KSI Research

UNTR Equity Update 1Q26

KIWOOM SEKURITAS INDONESIA

PT United Tractors Tbk

Tackling the First-Quarter Hurdles

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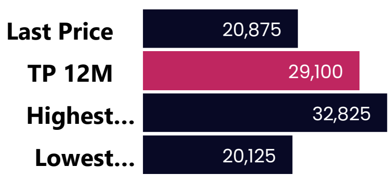
Stock Rate **BUY**
Industry Neutral

Fair Value **IDR 29,100**
vs. Last Price 39.40%

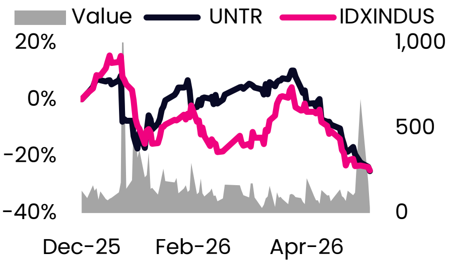
Stock Data

Ticker Code	UNTR
Sub Sector	Industrial Goods
Sector	Industrials
Market Cap (IDR Tn)	77.86
Shares Issued (Bn)	3.73
AVG 3M Turnover (IDR Bn)	116.35

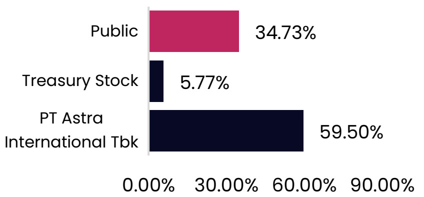
Price (IDR)



Price Performance, YTD (%) Turnover (Bn)



Shareholders Composition



ESG Rating	**4.76**
Environmental	2.64
Social	7.43
Governance	5.51

Source: Bloomberg

UNTR delivered a significantly softer performance in 1Q26. Total revenue reached IDR 28.5tn (-17% y/y). Profitability experienced a severe contraction, with gross profit falling to IDR 4.8tn (-32% y/y), bringing the gross profit margin down to 16.91%. Operating profit dropped to IDR 2.1tn (-60% y/y) and EBITDA stood at IDR 5.0tn (-39% y/y), resulting in an EBITDA margin of 17.56%. Consequently, net income plummeted by 80% y/y to IDR 643bn, as the company faced multi-front challenges across its core divisions.

From an operational standpoint, 1Q26 was characterized by segmental divergence pressured by regulatory uncertainties. The core businesses faced substantial headwinds, with Construction Machinery revenue plunging to IDR 7.5tn (-40% y/y) as mining clients actively held back capex amidst RKAB quota uncertainties. Mining Contracting posted IDR 11.9tn (+9% y/y), but shadowed by expectations of lower stripping ratios as clients pursued efficiency amid rising oil prices. Furthermore, the Gold & Mineral Mining segment experienced a severe contraction, dropping 76% y/y to IDR 692bn because of the operational shutdown of Martabe gold mine at the start of the year. However, the broader financial contraction was partially buffered by a resilient performance in Coal Mining, which rose to IDR 8.0tn (+14% y/y).

Looking ahead, management has revised its 2026 capex guidance downward in response to the challenging operational outlook and stringent RKAB quota cuts for coal and nickel. However, potential upside remains contingent on key catalysts in the second half of the year. The Martabe gold mine has resumed operations, with management pivoting towards the domestic market to minimize export tax impacts. Most importantly, potential upside heavily relies on the RKAB appeal. In a very recent development, the appeal has been officially approved. However, given the recency of the news, exact figures and detailed quota revisions are still pending official release as of this writing.

Key Takeaways

- **1Q26 Earnings Plunge.** Net income plummeted 80% y/y to IDR 643bn, heavily pressured by lower volumes in the construction machinery segment and a sharp 76% y/y revenue drop in gold & mineral mining.
- **RKAB Quota Uncertainty.** Mining clients have actively held back their capital expenditures. This hesitation has severely impacted the heavy equipment and contracting segments
- **Catalysts on the Horizon.** Potential upside relies on the recent resumption of the Martabe gold mine and the successful appeal for RKAB quota relaxation.

Recommendation:

We maintain our **"BUY"** recommendation. Our valuation is derived through a blended valuation. We determine a 12-month target price of **IDR 29,100**. This presents a **39.40% upside potential** from the last close of IDR 20,875 (as of 08 Jun 26). Valuations remain compelling at a 2026F P/BV of 1.01x. Downside risks include: Volatility on gold prices, prolonged sluggishness in heavy equipment sales due to government supply caps, and failure or delays in the RKAB appeal process.

Financial Highlights

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	128,583	134,427	131,301	104,398	122,705	130,624
Net Profit	20,612	19,531	14,810	10,378	13,257	14,881
EBITDA Margin	28.33%	24.22%	19.87%	20.23%	20.51%	21.38%
NPM	16.03%	14.53%	11.28%	9.94%	10.80%	11.39%
ROE	24.53%	19.89%	14.36%	9.65%	11.36%	11.79%
EV/EBITDA (x)	2.3	2.9	3.9	4.6	4.0	3.7
P/BV (x)	1.0	1.0	1.1	1.0	0.9	0.9
Dividend Yield	30.14%	8.26%	7.10%	5.46%	3.82%	4.89%

Source: Company and KSI Research

UNTR Equity Update 1Q26

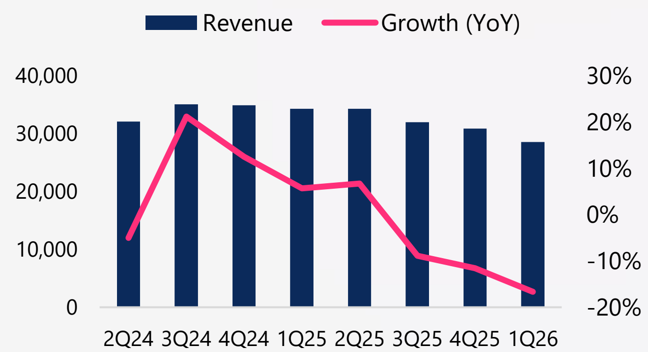
Published on 09 Jun 2026

Performance Overview

IDR Bn	3M25	3M26	yoy	Quarters				
				1Q25	4Q25	1Q26	qoq	yoy
Revenue Segment								
Construction Machinery	12,600	7,500	-40%	12,600	7,300	7,500	3%	-40%
Mining Contracting	10,900	11,900	9%	10,900	13,900	11,900	-14%	9%
Coal Mining	7,000	8,000	14%	7,000	5,400	8,000	48%	14%
Gold & Mineral Mining	2,900	692	-76%	2,900	3,700	692	-81%	-76%
Other	900	462	-49%	900	500	462	-8%	-49%
Revenue	34,261	28,554	-17%	34,261	30,836	28,554	-7%	-17%
Gross Profit	7,072	4,828	-32%	7,072	7,667	4,828	-37%	-32%
Operating Profit	5,360	2,150	-60%	5,360	5,091	2,150	-58%	-60%
EBITDA	8,255	5,015	-39%	8,255	8,248	5,015	-39%	-39%
Net Income	3,187	643	-80%	3,187	3,335	643	-81%	-80%
EPS(Full IDR)	855	172	-80%	855	894	172	-81%	-80%
Liabilities	78,407	81,246	4%	78,407	74,501	81,246	9%	4%
Equity	102,815	101,235	-2%	102,815	103,136	101,235	-2%	-2%
Asset	181,222	182,481	1%	181,222	177,637	182,481	3%	1%
GPM %	20.64%	16.91%	-4%	20.64%	24.86%	16.91%	-8%	-4%
OPM%	15.64%	7.53%	-8%	15.64%	16.51%	7.53%	-9%	-8%
NPM %	9.30%	2.25%	-7%	9.30%	10.82%	2.25%	-9%	-7%
EBITDA Margin %	24.09%	17.56%	-7%	24.09%	26.75%	17.56%	-9%	-7%
ROE %	18%	12%	-6%	18%	14%	12%	-2%	-6%
ROA %	10%	7%	-3%	10%	8%	7%	-2%	-3%

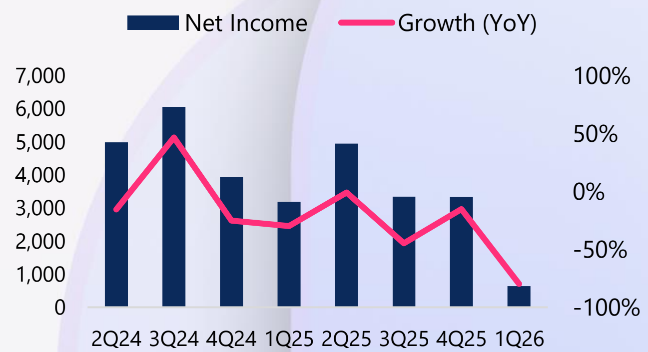
Source: Company and KSI Research

Revenue (IDR Bn) vs Growth



Source: Company and KSI Research

Net Income (IDR Bn) vs Growth



Source: Company and KSI Research

Valuation

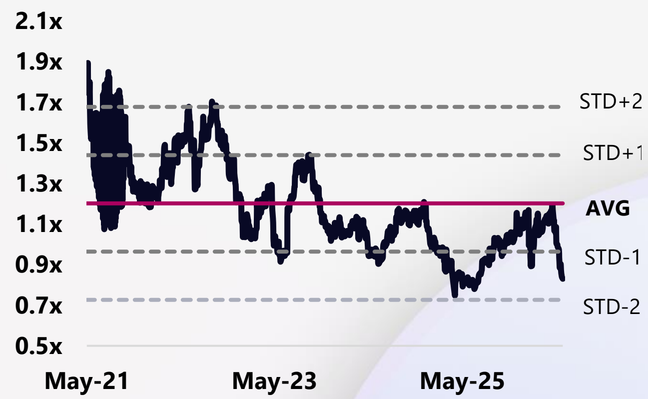
We maintain our **"BUY"** rating for UNTR. Our fair value estimate is derived using a blended valuation approach, assigning an equal 50% weight to both the Price-to-Earnings and Discounted Cash Flow methodologies. Based on this approach, we set UNTR's **12-month target price at IDR 29,100**, offering a **potential upside of 39.40%** from its last closing price of IDR 20,875 (as of 08 Jun 26).

Blended Valuation	Base Amount	Target Multiple	Value (IDR Bn)	Weight (%)	The Value of the firm
P/E	10,378	6.7x	69,530	50%	34,765
DCF	147,542		147,542	50%	73,771
				Total Value (Bn)	**108,536**
				Share (Bn)	3.73
				Intrinsic Value (IDR)	29,097
				Target Price (IDR)	**29,100**
				Last Price (08 Jun 26)	IDR 20,875
				Potential Upside (%)	**39.40%**

Historical PE – 5Y

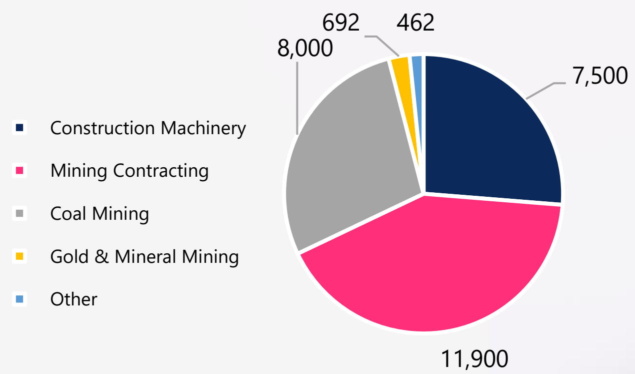
Source: Company and KSI Research

Historical PBV – 5Y



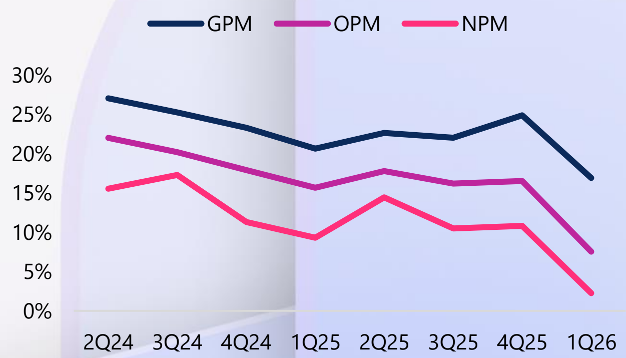
Source: Company and KSI Research

Revenue by Segment 3M26 (IDR Bn)



Source: Company and KSI Research

Margin Quarterly Trend



Source: Company and KSI Research

Financial Highlight (IDR Bn)

Income Statement

Year-End	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	**128,583**	**134,427**	**131,301**	**104,398**	**122,705**	**130,624**
Cost of Revenue	92,797	100,595	101,597	83,518	96,937	101,886
Gross Profit	**35,786**	**33,832**	**29,704**	**20,880**	**25,768**	**28,737**
Operating Income	**29,474**	**26,917**	**21,800**	**14,772**	**18,583**	**21,042**
EBITDA	**36,427**	**32,556**	**26,087**	**21,115**	**25,161**	**27,932**
Income Before Tax	28,988	25,893	20,063	13,930	17,513	19,669
Tax Expenses	6,590	5,779	5,005	3,065	3,853	4,327
Minority Interest	1,518	587	366	440	429	493
Net Income	**20,612**	**19,531**	**14,810**	**10,378**	**13,257**	**14,881**
EPS (IDR)	**5,526**	**5,236**	**3,970**	**2,782**	**3,554**	**3,990**

Balance Sheet

Year-End	2023A	2024A	2025A	2026F	2027F	2028F
Cash and cash Equivalents	18,597	25,093	26,571	26,930	26,613	26,730
Account Receivables	19,194	18,410	18,807	14,945	17,315	18,614
Inventories	17,184	16,994	16,730	14,443	16,367	17,200
Fixed Asset	60,710	63,374	66,833	71,418	74,060	77,568
Other Assets	38,343	45,610	48,697	40,865	50,431	58,304
Total Asset	**154,028**	**169,481**	**177,637**	**168,600**	**184,786**	**198,415**
S-T liabilities	1,294	4,203	11,604	9,393	11,193	12,425
Other S-T liabilities	41,744	41,099	41,609	31,723	35,869	37,911
L-T liabilities	17,580	15,963	7,313	5,919	7,053	7,830
Other L-T liabilities	9,374	10,040	13,975	13,975	13,975	13,975
Total Liabilities	**69,993**	**71,305**	**74,501**	**61,010**	**68,091**	**72,141**
Total Equity	**84,036**	**98,175**	**103,136**	**107,590**	**116,695**	**126,274**
BVPS (IDR)	**22,529**	**26,319**	**27,649**	**28,843**	**31,285**	**33,852**

Cash Flow Statement

Year-End	2023A	2024A	2025A	2026F	2027F	2028F
Net Income	20,612	19,531	14,810	10,378	13,257	14,881
Depreciation	6,953	5,639	4,286	6,344	6,578	6,890
Change in working capital	(685)	(908)	(836)	(1,880)	(1,412)	(636)
Others	(31)	443	135	-	-	-
Operating cash flow	**26,849**	**24,705**	**18,396**	**14,842**	**18,423**	**21,135**
Capital expenditure	(24,855)	(8,303)	(7,745)	(10,929)	(9,221)	(10,398)
Others	(11,911)	(5,476)	(2,537)	7,922	(5,391)	(2,332)
Investing cash flow	**(36,766)**	**(13,779)**	**(10,281)**	**(3,007)**	**(14,611)**	**(12,730)**
Dividend paid	(25,001)	(8,118)	(7,446)	(5,924)	(4,151)	(5,303)
Net change in debt	15,873	1,292	(1,249)	(3,605)	2,934	2,009
Others	404	2,949	1,397	-	-	-
Financing cash flow	**(8,725)**	**(3,877)**	**(7,298)**	**(9,529)**	**(1,217)**	**(3,294)**
Change in cash	(19,685)	6,496	1,478	359	(316)	117
Beginning cash balance	38,282	18,597	25,093	26,571	26,930	26,613
Ending cash balance	18,597	25,093	26,571	26,930	26,613	26,730

Source: Company and KSI Research

Financial Ratios

Margin Ratio (%)	2023A	2024A	2025A	2026F	2027F	2028F
GPM	27.8%	25.2%	22.6%	20.0%	21.0%	22.0%
OPM	22.9%	20.0%	16.6%	14.1%	15.1%	16.1%
NPM	16.0%	14.5%	11.3%	9.9%	10.8%	11.4%
EBITDA M	28.3%	24.2%	19.9%	20.2%	20.5%	21.4%

Key Ratios (%)	2023A	2024A	2025A	2026F	2027F	2028F
Revenue Growth	4%	5%	-2%	-20%	18%	6%
Gross Profit Growth	3%	-5%	-12%	-30%	23%	12%
Operating Profit Growth	1%	-9%	-19%	-32%	26%	13%
EBITDA Growth	1%	-11%	-20%	-19%	19%	11%
Net Income Growth	-2%	-5%	-24%	-30%	28%	12%
EPS Growth	-2%	-5%	-24%	-30%	28%	12%
Gross margin (%)	28%	25%	23%	20%	21%	22%
EBITDA margin (%)	28%	24%	20%	20%	21%	21%
EBIT margin (%)	23%	20%	17%	14%	15%	16%
Pretax margin (%)	23%	19%	15%	13%	14%	15%
Net margin (%)	16%	15%	11%	10%	11%	11%
ROE (%)	25%	20%	14%	10%	11%	12%
ROA (%)	13%	12%	8%	6%	7%	8%
Current ratio (x)	1.46	1.54	1.36	1.62	1.59	1.64
Cash Ratio (%)	43%	55%	50%	65%	57%	53%
AP turnover (days)	155.38	138.70	138.79	129.29	125.59	126.23
AR turnover (days)	54.5	50.0	52.3	52.3	51.5	52.0
Inventory turnover (days)	67.6	61.7	60.1	63.1	61.6	61.6
Dividend Yield (%)	30.14%	8.26%	7.10%	5.46%	3.82%	4.89%
DER (x)	0.83	0.73	0.72	0.57	0.58	0.57
PE (x)	4.09	5.11	7.43	10.46	8.19	7.29
PBV (x)	1.00	1.02	1.07	1.01	0.93	0.86
P/Sales (x)	0.66	0.74	0.84	1.04	0.88	0.83
EV/EBITDA (x)	2.32	2.92	3.92	4.59	3.98	3.65

Source: Company and KSI Research

Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings

Sector/Industry

OVERWEIGHT	: Sector & Industry Outlook has potential and good condition
NEUTRAL	: Sector & Industry Outlook Stable or tend to be stagnant
UNDERWEIGHT	: Sector & Industry Outlook has challenges and bad condition

Stock

BUY	: Stock Performance > +15% Over the next 12 month (excluding dividend)
TRADING BUY	: Stock Performance, range between +5% to +15% Minor to Medium Term
HOLD	: Stock Performance, range between -10% to +15% Over the next 12 month (excluding dividend)
SELL	: Stock Performance > -15% Over the next 12 month (excluding dividend)
TRADING SELL	: Stock Performance, range between -5% to -15% Minor to Medium Term
NOT RATED	: Stock is not within regular research coverage Over the next 12 month (excluding dividend)

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