



PT United Tractors Tbk

Investor Bulletin, Third Quarter 2020

United Tractors Recorded Net Income of Rp 5.3 Trillion

Operational:
Y.o.y Komatsu sales volume down 54%, coal production down 12% and overburden decreased 16%, coal sales volume up 11%, while gold sales down 16%

Financial:
Consolidated revenue was Rp 46.5 trillion, with net income of Rp 5.3 trillion

United Tractors (UT/the Company) today released its consolidated financial statements until third quarter of 2020. The COVID-19 pandemic and weakening coal price have severely impacted the Company's overall performance. As of September 2020, the Company recorded net revenue of Rp46.5 trillion, decreased by 29% compared to Rp65.6 trillion in the corresponding period last year. The Company's net profit was recorded at Rp5.3 trillion, decreased by 38% from Rp8.6 trillion.

Heavy equipment sales under Construction Machinery segment recorded a decrease in Komatsu sales volume by 54% to 1,191 units from 2,568 units. Sales of spare parts and maintenance services decreased by 31% to Rp4.7 trillion. Overall, Construction Machinery segment recorded revenue of Rp10.3 trillion or down 43%. Mining Contracting segment recorded 26% lower in net revenue at Rp22.1 trillion, with 85.3 million tons of coal production and 630.8 million bcm of overburden removal. Coal Mining segment was able to increase coal sales volume to 7.1 million tons, with net revenue decreased by 11% to Rp7.5 trillion, reflecting the decline in coal price. Gold Mining segment recorded revenue of Rp5.5 trillion, and gold sales volume achieved 256 thousand ounces. The last segment, Construction Industry, recorded net revenue of Rp958 billion or down 69%.

To the Company's consolidated net revenue, Mining Contracting segment contributed 48%, followed by 22% from Construction Machinery, 16% from Coal Mining, 12% from Gold Mining and 2% from Construction Industry.

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 2020, the construction progress has reached 95% and is scheduled to start commercial operation at the end of 2021.

In Rupiah billion	9M 2020	9M 2019	Y/Y%	FY 2019
Exchange rate (Rp/US\$)	14,918	14,174	5%	13,901
Revenue Breakdown				
Construction Machinery	10,286	18,166	-43%	22,559
Mining Contracting	22,142	30,019	-26%	39,311
Coal Mining	7,550	8,489	-11%	10,685
Gold Mining	5,531	5,874	-6%	7,934
Construction Industry	958	3,060	-69%	3,941
Total Revenue	46,466	65,608	-29%	84,430
Gross Profit	10,151	16,213	-37%	21,231
Gross Profit Margin	21.8%	24.7%	-12%	25.1%
Profit for the period	5,188	8,564	-39%	11,135
Net Income	5,338	8,639	-38%	11,312
Earnings Per Share (expressed in full Rp)	1,431	2,316	-38%	3,033

Note: The Company's 9M 2020 & 9M 2019 report was unaudited

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CONSTRUCTION MACHINERY Performance Overview

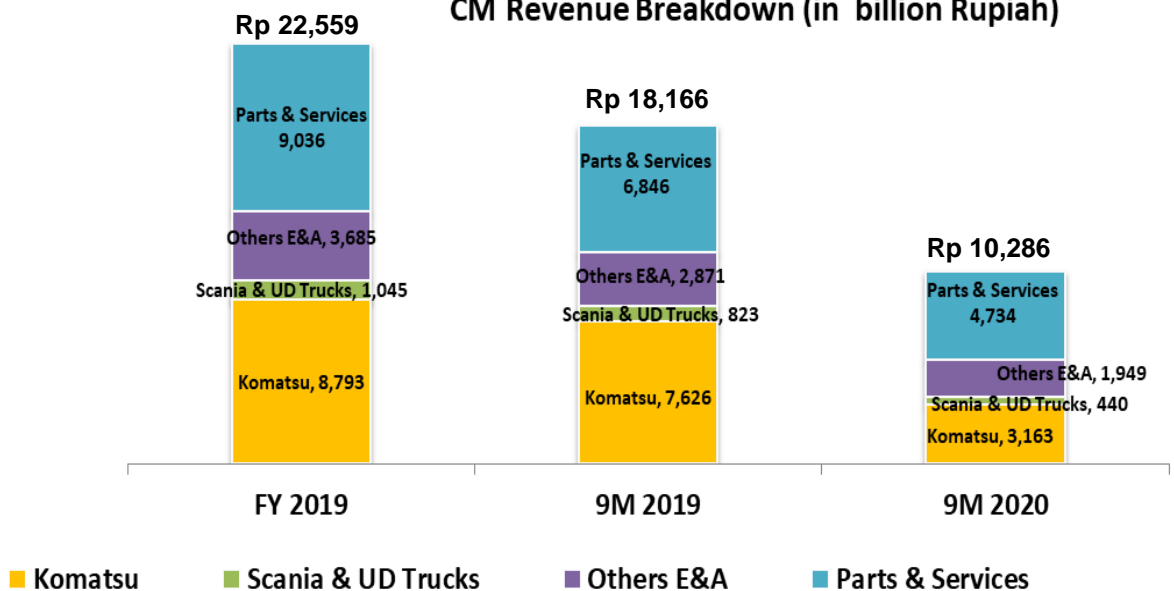
**Komatsu sales
volume was 1,191
units**

**Revenue was
Rp 10.3 trillion,
decreased 43%**

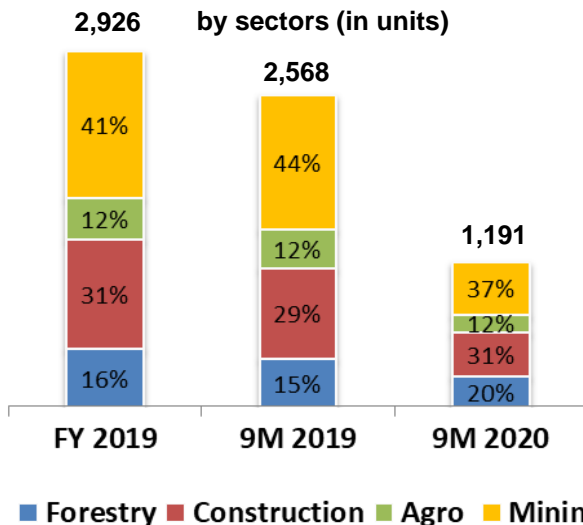
Until September 2020, Komatsu sales volume decreased by 54% to 1,191 units from 2,568 units in the same period of 2019. The decline in commodity prices and activity in all sectors delivered severe impacts to heavy equipment demand. Nevertheless, based on internal market research, Komatsu succeeded to maintain its position as market leader with 31% market share. Along with the decline in heavy equipment sales, revenue of spare parts and heavy equipment services decreased by 31% to Rp4.7 trillion.

Sales volume of UD Trucks was decreased from 387 units to 154 units, and Scania products was decreased from 382 units to 129 units. In total, Construction Machinery segment recorded a decrease in revenue by 43% from Rp18.2 trillion to Rp10.3 trillion.

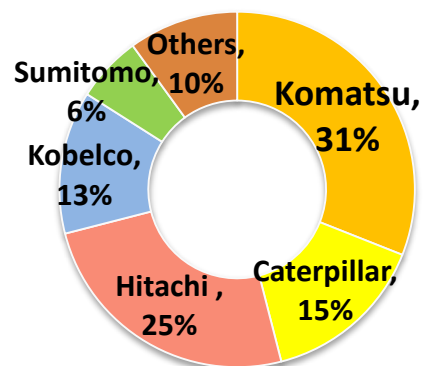
CM Revenue Breakdown (in billion Rupiah)



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



Domestic Market Share 9M 2020



Source: Internal Market Research

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MINING CONTRACTING

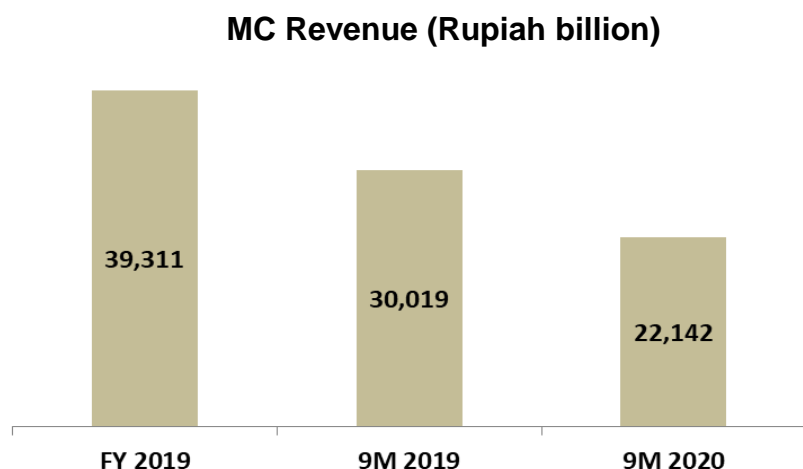
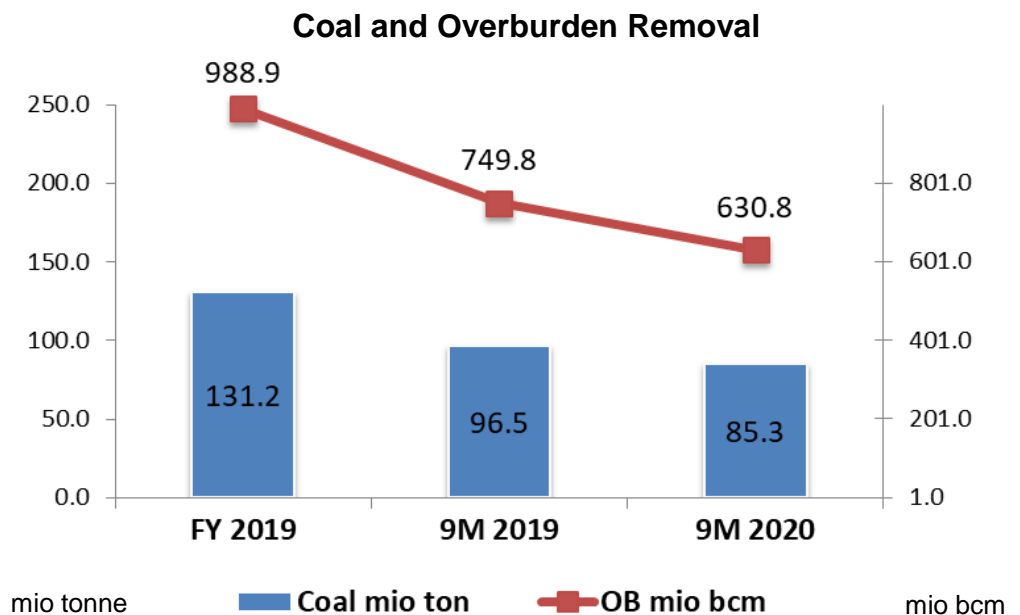
Performance Overview

Pama coal production was 85.3 mio tons, down 12%, with overburden removal of 630.8 mio bcm, or down 16%

Revenue was Rp 22.1 trillion, down 26%

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 September 2020, PAMA recorded net revenue of Rp22.1 trillion, down by 26% from Rp30.0 trillion in the same period of 2019. PAMA recorded 12% decrease in coal production from 96.5 million tons to 85.3 million tons, and 16% decrease in overburden removal volume, from 749.8 million bcm to 630.8 million bcm.



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COAL MINING

Performance Overview

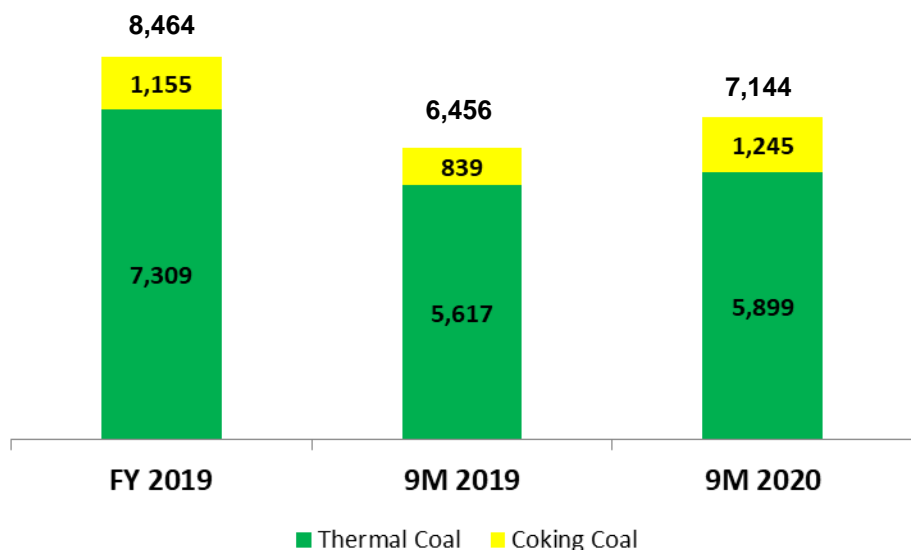
Coal sales volume reached 7.1 million tons, increased 11%

Revenue was Rp 7.5 trillion, decreased 11%

The Company's Mining business segment is operated by PT Tuh 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.

As of September 2020, TTA recorded total coal sales volume of 7.1 million tons including 1.2 million tons of coking coal from SMM, 4.8 million tons from ABB and TOP, and 1.1 million tons from coal trading business, or increased 11% compared to 6.5 million tons in the same period last year. Despite the increased volume, Coal Mining revenue was decreased by 11% to Rp7.5 trillion due to lower average coal selling price.

TTA's coal sales volume (in thousand tons)





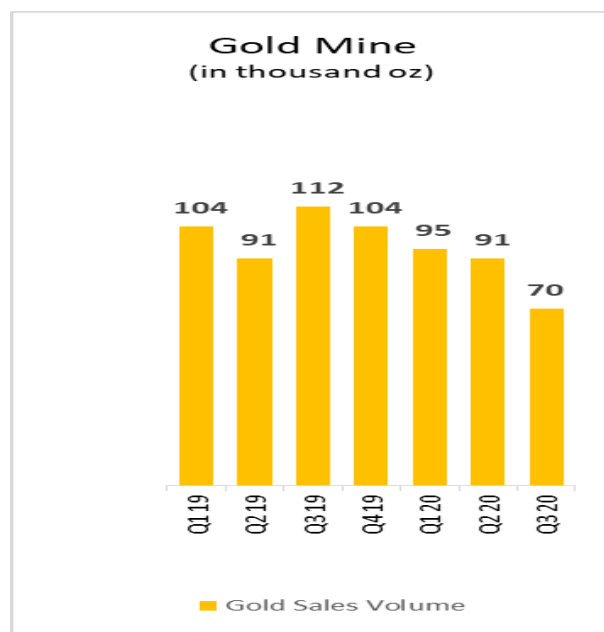
GOLD MINING Performance Overview

Gold sales volume reached 256 thousand ounces

The Company's business unit in gold mine is operated by PT Agincourt Resources (PTAR). PTAR operates Martabe gold mine located in South Tapanuli, North Sumatra.

Revenue was Rp 5.5 trillion

Until September 2020, the total sales volume of gold equivalent from Martabe was recorded at 256 thousand ounces, down 16% compared to 306 thousand ounces. Gold Mining segment recorded net revenue of Rp5.5 trillion or down 6% from Rp5.9 trillion. The average realized selling price for gold was USD 1,482 per ounce, compared to USD 1,354 per ounce in the same period of 2019.





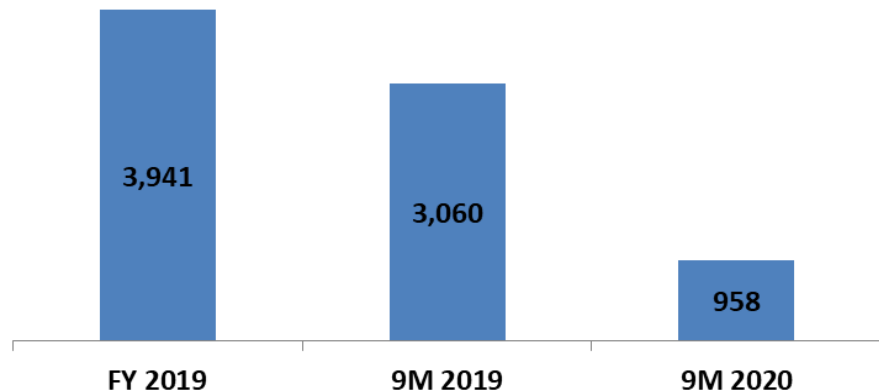
CONSTRUCTION INDUSTRY

Performance Overview

Revenue was Rp958 billion, decreased 69%, net loss Rp753 billion

The Construction Industry segment is represented by PT Acset Indonusa Tbk (ACSET). As of September 2020, Construction Industry reported net revenue of Rp958 billion, compared to Rp3.1 trillion in the same period of 2019. ACSET recorded a net loss of Rp753 billion, mainly due to the slowdown of several ongoing projects and reduced new project opportunities during the COVID-19 pandemic. ACSET performance is expected to remain challenging for the rest of the year due to current slowdown in construction sector.

Construction Industry Revenue (Rupiah billion)



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Rate Rp/ 1 US\$: 30/09/2020 = 14,918 and 31/12/2019 = 13,901

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 AND 31 DECEMBER 2019 (Expressed in millions of Rupiah, unless otherwise stated)					CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2020 AND 2019 (Expressed in millions of Rupiah, except earnings per share)		
ASSETS			LIABILITIES AND STOCKHOLDERS' EQUITY			30/09/2020	30/09/2019
	30/09/2020	31/12/2019		30/09/2020	31/12/2019		
CURRENT ASSETS			CURRENT LIABILITIES			NET REVENUE	46,466,477
Cash and cash equivalents	19,459,495	12,090,661	Trade payables:			COST OF REVENUE	(36,315,590)
Trade receivables:			- Third parties	9,612,044	20,697,532		
- Third parties	10,681,433	19,534,993	- Related parties	174,831	211,602		
- Related parties	149,409	145,710	Non-trade payables:			GROSS PROFIT	10,150,887
Non-trade receivables:			- Third parties	662,767	382,178		16,213,423
- Third parties	1,140,414	1,112,120	- Related parties	415,026	54,832		
- Related parties	1,167,712	1,163,516	Taxes payables:			Selling expenses	(620,988)
Inventories	9,153,719	11,014,020	- Corporate income taxes	347,442	553,413	General and administrative expenses	(2,442,700)
Project under construction			- Other taxes	360,744	618,938	Other income	451,304
- Third parties	176,917	225,958	Accruals	4,706,907	4,350,772	Other expenses	(666,160)
- Related parties	2,337	513	Customer deposits			Finance income	513,556
Prepaid taxes			- Third parties	395,722	710,112	Finance costs	(1,148,999)
- Corporate income taxes	930,887	639,489	- Related parties	51,176	47,660	Share of net profit of associates and joint ventures	266,320
- Other taxes	1,546,673	3,275,517	Deferred revenue	397,554	438,126		
Advances and prepayments	951,681	1,309,540	Employee benefit obligations	1,120,512	506,238		
Other current assets	114,420	314,918	Short-term bank loans	513,097	817,923		
			Current portion of long-term debt:			PROFIT BEFORE INCOME TAX	6,503,220
Total Current Assets	45,475,097	50,826,955	- Bank loans	2,610,650	2,432,677	Income tax expense	(1,315,397)
			- Lease liabilities	813,833	153,724		
NON-CURRENT ASSETS			- Other borrowings	59,861	74,272	PROFIT FOR THE YEAR	5,187,823
Restricted cash and time deposits	1,128,124	1,315,255	Current portion of other long-term liabilities	752,109	535,530		8,563,955
Trade receivables			Total Current Liabilities	22,994,275	32,585,529	OTHER COMPREHENSIVE (EXPENSE)/INCOME	
- Third parties	168,425	168,425				Items that will not be reclassified to profit or loss	
- Related parties	5,830	10,202	NON-CURRENT LIABILITIES			Items that will not be reclassified to profit or loss	
Non-trade receivables			Deferred tax liabilities	3,579,786	4,071,332	Remeasurement of employee benefit obligations	(2,467)
- Third parties	493,952	515,265	Provision for mine rehabilitation, reclamation and closure	602,936	552,379	Related income tax	(12,895)
- Related parties	1,836,010	1,563,185	Employee benefit obligations	2,787,379	2,531,565		
Inventories	189,968	175,274	Long-term debts, net of current portion:				(15,362)
Prepaid taxes			- Bank loans	9,510,225	10,078,232		1,695
- Other taxes	323,868	537,247	- Lease liabilities	716,869	429,503	Items that will be reclassified to profit or loss	
Advances	187,729	95,113	- Other borrowings	61,847	104,117	Exchange difference on financial statements translation	2,043,060
Investments in associates and joint ventures			Other long-term financial liabilities	291,294	250,644	Hedging reserves	(220,602)
Long-term investments	1,031,707	1,811,087				Change in fair value of long-term investments	-
Fixed assets	519,199	243,292	Total Non-current Liabilities	17,550,336	18,017,772	Share of other comprehensive (expense)/income	(91,800)
Mining properties	25,602,419	27,469,005	TOTAL LIABILITIES	40,544,611	50,603,301	of associates, net of tax	(979,207)
Investment properties	14,051,835	13,830,762				Related income tax	43,270
Deferred exploration and development expenditures	212,344	212,344	EQUITY				
Production mining assets	1,921,520	1,972,134	Equity attributable to owners of the parent				886,521
Deferred charges	5,023,892	4,700,284	Share capital:				(2,015,457)
Deferred tax assets	1,545,980	1,514,603	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	Other comprehensive (expense)/income for the year, net of tax	871,159
Goodwill	1,873,107	1,930,468	Additional paid-in capital	9,703,937	9,703,937	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	6,058,982
	3,000,234	2,822,475	Retained earnings :				6,550,193
Total Non-current Assets	59,116,143	60,886,420	- Appropriated	186,507	186,507	PROFIT AFTER TAX ATTRIBUTABLE TO:	
			- Unappropriated	48,896,587	46,873,391	- Owners of the parent	5,338,277
			Exchange difference on financial statements translation	3,755,512	1,890,417	- Non-controlling interest	(150,454)
			Investment fair value revaluation reserves	-	180,216		5,187,823
			Hedging reserves	(2,374,562)	(1,223,553)	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:	
			Fixed assets fair value revaluation reserves	16,930	16,930	- Owners of the parent	6,039,898
			Difference due to acquisition of non-controlling interests in subsidiaries	(378,286)	(348,323)	- Non-controlling interest	19,084
							6,058,982
						EARNINGS PER SHARE	
						(expressed in full Rupiah)	
						- Basic and diluted	
			Non-controlling interest				1,431
			TOTAL EQUITY	3,307,470	2,898,018		2,316
				64,046,629	61,110,074		
TOTAL ASSETS	104,591,240	111,713,375	TOTAL LIABILITIES AND EQUITY	104,591,240	111,713,375		

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PT UNITED TRACTORS Tbk
THE BOARD OF DIRECTORS