

Buy

(Maintained)

Last Price (Rp)	4,750
Target Price (Rp)	5,900
Previous Target Price (Rp)	5,900
Upside/Downside	+24.2%
No. of Shares (mn)	40,484
Mkt Cap (Rpbn/US\$mn)	192,297/11,794
Avg, Daily T/O (Rpbn/US\$mn)	204.5/12.5
Free Float (%)	42.3
Major Shareholder (%)	
Jardine Cycle & Carriage	50.1
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	825.2 843.3 909.1
Consensus	796.3 815.8 832.7
BRIDS/Cons (%)	3.6 3.4 9.2

ASII relative to JCI Index



Source: Bloomberg

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Astra International (ASII IJ)

IIMS 2025 KTA: Non-Japanese players steal the spotlight, but not at the cost of ASII's market share

- Price discounts were relatively steep at Rp30-60mn (7-9%), yet ASPs for 2025 models have also increased by 1-3%. Opsen tax remains a risk.
- Non-Japanese players continue to steal the spotlight due to discounts and new models, with BYD continuing to show its strength.
- Despite the above, we think the market has underappreciated stable ASII's market share at ~56% for past 2 years. Reiterate BUY for ASII.

Discounts for 2024 inventories, slight price increase for NIK 2025

We visited IIMS 2025 in JIE Kemayoran and noted plenty of discount offerings, as most manufacturers are still selling 2024-registered (NIK) inventory. We noticed that Honda, Hyundai, Wuling, and Chery offered Rp30-60mn in discounts. Hyundai and Toyota offered Rp10-20mn discounts for their fleets with 2025 NIK. However, they have also increased their 2025 fleet prices by 2%, while Honda plans to increase its price by 3%, which is higher than Wuling's +1% plan. While we noted that the price increases are still in line with their historical pattern, we are slightly concerned about the possible impact on price due to the Opsen tax, as some sales personnel mentioned that Opsen will remain effective despite the delay.

Non-Japanese cars are still stealing the spotlight

We observed decent traffic at the Toyota and Honda booths. Toyota released the New Corolla Cross Hybrid, Camry Hybrid, and Agya Stylix GR, which are relatively niche. Meanwhile, Honda just introduced the e:N1, which is a similar model to its HRV, yet with EV technology. There is no official release date yet, but we heard that the units would be limited in number, with a Rp22mn rental scheme per month for five years, and conversion to ownership would require an additional ~Rp300mn (i.e., the total cost could reach ~Rp1.6bn). Meanwhile, we noted strong traffic at Wuling, Hyundai, and BYD. Wuling just introduced the new Air EV and new Cloud series, which are priced 3-8% lower than their previous generation. Meanwhile, BYD introduced the Sealion (starting from Rp629mn), with approximately ~400 SPK recorded and scheduled for delivery in Mar25.

We think market has not appreciated stability on ASII's market share.

Despite new entrants from Chinese players, ASII has sustained its market share at 56% over the past two years, as BYD and Chery gained market share at the cost of Hyundai, Suzuki, and Honda. We reiterate our **BUY** rating for ASII with a TP of **Rp5,900**. ASII trades at a PER of 5.6x, -1.5 std dev of its 5-year mean. Downside risks: 1) Falling auto margin due to build-up inventory in retail; 2) Lower 4W sales due to impact from VAT and Opsen.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	301,379	316,565	332,004	357,305	391,021
EBITDA (Rpbn)	56,102	59,556	61,964	64,531	69,201
EBITDA Growth (%)	41.4	6.2	4.0	4.1	7.2
Net Profit (Rpbn)	28,944	33,839	33,408	34,141	36,804
EPS (Rp)	715.0	835.9	825.2	843.3	909.1
EPS Growth (%)	43.3	16.9	(1.3)	2.2	7.8
BVPS (Rp)	4,746.2	4,906.7	5,140.0	5,612.0	6,141.6
DPS (Rp)	377.8	956.1	591.9	371.4	379.5
PER (x)	6.6	5.7	5.8	5.6	5.2
PBV (x)	1.0	1.0	0.9	0.8	0.8
Dividen yield (%)	8.0	20.1	12.5	7.8	8.0
EV/EBITDA	3.6	4.1	4.0	3.6	3.2

Source: ASII, BRIDS Estimates

IIMS 2025 KTA: Non-Japanese players steal the spotlight, but not at the cost of ASII's market share

Discounts for 2024 inventories, slight price increase for NIK 2025

We visited IIMS 2025 in JIE Kemayoran. We saw plenty of discount offerings, as most manufacturers are still selling 2024-registered (NIK) inventory. We noticed that Honda, Hyundai, Wuling, and Chery offered Rp30-60mn in discounts on paper, yet some negotiation could give an additional Rp10-30mn discount. For example, a 2024 Honda CRV Hybrid had ~Rp60mn (7%) in discounts, while a Hyundai Kona had ~Rp50mn (9%) in discounts. We think this discount offering is in line with the challenges faced by several brands due to weak 4W sales in 2024, especially Honda and Hyundai, which lost market share in 2024.

For 2025 NIK fleets, i.e., Toyota Innova and Santa Fe Hybrid, the discount was ~Rp10-20mn. However, aside from the discount, Hyundai and Toyota have increased their 2025 NIK fleet prices by 2%, while Honda plans to increase its price by 3%, which is higher than Wuling's plan (+1%). We think the price increases are still in line with their historical pattern, yet we are slightly concerned when combining the price increase with the Opsen tax, as some sales personnel mentioned that Opsen will remain effective despite the delay. We expect Opsen to increase the total car ownership cost by ~5% in several areas. Meanwhile, the government subsidy for hybrids is not helping much, as the PPNBM relaxation (3% government subsidy) only translates to a ~2% lower price for hybrids.

Exhibit 1. IIMS 2025 – Toyota Booth



Source: BRIDS Survey

Exhibit 2. IIMS 2025



Source: BRIDS Survey

Non-Japanese cars are still stealing the spotlight

We observe decent traffic at the Toyota and Honda booths. Toyota released the New Corolla Cross Hybrid (starting from Rp603mn), Camry Hybrid (starting from Rp957mn), and Agya Stylix GR (starting from Rp256mn). Not many sales have occurred for these models. Meanwhile, Honda just introduced the e:N1, a similar model to the HRV yet with EV technology. No official release date has been announced yet, but we heard that the units would be limited in quantity, with a Rp22mn rental scheme per month for five years, and converting to ownership would require an additional ~Rp300mn. This means that the total cost can reach ~Rp1.6bn, which is very steep even compared to the already expensive Toyota bZ4x (~Rp1.1bn at release). The VinFast booth also did not attract much of a crowd or SPK, despite the introduction of the VF3 model with a battery included, starting at Rp220mn, in the price range of the Wuling Air EV. We think Toyota and Honda are not competitive enough with their new models.

Exhibit 3. Toyota Camry Hybrid 2025



Source: BRIDS Survey

Exhibit 4. Toyota Corolla Cross Hybrid 2025



Source: BRIDS Survey

Exhibit 5. Honda eN1



Source: BRIDS Survey

Meanwhile, we see heavy traffic at BYD, Wuling, and Hyundai. BYD introduced the Sealion (starting from Rp629mn), with ~400 SPK recorded and scheduled for delivery in Mar25. During IIMS, BYD recorded a total of ~800 SPK. On the other hand, from its release to 21-Feb, Denza has recorded around ~1,400 SPK, with deliveries scheduled in Mar-Apr. Interestingly, the BYD booth is more crowded than Denza, probably because Denza was introduced earlier in late Jan.

Meanwhile, Wuling just introduced the new Air EV (starting from Rp184mn) and the new Cloud series (starting from Rp365mn), which are priced 3-8% lower than their previous generations. So far, they have garnered ~100 SPK each for these models. We think Wuling's main attraction at this event is primarily the discount (which can reach ~Rp40mn, but additional discounts may be available through negotiation).

The Hyundai booth is also quite crowded, albeit its new Hyundai Venue (starting from ~Rp340mn) has garnered less interest than its Creta and Santa Fe lines, based on SPK records. Additionally, the crowd is less dense at Aion and Geely, although Aion still recorded ~400 SPK for its new Aion V (starting from Rp449mn, with deliveries in May-Jun24), while the Geely EX5 (Rp475mn for the Pro version and Rp515m for the Max version, with the latter ready for delivery) recorded ~500 SPK.

Exhibit 6. Hyundai Venue



Source: BRIDS Survey

Exhibit 7. BYD Sealion



Source: BRIDS Survey

For upcoming models, expect the BYD Seagull (BYD's entry-level model, lower than the Dolphin) and the Hyundai Palisade Hybrid to enter the Indonesian market, while there is no news yet regarding the BYD Seal-U Hybrid or the Avanza Veloz Hybrid, albeit there has been significant speculation regarding the latter model (along with the Mitsubishi Expander Hybrid).

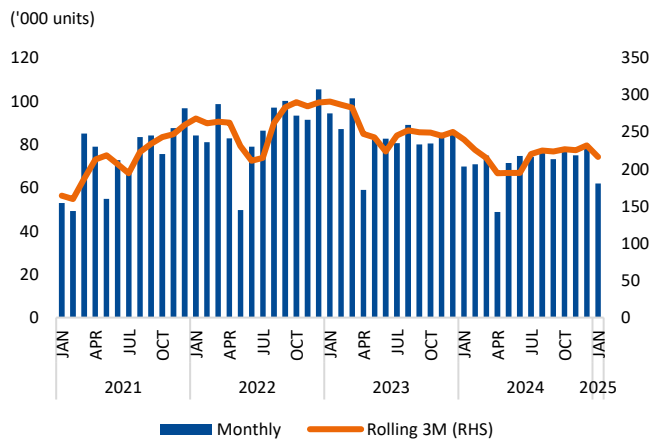
Competition is getting fiercer. Yet we think market has not appreciated stability on ASII's market share

We think Chinese players are getting more aggressive with discounts and new models, with BYD positioning itself in more premium segments, while Wuling focuses on the <Rp400mn EV market. Competition in the ~Rp350-500mn market is intensifying due to Geely and Aion entering this segment, albeit their traction remains to be seen. Judging from the reception of their products, new models, and 2024 performance, we think Honda, Wuling, and Hyundai will continue to face challenges in 2025, while BYD and Chery are expected to continue growing. We expect Chinese players to continue cutting prices, either through discounts or by introducing 'lite' versions of their current offerings. We also see a risk of BYD further reducing its prices once its manufacturing plant begins operations in Indonesia (estimated by end-FY25), similar to what happened in Thailand, where they cut prices by 11-20%.

Despite new entrants from Chinese players, ASII has maintained its market share at 56% over the past two years, with BYD and Chery gaining market share at the expense of Hyundai, Suzuki, and Honda. We think ASII's ability to sustain its market share remains underappreciated by the market.

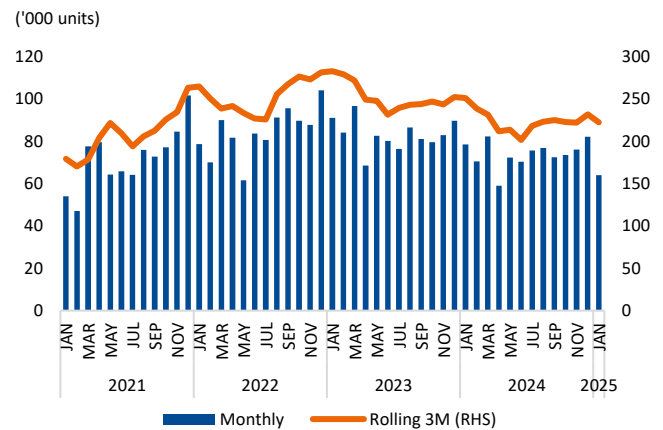
We have **BUY** rating for ASII with TP of **Rp5,900**. ASII is traded at PER of 5.6x, -1.5 std dev of its 5-years mean. ASII is expected to report its FY24 result by 27th Feb. Downside risks: 1) Falling auto margin due to build-up Toyota inventory in retail; 2) Lower 4W sales due to worse-than-expected impact from VAT and Oopen.

Exhibit 8. 4W Monthly Wholesales



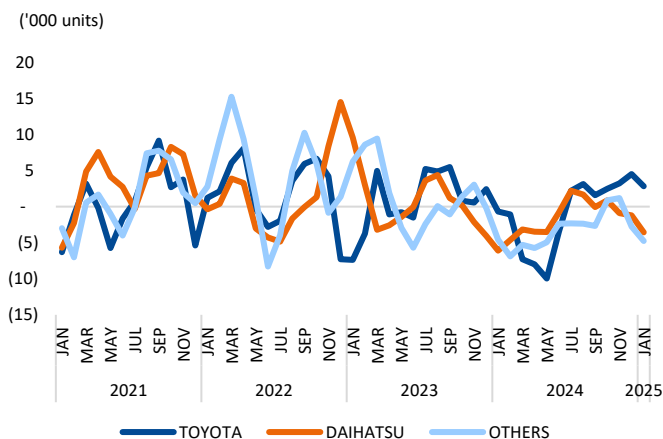
Source: Gaikindo, BRIDS

Exhibit 9. 4W Monthly Retail Sales



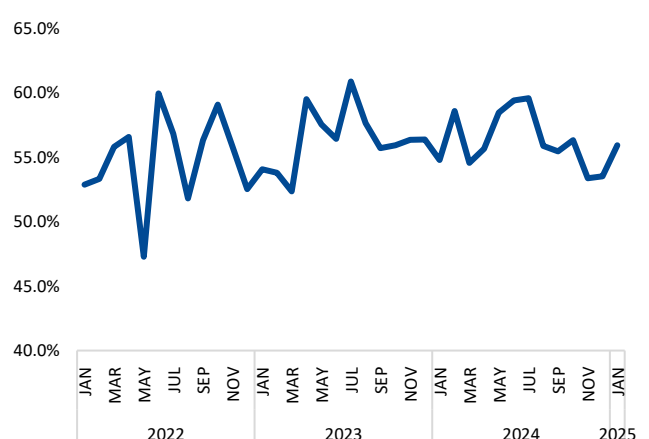
Source: Gaikindo, BRIDS

Exhibit 10. 4W Inventory Level



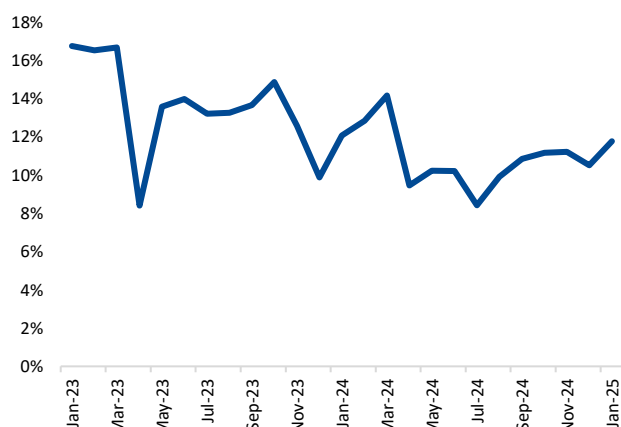
Source: Gaikindo, BRIDS

Exhibit 11. ASII 4W Market Share



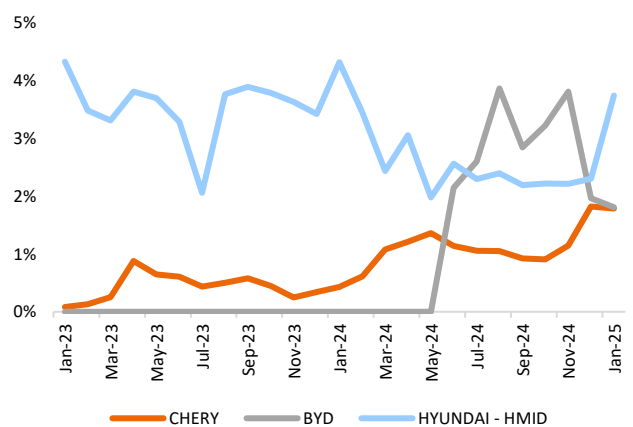
Source: Gaikindo, BRIDS

Exhibit 12. Market Share - Honda

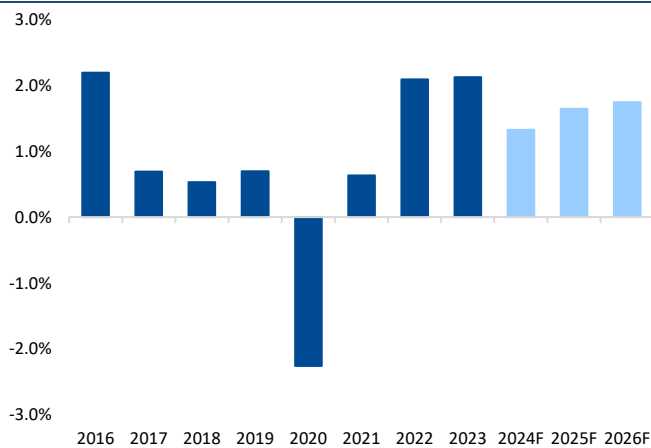


Source: Gaikindo, BRIDS

Exhibit 13. Market Share – Hyundai, BYD, Chery



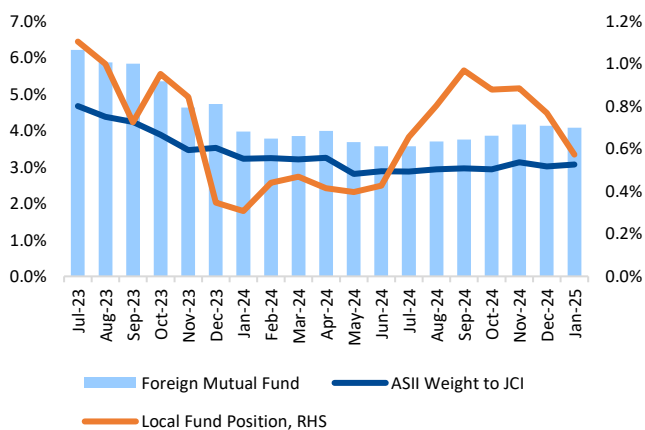
Source: Gaikindo, BRIDS

Exhibit 14. ASII Automotive Segment Operating Margin


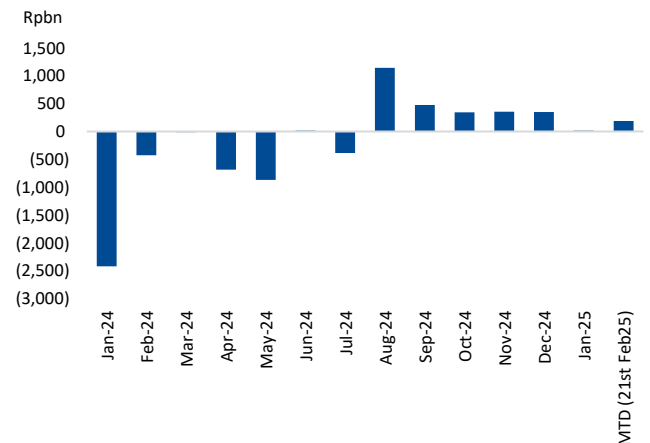
Source: ASII, BRIDS Estimates

Exhibit 15. ASII P/E Band (2019-2025)

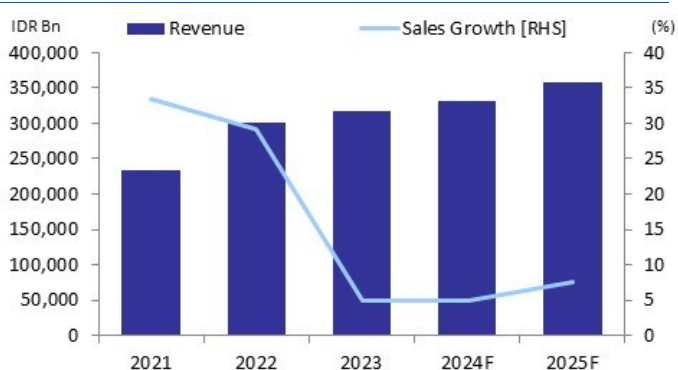

Source: Company, Bloomberg, BRIDS Estimates

Exhibit 16. ASII's Weighting and Fund Position


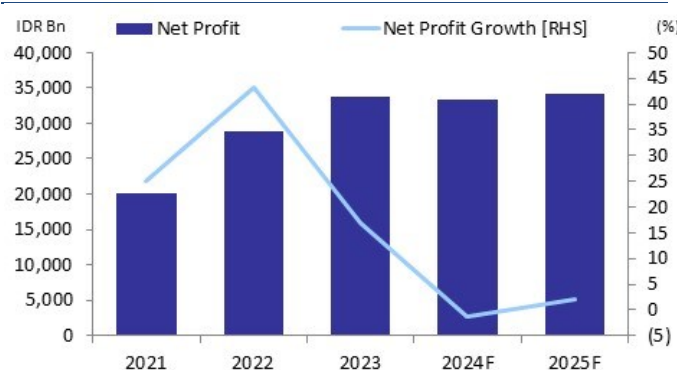
Source: KSEI, BRIDS

Exhibit 17. ASII's Historical Foreign Flows (as of 21st Feb25)


Source: IDX, BRIDS

Exhibit 18. Revenue and Growth


Source: Company, BRIDS Estimates

Exhibit 19. Net Profit and Growth


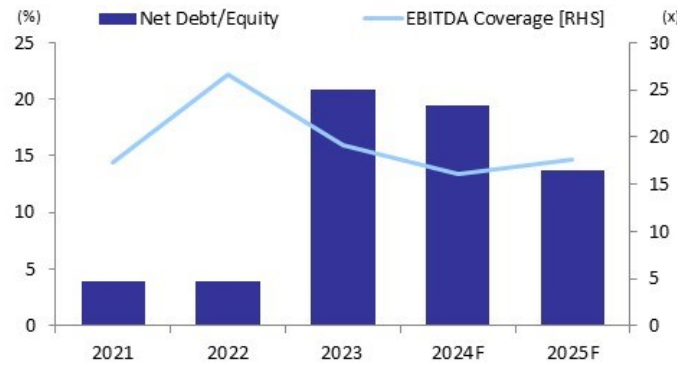
Source: Company, BRIDS Estimates

Exhibit 20. Margins



Source: Company, BRIDS Estimates

Exhibit 21. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 22. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	301,379	316,565	332,004	357,305	391,021
COGS	(231,291)	(243,255)	(258,043)	(280,190)	(307,533)
Gross profit	70,088	73,310	73,961	77,115	83,488
EBITDA	56,102	59,556	61,964	64,531	69,201
Oper. profit	42,201	44,268	43,455	44,524	47,427
Interest income	2,535	3,053	3,100	2,945	2,798
Interest expense	(2,107)	(3,112)	(3,868)	(3,672)	(3,307)
Forex Gain/(Loss)	188	(408)	0	0	0
Income From Assoc. Co's	8,231	9,499	10,003	9,832	10,012
Other Income (Expenses)	(658)	1,429	1,700	1,700	1,275
Pre-tax profit	50,390	54,729	54,390	55,329	58,205
Income tax	(9,970)	(10,228)	(10,761)	(10,947)	(11,516)
Minority interest	(11,476)	(10,662)	(10,220)	(10,241)	(9,885)
Net profit	28,944	33,839	33,408	34,141	36,804
Core Net Profit	28,756	34,247	33,408	34,141	36,804

Exhibit 23. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	61,295	41,136	45,429	52,023	58,704
Receivables	71,839	72,227	78,927	84,041	90,462
Inventory	32,323	39,138	37,903	41,156	45,172
Other Curr. Asset	14,075	12,837	13,463	14,489	15,856
Fixed assets - Net	94,752	107,977	110,681	113,355	116,217
Other non-curr.asset	138,727	171,516	184,336	195,214	206,821
Total asset	413,297	445,679	471,587	501,126	534,080
ST Debt	34,669	39,061	41,014	38,963	37,015
Payables	54,063	57,709	59,283	64,372	70,653
Other Curr. Liabilities	30,466	28,252	28,252	28,252	28,252
Long Term Debt	36,052	54,249	56,961	54,113	51,408
Other LT. Liabilities	14,327	15,990	15,990	15,990	15,990
Total Liabilities	169,577	195,261	201,501	201,690	203,318
Shareholder's Funds	192,142	198,640	208,087	227,194	248,635
Minority interests	51,578	51,778	61,998	72,240	82,124
Total Equity & Liabilities	413,297	445,679	471,586	501,124	534,077

Exhibit 24. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	28,944	33,839	33,408	34,141	36,804
Depreciation and Amort.	9,496	9,078	14,620	16,117	17,885
Change in Working Capital	(2,790)	(5,095)	(4,515)	(4,304)	(5,522)
Other Oper. Cash Flow	(10,082)	(17,357)	(5,643)	(3,856)	(4,659)
Operating Cash Flow	25,568	20,465	37,871	42,099	44,508
Capex	(14,358)	(22,303)	(17,324)	(18,792)	(20,747)
Others Inv. Cash Flow	(9,379)	(12,320)	(3,310)	(3,350)	(3,640)
Investing Cash Flow	(23,737)	(34,623)	(20,634)	(22,142)	(24,387)
Net change in debt	(1,765)	22,589	4,666	(4,899)	(4,654)
New Capital	0	0	0	0	0
Dividend payment	(15,295)	(38,707)	(23,961)	(15,034)	(15,363)
Other Fin. Cash Flow	12,577	10,117	6,352	6,569	6,577
Financing Cash Flow	(4,483)	(6,001)	(12,943)	(13,364)	(13,440)
Net Change in Cash					
Cash - begin of the year	(2,652)	(20,159)	4,293	6,593	6,681
Cash - end of the year	63,947	61,295	41,136	45,429	52,023

Exhibit 25. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	29.1	5.0	4.9	7.6	9.4
EBITDA	41.4	6.2	4.0	4.1	7.2
Operating profit	65.3	4.9	(1.8)	2.5	6.5
Net profit	43.3	16.9	(1.3)	2.2	7.8
Profitability (%)					
Gross margin	23.3	23.2	22.3	21.6	21.4
EBITDA margin	18.6	18.8	18.7	18.1	17.7
Operating margin	14.0	14.0	13.1	12.5	12.1
Net margin	9.6	10.7	10.1	9.6	9.4
ROAA	7.4	7.9	7.3	7.0	7.1
ROAE	15.9	17.3	16.4	15.7	15.5
Leverage					
Net Gearing (x)	0.0	0.2	0.2	0.1	0.1
Interest Coverage (x)	20.0	14.2	11.2	12.1	14.3

Source: ASII, BRIDS Estimates

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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