



# PT United Tractors Tbk

## Investor Bulletin, First Half 2018

### United Tractors Recorded Net Income of Rp 5.5 Trillion

**Operational:**  
Y.o.y Komatsu sales volume up 37%, coal production up 8%, overburden increased 23%, while coal sales volume rose 22%

**Financial:**  
Consolidated revenue was Rp 38.9 trillion, with net income of Rp 5.5 trillion

United Tractors (UT/the Company) recorded increased consolidated net revenue for the first half 2018 by 32% to Rp38.9 trillion from Rp29.4 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 60% to Rp5.5 trillion compared to Rp3.4 trillion in the same period 2017.

Heavy Equipment sales under the Construction Machinery segment recorded an increase of 37% in Komatsu sales volume to 2,400 units from 1,751 units. Sales of spare parts and maintenance services increased by 35% to Rp4.4 trillion. The overall Construction Machinery business revenues grew 24% to Rp13.9 trillion. Mining Contracting business segment posted 32% increase in net revenue to Rp17.4 trillion, with 56.6 million tons of coal production and 444.9 million bcm of overburden removal. Mining business segment recorded increased coal sales volume by 22% to 4.4 million tons, and net revenue increased by 51% to Rp6.0 trillion due to higher average coal selling price. The fourth segment, Construction Industry, recorded 62% net revenue growth to Rp1.7 trillion with new contract value of Rp300 billion.

Overall, Mining Contracting segment contributed 45% to the Company’s consolidated net revenue, followed by Construction Machinery that contributed 36%, Mining contributed 15%, and Construction Industry with 4% contribution.

In Rupiah billion	6M 2018	6M 2017	Y/Y%	FY 2017
Exchange rate (Rp/US\$)	14,404	13,319	8%	13,548
<b>Revenue Breakdown</b>				
Construction Machinery	13,858	11,194	24%	24,711
Mining Contracting	17,434	13,251	32%	29,637
Mining	5,992	3,960	51%	7,181
Construction Industry	1,660	1,026	62%	3,031
<b>Total Revenue</b>	<b>38,944</b>	<b>29,431</b>	<b>32%</b>	<b>64,559</b>
Gross Profit	9,261	6,249	48%	14,483
Gross Profit Margin	23.8%	21.2%	12%	22.4%
Profit for the period	5,744	3,576	61%	7,673
<b>Net Income</b>	<b>5,479</b>	<b>3,423</b>	<b>60%</b>	<b>7,403</b>
Earnings Per Share (expressed in full Rp)	1,469	918	60%	1,985

Note: The Company’s 6M 2018 & 6M 2017 report was unaudited

July 26, 2018



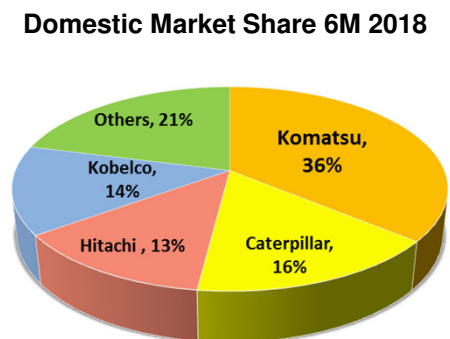
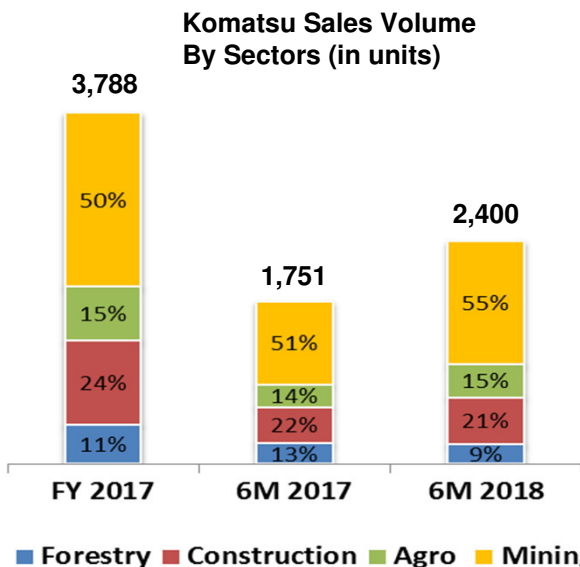
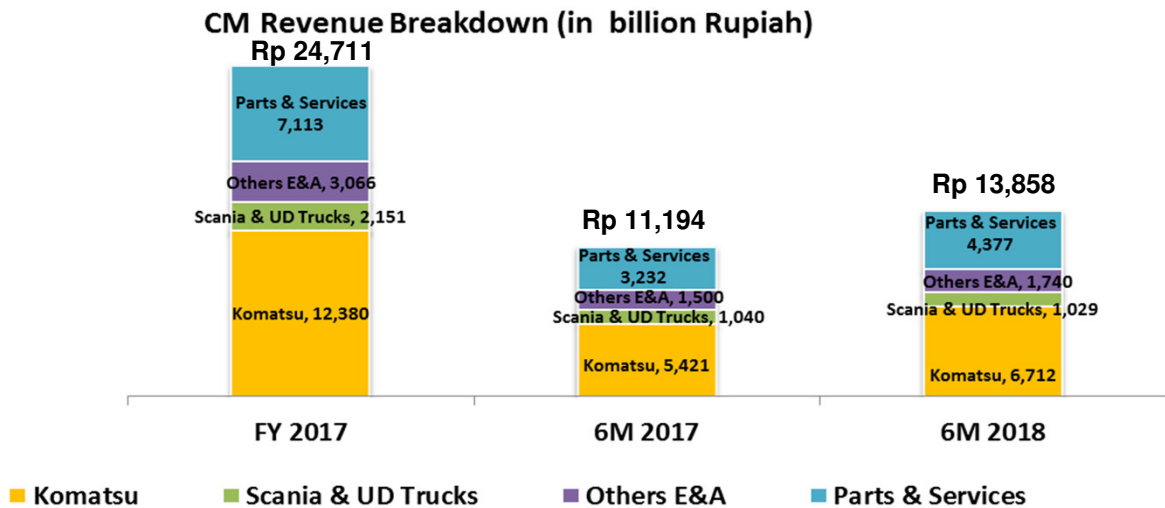
# CONSTRUCTION MACHINERY Performance Overview

**Komatsu sales volume was 2,400 units**

**Revenue was Rp 13.9 trillion, increased 24%**

Until June 2018, Komatsu sales volume grew by 37% reached 2,400 units compared to 1,751 units in the same period 2017. Such rising sales performance was driven by increasing demands from mining, plantation, and construction sectors. Komatsu maintained its position as market leader of heavy equipment with 36% market share (source: internal market research). Sales volume of UT's other distributed brands, such as UD Trucks was increased from 276 units to 417 units, while Scania products was slightly decreased from 553 units to 533 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 35% to Rp4.4 trillion. In total, Construction Machinery business line recorded an increase in revenue by 24% to Rp13.9 trillion, compared to Rp11.2 trillion in the same period 2017.



Source: Internal Market Research



# MINING CONTRACTING Performance Overview

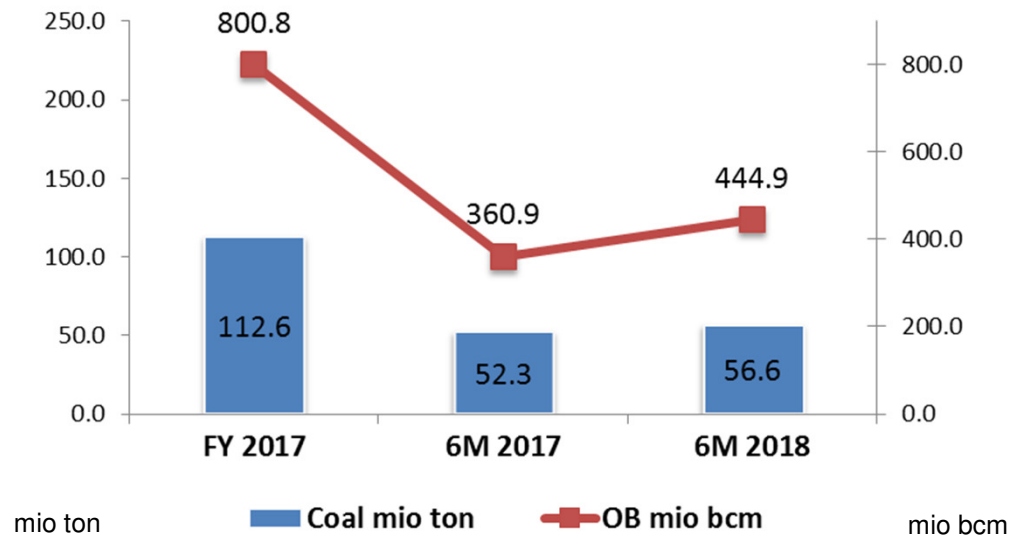
**Pama coal production was 56.6 mio tons, up 8%, with overburden removal of 444.9 mio bcm, or up 23%**

**Revenue was Rp 17.4 trillion, up 32%**

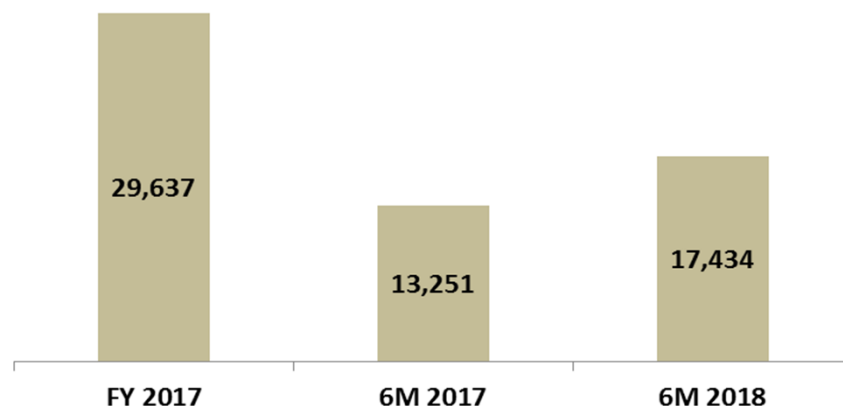
UT's Mining Contracting business line is carried out through PT Pamapersada Nusantara (PAMA). Subsidiary under PAMA that also provides additional support and services in mining contracting is PT Kalimantan Prima Persada (KPP).

During first half 2018, PAMA posted 32% increase in net revenue from Rp13.3 trillion to Rp17.4 trillion. The increase in revenue was driven by the increase in coal production by 8% from 52.3 million tons to 56.6 million tons, while overburden removal volume was up 23% from 360.9 million bcm to 444.9 million bcm.

## Coal and Overburden Removal



## MC Revenue (Rupiah billion)





## COAL MINING Performance Overview

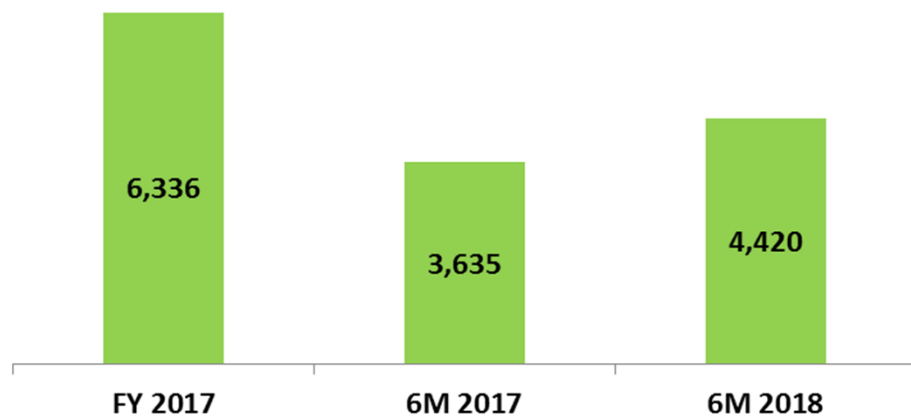
**Coal sales volume reached 4.4 million tons, increased 22%**

**Revenue was Rp 6.0 trillion, increased 51%**

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 June 2018, TTA recorded total coal sales volume of 4.4 million tons including 342 thousand tons of coking coal from SMM and 680 thousand tons from coal trading business, compared to 3.6 million tons in the same period 2017. Mining business revenue increased by 51% to Rp6.0 trillion from Rp4.0 trillion, due to a significant increase in average coal selling price in the period.

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





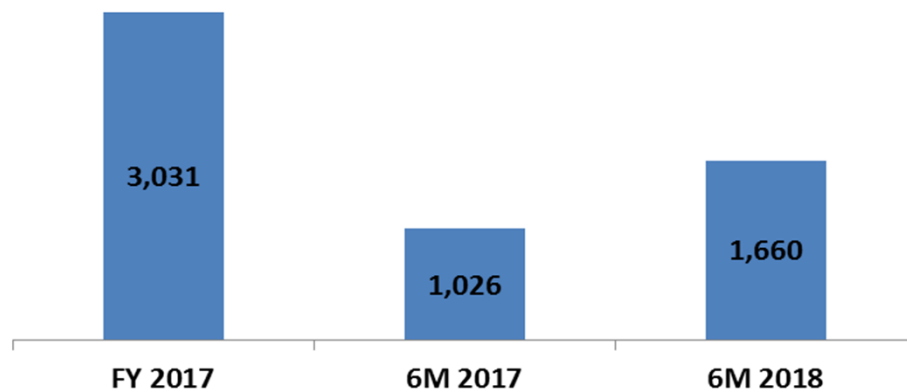
# CONSTRUCTION INDUSTRY

## Performance Overview

**Revenue was Rp 1.7 trillion, increased 62%, net income was Rp 73 billion, increased 14%**

The Construction Industry business unit was represented by PT Acset Indonusa Tbk (ACSET). As of June 2018, ACSET reported net revenue of Rp1.7 trillion, compared to Rp1.0 trillion in the same period 2017, while net profit rose by 14% to Rp73 billion from Rp64 billion. ACSET has secured new contracts worth of Rp300 billion during the period.

**Construction Industry Revenue (Rupiah billion)**



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Rate Rp/US\$: 31/06/2018 = 14,404 and 31/12/2017 = 13,548

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 AND 31 DECEMBER 2017 (expressed in million of Rupiah, unless otherwise stated)					CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 JUNE 2018 AND 2017 (in million Rupiah, except earning per share)			
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY						
	3/31/2018	12/31/2017		3/31/2018	12/31/2017		2018	2017
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>			<b>NET REVENUE</b>		
Cash and cash equivalents	17,511,940	20,831,489	Trade payables:				38,944,238	29,430,572
Trade receivables:			- Third parties	20,052,853	20,113,141	<b>COST OF REVENUE</b>	(29,683,110)	(23,181,199)
- Third parties	19,510,723	16,297,531	- Related parties	128,360	126,108	<b>GROSS PROFIT</b>	<b>9,261,128</b>	<b>6,249,373</b>
- Related parties	332,258	257,751	Non-trade payables:			Selling expenses	(341,700)	(350,220)
Non-trade receivables:			- Third parties	88,109	629,911	General and administrative expenses	(1,467,083)	(1,216,506)
- Third parties	1,059,930	942,539	- Related parties	113,880	240,866	Other expenses	(168,628)	(304,614)
- Related parties	766,718	689,822	Taxes payables:			Other income	403,945	100,366
Inventories	9,669,841	7,854,913	- Corporate income taxes	1,387,894	1,089,304	Finance income	362,212	522,803
Project under construction			- Other taxes	221,400	302,511	Finance costs	(490,603)	(427,293)
- Third parties	463,345	344,763	Accruals	3,974,464	2,431,218	Share of net profit of associates and jointly controlled entities	119,193	60,858
Prepaid taxes:			Customer deposits			<b>PROFIT BEFORE INCOME TAX</b>	<b>7,678,464</b>	<b>4,634,767</b>
- Corporate income taxes	407,672	346,138	- Third parties	643,800	784,648	Income tax expense	(1,934,392)	(1,058,900)
- Other taxes	2,249,387	1,745,417	- Related parties	6,400	24,558	<b>PROFIT FOR THE YEAR</b>	<b>5,744,072</b>	<b>3,575,867</b>
Advances and prepayments	1,188,445	1,335,030	Deferred revenue	555,830	494,434	<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>		
Other current assets	183,443	159,082	Employee benefit obligations	657,831	223,854	<b>Items that will not be reclassified to profit or loss</b>		
Other investments	-	397,725	Short-term bank loans	2,243,508	1,192,573	Remeasurement of employee benefit obligations	3,365	3,806
<b>Total Current Assets</b>	<b>53,343,702</b>	<b>51,202,200</b>	Current portion of long-term debt:			Related income tax expense	(761)	(865)
			- Bank loans	-	632,240	<b>Items that will be reclassified to profit or loss</b>		
<b>NON-CURRENT ASSETS</b>			- Finance leases	120,488	51,350	Exchange difference from financial statements translation	551,730	(45,752)
Trade receivables			- Other borrowings	44,507	39,846	Hedging reserves	31,933	-
- Third parties	69,001	69,001	<b>Total Current Liabilities</b>	<b>30,239,324</b>	<b>28,376,562</b>	Change in fair value of available for sale financial asset	67,950	(4,950)
Non-trade receivables			<b>NON-CURRENT LIABILITIES</b>			Share of other comprehensive (expenses)/income		
- Third parties	560,385	365,760	Deferred tax liabilities	1,347,363	1,442,159	of associates and jointly controlled entities, net of tax	216,810	115
- Related parties	608,039	620,030	Provision	165,963	160,672	Related income tax expense	(116,732)	8,004
Restricted cash and time deposits	2,406,715	2,824,400	Employee benefit obligations	1,987,008	1,859,089	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>751,691</b>	<b>(42,583)</b>
Advances	386,153	171,167	Long-term debt, net of current portion:			<b>Other comprehensive (expense)/income for the period, net of tax</b>	<b>754,295</b>	<b>(39,642)</b>
Investments in associates and jointly controlled entities	1,380,886	875,297	- Bank loans	2,880,800	2,709,600	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>6,498,367</b>	<b>3,536,225</b>
Other investments	302,242	234,292	- Finance leases	364,999	14,849	<b>PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:</b>		
Fixed assets	19,325,322	16,374,852	- Other borrowings	63,388	38,669	- Owners of the parent	5,479,136	3,422,909
Mining properties	6,142,670	5,876,638	Deferred Revenue	1,695	2,260	- Non-controlling interest	264,936	152,958
Investment properties	151,961	151,961	Other long-term financial liabilities	127,386	120,308	<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
Deferred exploration and development expenditures	981,990	891,966	<b>Total Non-current Liabilities</b>	<b>6,938,602</b>	<b>6,347,606</b>	- Owners of the parent	6,153,864	3,390,561
Production mining assets	334,432	343,515	<b>TOTAL LIABILITIES</b>	<b>37,177,926</b>	<b>34,724,168</b>	- Non-controlling interest	344,503	145,664
Deferred charges	838,992	393,080	<b>EQUITY</b>			<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>	<b>6,498,367</b>	<b>3,536,225</b>
Deferred tax assets	1,551,420	1,428,167	<b>Equity attributable to owners of the parent</b>			<b>EARNINGS PER SHARE</b> (expressed in full Rupiah)	<b>1,469</b>	<b>918</b>
Goodwill	458,813	439,767	Share capital:					
<b>Total Non-current Assets</b>	<b>35,499,021</b>	<b>31,059,893</b>	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			
			Additional paid-in capital	9,703,937	9,703,937			
<b>TOTAL ASSETS</b>	<b>88,842,723</b>	<b>82,262,093</b>	Retained earnings :					
			- Appropriated	186,507	186,507			
			- Unappropriated	35,989,898	32,787,260			
			Exchange difference on financial statements translation	2,606,297	2,245,246			
			Investment fair value revaluation reserve	239,166	171,216			
			Hedging reserve	(81,420)	(324,532)			
			Fixed assets fair value revaluation reserve	8,615	8,615			
			Difference due to acquisition of non-controlling interests in subsidiaries	(348,323)	(348,323)			
				<b>49,237,211</b>	<b>45,362,460</b>			
			<b>Non-controlling interest</b>	<b>2,427,586</b>	<b>2,175,465</b>			
			<b>TOTAL EQUITY</b>	<b>51,664,797</b>	<b>47,537,925</b>			
			<b>TOTAL LIABILITIES AND EQUITY</b>	<b>88,842,723</b>	<b>82,262,093</b>			

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