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PT United Tractors Tbk (UNTR)

Earnings Normalization Amidst Exceptional Pressures

Sluggish 9M26 profitability marred by one-offs. Total revenue moderated to IDR 90,335 bn (-10% y/y). Gross profit fell to IDR 17,891 bn (-18% y/y), squeezing the gross margin down to 19.80%. Operating metrics further reflected this pressure, with operating profit sinking 38% y/y to IDR 10,387 bn and EBITDA declining 26% y/y to IDR 18,984 bn, yielding an EBITDA margin of 21.01%. Ultimately, net income plunged by 61% y/y to IDR 4,465 bn. This severe bottom-line contraction was heavily distorted by IDR 3.46 tn in non-recurring expenses. These exceptional items primarily stemmed from the Forest Area Utilization Approval (PPKH) regulatory payment for the Stargate nickel mine and the fair value impairment of the Supreme Geothermal Energy asset.

Mixed operational metrics with a sequential bright spot. Prolonged delays in national RKAB quota allocations forced clients to scale back operations, which severely impacted equipment demand. As a result, heavy machinery sales volume dropped to 3,026 units, dragging the segment's revenue down 19% y/y to IDR 23,621 bn. The gold mining segment faced similar hurdles; the temporary operational halt at the Martabe mine caused 9M26 gold sales volume to plummet 70% y/y to 54,000 ounces, shrinking segmental revenue by 53% y/y. However, a notable sequential recovery emerged in 3Q26. Following the resumption of Martabe, gold sales volumes spiked 50% q/q to 30,000 ounces. Meanwhile, the mining contracting arm proved to be a reliable anchor; bolstered by a stronger US Dollar, the segment achieved an 11% y/y revenue expansion to IDR 44,464 bn in 9M26.

KEY TAKEAWAYS:

- **Massive 3Q26 Earnings Inflection.** Following a weak first half, 3Q26 net income skyrocketed by over 1000% q/q to IDR 3,509 bn. This turnaround was primarily driven by a low-base effect following the absence of non-recurring expense.
- **Active Buybacks Cushion Dividend Normalization.** With 2026F earnings contracting, we project the dividend yield will normalize to 2.59% (down from 5.38% in 2025A). However, downside risk is well-protected by the company's aggressive fifth-tranche share buyback program.
- **Sequential gold recovery.** After navigating early-year hurdles, the normalization of Martabe operations catalyzed a strong 50% q/q volume rebound in 3Q26 gold sales.

RECOMMENDATION "BUY"

We reiterate our **BUY** call with a 12-month target price of **IDR 28,000**. Derived via a Sum-of-the-Parts framework, this valuation implies an attractive **17.40% upside potential** from the last closing price of IDR 23,850 (as of 2 Nov 2026). At our target price, the stock trades at 2026F P/E of 15.4x and P/BV of 1.0x. Key downside risks to our call include: 1) USD depreciation; 2) Prolonged sluggishness in heavy equipment replacement cycles; 3) Adverse volatility in global commodity benchmarks.

FINANCIAL HIGHLIGHTS

End 31 Dec	2023A	2024A	2025A	2026F	2027F	2028F
Revenue (IDR Bn)	128,583	134,427	131,301	107,575	125,846	132,802
Net profit (IDR Bn)	20,612	19,531	14,810	6,772	15,403	15,599
EBITDA Margin (%)	27.14%	23.67%	20.82%	19.29%	21.84%	20.91%
NPM (%)	16.03%	14.53%	11.28%	6.29%	12.24%	11.75%
ROE (%)	24.53%	19.89%	14.36%	6.51%	13.20%	12.37%
P/E (x)	4.1	5.1	7.4	15.4	6.8	6.7
P/BV (x)	1.0	1.0	1.1	1.0	0.9	0.8
Dividend yield (%)	9.77%	7.82%	5.38%	2.59%	5.90%	5.97%

Source: Company, KSI Research estimates.

STOCK RATING

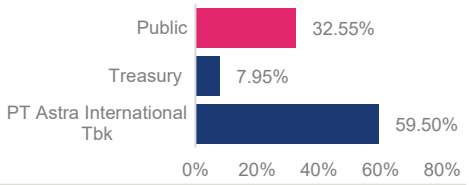
BUY

MAINTAINED

TP 12M (IDR)	28,000
vs. Last Price	+17.40%
Previous TP	*IDR 28,000*

Ticker	UNTR
Sub-Sector	Industrial Goods
Last Price (IDR)	23,850
Market Cap (IDR Tn)	88.96
Shares Issued (Bn)	3.73
AVG 3M Turnover (Bn)	102.13

SHAREHOLDER STRUCTURE



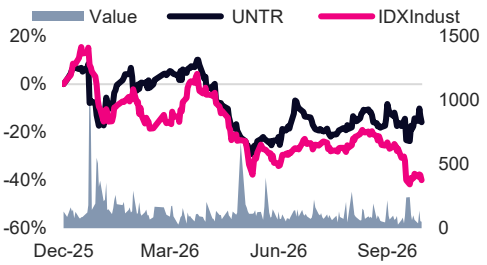


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Price (IDR)



Price Performance, YTD(%), Turnover(Bn)



ESG Rating

Environmental	2.99
Social	7.43
Governance	4.32

PERFORMANCE OVERVIEW

Revenue Moderation, Earnings Contraction

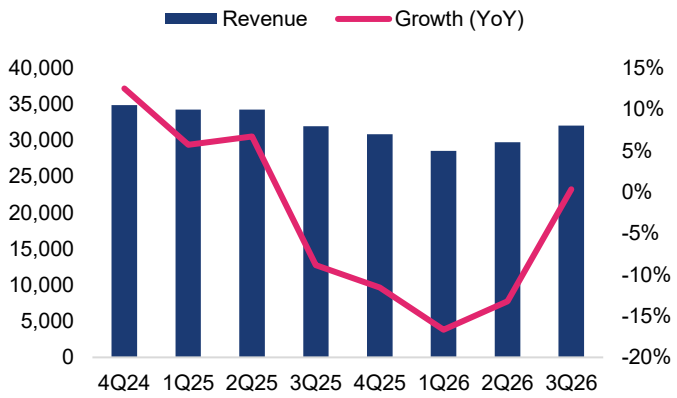
IDR Bn	9M25	9M26	yoy	Quarters 3Q25	2Q26	3Q26	qoq	yoy
Revenue Segment								
Construction machinery	29,330	23,621	-19%	8,459	7,449	8,647	16%	2%
Mining contracting	40,194	44,464	11%	14,107	15,300	17,302	13%	23%
Coal mining	18,818	15,939	-15%	5,460	4,884	3,071	-37%	-44%
Gold & mineral mining	10,318	4,870	-53%	3,331	1,666	2,512	51%	-25%
Other	1,805	1,440	-20%	583	435	513	18%	-12%
Revenue	100,465	90,335	-10%	31,940	29,735	32,045	8%	0%
Gross profit	21,858	17,891	-18%	7,031	5,679	7,384	30%	5%
Operating profit	16,628	10,387	-38%	5,169	3,472	4,765	37%	-8%
EBITDA	25,638	18,984	-26%	8,261	6,383	7,586	19%	-8%
Net income	11,475	4,465	-61%	3,345	314	3,509	1019%	5%
EPS (Full IDR)	3,076	1,197	-61%	897	84	941	1019%	5%
Liabilities	76,128	78,985	4%	76,128	77,308	78,985	2%	4%
Equity	102,582	103,824	1%	102,582	101,751	103,824	2%	1%
Asset	178,710	182,809	2%	178,710	179,059	182,809	2%	2%
GPM %	21.76%	19.80%	-2%	22.01%	19.10%	23.04%	4%	1%
OPM%	16.55%	11.50%	-5%	16.18%	11.68%	14.87%	3%	-1%
NPM %	11.42%	4.94%	-6%	10.47%	1.05%	10.95%	10%	0%
EBITDA Margin %	25.52%	21.01%	-5%	25.86%	21.47%	23.67%	2%	-2%
ROE %	15%	8%	-8%	15%	8%	8%	0%	-8%
ROA %	9%	4%	-4%	9%	4%	4%	0%	-4%

Source : Company, Bloomberg, KSI Research

Operational	Quarters 3Q25	2Q26	3Q26	qoq	yoy
Heavy Equipment Sales (units)	925	887	1,032	16%	12%
PAMA Overburden (mn bcm)	294	246	285	16%	-3%
Coal Sales Volume (mn ton)	3.4	2.6	1.6	-41%	-54%
Gold Sales Volume ('000 oz)	53	20	30	50%	-43%

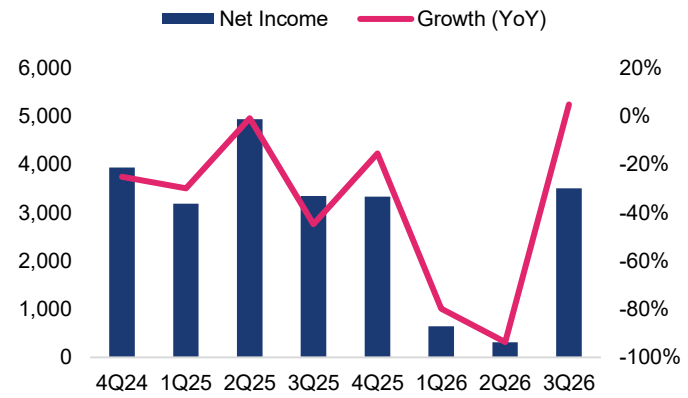
Source : Company, KSI Research

Revenue (Bn) vs Growth



Source : Company, KSI Research

Net Income (Bn) vs Growth



Source : Company, KSI Research

VALUATION

TP Maintained at IDR 28,000; Rated BUY

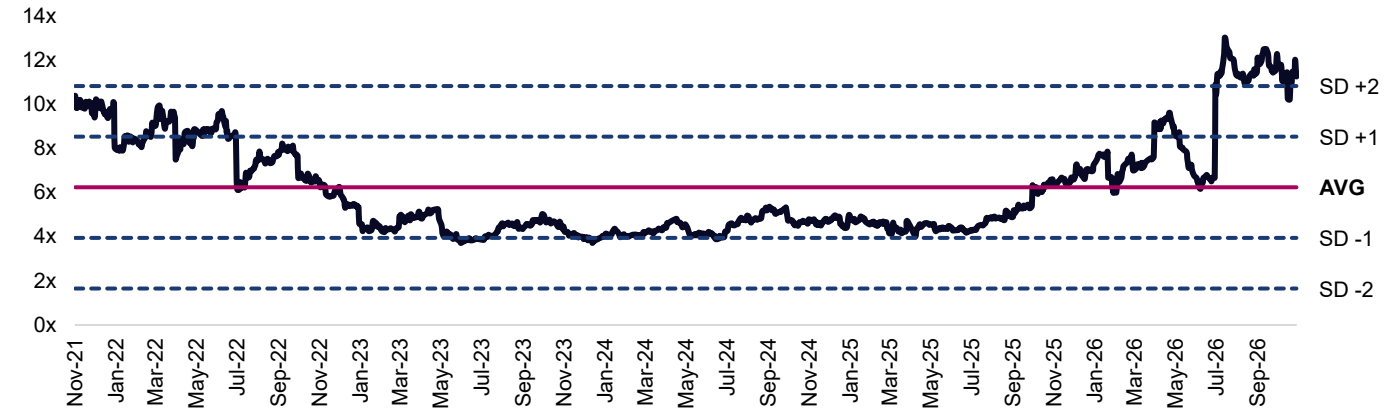
BUY TP 12M: IDR 28,000

vs. Last Price (IDR 23,850, 2 Nov 2026): +17.40% upside | Previous TP: IDR 28,000

SOTP VALUATION

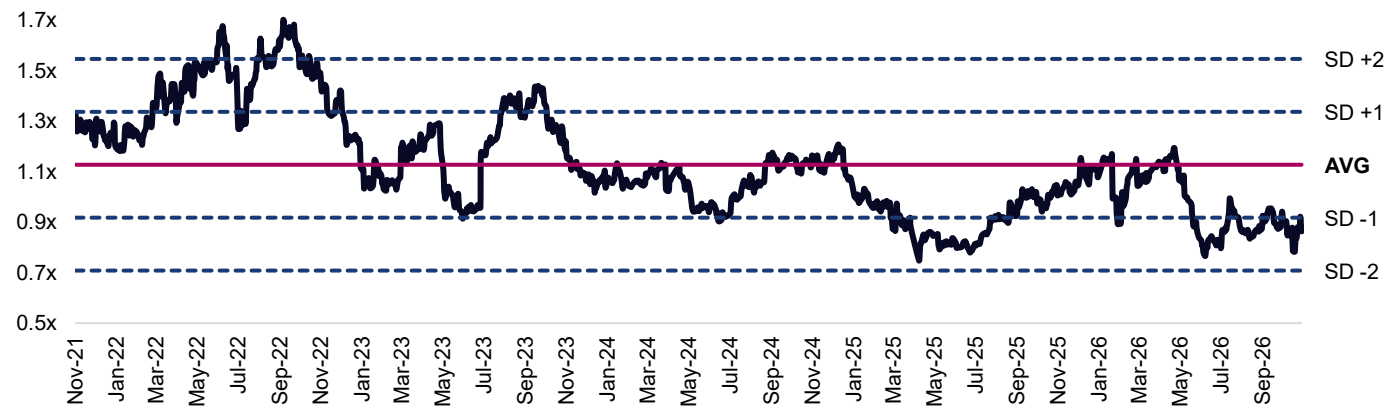
Summary	Target Multiple (PE)	Value (Bn)
Construction Machinery	5x	10,949
Mining Contracting	9x	56,796
Coal Mining	7x	15,257
Gold & Mineral Mining	15x	11,611
Other	Book value	9,819
	Total value (Bn)	**104,432**
	Shares (Bn)	3.73
	Intrinsic value (IDR)	27,997
	Target price (IDR)	**28,000**
	Last price (2 Nov 26)	23,850
	Potential upside (%)	**17.40%**

HISTORICAL PE 5Y



Source : Bloomberg, KSI Research

HISTORICAL PBV 5Y



Source : Bloomberg, KSI Research

FINANCIAL EXHIBITS

Income Statement, Balance Sheet & Cash Flow

Income Statement

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	**128,583**	**134,427**	**131,301**	**107,575**	**125,846**	**132,802**
Cost of revenue	92,797	100,595	101,597	87,333	97,634	104,249
Gross profit	**35,786**	**33,832**	**29,704**	**20,242**	**28,211**	**28,553**
Operating income	**28,838**	**26,760**	**21,809**	**14,262**	**21,151**	**20,947**
EBITDA	**34,891**	**31,818**	**27,339**	**20,754**	**27,485**	**27,767**
Income before tax	28,720	25,897	20,182	13,442	20,236	20,494
Tax expenses	6,590	5,779	5,005	2,957	4,452	4,509
Minority interest	1,518	587	366	253	381	386
Net income	**20,612**	**19,531**	**14,810**	**6,772**	**15,403**	**15,599**
EPS (IDR)	**5,526**	**5,236**	**3,970**	**1,815**	**4,129**	**4,182**

Balance Sheet

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Cash and cash equivalents	18,597	25,093	26,571	21,323	31,803	37,046
Account receivables	22,315	22,153	21,614	18,393	20,948	22,028
Inventories	17,184	16,994	16,730	15,102	16,485	17,598
Fixed asset	36,002	40,952	45,297	49,586	53,700	58,101
Other assets	59,931	64,289	67,427	64,173	67,059	67,586
Total assets	**154,028**	**169,481**	**177,637**	**168,577**	**189,995**	**202,360**
S-T liabilities	1,294	4,203	11,604	8,809	11,666	11,786
Other S-T liabilities	41,744	41,099	41,609	36,092	39,988	42,545
L-T liabilities	17,580	15,963	7,313	5,551	7,352	7,427
Other L-T liabilities	9,374	10,040	13,975	14,140	14,310	14,485
Total liabilities	**69,993**	**71,305**	**74,501**	**64,593**	**73,317**	**76,244**
Total equity	**84,036**	**98,175**	**103,136**	**103,984**	**116,678**	**126,116**
BVPS (IDR)	**22,529**	**26,319**	**27,649**	**27,877**	**31,280**	**33,810**

Cash Flow Statement

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Net income	20,612	19,531	14,810	6,772	15,403	15,599
Depreciation	6,053	5,058	5,530	6,492	6,334	6,820
Change in working capital	(2,750)	(2,100)	(1,012)	3,946	(2,974)	302
Others	(482)	284	(111)	-	-	-
Operating cash flow	**23,433**	**22,773**	**19,217**	**17,210**	**18,763**	**22,721**
Capital expenditure	(24,311)	(8,083)	(7,958)	(11,109)	(9,397)	(10,560)
Others	(8,866)	(4,019)	(1,335)	(868)	(835)	(952)
Investing cash flow	**(33,178)**	**(12,102)**	**(9,292)**	**(11,977)**	**(10,232)**	**(11,512)**
Dividend paid	(25,009)	(8,121)	(7,449)	(5,924)	(2,709)	(6,161)
Net change in debt	15,873	1,292	(1,249)	(4,556)	4,657	195
Others	(804)	2,654	252	-	-	-
Financing cash flow	**(9,940)**	**(4,175)**	**(8,446)**	**(10,480)**	**1,949**	**(5,966)**
Change in cash	(19,685)	6,496	1,478	(5,247)	10,480	5,243
Beginning cash balance	38,282	18,597	25,093	26,571	21,323	31,803
Ending cash balance	18,597	25,093	26,571	21,323	31,803	37,046

Source: Company, KSI Research estimates

FINANCIAL RATIOS

Growth, Margins & Multiples

Key Ratios	2023A	2024A	2025A	2026F	2027F	2028F
Revenue growth (%)	4%	5%	-2%	-18%	17%	6%
Gross profit growth (%)	3%	-5%	-12%	-32%	39%	1%
Operating profit growth (%)	1%	-7%	-19%	-35%	48%	-1%
EBITDA growth (%)	0%	-9%	-14%	-24%	32%	1%
Net income growth (%)	-2%	-5%	-24%	-54%	127%	1%
EPS growth (%)	-2%	-5%	-24%	-54%	127%	1%
Gross margin (%)	28%	25%	23%	19%	22%	22%
EBITDA margin (%)	27%	24%	21%	19%	22%	21%
EBIT margin (%)	22%	20%	17%	13%	17%	16%
Pretax margin (%)	22%	19%	15%	12%	16%	15%
Net margin (%)	16%	15%	11%	6%	12%	12%
ROE (%)	25%	20%	14%	7%	13%	12%
ROA (%)	13%	12%	8%	4%	8%	8%
Current ratio (x)	1.46x	1.54x	1.36x	1.33x	1.47x	1.54x
Cash ratio (%)	43%	55%	50%	47%	62%	68%
Payable days	58	54	55	56	55	55
Receivable days	68	62	60	63	62	62
Inventory days	115	105	105	108	106	107
Dividend Yield (%)	9.77%	7.82%	5.38%	2.59%	5.90%	5.97%
DER (x)	0.22x	0.21x	0.18x	0.14x	0.16x	0.15x
PE (x)	4.09x	5.11x	7.43x	15.42x	6.78x	6.70x
PBV (x)	1.00x	1.02x	1.07x	1.00x	0.90x	0.83x
P/Sales (x)	0.66x	0.74x	0.84x	0.97x	0.83x	0.79x
EV/EBITDA (x)	2.43x	2.98x	3.75x	4.70x	3.33x	3.12x

Source: Company, KSI Research estimates

Rating Guide, Disclaimer & Contact

KIWOOM SEKURITAS GUIDE TO SECTOR / STOCK RATINGS

SECTOR / INDUSTRY

OVERWEIGHT	Sector & Industry outlook has potential and good condition
NEUTRAL	Sector & Industry outlook stable or tends to be stagnant
UNDERWEIGHT	Sector & Industry outlook has challenges and bad condition

STOCK

BUY	Performance > +15% over the next 12 months (ex-dividend)
TRADING BUY	Performance +5% to +15%, minor to medium term
HOLD	Performance -10% to +15% over the next 12 months (ex-dividend)
SELL	Performance < -15% over the next 12 months (ex-dividend)
TRADING SELL	Performance -5% to -15%, minor to medium term
NOT RATED	Stock not within regular research coverage

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