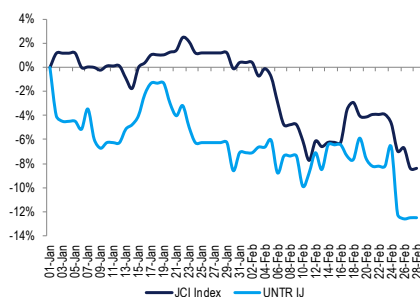


Stock Data

Target price	Rp33,000
Prior TP	Rp33,000
Current price	Rp23,425
Upside/downside	+41%
Shares outstanding (mn)	3,730
Market cap (Rp bn)	87,378
Free float	38%
Avg. 6m daily T/O (Rp bn)	81

Price Performance

	3M	6M	12M
Absolute	-14.4%	-14.3%	-0.4%
Relative to JCI	-4.5%	0.7%	10.9%
52w low/high (Rp)	21,225 – 28,500		



Major Shareholders

Astra International	59.5%
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4Q24 results: miss from forex and impairment; overall FY24 came in-line

- UNTR reported FY24 NP of Rp19.5tr (-5% yoy) which came in-line with ours/consensus FY24F forecast at 103/99% respectively.
- 4Q24 NP declined significantly to Rp3.9tr (-33% qoq), largely driven by Rp703/405bn forex/asset impairment loss.
- We maintain our NP estimates for now and reiterate Buy at Rp33,000/sh.

4Q24 declined significantly due to forex loss; FY24 in-line

UNTR report FY24 NP of Rp19.5tr (-5% yoy), which came in-line with ours/consensus FY24F forecast at 103/99% respectively. This was due to higher than expected HE revenue and margin, which was being offset by lower coal and gold mining pre-tax margin. On a qoq basis, 4Q24 NP declined significantly to Rp3.9tr (-33% qoq), driven by Rp703bn forex loss and Rp405bn loss on impairment. On a core basis, NP only declined slightly to Rp4.8tr (-5% qoq) as lower Komatsu and Pama volumes (-4/-11% qoq) was partly offset by higher TTA and gold volumes (+14/+20% qoq).

Construction machinery margin plunged despite higher Komatsu ASP

Construction machinery 4Q24 pre-tax profit plunged to Rp1.1tr (-51% qoq) as pre-tax margin declined to 7% (-749bps qoq) despite recording an increase in ASP to Rp5.2bn (+2% qoq). Meanwhile, sales volume declined to 1,099 units (-6% qoq) due to seasonality. Overall, Komatsu FY24 sales volume of 4,420 units (-16% yoy) and ASP of Rp4.3bn (+23%) was ahead of our estimates (at 126/124% respectively).

Pama margin declined from lower volume

Pama 4Q24 pre-tax profit declined to Rp3.4tr (-21% qoq) driven by lower pre-tax margin of 20% (-329bps qoq) attributed to lower coal production/OB volume of 36Mt/296mbcm (-13/-11% qoq), offsetting higher ASP of Rp43k/t (+3% qoq). Overall, FY24 total production of 1,365 units (+6% yoy) and mining fee of Rp43k/t (+1% yoy) was in-line with our estimates.

Mining: margin was likely impacted by forex/impairment loss

Coal mining pre-tax profit significantly declined to Rp253bn (-76% qoq) as pre-tax margin plunged to 4% (vs. 21% in 3Q24). Similarly, mineral mining pre-tax profit also saw a significant decline to Rp242bn (-76% qoq) on the back of lower pre-tax margin of 8% (vs. 43% in 3Q24). We think forex and impairment losses were likely booked in TTA/Martabe level, hence resulting in margin drop. Nonetheless, volumes and ASP were in-line.

Reiterate Buy at unchanged SOTP-based TP of Rp33,000/share

We maintain our FY24-26F estimates for now, pending on further clarity from the earnings call. Reiterate our Buy rating at unchanged SOTP-based TP of Rp33,000. UNTR is currently trading at an attractive 4.5x FY25F P/E (on-par with AADI). Downside risk is lower Pama volume due to La Nina.

Financial Summary (Rp bn)	2022A	2023A	2024A	2025F	2026F
Revenue	123,607	128,583	134,427	128,190	130,906
EBITDA	37,263	37,367	36,181	41,814	44,098
Net profit	21,005	20,612	19,531	19,345	20,064
EPS growth	104%	-2%	-5%	2%	4%
ROE	23%	25%	20%	18%	17%
PER (x)	4.2	4.2	4.5	4.5	4.4
EV/EBITDA (x)	1.4	2.3	2.1	1.9	1.6
Dividend yield	7%	29%	10%	9%	10%
IPS vs. consensus			N/A	104%	110%

Source: Company, Indo Premier

Share price closing as of: 27 February 2025

Fig. 1: FY24 results summary

UNTR FY24 results	FY24	FY23	% yoy	4Q24	4Q23	% yoy	3Q24	% qoq	IPS FY24F	% of IPS	Cons FY24F	% of cons
Revenue	134,427	128,583	5%	34,869	30,986	13%	35,043	0%	127,083	106%	130,105	103%
COGS	(100,595)	(92,797)	8%	(26,754)	(20,873)	28%	(26,196)	2%	(93,411)	108%	(96,181)	105%
Gross profit	33,832	35,786	-5%	8,115	10,112	-20%	8,847	-8%	33,673	100%	33,924	100%
Gross profit margin (%)	25%	28%		23%	33%		25%		26%		26%	
Opex	(6,650)	(6,063)	10%	(1,790)	(1,590)	13%	(1,701)	5%	(6,354)	105%	(6,585)	101%
EBIT	27,182	29,723	-9%	6,325	8,523	-26%	7,146	-11%	27,318	99%	27,339	99%
EBIT margin (%)	20%	23%		18%	28%		20%		21%		21%	
Depreciation & amortization	8,999	7,644	18%	2,323	996	133%	1,163	100%	12,063	75%	9,372	96%
EBITDA	36,181	37,367	-3%	8,649	9,518	-9%	8,309	4%	39,381	92%	36,711	99%
EBITDA margin (%)	27%	29%		25%	31%		24%		31%		28%	
Interest income	1,150	1,127	2%	302	260	16%	310	-2%	1,063	108%		
Interest expense	(2,651)	(1,879)	41%	(602)	(737)	-18%	(667)	-10%	(2,831)	94%		
Income from associates	637	635	0%	259	190	36%	113	128%	450	142%		
Others	(421)	(885)	-52%	(1,137)	(739)	54%	1,290	-188%	(1,000)	42%		
Profit before tax	25,897	28,720	-10%	5,147	7,497	-31%	8,193	-37%	25,000	104%	27,285	95%
Income tax	(5,779)	(6,590)	-12%	(1,263)	(1,808)	-30%	(1,851)	-32%	(5,250)	110%		
Tax rate (%)	22%	23%		25%	24%		23%		21%			
Minority interest	(587)	(1,518)	-61%	55	(426)	-113%	(282)	-120%	(750)	78%		
Net profit	19,531	20,612	-5%	3,940	5,263	-25%	6,059	-35%	19,000	103%	19,647	99%
Net margin (%)	15%	16%		11%	17%		17%		15%		15%	
Core profit	19,859	21,294	-7%	4,797	5,824	-18%	5,061	-5%	19,790	100%	19,647	101%

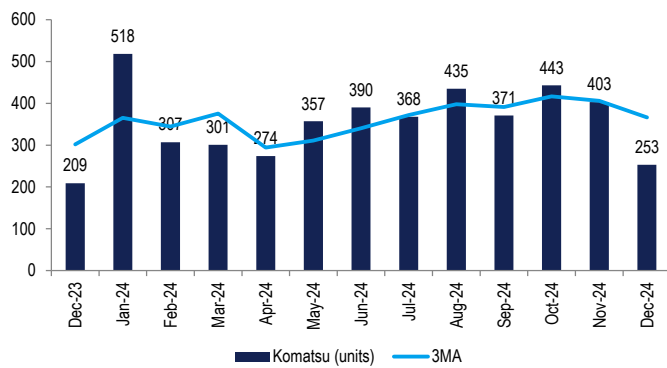
Source: Company, Indo Premier

Fig. 2: FY24 operational summary

Operational summary	FY24	FY23	% yoy	4Q24	4Q23	% yoy	3Q24	% qoq	IPS FY24F	% of IPS	UNTR FY24F	% of cons
Komatsu												
Mining	2,899	3,217	-10%	734	494	48%	818	-10%		N/A		N/A
Forestry	353	662	-47%	52	79	-33%	81	-35%		N/A		N/A
Cons	671	899	-25%	218	222	-2%	178	22%		N/A		N/A
Agro	497	492	1%	95	110	-14%	97	-2%		N/A		N/A
Total units	4,420	5,270	-16%	1,099	905	21%	1,174	-6%	4,350	102%	4,500	98%
Komatsu ASP (Rp bn)	4.3	3.5	23%	5.2	4.0	32%	5.1	2%	3.5	124%		N/A
Komatsu revenue (Rp bn)	19,128	18,505	3%	5,734	3,579	60%	6,001	-4%	15,225	126%		N/A
Mining contracting												
Coal (Mt)	148	128	16%	36	33	10%	42	-13%	144	103%	144	103%
OB (mbcm)	1,217	1,158	5%	296	303	-2%	332	-11%	1,195	102%	1,200	101%
Total units	1,365	1,286	6%	332	336	-1%	374	-11%	1,339	102%	1,344	102%
SR (x)	8.2	9.1	-9%	8.1	9.2	-11%	7.9	2%	8.3	99%	8.3	99%
All-in mining fee (Rp k/t)	42.53	41.97	1%	43.38	44.10	-2%	41.93	3%	42.20	101%		N/A
Pama revenue (Rp bn)	58,029	53,973	8%	14,407	14,826	-3%	15,693	-8%	56,514	103%		N/A
Coal mining												
Thermal (Mt)	9.9	9.2	7%	2.1	2.5	-15%	1.9	15%	9.3	106%	9.0	110%
Coking (Mt)	3.2	2.5	27%	0.8	0.7	19%	0.8	11%	3.2	101%	3.0	108%
Total volume (Mt)	13.1	11.8	11%	3.0	3.2	-8%	2.6	14%	12.5	105%	12.0	110%
Blended coal ASP (Rp k/t)	1,979	2,587	-23%	1,809	2,020	-10%	1,963	-8%	2,061	96%		N/A
TTA revenue (Rp bn)	26,007	30,500	-15%	5,399	6,543	-17%	5,146	5%	25,761	101%		N/A
Gold mining												
Gold volume (k oz)	232	176	32%	67	29	131%	56	20%	235	99%	235	99%
Gold ASP (Rp mn/oz)	42.71	29.67	44%	47.32	32.26	47%	42.21	12%	42.65	100%		N/A
Gold revenue (Rp bn)	9,908	5,222		3,171	935	239%	2,364	34%	10,023	99%		N/A
Nickel mining												
Limonite	547	N/A	N/A	367	N/A	N/A	180	104%	1,700	32%	1,700	32%
Saprolite	421	N/A	N/A	217	N/A	N/A	204	6%	300	140%	300	140%
Total volume (Mt)	968	N/A	N/A	584	N/A	N/A	384	52%	2,000	48%	2,000	48%

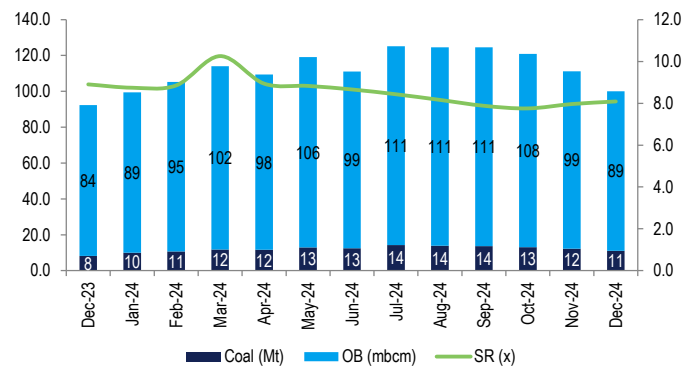
Source: Company, Indo Premier

Fig. 3: HE unit sales



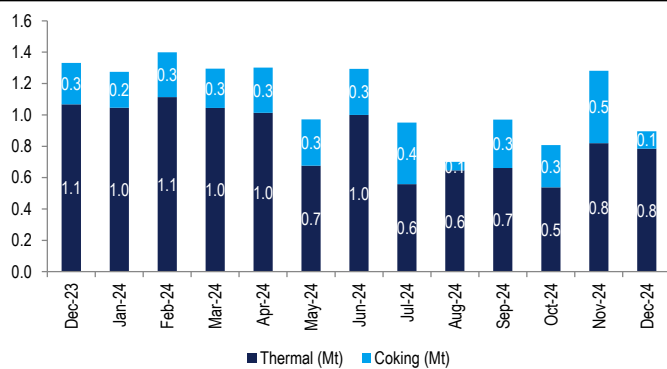
Source: Company, Indo Premier

Fig. 4: Pama's production



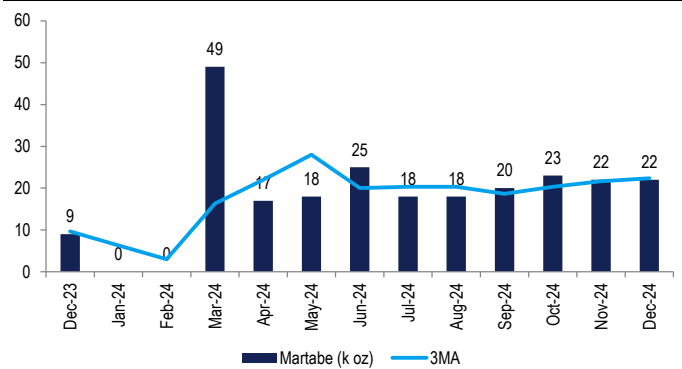
Source: Company, Indo Premier

Fig. 5: TTA coal sales



Source: Company, Indo Premier

Fig. 6: Gold sales volume



Source: Company, Indo Premier

Fig. 7: UNTR P/E valuation band



Source: Bloomberg, Company, Indo Premier

Fig. 8: UNTR SOTP valuation summary

SOTP valuation summary	Rp bn	Remarks
Construction machinery	17,285	Target multiple - 6x FY24F P/E
Mining contracting	57,161	Target multiple - 5.5x FY24F P/E
Coal mining	25,020	Target multiple - 5x FY24F P/E
Gold mining	16,932	Target multiple - 10x FY24F P/E
NIC	5,754	Target multiple - 11x FY24F P/E
SPR	571	Target multiple - 9x FY24F P/E
Equity value (Rp bn)	122,723	
Outstanding shares	3.7	
Target price (Rp/sh)	33,000	
Current share price	23,425	
<i>Upside/(downside)</i>	<i>41%</i>	

Source: Indo Premier

Fig. 9: Peers comparison table

Ticker	Company	Rating	Target price (Rp/share)	P/E			EV/EBITDA			Dividend yield (%)		
				24F	25F	26F	24F	25F	26F	24F	25F	26F
AADI.JJ	Adaro Andalan Indonesia	Buy	12,000	3.6	4.6	5.0	3.5	3.7	3.4	65.3%	9.7%	9.0%
ITMG.JJ	Indo Tambangraya Megah	Hold	26,500	4.5	6.2	12.6	2.0	2.4	4.8	18.7%	14.3%	10.5%
PTBA.JJ	Bukit Asam	Hold	2,900	6.6	6.2	5.2	4.0	3.7	3.2	15.2%	11.3%	12.0%
UNTR.JJ	United Tractors	Buy	33,000	4.6	4.5	4.4	2.1	1.9	1.6	10.0%	9.3%	9.5%

Source: Company, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	123,607	128,583	128,841	128,190	130,906
Cost of sales	(88,849)	(92,797)	(94,761)	(94,265)	(96,254)
Gross profit	34,759	35,786	34,080	33,925	34,652
SG&A Expenses	(5,626)	(6,063)	(6,442)	(6,409)	(6,545)
Operating profit	29,133	29,723	27,638	27,516	28,107
Net interest	238	(752)	(1,761)	(1,505)	(1,150)
Forex gain (loss)	636	635	450	450	450
Others	(561)	(885)	(1,000)	(1,000)	(1,000)
Pre-tax income	29,446	28,720	25,327	25,461	26,407
Income tax	(6,452)	(6,590)	(5,319)	(5,347)	(5,546)
Minority interest	(1,989)	(1,518)	(760)	(764)	(792)
Net income	21,005	20,612	19,248	19,350	20,069

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	38,282	18,597	23,265	28,832	36,557
Receivable	19,649	20,275	21,473	21,365	21,818
Inventory	15,390	17,184	15,794	15,711	16,042
Other current assets	5,610	6,612	6,612	6,612	6,612
Total current assets	78,930	62,667	67,144	72,520	81,029
Fixed assets	23,678	36,002	45,653	53,009	58,615
Mining properties	11,905	17,846	16,806	15,827	14,905
Other non-current assets	37,870	55,360	54,320	53,341	52,419
Total non-current assets	61,548	91,361	99,973	106,350	111,034
Total assets	140,478	154,028	167,117	178,870	192,063

ST loans	987	1,294	1,294	1,294	1,294
Payable	25,432	29,766	31,587	31,422	32,085
Other payables	15,618	11,978	11,978	11,978	11,978
Total current liab.	42,037	43,038	44,859	44,693	45,357
Long term loans	1,015	17,580	17,580	17,580	17,580
Other LT liab.	7,912	9,374	9,374	9,374	9,374
Total non-current liab.	8,927	26,954	26,954	26,954	26,954
Total liabilities	50,964	69,993	71,813	71,648	72,311

Equity	10,636	10,636	10,636	10,636	10,636
Retained earnings	71,324	66,871	77,380	88,534	100,272
Minority interest	7,554	6,528	7,288	8,051	8,844
Total SHE + minority int.	89,514	84,036	95,304	107,222	119,752
Total liabilities & equity	140,478	154,028	167,117	178,870	192,063

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net income	21,005	20,612	19,248	19,350	20,069
Depr. & amortization	8,130	7,644	12,063	14,298	15,991
Changes in working capital	(1,091)	1,914	2,012	26	(121)
Others	4,848	(3,823)	760	764	792
Cash flow from operating	32,892	26,347	34,084	34,438	36,732
Capital expenditure	(10,037)	(19,797)	(20,675)	(20,675)	(20,675)
Others	(364)	(13,643)	0	0	0
Cash flow from investing	(10,401)	(33,440)	(20,675)	(20,675)	(20,675)
Loans	(7,185)	16,872	0	0	0
Equity	1,488	(995)	0	0	0
Dividends	(6,427)	(25,686)	(8,740)	(8,196)	(8,332)
Others	(6,529)	(2,421)	0	0	0
Cash flow from financing	(18,653)	(12,230)	(8,740)	(8,196)	(8,332)
FX effect	1,123	(362)	0	0	0
Changes in cash	4,960	(19,685)	4,669	5,567	7,725

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	28%	28%	26%	26%	26%
Operating margin	24%	23%	21%	21%	21%
Pre-tax margin	24%	22%	20%	20%	20%
Net margin	17%	16%	15%	15%	15%
ROA	15%	13%	12%	11%	10%
ROE	23%	25%	20%	18%	17%
Acct. receivables TO (days)	6.3	6.3	6.0	6.0	6.0
Inventory TO (days)	5.8	5.4	6.0	6.0	6.0
Payable TO (days)	3.5	3.1	3.0	3.0	3.0
Debt to equity	0.0	0.2	0.2	0.2	0.2
Interest coverage ratio (x)	49.0	19.9	14.0	14.8	15.6
Net gearing	(0.4)	0.0	(0.0)	(0.1)	(0.1)

Source: Company, Indo Premier

INVESTMENT RATINGS

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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