



# PT United Tractors Tbk

## Investor Bulletin, Third Quarter 2019

### United Tractors Recorded Net Income of Rp 8.6 Trillion

**Operational:**  
Y.o.y Komatsu sales volume down 30%, coal production up 7%, overburden increased 5%, and coal sales volume up 11%

United Tractors (UT/the Company) today reported financial result for the first nine months of 2019. The Company net revenue as of September 2019 increased by 7% from Rp61.1 trillion in the same period of 2018 to Rp65.6 trillion, mainly due to higher revenue from Mining Contracting, Coal Mining, added with new contribution from Gold Mining segment. At net income level, the Company recorded Rp8.6 trillion, decreased 5% compared to Rp9.1 trillion, primarily due to increased finance cost and the effect of foreign exchange translation.

Construction Machinery segment recorded a decrease of Komatsu sales volume by 30% to 2,568 units from 3,681 units. Sales of spare parts and maintenance services were stable at Rp6.8 trillion. Overall, Construction Machinery segment recorded revenue of Rp18.2 trillion or down 15%. Mining Contracting segment recorded 4% higher in net revenue at Rp30.0 trillion, with 96.4 million tonnes of coal production and 749.9 million bcm of overburden removal. Coal Mining segment recorded coal sales volume rose by 11% to 6.4 million tonnes, and net revenue increased by 4% to Rp8.5 trillion. Gold sales volume from Martabe gold mine achieved 306 thousand ounces. Meanwhile, Construction Industry segment recorded an increase of 12% net revenue to Rp3.1 trillion with new contract value of Rp1.7 trillion.

To the Company's consolidated net revenue, Mining Contracting segment contributed 46%, followed by 28% from Construction Machinery, 13% from Coal Mining, while Gold Mining and Construction Industry respectively contributed 9% and 4%.

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 September 2019, the construction progress has reached 82% and is scheduled to start commercial operation in 2021.

**Financial:**  
Consolidated revenue was Rp 65.6 trillion, with net income of Rp 8.6 trillion

In Rupiah billion	9M 2019	9M 2018	Y/Y%	FY 2018
Exchange rate (Rp/US\$)	14,174	14,929	-5%	14,481
<b>Revenue Breakdown</b>				
Construction Machinery	18,166	21,347	-15%	29,615
Mining Contracting	30,019	28,913	4%	40,559
Coal Mining	8,489	8,134	4%	10,727
Gold Mining	5,874	-		-
Construction Industry	3,060	2,731	12%	3,724
<b>Total Revenue</b>	<b>65,608</b>	<b>61,125</b>	<b>7%</b>	<b>84,625</b>
Gross Profit	16,213	15,079	8%	21,110
Gross Profit Margin	24.7%	24.7%	0%	24.9%
Profit for the period	8,564	9,424	-9%	11,498
<b>Net Income</b>	<b>8,639</b>	<b>9,072</b>	<b>-5%</b>	<b>11,126</b>
Earnings Per Share (expressed in full Rp)	2,316	2,432	-5%	2,983

Note: The Company's 9M 2019 & 9M 2018 report was unaudited

October 31, 2019



# CONSTRUCTION MACHINERY Performance Overview

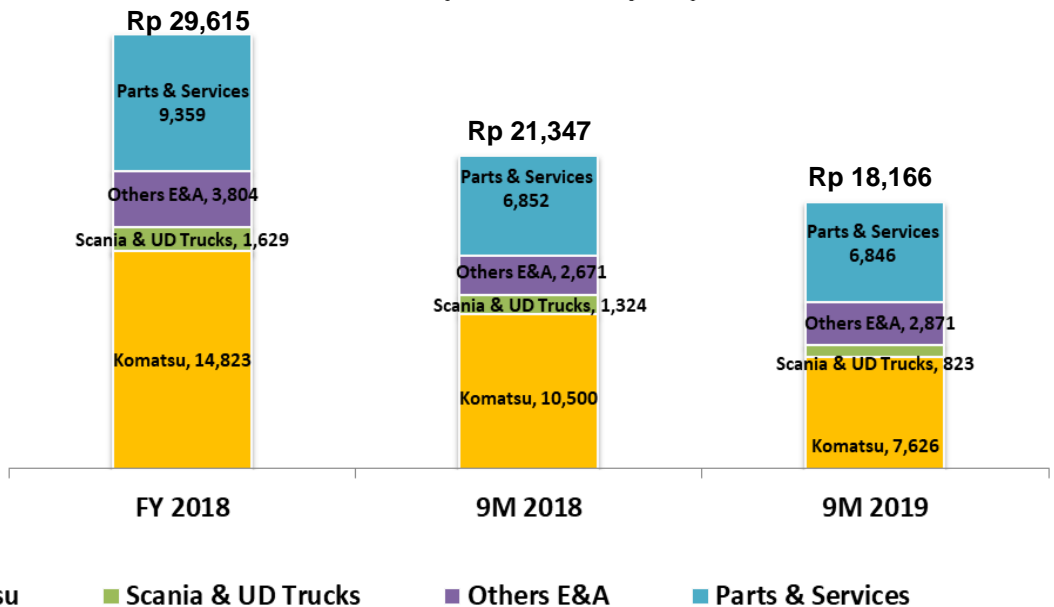
**Komatsu sales volume was 2,568 units**

**Revenue was Rp 18.2 trillion, decreased 15%**

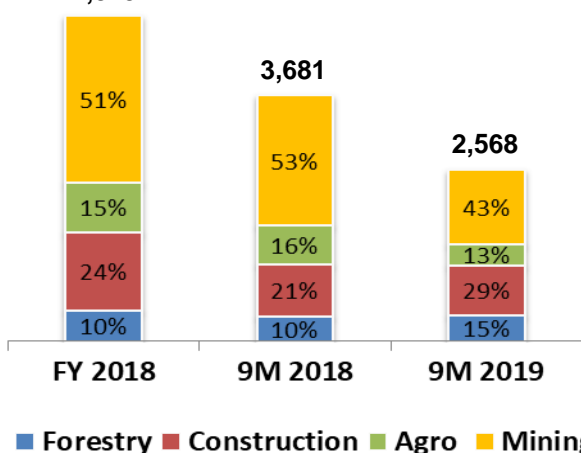
Until September 2019, Komatsu sales volume decreased by 30% to 2,568 units from 3,681 units. The decrease was due to subdued market conditions particularly in mining and plantations sectors. Based on internal market research, Komatsu maintained its position as market leader with 33% market share. In addition to unit sales, sales of spare parts and heavy equipment services were stable at Rp6.8 trillion.

Sales volume of UT's other distributed brands, UD Trucks, was down from 624 units to 387 units, and Scania products was down from 683 units to 382 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 15% to Rp18.2 trillion, compared to Rp21.3 trillion in the same period last year.

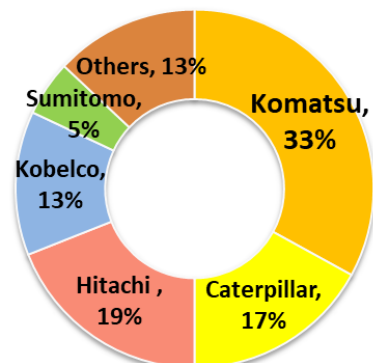
**CM Revenue Breakdown (in billion Rupiah)**



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



**Domestic Market Share 9M 2019**



Source: Internal Market Research

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# MINING CONTRACTING Performance Overview

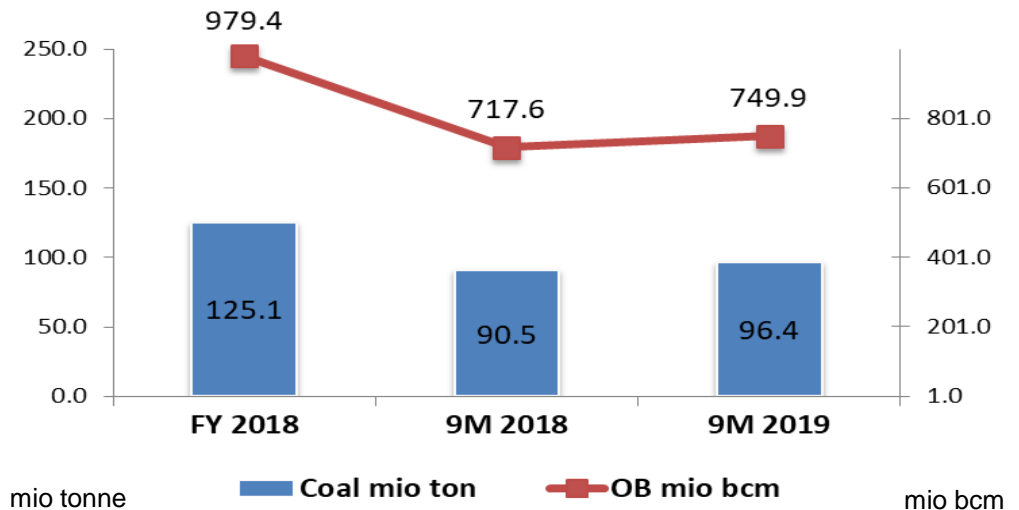
**Pama coal production was 96.4 mio tonnes, up 7%, with overburden removal of 749.9 mio bcm, or up 5%**

**Revenue was Rp 30.0 trillion, up 4%**

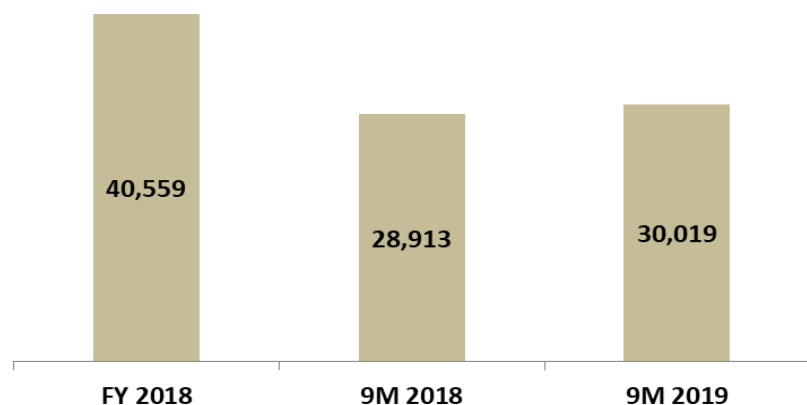
UT's Mining Contracting segment is carried out by PT Pamapersada Nusantara (PAMA). Subsidiary under PAMA that also provides additional support and services in mining contracting is PT Kalimantan Prima Persada (KPP).

Until September 2019, PAMA recorded net revenue of Rp30.0 trillion, grew by 4% from Rp28.9 trillion in the same period 2018. The increase in revenue was driven by 7% increase in coal production from 90.5 million tonnes to 96.4 million tonnes, and 5% increase in overburden removal volume, from 717.6 million bcm to 749.9 million bcm.

## Coal and Overburden Removal



## MC Revenue (Rupiah billion)



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# COAL MINING

## Performance Overview

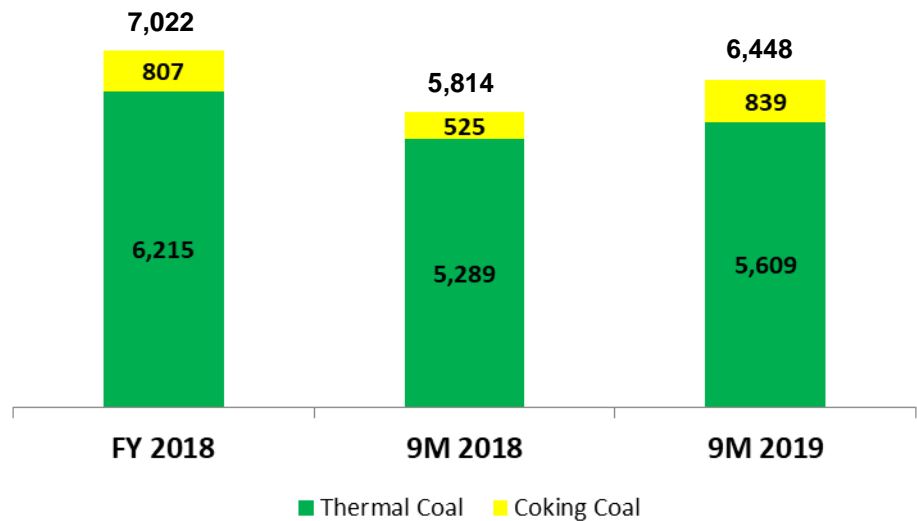
**Coal sales volume reached 6.4 million tonnes, increased 11%**

**Revenue was Rp 8.5 trillion, increased 4%**

The Company's Mining 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.

As of September 2019, TTA recorded total coal sales volume of 6.4 million tonnes including 839 thousand tonnes of coking coal and 1.2 million tonnes from coal trading business, compared to 5.8 million tonnes in the same period 2018. Mining business revenue was increased by 4% to Rp8.5 trillion from Rp8.1 trillion.

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





# GOLD MINING

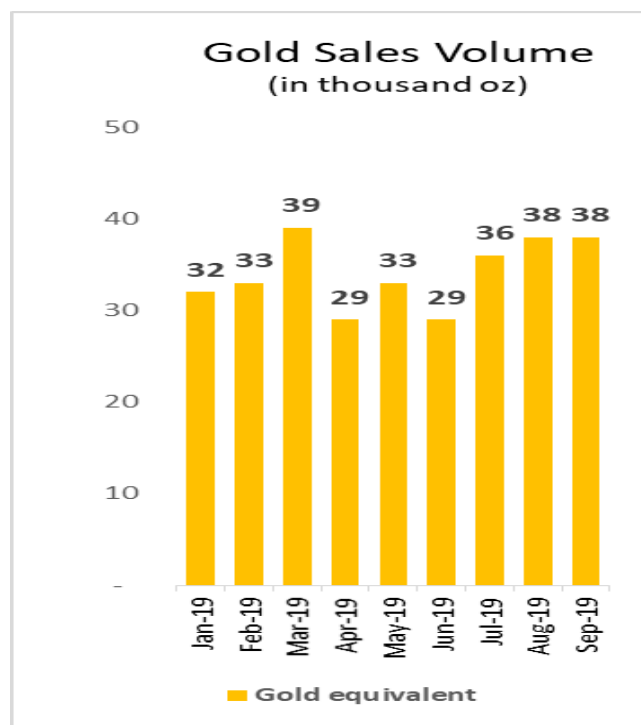
## Performance Overview

**Gold sales volume reached 306 thousand ounces**

**Revenue was Rp 5.9 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 mineral resources reached 8.1 million ounces of gold with an estimated gold reserve of 4.5 million ounces.

Until September 2019, the gold sales equivalent from Martabe was 306 thousand ounces and recorded net revenue of Rp5.9 trillion.





# CONSTRUCTION INDUSTRY

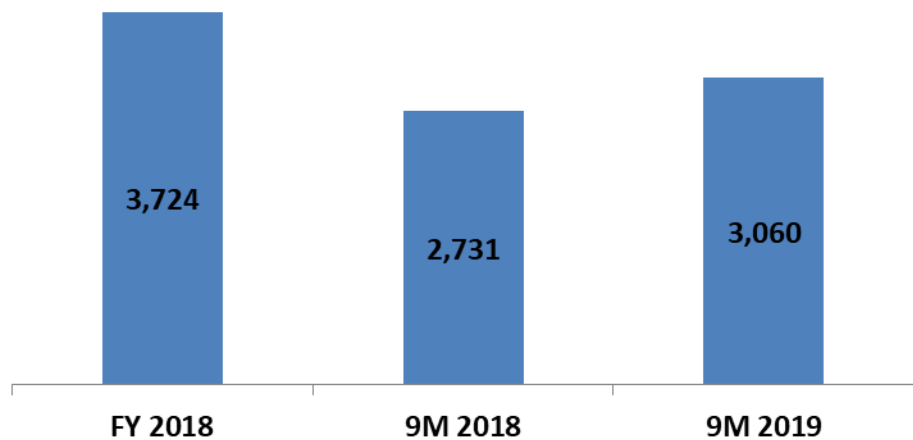
## Performance Overview

**Revenue was Rp 3.1 trillion, increased 12%, net loss Rp 752 billion**

The Construction Industry segment was represented by PT Acset Indonusa Tbk (ACSET). As of September 2019, ACSET reported net revenue of Rp3.1 trillion, compared to Rp2.7 trillion in the same period 2018. Meanwhile, ACSET recorded a net loss of Rp752 billion, from the previous net profit of Rp91 billion in comparable period in 2018. Net loss during the first nine months of 2019 was mainly the implications of delayed completion in Contractor Pre-Financing (CPF) as well as building projects that resulted in incremental funding, overhead and acceleration costs.

Until September 2019, ACSET has been awarded new contracts with a total project value of Rp1.7 trillion.

**Construction Industry Revenue (Rupiah billion)**



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