

# United Tractors (UNTR.IJ)

## Capex cycle peaked

### Maintain HOLD with higher TP of IDR32,000

We raise our TP by 12.3% to IDR32,000 as we adjust our FY22E/23E EPS by 15.3%/15.6% but maintain HOLD on UNTR as we see limited upside on the stock. We believe the heavy capex cycle has passed, and earnings growth will turn negative in FY23E-25E (-19% CAGR). We also see risk for UNTR if the new proposed levy schemes are implemented. We prefer Bukit Asam (PTBA, CP IDR4,160, BUY, TP IDR5,200) due to its large domestic exposure.

### Stronger-than-expected performance in coal

We revise up our FY22E/23E sales forecast by 9.5%/11.9% to IDR114.5t/IDR98.6t, driven by upward revision in the coal mining segment by 25.4%/42.2% (28% of FY22F sales) as we increase our coal price assumptions to USD350/250 per tonne from USD250/USD150. We also raise FY22E/23E Komatsu volume to 5,500/4,500 tonnes from 4,800/4,000, and PAMA overburden volume by +3.4%/+2.8%, due to: 1) higher backlog demand for Komatsu; and 2) stronger-than-expected PAMA volume YTD.

### Raising FY22E/23E EPS by 15.3%/15.6%

Our revised: 1) coal price assumptions; and 2) PAMA/Komatsu volume raise our FY22E/23E earnings projection by 15.3%/15.6% to IDR19.3t/IDR15.0t. Our new estimates factor in higher EBIT margin of 23.8% (+340bps) for FY22E and 20.8% (+230bps) for FY23E. Nonetheless, as we expect coal price to normalize in the coming years, we forecast NPAT to decline by 19% CAGR in FY23E-25E.

### Possible impact from the new proposed levy schemes

The government's plan to collect levies to compensate miners who supply to PLN should negatively impact TTA (UNTR's coal mining business) as the majority of its volume is exported (93%). We have not factored in the new levy schemes, but our sensitivity analysis suggest UNTR's FY23E NPAT would decline by 10%, if the proposed levy scheme is implemented.

FYE Dec (IDR b)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	60,347	79,461	114,469	98,649	88,841
EBITDA	17,666	22,962	36,947	30,010	25,272
Core net profit	6,003	10,280	19,298	14,952	11,875
Core EPS (IDR)	1,609	2,756	5,173	4,008	3,183
Core EPS growth (%)	(46.9)	71.2	87.7	(22.5)	(20.6)
Net DPS (IDR)	518	1,493	2,328	1,804	1,433
Core P/E (x)	16.5	8.0	6.4	8.2	10.4
P/BV (x)	1.6	1.2	1.5	1.4	1.3
Net dividend yield (%)	1.9	6.7	7.1	5.5	4.3
ROAE (%)	10.1	16.0	25.4	17.3	12.9
ROAA (%)	5.7	9.7	15.6	11.0	8.6
EV/EBITDA (x)	5.2	2.6	2.5	2.8	2.9
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	19,793	16,680	14,053
MKE vs. Consensus (%)	-	-	(2.5)	(10.4)	(15.5)

Richard Suherman  
 richard.suherman@maybank.com  
 (62) 21 8066 8691

# HOLD

Share Price	IDR 33,000
12m Price Target	IDR 32,000 (+2%)
Previous Price Target	IDR 28,500

### Company Description

United Tractors operates in five industries: construction machinery, contract mining, coal mining, gold mining and construction.

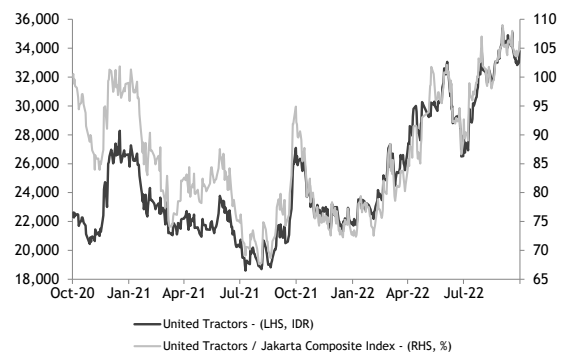
### Statistics

52w high/low (IDR)	35,500/21,300
3m avg turnover (USDm)	12.0
Free float (%)	40.5
Issued shares (m)	3,730
Market capitalisation	IDR123.1T USD8.1B

### Major shareholders:

PT Astra International Tbk.	59.5%
-----------------------------	-------

### Price Performance



	-1M	-3M	-12M
Absolute (%)	(3)	24	22
Relative to index (%)	(1)	17	9

Source: FactSet

### Link to sector note:

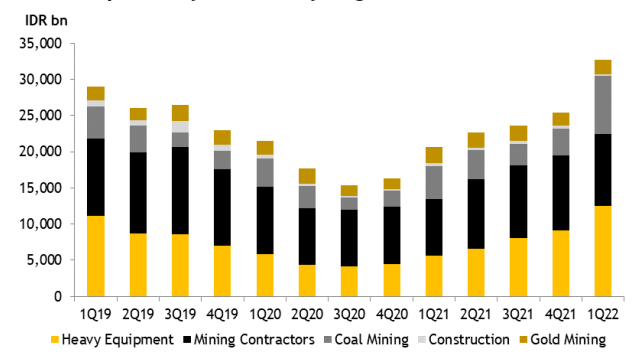
[Indonesia Coal - Higher for a while | NEUTRAL](#)

**ESG@MAYBANK IBG**  
 Tear Sheet Insert

## Value Proposition

- UNTR is a well-diversified company in the commodities sector, with four strong business pillars: heavy equipment, mining contractor, coal mining and construction.
- UNTR, through its subsidiary (PAMA), is the largest third-party coal mining contractor in Indonesia with 16% market share.
- UNTR manages distributorship of Komatsu equipment in Indonesia with a strong presence in the mining sector.
- UNTR's latest acquisition in the gold mining segment, Martabe, has helped the company to diversify its earnings from coal price volatility.

### UNTR's quarterly EBITDA by segments

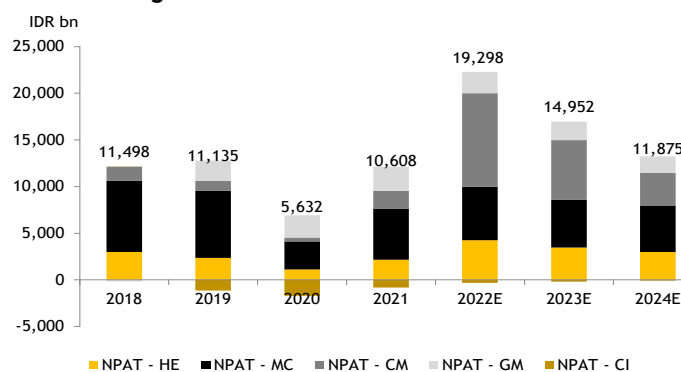


Source: Company

## Financial Metrics

- Forecast core earnings to grow 82% YoY in FY22 on the back of higher volumes and margin improvements.
- Prolonged weak economy and collapse in commodity prices are the main risks to our forecasts.
- Sustained strong balance sheet with net cash position, enabling 45% dividend payout ratio.

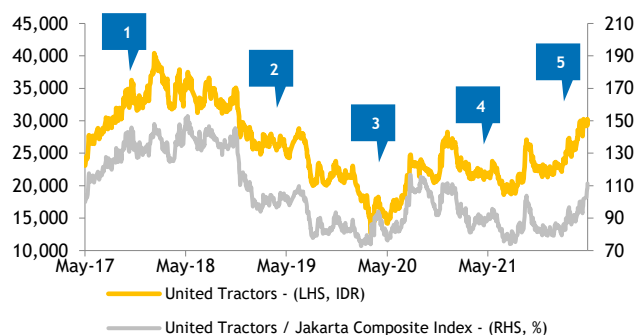
### UNTR earnings forecasts



Source: Company

## Price Drivers

### Historical share price trend



Source: Company, Maybank IBG Research

- Coal prices surged due to higher demand from China and India, and supply constraints in Australia.
- Coal prices declined due to weak China demand.
- Global coal prices fell due to Covid-19, which affected demand for electricity and coal.
- News of PAMA losing one of its major clients.
- Russia-Ukraine war has caused global commodity prices to surge, including coal.

## Swing Factors

### Upside

- Sustainably strong coal prices enabling PAMA to raise contract-mining fees.
- Expanding contract-mining volume and market share.
- Diversification into non-coal mining and infrastructure, which could lower earnings dependence on coal.

### Downside

- Decline in commodity prices, putting pressure on margins.
- Innovations by coal companies to delay replacement of heavy equipment.
- Diversification into infrastructure requires much capital and takes longer to complete.

[richard.suherman@maybank.com](mailto:richard.suherman@maybank.com)

# ESG@MAYBANK IBG

richard.suherman@maybank.com

Risk Rating & Score <sup>1</sup>	Severe risk (41.3)
Score Momentum <sup>2</sup>	+5.2
Last Updated	14 Dec 2021
Controversy Score <sup>3</sup> (Updated: 13 Dec 2021)	2

## Business Model & Industry Issues

- The structural shift in energy consumption worldwide from fossil fuels to renewable energy is negative for coal demand in the long term and stock valuations. Although UNTR has committed to diversify its operation, coal remains a big part of the company's earnings.
- UNTR has made progress to reduce its reliance on thermal coal by investing in construction and gold mining. Management indicated its interest to invest in renewable energy and other sectors beyond thermal. Although we think it will take time for these to show results, we think this should partially offset investors' negative sentiment on the coal sector, which should be positive for valuation over the long term.
- UNTR has good relationships not only with its employees, but also with its surrounding communities, to some extent balancing the negative impact of its operations.

### Material E issues

- UNTR's environmental management covers three aspects: reduction of the use of natural resources and improvement of energy efficiency, reduction of waste, emission and greenhouse gas, and waste management programme. Since 2014 these three areas have shown improving trends.
- UNTR has ISO 14001-2015 accreditation for environmental management. It also won the Green PROPER award (the second highest) for environmental management from the Ministry of Environment and Forestry in 2019, suggesting that UNTR's environmental practices are higher than requirement.
- UNTR has taken strategic initiatives to transition towards renewable energy by building a 2.4 MWp rooftop solar PV and a 0.5-MW PLTMH renewable energy plant.

### Material S issues

- All operational activities, especially mining operations and construction industry, must meet the principles of Occupational Health and Safety (OHS) excellence.
- One of the OHS objectives is to achieve Zero Lost Time Injury in all operating areas. In 2021, occupational Accident Frequency Rate was 0.006 from 0.08 in 2020. The overall accident severity rate decreased from 1.1 in 2020 to 0.8 in 2021.
- At the end of 2021, c.95% of employees were male, 5% were female.
- In 2019, UNTR budgeted IDR153b (1.4% of earnings) for CSR initiatives, relating to programmes in community economic empowerment, education, environment, health, disaster response, employee welfare and donations to support other social activities.

### Key G metrics and issues

- The major shareholder is Astra International (ASII IJ; 59.5%), which is owned by Jardine Cycle & Carriage (50.1%).
- Shareholder meeting is the company's highest decision-making body.
- Meanwhile, the Board of Commissioners (BoC), which supervises the board of directors (BoD), consists of six members (all male; 33% of them are independent commissioners). In carrying out its supervisory duties, the BoC is assisted by the audit committee and the nomination and remuneration committee.
- There are no BoC members sitting on the BoD, and vice versa. The BoD consists of six members (no female).
- Based on FY21 financial statement, UNTR shares held by BoC and BoD members are negligible.
- In FY21, total compensation to key management personnel was equivalent to c.1.9% of earnings. Around 92% was for short-term benefits and 8% was for long-term and post-employment benefits.
- UNTR acquired several greenfield coal assets during the last coal price peak. UNTR has impaired those assets due to their lack of economic viability.
- PwC has been the auditor of the company for more than 10 years.

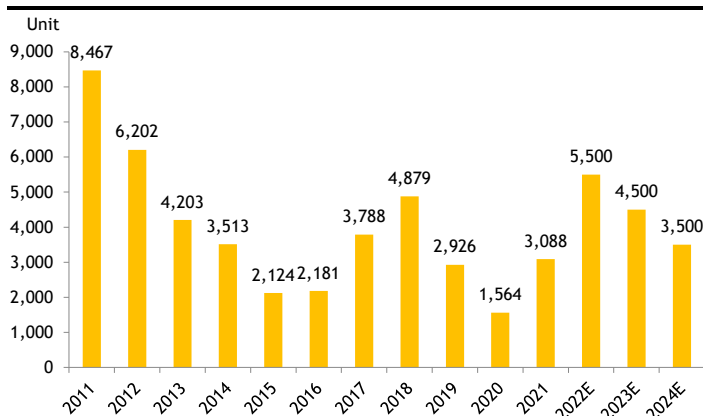
<sup>1</sup>**Risk Rating & Score** - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. <sup>2</sup>**Score Momentum** - indicates changes to the company's score since the last update - a **negative** integer indicates a company's improving risk score; a **positive** integer indicates a deterioration. <sup>3</sup>**Controversy Score** - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

Fig 1: Earnings revisions

	Unit	Old forecast			New forecast			Changes		
		2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
<b>Assumptions</b>										
Newcastle coal price	USD/t	250	150	100	350	250	150	40.0%	66.7%	50.0%
Oil price	USD/bbl	100	80	60	100	80	60	0.0%	0.0%	0.0%
Gold price	USD/oz	1,700	1,600	1,500	1,700	1,600	1,500	0.0%	0.0%	0.0%
<b>Operational volume</b>										
Heavy Equipment - Komatsu	Unit	4,800	4,000	3,000	5,500	4,500	3,500	14.6%	12.5%	16.7%
Mining Contractors - PAMA OB	Mbcm	890	847	824	920	870	857	3.4%	2.8%	4.0%
Mining Contractors - PAMA coal	Mt	102	102	103	112	109	110	9.7%	6.7%	6.7%
Mining Contractors - PAMA SR	x	8.7	8.3	8.0	8.2	8.0	7.8	-5.7%	-3.6%	-2.5%
Coal Mining - TTA Coal production	Kt	9,500	9,500	9,500	9,500	9,500	9,500	0.0%	0.0%	0.0%
Gold Mining - Production	'000 Oz	290	270	250	290	270	250	0.0%	0.0%	0.0%
<b>P&amp;L</b>										
Revenue	IDR b	104,561	88,177	80,901	114,469	98,649	88,841	9.5%	11.9%	9.8%
- Heavy equipment	IDR b	34,624	29,896	27,908	36,846	32,435	30,775	6.4%	8.5%	10.3%
- Mining contractors	IDR b	35,859	34,110	33,436	37,069	35,069	34,773	3.4%	2.8%	4.0%
- Coal mining	IDR b	25,532	16,511	12,597	32,008	23,485	16,333	25.4%	42.2%	29.7%
- Gold mining	IDR b	7,412	6,568	5,776	7,412	6,568	5,776	0.0%	0.0%	0.0%
- Construction industry	IDR b	1,134	1,091	1,184	1,134	1,091	1,184	0.0%	0.0%	0.0%
Gross Profit	IDR b	26,939	21,102	17,855	32,662	25,606	20,898	21.2%	21.3%	17.0%
EBIT	IDR b	21,386	16,374	13,158	27,249	20,564	15,818	27.4%	25.6%	20.2%
Net profit	IDR b	16,740	12,933	10,487	19,298	14,952	11,875	15.3%	15.6%	13.2%
<b>Margins</b>										
Gross margin	%	25.8%	23.9%	22.1%	28.5%	26.0%	23.5%			
EBIT margin	%	20.5%	18.6%	16.3%	23.8%	20.8%	17.8%			
Net Margin	%	16.0%	14.7%	13.0%	16.9%	15.2%	13.4%			

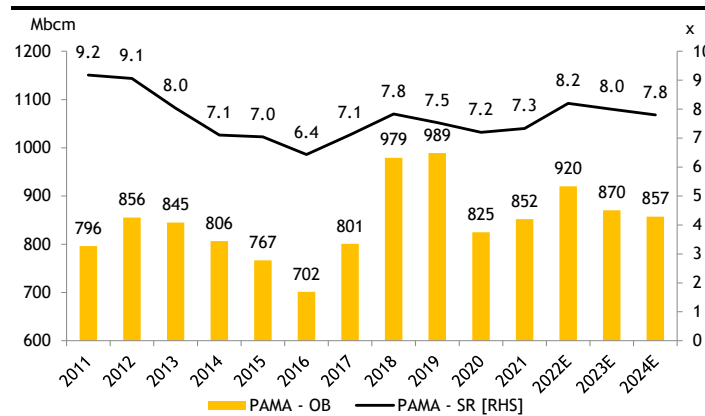
Source: Maybank IBG Research

Fig 2: Komatsu's sales volume



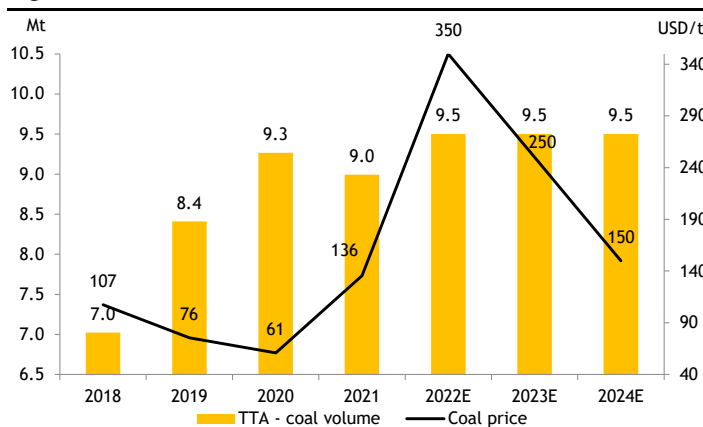
Source: Company, Maybank IBG Research

Fig 3: PAMA's operating volume



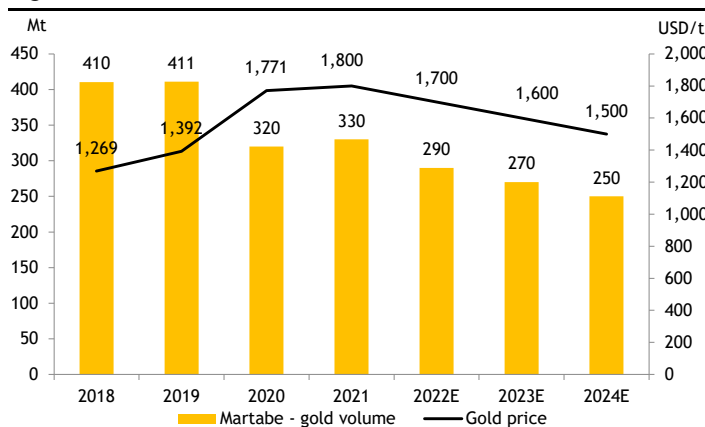
Source: Company, Maybank IBG Research

Fig 4: TTA's sales volume



Source: Company, Maybank IBG Research

Fig 5: Martabe's sales volume



Source: Company, Maybank IBG Research

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Key Metrics</b>					
P/E (reported) (x)	12.4	8.1	6.4	8.2	10.4
Core P/E (x)	16.5	8.0	6.4	8.2	10.4
P/BV (x)	1.6	1.2	1.5	1.4	1.3
P/NTA (x)	1.6	1.2	1.5	1.4	1.3
Net dividend yield (%)	1.9	6.7	7.1	5.5	4.3
FCF yield (%)	15.6	24.1	11.7	13.8	12.0
EV/EBITDA (x)	5.2	2.6	2.5	2.8	2.9
EV/EBIT (x)	12.4	4.4	3.4	4.0	4.7
<b>INCOME STATEMENT (IDR b)</b>					
Revenue	60,346.8	79,460.5	114,468.6	98,649.4	88,840.9
EBITDA	17,666.2	22,962.3	36,946.9	30,009.7	25,272.2
Depreciation	(10,196.3)	(9,067.0)	(9,697.6)	(9,445.9)	(9,454.5)
EBIT	7,469.9	13,895.3	27,249.3	20,563.8	15,817.7
Net interest income / (exp)	(781.4)	117.8	267.5	236.9	159.3
Associates & JV	322.6	449.1	471.6	495.1	519.9
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	7,011.2	14,462.3	27,988.4	21,295.8	16,496.9
Income tax	(1,378.8)	(3,854.0)	(6,831.8)	(5,163.6)	(3,977.2)
Minorities	370.8	(328.6)	(1,859.0)	(1,180.1)	(644.8)
Reported net profit	6,003.2	10,279.7	19,297.5	14,952.1	11,874.8
Core net profit	6,003.2	10,279.7	19,297.5	14,952.1	11,874.8
<b>BALANCE SHEET (IDR b)</b>					
Cash & Short Term Investments	20,498.6	33,321.7	39,554.1	48,414.9	56,616.8
Accounts receivable	12,006.0	14,019.5	24,245.8	19,308.8	17,293.7
Inventory	8,002.4	9,454.0	10,417.6	9,226.1	8,439.2
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	24,319.4	20,456.7	22,359.1	22,193.2	21,198.2
Intangible assets	2,504.7	2,427.5	2,427.5	2,427.5	2,427.5
Investment in Associates & JVs	1,375.4	2,517.3	2,643.2	2,775.4	2,914.1
Other assets	31,094.7	30,364.6	33,736.9	31,646.9	30,203.6
<b>Total assets</b>	<b>99,801.0</b>	<b>112,561.4</b>	<b>135,384.2</b>	<b>135,992.8</b>	<b>139,093.1</b>
ST interest bearing debt	3,164.8	5,525.5	2,872.9	3,283.9	3,376.8
Accounts payable	10,272.6	14,518.0	21,557.4	17,609.0	16,926.5
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	7,757.8	2,497.1	4,309.4	4,925.8	5,065.3
Other liabilities	15,459.0	18,198.0	22,009.0	20,451.0	19,499.0
<b>Total Liabilities</b>	<b>36,653.8</b>	<b>40,738.6</b>	<b>50,748.8</b>	<b>46,269.2</b>	<b>44,867.9</b>
Shareholders Equity	60,286.4	68,559.9	83,231.6	89,499.8	94,646.2
Minority Interest	2,860.8	3,262.8	1,403.8	223.7	(421.1)
<b>Total shareholder equity</b>	<b>63,147.2</b>	<b>71,822.8</b>	<b>84,635.4</b>	<b>89,723.6</b>	<b>94,225.1</b>
<b>Total liabilities and equity</b>	<b>99,801.0</b>	<b>112,561.4</b>	<b>135,384.2</b>	<b>135,992.8</b>	<b>139,093.1</b>
<b>CASH FLOW (IDR b)</b>					
Pretax profit	7,011.2	14,462.3	27,988.4	21,295.8	16,496.9
Depreciation & amortisation	10,196.3	9,067.0	9,697.6	9,445.9	9,454.5
Adj net interest (income)/exp	(781.4)	117.8	267.5	236.9	159.3
Change in working capital	2,325.5	780.2	(4,150.5)	2,180.2	2,119.5
Cash taxes paid	(1,378.8)	(3,854.0)	(6,831.8)	(5,163.6)	(3,977.2)
Other operating cash flow	370.8	(328.6)	(1,859.0)	(1,180.1)	(644.8)
Cash flow from operations	18,557.1	23,284.9	25,965.9	26,213.4	23,272.9
Capex	(3,097.8)	(3,375.9)	(11,600.0)	(9,280.0)	(8,459.5)
Free cash flow	15,459.3	19,909.0	14,365.9	16,933.4	14,813.4
Dividends paid	(3,640.6)	(3,252.4)	(4,625.9)	(8,683.9)	(6,728.5)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(2,939.9)	(2,900.0)	(840.3)	1,027.4	232.5
Other invest/financing cash flow	(750.3)	(1,050.6)	(2,667.3)	(416.0)	(115.5)
Effect of exch rate changes	279.4	117.1	0.0	0.0	0.0
Net cash flow	8,407.9	12,823.2	6,232.4	8,860.8	8,201.9

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Key Ratios</b>					
<b>Growth ratios (%)</b>					
Revenue growth	(28.5)	31.7	44.1	(13.8)	(9.9)
EBITDA growth	(30.9)	30.0	60.9	(18.8)	(15.8)
EBIT growth	(55.5)	86.0	96.1	(24.5)	(23.1)
Pretax growth	(54.7)	106.3	93.5	(23.9)	(22.5)
Reported net profit growth	(46.9)	71.2	87.7	(22.5)	(20.6)
Core net profit growth	(46.9)	71.2	87.7	(22.5)	(20.6)
<b>Profitability ratios (%)</b>					
EBITDA margin	29.3	28.9	32.3	30.4	28.4
EBIT margin	12.4	17.5	23.8	20.8	17.8
Pretax profit margin	11.6	18.2	24.5	21.6	18.6
Payout ratio	32.2	54.2	45.0	45.0	45.0
<b>DuPont analysis</b>					
Net profit margin (%)	9.9	12.9	16.9	15.2	13.4
Revenue/Assets (x)	0.6	0.7	0.8	0.7	0.6
Assets/Equity (x)	1.7	1.6	1.6	1.5	1.5
ROAE (%)	10.1	16.0	25.4	17.3	12.9
ROAA (%)	5.7	9.7	15.6	11.0	8.6
<b>Liquidity &amp; Efficiency</b>					
Cash conversion cycle	55.1	36.9	24.5	31.4	29.5
Days receivable outstanding	101.3	59.0	60.2	79.5	74.2
Days inventory outstanding	72.3	52.5	43.7	48.4	46.8
Days payables outstanding	118.5	74.6	79.4	96.5	91.5
Dividend cover (x)	3.1	1.8	2.2	2.2	2.2
Current ratio (x)	2.1	2.0	2.1	2.5	2.7
<b>Leverage &amp; Expense Analysis</b>					
Asset/Liability (x)	2.7	2.8	2.7	2.9	3.1
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	9.6	na	na	na	na
Debt/EBITDA (x)	0.6	0.3	0.2	0.3	0.3
Capex/revenue (%)	5.1	4.2	10.1	9.4	9.5
Net debt/ (net cash)	(9,576.0)	(25,299.1)	(32,371.8)	(40,205.3)	(48,174.7)

Source: Company; Maybank IBG Research

## Research Offices

### ECONOMICS

**Suhaimi ILIAS**  
 Chief Economist  
 Malaysia | Philippines | Global  
 (603) 2297 8682  
 suhaimi\_ilias@maybank-ib.com

**CHUA Hak Bin**  
 Regional Thematic Macroeconomist  
 (65) 6231 5830  
 chuahb@maybank.com

**LEE Ju Ye**  
 Singapore | Thailand | Indonesia  
 (65) 6231 5844  
 leejuye@maybank.com

**Dr Zamros DZULKAFI**  
 (603) 2082 6818  
 zamros.d@maybank-ib.com

**Fatin Nabila MOHD ZAINI**  
 (603) 2297 8685  
 fatinnabila.mohdzaini@maybank-ib.com

**Brian LEE Shun Rong**  
 (65) 6231 5846  
 brian.lee1@maybank.com

**Luong Thu Huong**  
 (65) 6231 8467  
 hana.thuluong @maybank.com

### FX

**Saktiandi SUPAAT**  
 Head of FX Research  
 (65) 6320 1379  
 saktiandi@maybank.com.sg

**TAN Yanxi**  
 (65) 6320 1378  
 tanyx@maybank.com.sg

**Fiona LIM**  
 (65) 6320 1374  
 fionalim@maybank.com.sg

### STRATEGY

**Anand PATHMAKANTHAN**  
 ASEAN  
 (603) 2297 8783  
 anand.pathmakanthan@maybank-ib.com

### FIXED INCOME

**Winson PHOON, CFA**  
 Head of Fixed Income  
 (65) 6340 1079  
 winsonphoon@maybank.com

**SE THO Mun Yi, CFA**  
 (603) 2074 7606  
 munyi.st@maybank-ib.com

### PORTFOLIO STRATEGY

**CHAN Han Chin**  
 (603) 2297 8888  
 hanchin.chan@maybank-ib.com

**ONG Seng Yeow**  
 (65) 6231 5839  
 ongsengyeow@maybank.com

### MIBG SUSTAINABILITY RESEARCH

**Jigar SHAH**  
 Head of Sustainability Research  
 (91) 22 4223 2632  
 jigars@maybank.com

**Neerav DALAL**  
 (91) 22 4223 2606  
 neerav@maybank.com

### REGIONAL EQUITIES

**Anand PATHMAKANTHAN**  
 Head of Regional Equity Research  
 (603) 2297 8783  
 anand.pathmakanthan@maybank-ib.com

**WONG Chew Hann, CA**  
 Head of ASEAN Equity Research  
 (603) 2297 8686  
 wchewh@maybank-ib.com

### MALAYSIA

**Anand PATHMAKANTHAN** *Head of Research*  
 (603) 2297 8783  
 anand.pathmakanthan@maybank-ib.com  
 • Strategy

**WONG Chew Hann, CA**  
 (603) 2297 8686  
 wchewh@maybank-ib.com  
 • Non-Bank Financials (stock exchange)  
 • Construction & Infrastructure

**Desmond CH'NG, BFP, CFA**  
 (603) 2297 8680  
 desmond.chng@maybank-ib.com  
 • Banking & Finance

**LIAW Thong Jung**  
 (603) 2297 8688 tjliaw@maybank-ib.com  
 • Oil & Gas Services- Regional  
 • Automotive

**ONG Chee Ting, CA**  
 (603) 2297 8678 ct.ong@maybank-ib.com  
 • Plantations - Regional

**YIN Shao Yang, CPA**  
 (603) 2297 8916 samuel.y@maybank-ib.com  
 • Gaming - Regional  
 • Media • Aviation • Non-Bank Financials

**TAN Chi Wei, CFA**  
 (603) 2297 8690 chiwei.t@maybank-ib.com  
 • Power • Telcos

**WONG Wei Sum, CFA**  
 (603) 2297 8679 weisum@maybank-ib.com  
 • Property • Glove

**Jade TAM**  
 (603) 2297 8687 jade.tam@maybank-ib.com  
 • Consumer Staples & Discretionary

**Nur Farah SYIFAA**  
 (603) 2297 8675  
 nurfarahsyifaa.mohamadfuad@maybank-ib.com  
 • Renewable Energy • REITs

**Arvind JAYARATNAM**  
 (603) 2297 8692  
 arvind.jayaratnam@maybank.com  
 • Petrochemicals • Technology

**Shafiq KADIR, CFA**  
 (603) 2297 8691  
 msshafiqk.abkadir@maybank-ib.com  
 • Healthcare • Software

**LOH Yan Jin**  
 (603) 2297 8687  
 lohyanjin.loh@maybank-ib.com  
 • Ports • Shipping

**Eugene HOO Yee Hui**  
 (603) 2082 6819  
 eugene.hoo@maybank.com

**TEE Sze Chiah** *Head of Retail Research*  
 (603) 2082 6858 szechiah.t@maybank-ib.com  
 • Retail Research

**Nik Ihsan RAJA ABDULLAH, MSTA, CFTe**  
 (603) 2297 8694  
 nikmohdihsan.ra@maybank-ib.com  
 • Chartist

**Amirah AZMI**  
 (603) 2082 8769 amirah.azmi@maybank-ib.com  
 • Retail Research

### SINGAPORE

**Thilan WICKRAMASINGHE** *Head of Research*  
 (65) 6231 5840 thilanw@maybank.com  
 • Banking & Finance - Regional  
 • Consumer

**CHUA Su Tye**  
 (65) 6231 5842 chuasutye@maybank.com  
 • REITs - Regional

**Eric ONG**  
 (65) 6231 5924 ericong@maybank.com  
 • Healthcare • Transport • SMIDs

**Kelvin TAN**  
 (65) 6231 5837 kelvintan1@maybank.com  
 • Telcos • Industrials

**LI Jialin**  
 (65) 6231 5845 jialin.li@maybank.com  
 • REITs

**Jarick SEET**  
 (65) 6231 5848 jarick.seet@maybank.com  
 • Technology

### PHILIPPINES

**Jacqui de JESUS** *Head of Research*  
 (63) 2 8849 8840  
 jacqui.dejesus@maybank.com  
 • Strategy • Conglomerates

**Rachelleen RODRIGUEZ, CFA**  
 (63) 2 8849 8843  
 rachelleen.rodriguez@maybank.com  
 • Banking & Finance • Transport • Telcos

**Daphne SZE**  
 (63) 2 8849 8847  
 daphne.sze@maybank.com  
 • Consumer

**Miguel SEVIDAL**  
 (63) 2 8849 8844  
 miguel.sevidal@maybank.com  
 • REITs • Property • Gaming

**Fiorenzo de JESUS**  
 (63) 2 8849 8846  
 fiorenzo.dejesus@maybank.com  
 • Utilities

### THAILAND

**Jesada TECHAHUSDIN, CFA**  
 (66) 2658 6300 ext 1395  
 jesada.t@maybank.com  
 • Banking & Finance

**Vanida GEISLER, CPA**  
 (66) 2658 6300 ext 1394  
 Vanida.G@maybank.com  
 • Property • REITs

**Yuwanee PROMMAPORN**  
 (66) 2658 6300 ext 1393  
 Yuwanee.P@maybank.com  
 • Services • Healthcare

**Wasu MATTANAPOTCHANART**  
 (66) 2658 6300 ext 1392  
 wasu.m@maybank.com  
 • Telcos

**Surachai PRAMUALCHAROENKIT**  
 (66) 2658 5000 ext 1470  
 Surachai.p@maybank.com  
 • Auto • Conmat • Contractor • Steel

**Suttatip PEERASUB**  
 (66) 2658 5000 ext 1430  
 suttatip.p@maybank.com  
 • Food & Beverage • Commerce

**Jaroonpan WATTANAWONG**  
 (66) 2658 5000 ext 1404  
 jaroonpan.w@maybank.com  
 • Transportation • Small cap

### INDONESIA

**Jeffrosenberg CHENLIM** *Head of Research*  
 (62) 21 8066 8680  
 jeffrosenberg.lim@maybank.com  
 • Strategy

**Willy GOUTAMA**  
 (62) 21 8066 8500  
 willy.goutama@maybank.com  
 • Consumer

**Richard SUHERMAN**  
 (62) 21 8066 8691  
 richard.suherman@maybank.com  
 • Metals & Mining

**Etta Rusdiana PUTRA**  
 (62) 21 8066 8683  
 etta.putra@maybank.com  
 • Telcos

**Satriawan, CTA**  
 (62) 21 8066 8682  
 satriawan@maybank.com  
 • Chartist

### VIETNAM

**Quan Trong Thanh** *Head of Research*  
 (84 28) 44 555 888 ext 8184  
 thanh.quan@maybank.com  
 • Strategy • Banks

**Hoang Huy, CFA**  
 (84 28) 44 555 888 ext 8181  
 hoanghuy@maybank.com  
 • Strategy • Technology

**Le Nguyen Nhat Chuyen**  
 (84 28) 44 555 888 ext 8082  
 chuyen.le@maybank.com  
 • Oil & Gas • Logistics

**Nguyen Thi Sony Tra Mi**  
 (84 28) 44 555 888 ext 8084  
 trami.nguyen@maybank.com  
 • Consumer Discretionary

**Tyler Manh Dung Nguyen**  
 (84 28) 44 555 888 ext 8085  
 manhdung.nguyen@maybank.com  
 • Utilities • Property

**Tran Thi Thanh Nhan**  
 (84 28) 44 555 888 ext 8088  
 nhan.tran@maybank.com  
 • Consumer Staples

**Nguyen Le Tuan Loi**  
 (84 28) 44 555 888 ext 8088  
 loi.nguyen@maybank.com  
 • Industrials

**Nguyen Thi Ngan Tuyen**  
*Head of Retail Research*  
 (84 28) 44 555 888 ext 8081  
 tuyen.nguyen@maybank.com  
 • Retail Research

**Nguyen Thanh Lam**  
 (84 28) 44 555 888 ext 8086  
 thanhlam.nguyen@maybank.com  
 • Chartist



## APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

### DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

#### Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

#### Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

#### Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

#### US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Securities USA Inc ("MSUS"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by MSUS in the US shall be borne by MSUS. This report is not directed at you if Maybank IBG is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that MSUS is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.



## UK

This document is being distributed by Maybank Securities (London) Ltd (“MSUK”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

## DISCLOSURES

### Legal Entities Disclosures

**Malaysia:** This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia (“PTMSI”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited (“MIBSI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank Securities USA Inc is a member of/and is authorized and regulated by the FINRA - Broker ID 27861. **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

### Disclosure of Interest

**Malaysia:** Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

**Singapore:** As of 5 October 2022, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

**Thailand:** MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

**Hong Kong:** As of 5 October 2022, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

**India:** As of 5 October 2022, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report. In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

## OTHERS

### Analyst Certification of Independence

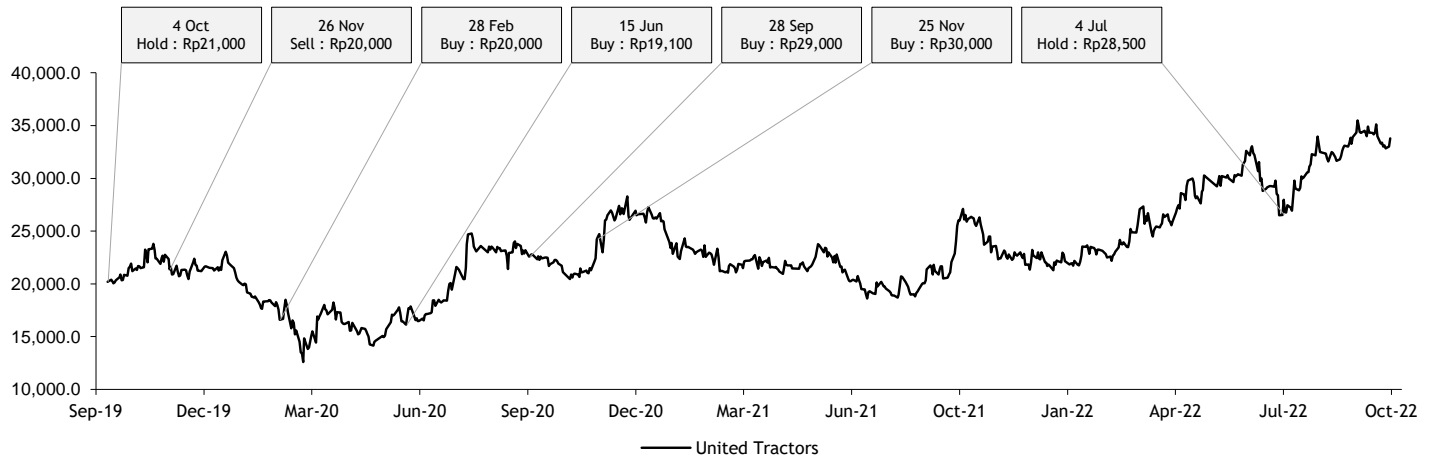
The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

### Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

**Historical recommendations and target price: United Tractors (UNTR IJ)**



**Definition of Ratings**

Maybank IBG Research uses the following rating system

- BUY** Return is expected to be above 10% in the next 12 months (including dividends)
- HOLD** Return is expected to be between 0% to 10% in the next 12 months (including dividends)
- SELL** Return is expected to be below 0% in the next 12 months (including dividends)

**Applicability of Ratings**

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

### Malaysia

Maybank Investment Bank Berhad  
(A Participating Organisation of  
Bursa Malaysia Securities Berhad)  
33rd Floor, Menara Maybank,  
100 Jalan Tun Perak,  
50050 Kuala Lumpur  
Tel: (603) 2059 1888;  
Fax: (603) 2078 4194

Stockbroking Business:  
Level 8, Tower C, Dataran Maybank,  
No.1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (603) 2297 8888  
Fax: (603) 2282 5136

### Philippines

Maybank Securities Inc  
17/F, Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines 1200

Tel: (63) 2 8849 8888  
Fax: (63) 2 8848 5738

### Sales Trading

Kevin Foy  
Regional Head Sales Trading  
kevinfoy@maybank.com  
Tel: (65) 6636-3620  
US Toll Free: 1-866-406-7447

#### Indonesia

Helen Widjaja  
helen.widjaja@maybank.com  
(62) 21 2557 1188

#### New York

James Lynch  
jlynch@maybank-keusa.com  
Tel: (212) 688 8886

#### Philippines

Keith Roy  
keith\_roy@maybank.com  
Tel: (63) 2 848-5288

### Singapore

Maybank Securities Pte Ltd  
Maybank Research Pte Ltd  
50 North Canal Road  
Singapore 059304

Tel: (65) 6336 9090

### Hong Kong

MIB Securities (Hong Kong) Limited  
28/F, Lee Garden Three,  
1 Sunning Road, Causeway Bay,  
Hong Kong

Tel: (852) 2268 0800  
Fax: (852) 2877 0104

### Thailand

Maybank Securities (Thailand) PCL  
999/9 The Offices at Central World,  
20<sup>th</sup> - 21<sup>st</sup> Floor,  
Rama 1 Road Pathumwan,  
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)  
Tel: (66) 2 658 6801 (research)

### London

Maybank Securities (London) Ltd  
PNB House  
77 Queen Victoria Street  
London EC4V 4AY, UK

Tel: (44) 20 7332 0221  
Fax: (44) 20 7332 0302

### Indonesia

PT Maybank Sekuritas Indonesia  
Sentral Senayan III, 22<sup>nd</sup> Floor  
Jl. Asia Afrika No. 8  
Gelora Bung Karno, Senayan  
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188  
Fax: (62) 21 2557 1189

### Vietnam

Maybank Securities Limited  
Floor 10, Pearl 5 Tower,  
5 Le Quy Don Street,  
Vo Thi Sau Ward, District 3  
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888  
Fax : (84) 28 38 271 030

### New York

Maybank Securities USA Inc  
400 Park Avenue, 11th Floor  
New York, New York 10022,  
U.S.A.

Tel: (212) 688 8886  
Fax: (212) 688 3500

### India

MIB Securities India Pte Ltd  
1101, 11<sup>th</sup> floor, A Wing, Kanakia  
Wall Street, Chakala, Andheri -  
Kurla Road, Andheri East,  
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600  
Fax: (91) 22 6623 2604

[www.maybank.com/investment-banking](http://www.maybank.com/investment-banking)  
[www.maybank-keresearch.com](http://www.maybank-keresearch.com)