

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%

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

In Rupiah billion	9M 2019	9M 2018	Y/Y%	FY 2018	
Exchange rate (Rp/US\$)	14,174	14,929	-5%	14,481	
Revenue Breakdown					
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	
Total Revenue	65,608	61,125	7%	84,625	
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	
Net Income	8,639	9,072	-5%	11,126	
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



CONSTRUCTION MACHINERY **Performance Overview**

Komatsu sales volume was 2.568 units

Revenue was Rp 18.2 trillion, decreased 15%

51%

15%

24%

FY 2018

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) Rp 29,615 Parts & Services 9,359 Rp 21,347 arts & Services Rp 18,166 Others E&A, 3,804 6.852 Parts & Services Scania & UD Trucks, 1,629 6.846 Others E&A, 2,671 Scania & UD Trucks, 1,324 Others E&A, 2,871 Komatsu, 14,823 Scania & UD Trucks, 823 Komatsu, 10,500 Komatsu, 7,626 FY 2018 9M 2018 9M 2019 Parts & Services Komatsu Scania & UD Trucks Others E&A Komatsu Sales Volume by sectors (in units) **Domestic Market Share 9M 2019** 4.879 3,681 Others, 13% Sumitomo, Komatsu, 2,568 5% 53% 33% Kobelco, 43% 13% 16% 13% 21% 29% Hitachi, Caterpillar, 10%

17%

Source: Internal Market Research

19%

15%

9M 2019

10%

9M 2018

■ Forestry ■ Construction ■ Agro ■ Mining



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%

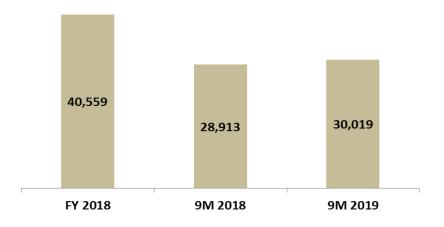
Revenue was Rp 30.0 trillion, up 4% UT's Mining Contracting segment is carried out by PT Pamapersada Nusantara (PAMA). Subsidiary under PAMA that also provides additional support and services in mining contracting is PT Kalimantan Prima Persada (KPP).

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)





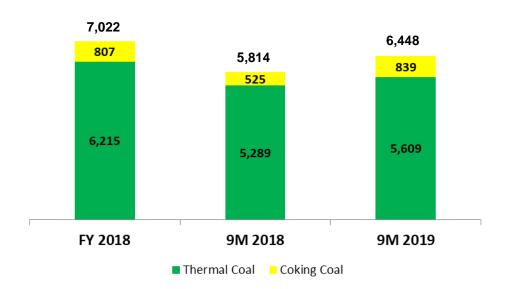
COAL MINING Performance Overview

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 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 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)





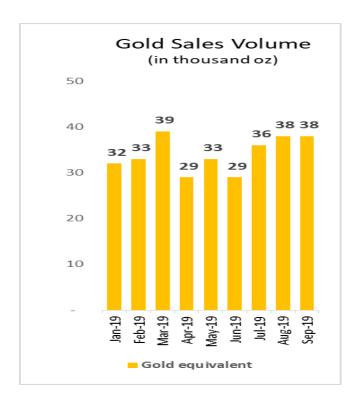
GOLD MINING Performance Overview

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.



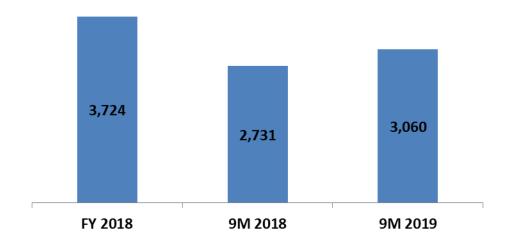


CONSTRUCTION INDUSTRY Performance Overview

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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Rate Rp/US\$: 30/09/2019 = 14,174 and 31/12/2018 :	= 14.481	
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019 AND 31 DECEMBER 2018 (expressed in million of Rupiah, unless otherwise stated)				CONSOLIDATED STATEMENTS OF COMPREHENSIVE FOR THE PERIODS ENDED 30 SEPTEMBER 2019 AN					
ASSETS	,	(expressed in million of kupian, unless otherwise stated) LIABILITIES AND STOCKHOLDERS' EQUITY				(in million Rupiah, except earning per share)			
	30/09/2019	12/31/2018			12/31/2018	,,,	30/09/2019	9/30/2018	
CURRENT ACCETO			OURDENT LARM TEE			NET REVENUE	05.007.004	04 405 40	
CURRENT ASSETS	45.070.400	40 400 475	CURRENT LIABILITIES			COST OF REVENUE	65,607,934	61,125,42	
Cash and cash equivalents	15,978,433	13,438,175	Trade payables:	00 477 007	00 407 040	COST OF REVENUE	(49,394,511)	(46,046,45	
Trade receivables:	04 000 000	00.050.004	- Third parties	26,177,637	32,497,249				
- Third parties	21,266,233	20,259,824	- Related parties	186,978	194,163	anaca nnasir	40.040.400	45.000.00	
- Related parties	194,113	350,503	Non-trade payables:	204 700	440.400	GROSS PROFIT	16,213,423	15,078,97	
Non-trade receivables:	4 470 400	4 0 40 0 50	- Third parties	881,706	442,129				
- Third parties	1,170,122	1,048,953	- Related parties	949,937	36,290	0.115	(5.47.400)	(500.04	
- Related parties	1,090,573	914,606	Taxes payables:	700 440	0.000.004	Selling expenses	(547,189)	(536,34	
Inventories	11,763,390	13,617,869	Corporate income taxes	733,442	2,366,234	General and administrative expenses	(2,763,821)	(2,200,47	
Project under construction			- Other taxes	535,727	864,371	Other expenses	(283,820)	(399,88	
- Third parties	1,126,154	927,230	Accruals	5,293,087	3,762,960	Other income	277,192	859,48	
 Related parties 	-	2,020	Customer deposits			Finance income	405,205	566,86	
Prepaid taxes:			- Third parties	787,633	532,127	Finance costs	(1,751,626)	(902,35	
 Corporate income taxes 	697,985	365,715	- Related parties	43,939	5,751	Share of net profit of associates and jointly controlled entities	307,064	203,99	
 Other taxes 	2,305,366	2,735,817	Deferred revenue	465,457	472,713				
Advances and prepayments	1,449,838	1,379,555	Employee benefit obligations	1,324,002	591,056				
Other current assets	460,563	611,541	Short-term bank loans	1,702,148	6,856,689				
			Current portion of long-term debt:			PROFIT BEFORE INCOME TAX	11,856,428	12,670,26	
Total Current Assets	57,502,770	55,651,808	- Bank loans	1,240,225	-	Income tax expense	(3,292,473)	(3,246,15	
			- Finance leases	154,557	109,657				
NON-CURRENT ASSETS			- Other borrowings	82,294	54,327				
Trade receivables			Current portion of other long-term liabilities	584,407	· -	PROFIT FOR THE YEAR	8,563,955	9,424,10	
- Third parties	873	5,612	Total Current Liabilities	41,143,176	48,785,716				
Non-trade receivables		-,-		, , ,	-,,	OTHER COMPREHENSIVE INCOME/(EXPENSE)			
- Third parties	463,628	860,550	NON-CURRENT LIABILITIES			Items that will not be reclassified to profit or loss			
- Related parties	1,531,063	1,031,211	Deferred tax liabilities	4,156,958	4,549,674	Remeasurement of employee benefit obligations	2,192	3,36	
Inventories	171,377	164,219	Provision	537,067	531,638	Fixed assets fair value revaluation reserves	2,102	-	
Prepaid taxes	171,077	101,210	Employee benefit obligations	2,157,579	1,948,366	Related income tax expense	(497)	(76	
- Other taxes	872,607	392,151	Long-term debt, net of current portion:	2,101,010	1,540,500	Notated income tax expense	(437)	(10	
Restricted cash and time deposits	1,605,695	2,340,627	- Bank loans	11,516,375	2,896,200		1,695	2.60	
Advances	115,536	349.816	- Finance leases	467.583	326.464		1,055	2,00	
	115,536	349,816	- Prinance leases - Other borrowings	114,226	63,083				
Investments in associates and	4 400 040	4 074 000				Manual Alast will be a selectified to a self to a local			
jointly controlled entities	1,428,310	1,871,222	Deferred Revenue	283	1,130	Items that will be reclassified to profit or loss			
Other investments	225,292	317,092	Other long-term financial liabilities	233,265	128,067	Exchange difference from financial statements translation	(501,361)	910,27	
Fixed assets	27,326,722	24,584,551				Hedging reserves	(742,671)	39,52	
Mining properties	14,439,526	15,889,046	Total Non-current Liabilities TOTAL LIABILITIES	19,183,336 60,326,512	10,444,622 59,230,338	Change in fair value of available for sale financial asset	(91,800)	83,70	
Investment properties	184,194	184,194	TOTAL LIABILITIES	60,326,512	59,230,338	Share of other comprehensive (expenses)/income			
Deferred exploration and						of associates and jointly controlled entities, net of tax	(863,483)	404,39	
development expenditures	1,936,084	1,677,169				Related income tax expense	183,858	(189,96	
Production mining assets	4,881,946	5,292,850		1					
Deferred charges	1,828,115	1,190,165							
Deferred tax assets	1,955,411	1,583,067	EQUITY				(2,015,457)	1,247,92	
Goodwill	2,868,917	2,895,667	Equity attributable to owners of the parent						
			Share capital:			Other comprehensive (expense)/income for the period, net of tax	(2,013,762)	1,250,53	
			Authorized capital 6,000,000,000 ordinary shares, issued						
Total Non-current Assets	61,835,296	60,629,209	and fully paid capital 3,730,135,136 ordinary shares, with			TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,550,193	10,674,63	
			par value of Rp 250 per share	932,534	932,534				
			Additional paid-in capital	9,703,937	9,703,937	PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:			
			Retained earnings:			- Owners of the parent	8,639,472	9,071,82	
			- Appropriated	186,507	186,507	- Non-controlling interest	(75,517)	352.27	
			- Unappropriated	44,366,044	40,335,313		8.563.955	9,424,10	
		Exchange difference on financial statements translation	2,361,781	2,819,924					
		Investment fair value revaluation reserve	162,216	254,016	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
		Hedging reserve	(1,518,598)	(118,685)	- Owners of the parent	6,691,322	10,190,55		
			Fixed assets fair value revaluation reserve	14,107	14,107		(141,129)	484.07	
			Difference due to acquisition of non-controlling	. 7,107	,107		6,550,193	10,674,63	
	1		interests in subsidiaries	(348,323)	(348,323)		3,000,100	. 5,01 4,03	
			intorests in substitutions	(340,323)	(340,323)	EARNINGS PER SHARE	2,316	2,43	
				55,860,205	53,779,330	LANNINGS FLN SHARE	2,316	2,43	
				33,000,203	33,119,330				
			Non controlling interest	0.454.040	2 074 040				
			Non-controlling interest	3,151,349	3,271,349		1		
			TOTAL EQUITY	59,011,554	57,050,679				
TOTAL 400FT0	440.000	440.004:-	TOTAL LIABILITIES AND FOURTY	440.000	440.004				
TOTAL ASSETS	119,338,066	116,281,017	TOTAL LIABILITIES AND EQUITY	119,338,066	116,281,017				