KIWOOM SEKURITAS INDONESIA

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PT United Tractors (UNTR) Tbk

Earnings Pressures Mask Sequential Operational Recovery

Subdued earnings realization in 1H26. Total revenue reached IDR 58,289 bn (-15% y/y). Gross profit dropped to IDR 10,507 bn (-29% y/y), compressing the gross profit margin to 18.03%. Operating efficiency faced headwinds, with operating profit at IDR 5,623 bn (-51% y/y) and EBITDA at IDR 11,398 bn (-34% y/y), resulting in an EBITDA margin of 19.55%. Consequently, net income plummeted by 88% y/y to IDR 956 bn. This massive bottom-line contraction was heavily driven by IDR 3.3 tn in one-off expenses. These provisions included the Forest Area Utilization Approval (PPKH) payment for the Stargate mine in 1Q26, and the impairment of a joint venture and non-trade receivables for PT Supreme Energy Rantau Dedap in 2Q26.

Sequential operational recovery. The company's overall operational trajectory was severely hampered by national RKAB production quota cuts and the temporary license revocation of PT Agincourt Resources at the start of 2026. Heavy equipment sales volume declined to 1,994 units in 1H26, as clients scaled back operations in response to the quota allocations. Consequently, the heavy equipment segment's revenue shrank 28% y/y to IDR 14,974 bn. The temporary suspension of the Martabe mine led to a steep decline in 1H26 gold sales volume to around 23,000 ounces, dragging the segment's revenue down by 66% y/y. However, a clear sequential improvement materialized in 2Q26; following the resumption of Martabe's operations in mid-May, gold sales surged 400% q/q to 20,000 ounces in the second quarter. Meanwhile, the Mining Contracting segment maintained solid resilience. Supported by stronger US Dollar, the segment achieved a 4% y/y revenue increase to IDR 27,162 bn in 1H26.

KEY TAKEAWAYS:

- **Resilient Mining Contracting.** The mining contracting segment demonstrated robust performance. Revenue for this segment also expanded by 14% y/y and 29% q/q to reach IDR 15,300 bn in 2Q26.
- **Significant One-Off Pressures.** Profitability was severely distorted by IDR 3.3 tn in regulatory payments and asset impairments.
- **Sequential Gold Turnaround.** Following operational hurdles early in the year, the resumption of the Martabe mine in mid-May catalyzed a massive 400% q/q rebound in 2Q26 gold sales volume.

RECOMMENDATION "BUY"

We maintain our **BUY** recommendation with a revised 12-month target price of **IDR 28,000**. Our target price is constructed using a Sum-of-the-Parts (SOTP) valuation. This represents a compelling **17.40% upside potential** from the last closing price of IDR 23,850 (as of 26 Aug 2026). This valuation implies a 2026F P/E of 10.0x and P/BV of 1.0x, reflecting these operational challenges. Downside risks include: 1) Prolonged weakness in domestic RKAB quota approvals; 2) Slower recovery in heavy machinery demand; 3) Unfavorable movements in global commodity benchmark prices.

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	10,393	15,399	15,580
EBITDA Margin (%)	27.14%	23.67%	20.82%	19.17%	21.70%	20.74%
NPM (%)	16.03%	14.53%	11.28%	9.66%	12.24%	11.73%
ROE (%)	24.53%	19.89%	14.36%	9.66%	12.96%	12.15%
P/E (x)	4.1	5.1	7.4	10.0	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%	3.98%	5.90%	5.97%

Source: Company, KSI Research estimates.

STOCK RATING

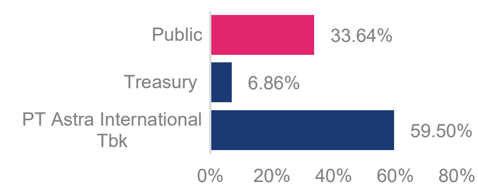
BUY

MAINTAINED

TP 12M (IDR)	**28,000**
vs. Last Price	**+17.40%**
Previous TP	*IDR 29,100*

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)	**119.83**

SHAREHOLDER STRUCTURE



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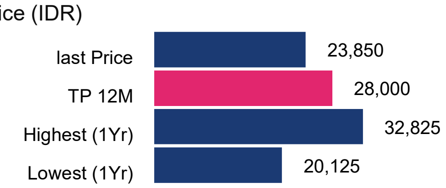
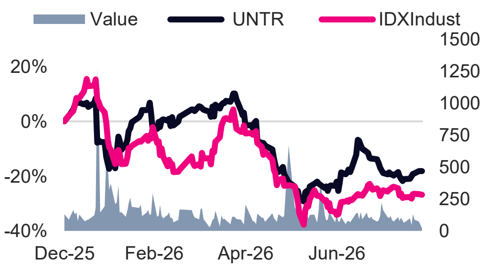
Price (IDR)



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



ESG Rating

Environmental	**2.64**
Social	**7.43**
Governance	**5.50**

PERFORMANCE OVERVIEW

Subdued Top-Line, Squeezed Bottom-Line

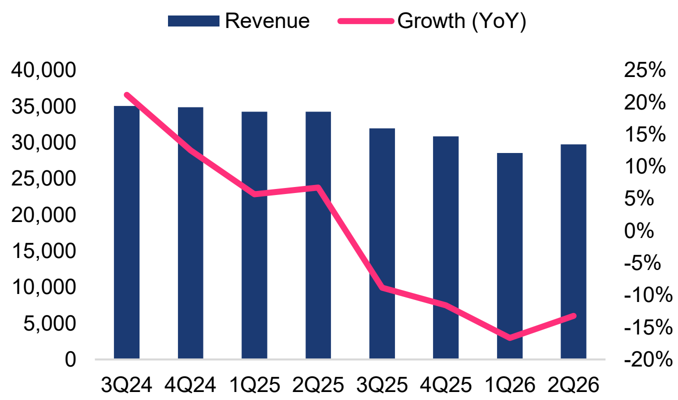
IDR Bn	6M25	6M26	yoy	Quarters				
				2Q25	1Q26	2Q26	qoq	yoy
Revenue Segment								
Construction Machinery	20,871	14,974	-28%	9,932	7,525	7,449	-1%	-25%
Mining Contracting	26,087	27,162	4%	13,477	11,862	15,300	29%	14%
Coal Mining	13,358	12,868	-4%	6,309	7,984	4,884	-39%	-23%
Gold & Mineral Mining	6,987	2,358	-66%	4,045	692	1,666	141%	-59%
Other	1,222	927	-24%	500	492	435	-12%	-13%
Revenue	68,525	58,289	-15%	34,265	28,554	29,735	4%	-13%
Gross Profit	14,827	10,507	-29%	7,755	4,828	5,679	18%	-27%
Operating Profit	11,459	5,623	-51%	6,098	2,150	3,472	62%	-43%
EBITDA	17,377	11,398	-34%	9,122	5,015	6,383	27%	-30%
Net Income	8,130	956	-88%	4,943	643	314	-51%	-94%
EPS (Full IDR)	2,180	256	-88%	1,325	172	84	-51%	-94%
Liabilities	73,715	77,308	5%	73,715	81,246	77,308	-5%	5%
Equity	101,284	101,751	0%	101,284	101,235	101,751	1%	0%
Asset	174,999	179,059	2%	174,999	182,481	179,059	-2%	2%
GPM %	21.64%	18.03%	-4%	22.63%	16.91%	19.10%	2%	-4%
OPM%	16.72%	9.65%	-7%	17.80%	7.53%	11.68%	4%	-6%
NPM %	11.86%	1.64%	-10%	14.42%	2.25%	1.05%	-1%	-13%
EBITDA Margin %	25.36%	19.55%	-6%	26.62%	17.56%	21.47%	4%	-5%
ROE %	18%	8%	-10%	18%	12%	8%	-5%	-10%
ROA %	10%	4%	-6%	10%	7%	4%	-2%	-6%

Source : Company, Bloomberg, KSI Research

Operational	Quarters				
	2Q25	1Q26	2Q26	qoq	yoy
Heavy Equipment Sales (units)	1,343	1,107	887	-20%	-34%
PAMA Overburden (mn bcm)	281	235	246	5%	-12%
Coal Sales Volume (mn ton)	3.9	4.6	2.6	-42%	-32%
Gold Sales Volume ('000 oz)	68	4	20	400%	-71%

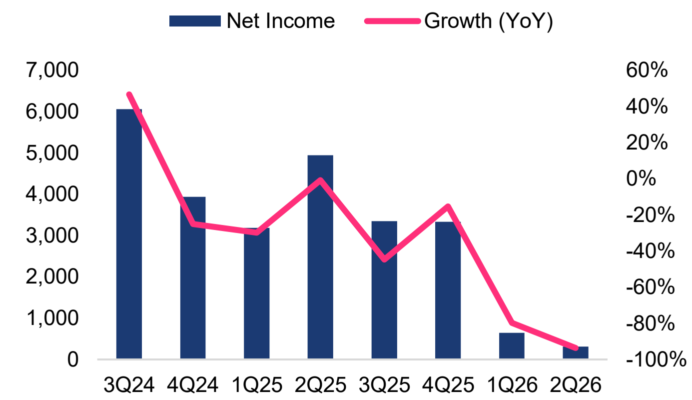
Source : Company, KSI Research

Revenue (Bn) vs Growth



Source : Company, KSI Research

Net Income (Bn) vs Growth



Source : Company, KSI Research

VALUATION

TP Downgraded to IDR 28,000; Rated BUY

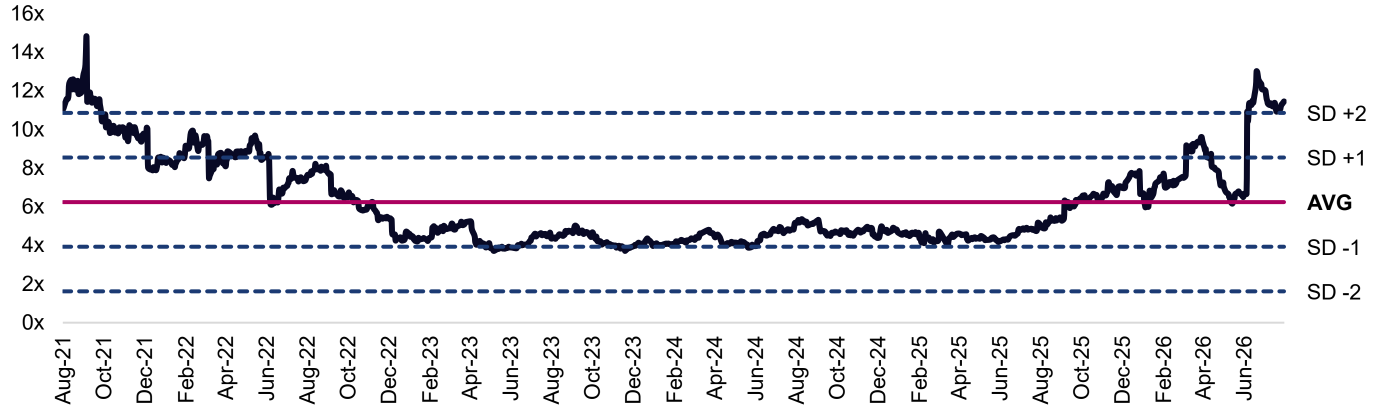
BUY TP 12M: IDR 28,000

vs. Last Price (IDR 23,850, 26 Aug 2026): +17.40% upside | Previous TP: IDR 29,100

SOTP VALUATION

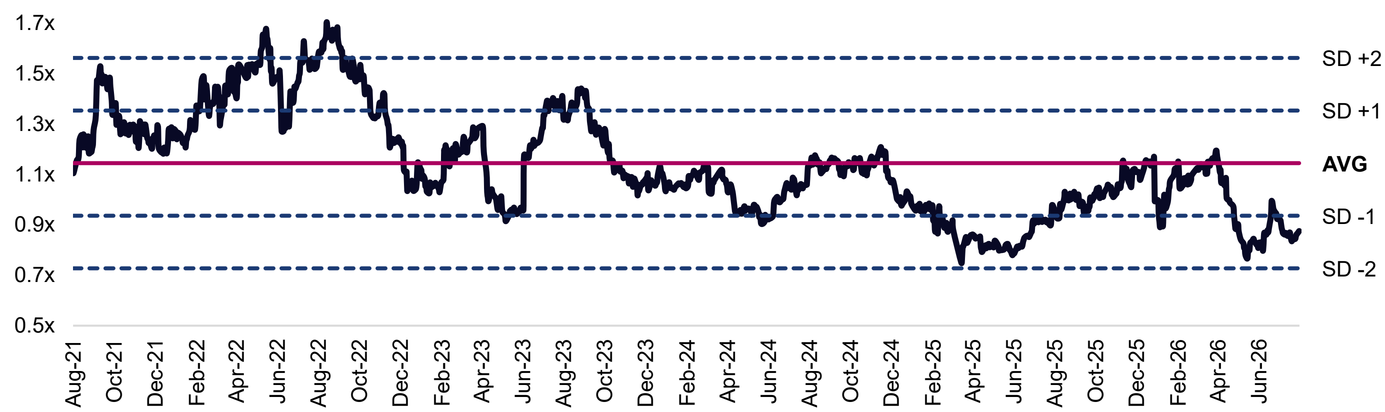
Summary	Target Multiple (PE)	Value (Bn)
Construction Machinery	5x	11,189
Mining Contracting	9x	56,615
Coal Mining	7x	14,783
Gold & Mineral Mining	15x	12,044
Other	Book value	9,819
	Total value (Bn)	**104,450**
	Shares (Bn)	3.73
	Intrinsic Value (IDR)	28,002
	Target Price (IDR)	**28,000**
	Last Price (26 Aug 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**	**20,619**	**27,310**	**27,546**
Income Before Tax	28,720	25,897	20,182	13,654	20,231	20,468
Tax Expenses	6,590	5,779	5,005	3,004	4,451	4,503
Minority Interest	1,518	587	366	257	381	385
Net Income	**20,612**	**19,531**	**14,810**	**10,393**	**15,399**	**15,580**
EPS (IDR)	**5,526**	**5,236**	**3,970**	**2,786**	**4,128**	**4,177**

Balance Sheet

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Cash and cash Equivalents	18,597	25,093	26,571	26,284	35,514	41,173
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	62,752	65,395	65,456
Total Asset	**154,028**	**169,481**	**177,637**	**172,117**	**192,042**	**204,357**
S-T liabilities	1,294	4,203	11,604	8,752	11,592	11,692
Other S-T liabilities	41,744	41,099	41,609	36,105	39,988	42,544
L-T liabilities	17,580	15,963	7,313	5,515	7,305	7,368
Other L-T liabilities	9,374	10,040	13,975	14,140	14,310	14,485
Total Liabilities	**69,993**	**71,305**	**74,501**	**64,512**	**73,196**	**76,089**
Total Equity	**84,036**	**98,175**	**103,136**	**107,605**	**118,847**	**128,267**
BVPS (IDR)	**22,529**	**26,319**	**27,649**	**28,847**	**31,861**	**34,387**

Cash Flow Statement

End 31 Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Net Income	20,612	19,531	14,810	10,393	15,399	15,580
Depreciation	6,053	5,058	5,530	6,357	6,160	6,599
Change in working capital	(2,750)	(2,100)	(1,012)	3,881	(2,908)	308
Others	(482)	284	(111)	-	-	-
Operating cash flow	**23,433**	**22,773**	**19,217**	**20,631**	**18,651**	**22,487**
Capital expenditure	(24,311)	(8,083)	(7,958)	(9,475)	(9,059)	(9,880)
Others	(8,866)	(4,019)	(1,335)	(868)	(835)	(952)
Investing cash flow	**(33,178)**	**(12,102)**	**(9,292)**	**(10,343)**	**(9,895)**	**(10,832)**
Dividend paid	(25,009)	(8,121)	(7,449)	(5,924)	(4,157)	(6,160)
Net change in debt	15,873	1,292	(1,249)	(4,650)	4,630	163
Others	(804)	2,654	252	-	-	-
Financing cash flow	**(9,940)**	**(4,175)**	**(8,446)**	**(10,574)**	**473**	**(5,996)**
Change in cash	(19,685)	6,496	1,478	(286)	9,229	5,659
Beginning cash balance	38,282	18,597	25,093	26,571	26,284	35,514
Ending cash balance	18,597	25,093	26,571	26,284	35,514	41,173

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%
Operation Profit Growth (%)	1%	-7%	-19%	-35%	48%	-1%
EBITDA Growth (%)	0%	-9%	-14%	-25%	32%	1%
Net Income Growth (%)	-2%	-5%	-24%	-30%	48%	1%
EPS Growth (%)	-2%	-5%	-24%	-30%	48%	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%	13%	16%	15%
Net margin (%)	16%	15%	11%	10%	12%	12%
ROE (%)	25%	20%	14%	10%	13%	12%
ROA (%)	13%	12%	8%	6%	8%	8%
Current ratio (x)	1.46x	1.54x	1.36x	1.44x	1.54x	1.61x
Cash Ratio (%)	43%	55%	50%	59%	69%	76%
AP turnover (days)	58	54	55	56	55	55
AR turnover (days)	68	62	60	63	62	62
Inventory turnover (days)	115	105	105	108	106	107
Dividend Yield (%)	9.77%	7.82%	5.38%	3.98%	5.90%	5.97%
DER (x)	0.22x	0.21x	0.18x	0.13x	0.16x	0.15x
PE (x)	4.09x	5.11x	7.43x	10.05x	6.78x	6.70x
PBV (x)	1.00x	1.02x	1.07x	0.97x	0.88x	0.81x
P/Sales (x)	0.66x	0.74x	0.84x	0.97x	0.83x	0.79x
EV/EBITDA (x)	2.43x	2.98x	3.75x	4.48x	3.22x	2.99x

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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