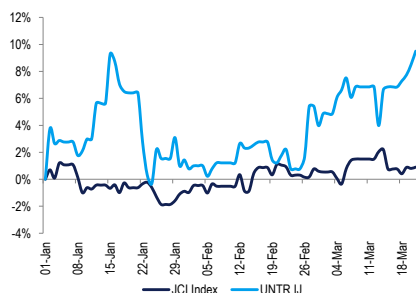


## Stock Data

Target price	Rp27,500
Prior TP	Rp24,000
Current price	Rp24,950
Upside/downside	+10%
Shares outstanding (mn)	3,730
Market cap (Rp bn)	93,067
Free float	38%
Avg. 6m daily T/O (Rp bn)	90

## Price Performance

	3M	6M	12M
Absolute	7.3%	-0.2%	-20.5%
Relative to JCI	-9.2%	-5.7%	-23.4%
52w low/high (Rp)	20,925 – 31,400		



## Major Shareholders

Astra International	59.5%
---------------------	-------

## Reggie Parengkuan

PT Indo Premier Sekuritas  
reggie.parengkuan@ipc.do.id  
+62 21 5088 7168 ext. 714

## Ryan Winipta

PT Indo Premier Sekuritas  
ryan.winipta@ipc.do.id  
+62 21 5088 7168 ext. 718

## Mar24 operational: Pama remained robust while gold volume rebounded

- Komatsu sales volume remained soft (-2% mom, in-line with our forecast), which was offset by robust Pama volumes (+8% mom)
- Coal mining volumes declined 7% mom, while Martabe gold sales volume rebounded as mining operations continued in Jan-Feb24.
- We upgraded our earnings estimates by +12/+25% in FY24/25F and maintain our Hold rating at upgraded SOTP-based TP of Rp27,500.

### Komatsu volume remained soft in Mar but 1Q24 remains in-line

Komatsu sales volume remained soft at 301 units (-2% mom), driven by demand decline from agricultural industry (-17% mom). Overall, Komatsu deliveries declined to 1,126 units in 1Q24 (-37% yoy), in-line with our estimate (28% FY24F). The decline in volume is primarily attributed to normalizing commodity prices. Management reiterated that big machine deliveries remains on-track with their FY24F guidance.

### Pama continued to improve

Production volume continued to improve to 12Mt in Mar24 (+10% mom) on the back of additional demand from existing clients, in addition to timely delivery of heavy equipment. As a result, OB volume rose to 102mbcm (+8% mom) despite slightly lower stripping ratio of 8.8x (-2% mom). Overall, coal production/OB volume reached 32Mt/286mbcm in 1Q24 (+18/+16% yoy), in-line with our FY24 estimates (at 23/24% respectively).

### Mining: coal volume remained strong, gold sales volume catching up

TTA thermal/coking sales volume slightly declined to 1.0/0.3Mt in Mar24 (-6/-12% mom) on delay in delivery. Overall, thermal/coking coal sales volume reached 3.2/0.8Mt in 1Q24 (+40/+10% yoy) driven by easing logistical issue from higher rainfall. Separately, Martabe gold mine sales volume successfully rebounded to 49kt in Mar24, after two consecutive months of zero sales as RKAB was approved in Mar-24, indicating monthly run rate of 16-17kt, which came below our FY24F forecast (1Q24: 19%)

### Maintain Hold at unchanged SOTP-based TP of Rp27,500/share

We maintain our Hold rating but upgraded our SOTP-based TP to Rp27,500 (from Rp24,000 previously) to reflect +12/+25% earnings upgrade in FY24/25F mainly attributed to higher coal sales volume of 15.5/16.5Mt (+30/26%) and nickel revenue inclusion. However, we revised down our gold sales volume to 235/270k oz in FY24/25F (-10%). Additionally, we upgraded our mining contracting target P/E to 5x (from 4x previously) to reflect earnings stability premium compared to coal mining business. Key downside risks are lower than expected coal price and interest rate hike, considering that UNTR total debt stood at c.Rp17.9tr by end of FY23 (+793% yoy).

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	123,607	128,583	122,814	122,363	124,841
EBITDA	37,263	37,367	36,876	38,974	41,784
Net profit	21,005	20,612	18,353	18,387	19,363
EPS growth	1	(0)	(0)	0	0
ROE	23%	25%	19%	17%	16%
PER (x)	4.4	4.5	5.1	5.1	4.8
EV/EBITDA (x)	1.5	2.5	2.4	2.2	1.9
Dividend yield	7%	28%	9%	8%	9%
IPS vs. consensus			108%	117%	128%

Source: Company, Indo Premier

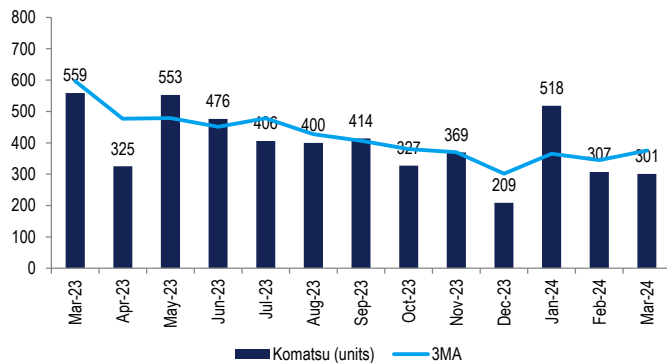
Share price closing as of: 23 April 2024

Fig. 1: 1Q24 operational summary

Operational summary	1Q24	1Q23	% yoy	Mar-24	Mar-23	% yoy	Feb-24	% mom	UNTR FY24F	% of target	IPS FY24F	% of IPS
<b>Komatsu</b>												
Mining	771	1,149	-33%	217	369	-41%	218	-1%				
Forestry	92	255	-64%	6	73	-92%	3	96%				
Cons	143	269	-47%	45	84	-46%	46	-2%				
Agro	120	118	1%	33	34	-1%	40	-17%				
<b>Total units</b>	<b>1,126</b>	<b>1,791</b>	<b>-37%</b>	<b>301</b>	<b>559</b>	<b>-46%</b>	<b>307</b>	<b>-2%</b>	<b>4,000</b>	<b>28%</b>	<b>4,000</b>	<b>28%</b>
<b>Mining contracting</b>												
Coal (Mt)	32	27	18%	11.7	9.5	23%	10.6	10%	137	23%	135	23%
OB (mbcm)	286	246	16%	102	86	19%	95	8%	1,200	24%	1,181	24%
<b>Total units</b>	<b>318</b>	<b>273</b>	<b>16%</b>	<b>114</b>	<b>96</b>	<b>19%</b>	<b>105</b>	<b>8%</b>	<b>1,337</b>	<b>24%</b>	<b>1,316</b>	<b>24%</b>
SR (x)	9.1	9.2	-1%	8.8	9.1	-3%	8.9	-2%	8.8	103%	8.8	103%
<b>Coal mining</b>												
Thermal (Mt)	3.2	2.3	40%	1.0	0.7	49%	1.1	-6%	9.0	36%	9.0	36%
Coking (Mt)	0.8	0.7	10%	0.3	0.3	-12%	0.3	-12%	3.0	26%	3.0	26%
<b>Total volume (Mt)</b>	<b>4.0</b>	<b>3.0</b>	<b>33%</b>	<b>1.3</b>	<b>1.0</b>	<b>31%</b>	<b>1.4</b>	<b>-7%</b>	<b>12.0</b>	<b>33%</b>	<b>12.0</b>	<b>33%</b>
<b>Gold mining</b>												
Gold volume (k oz)	49	59	-17%	49	21	133%	0	N/A	235	21%	260	19%
<b>Nickel mining</b>												
Limonite (k w mt)	180	0	N/A	101	0	N/A	79		1,700	11%	N/A	N/A
Saprolite (k w mt)	204	0	N/A	119	0	N/A	60		300	68%	N/A	N/A
<b>Total volume (k w mt)</b>	<b>384</b>	<b>0</b>	<b>N/A</b>	<b>220</b>	<b>0</b>	<b>N/A</b>	<b>139</b>		<b>2,000</b>	<b>19%</b>	<b>N/A</b>	<b>N/A</b>

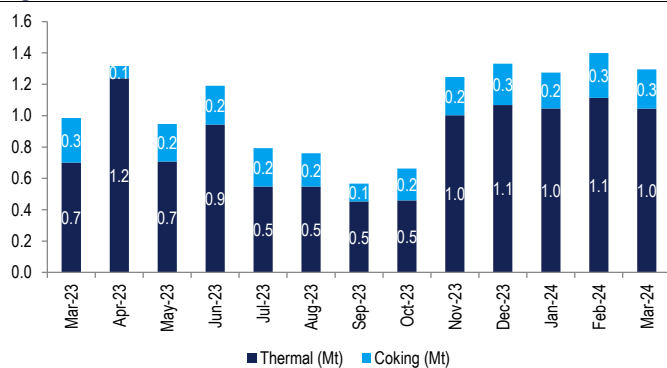
Source: Company, Indo Premier

Fig. 2: HE unit sales



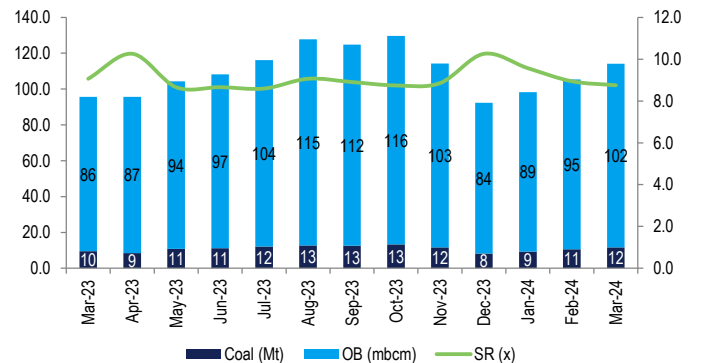
Source: Company, Indo Premier

Fig. 4: TTA coal sales



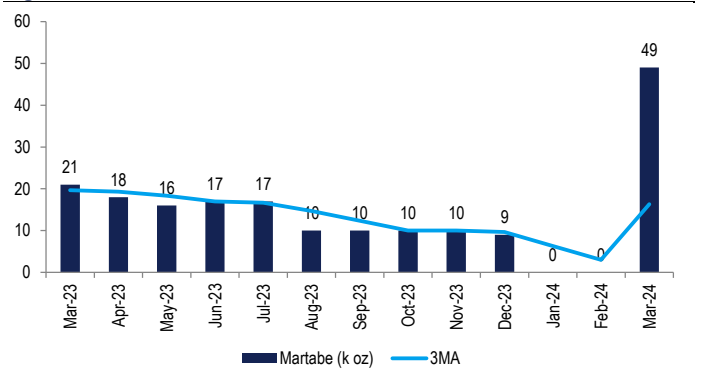
Source: Company, Indo Premier

Fig. 3: Pama's production



Source: Company, Indo Premier

Fig. 5: Gold sales volume



Source: Company, Indo Premier

Fig. 6: Forecast changes summary

Forecast changes summary	Previous			New			Changes		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Revenue	113,762	109,335	N/A	122,814	122,363	124,841	8%	12%	N/A
COGS	(85,322)	(83,259)	N/A	(90,395)	(90,101)	(91,409)	6%	8%	N/A
<b>Gross profit</b>	<b>28,441</b>	<b>26,076</b>	<b>N/A</b>	<b>32,419</b>	<b>32,261</b>	<b>33,432</b>	<b>14%</b>	<b>24%</b>	<b>N/A</b>
Gross margin	25%	24%	N/A	26%	26%	27%	6%	11%	N/A
Opex	(6,200)	(6,505)	N/A	(6,141)	(6,118)	(6,242)	-1%	-6%	N/A
<b>EBIT</b>	<b>22,241</b>	<b>19,571</b>	<b>N/A</b>	<b>26,278</b>	<b>26,143</b>	<b>27,190</b>	<b>18%</b>	<b>34%</b>	<b>N/A</b>
EBIT margin	20%	18%	N/A	21%	21%	22%	9%	19%	N/A
Interest income	567	643	N/A	1,012	1,193	1,484	79%	85%	N/A
Interest expense	(565)	(364)	N/A	(2,949)	(2,949)	(2,949)	422%	709%	N/A
Others	801	841	N/A	800	800	800	0%	-5%	N/A
<b>Pre-tax income</b>	<b>23,045</b>	<b>20,692</b>	<b>N/A</b>	<b>25,141</b>	<b>25,187</b>	<b>26,525</b>	<b>9%</b>	<b>22%</b>	<b>N/A</b>
Income tax	(5,070)	(4,552)	N/A	(5,531)	(5,541)	(5,835)	9%	22%	N/A
Minority interest	(1,555)	(1,396)	N/A	(1,257)	(1,259)	(1,326)	-19%	-10%	N/A
<b>Net profit</b>	<b>16,420</b>	<b>14,744</b>	<b>N/A</b>	<b>18,353</b>	<b>18,387</b>	<b>19,363</b>	<b>12%</b>	<b>25%</b>	<b>N/A</b>
Net margin	14%	13%	N/A	15%	15%	16%	4%	11%	N/A

Source: Company, Indo Premier

Fig. 7: SOTP valuation

SOTP valuation summary	Rp bn	Remarks
Construction machinery	16,498	Target multiple - 6x FY24F P/E
Mining contracting	42,603	Target multiple - 5x FY24F P/E
Coal mining	21,103	Target multiple - 4x FY24F P/E
Gold mining	17,022	Target multiple - 10x FY24F P/E
NIC	5,754	Target multiple - 11x FY24F P/E
<b>Equity value (Rp bn)</b>	<b>102,979</b>	
Outstanding shares	3.7	
<b>Target price (Rp/sh)</b>	<b>27,500</b>	
Current share price	24,950	
Upside/(downside)	10%	
Implied FY24F P/E	5.6	

Source: Indo Premier

Fig. 8: UNTR P/E valuation band



Source: Bloomberg, Company, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	123,607	128,583	122,814	122,363	124,841
Cost of sales	(88,849)	(92,797)	(90,395)	(90,101)	(91,409)
<b>Gross profit</b>	<b>34,759</b>	<b>35,786</b>	<b>32,419</b>	<b>32,261</b>	<b>33,432</b>
SG&A Expenses	(5,626)	(6,063)	(6,141)	(6,118)	(6,242)
<b>Operating profit</b>	<b>29,133</b>	<b>29,723</b>	<b>26,278</b>	<b>26,143</b>	<b>27,190</b>
Net interest	238	(752)	(1,937)	(1,756)	(1,465)
Forex gain (loss)	636	635	800	800	800
Others	(561)	(885)	0	0	0
<b>Pre-tax income</b>	<b>29,446</b>	<b>28,720</b>	<b>25,141</b>	<b>25,187</b>	<b>26,525</b>
Income tax	(6,452)	(6,590)	(5,531)	(5,541)	(5,835)
Minority interest	(1,989)	(1,518)	(1,257)	(1,259)	(1,326)
<b>Net income</b>	<b>21,005</b>	<b>20,612</b>	<b>18,353</b>	<b>18,387</b>	<b>19,363</b>

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	38,282	18,597	22,499	26,521	32,973
Receivable	19,649	20,275	20,469	20,394	20,807
Inventory	15,390	17,184	15,066	15,017	15,235
Other current assets	5,610	6,612	6,612	6,612	6,612
<b>Total current assets</b>	<b>78,930</b>	<b>62,667</b>	<b>64,645</b>	<b>68,544</b>	<b>75,627</b>
Fixed assets	23,678	36,002	47,118	55,941	62,945
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
<b>Total non-current assets</b>	<b>61,548</b>	<b>91,361</b>	<b>101,438</b>	<b>109,282</b>	<b>115,364</b>
<b>Total assets</b>	<b>140,478</b>	<b>154,028</b>	<b>166,083</b>	<b>177,826</b>	<b>190,990</b>

ST loans	987	294	294	294	294
Payable	25,432	29,766	30,132	30,034	30,470
Other payables	15,618	12,978	12,978	12,978	12,978
Current portion of LT loans	<b>42,037</b>	<b>43,038</b>	<b>43,404</b>	<b>43,306</b>	<b>43,742</b>
<b>Total current liab.</b>	<b>1,015</b>	<b>17,580</b>	<b>17,580</b>	<b>17,580</b>	<b>17,580</b>
Long term loans	7,912	9,374	9,374	9,374	9,374
Other LT liab.	<b>8,927</b>	<b>26,954</b>	<b>26,954</b>	<b>26,954</b>	<b>26,954</b>
<b>Total liabilities</b>	<b>50,964</b>	<b>69,993</b>	<b>70,358</b>	<b>70,260</b>	<b>70,696</b>

Equity	10,636	10,636	10,636	10,636	10,636
Retained earnings	71,324	66,871	77,304	87,886	99,288
Minority interest	7,554	6,528	7,785	9,044	10,370
<b>Total SHE + minority int.</b>	<b>89,514</b>	<b>84,036</b>	<b>95,725</b>	<b>107,566</b>	<b>120,295</b>
<b>Total liabilities &amp; equity</b>	<b>140,478</b>	<b>154,028</b>	<b>166,083</b>	<b>177,826</b>	<b>190,990</b>

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net income	21,005	20,612	18,353	18,387	19,363
Depr. & amortization	8,130	7,644	10,598	12,831	14,594
Changes in working capital	(1,091)	1,914	2,289	26	(195)
Others	4,848	(3,823)	1,257	1,259	1,326
<b>Cash flow from operating</b>	<b>32,892</b>	<b>26,347</b>	<b>32,498</b>	<b>32,503</b>	<b>35,088</b>
Capital expenditure	(10,037)	(19,797)	(20,675)	(20,675)	(20,675)
Others	(364)	(13,643)	0	0	0
<b>Cash flow from investing</b>	<b>(10,401)</b>	<b>(33,440)</b>	<b>(20,675)</b>	<b>(20,675)</b>	<b>(20,675)</b>
Loans	(7,185)	15,872	0	0	0
Equity	1,488	(995)	0	0	0
Dividends	(6,427)	(25,686)	(7,920)	(7,805)	(7,961)
Others	(6,529)	(1,421)	0	0	0
<b>Cash flow from financing</b>	<b>(18,653)</b>	<b>(12,230)</b>	<b>(7,920)</b>	<b>(7,805)</b>	<b>(7,961)</b>
<b>Changes in cash</b>	<b>4,960</b>	<b>(19,685)</b>	<b>3,902</b>	<b>4,023</b>	<b>6,452</b>

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	28%	28%	26%	26%	27%
Operating margin	24%	23%	21%	21%	22%
Pre-tax margin	24%	22%	20%	21%	21%
Net margin	17%	16%	15%	15%	16%
ROA	15%	13%	11%	10%	10%
ROE	23%	25%	19%	17%	16%
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	0.1
Interest coverage ratio (x)	49.0	19.9	12.5	13.2	14.2
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.

## DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.