

31 July 2023

Industrials | Heavy Equipments

## United Tractors (UNTR IJ)

### Buy (Maintained)

### 1H23: Stellar Performances; Keep BUY

Target Price (Return): IDR29,000 (8.8%)  
Price (Market Cap): IDR26,650 (USD6,581m)  
ESG score: 2.80 (out of 4)  
Avg Daily Turnover (IDR/USD) 131,271m/8.81m

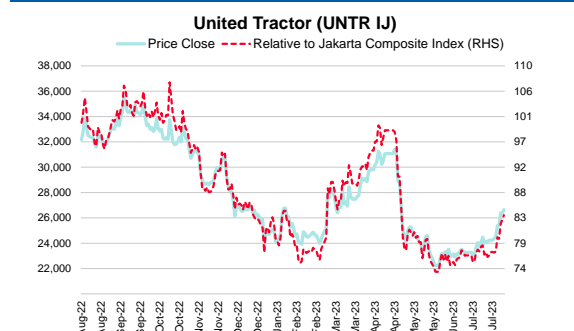
- **Keep BUY and IDR29,000 TP, 9% upside and c.7% FY23F yield.** Stable heavy equipment (HE) sales propelled United Tractors overall performance throughout 1H23 – earnings of IDR11.2trn (+8.3% YoY) were at 70% and 64% of our and Street's full-year estimates. This was combined with UNTR's well-known proficiency in keeping hefty margins. Despite looming risks of volatile coal prices, demand for mining contracting services remains high – we believe more achievements can be fulfilled in the latter part of 2023 on better operational activities due to more conducive weather.
- **The sturdy 1H23 topline performance** of IDR68.7trn (+14% YoY) was above our and Street's full-year estimates. This was mainly contributed by the improved HE segment (1H23: 3,145 units, +9% YoY; 57% of our full-year target of c.5,500 units), which raked up by strong demand from the mining and forestry industries – average YTD ASP was still stable at c.IDR3.5bn/unit, with a notable jump seen during 2Q23. Komatsu remains the leading brand (with 32% market share vs 1H22's 28%) domestically. Conversely, higher growth for national coal production this year was reflected by improved overburden (OB) removal volumes within UNTR's mining contracting services (1H23: 524m bank cu m or bcm, +20% YoY) – this averted the limited upside due to its services fees, which are closely related to downward movements in the coal benchmark price (1H23: -3% YoY; USD based). All in, we retain the view that the outlooks for these segments remain bright in the medium term.
- **Stable support from other businesses too.** UNTR's coal mining from its owned concessions reported with stable outputs (1H23: 6.4m tonnes, +11% YoY; c.62% of our full-year estimate) with ASPs slightly higher than benchmark prices (1H23 average: c.USD207/tonne) – this is thanks to the higher calorific value mix. Conversely, efforts continue to be rolled out to maintain the output at its gold mine (1H23: 110oz; -23% YoY). Despite this, this segment still acts as a cushion for UNTR's overall business, given the substantial average PBT margins of c.29% vs coal mining, HE, and mining contracting's c.34%, c.16%, and c.21%.
- **Downside risks** to our call are softening HE sales and an unprecedented downturn in coal prices. The main risk related to ESG is the probability of lower coal demand from renewable energy plants phasing out thermal-powered ones.
- **We have incorporated an ESG discount** of 4% to our valuation – based on our in-house methodology and country median score of 3.0. This allows us to derive our IDR29,000 TP. We retain our BUY call on UNTR.

#### Analyst

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#### Share Performance (%)

|                            | YTD             | 1m   | 3m    | 6m  | 12m    |
|----------------------------|-----------------|------|-------|-----|--------|
| Absolute                   | 2.2             | 14.5 | (7.8) | 4.2 | (14.9) |
| Relative                   | 1.5             | 10.9 | (7.6) | 4.2 | (14.1) |
| 52-wk Price low/high (IDR) | 22,225 – 35,500 |      |       |     |        |



Source: Bloomberg

| Forecasts and Valuation         | Dec-21   | Dec-22   | Dec-23F  | Dec-24F  | Dec-25F  |
|---------------------------------|----------|----------|----------|----------|----------|
| Total turnover (IDRb)           | 79,460   | 123,608  | 103,087  | 102,590  | 98,646   |
| Recurring net profit (IDRb)     | 10,280   | 21,005   | 15,917   | 14,282   | 11,293   |
| Recurring net profit growth (%) | 71.2     | 104.3    | (24.2)   | (10.3)   | (20.9)   |
| Recurring P/E (x)               | 9.67     | 4.73     | 6.25     | 6.96     | 8.80     |
| P/B (x)                         | 1.6      | 1.3      | 1.4      | 1.3      | 1.2      |
| P/CF (x)                        | 2.12     | 1.96     | 1.80     | 2.02     | 2.23     |
| Dividend Yield (%)              | 6.0      | 24.0     | 6.3      | 5.6      | 4.6      |
| EV/EBITDA (x)                   | 3.15     | 1.73     | 2.48     | 2.37     | 2.47     |
| Return on average equity (%)    | 17.3     | 29.5     | 21.2     | 19.0     | 13.8     |
| Net debt to equity (%)          | net cash | net cash | net cash | net cash | net cash |

Source: Company data, RHB

#### Overall ESG Score: 2.80 (out of 4)

##### E: GOOD

UNTR applies international standard ISO 14001: 2015 for environmental management systems, certified by an independent certification agency. It also applies the Astra Green Company practices of its parent company as a reference when implementing environmental impact management initiatives.

##### S: GOOD

UNTR is actively engaged in CSR activities. In 2020, it received a Padmamitra Award in the Disaster Fields category from the Ministry of Social Affairs and National Social Welfare CSR Forum.

##### G: GOOD

UNTR regularly conducts shareholders' meetings and ensures equal distribution of public information to all stakeholders. It has received numerous awards with regards its governance practices, one of them being Indonesia 2020 Best Rating on Governance Disclosures of Trading Sector, issued by Investor Magazine.

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## Financial Exhibits

|  |                                     |               |               |                |                |                |
|--|-------------------------------------|---------------|---------------|----------------|----------------|----------------|
| <b>Asia</b><br>Indonesia<br>Industrials<br><b>United Tractors</b><br>UNTR IJ<br>Buy  | <b>Financial summary (IDR)</b>      | <b>Dec-21</b> | <b>Dec-22</b> | <b>Dec-23F</b> | <b>Dec-24F</b> | <b>Dec-25F</b> |
|  | Recurring EPS                       | 2,755.85      | 5,631.19      | 4,267.03       | 3,828.91       | 3,027.50       |
|  | DPS                                 | 1,585.72      | 6,384.32      | 1,686.34       | 1,494.12       | 1,216.70       |
|  | BVPS                                | 17,066.18     | 21,174.77     | 19,057.49      | 21,200.05      | 22,733.43      |
|  | Return on average equity (%)        | 17.3          | 29.5          | 21.2           | 19.0           | 13.8           |
| <b>Valuation basis</b><br>DCF valuation with mid-term forecast horizon (four years)  | <b>Valuation metrics</b>            | <b>Dec-21</b> | <b>Dec-22</b> | <b>Dec-23F</b> | <b>Dec-24F</b> | <b>Dec-25F</b> |
|  | Recurring P/E (x)                   | 9.67          | 4.73          | 6.25           | 6.96           | 8.80           |
|  | P/B (x)                             | 1.6           | 1.3           | 1.4            | 1.3            | 1.2            |
|  | FCF Yield (%)                       | 44.1          | 41.3          | 40.8           | 37.4           | 33.5           |
|  | Dividend Yield (%)                  | 6.0           | 24.0          | 6.3            | 5.6            | 4.6            |
| <b>Key drivers</b><br>i. Increase in coal sales volumes;<br>ii. Increase in coal prices;<br>iii. Increase in coal-mining activities;<br>iv. Surge in gold prices.  | EV/EBITDA (x)                       | 3.15          | 1.73          | 2.48           | 2.37           | 2.47           |
|  | EV/EBIT (x)                         | 5.01          | 2.23          | 3.68           | 3.69           | 4.22           |
|  | <b>Income statement (IDRb)</b>      | <b>Dec-21</b> | <b>Dec-22</b> | <b>Dec-23F</b> | <b>Dec-24F</b> | <b>Dec-25F</b> |
|  | Total turnover                      | 79,460        | 123,608       | 103,087        | 102,590        | 98,646         |
|  | Gross profit                        | 19,664        | 34,759        | 26,191         | 24,412         | 20,061         |
| <b>Key risks</b><br>i. Softening HE sales;<br>ii. An unprecedented downturn in coal prices;<br>iii. The probability of lower coal demand from renewable energy plants phasing out thermal-powered ones.  | EBITDA                              | 23,640        | 37,573        | 30,456         | 29,149         | 25,602         |
|  | Depreciation and amortisation       | (8,765)       | (8,440)       | (9,986)        | (10,451)       | (10,621)       |
|  | Operating profit                    | 14,875        | 29,133        | 20,470         | 18,698         | 14,981         |
|  | Net interest                        | 118           | (1,758)       | (258)          | (357)          | (579)          |
|  | Pre-tax profit                      | 14,462        | 29,446        | 20,546         | 18,681         | 14,742         |
| <b>Company Profile</b><br>United Tractors distributes and leases construction machinery including the Komatsu, Nissan Diesel, Scania, Bomag, Valmet, and Tadano brands. The company also provides mining contracting services, and trades and assembles heavy equipment or HE. | Taxation                            | (3,854)       | (6,452)       | (4,931)        | (4,483)        | (3,538)        |
|  | Reported net profit                 | 10,280        | 21,005        | 15,917         | 14,282         | 11,293         |
|  | Recurring net profit                | 10,280        | 21,005        | 15,917         | 14,282         | 11,293         |
|  | <b>Cash flow (IDRb)</b>             | <b>Dec-21</b> | <b>Dec-22</b> | <b>Dec-23F</b> | <b>Dec-24F</b> | <b>Dec-25F</b> |
|  | Change in working capital           | 3,800         | (5,725)       | 2,126          | 185            | 638            |
| <b>Balance sheet (IDRb)</b>  | Cash flow from operations           | 46,989        | 50,781        | 55,120         | 49,326         | 44,585         |
|  | Capex                               | (3,139)       | (9,767)       | (14,607)       | (12,167)       | (11,250)       |
|  | Cash flow from investing activities | (3,159)       | (9,767)       | (14,607)       | (12,167)       | (11,250)       |
|  | Dividends paid                      | (3,013)       | (5,915)       | (23,814)       | (6,290)        | (5,573)        |
|  | Cash flow from financing activities | (1,085)       | 12,320        | (23,414)       | (5,890)        | (5,173)        |
| <b>Key metrics</b>   | Cash at beginning of period         | 20,499        | 33,322        | 45,082         | 34,788         | 41,564         |
|  | Net change in cash                  | 42,745        | 53,333        | 17,099         | 31,268         | 28,162         |
|  | Ending balance cash                 | 33,322        | 45,082        | 34,788         | 41,564         | 47,603         |
|  | <b>Balance sheet (IDRb)</b>         | <b>Dec-21</b> | <b>Dec-22</b> | <b>Dec-23F</b> | <b>Dec-24F</b> | <b>Dec-25F</b> |
|  | Total cash and equivalents          | 33,322        | 45,082        | 34,788         | 41,564         | 47,603         |
| <b>Key metrics</b>   | Tangible fixed assets               | 32,382        | 32,275        | 36,896         | 38,612         | 39,241         |
|  | Total investments                   | 4,057         | 4,057         | 4,057          | 4,057          | 4,057          |
|  | Total assets                        | 107,661       | 132,329       | 121,628        | 130,246        | 136,375        |
|  | Short-term debt                     | 6,205         | 6,005         | 5,905          | 5,805          | 5,705          |
|  | Total long-term debt                | 2,982         | 3,482         | 3,982          | 4,482          | 4,982          |
| <b>Key metrics</b>   | Total liabilities                   | 40,739        | 48,093        | 45,591         | 46,302         | 46,801         |
|  | Total equity                        | 66,922        | 84,236        | 76,037         | 83,944         | 89,575         |
|  | Total liabilities & equity          | 107,661       | 132,329       | 121,628        | 130,246        | 136,375        |
|  | <b>Key metrics</b>                  | <b>Dec-21</b> | <b>Dec-22</b> | <b>Dec-23F</b> | <b>Dec-24F</b> | <b>Dec-25F</b> |
|  | Revenue growth (%)                  | 31.7          | 55.6          | (16.6)         | (0.5)          | (3.8)          |
|  | Recurrent EPS growth (%)            | 71.2          | 104.3         | (24.2)         | (10.3)         | (20.9)         |
|  | Gross margin (%)                    | 24.7          | 28.1          | 25.4           | 23.8           | 20.3           |
|  | Operating EBITDA margin (%)         | 29.8          | 30.4          | 29.5           | 28.4           | 26.0           |
|  | Net profit margin (%)               | 12.9          | 17.0          | 15.4           | 13.9           | 11.4           |
|  | Dividend payout ratio (%)           | 57.5          | 113.4         | 39.5           | 39.0           | 40.2           |
|  | Capex/sales (%)                     | 4.0           | 7.9           | 14.2           | 11.9           | 11.4           |
|  | Interest cover (x)                  | 19.7          | 38.3          | 15.9           | 14.0           | 10.8           |

Source: Company data, RHB

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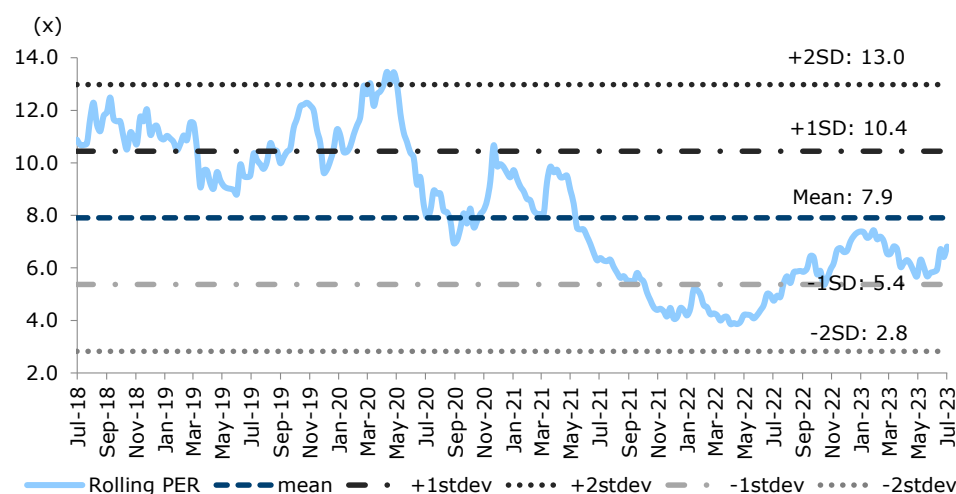
Industrials | Heavy Equipments

Figure 1: UNTR's 2Q23 results highlights

| (IDRbn)                       | 2Q22         | 1Q23         | 2Q23         | QoQ          | YoY          | 1H22          | 1H23          | YoY         | % FY23F RHB  | % FY23F consensus |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-------------|--------------|-------------------|
| Net revenue                   | 32,468       | 34,889       | 33,788       | -3.2%        | 4.1%         | 60,447        | 68,677        | 13.6%       | 66.6%        | 59.5%             |
| Gross profit                  | 9,474        | 8,672        | 9,996        | 15.3%        | 5.5%         | 16,511        | 18,668        | 13.1%       | 71.3%        | 63.9%             |
| EBIT                          | 8,338        | 7,209        | 8,446        | 17.2%        | 1.3%         | 14,222        | 15,655        | 10.1%       | 76.5%        | 68.1%             |
| <b>Net profit</b>             | <b>6,036</b> | <b>5,323</b> | <b>5,893</b> | <b>10.7%</b> | <b>-2.4%</b> | <b>10,357</b> | <b>11,216</b> | <b>8.3%</b> | <b>70.5%</b> | <b>63.6%</b>      |
| Margins:                      |              |              |              |              |              |               |               |             |              |                   |
| Gross                         | 29.2%        | 24.9%        | 29.6%        |              |              | 27.3%         | 27.2%         |             |              |                   |
| EBIT                          | 25.7%        | 20.7%        | 25.0%        |              |              | 23.5%         | 22.8%         |             |              |                   |
| Net                           | 18.6%        | 15.3%        | 17.4%        |              |              | 17.1%         | 16.3%         |             |              |                   |
| <b>Revenue breakdown:</b>     |              |              |              |              |              |               |               |             |              |                   |
| Cons. machinery               | 7,763        | 10,646       | 9,627        | -9.6%        | 24.0%        | 17,426        | 20,273        | 16.3%       |              |                   |
| Mining contracting            | 11,488       | 11,665       | 12,637       | 8.3%         | 10.0%        | 19,957        | 24,302        | 21.8%       |              |                   |
| Coal mining                   | 11,099       | 10,530       | 9,574        | -9.1%        | -13.7%       | 18,686        | 20,104        | 7.6%        |              |                   |
| Gold mining                   | 1,902        | 1,699        | 1,493        | -12.1%       | -21.5%       | 3,889         | 3,192         | -17.9%      |              |                   |
| Energy                        | 12           | 4            | 4            | 0.0%         | -66.4%       | 13            | 8             | -38.5%      |              |                   |
| Construction                  | 204          | 345          | 453          | 31.3%        | 121.6%       | 476           | 798           | 67.6%       |              |                   |
| <b>Revenue contribution</b>   |              |              |              |              |              |               |               |             |              |                   |
| Cons. machinery               | 23.9%        | 30.5%        | 28.5%        |              |              | 28.8%         | 29.5%         |             |              |                   |
| Mining contracting            | 35.4%        | 33.4%        | 37.4%        |              |              | 33.0%         | 35.4%         |             |              |                   |
| Coal mining                   | 34.2%        | 30.2%        | 28.3%        |              |              | 30.9%         | 29.3%         |             |              |                   |
| Gold mining                   | 5.9%         | 4.9%         | 4.4%         |              |              | 6.4%          | 4.6%          |             |              |                   |
| Energy                        | 0.0%         | 0.0%         | 0.0%         |              |              | 0.0%          | 0.01%         |             |              |                   |
| Construction                  | 0.6%         | 1.0%         | 1.3%         |              |              | 0.8%          | 1.2%          |             |              |                   |
| <b>Profit before tax:*</b>    |              |              |              |              |              |               |               |             |              |                   |
| Construction machinery        | 1,157        | 1,763        | 1,486        | -15.7%       | 28.5%        | 2,415         | 3,249         | 34.6%       |              |                   |
| Mining contracting            | 2,153        | 2,223        | 2,888        | 29.9%        | 34.1%        | 3,493         | 5,111         | 46.3%       |              |                   |
| Coal mining                   | 4,571        | 3,169        | 3,593        | 13.4%        | -21.4%       | 6,918         | 6,762         | -2.3%       |              |                   |
| Gold mining                   | 742          | 509          | 418          | -17.8%       | -43.6%       | 1,597         | 928           | -41.9%      |              |                   |
| Energy                        | 220          | 94           | 101          | 8.1%         | -53.9%       | 416           | 195           | -53.2%      |              |                   |
| Construction                  | (96)         | (32)         | (27)         | -15.2%       | -71.6%       | (122)         | (60)          | -51.2%      |              |                   |
| <b>PBT contribution (%):*</b> |              |              |              |              |              |               |               |             |              |                   |
| Construction machinery        | 13.2%        | 22.8%        | 17.6%        |              |              | 16.4%         | 20.1%         |             |              |                   |
| Mining contracting            | 24.6%        | 28.8%        | 34.1%        |              |              | 23.7%         | 31.6%         |             |              |                   |
| Coal mining                   | 52.3%        | 41.0%        | 42.5%        |              |              | 47.0%         | 41.8%         |             |              |                   |
| Gold mining                   | 8.5%         | 6.6%         | 4.9%         |              |              | 10.8%         | 5.7%          |             |              |                   |
| Energy                        | 2.5%         | 1.2%         | 1.2%         |              |              | 2.8%          | 1.2%          |             |              |                   |
| Construction                  | -1.1%        | -0.4%        | -0.3%        |              |              | -0.8%         | -0.4%         |             |              |                   |

Note: \*Gross figure excluding eliminations  
Source: Company data, RHB,

Figure 2: UNTR's 5-year average P/E band



Source: Company data, RHB

◆ UNTR is trading at around -0.5SD from its 5-year forward P/E band. This implies a c.8% upside to the P/E target, slightly below the mean line to the rolling-forward EPS

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Figure 3: UNTR's 2Q23 segmental performance

|                                | 2Q22   | 1Q23   | 2Q23   | QoQ    | YoY    | 1H22   | 1H23   | YoY    |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Construction machinery:</b> |        |        |        |        |        |        |        |        |
| Komatsu (IDRbn)                | 4,266  | 5,812  | 5,261  | -9.5%  | 23.3%  | 10,413 | 11,073 | 6.3%   |
| Parts and services (IDRbn)     | 2,409  | 2,992  | 2,962  | -1.0%  | 23.0%  | 4,821  | 5,954  | 23.5%  |
| Others (IDRbn)                 | 1,089  | 1,843  | 565    | -69.4% | -48.1% | 2,191  | 2,408  | 9.9%   |
| Total (IDRbn)                  | 7,764  | 10,647 | 8,788  | -17.5% | 13.2%  | 17,425 | 19,435 | 11.5%  |
| Revenue breakdown:             |        |        |        |        |        |        |        |        |
| Komatsu                        | 54.9%  | 54.6%  | 59.9%  |        |        | 59.8%  | 57.0%  |        |
| Parts and services             | 31.0%  | 28.1%  | 33.7%  |        |        | 27.7%  | 30.6%  |        |
| Others                         | 14.0%  | 17.3%  | 6.4%   |        |        | 12.6%  | 12.4%  |        |
| Komatsu sales volume (units)   | 1,179  | 1,791  | 1,354  | -24.4% | 14.8%  | 2,873  | 3,145  | 9.5%   |
| ASP (IDRbn/units)              | 3.6    | 3.2    | 3.9    | 19.7%  | 7.4%   | 3.6    | 3.5    | -2.9%  |
| Industry sales volume (units)  | 4,419  | 5,597  | 4,231  | -24.4% | -4.3%  | 10,261 | 9,828  | -4.2%  |
| Market share                   | 26.7%  | 32.0%  | 32.0%  |        |        | 28.0%  | 32.0%  |        |
| <b>Mining contracting:</b>     |        |        |        |        |        |        |        |        |
| OB removal volume (m bcm)      | 229    | 246    | 278    | 13.3%  | 21.4%  | 437    | 524    | 20.0%  |
| Coal production (m tonnes)     | 27     | 27     | 32     | 20.6%  | 21.5%  | 50     | 59     | 16.9%  |
| Stripping ratio (x)            | 8.7    | 9.2    | 8.6    | -6.0%  | -0.1%  | 8.7    | 8.9    | 2.7%   |
| <b>Coal mining:</b>            |        |        |        |        |        |        |        |        |
| Coal sales volume              | 2.86   | 2.98   | 3.45   | 16.0%  | 20.6%  | 5.8    | 6.4    | 10.7%  |
| ASP (IDRk/tonne)               | 3,878  | 3,536  | 2,773  | -21.6% | -28.5% | 3,217  | 3,126  | -2.8%  |
| ASP (USD/tonne)                | 266.30 | 232.14 | 186.55 | -19.6% | -29.9% | 224.1  | 207.7  | -7.3%  |
| Newcastle price (USD/tonne)    | 364.17 | 255.06 | 162.29 | -36.4% | -55.4% | 364.2  | 208.1  | -42.9% |
| <b>Gold mining:</b>            |        |        |        |        |        |        |        |        |
| Gold sales volume (k oz)       | 69.0   | 59.0   | 51.0   | -13.6% | -26.1% | 143    | 110    | -23.1% |
| ASP (USD/oz)                   | 1,892  | 1,890  | 1,977  | 4.6%   | 4.5%   | 1,894  | 1,928  | 1.8%   |

Source: Company data, RHB

Figure 4: UNTR's operational statistics for June

|   | Jun-22       | May-23       | Jun-23       | % MoM       | % YoY       | 1H22         | 1H23         | % YoY       | % FY23F    |
|---|--------------|--------------|--------------|-------------|-------------|--------------|--------------|-------------|------------|
| <b>UNTR's HE sales (Komatsu):</b>         |              |              |              |             |             |              |              |             |            |
| Mining                                    | 274          | 326          | 286          | -12%        | 4%          | 1,706        | 1,982        | 16%         |            |
| Forestry                                  | 71           | 111          | 57           | -48%        | -19%        | 324          | 445          | 37%         |            |
| Construction                              | 95           | 72           | 95           | 32%         | 1%          | 573          | 481          | -16%        |            |
| Agro                                      | 33           | 44           | 38           | -14%        | 15%         | 269          | 236          | -12%        |            |
| <b>Total</b>                              | <b>473</b>   | <b>553</b>   | <b>476</b>   | <b>-14%</b> | <b>1%</b>   | <b>2,873</b> | <b>3,145</b> | <b>9%</b>   | <b>57%</b> |
| Contribution per sector                   |              |              |              |             |             |              |              |             |            |
| Mining                                    | 58%          | 59%          | 60%          |             |             | 59%          | 63%          |             |            |
| Forestry                                  | 15%          | 20%          | 12%          |             |             | 11%          | 14%          |             |            |
| Construction                              | 20%          | 13%          | 20%          |             |             | 20%          | 15%          |             |            |
| Agro                                      | 7%           | 8%           | 8%           |             |             | 9%           | 8%           |             |            |
| Industry sales volume                     | 1,689        | 1,728        | 1,488        | -14%        | -12%        | 10,261       | 9,828        | -4%         | 49%        |
| <b>UNTR's market share</b>                | <b>28%</b>   | <b>32%</b>   | <b>32%</b>   |             |             | <b>28%</b>   | <b>32%</b>   |             |            |
| <b>Mining contracting (Pama Persada):</b> |              |              |              |             |             |              |              |             |            |
| <b>OB removal (m bcm)</b>                 | <b>82.4</b>  | <b>93.5</b>  | <b>97.7</b>  | <b>4%</b>   | <b>19%</b>  | <b>436.9</b> | <b>524.1</b> | <b>20%</b>  | <b>52%</b> |
| <b>Coal production (m tonnes)</b>         | <b>9.8</b>   | <b>10.8</b>  | <b>11.2</b>  | <b>4%</b>   | <b>14%</b>  | <b>50.2</b>  | <b>59.0</b>  | <b>18%</b>  | <b>49%</b> |
| Stripping ratio (x)                       | 8.4          | 8.7          | 8.7          | 1%          | 4%          | 8.7          | 8.9          | 2%          |            |
| <b>Coal mining:</b>                       |              |              |              |             |             |              |              |             |            |
| <b>Coal sales (m tonnes)</b>              | <b>0.666</b> | <b>0.947</b> | <b>1.190</b> | <b>26%</b>  | <b>79%</b>  | <b>5.8</b>   | <b>6.4</b>   | <b>11%</b>  | <b>62%</b> |
| Newcastle coal prices (USD/tonne)         | 395.1        | 164.5        | 130.9        | -20%        | -67%        | 315.1        | 208.1        | -34%        |            |
| <b>Gold mining:</b>                       |              |              |              |             |             |              |              |             |            |
| <b>Gold sales ('000oz)</b>                | <b>23</b>    | <b>16</b>    | <b>17</b>    | <b>6%</b>   | <b>-26%</b> | <b>143.0</b> | <b>110.0</b> | <b>-23%</b> | <b>79%</b> |

Source: Company data, RHB

31 July 2023

Industrials | Heavy Equipments

## Recommendation Chart

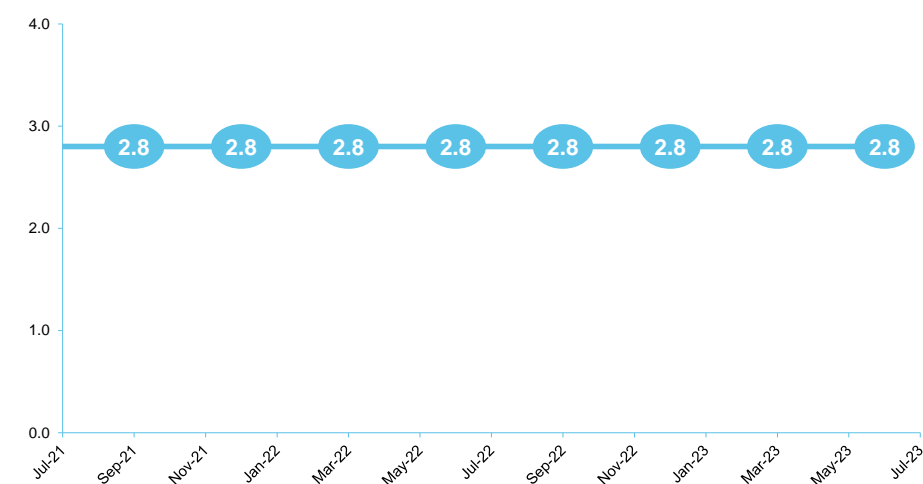


Source: RHB, Bloomberg

| Date       | Recommendation | Target Price | Price  |
|------------|----------------|--------------|--------|
| 2023-05-30 | Buy            | 29,000       | 22,500 |
| 2023-02-28 | Buy            | 32,600       | 27,900 |
| 2022-11-23 | Buy            | 38,000       | 29,625 |
| 2022-09-22 | Buy            | 42,700       | 35,100 |
| 2022-09-08 | Buy            | 42,500       | 34,400 |
| 2022-05-27 | Buy            | 34,700       | 30,400 |
| 2022-03-01 | Buy            | 31,400       | 24,850 |
| 2021-10-12 | Buy            | 29,400       | 26,275 |
| 2021-09-27 | Buy            | 27,700       | 22,875 |
| 2021-04-22 | Buy            | 29,800       | 21,550 |
| 2021-02-26 | Buy            | 35,000       | 22,550 |
| 2020-12-10 | Buy            | 35,000       | 26,025 |
| 2020-11-25 | Buy            | 27,500       | 24,225 |
| 2020-08-27 | Buy            | 25,000       | 23,525 |
| 2020-07-27 | Buy            | 25,000       | 21,000 |

Source: RHB, Bloomberg

## ESG Rating History



Source: RHB

## RHB Guide to Investment Ratings

|                     |  |
|---------------------|--|
| <b>Buy:</b>         | Share price may exceed 10% over the next 12 months   |
| <b>Trading Buy:</b> | Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain |
| <b>Neutral:</b>     | Share price may fall within the range of +/- 10% over the next 12 months                         |
| <b>Take Profit:</b> | Target price has been attained. Look to accumulate at lower levels                               |
| <b>Sell:</b>        | Share price may fall by more than 10% over the next 12 months                                    |
| <b>Not Rated:</b>   | Stock is not within regular research coverage  |

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