United Tractors Tbk. (UNTR)

Macro Sentiments Boost Prospects

UNTR reported a steep 24% YoY decline in net income for FY25 (IDR 14.8 trillion vs 19.5 trillion) as top line slips by 2% (IDR 131.3 trillion vs IDR 134.4 trillion). Coal price softness continues to hinder performance, with HBA prices falling to USD 100.81/ton (-11.9% YoY) while Newcastle prices declined to USD 107.5/ton (-14.2%). Revenue from the company's mining contracting and coal mining segments fell by 7% YoY each, while ballooning gold prices helped partially offset this top line decline.

National coal production cuts set to support price but hinder volume

- UNTR saw volume improvements in their heavy machinery and coal mining segments; Komatsu sales volume slightly increased by 2% YoY while coal sales volume jumped by 9% YoY. On the flip side, overburden removal fell by 10% YoY on account of lower strip ratios and high rainfall in the first half of FY25.
- The Ministry of Energy and Mineral Resources (ESDM) is looking to slash coal RKAB production quotas for FY26, potentially to 600 – 650 million tons, to support slipping coal prices. With lower total production we expect DMO to be adjusted to at least 30% to fulfill domestic energy needs.
- We see coal companies having slightly improved ASPs, especially for medium and high calorie coal off the back of these regulatory changes. These proposed productions cuts will likely hamper UNTR's mining contracting and heavy machinery segments as mining operations scale down.
- RKAB cuts will likely reduce TTA's production and UNTR's overall coal sales volume; we forecast volume for FY26 to stand at 14.5 – 15.5 million tons, higher than FY25 but nonetheless lower than the previous company-stated target.

Global sentiments positive for commodity prices

- Gold has been the one shining light in the company's FY25 performance. Despite sales volume falling by 2% YoY to 227k oz, we saw revenue from the gold & other mineral mining segment jump to IDR 14 trillion (+41% YoY) as ASP rockets.
- We forecast gold prices to further climb in FY26 to USD 6,000/oz as global geopolitical instability and trade tensions escalate further, driving up investment flow to defensive assets like gold. Alongside UNTR's gold ASP, we suspect coal prices may also see a decent uptick as instability in the Middle East drive up energy prices.
- UNTR's gold production is currently shrouded in uncertainty as its Martabe gold mine had its license revoked amidst environmental negligence allegations, with the government attempting to seize mining operations.
- However, we expect a deal to be struck between the company and the government, allowing the mine to be reinstated and resume operations sometime this year. We expect gold production volume to slightly dip due to these regulatory issues and continued constrained tailing capacity, with our FY26 forecast standing at 210k – 220k ounces.
- We view gold as a key future growth driver for UNTR as the company attempts to boosts production. This includes the recently acquired Doup project in North Sulawesi which could boost gold production to 400k oz in FY28.

Overweight recommendation with a TP 32,000

- **We give UNTR an OVERWEIGHT rating with a TP of IDR 32,000** and a potential upside of **11.5%**. This implies a forward PE ratio of 7.05x, slightly above the company's 5-Yr mean, and a forward EV/EBITDA of 3.16x.
- Risks: 1) Weak coal export market 2) Regulatory risk 3) Weather

United Tractors Tbk. | Summary (IDR Billions)

	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	131,301	132,250	134,395	142,834
Growth (%y/y)	-2.3%	0.7%	1.6%	6.3%
Net Profit	14,810	16,937	17,301	18,756
Growth (%y/y)	-24.2%	14.4%	2.1%	8.4%
Basic EPS (IDR)	4,082	4,541	4,638	5,028
Price / Earnings	7.23x	7.05x	6.90x	6.36x
EV / EBITDA	3.01x	3.16x	2.95x	2.60x
ROE	14.4%	14.3%	13.3%	13.2%
ROA	8.3%	8.7%	8.4%	8.6%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Company Update | 3rd March 2026

Overweight

Target Price (IDR)	**32,000**
Consensus Price	31,020
TP to Consensus Price	+3.2%
Potential Upside	+11.5%

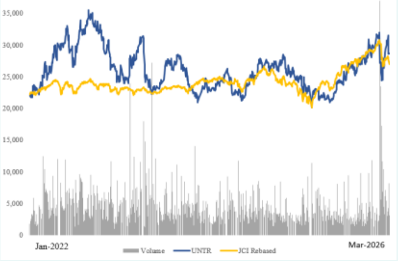
Shares Data

Last Price (IDR)	28,700
Price date as of	2nd March 2026
52 wk range (Hi/Lo)	32,000 / 20,025
Free Float (%)	35.7
Outstanding sh (mn)	3,730
Market Cap (IDR tn)	107.1
Market Cap (USD bn)	6.4
Avg. Trd Vol – 3M (mn)	7.3

Sector
Industrials
Sub-Sector
Machinery

Bloomberg	UNTR IJ Equity
Reuters	UNTR JK

Share Price Performance



	YTD	3M	6M	12M
Abs. Ret.	-4.7%	9.6%	0.6%	28.0%
Rel. Ret.	3.7%	10.9%	7.6%	5.0%

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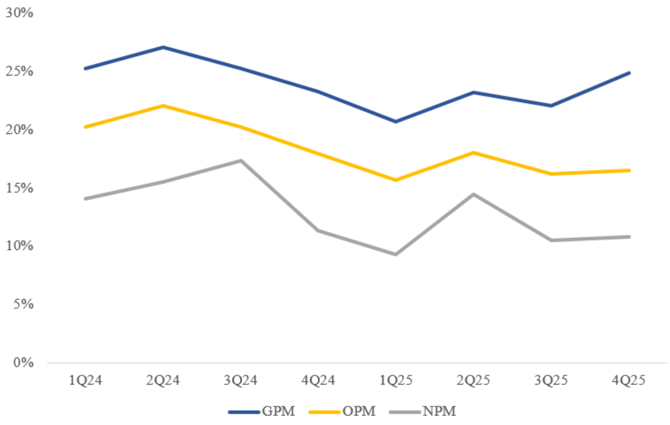
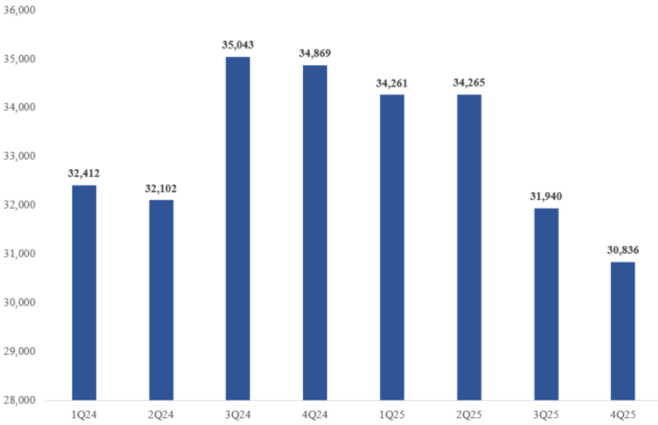
Performance Highlight

Exhibit 1. Quarterly Profit Margins (1Q24 – 4Q25)



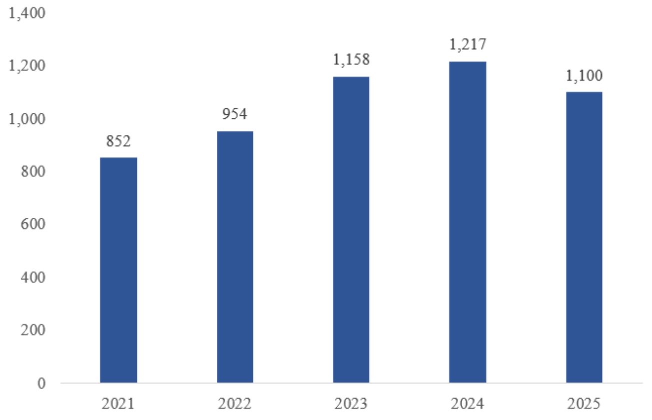
Source : Company, NHKSI Research

Exhibit 2. Quarterly Revenue (IDR Bn, 1Q24 – 4Q25)



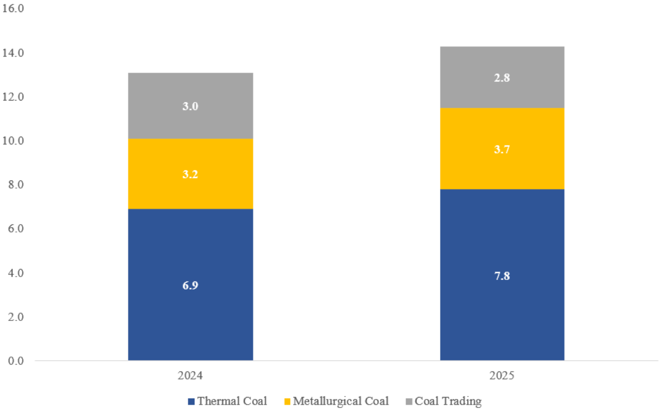
Source : Company, NHKSI Research

Exhibit 3. Overburden Removal (Million Bcm, FY20 – FY25)



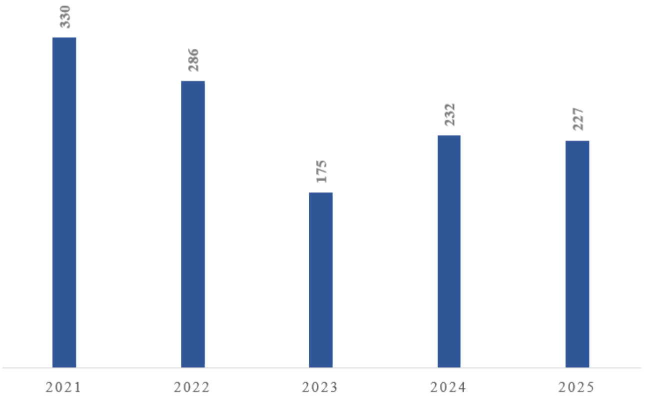
Source : Company, NHKSI Research

Exhibit 4. Coal Sales Volume (Million Tons, FY24 vs FY25)



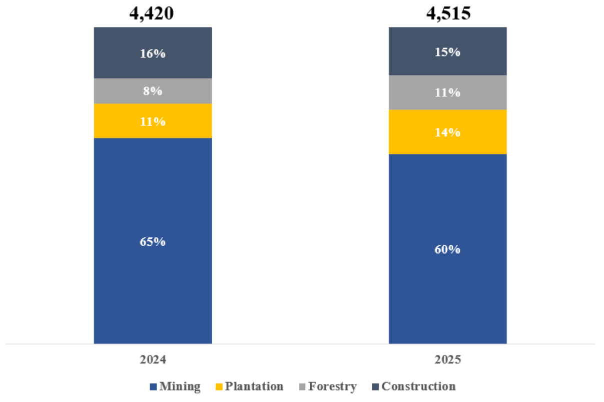
Source : Company, NHKSI Research

Exhibit 5. Gold Sales Volume (Thousand Ounces, FY21 – FY25)



Source : Company, NHKSI Research

Exhibit 6. Komatsu Sales Volume (FY24 vs FY25)



Source : Company, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	**131,301**	**132,250**	**134,395**	**142,834**
Growth (% y/y)	*-2.3%*	*0.7%*	*1.6%*	*6.3%*
Cost of Revenue	(101,597)	(100,892)	(102,364)	(108,332)
Gross Profit	**29,704**	**31,358**	**32,031**	**34,502**
Gross Margin	*22.6%*	*23.7%*	*23.8%*	*24.2%*
Operating Expenses	(7,903)	(7,274)	(7,392)	(7,856)
EBIT	**21,800**	**24,084**	**24,639**	**26,646**
EBIT Margin	*16.6%*	*18.2%*	*18.3%*	*18.7%*
Depreciation	12,167	12,687	13,048	13,989
EBITDA	**33,967**	**36,771**	**37,687**	**40,635**
EBITDA Margin	*25.9%*	*27.8%*	*28.0%*	*28.4%*
EBT	**20,182**	**22,586**	**23,071**	**25,011**
Income Tax	(5,005)	(5,193)	(5,305)	(5,751)
Minority Interest	(366)	(455)	(465)	(504)
Net Profit	**14,810**	**16,937**	**17,301**	**18,756**
Growth (% y/y)	*-24.2%*	*14.4%*	*2.1%*	*8.4%*
Net Profit Margin	*11.3%*	*12.8%*	*12.9%*	*13.1%*

BALANCE SHEET

(IDR bn)	2025/12A	2026/12F	2027/12F	2028/12F
Cash	26,571	22,299	27,205	32,930
Receivables	18,807	19,595	19,941	20,182
Inventories	16,730	17,709	17,945	18,166
Total Current Assets	**72,141**	**72,299**	**79,554**	**86,516**
Net Fixed Assets	66,833	70,296	73,492	76,984
Other Non Current Assets	38,663	51,849	53,209	55,855
Total Non Current Assets	**105,496**	**122,145**	**126,701**	**132,839**
Total Assets	**177,637**	**194,445**	**206,255**	**219,355**
Payables	38,633	39,087	39,459	39,529
ST Debt	11,604	11,597	11,535	11,551
LT Debt	7,313	7,549	7,634	7,708
Total Liabilities	**74,501**	**75,869**	**76,752**	**77,458**
Capital Stock + APIC	10,636	10,636	10,636	10,636
Retained Earnings	85,734	96,932	107,723	119,801
Shareholders' Equity	**103,136**	**118,654**	**129,676**	**142,166**

CASH FLOW STATEMENT

(IDR bn)	2025/12A	2026/12F	2027/12F	2028/12F
Operating Cash Flow	27,445	30,306	30,758	33,174
Investing Cash Flow	(13,747)	(25,475)	(16,961)	(18,102)
Financing Cash Flow	(12,470)	(7,749)	(9,006)	(9,461)
Net Changes in Cash	**1,478**	**(2,794)**	**4,906**	**5,725**

PROFITABILITY & STABILITY

	2025/12A	2026/12F	2027/12F	2028/12F
ROE	14.4%	14.3%	13.3%	13.2%
ROA	8.3%	8.7%	8.4%	8.6%
Inventory Turnover	6.07x	5.70x	5.70x	5.96x
Receivables Turnover	6.98x	6.75x	6.74x	7.08x
Payables Turnover	2.63x	2.58x	2.59x	2.74x
Dividend Yield	6.8%	4.8%	5.5%	5.6%
Dividend Payout Ratio	50.3%	33.9%	37.6%	35.6%
DER	0.72x	0.64x	0.59x	0.54x
DAR	0.42x	0.39x	0.37x	0.35x
Equity Multiplier	1.72x	1.64x	1.59x	1.54x
Current Ratio	1.36x	1.34x	1.47x	1.59x
Quick Ratio	1.04x	1.01x	1.14x	1.26x
Total Shares (bn)	3.73	3.73	3.73	3.73
Share Price (IDR)	29,500	32,000	32,000	32,000
Market Cap (IDR tn)	110.0	119.4	119.4	119.4

VALUATION INDEX

	2025/12A	2026/12F	2027/12F	2028/12F
Price / Earnings	7.23x	7.05x	6.90x	6.36x
Price / Book Value	1.07x	1.01x	0.92x	0.84x
EV / EBITDA	3.0x	3.2x	3.0x	2.6x
EV (IDR bn)	102,385	116,212	111,329	105,693
Basic EPS (IDR)	4,082	4,541	4,638	5,028
BVPS (IDR)	27,649	31,809	34,764	38,113

OWNERSHIP

Shareholders	%
PT Astra International Tbk	59.5
Public	35.7
Treasury Stock	4.8

**based on publicly reported holdings, not total shares outstanding*

Source : Bloomberg, NHKSI Research

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%

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