Buy

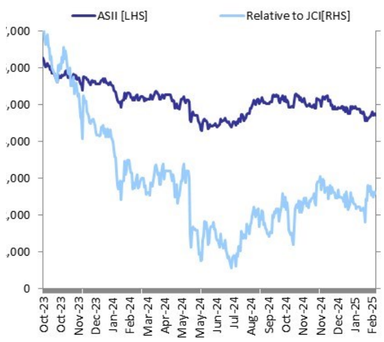
(Maintained)

Last Price (Rp)	**4,700**
Target Price (Rp)	**5,900**
Previous Target Price (Rp)	***5,900***
Upside/Downside	**+25.5%**
No. of Shares (mn)	**40,484**
Mkt Cap (Rpbn/US$mn)	**190,273/11,691**
Avg, Daily T/O (Rpbn/US$mn)	**200.0/12.3**
Free Float (%)	**42.3**
Major Shareholder (%)	
Jardine Cycle & Carriage	50.1

EPS Consensus (Rp)

	2024F	**2025F**	**2026F**
BRIDS	821.8	843.3	909.1
Consensus	796.2	814.0	829.1
BRIDS/Cons (%)	**3.2**	**3.6**	**9.6**

ASII relative to JCI Index



Source: Bloomberg

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Astra International (ASII IJ)

4Q24E Earnings Preview: In-line with ours, slightly above consensus

- **We expect ASII to meet our FY24F revenue and earnings estimation, which are currently 4% and 3% above consensus, respectively.**
- **We expect higher-than-expected Komatsu sales, sustained Pama margin, and stable financial segment profit to drive the 4Q24F figures.**
- **We tweak our auto margin assumption from 1.5% to 1% in 4Q24F, reducing EPS by 0.4%. Reiterate BUY with an unchanged TP of Rp5,900.**

Revenue: lower auto revenue due to weak 2W, yet UNTR remains strong

We expect ASII to report in-line revenue with ours, yet 4% higher than cons for FY24F at Rp332tr (+5% yoy), with 4Q24F revenue expected at Rp85.7tr (-1% qoq/+13% yoy). This is driven by the following expectations: 1) 8% qoq lower auto revenue in 4Q24F, as 4W/2W recorded 1%/14% qoq lower sales; 2) Financial segment to remain strong (+3% qoq/+11% yoy) in 4Q24F due to spillover of strong 4W/2W sales in FY23; 3) 9% qoq growth in heavy equipment segment due to higher-than-expected Komatsu sales. Our UNTR revenue estimate is 6% higher than cons.

Auto margin is expected to decline, yet earnings are still sustained due to strong Pama margin and stable financial segment profitability

We tweak our auto margin expectation, and we expect margin to reach 1% (vs our prev. est at 1.5% in 4Q24F (-20 bps qoq/+20 bps yoy), bringing FY24F auto margin to 1.2% (vs our prev. est at 1.3%). Our forecast revision was due to weak 2W sales in 4Q24 and lower 4W higher-end models demand in 4Q24 (i.e., Innova sales declined by 13% qoq in 4Q24). Nevertheless, we expect ASII to still meet our net profit expectation of Rp33.3tr in FY24F (-2% yoy), with 4Q24F net profit at Rp7.4tr (-26% qoq/-9% yoy). Despite our lower auto margin expectation, we only lowered our EPS estimation by 0.4%. Our earnings est. is also still slightly above cons., which results from: 1) higher Pama margin sustaining, leading to a 12% qoq EBIT growth in heavy equipment segment for 4Q24F; 2) Operating profit from the financial segment is expected to stabilize at ~Rp2.2tr in 4Q24F, similar to the run rate in 1Q-3Q24.

Expecting in-line revenue and earnings, but slightly above cons

Overall, we expect ASII to meet our expectations on both revenue and earnings, which are 4%/3% above cons. We reiterate **BUY** rating on ASII with an unchanged TP of **Rp5,900**. Downside risks: 1) Disappointing IIMS 2025 final number; 2) Lower 4W/2W sales due to rising VAT and opsen implementation.

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	61,792	64,531	69,201
EBITDA Growth (%)	41.4	6.2	3.8	4.4	7.2
Net Profit (Rpbn)	28,944	33,839	33,270	34,141	36,804
EPS (Rp)	715.0	835.9	821.8	843.3	909.1
EPS Growth (%)	43.3	16.9	(1.7)	2.6	7.8
BVPS (Rp)	4,746.2	4,906.7	5,136.6	5,610.1	6,139.8
DPS (Rp)	377.8	956.1	591.9	369.8	379.5
PER (x)	6.6	5.6	5.7	5.6	5.2
PBV (x)	1.0	1.0	0.9	0.8	0.8
Dividen yield (%)	8.0	20.3	12.6	7.9	8.1
EV/EBITDA	3.6	4.1	3.9	3.6	3.2

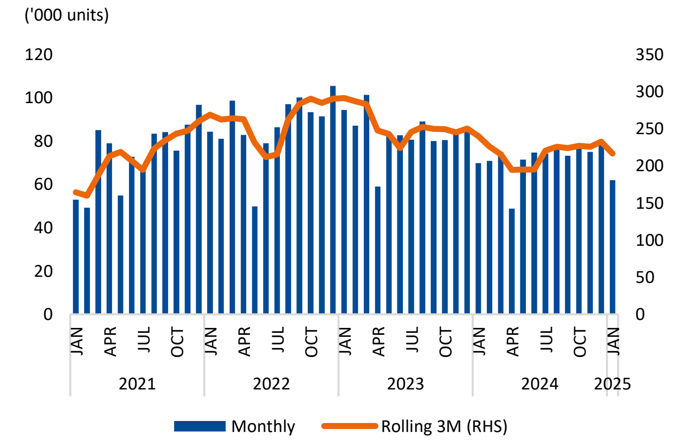
Source: ASII, BRIDS Estimates

Exhibit 1. ASII 4Q24F/FY24F Earnings Preview

(in Rpbn)	4Q23	3Q24	4Q24F	QoQ, %	YoY, %	FY23	FY24F	YoY, %
Revenue`	75,652	86,362	85,675	*(0.8)*	*13.2*	316,565	332,004	*4.9*
Gross profit	19,723	19,052	19,309	*1.3*	*(2.1)*	73,310	73,961	*0.9*
Operating income	11,829	10,924	11,511	*5.4*	*(2.7)*	44,268	43,283	*(2.2)*
EBITDA	15,957	15,713	16,022	*2.0*	*0.4*	59,556	61,792	*3.8*
Equity income	2,250	2,749	2,245	*(18.3)*	*(0.2)*	9,499	10,003	*5.3*
Net income	8,148	9,998	7,416	*(25.8)*	*(9.0)*	33,839	33,270	*(1.7)*
Margins, %								
Gross margin	26.1	22.1	22.5			23.2	22.3	
Operating margin	15.6	12.6	13.4			14.0	13.0	
EBITDA margin	21.1	18.2	18.7			18.8	18.6	
Net margin	10.8	11.6	8.7			10.7	10.0	
Revenue Breakdown, IDRbn								
(in Rpbn)	**4Q23**	**3Q24**	**4Q24F**	**QoQ, %**	**YoY, %**	**FY23**	**FY24F**	**YoY, %**
Automotive	29,088	34,525	31,800	*(7.9)*	*9.3*	128,250	131,329	*2.4*
Financial services	8,015	8,592	8,881	*3.4*	*10.8*	29,998	33,385	*11.3*
Agribusiness	5,063	5,974	5,081	*(15.0)*	*0.4*	20,745	21,368	*3.0*
Information Technology	891	750	990	*32.0*	*11.1*	2,969	3,028	*2.0*
Heavy equipment	30,985	35,044	38,039	*8.5*	*22.8*	128,583	137,597	*7.0*
Infra & logistic	2,486	2,120	2,291	*8.1*	*(7.8)*	9,154	8,467	*(7.5)*
Property & others	428	390	349	*(10.6)*	*(18.5)*	1,049	1,259	*20.0*
Operating Income, IDRbn								
(in Rpbn)	**4Q23**	**3Q24**	**4Q24F**	**QoQ, %**	**YoY, %**	**FY23**	**FY24F**	**YoY, %**
Automotive	220	425	311	*(26.7)*	*41.6*	2,727	1,569	*(42.4)*
Financial services	2,096	2,231	2,202	*(1.3)*	*5.1*	8,112	8,845	*9.0*
Agribusiness	386	368	342	*(7.1)*	*(11.5)*	1,252	1,289	*2.9*
Information Technology	45	69	44	*(35.6)*	*(1.3)*	181	203	*12.4*
Heavy equipment	8,523	7,147	8,039	*12.5*	*(5.7)*	29,723	28,895	*(2.8)*
Infra & logistic	426	533	498	*(6.6)*	*16.8*	1,876	2,031	*8.2*
Property & others	68	68	56	*(17.1)*	*(17.1)*	135	179	*32.9*

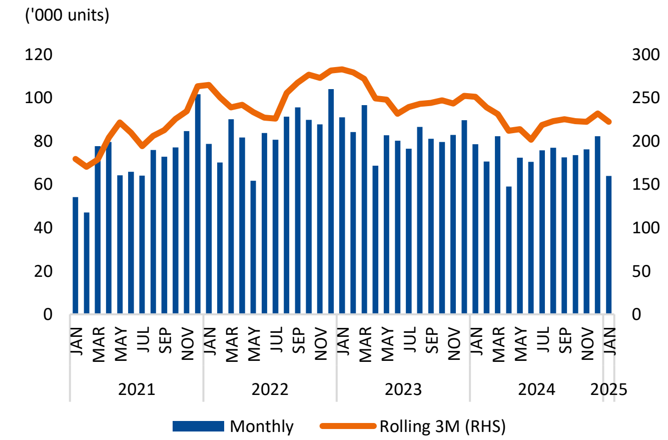
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. 4W Monthly Wholesales



Source: Gaikindo, BRIDS

Exhibit 3. 4W Monthly Retail Sales



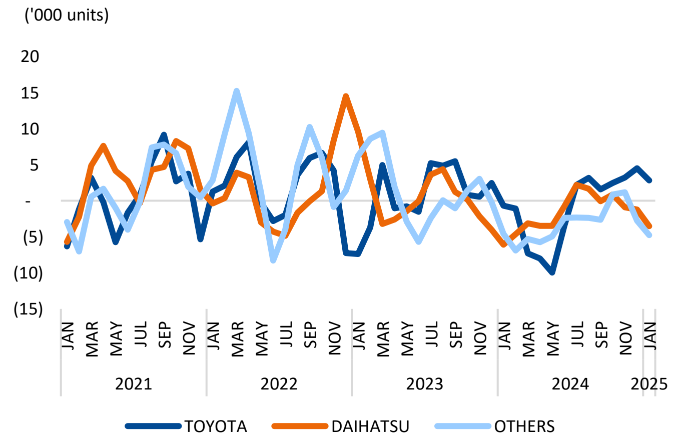
Source: Gaikindo, BRIDS

Exhibit 4. ASII Forecast Changes

	Previous			New			Changes			New Estimate vs Cons	
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F
ASII 4W sales, unit	481,600	529,760	572,141	481,600	529,760	572,141	0.0%	0.0%	0.0%		
ASII 2W sales, unit	4,934,552	4,934,552	5,082,589	4,934,552	4,934,552	5,082,589	0.0%	0.0%	0.0%		
Consolidated											
Revenue	332,004	357,305	391,021	332,004	357,305	391,021	0.0%	0.0%	0.0%	4.0%	9.0%
Gross Profit	73,961	77,115	83,488	73,961	77,115	83,488	0.0%	0.0%	0.0%	3.4%	6.8%
EBIT	43,455	44,524	47,427	43,283	44,524	47,427	-0.4%	0.0%	0.0%	4.5%	6.8%
EBITDA	61,964	64,531	69,201	61,792	64,531	69,201	-0.3%	0.0%	0.0%	10.4%	15.2%
Equity Income	10,003	9,832	10,012	10,003	9,832	10,012	0.0%	0.0%	0.0%		
Net Profit	33,408	34,141	36,804	33,270	34,141	36,804	-0.4%	0.0%	0.0%	3.3%	4.1%
By Segment											
Revenue											
Automotive	131,329	146,507	162,006	131,329	146,507	162,006	0.0%	0.0%	0.0%		
Financial	33,385	35,229	37,379	33,385	35,229	37,379	0.0%	0.0%	0.0%		
Agribusiness	21,368	20,727	20,105	21,368	20,727	20,105	0.0%	0.0%	0.0%		
IT	3,028	3,089	3,151	3,028	3,089	3,151	0.0%	0.0%	0.0%		
Heavy equipment	137,597	145,705	162,036	137,597	145,705	162,036	0.0%	0.0%	0.0%		
Infra & logistic	8,467	9,526	10,240	8,467	9,526	10,240	0.0%	0.0%	0.0%		
Property	1,259	1,290	1,323	1,259	1,290	1,323	0.0%	0.0%	0.0%		
Operating Profit											
Automotive	1,741	2,410	2,797	1,569	2,410	2,797	-9.9%	0.0%	0.0%		
Financial	8,845	9,152	9,461	8,845	9,152	9,461	0.0%	0.0%	0.0%		
Agribusiness	1,289	1,250	1,213	1,289	1,250	1,213	0.0%	0.0%	0.0%		
IT	203	207	212	203	207	212	0.0%	0.0%	0.0%		
Heavy equipment	28,895	28,648	30,680	28,895	28,648	30,680	0.0%	0.0%	0.0%		
Infra & logistic	2,031	2,366	2,529	2,031	2,366	2,529	0.0%	0.0%	0.0%		
Property	179	199	216	179	199	216	0.0%	0.0%	0.0%		
GPM	22.3%	21.6%	21.4%	22.3%	21.6%	21.4%					
EBIT Margin	13.1%	12.5%	12.1%	13.0%	12.5%	12.1%					
EBITDA Margin	18.7%	18.1%	17.7%	18.6%	18.1%	17.7%					
Auto margin	1.3%	1.6%	1.7%	1.2%	1.6%	1.7%					

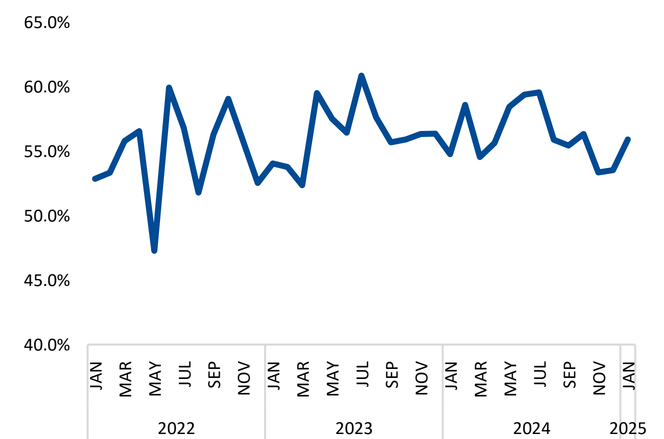
Source: BRIDS Estimates

Exhibit 5. 4W Inventory Level



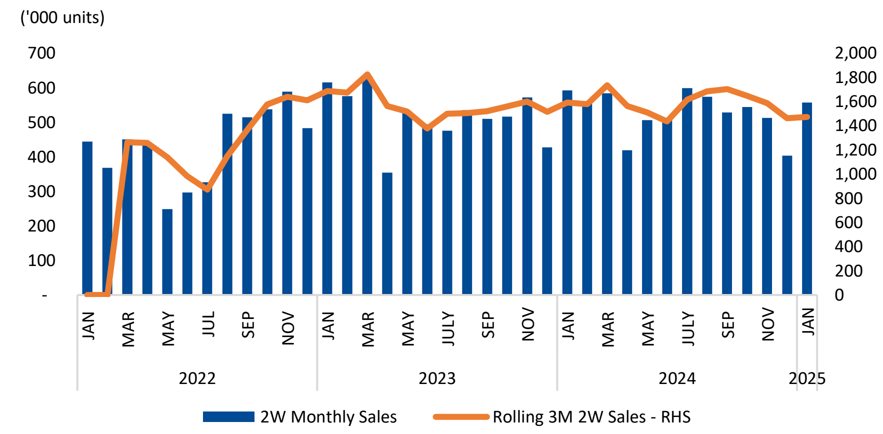
Source: Gaikindo, BRIDS

Exhibit 6. ASII 4W Market Share



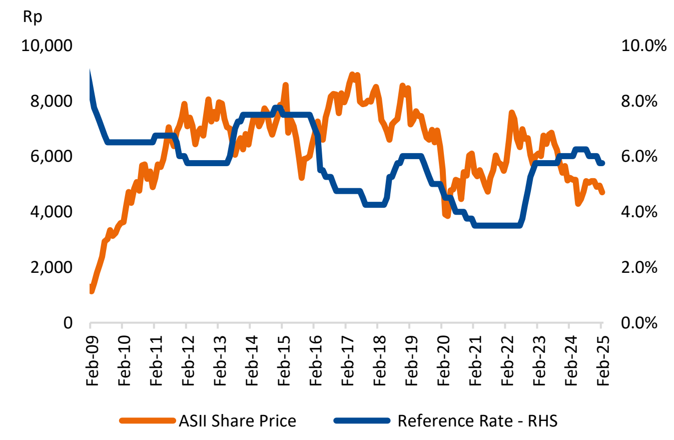
Source: Gaikindo, BRIDS

Exhibit 7. 2W Monthly Sales



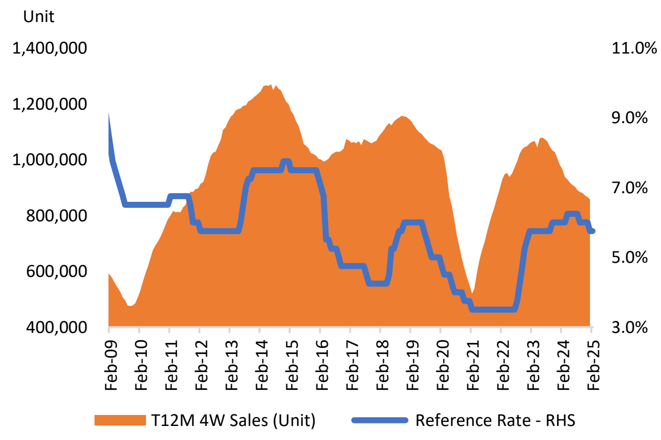
Source: AISI, BRIDS

Exhibit 8. ASII's Share Price vs Reference Rate



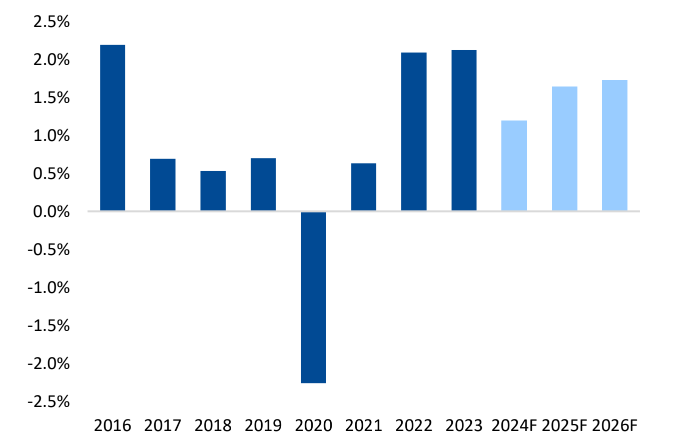
Source: BI, Bloomberg, BRIDS

Exhibit 9. 4W Wholesale vs Reference Rate



Source: BI, Bloomberg, BRIDS

Exhibit 10. ASII Automotive Segment Operating Margin



Source: ASII, BRIDS Estimates

Exhibit 11. ASII P/E Band (2019-2025)

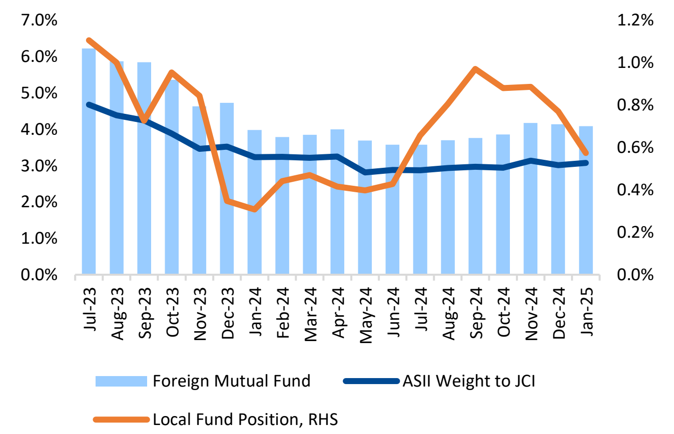
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 12. SOTP Valuation of ASII

	Earnings/BV (Rp bn)	TP / Multiplier	Market Cap (Rp mn)	ASII's stake	Value (Rp mn)	Contribution to ASII
AUTOMOTIVE (P/E method)						
ASII 4W + 2W	5,925	8.2	48,374,574	100.0%	48,374,574	17.2%
AUTO	2,234	7.5	16,772,467	80.0%	13,417,974	4.8%
HEAVY EQUIPMENT (shares * TP)						
UNTR	4,931	31,000	152,861,000	59.5%	90,952,295	32.3%
AGRI BUSINESS (P/E method)						
AALI	1,055	7.4	7,768,443	79.7%	6,189,895	2.2%
FINANCIAL SERVICES (P/BV method)						
ASDF	10,634	2.4	25,477,267	86.1%	21,946,118	7.8%
FIFA	11,603	3.1	35,915,527	100.0%	35,915,527	12.8%
OTHERS (P/E method)						
ASGR	176	6.6	1,164,812	76.9%	895,391	0.3%
Others			63,482,682	100.0%	63,482,682	22.6%
Total equity value (Rp mn)	**281,174,456**					
Shares (mn)	40,484					
NAV/share, Rp	**6,950**					
Conglomerate Discount	**15%**					
Adjusted NAV/share, Rp	5,900					

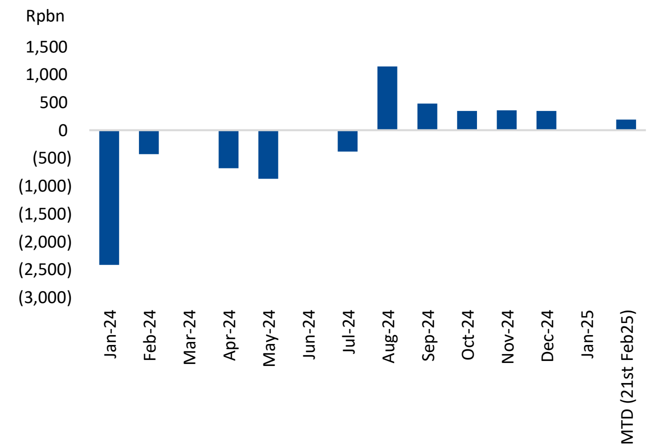
Source: BRIDS Estimates

Exhibit 13. ASII's Weighting and Fund Position



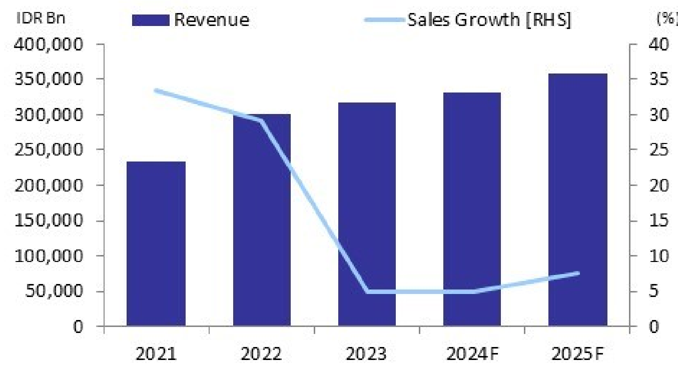
Source: KSEI, BRIDS

Exhibit 14. ASII's Historical Foreign Flows (as of 21st Feb25)



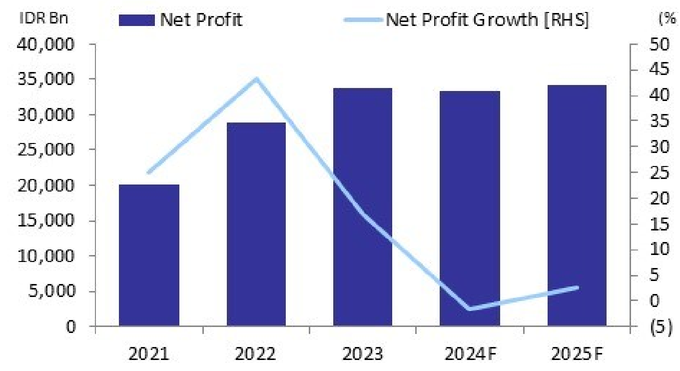
Source: IDX, BRIDS

Exhibit 15. Revenue and Growth



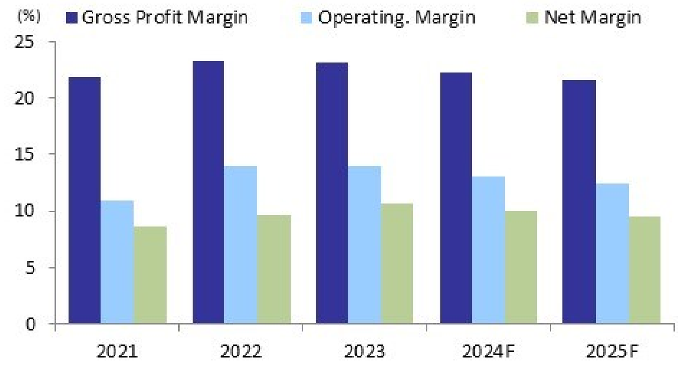
Source: Company, BRIDS Estimates

Exhibit 16. Net Profit and Growth



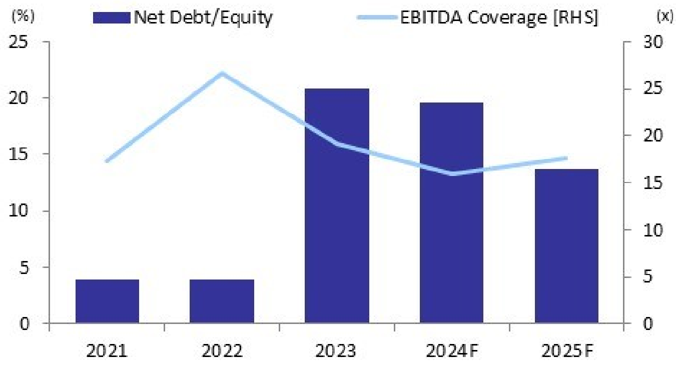
Source: Company, BRIDS Estimates

Exhibit 17. Margins



Source: Company, BRIDS Estimates

Exhibit 18. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 19. 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**	**61,792**	**64,531**	**69,201**
Oper. profit	**42,201**	**44,268**	**43,283**	**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**	**54,218**	**55,329**	**58,205**
Income tax	(9,970)	(10,228)	(10,727)	(10,947)	(11,516)
Minority interest	(11,476)	(10,662)	(10,220)	(10,241)	(9,885)
Net profit	**28,944**	**33,839**	**33,270**	**34,141**	**36,804**
Core Net Profit	**28,756**	**34,247**	**33,270**	**34,141**	**36,804**

Exhibit 20. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	61,295	41,136	45,291	51,947	58,628
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**	**471,450**	**501,050**	**534,004**
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'sFunds	192,142	198,640	207,949	227,118	248,559
Minority interests	51,578	51,778	61,998	72,240	82,124
Total Equity & Liabilities	**413,297**	**445,679**	**471,449**	**501,048**	**534,001**

Exhibit 21. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	28,944	33,839	33,270	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)
OtherOper. Cash Flow	(10,082)	(17,357)	(5,643)	(3,856)	(4,659)
Operating Cash Flow	**25,568**	**20,465**	**37,733**	**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)	(14,972)	(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)**	**(13,302)**	**(13,440)**
Net Change in Cash					
Cash - begin of the year	**(2,652)**	**(20,159)**	**4,155**	**6,655**	**6,681**
Cash - end of the year	63,947	61,295	41,136	45,291	51,947

Exhibit 22. 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	3.8	4.4	7.2
Operating profit	65.3	4.9	(2.2)	2.9	6.5
Net profit	43.3	16.9	(1.7)	2.6	7.8
Profitability (%)					
Gross margin	23.3	23.2	22.3	21.6	21.4
EBITDA margin	18.6	18.8	18.6	18.1	17.7
Operating margin	14.0	14.0	13.0	12.5	12.1
Net margin	9.6	10.7	10.0	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