



PT United Tractors Tbk

Investor Bulletin, First Half 2020

United Tractors Recorded Net Income of Rp 4.1 Trillion

Operational:
Y.o.y Komatsu sales volume down 56%, coal production down 8% and overburden decreased 10%, coal sales volume up 14%, while gold sales down 4%

United Tractors (UT/the Company) today released its consolidated financial statements for the first half 2020. The COVID-19 pandemic and weakening coal price dampened the domestic market and impacted all the Company's business units. In the first semester 2020, the Company recorded net revenue of Rp33.2 trillion, decreased by 23% compared to Rp43.3 trillion in the corresponding period last year. The lower net revenue added with lower gross margin have led to a decrease in the Company's net profit, which was recorded at Rp4.1 trillion, down 28% from Rp5.7 trillion.

Heavy equipment sales under Construction Machinery segment recorded a decrease of 56% in Komatsu sales volume from 1,917 units to 853 units. Sales of spare parts and maintenance services decreased by 25% to Rp3.3 trillion. Overall, Construction Machinery segment recorded revenues of Rp7.3 trillion or down 40%. Mining Contracting segment recorded 22% lower in net revenue at Rp15.1 trillion, with 55.9 million tons of coal production and 420.3 million bcm of overburden removal. Coal Mining segment was able to increase coal sales volume to 5.6 million tons, with net revenue decreased by 11% to Rp6.1 trillion, reflecting the decline in coal price. Gold Mining segment recorded revenues of Rp4.0 trillion, and gold sales volume achieved 186 thousand ounces. The last segment, Construction Industry, recorded net revenue of Rp746 billion or down 52%.

To the Company's consolidated net revenue, Mining Contracting segment contributed 46%, followed by 22% from Construction Machinery, 18% from Coal Mining, while Gold Mining and Construction Industry respectively contributed 12% and 2%.

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 June 2020, the construction progress has reached 94% and is scheduled to start commercial operation in 2021.

In Rupiah billion	6M 2020	6M 2019	Y/Y%	FY 2019
Exchange rate (Rp/US\$)	14,302	14,141	1%	13,901
Revenue Breakdown				
Construction Machinery	7,270	12,087	-40%	22,559
Mining Contracting	15,057	19,267	-22%	39,311
Coal Mining	6,078	6,794	-11%	10,685
Gold Mining	4,039	3,630	11%	7,934
Construction Industry	746	1,543	-52%	3,941
Total Revenue	33,192	43,319	-23%	84,430
Gross Profit	7,261	10,638	-32%	21,231
<i>Gross Profit Margin</i>	21.9%	24.6%	-11%	25.1%
Profit for the period	4,095	5,709	-28%	11,135
Net Income	4,061	5,661	-28%	11,312
Earnings Per Share (expressed in full Rp)	1,089	1,518	-28%	3,033

Note: The Company's 1H 2020 & 1H 2019 report was unaudited

July 29, 2020



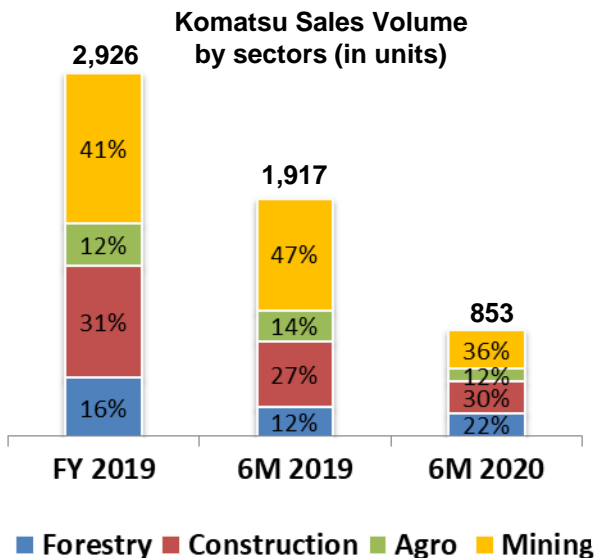
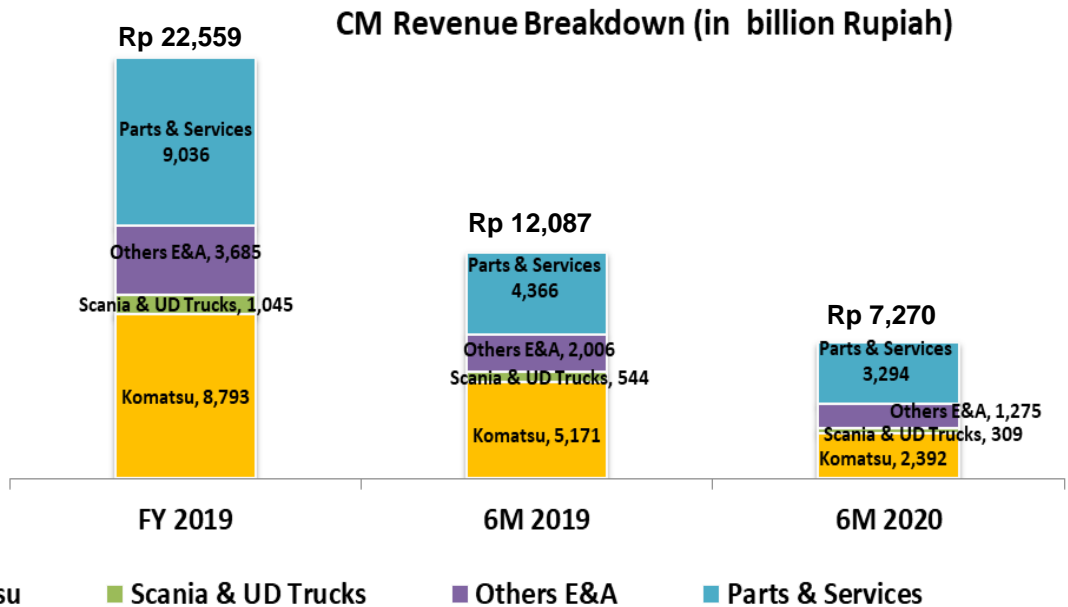
CONSTRUCTION MACHINERY Performance Overview

Komatsu sales volume was 853 units

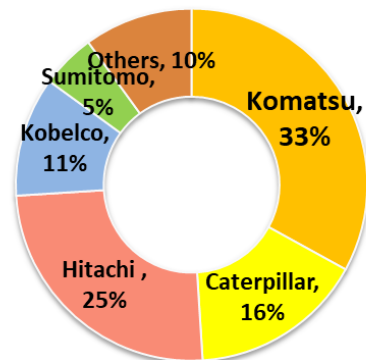
Revenue was Rp 7.3 trillion, decreased 40%

Until June 2020, Komatsu sales volume decreased by 56% to 853 units from 1,917 units in the same period of 2019. The decline in commodity prices and large-scale social restrictions due to pandemic have an impact on the decline of activity in all sectors that resulted in severe impacts in heavy equipment demand. However, 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 decreased by 25% to Rp3.3 trillion.

Sales volume of UD Trucks was decreased from 302 units to 94 units, and Scania products was decreased from 291 units to 100 units. In total, Construction Machinery segment recorded a decrease in revenue by 40% from Rp12.1 trillion to Rp7.3 trillion.



Domestic Market Share 6M 2020



Source: Internal Market Research



MINING CONTRACTING Performance Overview

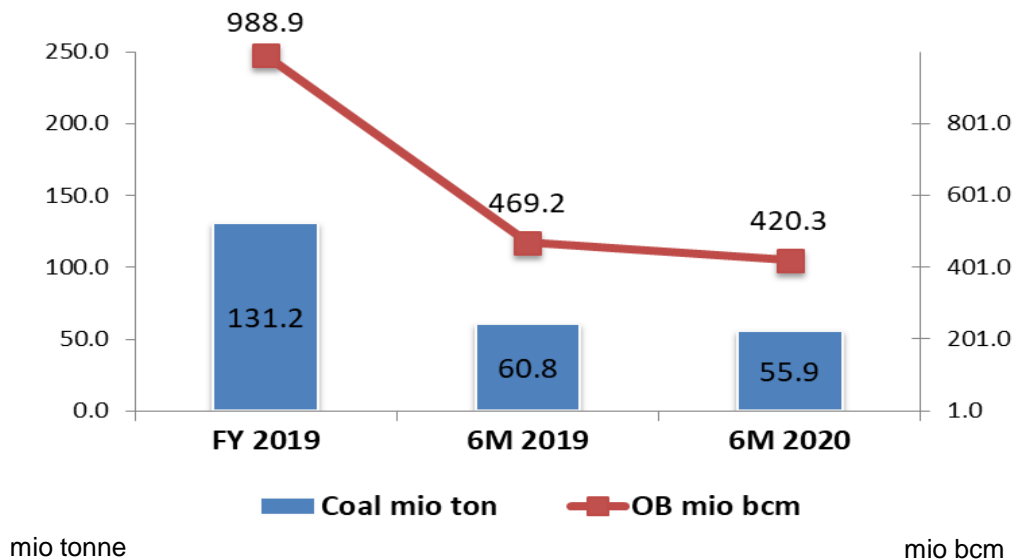
Pama coal production was 55.9 mio tons, down 8%, with overburden removal of 420.3 mio bcm, or down 10%

Revenue was Rp 15.1 trillion, down 22%

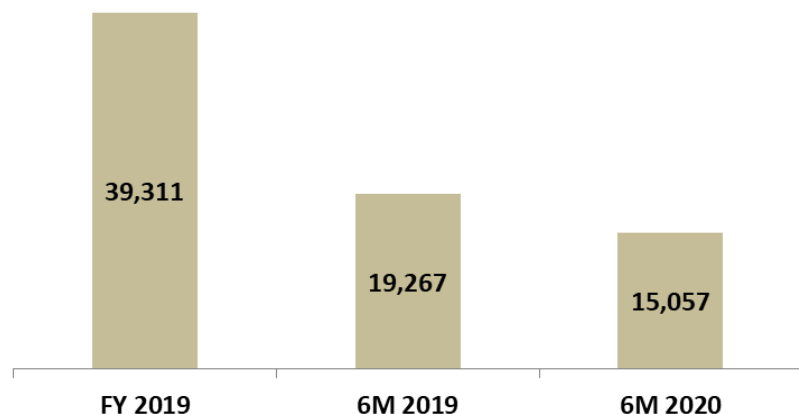
UT's Mining Contracting segment is carried out by PT Pamapersada Nusantara (PAMA). Subsidiary under PAMA that also provides additional support and services in Mining Contracting is PT Kalimantan Prima Persada (KPP).

As of June 2020, PAMA recorded net revenue of Rp15.1 trillion, down by 22% from Rp19.3 trillion in the same period of 2019. PAMA recorded 8% decrease in coal production from 60.8 million tons to 55.9 million tons, and 10% decrease in overburden removal volume, from 469.2 million bcm to 420.3 million bcm.

Coal and Overburden Removal



MC Revenue (Rupiah billion)



July 29, 2020



COAL MINING

Performance Overview

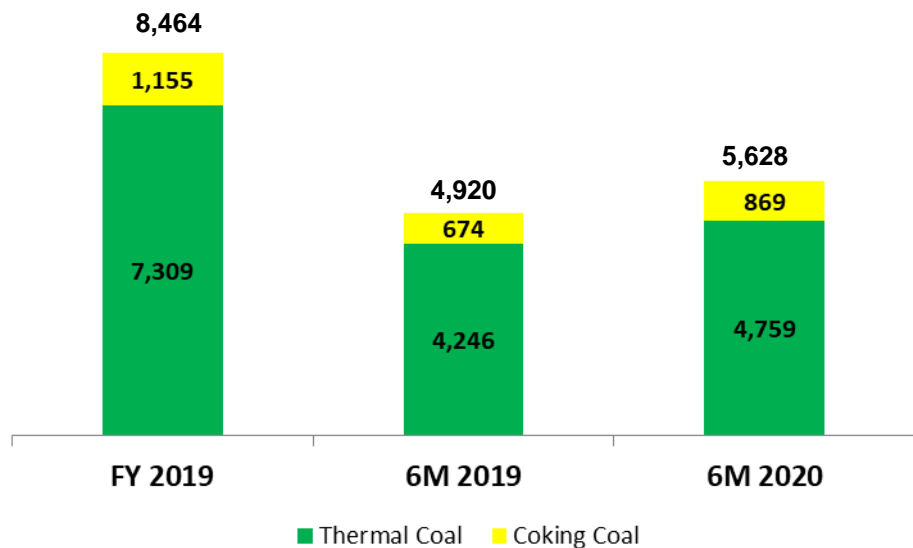
Coal sales volume reached 5.6 million tons, increased 14%

Revenue was Rp 6.1 trillion, decreased 11%

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 is a coking coal concession in Central Kalimantan.

As of June 2020, TTA recorded total coal sales volume of 5.6 million tons including 869 thousand tons of coking coal from SMM, 3.8 million tons from ABB and TOP, and 916 thousand tons from coal trading business, or increased 14% compared to 4.9 million tons in the first half 2019. Despite the increased volume, Coal Mining revenue was decreased by 11% to Rp6.1 trillion due to lower average coal selling price.

TTA's coal sales volume (in thousand tonne)





GOLD MINING

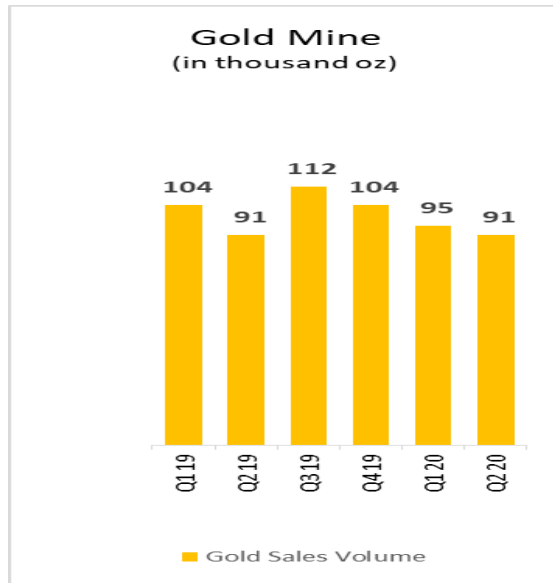
Performance Overview

Gold sales volume reached 186 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 4.0 trillion

Until June 2020, the total sales volume of gold equivalent from Martabe was recorded at 186 thousand ounces, down 4% compared to 195 thousand ounces and recorded net revenue of Rp4.0 trillion. The average realized selling price for gold was USD1,498 per ounce, compared to USD1,315 per ounce in the same period of 2019.



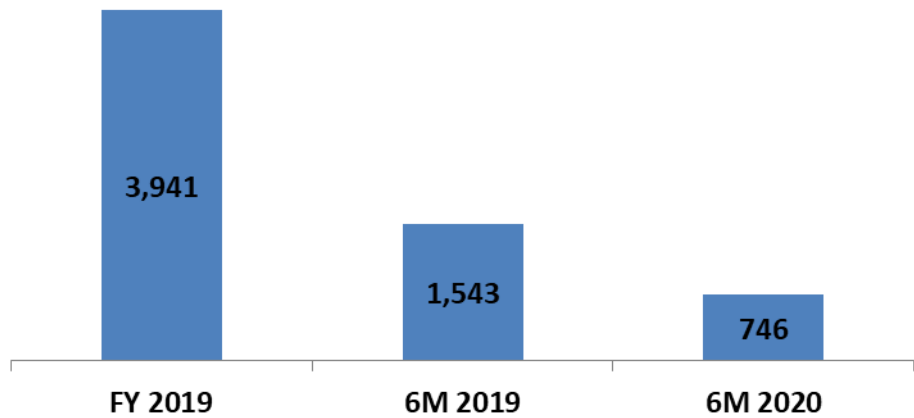


CONSTRUCTION INDUSTRY Performance Overview

Revenue was Rp746 billion, decreased 52%, net loss Rp252 billion

The Construction Industry segment was represented by PT Acset Indonusa Tbk (ACSET). As of June 2020, Construction Industry reported net revenue of Rp746 billion, compared to Rp1.5 trillion in the same period of 2019. ACSET recorded a net loss of Rp252 billion down from previous net loss of Rp404 billion. Due to COVID-19 pandemic, several ongoing projects were slowed down and the acquisition of new contracts were also delayed. The loss was mainly due to lower revenue from the ongoing projects. However, ACSET posted lower net loss compared to the same period last year due to reduced funding costs following the collection of amounts in respect of the Jakarta-Cikampek elevated toll road project. ACSET performance is expected to be challenging for the remaining of the year due to current slowdown in construction sector.

Construction Industry Revenue (Rupiah billion)



For further information:
Investor Relations
Attn. : Ari Setiyawan
Ph. : 62 21 2457-9999 Ext. 18048
E-Mail : ir@unitedtractors.com
<http://www.unitedtractors.com>

PT UNITED TRACTORS Tbk and SUBSIDIARIES

Jl. Raya Bekasi Km. 22 - JAKARTA 13910
Telp (021) 24579999

Rate Rp/ 1 US\$: 30/06/2020 = 14,302 and 31/12/2019 = 13,901

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020 AND 31 DECEMBER 2019 (Expressed in millions of Rupiah, unless otherwise stated)			CONSOLIDATED STATEMENTS OF PROFIT OR LOSS OR OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2020 AND 2019 (Expressed in millions of Rupiah, except earnings per share)					
ASSETS	30/06/2020	31/12/2019	LIABILITIES AND STOCKHOLDERS' EQUITY		30/06/2020	31/12/2019	30/06/2020	30/06/2019
CURRENT ASSETS			CURRENT LIABILITIES				NET REVENUE	33,191,655
Cash and cash equivalents	16,929,744	12,090,661	Trade payables:				COST OF REVENUE	43,319,367
Trade receivables:			- Third parties	10,676,969	20,697,532			(25,930,778)
- Third parties	11,492,639	19,534,993	- Related parties	221,469	211,602			
- Related parties	136,408	145,710	Non-trade payables:			GROSS PROFIT	7,260,877	10,638,308
Non-trade receivables:			- Third parties	1,555,911	382,178	Selling expenses	(303,868)	(390,947)
- Third parties	1,131,425	1,112,120	- Related parties	1,823,886	54,832	General and administrative expenses	(1,651,610)	(1,740,893)
- Related parties	1,177,352	1,163,516	Taxes payable:			Other income	318,194	153,799
Inventories	9,785,097	11,014,020	- Corporate income taxes	377,808	553,413	Other expenses	(288,249)	(267,547)
Project under construction			- Other taxes	275,077	618,938	Finance income	327,989	246,559
- Third parties	238,020	225,958	Accruals	4,597,416	4,350,772	Finance costs	(841,270)	(1,116,677)
- Related parties	870	513	Customer deposits			Share of net profit of associates and joint ventures	172,537	208,861
Prepaid taxes			- Third parties	429,001	710,112			
- Corporate income taxes	930,261	639,489	- Related parties	76,443	47,660	PROFIT BEFORE INCOME TAX	4,994,600	7,731,463
- Other taxes	1,894,928	3,275,517	Deferred revenue	407,586	438,126	Income tax expense	(899,847)	(2,021,984)
Advances and prepayments	1,062,681	1,309,540	Employee benefit obligations	761,164	506,238			
Other current assets	170,641	314,918	Short-term bank loans	129,638	817,923	PROFIT FOR THE YEAR	4,094,753	5,709,479
Total Current Assets	44,950,066	50,826,955	Current portion of long-term debt:			OTHER COMPREHENSIVE (EXPENSE)/INCOME		
NON-CURRENT ASSETS			- Bank loans	2,502,850	2,432,677	Items that will not be reclassified to profit or loss		
Restricted cash and time deposits	1,156,405	1,315,255	- Lease liabilities	871,573	153,724	Remeasurement of employee benefit obligations	2,642	2,190
Trade receivables			- Other borrowings	66,798	74,272	Related income tax	(12,895)	(497)
- Third parties	168,425	168,425	Current portion of other long-term liabilities	874,711	535,530			
- Related parties	10,202	10,202	Total Current Liabilities	25,648,300	32,585,529			
Non-trade receivables			NON-CURRENT LIABILITIES			Items that will be reclassified to profit or loss		
- Third parties	381,163	515,265	Deferred tax liabilities	3,464,594	4,071,332	Exchange difference on financial statements translation	810,048	(570,437)
- Related parties	1,792,898	1,563,185	Provision for mine rehabilitation, reclamation and closure	574,754	552,379	Hedging reserves	(380,056)	(498,340)
Inventories	177,184	175,274	Employee benefit obligations	2,687,202	2,531,565	Change in fair value of long-term investments	-	(60,300)
Prepaid taxes			Long-term debts, net of current portion:			Share of other comprehensive (expense)/income		
- Other taxes	591,442	537,247	- Bank loans	9,117,525	10,078,232	of associates, net of tax	(1,120,235)	(544,121)
Advances	136,241	95,113	- Lease liabilities	775,053	429,503	Related income tax	62,465	141,371
Investments in associates and joint ventures			- Other borrowings	73,783	104,117			
Long-term investments	521,449	243,292	Other long-term financial liabilities	296,746	250,644			
Fixed assets	26,639,236	27,469,005	Total Non-current Liabilities	16,989,657	18,017,772	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,456,722	4,179,345
Mining properties	13,643,663	13,830,762	TOTAL LIABILITIES	42,637,957	50,603,301	PROFIT AFTER TAX ATTRIBUTABLE TO:		
Investment properties	212,344	212,344	EQUITY			- Owners of the parent	4,060,955	5,661,263
Deferred exploration and development expenditures	2,095,154	1,972,134	Equity attributable to owners of the parent			- Non-controlling interest	33,798	48,216
Production mining assets	4,637,186	4,700,284	Share capital:				4,094,753	5,709,479
Deferred charges	1,577,135	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	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Deferred tax assets	1,836,339	1,930,468	Additional paid-in capital	9,703,937	9,703,937	- Owners of the parent	3,356,036	4,195,976
Goodwill	2,895,438	2,822,475	Retained earnings :			- Non-controlling interest	100,686	(16,631)
			- Appropriated	186,507	186,507		3,456,722	4,179,345
			- Unappropriated	48,259,679	46,873,391	EARNINGS PER SHARE		
			Exchange difference on financial statements translation	2,621,765	1,890,417	(expressed in full Rupiah)		
			Investment fair value revaluation reserves	-	180,216	- Basic and diluted	1,089	1,518
			Hedging reserves	(2,649,916)	(1,223,553)			
			Fixed assets fair value revaluation reserves	16,930	16,930			
			Difference due to acquisition of non-controlling interests in subsidiaries	(348,323)	(348,323)			
				58,723,113	58,212,056			
			Non-controlling interest	2,859,927	2,898,018			
			TOTAL EQUITY	61,583,040	61,110,074			
TOTAL ASSETS	104,220,997	111,713,375	TOTAL LIABILITIES AND EQUITY	104,220,997	111,713,375			

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