Buy

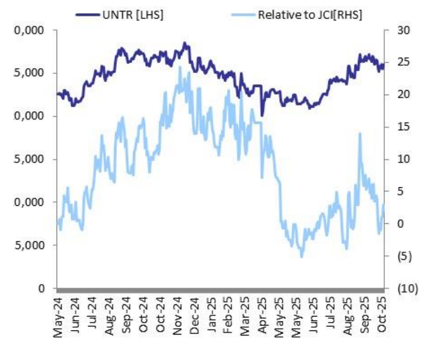
(Maintained)

Last Price (Rp)	**25,975**
Target Price (Rp)	**32,200**
Previous Target Price (Rp)	***23,800***
Upside/Downside	**+24.0%**
No. of Shares (mn)	**3,730**
Mkt Cap (Rpbn/US$mn)	**96,890/5,846**
Avg, Daily T/O (Rpbn/US$mn)	**92.8/5.6**
Free Float (%)	**37.9**
Major Shareholder (%)	
PT. Astra International Tbk	**59.5**
Iwan Hadiantoro	**0.0**

EPS Consensus (Rp)

	2025F	**2026F**	**2027F**
BRIDS	4,741	4,577	4,349
Consensus	4,598	4,699	4,686
BRIDS/Cons (%)	**3.1**	**(2.6)**	**(7.2)**

UNTR relative to JCI Index



Source: Bloomberg

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United Tractors (UNTR IJ)

Upside from Gold Valuation, Despite a Potentially Softer 3Q25

- **We expect UNTR to book softer 3Q25 earnings on lower Komatsu sales and coal price, though 9M25 should still fall broadly in-line.**
- **Higher gold price should offset our lower gold production assumptions and drive 5-7% upward revision in our FY25-27F estimates.**
- **We raise our TP to Rp32,200 as we now value UNTR's gold assets based on domestic peers' valuation.**

3Q25 Preview: A softer quarter from lower Komatsu sales and coal price

We estimate that UNTR's 3Q25 net profit may soften to ~Rp5.1r (+3.8% qoq/ -15% yoy), bringing the 9M25 estimated core profit to ~Rp13.1tr (-16% yoy), potentially forming 74%/ 76% of our/ consensus FY25F. The estimated softer 3Q25 earnings mainly reflect our expectation of lower heavy equipment sales units in 3Q25 (-27% qoq/ -16% yoy), in-line with mgmt's guidance that FY25 is front-loaded due to demand carry-over from FY24. This is partly offset by the expected higher production volume for Pama (+9.2% qoq/ 0.4% yoy) and higher gold price.

Estimates upgrade on higher gold price assumptions

We raise our FY25/ 26F/ 27F net profit estimates by 6.5/ 6.8/4.6% as we adjust our gold price assumptions to US$3,350/ US$3,700/ US$3,400/ oz, though we lower our gold production assumption to 235-240k oz (from 300-350k oz prev.). Mgmt affirms production from Martabe at 220k oz in FY25, with flat volume expectation for FY26-27, and 15-20k oz for SJR. Martabe is currently progressing with the expansion of its tailing facility, targeted to be completed in FY27, and mgmt. is reviewing potential pressure oxidation (POX) plant and studying underground mining potential amid the favorable gold price. UNTR expects to finalize the Doup asset by Dec25, followed by construction of processing capacity of 3mn tonnes, with first gold production slated for FY28 (target of 140-150k oz p.a.). Doup project resource of ~3.1mn oz of gold translates to potentially attractive valuation of US$174/oz for UNTR's acquisition (US$540mn). Including Doup, UNTR's gold reserve and resource should total to 5.8 and 10.5 Moz, respectively (Exh. 4).

Raising TP to Rp32,200 on valuation uplift from gold assets; reiterate Buy

We raise our TP to Rp32,200 as we now value UNTR's gold assets based on domestic gold peers EV/ Resource valuation (exh. 5&6) vs. DCF-based valuation previously, including valuation of Doup asset (net of acquisition cost and estimated capex of US$400mn). We maintain Buy rating on UNTR on steady free cash flow generation and upside from the gold assets. Key risks are production miss from Pama and project execution risks.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (IDRbn)	128,583	134,427	129,436	136,548	139,144
EBITDA (IDRbn)	38,965	38,457	32,724	34,843	34,575
EBITDA Growth (%)	3.7	(1.3)	(14.9)	6.5	(0.8)
Net profit (IDRbn)	20,612	19,531	17,685	17,073	16,224
EPS (IDR)	5,525.8	5,236.1	4,741.2	4,577.1	4,349.4
EPS growth (%)	(1.9)	(5.2)	(9.5)	(3.5)	(5.0)
BVPS (IDR)	21,246.0	24,918.0	28,420.3	31,101.0	33,619.5
DPS (IDR)	2,270.0	2,210.3	2,094.4	1,896.5	1,830.9
PER (x)	4.7	4.9	5.5	5.7	5.9
PBV (x)	1.2	1.0	0.9	0.8	0.8
Dividend yield (%)	8.8	8.5	8.1	7.3	7.1
EV/EBITDA (x)	2.4	2.3	2.5	2.2	1.9

Source: UNTR, BRIDS Estimates

Exhibit 1. UNTR 3Q25 / 9M25 financial preview

UNTR 3Q25/9M25 Est.	9M25E	9M24	yoy%	3Q25E	3Q24	yoy%	2Q25	qoq	BRIDS FY25	% of BRIDS
Revenues	**101,743**	**99,558**	**2%**	**33,218**	**35,043**	**-5%**	**34,264**	**-3%**	**129,436**	**79%**
Heavy equipment	28,444	26,459	8%	7,572	10,855	-30%	9,933	-24%	36,716	77%
Mining contracting	40,798	43,623	-6%	14,711	15,693	-6%	13,477	9%	52,116	78%
Mining Concession	30,668	27,346	12%	10,323	7,510	37%	10,354	0%	38,433	80%
Construction business	1,778	2,082	-15%	593	974	-39%	485	22%	2,171	82%
COGS	**(78,488)**	**(73,842)**	**6%**	**(24,790)**	**(26,196)**	**-5%**	**(26,509)**	**-6%**	**(99,034)**	**79%**
Gross profit	**23,255**	**25,716**	**-10%**	**8,427**	**8,847**	**-5%**	**7,755**	**9%**	**30,401**	**76%**
Gross profit margin (%)	23%	26%		25%	25%		23%		23%	
Opex	(5,251)	(4,860)	8%	(2,011)	(1,701)	18%	(1,596)	26%	(6,680)	**79%**
Opex as % of revenues	5.2%	4.9%		6.1%	4.9%		4.7%		5.2%	
EBIT	**18,004**	**20,856**	**-14%**	**6,416**	**7,146**	**-10%**	**6,158**	**4%**	**23,721**	**76%**
EBIT margin (%)	18%	21%		19%	20%		18%		18%	
Interest expenses	(2,006)	(2,048)	-2%	(669)	(667)	0%	(696)	-4%	(1,982)	
Interest income	920	848	8%	307	310	-1%	305	0%	1,321	
Income from associates	(1,042)	379		(347)	113		(193)	80%	(528)	
Forex losses	-	-		-	-		-		-	
Others	1,256	715		419	1,139		958		-	
Profit before tax	**17,131**	**20,750**	**-17%**	**6,125**	**8,042**	**-24%**	**6,532**	**-6%**	**22,532**	**76%**
Tax	(3,621)	(4,516)	-20%	(985)	(1,700)	-42%	(1,461)	-33%	(4,281)	
Minority interest	(359)	(643)	-44%	(120)	(282)	-58%	(129)	-7%	(566)	
Net profit	**13,151**	**15,592**	**-16%**	**5,129**	**6,059**	**-15%**	**4,942**	**3.8%**	**17,685**	**74%**
Net margin (%)	13%	16%		17%	17%		14%		14%	

Source: Company, BRIDS Estimates

Exhibit 2. UNTR 3Q25 / 9M25 operational preview

Heavy equipment sales (units)	9M25E	9M24	yoy%	3Q25E	3Q24	yoy%	2Q25	qoq%	BRIDS FY25	% of BRIDS
Mining	2,344	2,165	8%	579	818	-29%	832	-30%	3,016	78%
Agro	547	395	38%	183	89	105%	232	-21%	524	104%
Construction	468	453	3%	157	178	-12%	129	22%	712	66%
Forestry	353	308	14%	64	88	-27%	151	-57%	369	96%
Heavy equipment sales	**3,712**	**3,321**	**12%**	**984**	**1,174**	**-16%**	**1,343**	**-27%**	**4,621**	**80%**
Mining contracting										
Coal production (Mt)	109	111	-2%	41	42	-2%	36	14%	148	73%
Overburden removal (Mn bcm)	833	922	-10%	302	332	-9%	278	9%	1,157	72%
Total volume	941	1,034	-9%	343	374	-8%	314	9%	1,305	72%
Strip ratio (x)	7.7	8.3	-8%	7.4	7.9	-7%	7.7	-5%	7.8	98%
Coal mining ('000 tonnes)										
Thermal coal sales	8,342	7,757	8%	2,630	1,865	41%	2,983	-12%	13,592	61%
Coking coal sales	2,947	2,399	23%	861	757	14%	983	-12%	2,543	116%
Total coal sales	**11,289**	**10,156**	**11%**	**3,491**	**2,622**	**33%**	**3,966**	**-12.0%**	**16,135**	**70%**
Nickel Mining ('000 wmt)										
Limonite	1,098	770	43%	371	108.0	244%	357	4%	1,200	92%
Saprolite	483	599	-19%	123	35.0	251%	205	-40%	800	60%
Total Nickel Ore Sales	**1,581**	**1,369**	**15%**	**494**	**143**	**245%**	**562**	**-12%**	**2,000**	**79%**
Gold mine (K oz)										
Volume	179	183	**-2%**	54	56	**-4%**	68	**-21%**	235	**76%**

Source: Company, BRIDS Estimates

Exhibit 3. UNTR forecast revision summary

Rpbn	Revised			Previous			Changes		
	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Revenue	129,436	136,548	139,144	131,573	141,814	145,128	-1.6%	-3.7%	-4.1%
Gross profit	30,401	31,662	30,439	29,116	30,426	29,680	4.4%	4.1%	2.6%
Operating profit	23,721	24,614	23,258	22,326	23,106	22,190	6.3%	6.5%	4.8%
Pre-tax profit	22,532	23,560	22,442	21,208	22,142	21,525	6.2%	6.4%	4.3%
Net Income	17,685	17,073	16,224	16,604	15,987	15,509	6.5%	6.8%	4.6%
Gross Margin	23%	23%	22%	22%	21%	20%			
Operating Margin	18%	18%	17%	17%	16%	15%			
Net Margin	14%	13%	12%	13%	11%	11%			

Source: Company, BRIDS Estimates

Exhibit 4. UNTR gold mining valuation

	Resource (k oz)	Reserve (k oz)	EV/Resource (US$/Oz)	EV (US$mn)
Martabe Gold Mine	6,100	3,500	473	2,886
Sumbawa Jutaraya	1,300	663	331	430
Doup Project	3,100	1,600	237	733
Total	**10,500**	**5,763**		**4,049**
Doup acquisition + capex (US$mn)				940
Valuation (US$mn)				**3,109**
Valuation (Rptr)				**49.7**

Source: Company, BRIDS estimates

Exhibit 5. Valuation of gold peers by EV/Resources – Indonesia

Company	EV (US$mn)	Resource (Mt)	Grade (g/t)	Contained metal (k oz)	EV/Resource (USD/Oz)
BRMS	8,959	515	0.75	12,306	728
MDKA	6,934	2,132	0.53	36,006	193
PSAB	1,308	228	0.83	6,083	215
ARCI	2,610	146	1.2	5,528	472
Average					**473**

Source: Bloomberg, BRIDS estimates

Exhibit 6. Valuation of gold peers by EV/Resources – Global

Company	EV (US$mn)	Resource (Mt)	Contained metal (k oz)	EV/Resource (USD/Oz)
Barrick Gold (	67,575		180,000	375
Gold Fields L	41,385	386	41,781	991
Kinross Gold	32,848	1,221	25,867	1,270
Newmont Cc	103,908	5,266	99,400	1,045
Average				**882**

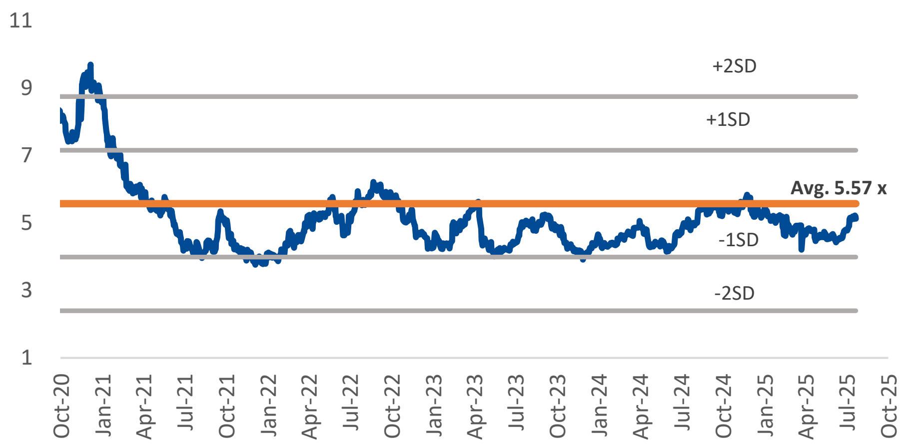
Source: Bloomberg, BRIDS estimates

Exhibit 7. Valuation summary

Valuation summary	Rp tr	Valuation methodology
Coal related	58.6	DCF (LTG: 0%, WACC: 11%)
HE + PAMA	*29.2*	*DCF (LTG: 0%, WACC: 11%)*
Thermal + coking coal	*29.4*	*DCF (LTG: 0%, WACC: 11%)*
Gold	49.7	DCF (LTG: 0%, WACC 11%) - implied target EV/resource of US$250/oz
Construction	0.2	Target 1x P/BV
Nickel	6.4	
Asset value	**114.9**	
Cash	25.1	
Debt	19.8	
Equity value	**120.1**	
No of shares (in bn)	3.7	
SOTP-based TP (Rp/sh)	**32,200**	

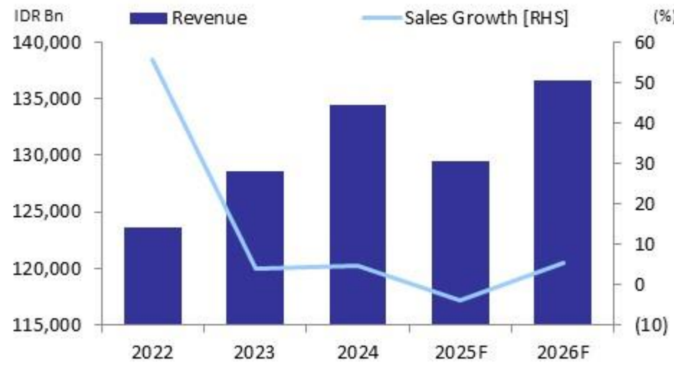
Source: Company, BRIDS estimates

Exhibit 8. UNTR forward 5-yr P/E band



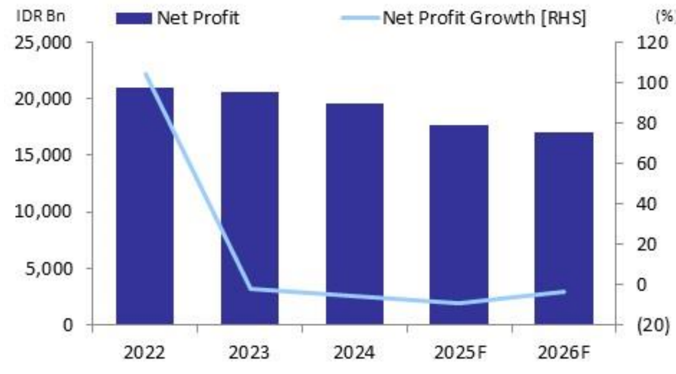
Source: Bloomberg, BRIDS estimates

Exhibit 9. Revenue and Growth



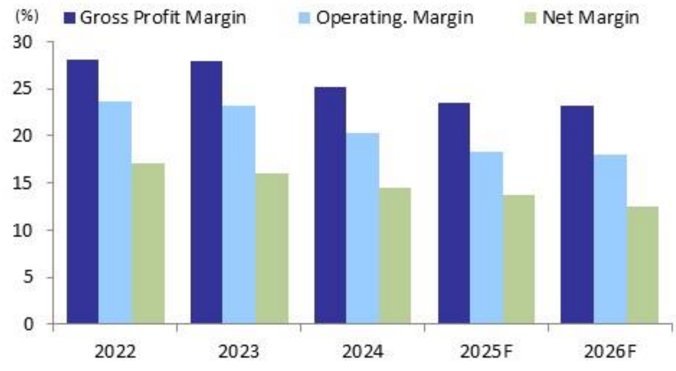
Source: Company, BRIDS Estimates

Exhibit 10. Net Profit and Growth



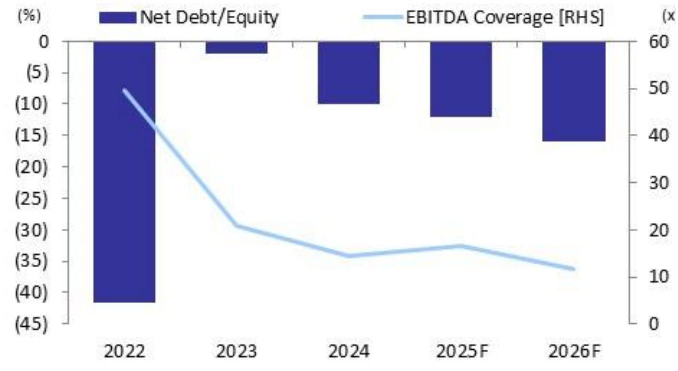
Source: Company, BRIDS Estimates

Exhibit 11. Margins



Source: Company, BRIDS Estimates

Exhibit 12. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 13. Income Statement

Year to 31 Dec (IDRbn)	2023A	2024A	2025F	2026F	2027F
Revenue	**128,583**	**134,427**	**129,436**	**136,548**	**139,144**
COGS	(92,797)	(100,595)	(99,034)	(104,886)	(108,705)
Gross profit	**35,786**	**33,832**	**30,401**	**31,662**	**30,439**
EBITDA	**38,965**	**38,457**	**32,724**	**34,843**	**34,575**
Oper. profit	**29,723**	**27,182**	**23,721**	**24,614**	**23,258**
Interest income	1,127	1,150	1,321	1,511	1,838
Interest expense	(1,879)	(2,651)	(1,982)	(2,974)	(2,974)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	635	637	(528)	408	320
Other Income (Expenses)	(885)	(421)	0	0	0
Pre-tax profit	**28,720**	**25,897**	**22,532**	**23,560**	**22,442**
Income tax	(6,590)	(5,779)	(4,281)	(5,890)	(5,611)
Minority interest	(1,518)	(587)	(566)	(597)	(608)
Net profit	**20,612**	**19,531**	**17,685**	**17,073**	**16,224**
Core Net Profit	**20,612**	**19,531**	**17,685**	**17,073**	**16,224**

Exhibit 14. Balance Sheet

Year to 31 Dec (IDRbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	18,597	25,093	28,696	34,908	44,461
Receivables	22,315	22,153	20,943	24,283	21,721
Inventory	17,184	16,994	16,654	18,982	17,951
Other Curr. Asset	4,571	5,740	5,740	5,740	5,740
Fixed assets - Net	87,263	94,851	105,651	108,522	110,614
Other non-curr.asset	4,098	4,650	4,650	4,650	4,650
Total asset	**154,028**	**169,481**	**182,334**	**197,086**	**205,138**
ST Debt	294	402	402	402	402
Payables	29,766	29,918	29,142	33,298	31,348
Other Curr. Liabilities	12,978	14,982	14,982	14,982	14,982
Long Term Debt	16,573	14,862	14,862	14,862	14,862
Other LT. Liabilities	10,381	11,140	11,140	11,140	11,140
Total Liabilities	**69,993**	**71,305**	**70,530**	**74,685**	**72,735**
Shareholder'sFunds	79,251	92,947	106,012	116,011	125,405
Minority interests	4,785	5,228	5,793	6,390	6,998
Total Equity & Liabilities	**154,028**	**169,481**	**182,334**	**197,086**	**205,138**

Exhibit 15. Cash Flow

Year to 31 Dec (IDRbn)	2023A	2024A	2025F	2026F	2027F
Net income	20,612	19,531	17,685	17,073	16,224
Depreciation and Amort.	9,241	11,276	9,003	10,229	11,317
Change in Working Capital	(173)	350	774	(1,512)	1,643
OtherOper. Cash Flow	(3,333)	(1,112)	566	597	608
Operating Cash Flow	**26,347**	**30,045**	**28,027**	**26,386**	**29,791**
Capex	21,244	14,887	16,612	13,099	13,409
Others Inv. Cash Flow	(54,684)	(29,090)	(33,224)	(26,198)	(26,818)
Investing Cash Flow	**(33,440)**	**(14,203)**	**(16,612)**	**(13,099)**	**(13,409)**
Net change in debt	15,796	1,114	0	0	0
New Capital	0	0	0	0	0
Dividend payment	(9,452)	(8,245)	(7,812)	(7,074)	(6,829)
Other Fin. Cash Flow	(18,574)	(2,337)	0	0	0
Financing Cash Flow	**(12,230)**	**(9,468)**	**(7,812)**	**(7,074)**	**(6,829)**
Net Change in Cash	**(19,323)**	**6,374**	**3,603**	**6,213**	**9,553**
Cash - begin of the year	38,282	18,597	25,093	28,696	34,908
Cash - end of the year	18,597	25,093	28,696	34,908	44,461

Exhibit 16. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	4.0	4.5	(3.7)	5.5	1.9
EBITDA	3.7	(1.3)	(14.9)	6.5	(0.8)
Operating profit	2.0	(8.6)	(12.7)	3.8	(5.5)
Net profit	(1.9)	(5.2)	(9.5)	(3.5)	(5.0)
Profitability (%)					
Gross margin	27.8	25.2	23.5	23.2	21.9
EBITDA margin	30.3	28.6	25.3	25.5	24.8
Operating margin	23.1	20.2	18.3	18.0	16.7
Net margin	16.0	14.5	13.7	12.5	11.7
ROAA	14.0	12.1	10.1	9.0	8.1
ROAE	25.1	22.7	17.8	15.4	13.4
Leverage					
Net Gearing (x)	0.0	(0.1)	(0.1)	(0.2)	(0.2)
Interest Coverage (x)	15.8	10.3	12.0	8.3	7.8

Source : UNTR, 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