Buy

(Maintained)

Tactical (3M): **N**

Last Price (Rp)	**23,175**
Target Price (Rp)	**27,700**
Previous TP (Rp)	***30,600***
Upside/Downside	**+19.5%**
No. of Shares (mn)	**3,730**
Mkt Cap (Rpbn/US$mn)	**86,446/4,763**
Avg, Daily T/O (Rpbn/US$mn)	**109.6/6.0**
Free Float (%)	**35.0**

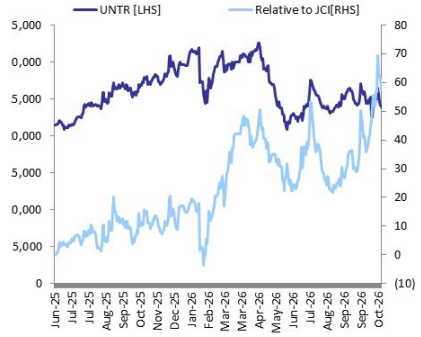
Major Shareholder (%)

PT. Astra International Tbk **59.5**

EPS Consensus (Rp)

	2026F	2027F	2028F
BRIDS	2,146	3,695	3,742
Consensus	2,344	3,553	4,174
BRIDS/Cons (%)	**(8.5)**	**4.0**	**(10.3)**

UNTR relative to JCI Index



Source: Bloomberg

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United Tractors (UNTR IJ)

Operational Recovery Outlook Intact, but Margin Pressure May Cap Earnings Upside

- **We raise our FY26F earnings est. by 4.1% on higher PAMA volumes.**
- **We lower FY27/28F by 9.3%/18.1%, incorporating potential cost pressure and persisting competition.**
- **We maintain Buy rating with a lower TP of Rp27,700. Despite operational recovery, upside may be constrained by margins.**

RKAB revision supports FY26 outlook

Following the upward revision in RKAB from 600Mt to 700Mt, UNTR raised PAMA's FY26 overburden removal guidance to 1,025mn bcm from 950mn bcm and coal production to 146Mt from 135Mt. We raise our FY26F OB removal forecast by 9.6% to 1,056mn bcm, implying 293mn bcm in 4Q26 (vs. 282mn bcm in 3Q26). Management expects growth over the next two years to come mainly from existing customers.

Coal sales recovery expected; equipment competition remains intense

Despite the increase in TTA's coal quota to 12.4Mt, management maintains its FY26 sales guidance at 10Mt due to prolonged low river levels. We cut our FY26F coal sales forecast by 20% to 10.2Mt, implying 4Q26 deliveries of 1.8Mt (+13% qoq). We forecast sales to recover to 12.7Mt in FY27F, subject to improved logistics. TTA is also seeking regulatory approval for the continued use of affiliated mining contractors. Komatsu's FY26 sales guidance remains unchanged at 4,000 units, broadly in line with our forecast, but management indicated that competition remains intense.

Gold recovery continues, but tailing facility cap FY27 upside

Gold sales improved in 3Q26 following the resumption of Martabe operations in May26. Management expects to obtain the necessary clearing permit for the tailings facility in Nov26, while work on the filtration plant continues. We forecast gold sales of 85koz in FY26F, rising to 155/212koz in FY27/28F.

Maintain Buy rating with lower TP to Rp27,700

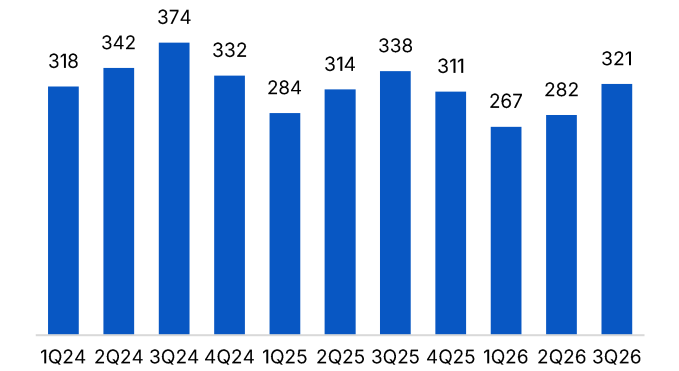
We raise FY26F earnings est. by 4.1%, but lower FY27/28F by 9.3%/18.1% as we reduce FY27/28F gross margin assumptions to 21% from 23%/24%, reflecting potential fuel cost pressure and competitive conditions in mining contracting and equipment sales. We maintain our Buy rating but lower our TP to Rp27,800 from Rp30,600. Beyond fundamentals, UNTR's FF market capitalization has declined to c.US$1.5bn, potentially placing it at risk of MSCI Standard Index exclusion at the upcoming Nov. 11 review. Key downside risks are weaker coal sales recovery and slower gold production ramp-up.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (Rpbn)	134,427	131,301	115,282	123,624	130,099
EBITDA (Rpbn)	38,457	34,269	21,637	27,003	28,039
EBITDA Growth (%)	(1.3)	(10.9)	(36.9)	24.8	3.8
Net Profit (Rpbn)	19,531	14,810	8,005	13,785	13,962
EPS (Rp)	5,236.1	3,970.5	2,146.1	3,695.5	3,742.9
EPS Growth (%)	(5.2)	(24.2)	(45.9)	72.2	1.3
BVPS (Rp)	24,918.0	26,211.8	26,060.5	28,550.7	30,218.1
DPS (Rp)	2,151.0	2,230.0	1,205.3	2,075.6	2,102.2
PER (x)	4.4	5.8	10.8	6.3	6.2
PBV (x)	0.9	0.9	0.9	0.8	0.8
Dividen yield (%)	9.3	9.6	5.2	8.9	9.1
EV/EBITDA	2.0	1.9	3.1	2.4	2.1

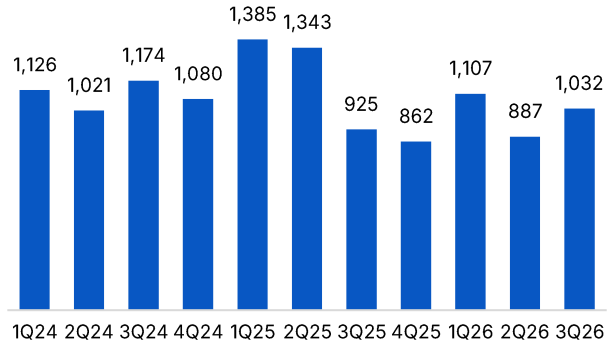
Source: UNTR, BRIDS Estimates

Exhibit 1. Pama quarterly production



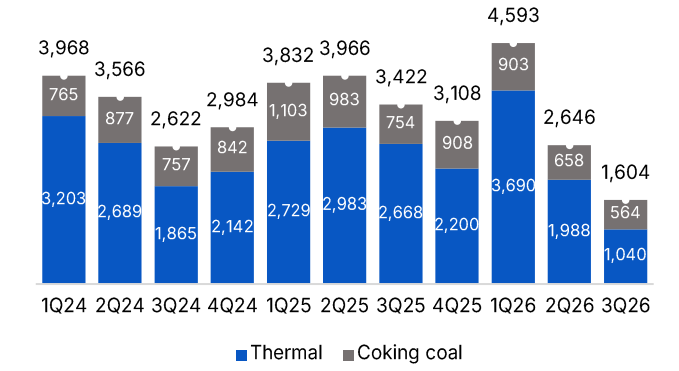
Source: Company, BRIDS

Exhibit 2. Komatsu quarterly sales (in unit)



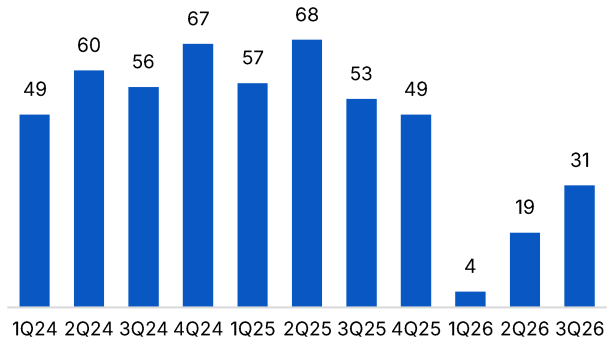
Source: Company, BRIDS

Exhibit 3. TTA quarterly sales volume (kt)



Source: Company, BRIDS

Exhibit 4. Gold quarterly sales volume (k oz)



Source: Company, BRIDS

Exhibit 5. UNTR forecast revision summary

Rpbn	Revised			Previous			Changes		
	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2027F
Revenue	115,282	123,624	130,099	110,582	119,611	126,877	*4.2%*	*3.4%*	*2.5%*
Gross profit	24,015	26,435	26,804	23,575	28,088	30,734	*1.9%*	*-5.9%*	*-12.8%*
Operating profit	15,597	20,055	20,090	15,157	21,915	24,186	*2.9%*	*-8.5%*	*-16.9%*
Pre-tax profit	11,102	18,840	19,099	10,662	20,703	23,199	*4.1%*	*-9.0%*	*-17.7%*
Net Income	8,005	13,785	13,962	7,688	15,194	17,045	*4.1%*	*-9.3%*	*-18.1%*
Gross Margin	21%	21%	21%	21%	23%	24%			
Operating Margin	14%	16%	15%	14%	18%	19%			
Net Margin	7%	11%	11%	7%	13%	13%			
Heavy equipment sales (units)	4,054	4,257	4,470	4,054	4,257	4,470	*0.0%*	*0.0%*	*0.0%*
PAMA OB (Mn bcm)	1,025	1,056	1,087	935	982	1,031	*9.6%*	*7.5%*	*5.4%*
Coal sales volume ('000 tonnes)	10,189	12,737	12,737	12,737	12,737	12,737	*-20.0%*	*0.0%*	*0.0%*
Gold sales volume (K oz)	85	155	212	85	155	212	*0.0%*	*0.0%*	*0.0%*
Blended coal mining ASP (US$/tonne)	122	109	104	122	109	104	*0.0%*	*0.0%*	*0.0%*
Gold ASP (US$/oz)	4,450	4,450	4,450	4,650	4,604	4,604	*-4.3%*	*-3.3%*	*-3.3%*

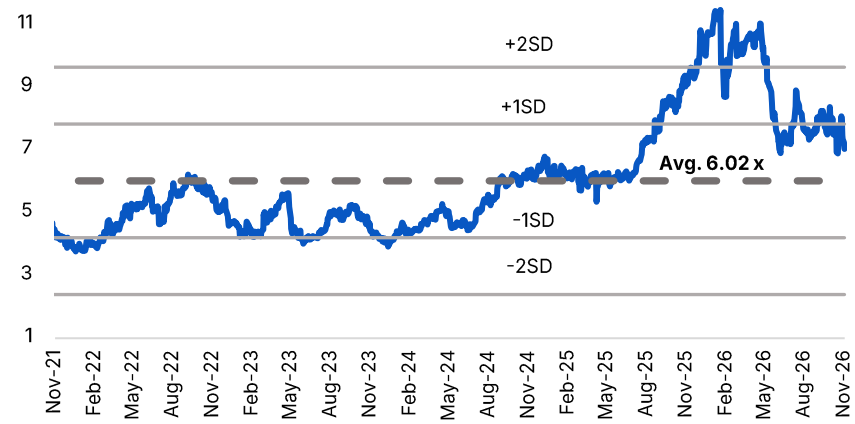
Source: Company, BRIDS Estimates

Exhibit 6. UNTR SOTP Valuation

Valuation summary	Rp tr	Valuation methodology
Coal related	44.9	*DCF (LTG: 0%, WACC: 11%)*
HE + PAMA	*17.4*	*DCF (LTG: 0%, WACC: 11%)*
Thermal + coking coal	*27.5*	*DCF (LTG: 0%, WACC: 11%)*
Gold	44.1	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	**95.6**	
Cash	26.6	
Debt	18.6	
Equity value	**103.5**	
No of shares (in bn)	3.7	
SOTP-based TP (Rp/sh)	**27,700**	

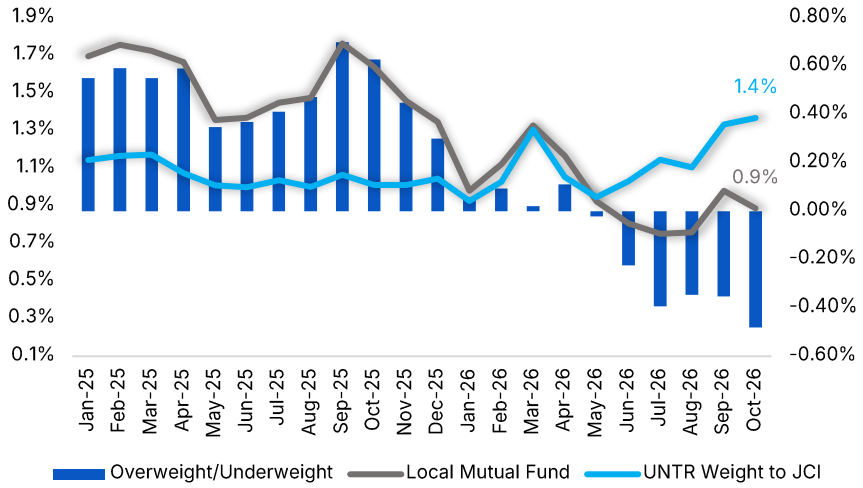
Source: Company, BRIDS Estimates

Exhibit 7. UNTR forward 5-yr P/E band



Source: Bloomberg, BRIDS Estimates

Exhibit 8. UNTR's domestic fund positioning



Source: KSEI, BRIDS

Exhibit 9. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Revenue	**134,427**	**131,301**	**115,282**	**123,624**	**130,099**
COGS	(100,595)	(101,597)	(91,267)	(97,189)	(103,295)
Gross profit	**33,832**	**29,704**	**24,015**	**26,435**	**26,804**
EBITDA	**38,457**	**34,269**	**21,637**	**27,003**	**28,039**
Oper. profit	**27,182**	**22,065**	**15,597**	**20,055**	**20,090**
Interest income	1,150	1,244	1,280	1,260	1,382
Interest expense	(2,651)	(2,626)	(2,795)	(2,795)	(2,795)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	637	(246)	408	320	423
Other Income (Expenses)	(421)	(256)	(3,387)	0	0
Pre-tax profit	**25,897**	**20,182**	**11,102**	**18,840**	**19,099**
Income tax	(5,779)	(5,005)	(2,776)	(4,710)	(4,775)
Minority interest	(587)	(366)	(322)	(345)	(363)
Net profit	**19,531**	**14,810**	**8,005**	**13,785**	**13,962**
Core Net Profit	**19,531**	**14,810**	**8,005**	**13,785**	**13,962**

Exhibit 10. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	25,093	26,571	26,160	28,680	33,624
Receivables	22,153	21,614	16,816	24,149	18,785
Inventory	16,994	16,730	13,564	18,696	15,591
Other Curr. Asset	5,740	7,227	7,227	7,227	7,227
Fixed assets - Net	94,851	99,817	101,696	105,996	109,956
Other non-curr.asset	4,650	5,679	5,679	5,679	5,679
Total asset	**169,481**	**177,637**	**171,143**	**190,426**	**190,863**
ST Debt	402	560	560	560	560
Payables	29,918	30,529	24,278	33,927	27,782
Other Curr. Liabilities	14,982	22,124	22,124	22,124	22,124
Long Term Debt	14,862	6,055	6,055	6,055	6,055
Other LT. Liabilities	11,140	15,233	15,233	15,233	15,233
Total Liabilities	**71,305**	**74,501**	**68,249**	**77,899**	**71,753**
Shareholder'sFunds	92,947	97,774	97,209	106,498	112,717
Minority interests	5,228	5,363	5,684	6,029	6,392
Total Equity & Liabilities	**169,481**	**177,637**	**171,143**	**190,426**	**190,863**

Exhibit 11. Cash Flow

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Net income	19,531	14,810	8,005	13,785	13,962
Depreciation and Amort.	11,276	12,203	6,040	6,948	7,949
Change in Working Capital	350	659	1,711	(2,814)	2,323
OtherOper. Cash Flow	(1,112)	(530)	693	345	363
Operating Cash Flow	**30,045**	**27,143**	**16,448**	**18,264**	**24,597**
Capex	14,887	14,254	9,853	11,247	11,910
Others Inv. Cash Flow	(29,090)	(27,699)	(19,705)	(22,495)	(23,820)
Investing Cash Flow	**(14,203)**	**(13,446)**	**(9,853)**	**(11,247)**	**(11,910)**
Net change in debt	1,114	(1,188)	0	0	0
New Capital	0	0	0	0	0
Dividend payment	(8,467)	(8,024)	(8,318)	(4,496)	(7,742)
Other Fin. Cash Flow	(2,114)	(3,259)	(4,000)	0	0
Financing Cash Flow	**(9,468)**	**(12,470)**	**(12,318)**	**(4,496)**	**(7,742)**
Net Change in Cash	**6,374**	**1,228**	**(5,722)**	**2,520**	**4,945**
Cash - begin of the year	18,597	25,093	26,571	26,160	28,680
Cash - end of the year	25,093	26,571	26,160	28,680	33,624

Exhibit 12. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Sales	4.5	(2.3)	(12.2)	7.2	5.2
EBITDA	(1.3)	(10.9)	(36.9)	24.8	3.8
Operating profit	(8.6)	(18.8)	(29.3)	28.6	0.2
Net profit	(5.2)	(24.2)	(45.9)	72.2	1.3
Profitability (%)					
Gross margin	25.2	22.6	20.8	21.4	20.6
EBITDA margin	28.6	26.1	18.8	21.8	21.6
Operating margin	20.2	16.8	13.5	16.2	15.4
Net margin	14.5	11.3	6.9	11.2	10.7
ROAA	12.1	8.5	4.6	7.6	7.3
ROAE	22.7	15.5	8.2	13.5	12.7
Leverage					
Net Gearing (x)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
Interest Coverage (x)	10.3	8.4	5.6	7.2	7.2

Source: UNTR, BRIDS Estimates

Equity Research – Company Update

Wednesday, 04 November 2026

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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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