

# United Tractors Tbk (UNTR)

## Rendahnya Volume Penjualan di 2020

Pendapatan UNTR turun sebesar 28,5% selama 2020 dan mencapai Rp60,3 triliun, menghasilkan laba bersih sebesar Rp6 triliun, atau turun signifikan 46,9% YoY dimana dikontribusi dengan turunnya pendapatan dari mesin konstruksi yang turun sebesar 40,6% YoY. Kami merekomendasikan Overweight dengan Target Harga Rp23.250.

### Kinerja Menurun Selama Pandemi

- UNTR mencatatkan pendapatan sebesar Rp60,3 triliun di 2020, atau menurun sebesar 28,5% YoY (vs Rp84,4 triliun di 2019).
- UNTR dapat menghasilkan laba bersih sebesar Rp6 triliun di 2020, atau turun signifikan sebesar 46,9% YoY (vs Rp11.3 triliun di 2019). Penurunan ini utamanya dikontribusi oleh penurunan pada segment industri konstruksi, mesin konstruksi dan kontraktor penambangan yang masing-masing turun sebesar 72,3% YoY, 40,6% YoY dan 25,7% YoY.
- Kemudian, volume penjualan Komatsu turun signifikan sebesar 46,5% YoY menjadi 1.564 unit (vs 2.962 unit di 2019), dan UD trucks & Scania juga mengalami penurunan volume penjualan sebesar 48,2% YoY menjadi 441 unit pada 2020 (vs 852 unit di 2019).
- Kami berekspektasi pendapatan UNTR pada 2021F akan mencapai Rp63,2 triliun (+4,7% YoY) dan laba bersih akan mencapai Rp7 triliun, atau meningkat 17,4% YoY dimana asumsi kami permintaan batubara akan pulih di tahun 2021F seiring dengan pulihnya ekonomi.

### Pemulihan Permintaan Batubara

- Kami berekspektasi pemulihan ekonomi akan dimulai tahun ini disebabkan vaksinasi Covid-19 yang sedang berjalan. Bersamaan dengan pemulihan ekonomi, kami melihat permintaan batubara akan pulih dan industri manufaktur akan kembali berjalan.
- Dengan pemulihan permintaan batubara, kami melihat hal tersebut akan menguntungkan segmen mesin konstruksi dan kontraktor penambangan dimana beberapa perusahaan batubara yang berkerja sama dengan PAMA telah menaikkan target produksinya di 2021F.
- Di sisi lain, pulihnya permintaan batubara juga menguntungkan segmen pertambangan batubara dimana UNTR akan memiliki ASP lebih tinggi dari tahun sebelumnya, jadi kami berekspektasi ASP batubara UNTR akan mencapai USD70/ton di 2021F.

### Rekomendasi Overweight dengan Target pada Harga Rp23.250

- Kami merekomendasikan Overweight untuk UNTR dengan TP pada Rp23.250 untuk 12 bulan kedepan.
- Rating Overweight mempertimbangkan kinerja UNTR yang turun di 2020 dan pemulihan permintaan batubara dimana akan memicu naiknya harga batubara.
- TP kami berdasarkan forward P/E sebesar 11,1x dengan potensi kenaikan sebesar 9,7%.
- UNTR saat ini diperdagangkan pada 10,1x P/E.

### United Tractors Tbk | Summary (IDR bn)

	2020A	2021F	2022F	2023F
Revenue	60,347	63,185	65,342	63,752
Growth	-28.5%	4.7%	3.4%	-2.4%
Net profit	6,003	7,048	7,831	7,672
Growth	-46.9%	17.4%	11.1%	-2.0%
EPS	1,609	1,890	2,099	2,057
ROE	9.7%	10.8%	11.3%	10.5%
DER	19.8%	11.1%	12.6%	12.7%
P/E	16.5x	11.2x	10.1x	10.3x
EV/EBITDA	6.5x	3.7x	2.9x	2.8x
Dividend Yield	3.3%	5.0%	5.2%	4.9%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia



Company Update | Mar. 12, 2021

## Overweight

Target Price (IDR)	23,250
Consensus Price (IDR)	29,899
TP to Consensus Price	-22.2%
vs. Last Price	+9.7%

### Shares data

Last Price (IDR)	21,200
Price date as of	Mar. 10, 2021
52 wk range (Hi/Lo)	28,475 / 12,000
Free float	40.4%
Outstanding sh.(mn)	3,730
Market Cap (IDR bn)	79,079
Market Cap (USD mn)	5,475
Avg. Trd Vol - 3M (mn)	5.5
Avg. Trd Val - 3M (bn)	136.6
Foreign Ownership	15.9%

### Trade

#### Heavy Equipment

Bloomberg	UNTR IJ
Reuters	UNTR.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret	-20.3%	-9.7%	-18.5%	28.3%
Rel. Ret	-25.1%	-10.7%	-24.1%	8.3%

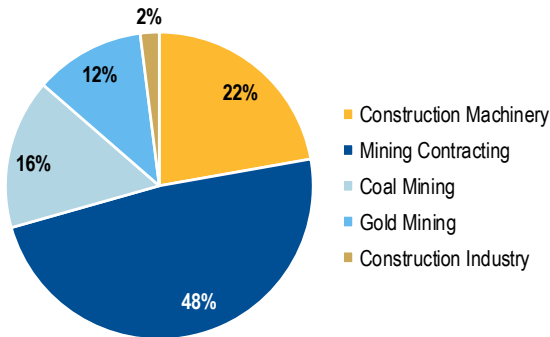
### Maryoki Pajri Alhusnah

+62 21 5088 9128

[maryoki.pajri@nhsec.co.id](mailto:maryoki.pajri@nhsec.co.id)

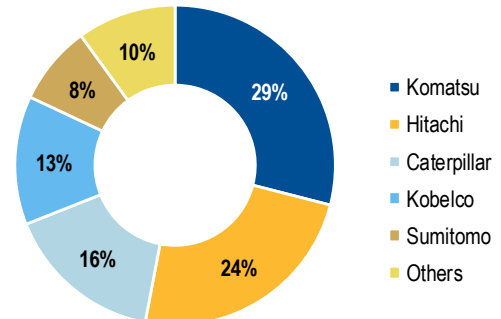
# Performance Highlights

Revenue Contributions FY2020



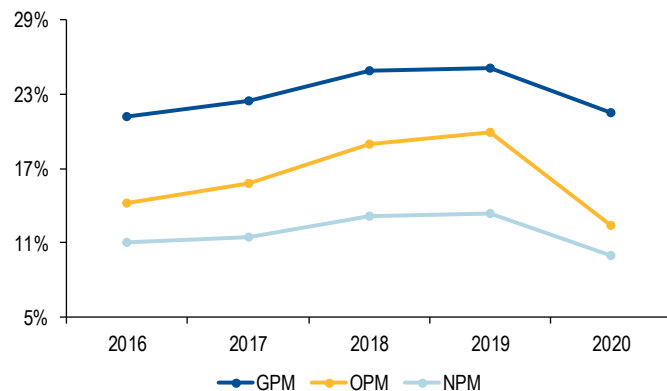
Source: Company, NHKSI Research

Heavy Equipment's Market Share



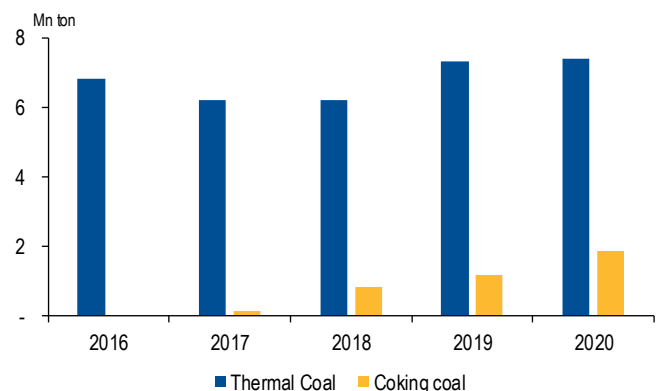
Source: Company, NHKSI Research

Margin Ratios



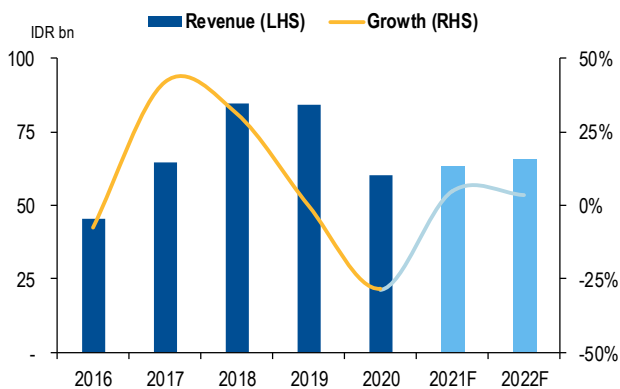
Source: Company, NHKSI Research

Coal Sales Volume



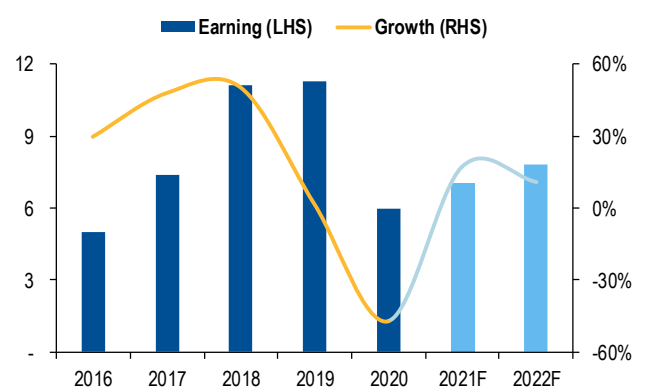
Source: Company, NHKSI Research

Revenue & Growth Movement



Source: Company, NHKSI Research

Earnings & Growth Movement



Source: Company, NHKSI Research

## Company Overview



**PT United Tractors Tbk** (UNTR) merupakan anak usaha dari PT Astra International Tbk ("Astra"), salah satu grup usaha terbesar dan terkemuka di Indonesia dengan jaringan layanan menjangkau berbagai industri dan sektor. Sejak 19 September 1989, United Tractors telah menjadi perusahaan publik dengan mencatatkan sahamnya di Bursa Efek Indonesia (dahulu Bursa Efek Jakarta dan Bursa Efek Surabaya). Hingga kini Astra memiliki 59,5% saham United Tractors, dengan sisa saham dimiliki oleh publik.

Saat ini United Tractors telah berkembang menjadi salah satu pemain utama di sektor dan industri dalam negeri, melalui lima pilar bisnis, yaitu Mesin Konstruksi, Kontraktor Penambangan, Pertambangan, Industri Konstruksi, dan Energi.

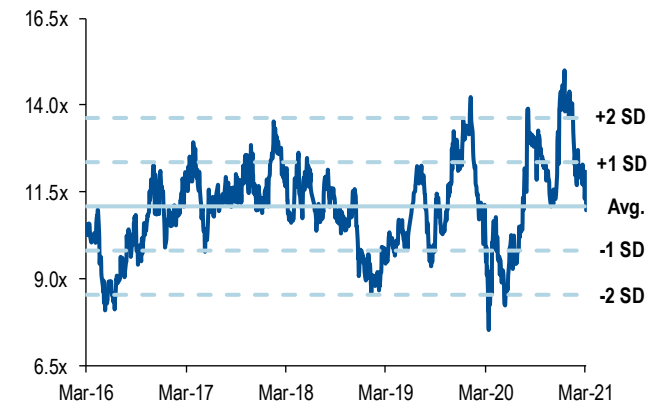
### Peers Comparison

Company	Market Cap (USD mn)	Asset (USD mn)	Revenue LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Mar- gin	ROE LTM	P/E LTM	P/BV
<b>Indonesia</b>								
UNITED TRACTORS TBK	5,475	7,167	4,147	413	9.9%	10.1%	13.2x	1.3x
HEXINDO ADIPERKASA TBK	204	266	276	26	9.3%	15.1%	8.0x	1.2x
INTRACO PENTA TBK	37	293	61	-33	-54.1%	N/A	N/A	N/A
KOBEXINDO TRACTORS TBK	19	123	52	-7	-12.9%	-22.6%	N/A	0.7x
<b>China</b>								
ZHONGJI INNOLIGHT	4,295	1,507	953	108	11.3%	10.5%	36.7x	3.7x
<b>Japan</b>								
WAKITA & CO LTD	461	1,275	722	32	4.4%	3.6%	14.7x	0.5x
RASA CORPORATION	109	282	257	14	5.3%	8.8%	7.3x	0.6x
MAEDA SEISAKUSHO CO LTD	80	273	310	10	3.3%	8.6%	7.9x	0.7x
<b>Australia</b>								
SEVEN GROUP HOLDING	5,903	5,134	3,218	304	9.4%	14.4%	17.4x	2.3x

Source: Bloomberg

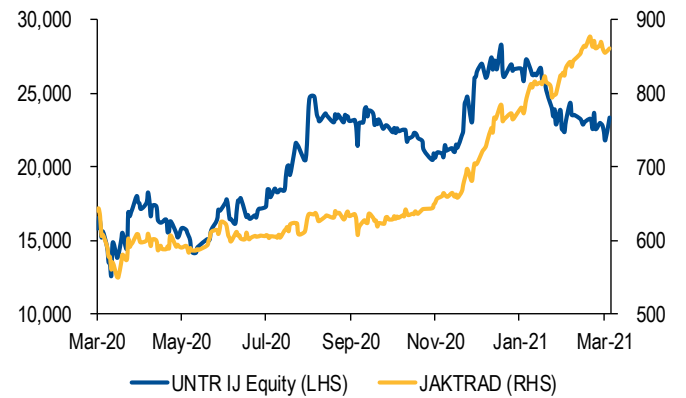
## Valuation Highlights

### 5-Year Forward P/E Band



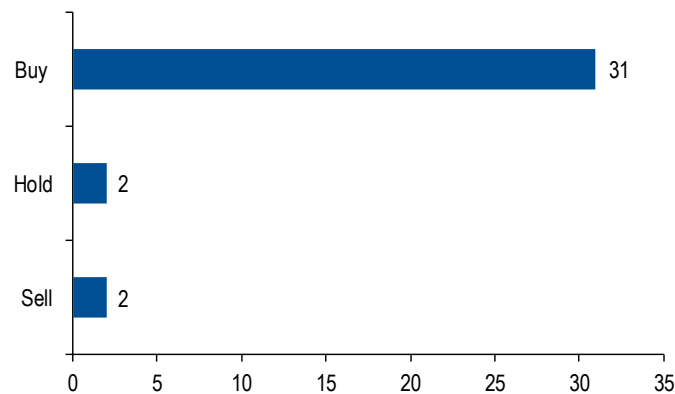
Source: Bloomberg, NHKSI Research

### UNTR vs JAKTRAD



Source: Bloomberg, NHKSI Research

### Analyst Coverage Rating



Source: Bloomberg

### Closing and Target Price



Source: NHKSI Research

## Rating and Target Price Update

### Target Price

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
10/03/2021	Overweight	23,250	21,200	29,899	-22.2%	+9.7%

Source: NHKSI Research, Bloomberg

## Summary of Financials

### INCOME STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
<b>Revenues</b>	<b>60,347</b>	<b>63,185</b>	<b>65,342</b>	<b>63,752</b>
<i>Growth (% y/y)</i>	-28.5%	4.7%	3.4%	-2.4%
Cost of Revenues	(47,357)	(48,619)	(50,038)	(48,695)
<b>Gross Profit</b>	<b>12,989</b>	<b>14,566</b>	<b>15,303</b>	<b>15,057</b>
<i>Gross Margin</i>	21.5%	23.1%	23.4%	23.6%
Operating Expenses	(5,519)	(4,768)	(4,511)	(4,437)
<b>EBIT</b>	<b>7,470</b>	<b>9,798</b>	<b>10,793</b>	<b>10,620</b>
<i>EBIT Margin</i>	12.4%	15.5%	16.5%	16.7%
Depreciation	7,589	8,480	9,825	9,966
<b>EBITDA</b>	<b>15,059</b>	<b>18,278</b>	<b>20,618</b>	<b>20,586</b>
<i>EBITDA Margin</i>	25.0%	28.9%	31.6%	32.3%
Interest Expenses	(1,540)	(1,382)	(1,430)	(1,506)
<b>EBT</b>	<b>7,011</b>	<b>9,398</b>	<b>10,410</b>	<b>10,141</b>
Income Tax	(1,379)	(2,350)	(2,602)	(2,535)
Minority Interest	371	(0)	23	66
<b>Net Profit</b>	<b>6,003</b>	<b>7,048</b>	<b>7,831</b>	<b>7,672</b>
<i>Growth (% y/y)</i>	-46.9%	17.4%	11.1%	-2.0%
<i>Net Profit Margin</i>	9.9%	11.2%	12.0%	12.0%

### PROFITABILITY & STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	9.7%	10.8%	11.3%	10.5%
ROA	5.7%	6.9%	7.3%	6.8%
Inventory Turnover	5.0x	5.8x	5.6x	5.4x
Receivables Turnover	4.1x	6.0x	5.7x	5.3x
Payables Turnover	3.0x	3.4x	2.7x	2.7x
Dividend Yield	3.3%	5.0%	5.2%	4.9%
Payout Ratio	54.8%	55.5%	52.8%	51.0%
DER	0.2x	0.1x	0.1x	0.1x
Net Gearing	-13%	-27%	-31%	-33%
Equity Ratio	63.3%	64.8%	64.4%	65.6%
Debt Ratio	12.5%	7.2%	8.1%	8.4%
Financial Leverage	170.2%	156.1%	154.8%	153.9%
Current Ratio	211.0%	189.7%	203.1%	221.6%
Quick Ratio	172.8%	157.0%	171.6%	189.3%
Par Value (IDR)	250	250	250	250
Total Shares (mn)	3,730	3,730	3,730	3,730
Share Price (IDR)	26,600	21,200	21,200	21,200
Market Cap (IDR tn)	99.2	79.1	79.1	79.1

### BALANCE SHEET

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Cash	20,499	25,835	30,828	34,297
Receivables	10,024	11,020	11,966	12,259
Inventories	8,002	8,868	8,965	8,945
<b>Total Current Assets</b>	<b>44,196</b>	<b>51,433</b>	<b>57,772</b>	<b>61,442</b>
Net Fixed Assets	24,319	26,800	26,120	26,316
Other Non Current Assets	31,286	26,165	27,005	26,863
<b>Total Non Current Assets</b>	<b>55,605</b>	<b>52,965</b>	<b>53,125</b>	<b>53,180</b>
<b>Total Assets</b>	<b>99,801</b>	<b>104,399</b>	<b>110,898</b>	<b>114,622</b>
Payables	10,273	18,088	18,401	17,552
ST Debt	4,045	3,091	3,531	3,751
<b>Total Current Liabilities</b>	<b>20,944</b>	<b>27,113</b>	<b>28,446</b>	<b>27,725</b>
LT Debt	8,436	4,428	5,444	5,820
<b>Total Liabilities</b>	<b>36,654</b>	<b>36,703</b>	<b>39,516</b>	<b>39,420</b>
Capital Stock + APIC	10,636	10,636	10,636	10,636
Retained Earnings	49,492	52,626	56,323	60,086
<b>Shareholders' Equity</b>	<b>63,147</b>	<b>67,695</b>	<b>71,382</b>	<b>75,202</b>

### CASH FLOW STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	3,397	4,268	(13)	(922)
Investing Cash Flow	5,281	2,640	(160)	(54)
Financing Cash Flow	(271)	(1,572)	5,166	4,445
<b>Net Changes in Cash</b>	<b>8,408</b>	<b>5,337</b>	<b>4,993</b>	<b>3,469</b>

Source: Company Data, NHKSI Research

### VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	16.5x	11.2x	10.1x	10.3x
PE/EPS Growth	-0.4x	0.6x	0.9x	-5.1x
Price /Book Value	1.6x	1.2x	1.1x	1.1x
EV/EBITDA	6.5x	3.7x	2.9x	2.8x
EV (IDR bn)	97,744	67,694	59,275	57,567
Revenues CAGR (3-Yr)	-10.7%	-9.2%	2.7%	0.3%
Net Income CAGR (3-Yr)	-18.6%	-14.6%	9.3%	2.9%
Basic EPS (IDR)	1,609	1,890	2,099	2,057
BVPS (IDR)	16,929	18,148	19,136	20,161
DPS (IDR)	882	1,050	1,108	1,048

### OWNERSHIP

<b>Top Shareholders</b>	%
Astra International	59.5
Sun Life Financial Inc	1.9
Shroder Investment	1.4
Others	37.2
<b>By Geography</b>	%
Indonesia	84.1
United States	10.1
Luxembourg	1.8
Ireland	1.0
Others	2.99

## NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
  - Buy : Greater than +15%
  - Overweight : +5% to +15%
  - Hold : -5% to +5%
  - Underweight : -5% to -15%
  - Sell : Less than -15%

### DISCLAIMER

This document is strictly confidential and is being supplied to you solely for your information. The recipients of this report must make their own independent decisions regarding any securities or financial instruments mentioned herein. This document may not be quoted, reproduced, exhibited, redistributed, transmitted, edited, translated, or published, in whole or in part, for any purpose without notice. Any failure to comply with this restriction may constitute a violation of civil or criminal laws.

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein. All rights reserved by PT NH Korindo Sekuritas Indonesia.