



# PT United Tractors Tbk

## Investor Bulletin, First Half 2019

### United Tractors Recorded Net Income of Rp 5.6 Trillion

**Operational:**  
Y.o.y Komatsu sales volume down 20%, coal production up 7%, overburden increased 5%, and coal sales volume up 11%

United Tractors (UT/the Company) net revenue for the first half of 2019 increased by 11% from Rp38.9 trillion in the same period of 2018 to Rp43.3 trillion. The Company recorded net income of Rp5.6 trillion, increased 2% compared to Rp5.5 trillion, due to better performance of Mining Contracting segment added with new contribution from Gold Mining, and partially offset by lower contributions from Construction Machinery and Construction Industry segments.

Construction Machinery segment recorded a decrease in Komatsu sales volume by 20% to 1,917 units from 2,400 units. Sales of spare parts and maintenance services was flattish, amounted to Rp4.4 trillion. Overall, Construction Machinery segment recorded revenue of Rp12.1 trillion or down 13%. Mining Contracting segment posted 11% increase in net revenue to Rp19.3 trillion, with 60.8 million tonnes of coal production and 469.0 million bcm of overburden removal. Coal Mining segment recorded increased coal sales volume by 11% to 4.9 million tonnes, and net revenue increased by 13% to Rp6.8 trillion, due to higher contribution of coking coal. As of June 2019, the gold sales from Martabe gold mine achieved 194 thousand ounces. Meanwhile, Construction Industry segment recorded 7% net revenue decreased to Rp1.5 trillion with new contract value of Rp1.4 trillion.

Overall, to the Company's consolidated net revenue, Mining Contracting segment contributed 44%, followed by 28% from Construction Machinery, 16% from Coal Mining, 8% from Gold Mining, and 4% from Construction Industry.

Bhumi Jati Power, which is 25%-owned by the Company, is in the process of constructing 2x1,000 MW coal fired power plant in Jepara, Central Java. Until June 2019, the progress of construction has reached 73%, and is scheduled to start commercial operation in 2021.

**Financial:**  
Consolidated revenue was Rp 43.3 trillion, with net income of Rp 5.6 trillion

In Rupiah billion	6M 2019	6M 2018	Y/Y%	FY 2018
Exchange rate (Rp/US\$)	14,141	14,404	-2%	14,481
<b>Revenue Breakdown</b>				
Construction Machinery	12,087	13,858	-13%	29,615
Mining Contracting	19,267	17,434	11%	40,559
Coal Mining	6,794	5,992	13%	10,727
Gold Mining	3,630			
Construction Industry	1,543	1,660	-7%	3,724
<b>Total Revenue</b>	<b>43,319</b>	<b>38,944</b>	<b>11%</b>	<b>84,625</b>
Gross Profit	10,638	9,261	15%	21,110
Gross Profit Margin	24.6%	23.8%	3%	24.9%
Profit for the period	5,623	5,744	-2%	11,498
<b>Net Income</b>	<b>5,575</b>	<b>5,479</b>	<b>2%</b>	<b>11,126</b>
Earnings Per Share (expressed in full Rp)	1,495	1,469	2%	2,983

Note: The Company's 1H 2019 & 1H 2018 report was unaudited

July 30, 2019



# CONSTRUCTION MACHINERY Performance Overview

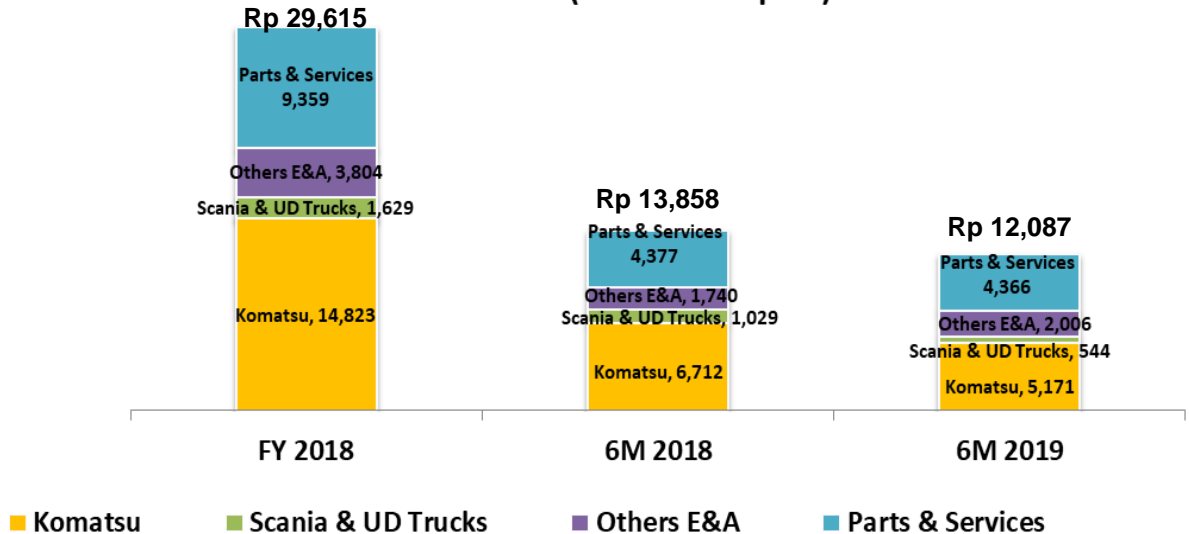
**Komatsu sales volume was 1,917 units**

**Revenue was Rp 12.1 trillion, decreased 13%**

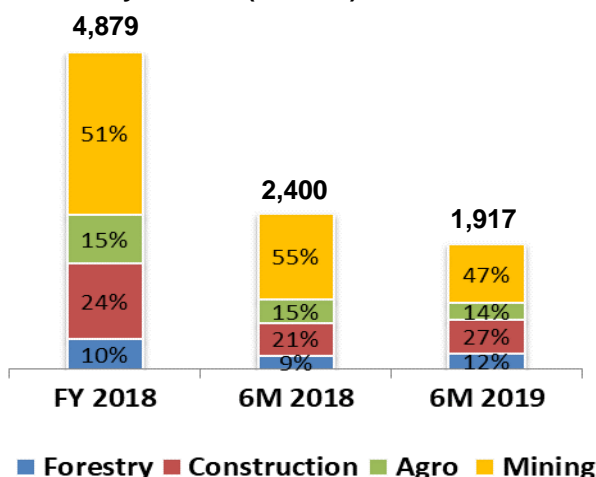
Until June 2019, Komatsu sales volume reached 1,917 units, down 20% from 2,400 units in the first half 2018. The decrease was due to subdued market conditions particularly in mining and plantations sectors. However, based on internal market research, Komatsu maintained its position as market leader with 36% market share. In addition to unit sales, sales of spare parts and heavy equipment services were relatively the same as last year, amounted to Rp4.4 trillion.

Sales volume of UT's other distributed brands, UD Trucks, was down from 417 units to 302 units, and Scania products was down from 533 units to 291 units. The decrease was also impacted by subdued coal price in mining sector where UD Trucks and Scania were mainly operated. In total, Construction Machinery segment recorded a decrease in revenue by 13% to Rp12.1 trillion, compared to Rp13.9 trillion in the first half last year.

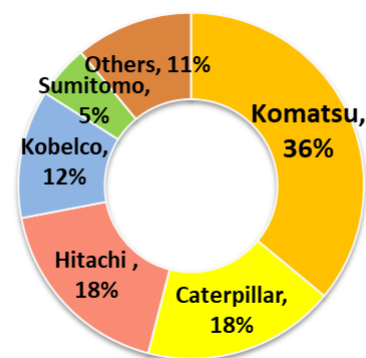
**CM Revenue Breakdown (in billion Rupiah)**



**Komatsu Sales Volume by sectors (in units)**



**Domestic Market Share 6M 2019**



Source: Internal Market Research



# MINING CONTRACTING

## Performance Overview

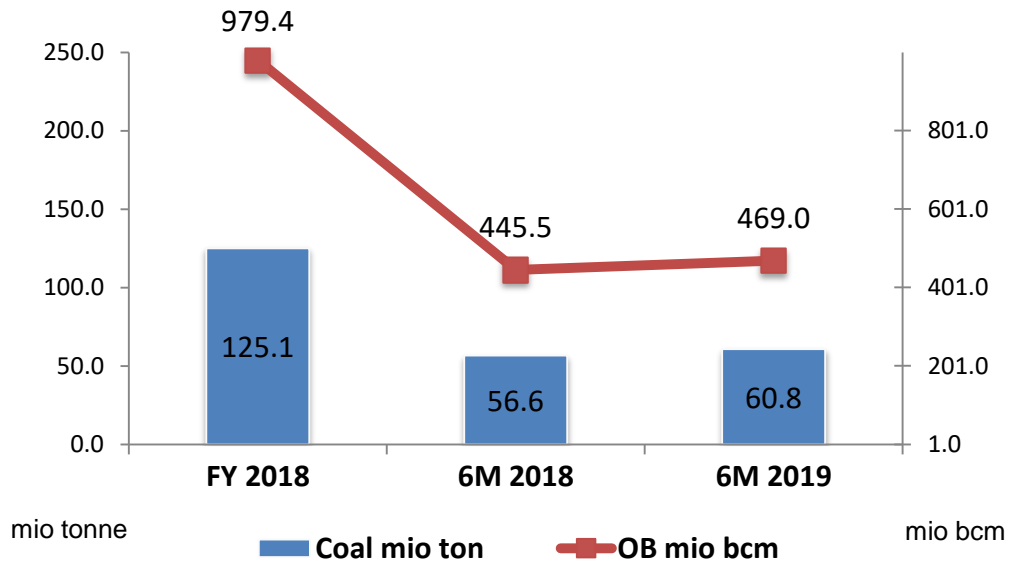
**Pama coal production was 60.8 mio tonnes, up 7%, with overburden removal of 469.0 mio bcm, or up 5%**

**Revenue was Rp 19.3 trillion, up 11%**

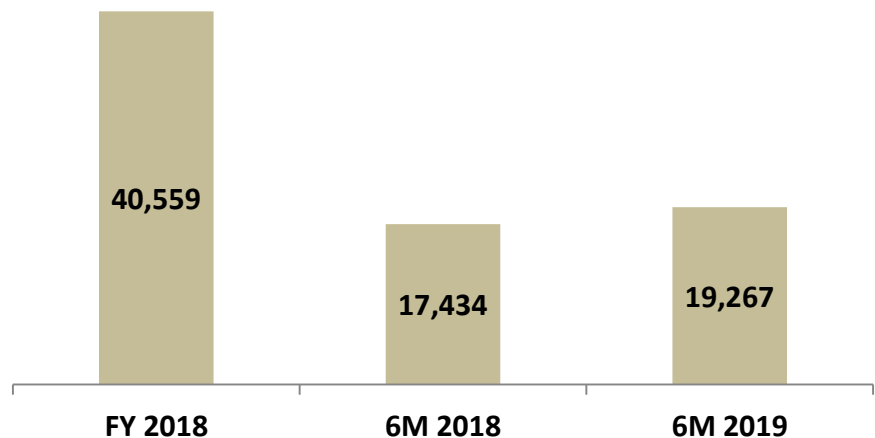
UT's Mining Contracting segment is carried out by PT Pamapersada Nusantara (PAMA). Subsidiary under PAMA that also provides additional support and services in mining contracting is PT Kalimantan Prima Persada (KPP).

During first half 2019, PAMA managed to record revenue of Rp19.3 trillion, grew by 11% from Rp17.4 trillion in the first half 2018. The increase in revenue was driven by 7% increase in coal production from 56.6 million tonnes to 60.8 million tonnes, and 5% increase in overburden removal volume, from 445.5 million bcm to 469.0 million bcm.

### Coal and Overburden Removal



### MC Revenue (Rupiah billion)





# COAL MINING

## Performance Overview

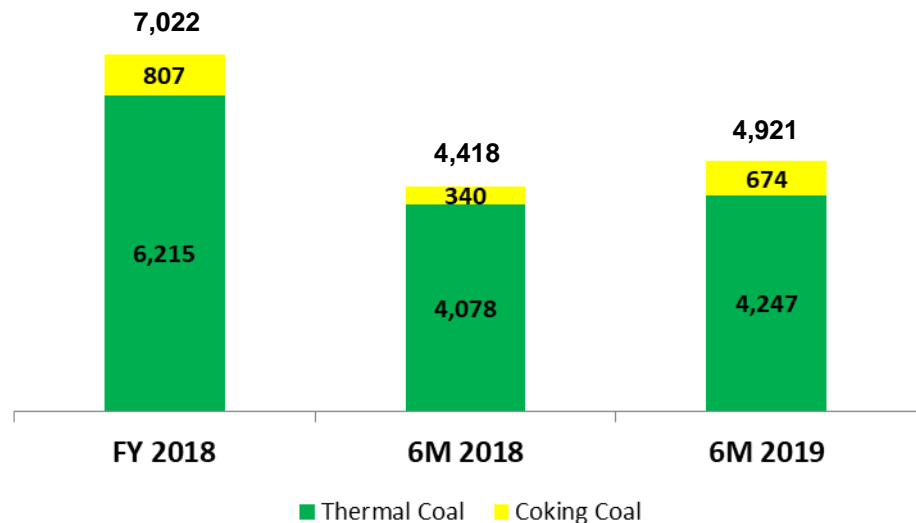
**Coal sales volume reached 4.9 million tonnes, increased 11%**

**Revenue was Rp 6.8 trillion, increased 13%**

The Company's Mining segment was operated by PT Tuah 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 is a coking coal concession in Central Kalimantan, and has started its commercial production in late 2017.

As of June 2019, TTA recorded total coal sales volume of 4.9 million tonnes including 674 thousand tonnes of coking coal and 749 thousand tonnes from coal trading business, compared to 4.4 million tonnes in the same period 2018. Mining business revenue was increased by 13% to Rp6.8 trillion from Rp6.0 trillion due to higher contribution of coking coal.

**TTA's coal sales volume (in thousand tonne)**





# GOLD MINING

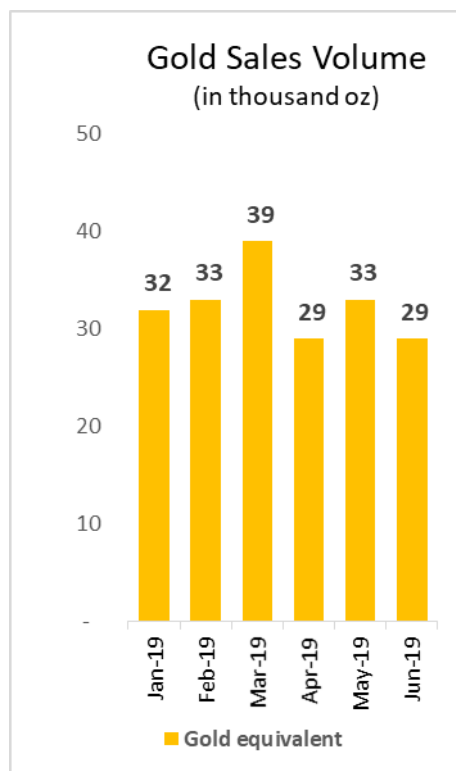
## Performance Overview

**Gold sales volume reached 194 thousand ounces**

**Revenue was Rp 3.6 trillion**

In December 2018, the Company through its subsidiary completed the acquisition of 95% ownership of PT Agincourt Resources (PTAR), a company engaged in exploration, mining and processing of gold mineral. PTAR operates Martabe gold mine located in the South Tapanuli, North Sumatra. As of December 2018, Martabe gold mine mineral resources reached 8.1 million ounces of gold with an estimated gold reserve of 4.5 million ounces.

Until June 2019, the gold sales from Martabe gold mine was 194 thousand ounces and recorded a net revenue of Rp3.6 trillion.





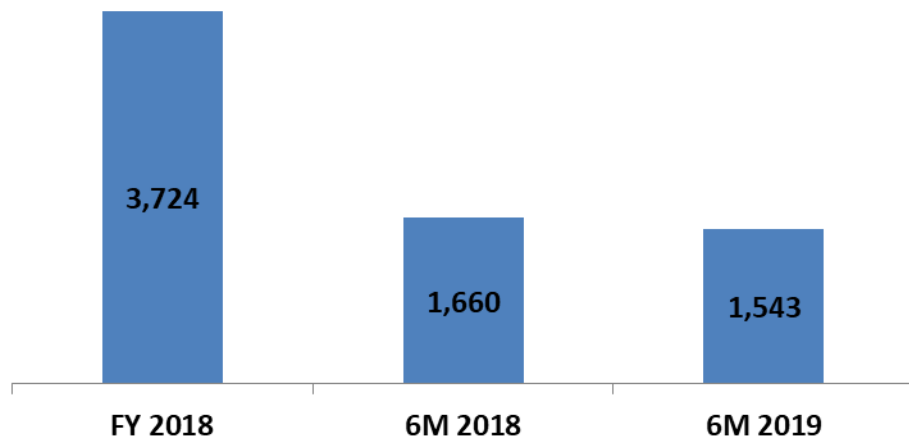
# CONSTRUCTION INDUSTRY Performance Overview

**Revenue was Rp 1.5 trillion, decreased 7%, net loss Rp 404 billion**

The Construction Industry segment was represented by PT Acset Indonusa Tbk (ACSET). As of June 2019, ACSET reported lower net revenue of Rp1.5 trillion, compared to Rp1.7 trillion in the first half 2018. The revenue decline was primarily due to lower contribution from infrastructure segment, with some projects at the moment are close to completion. Meanwhile, ACSET recorded a net loss of Rp404 billion, from the previous net profit of Rp73 billion in comparable period in 2018. Net loss during this first half of 2019 was mainly the implications of delayed completion in several Contractor Pre-Financing (CPF) as well as building projects that resulted in incremental funding, overhead and acceleration costs.

Until first half of 2019, ACSET has been awarded new contracts with a total project value of Rp1.4 trillion.

**Construction Industry Revenue (Rupiah billion)**



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Rate Rp/US\$: 30/06/2019 = 14,141 and 31/12/2018 = 14,481

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 AND 31 DECEMBER 2018 (expressed in million of Rupiah, unless otherwise stated)			CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2019 AND 2018 (in million Rupiah, except earning per share)				
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY		30/06/2019		6/30/2018	
	30/06/2019	12/31/2018	30/06/2019	12/31/2018	30/06/2019	6/30/2018	6/30/2018
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents	12,226,037	13,438,175	Trade payables:			<b>NET REVENUE</b>	43,319,367
Trade receivables:			- Third parties	26,780,338	32,497,249	<b>COST OF REVENUE</b>	(32,681,059)
- Third parties	21,109,595	20,259,824	- Related parties	184,695	194,163		(29,683,110)
- Related parties	448,443	350,503	Non-trade payables:			<b>GROSS PROFIT</b>	<b>10,638,308</b>
Non-trade receivables:			- Third parties	287,419	442,129		<b>9,261,128</b>
- Third parties	1,135,390	1,048,953	- Related parties	41,963	36,290	Selling expenses	(390,947)
- Related parties	1,106,886	914,606	Taxes payables:			General and administrative expenses	(1,817,591)
Inventories	12,368,604	13,617,869	- Corporate income taxes	708,806	2,366,234	Other expenses	(202,983)
Project under construction			- Other taxes	512,255	864,371	Other income	153,798
- Third parties	1,486,381	927,230	Accruals	5,194,102	3,762,960	Finance income	246,559
- Related parties	-	2,020	Customer deposits			Finance costs	(1,123,828)
Prepaid taxes:			- Third parties	1,076,859	532,127	Share of net profit of associates and jointly controlled entities	208,861
- Corporate income taxes	421,966	365,715	- Related parties	64,247	5,751		119,193
- Other taxes	3,062,329	2,735,817	Deferred revenue	441,727	472,713		
Advances and prepayments	1,670,893	1,379,555	Employee benefit obligations	984,300	591,056		
Other current assets	907,606	611,541	Short-term bank loans	2,822,501	6,856,689		
			Current portion of long-term debt:			<b>PROFIT BEFORE INCOME TAX</b>	<b>7,712,177</b>
<b>Total Current Assets</b>	<b>55,944,130</b>	<b>55,651,808</b>	- Bank loans	1,237,338	-	Income tax expense	(2,088,835)
			- Finance leases	158,220	109,657		<b>5,623,342</b>
<b>NON-CURRENT ASSETS</b>			- Other borrowings	77,994	54,327	<b>PROFIT FOR THE YEAR</b>	<b>5,744,072</b>
Trade receivables			Current portion of other long-term liabilities	220,095	-		
- Third parties	2,275	5,612	<b>Total Current Liabilities</b>	<b>40,792,859</b>	<b>48,785,716</b>	<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>	
Non-trade receivables:						<b>Items that will not be reclassified to profit or loss</b>	
- Third parties	506,865	860,550	<b>NON-CURRENT LIABILITIES</b>			Remeasurement of employee benefit obligations	2,190
- Related parties	1,367,369	1,031,211	Deferred tax liabilities	4,303,229	4,549,674	Fixed assets fair value revaluation reserves	-
Inventories	163,851	164,219	Provision	530,796	531,638	Related income tax expense	(497)
Prepaid taxes			Employee benefit obligations	2,087,120	1,948,366		
- Other taxes	821,000	392,151	Long-term debt, net of current portion:				
Restricted cash and time deposits	1,797,424	2,340,627	- Bank loans	11,489,563	2,896,200	<b>Items that will be reclassified to profit or loss</b>	
Advances	255,372	349,816	- Finance leases	506,007	326,464	Exchange difference from financial statements translation	(570,437)
Investments in associates and jointly controlled entities	1,772,249	1,871,222	- Other borrowings	127,195	63,083	Hedging reserves	(498,340)
Other investments	256,792	317,092	Deferred Revenue	565	1,130	Change in fair value of available for sale financial asset	(60,300)
Fixed assets	27,113,240	24,584,551	Other long-term financial liabilities	358,544	128,067	Share of other comprehensive (expenses)/income of associates and jointly controlled entities, net of tax	141,371
Mining properties	15,024,614	15,889,046				Related income tax expense	(1,531,827)
Investment properties	184,194	184,194	<b>Total Non-current Liabilities</b>	<b>19,403,019</b>	<b>10,444,622</b>		<b>751,691</b>
Deferred exploration and development expenditures	1,824,338	1,677,169	<b>TOTAL LIABILITIES</b>	<b>60,195,878</b>	<b>59,230,338</b>	<b>Other comprehensive (expense)/income for the period, net of tax</b>	<b>(1,530,134)</b>
Production mining assets	4,981,715	5,292,850					
Deferred charges	1,489,197	1,190,165	<b>EQUITY</b>			<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>4,093,208</b>
Deferred tax assets	1,904,415	1,583,067	<b>Equity attributable to owners of the parent</b>			<b>PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:</b>	
Goodwill	2,863,303	2,895,667	Share capital:			- Owners of the parent	5,575,126
			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	48,216
<b>Total Non-current Assets</b>	<b>62,328,213</b>	<b>60,629,209</b>	Additional paid-in capital	9,703,937	9,703,937		<b>5,623,342</b>
			Retained earnings :			<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>	
			- Appropriated	186,507	186,507	- Owners of the parent	4,109,839
			- Unappropriated	42,823,591	40,335,313	- Non-controlling interest	(16,631)
			Exchange difference on financial statements translation	2,301,683	2,819,924		<b>4,093,208</b>
			Investment fair value revaluation reserve	193,716	254,016	<b>EARNINGS PER SHARE</b>	<b>1,495</b>
			Hedging reserve	(1,007,135)	(118,685)		<b>1,469</b>
			Fixed assets fair value revaluation reserve	14,107	14,107		
			Difference due to acquisition of non-controlling interests in subsidiaries	(348,323)	(348,323)		
				<b>54,800,617</b>	<b>53,779,330</b>		
			<b>Non-controlling interest</b>	<b>3,275,848</b>	<b>3,271,349</b>		
<b>TOTAL ASSETS</b>	<b>118,272,343</b>	<b>116,281,017</b>	<b>TOTAL EQUITY</b>	<b>58,076,465</b>	<b>57,050,679</b>		
				<b>118,272,343</b>	<b>116,281,017</b>		
			<b>TOTAL LIABILITIES AND EQUITY</b>	<b>118,272,343</b>	<b>116,281,017</b>		

S.E. & O