



PT United Tractors Tbk

Investor Bulletin, Fourth Quarter 2018

United Tractors Recorded Net Income of Rp 11.1 Trillion

Operational:
Y.o.y Komatsu sales volume up 29%, coal production up 11%, overburden increased 22%, while coal sales volume rose 11%

United Tractors (UT/the Company) today released its consolidated financial statements for full year 2018. UT concluded the year 2018 with consolidated net revenue of Rp84.6 trillion, or increased by 31% from Rp64.6 trillion in 2017. Better operational performances and profit margin resulted in the Company's net profit increased by 50% to Rp11.1 trillion compared to Rp7.4 trillion in 2017. In 2018, earning per share (basic and diluted) of UNTR stood at Rp2,983 up from Rp1,985 in 2017.

Heavy Equipment sales under the Construction Machinery segment recorded an increase of 29% in Komatsu sales volume to 4,879 units from 3,788 units. Sales of spare parts and maintenance services increased by 32% to Rp9.4 trillion. The overall Construction Machinery business revenues grew 20% to Rp29.6 trillion. Mining Contracting business segment posted 37% increase in net revenue to Rp40.6 trillion, with 125.1 million tons of coal production and 979.4 million bcm of overburden removal. Mining business segment recorded increased coal sales volume by 11% to 7.0 million tons, and net revenue increased by 49% to Rp10.7 trillion due to higher average coal selling price. The fourth segment, Construction Industry, recorded 23% net revenue growth to Rp3.7 trillion with new contract value of Rp1.6 trillion.

Overall to the Company's consolidated net revenue, Mining Contracting segment contributed 48%, followed by 35% from Construction Machinery, 13% from Mining, and 4% from Construction Industry.

On 4th December 2018, the Company through its subsidiary PT Danusa Tambang Nusantara has completed the acquisition of 95% ownership of PT Agincourt Resources (AR). AR operates Martabe Gold Mine located in South Tapanuli, North Sumatra. In December 2018, the consolidated gold sales from Martabe was around 35 thousand ounces of gold.

Bhumi Jati Power, 25%-owned by the Company is in the process of constructing 2x1,000 MW coal fired power plant in Jepara, Central Java. Until December 2018, the progress of construction has reached 55%, and scheduled to start commercial operation in 2021.

In Rupiah billion	FY 2018	FY 2017	Y/Y%
Exchange rate (Rp/US\$)	14,481	13,548	7%
Revenue Breakdown			
Construction Machinery	29,615	24,711	20%
Mining Contracting	40,559	29,637	37%
Mining	10,727	7,181	49%
Construction Industry	3,724	3,031	23%
Total Revenue	84,625	64,559	31%
Gross Profit	21,110	14,484	46%
Gross Profit Margin	24.9%	22.4%	11%
Profit for the year	11,498	7,673	50%
Net Income	11,126	7,403	50%
Earnings Per Share (expressed in full Rp)	2,983	1,985	50%

Note: The Company's FY 2018 & FY 2017 report was audited

February 27, 2019



CONSTRUCTION MACHINERY

Performance Overview

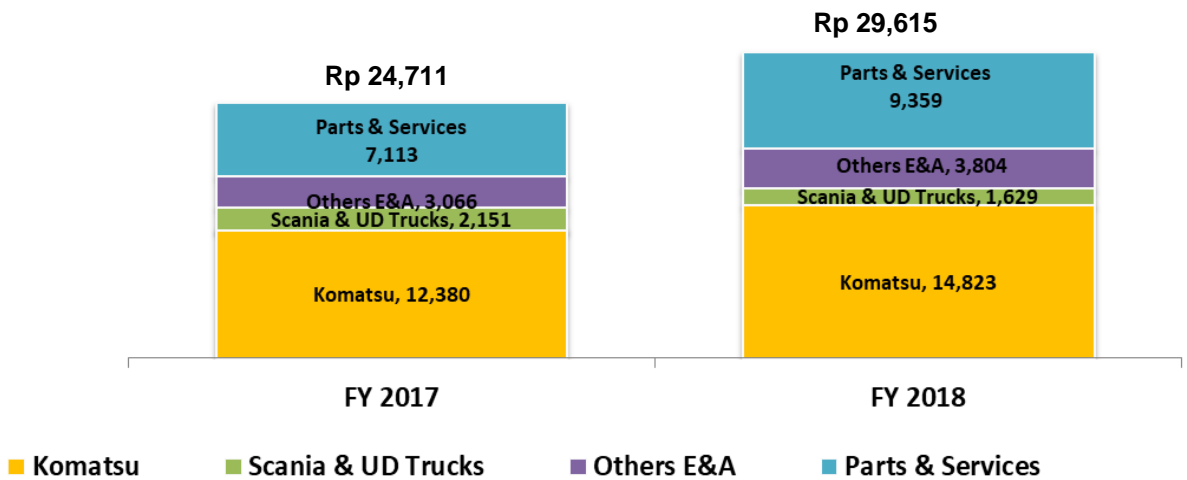
Komatsu sales volume was 4,879 units

Revenue was Rp 29.6 trillion, increased 20%

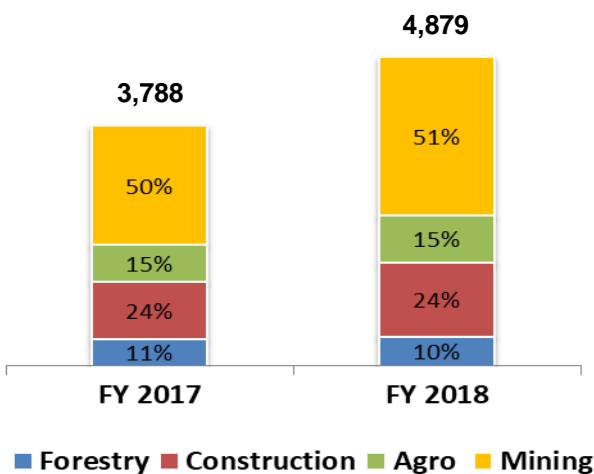
Construction Machinery recorded an increase in Komatsu sales volume by 29% reaching 4,879 units compared to 3,788 units in 2017. This increase was driven by the increasing demand across all sectors. Komatsu maintained its position as market leader of heavy equipment with 36% market share (source: internal market research). In addition, to extend the life cycle and to maintain the performance of heavy equipment, sales of spare parts and heavy equipment services also increased by 32% to Rp9.4 trillion.

Sales volume of UT's other distributed brands, such as UD Trucks was increased from 700 units to 808 units, while Scania products was decreased from 1,116 units to 792 units. In total, Construction Machinery business line recorded an increase in revenue by 20% to Rp29.6 trillion, compared to Rp24.7 trillion in 2017.

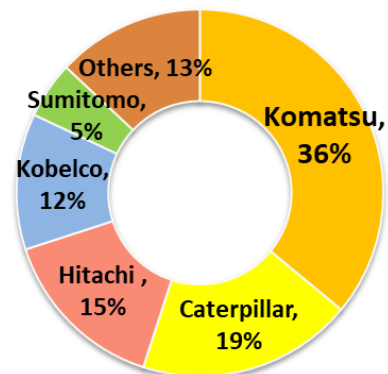
CM Revenue Breakdown (in billion Rupiah)



Komatsu Sales Volume by sectors (in units)



Domestic Market Share FY 2018



Source: Internal Market Research



MINING CONTRACTING Performance Overview

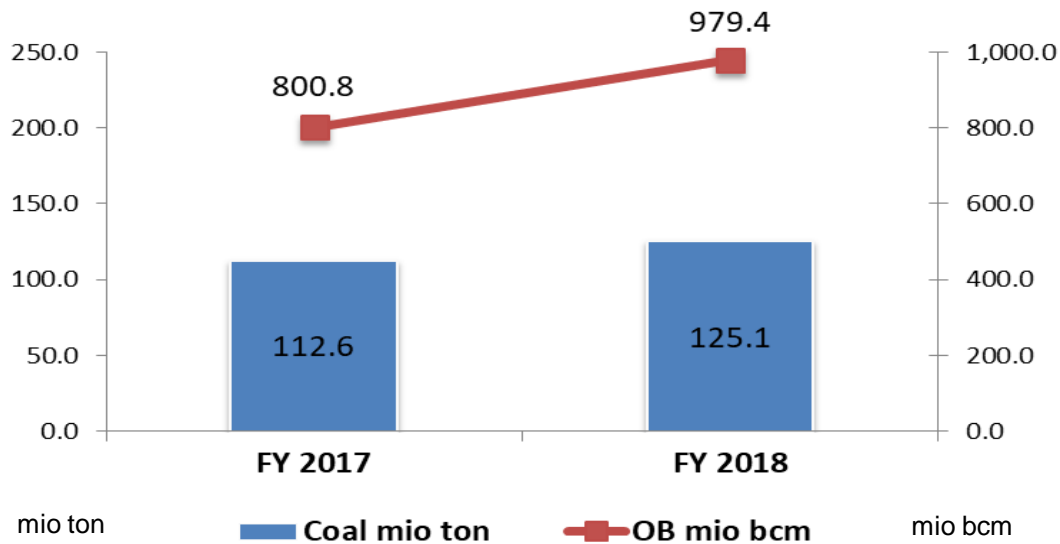
Pama coal production was 125.1 mio tons, up 11%, with overburden removal of 979.4 mio bcm, or up 22%

Revenue was Rp 40.6 trillion, up 37%

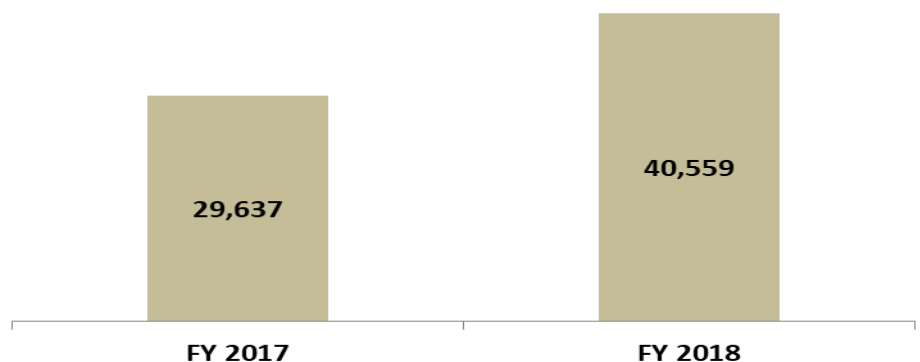
UT's Mining Contracting business line is carried out through PT Pamapersada Nusantara (PAMA). Subsidiary under PAMA that also provides additional support and services in mining contracting is PT Kalimantan Prima Persada (KPP).

In 2018, PAMA managed to record revenues of Rp40.6 trillion, grew by 37% from Rp 29.6 trillion in 2017. The increase in revenue was driven by 11% increase in coal production from 112.6 million tons to 125.1 million tons, and 22% increase in overburden removal volume, from 800.8 million bcm to 979.4 million bcm.

Coal and Overburden Removal



MC Revenue (Rupiah billion)





COAL MINING

Performance Overview

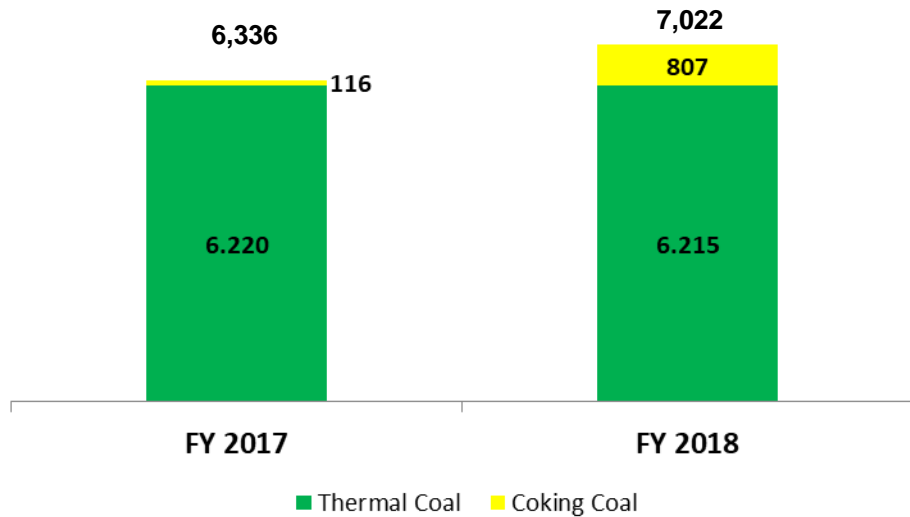
Coal sales volume reached 7.0 million tons, increased 11%

Revenue was Rp 10.7 trillion, increased 49%

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 is a coking coal concession in Central Kalimantan, and has started its commercial production in late 2017.

In 2018, TTA recorded total coal sales volume of 7.0 million tons including 807 thousand tons of coking coal from SMM and 1.3 million tons from coal trading business, compared to 6.3 million tons in 2017. Mining business revenue was increased by 49% to Rp10.7 trillion from Rp7.2 trillion, due to a significant increase in average coal selling price in.

TTA's coal sales volume (in thousand tons)



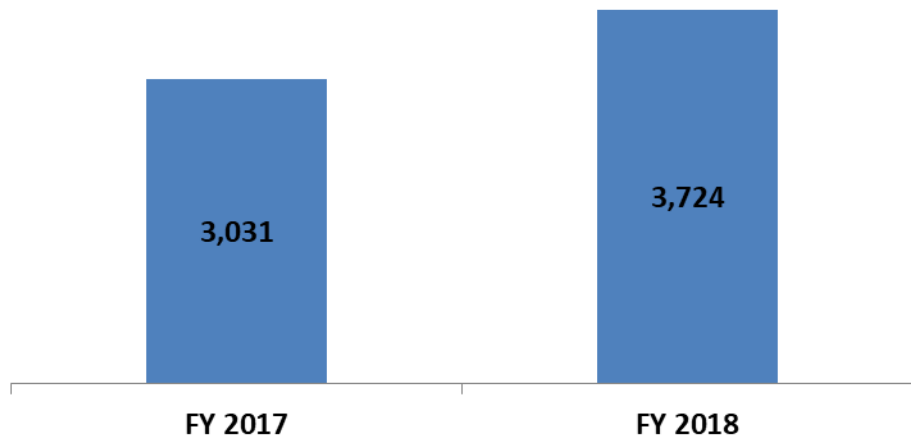


CONSTRUCTION INDUSTRY Performance Overview

Revenue was Rp 3.7 trillion, increased 23%, net income was Rp 18 billion, decreased 88%

The Construction Industry business unit was represented by PT Acset Indonusa Tbk (ACSET). In 2018, ACSET reported net revenue of Rp3.7 trillion, compared to Rp3.0 trillion in 2017, while net profit declined to Rp18 billion from Rp154 billion due to several changes in ongoing projects which resulted in recognition of increased construction and financial costs. During 2018, ACSET has secured new contracts worth of Rp1.6 trillion.

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
<http://www.unitedtractors.com>

PT UNITED TRACTORS Tbk and SUBSIDIARIES

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

Rate Rp/US\$: 2018 = 14,481 and 2017 = 13,548

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018 AND 2017 (expressed in million of Rupiah, unless otherwise stated)			CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2018 AND 2017 (in million Rupiah, except earning per share)						
ASSETS	2018	2017	LIABILITIES AND STOCKHOLDERS' EQUITY		2018	2017	2018	2017	
CURRENT ASSETS			CURRENT LIABILITIES				NET REVENUE	84,624,733	64,559,204
Cash and cash equivalents	13,438,175	20,831,489	Trade payables:		32,497,249	20,113,141	COST OF REVENUE	(63,515,207)	(50,075,332)
Trade receivables:			- Third parties		194,163	126,108			
- Third parties	20,259,824	16,297,531	- Related parties				GROSS PROFIT	21,109,526	14,483,872
- Related parties	350,503	257,751	Non-trade payables:		442,129	629,911	Selling expenses	(968,142)	(1,028,852)
Non-trade receivables:			- Third parties		36,290	240,866	General and administrative expenses	(3,371,034)	(2,698,558)
- Third parties	1,048,953	942,539	- Related parties				Other expenses	(977,414)	(732,690)
- Related parties	914,606	689,822	Taxes payables:				Other income	282,390	186,461
Inventories	13,617,869	7,854,913	- Corporate income taxes		2,366,234	1,089,304	Finance income	764,213	1,016,075
Project under construction			- Other taxes		864,371	302,511	Finance costs	(1,437,596)	(874,451)
- Third parties	927,230	344,763	Accruals		3,762,960	2,431,218			
- Related parties	2,020	-	Customer deposits				Share of net profit of associates and jointly controlled entities	306,776	170,800
Prepaid taxes:			- Third parties		532,127	784,648			
- Corporate income taxes	365,715	346,138	- Related parties			24,558	PROFIT BEFORE INCOME TAX	15,708,719	10,522,657
- Other taxes	2,735,817	1,745,417	Deferred revenue		472,713	494,434	Income tax expense	(4,210,310)	(2,849,335)
Advances and prepayments	1,379,555	1,335,030	Employee benefit obligations		591,056	223,854			
Other current assets	611,541	159,082	Short-term bank loans		6,856,689	1,192,573	PROFIT FOR THE YEAR	11,498,409	7,673,322
Other investments	-	397,725	Current portion of long-term debt:				OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Total Current Assets	55,651,808	51,202,200	- Bank loans		-	632,240	Items that will not be reclassified to profit or loss		
			- Finance leases		109,657	51,350	Remeasurement of employee benefit obligations	83,647	(152,289)
NON-CURRENT ASSETS			- Other borrowings		54,327	39,846	Fixed assets fair value revaluation reserves	5,492	-
Trade receivables			Total Current Liabilities		48,785,716	28,376,562	Related income tax expense	(20,254)	38,114
- Third parties	5,612	69,001							
Non-trade receivables			NON-CURRENT LIABILITIES		4,549,674	1,442,159	Items that will be reclassified to profit or loss	684,810	83,705
- Third parties	860,550	365,760	Deferred tax liabilities		531,638	160,672	Exchange difference from financial statements translation	17,953	(492)
- Related parties	1,031,211	620,030	Provision		1,948,366	1,859,089	Hedging reserves		
Inventories	164,219	-	Employee benefit obligations				Change in fair value of available for sale financial asset	82,800	(1,800)
Prepaid taxes			Long-term debt, net of current portion:				Share of other comprehensive (expenses)/income	190,635	(324,283)
- Other taxes	392,151	-	- Bank loans		2,896,200	2,709,600	of associates and jointly controlled entities, net of tax	(3,591)	(16,643)
Restricted cash and time deposits			- Finance leases		326,464	14,849			
Advances	349,816	171,167	- Other borrowings		63,083	38,669			
Investments in associates and jointly controlled entities	1,871,222	875,297	Deferred Revenue		1,130	2,260			
Other investments	317,092	234,292	Other long-term financial liabilities		128,067	120,308			
Fixed assets	24,584,551	16,374,852	Total Non-current Liabilities		10,444,622	6,347,606			
Mining properties	15,889,046	5,876,638	TOTAL LIABILITIES		59,230,338	34,724,168			
Investment properties	184,194	151,961							
Deferred exploration and development expenditures	1,677,169	891,966	EQUITY						
Production mining assets	5,292,850	343,515	Equity attributable to owners of the parent						
Deferred charges	1,190,165	393,080	Share capital:						
Deferred tax assets	1,583,067	1,428,167	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	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	12,539,901	7,299,634
Goodwill	2,895,667	439,767	Additional paid-in capital		9,703,937	9,703,937	PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:		
Total Non-current Assets	58,288,582	28,235,493	Retained earnings :				- Owners of the parent	11,125,626	7,402,966
			- Appropriated		186,507	186,507	- Non-controlling interest	372,783	270,356
			- Unappropriated		40,335,313	32,787,260		11,498,409	7,673,322
			Exchange difference on financial statements translation		2,819,924	2,245,246	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
			Investment fair value revaluation reserve		254,016	171,216	- Owners of the parent	12,057,482	7,020,246
			Hedging reserve		(118,685)	(324,532)	- Non-controlling interest	482,419	279,388
			Fixed assets fair value revaluation reserve		14,107	8,615		12,539,901	7,299,634
			Difference due to acquisition of non-controlling interests in subsidiaries		(348,323)	(348,323)			
					53,779,330	45,362,460	EARNINGS PER SHARE	2,983	1,985
			Non-controlling interest		3,271,349	2,175,465			
			TOTAL EQUITY		57,050,679	47,537,925			
TOTAL ASSETS	113,940,390	79,437,693	TOTAL LIABILITIES AND EQUITY		116,281,017	82,262,093			

S.E. & O