



PT United Tractors Tbk

Investor Bulletin, Fourth Quarter 2019

United Tractors Recorded Net Income of Rp 11.3 Trillion

Operational:
Y.o.y Komatsu sales volume down 40%, coal production up 5%, overburden increased 1%, and coal sales volume up 21%

Financial:
Consolidated revenue was Rp 84.4 trillion, with net income of Rp 11.3 trillion

United Tractors (UT/the Company) today released its consolidated financial statements for full year 2019. UT concluded the year 2019 with consolidated net revenue of Rp84.4 trillion, or decreased by 0.2% from Rp84.6 trillion in 2018, due to lower performance of Construction Machinery and offset by new contribution from Gold Mining segment. However, full contribution from Gold Mining segment in 2019 resulted in increased of the Company's net profit by 2% to Rp11.3 trillion compared to Rp11.1 trillion in 2018. In 2019, earning per share (basic and diluted) of UNTR stood at Rp3,033 up from Rp2,983 in 2018.

Heavy equipment sales under the Construction Machinery segment recorded a decrease of 40% in Komatsu sales volume to 2,926 units from 4,879 units. Sales of spare parts and maintenance services decreased by 3% to Rp9.0 trillion. Overall, Construction Machinery segment recorded revenues of Rp22.6 trillion or down 24%. Mining Contracting segment recorded 3% lower in net revenue at Rp39.3 trillion, with 131.2 million tonnes of coal production and 988.9 million bcm of overburden removal. Coal Mining segment recorded coal sales volume rose by 21% to 8.5 million tonnes, and net revenue increased by 6% to Rp10.7 trillion. Gold Mining segment recorded revenues of Rp7.9 trillion, and gold sales volume from Martabe gold mine achieved 410 thousand ounces. The last segment, Construction Industry, recorded 6% net revenue growth to Rp3.9 trillion with new contract value of Rp1.7 billion.

To the Company's consolidated net revenue, Mining Contracting segment contributed 47%, followed by 27% 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 December 2019, the construction progress has reached 88% and is scheduled to start commercial operation in 2021.

In Rupiah billion	FY 2019	FY 2018	Y/Y%
Exchange rate (Rp/US\$)	13,901	14,481	-4%
Revenue Breakdown			
Construction Machinery	22,559	29,615	-24%
Mining Contracting	39,311	40,559	-3%
Coal Mining	10,685	10,045	6%
Gold Mining	7,934	682	1064%
Construction Industry	3,942	3,724	6%
Total Revenue	84,430	84,625	0%
Gross Profit	21,231	21,110	1%
Gross Profit Margin	25.1%	24.9%	1%
Profit for the period	11,135	11,498	-3%
Net Income	11,312	11,126	2%
Earnings Per Share (expressed in full Rp)	3,033	2,983	2%

Note: The Company's 12M 2019 & 12M 2018 report was audited

February 27, 2020



CONSTRUCTION MACHINERY Performance Overview

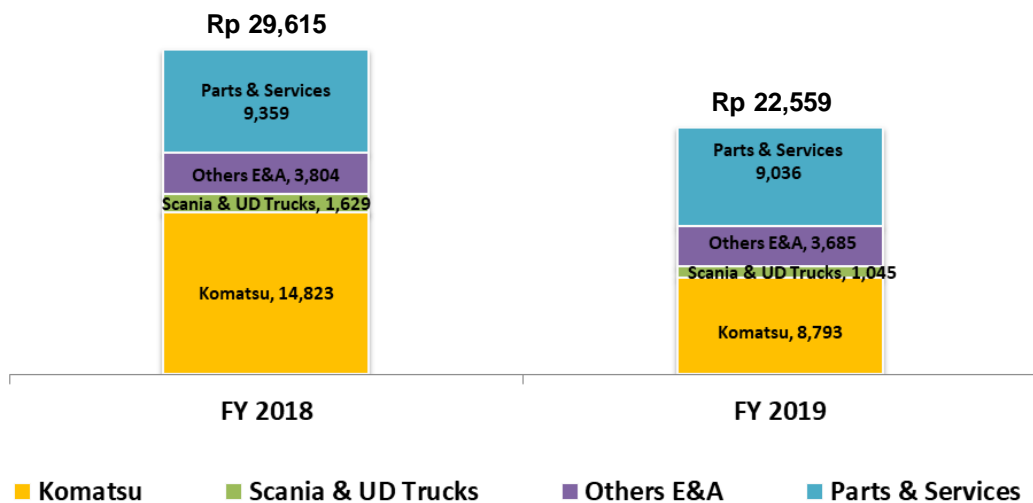
Komatsu sales volume was 2,926 units

Until December 2019, Komatsu sales volume decreased by 40% to 2,926 units from 4,879 units in the same period 2018. 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 30% market share. In addition to unit sales, sales of spare parts and heavy equipment services decreased by 3% to Rp9.0 trillion.

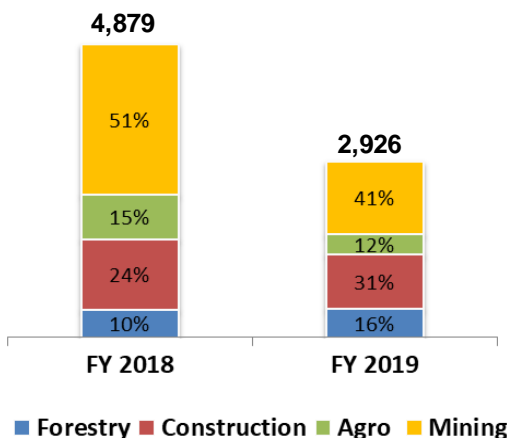
Revenue was Rp 22.6 trillion, decreased 24%

Sales volume of UT's other distributed brands, such as UD Trucks was decreased from 808 units to 420 units, and Scania products was decreased from 792 units to 432 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 24% to Rp22.6 trillion, compared to Rp29.6 trillion in 2018.

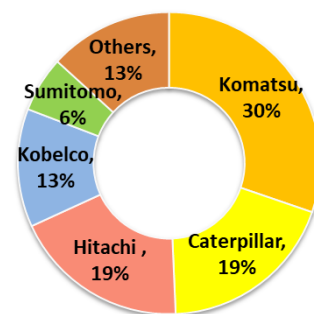
CM Revenue Breakdown (in billion Rupiah)



Komatsu Sales Volume by sectors (in units)



Domestic Market Share 12M 2019



Source: Internal Market Research

February 27, 2020



MINING CONTRACTING Performance Overview

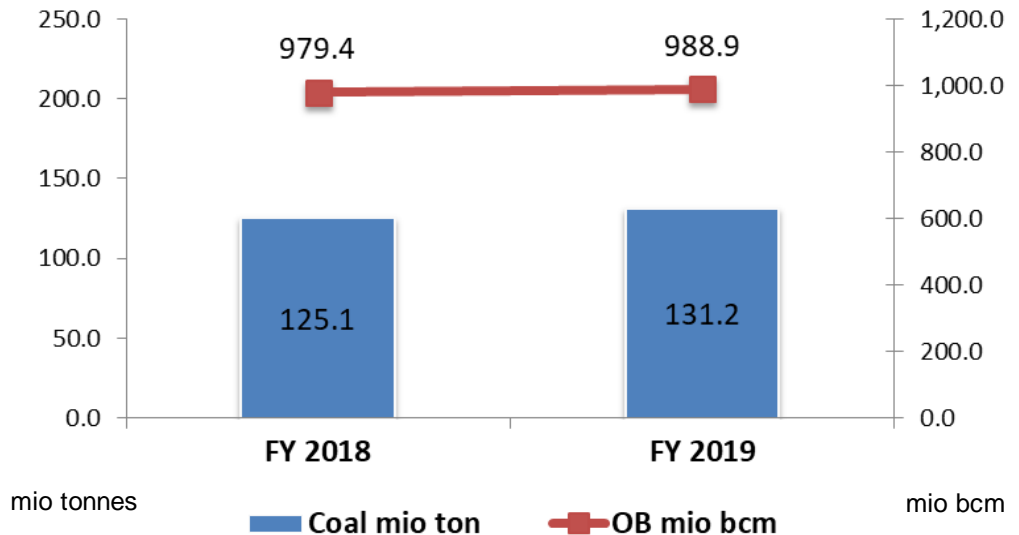
Pama coal production was 131.2 mio tonnes, up 5%, with overburden removal of 988.9 mio bcm, or up 1%

Revenue was Rp 39.3 trillion, down 3%

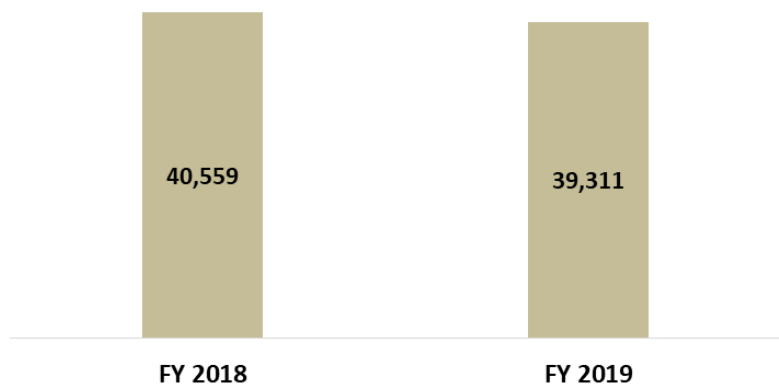
UT's Mining Contracting segment is carried out by PT Pamapersada Nusantara (PAMA). Subsidiary under PAMA that also provides additional support and services in Mining Contracting is PT Kalimantan Prima Persada (KPP).

As of December 2019, PAMA recorded net revenue of Rp39.3 trillion down by 3% from Rp40.6 trillion. The decrease in revenue mostly due to weakening of US Dollar exchange rate against the Rupiah. Meanwhile PAMA recorded 5% increase in coal production from 125.1 million tonnes to 131.2 million tonnes, and 1% increase in overburden removal volume, from 979.4 million bcm to 988.9 million bcm.

Coal and Overburden Removal



MC Revenue (Rupiah billion)



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COAL MINING

Performance Overview

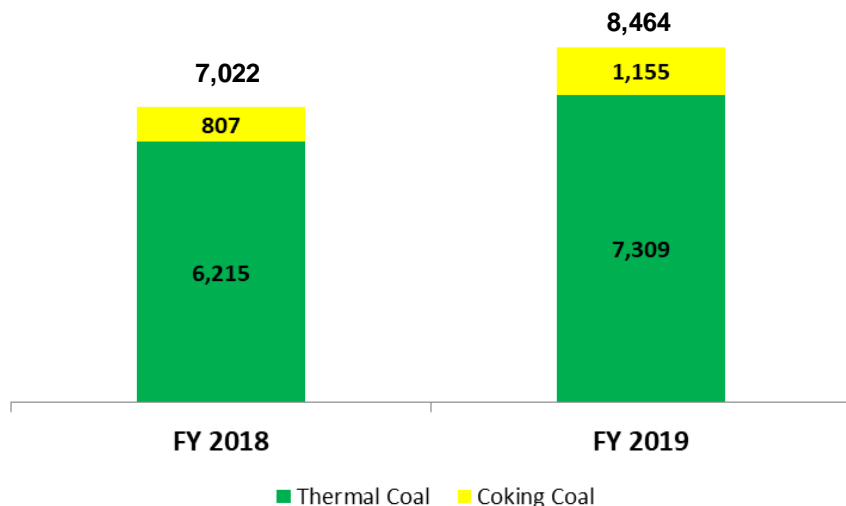
Coal sales volume reached 8.5 million tonnes, increased 21%

Revenue was Rp 10.7 trillion, increased 6%

The Company's Mining business 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 December 2019, TTA recorded total coal sales volume of 8.5 million tonnes including 1.2 million tonnes of coking coal, 5.7 million tonnes from ABB and TOP, and 1.6 million tonnes from coal trading business, compared to 7.0 million tonnes in 2018. Mining business revenue was increased by 6% to Rp10.7 trillion compared to Rp10.0 trillion in 2018.

TTA's coal sales volume (in thousand tonnes)





GOLD MINING

Performance Overview

Gold sales volume reached 410 thousand ounces

In December 2018, the Company through its subsidiary completed the acquisition of 95% ownership of PT Agincourt Resources (PTAR). PTAR operates Martabe gold mine located in the South Tapanuli, North Sumatra.

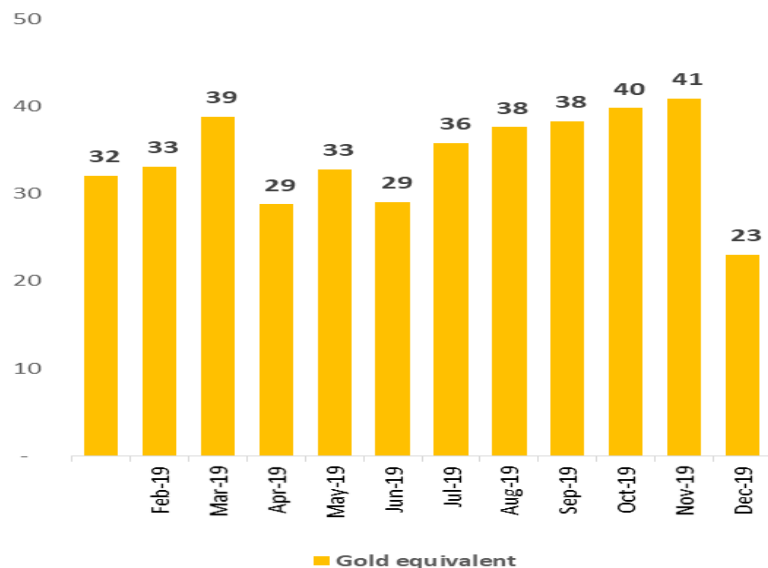
Revenue was Rp 7.9 trillion

In 2019, PTAR achieving strong operational performance. The processing facility achieved an annual throughput of 6.04 million tonnes, up 8% from 5.57 million tonnes in 2018. The average milling throughput rate was 725 tonnes per hour, higher than 2018 annual average of 698 tonnes per hour and 29% higher than the initial design throughput of 563 tonnes per hour. Total ore mined reached 5.9 million tonnes, up 4% from 5.7 million tonnes in 2018.

The total sales volume of gold equivalent was recorded at 410 thousand ounces, down 10% compared to 453 thousand ounces in 2018 and recorded net revenue of Rp7.9 trillion. The average realized selling price for gold was USD1,369 per ounce, compared to USD1,267 per ounce during 2018.

Exploration results also remained solid. The continued development of Martabe gold mine was also supported by PTAR's success in obtaining all the approvals needed to mine Tor Ulu Ala deposit and a potential sulfide target testing program at depth. The exploration and resources development leads to new reserves finding. Hence, gold reserve at the end of 2019 were similar to 2018 and resulted in extension of mine life. As of December 2019, Martabe mineral resources reached 7.8 million ounces of gold with an estimated gold reserve of 4.5 million ounces.

Gold Sales Volume
(in thousand oz)



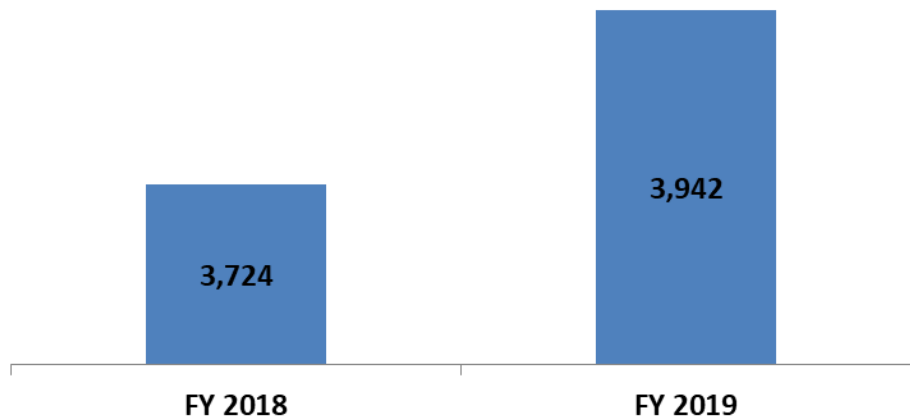


CONSTRUCTION INDUSTRY Performance Overview

Revenue was Rp 3.9 trillion, increased 6%, net loss Rp1.1 trillion.

The Construction Industry segment was represented by PT Acset Indonusa Tbk (ACSET). As of December 2019, ACSET reported net revenue of Rp3.9 trillion, compared to Rp3.7 trillion in the same period 2018. Meanwhile, ACSET recorded a net loss of Rp1.1 trillion, from the previous net profit of Rp18 billion in 2018 due to delayed completion of several Contractor Pre-Financing (CPF) and structures projects that resulted in incremental funding, overhead and acceleration costs. Until December 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/ 1 US\$: 31/12/2019 = 13,901 and 31/12/2018 = 14,481

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 AND 2018 (Expressed in millions of Rupiah, unless otherwise stated)				CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018 (Expressed in millions of Rupiah, except earnings per share)							
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY		2019		2018		2019		2018	
CURRENT ASSETS		2019	2018	CURRENT LIABILITIES		2019	2018	NET REVENUE		84.430.478	84.624.733
Cash and cash equivalents		12.090.661	13.438.175	Trade payables:		20.697.532	32.115.321	COST OF REVENUE		(63.199.825)	(63.515.207)
Trade receivables:				- Third parties		211.602	194.163	GROSS PROFIT		21.230.653	21.109.526
- Third parties		19.534.993	20.259.824	- Related parties				Selling expenses		(1.039.971)	(968.142)
- Related parties		145.710	350.503	Non-trade payables:		382.178	442.129	General and administrative expenses		(3.585.671)	(3.371.034)
Non-trade receivables:				- Third parties		54.832	36.290	Other expenses		(312.886)	(977.414)
- Third parties		1.112.120	1.048.953	- Related parties				Other income		501.446	282.390
- Related parties		1.163.516	914.606	Taxes payables:		553.413	2.366.234	Finance income		616.712	764.213
Inventories		11.014.020	13.617.869	- Corporate income taxes		618.938	864.371	Finance costs		(2.333.765)	(1.437.596)
Project under construction				- Other taxes		4.350.772	4.144.888	Share of net profit of associates and joint ventures		400.367	306.776
- Third parties		225.958	927.230	Accruals		710.112	532.127	PROFIT BEFORE INCOME TAX		15.476.885	15.708.719
- Related parties		513	2.020	Customer deposits		47.660	5.751	Income tax expense		(4.342.244)	(4.210.310)
Prepaid taxes:				- Third parties		438.126	472.713	PROFIT FOR THE YEAR		11.134.641	11.498.409
- Corporate income taxes		639.489	365.715	- Related parties		506.238	591.056	OTHER COMPREHENSIVE (EXPENSE)/INCOME			
- Other taxes		3.275.517	2.735.817	Deferred revenue		817.923	6.856.689	Items that will not be reclassified to profit or loss			
Advances and prepayments		1.309.540	1.379.555	Employee benefit obligations				Remeasurement of employee benefit obligations		(215.332)	83.647
Other current assets		314.918	611.541	Short-term bank loans				Fixed assets fair value revaluation reserves		2.823	5.492
Total Current Assets		50.826.955	55.651.808	Current portion of long-term debt:		2.432.677	-	Related income tax		49.545	(20.254)
NON-CURRENT ASSETS				- Bank loans		153.724	109.657	Items that will be reclassified to profit or loss			
Restricted cash and time deposits		1.315.255	2.340.627	- Finance lease liabilities		74.272	54.327	Exchange difference on financial statements translation		(1.021.190)	684.810
Trade receivables				- Other borrowings		535.530	-	Hedging reserves		(696.948)	17.953
- Third parties		168.425	5.612	Current portion of other long-term liabilities				Change in fair value of available-for-sale financial assets		(73.800)	82.800
- Related parties		10.202	-	Total Current Liabilities		32.565.529	48.785.716	Share of other comprehensive (expense)/income of associates, net of tax		(601.627)	190.635
Non-trade receivables				NON-CURRENT LIABILITIES				Related income tax		172.744	(3.591)
- Third parties		515.265	860.550	Deferred tax liabilities		4.071.332	4.549.674	Other comprehensive (expense)/income for the year, net of tax		(2.220.821)	972.607
- Related parties		1.563.185	1.031.211	Provision for mine rehabilitation, reclamation and closure		552.379	531.638	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		8.750.856	12.539.901
Inventories		175.274	164.219	Employee benefit obligations		2.531.565	1.948.366	PROFIT AFTER TAX ATTRIBUTABLE TO:			
Prepaid taxes				Long-term debt, net of current portion:				- Owners of the parent		11.312.071	11.125.626
- Other taxes		537.247	392.151	- Bank loans		10.078.232	2.896.200	- Non-controlling interest		(177.430)	372.783
Advances		95.113	349.816	- Finance lease liabilities		429.503	326.464	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		11.134.641	11.498.409
Investments in associates and joint ventures		1.811.087	1.871.222	- Other borrowings		104.117	63.083	- Owners of the parent		9.043.173	12.057.482
Available-for-sale financial assets		243.292	317.092	Deferred revenue		-	1.130	- Non-controlling interest		(292.317)	482.419
Fixed assets		27.469.005	24.584.551	Other long-term financial liabilities		250.644	128.067	EARNINGS PER SHARE			
Mining properties		13.830.762	15.889.046	TOTAL LIABILITIES		18.017.772	10.444.622	(expressed in full Rupiah)			
Investment properties		212.344	184.194	TOTAL LIABILITIES AND EQUITY		50.603.301	59.230.338	- Basic and diluted		3.033	2.983
Deferred exploration and development expenditures		1.972.134	1.677.169	EQUITY							
Production mining assets		4.700.284	5.292.850	Equity attributable to owners of the parent							
Deferred charges		1.514.603	1.190.165	Share capital:							
Deferred tax assets		1.930.468	1.583.067	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 (full amount) per share		932.534	932.534				
Goodwill		2.822.475	2.895.667	Additional paid-in capital		9.703.937	9.703.937				
Total Non-current Assets		60.886.420	60.629.209	Retained earnings:							
				- Appropriated		186.507	186.507				
				- Unappropriated		46.873.391	40.335.313				
				Exchange difference on financial statements translation		1.890.417	2.819.924				
				Investment fair value revaluation reserve		180.216	254.016				
				Hedging reserve		(1.223.553)	(118.685)				
				Fixed assets fair value revaluation reserve		16.930	14.107				
				Difference due to acquisition of non-controlling interests in subsidiaries		(348.323)	(348.323)				
						58.212.056	53.779.330				
				Non-controlling interest		2.898.018	3.271.349				
				TOTAL EQUITY		61.110.074	57.050.679				
TOTAL ASSETS		111.713.375	116.281.017			111.713.375	116.281.017				

S.E. & O