

Buy

United Tractors (UNTR JJ)

FY24 earnings: a slight miss vs. ours, in line with consensus est. amid seasonally slower 4Q24

Last Price (Rp)	23,425
Target Price (Rp)	31,000
Upside/Downside	+32.3%
No. of Shares (mn)	3,730
Mkt Cap (Rpbn/US\$mn)	87,378/5,312
Avg, Daily T/O (Rpbn/US\$mn)	96.2/5.8

- In line FY24 revenue as beat from heavy equipment has more than offset revenue miss from mining division.
- Komatsu sales and Pama's FY24 production were in line with expectations; coal mine sales volume missed, weaker coal price.
- Despite inline revenue, FY24 net profit slightly missed our forecast (at 92% of FY24F) on the back of higher-than-expected opex and tax.

Key Financials:

	2025F	2026F	2027F
EPS (Rp)	5,935	5,676	5,259
PER (x)	3.9	4.1	4.4
PBV (x)	0.8	0.7	0.7
EV/EBITDA (x)	2.2	1.9	1.6
Dividend yield (%)	10.1	11.4	10.9
ROAE (%)	22.5	19.1	16.2

FY24 earnings: a slight miss vs. ours, but inline with consensus

- UNTR posted FY24 net profit of Rp19.5tr (-5% yoy), forming 92/ 99% of our/ consensus FY24 estimates. 4Q24 net profit came in at Rp3.9tr, down 35% qoq (-25% yoy), reflecting the seasonality in Komatsu sales and Pama production, combined with weaker coal price.
- FY24 revenue met our expectation (98% of FY24F) as heavy equipment sales beat (at 105% of FY24F) has more than offset revenue miss from mining business (at 88% of FY24F), while mining contracting revenue met our forecast.
- FY24 Net profit and EBIT were a slight miss (at 94% and 92% of FY24F respectively) on the back of higher-than-expected opex and tax.

Komatsu sales and Pama production were on target; coal mine volume miss and weak coal price

- UNTR's Komatsu sales reached 4,420 units in FY24, down 16% yoy but were in line with our FY24 estimates (99% of FY24F), despite slowdown in 4Q24 (inline with seasonality). Spare parts and maintenance revenue grew +1% yoy, inline with our forecast.
- Mining contracting's (Pama) production volume were in line at 1,365mn units (OB + Coal) at 95% of our FY24F. Thus, the division's in line FY24 revenue reflected a combination of higher mining fee and the impact of weaker Rupiah.
- Coal mine business FY24 sales volume of 13.1Mt were below our expectation, which combined with weaker-than-expected coal price in 4Q24, drove the division's revenue miss.

We currently have Buy rating on UNTR with SOTP-based TP of Rp31,000

Our FY25 net profit forecast of Rp21.1tr have assumed the following: 1) Komatsu sales +5% yoy; 2) Pama production growth +10% yoy. 3) Coal mining volume growth +4% yoy and Newcastle coal price of US\$120/t.

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Exhibit 1. FY24 / 4Q24 Earnings Summary

UNTR FY24 results (Rpbn)	FY24	FY23	yoy%	4Q24	4Q23	yoy%	3Q24	qoq%	BRIDS FY24F	% of BRIDS	Cons FY24F	% of Cons
Revenues	134,427	128,583	5%	34,869	30,986	13%	35,043	0%	137,597	98%	130,105	103%
Heavy equipment	37,279	36,634	2%	10,820	7,953	36%	8,348	30%	35,525	105%		
Mining contracting	58,029	53,973	8%	14,407	14,826	-3%	15,693	-8%	59,331	98%		
Mining Concession	35,915	35,722	1%	8,569	7,479	15%	7,510	14%	40,757	88%		
Construction business	3,107	2,240	39%	1,025	723	42%	974	5%	1,984	157%		
COGS	(100,595)	(92,797)	8%	(26,754)	(20,873)	28%	(26,196)	2%	(102,206)	98%	(96,181)	105%
Gross profit	33,832	35,786	-5%	8,115	10,112	-20%	8,847	-8%	35,391	96%	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%	(6,488)	102%	(6,585)	101%
Opex as % of revenues	4.9%	4.7%		5.1%	5.1%		4.9%		-4.7%		-5.1%	
EBIT	27,182	29,723	-9%	6,325	8,523	-26%	7,146	-11%	28,903	94%	27,339	99%
EBIT margin (%)	20%	23%		18%	28%		20%		21%			
Interest expenses	(2,651)	(1,879)	41%	(602)	(737)	-18%	(667)	-10%	(1,871)	142%		
Interest income	1,150	1,127	2%	302	260	16%	310	-2%	713	161%		
Income from associates	637	635	0%	259	190	36%	113	128%	585	109%		
Forex losses	-	-	n.a	-	-	n.a	-		-			
Others	(421)	(885)	-52%	(1,137)	(739)	54%	1,139	-200%	(200)			
Profit before tax	25,897	28,720	-10%	5,147	7,497	-31%	8,042	-36%	28,131	92%	27,285	95%
Tax	(5,779)	(6,590)	-12%	(1,263)	(1,808)	-30%	(1,700)	-26%	(5,345)	108%	(7,638)	76%
Tax rate (%)	22%	23%		25%	24%		21%		19%			
Minority interest	(587)	(1,518)		55	(425)		(282)		(1,624)			
Net income	19,531	20,612	-5%	3,940	5,263	-25%	6,059	-35%	21,161	92%	19,647	99%
Net margin (%)	15%	16%		11%	17%		17%		15%		15%	

Source: Company, BRIDS Estimates

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INVESTMENT RATING

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

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