b>	<b>68,518,871</b>	<b>51,202,200</b>	Current portion of long-term debt:		<b>PROFIT BEFORE INCOME TAX</b>	<b>12,670,260</b>		<b>7,870,837</b>
			- Bank loans	-	Income tax expense	(3,246,158)		(1,972,597)
			- Finance leases	109,712				
			- Other borrowings	51,759	<b>PROFIT FOR THE YEAR</b>	<b>9,424,102</b>		<b>5,898,240</b>
			<b>Total Current Liabilities</b>	<b>45,956,985</b>				
<b>NON-CURRENT ASSETS</b>					<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>			
Trade receivables					<b>Items that will not be reclassified to profit or loss</b>			
- Third parties	6,071	69,001			Remeasurement of employee benefit obligations	3,365		3,806
Non-trade receivables					Related income tax expense	(761)		(865)
- Third parties	602,353	365,760	<b>NON-CURRENT LIABILITIES</b>			<b>2,604</b>		<b>2,941</b>
- Related parties	742,224	620,030	Deferred tax liabilities	1,388,919	<b>Items that will be reclassified to profit or loss</b>			
Restricted cash and time deposits	2,303,529	2,824,400	Provision	171,833	Exchange difference from financial statements translation	910,274		45,898
Advances	1,162,332	171,167	Employee benefit obligations	2,052,637	Hedging reserves	39,520		
Investments in associates and jointly controlled entities	1,727,147	875,297	Long-term debt, net of current portion:		Change in fair value of available for sale financial asset	83,700		(18,450)
Other investments	317,992	234,292	- Bank loans	2,985,800	Share of other comprehensive (expenses)/income of associates and jointly controlled entities, net of tax	404,392		(41)
Fixed assets	21,206,785	16,374,852	- Finance leases	339,936	Related income tax expense	(189,960)		(7,860)
Mining properties	6,298,933	5,876,638	- Other borrowings	70,228				
Investment properties	151,961	151,961	Deferred Revenue	1,413				
Deferred exploration and development expenditures	766,791	891,966	Other long-term financial liabilities	132,029				
Production mining assets	584,441	343,515	<b>Total Non-current Liabilities</b>	<b>7,142,795</b>				
Deferred charges	1,114,091	393,080	<b>TOTAL LIABILITIES</b>	<b>53,099,780</b>	<b>Other comprehensive (expense)/income for the period, net of tax</b>	<b>1,250,530</b>		<b>22,488</b>
Deferred tax assets	1,614,008	1,428,167			<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>10,674,632</b>		<b>5,920,728</b>
Goodwill	461,813	439,767	<b>EQUITY</b>		<b>PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:</b>			
<b>Total Non-current Assets</b>	<b>39,060,471</b>	<b>31,059,893</b>	<b>Equity attributable to owners of the parent</b>		- Owners of the parent	9,071,827		5,638,391
			Share capital:		- Non-controlling interest	352,275		259,849
			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		<b>9,424,102</b>		<b>5,898,240</b>
			Additional paid-in capital	9,703,937				
			Retained earnings :		<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
			- Appropriated	186,507	- Owners of the parent	10,190,556		5,654,874
			- Unappropriated	38,221,090	- Non-controlling interest	484,076		265,854
			Exchange difference on financial statements translation	2,840,424		<b>10,674,632</b>		<b>5,920,728</b>
			Investment fair value revaluation reserve	254,916	<b>EARNINGS PER SHARE</b>	<b>2,432</b>		<b>1,512</b>
			Hedging reserve	112,704	(expressed in full Rupiah)			
			Fixed assets fair value revaluation reserve	8,615				
			Difference due to acquisition of non-controlling interests in subsidiaries	(348,323)				
				<b>51,912,404</b>				
			<b>Non-controlling interest</b>	<b>2,567,158</b>				
<b>TOTAL ASSETS</b>	<b>107,579,342</b>	<b>82,262,093</b>	<b>TOTAL EQUITY</b>	<b>54,479,562</b>				
			<b>TOTAL LIABILITIES AND EQUITY</b>	<b>107,579,342</b>				

Jakarta, 26 Oktober 2018  
PT UNITED TRACTORS Tbk  
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THE BOARD OF DIRECTORS