

# Buy

(Maintained)

Last Price (Rp)	4,590
Target Price (Rp)	5,900
Previous Target Price (Rp)	5,900
Upside/Downside	+28.5%
No. of Shares (mn)	40,484
Mkt Cap (Rpbn/US\$mn)	185,820/11,296
Avg, Daily T/O (Rpbn/US\$mn)	199.2/12.1
Free Float (%)	42.3
Major Shareholder (%)	
Jardine Cycle & Carriage	50.1
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	843.3 909.1 943.0
Consensus	814.0 829.1 884.7
BRIDS/Cons (%)	3.6 9.7 6.6

## ASII relative to JCI Index



Source: Bloomberg

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# Astra International (ASII IJ)

## FY24 earnings: in line with ours, beat vs. consensus

- ASII recorded net profit growth of 0.6% yoy to Rp34.05tr, forming 102%/106% of ours/cons (in line with ours, but above cons).
- Earnings were driven by 8% equity income growth (ADM & AHM), and growth in financial and agribusiness operating profit (+10%/+32% yoy).
- We reiterate our Buy rating with a TP of Rp5,900.

### Earnings: in line with ours, higher than cons due to growth in financial, agri, and heavy equipment segments

ASII reported consolidated net profit of Rp34.05tr in FY24 (+0.6% yoy, 102%/106% of ours/cons, in line with ours but higher than consensus). FY24 earnings were driven by growth in equity income and strong financial segment, which were able to offset weaker operating profit in the auto segment. 4Q24 net profit reached Rp8.2tr (-18% qoq/+0.6% yoy). Consolidated revenue grew by 4.5% yoy to Rp330.9tr (100%/104% of ours/cons, or in-line) in FY24, which derived from by: 1) financial segment (+10% yoy), as ASII still enjoyed income from strong 4W/2W financing growth in FY23; 2) heavy equipment (+4.5% yoy), driven by higher-than-expected Komatsu sales; 3) agribusiness (+5% yoy) due to rising CPO prices. Decent auto segment revenue growth of +4% yoy despite weak 4W sales (-14% yoy), as it was offset by strong 2W sales volume. However, 4W/2W sales were peaking in 3Q24, with lower sales in 4Q24 vs 3Q24, thus dragging the consolidated revenue (-2% qoq, with auto 4Q24 revenue -3% qoq).

### Weak auto margin was partially offset by higher financial margin, while equity income growth at a decent rate

Operating profit declined by 5% yoy in FY24 (4Q24: -4% qoq/-12% yoy), driven by a lower auto margin (1.2% in FY24 vs. 2.1% in FY23), with the 4Q24 margin at 1.0% (vs. 1.2% in 3Q24, in line with our previous estimation changes). We expect this to be due to lower high-end model sales in FY24 vs. FY23 (i.e., Innova sales declined by 4% yoy on a volume basis). Additionally, heavy equipment recorded higher opex in 4Q24, thus its operating profit declined by 8% yoy in FY24 (4Q24: -11% qoq). Nevertheless, consolidated operating profit was partially offset by a higher financial segment margin (FY24: +10% yoy, 4Q24: +4% qoq/+11% yoy), as it enjoyed a relatively low cost of financing. Equity income improved by 8% yoy in FY24, albeit slightly weakened in 4Q24 (-8% qoq) due to a seasonality factor. AHM recorded 16% net income growth in FY24 (4Q24: -29% qoq, due to lower 2W sales in 4Q24 vs. 3Q24), while ADM recorded 8% yoy net income growth (4Q24: +1% qoq).

### Overall, earnings beat consensus est., yet in line with ours

We reiterate our Buy rating on ASII with an SOTP-based TP of Rp5,900. ASII currently trades at 5.6x forward PE, -1.5 std dev of its 5-year mean. ASII will conduct concall on Mon, 3th of March at 10am JKT time.

### Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	316,565	330,920	357,305	391,021	408,634
EBITDA (Rpbn)	59,556	61,178	64,531	69,201	70,484
EBITDA Growth (%)	6.2	2.7	4.4	7.2	1.9
Net Profit (Rpbn)	33,839	34,051	34,141	36,804	38,175
EPS (Rp)	835.9	841.1	843.3	909.1	943.0
EPS Growth (%)	16.9	0.6	2.6	7.8	2.7
BVPS (Rp)	4,906.7	5,265.5	5,610.1	6,139.8	6,688.2
DPS (Rp)	956.1	621.8	369.8	379.5	413.2
PER (x)	5.5	5.5	5.6	5.2	4.9
PBV (x)	0.9	0.9	0.8	0.8	0.7
Dividen yield (%)	20.8	13.5	7.9	8.1	9.0
EV/EBITDA	4.0	3.9	3.6	3.2	2.9

Source: ASII, BRIDS Estimates

### Exhibit 1. ASII 4Q24/FY24 Earnings Summary

(in Rpbn)	4Q23	3Q24	4Q24	QoQ, %	YoY, %	FY23	FY24	YoY, %	FY24 (BRIDS)	A/F, %	FY24 (Cons)	A/F, %
Revenue	75,652	86,362	84,591	(2.1)	11.8	316,565	330,920	4.5	332,004	100	319,270	104
Gross profit	19,723	19,052	18,905	(0.8)	(4.1)	73,310	73,557	0.3	73,961	99	71,510	103
Operating income	11,829	10,924	10,430	(4.5)	(11.8)	44,268	42,202	(4.7)	43,283	98	41,431	102
EBITDA	15,957	15,713	15,408	(1.9)	(3.4)	59,556	61,178	2.7	61,792	99	55,996	109
Equity income	2,250	2,749	2,533	(7.9)	12.6	9,499	10,291	8.3	10,003	103		
Net income	8,148	9,998	8,197	(18.0)	0.6	33,839	34,051	0.6	43,998	77	32,195	106

#### Margins, %

Gross margin	26.1	22.1	22.3			23.2	22.2		22.3		22.2	
Operating margin	15.6	12.6	12.3			14.0	12.8		13.0		13.0	
EBITDA margin	21.1	18.2	18.2			18.8	18.5		18.6		17.5	
Net margin	10.8	11.6	9.7			10.7	10.3		13.3		10.1	

#### Revenue Breakdown, IDRbn

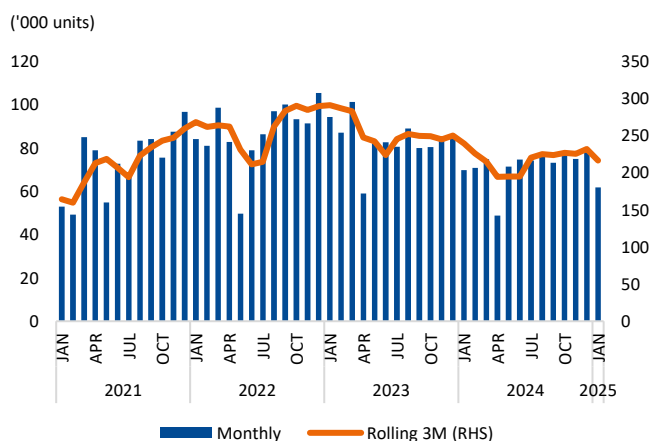
(in Rpbn)	4Q23	3Q24	4Q24	QoQ, %	YoY, %	FY23	FY24	YoY, %	FY24 (BRIDS)	A/F, %
Automotive	29,088	34,525	33,523	(2.9)	15.2	128,250	133,052	3.7	131,329	101
Financial services	8,015	8,592	8,599	0.1	7.3	29,998	33,103	10.4	33,385	99
Agribusiness	5,063	5,974	5,528	(7.5)	9.2	20,745	21,815	5.2	21,368	102
Information Technology	891	750	776	3.5	(12.9)	2,969	2,814	(5.2)	3,028	93
Heavy equipment	30,985	35,044	34,869	(0.5)	12.5	128,583	134,427	4.5	137,597	98
Infra & logistic	2,486	2,120	2,157	1.7	(13.2)	9,154	8,333	(9.0)	8,467	98
Property & others	428	390	462	18.5	7.9	1,049	1,372	30.8	1,259	109

#### Operating Income, IDRbn

(in Rpbn)	4Q23	3Q24	4Q24	QoQ, %	YoY, %	FY23	FY24	YoY, %	FY24 (BRIDS)	A/F, %
Automotive	220	425	344	(19.1)	56.4	2,727	1,602	(41.3)	1,569	102
Financial services	2,096	2,231	2,319	3.9	10.6	8,112	8,962	10.5	8,845	101
Agribusiness	386	368	712	93.5	84.5	1,252	1,659	32.5	1,289	129
Information Technology	45	69	44	(36.2)	(2.2)	181	203	12.2	203	100
Heavy equipment	8,523	7,147	6,326	(11.5)	(25.8)	29,723	27,182	(8.5)	28,895	94
Infra & logistic	426	533	541	1.5	27.0	1,876	2,074	10.6	2,031	102
Property & others	68	68	55	(19.1)	(19.1)	135	178	31.9	179	99

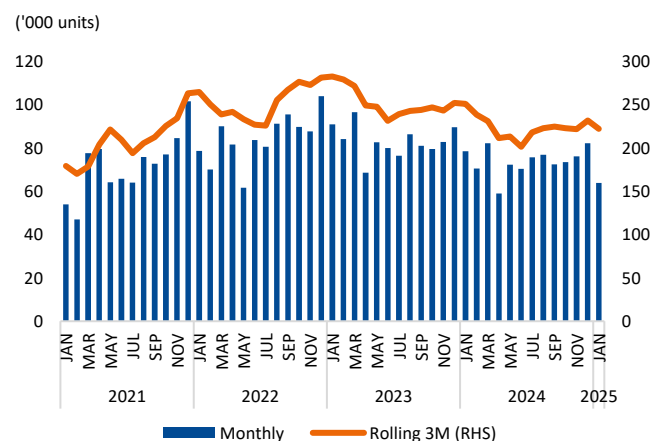
Source: Company, Bloomberg, BRIDS Estimates

### Exhibit 2. 4W Monthly Wholesales



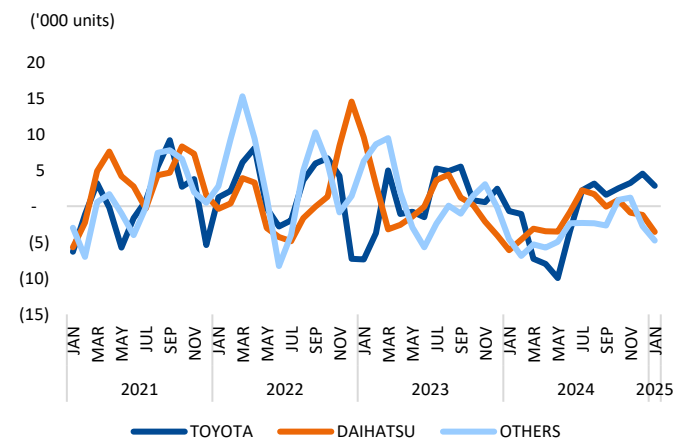
Source: Gaikindo, BRIDS

### Exhibit 3. 4W Monthly Retail Sales



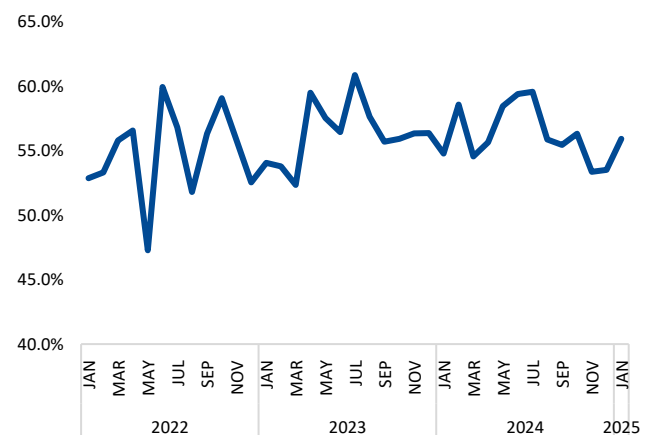
Source: Gaikindo, BRIDS

Exhibit 4. 4W Inventory Level



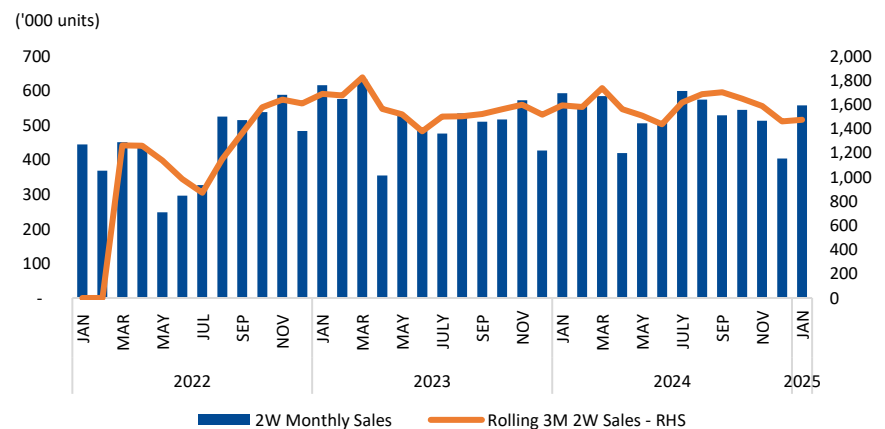
Source: Gaikindo, BRIDS

Exhibit 5. ASII 4W Market Share



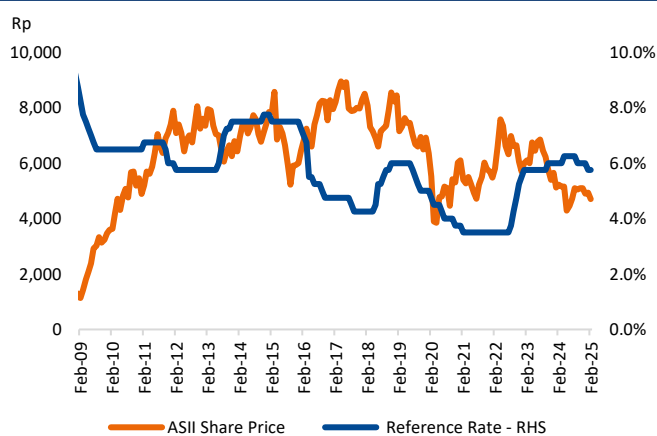
Source: Gaikindo, BRIDS

Exhibit 6. 2W Monthly Sales



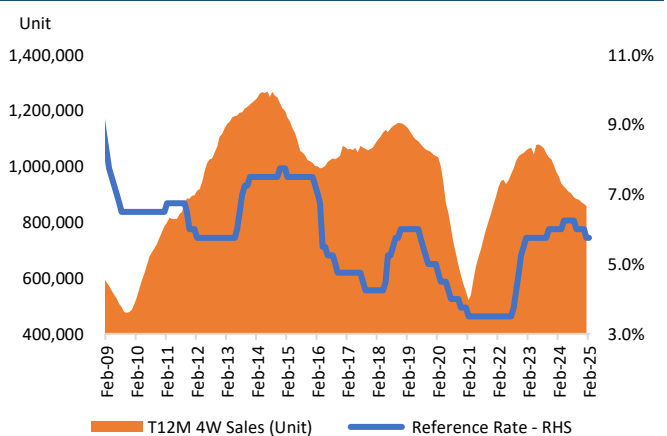
Source: AISI, BRIDS

Exhibit 7. ASII’s Share Price vs Reference Rate



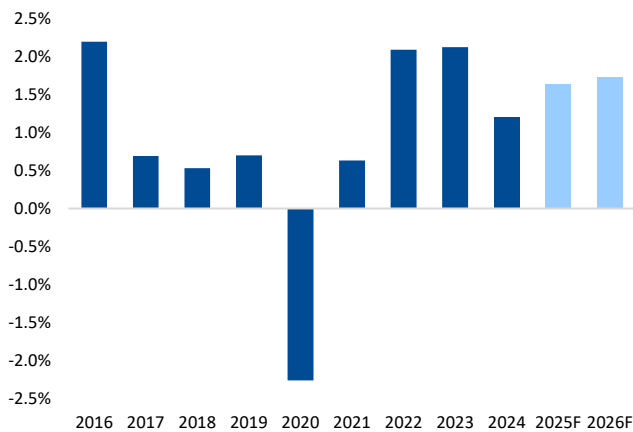
Source: BI, Bloomberg, BRIDS

Exhibit 8. 4W Wholesale vs Reference Rate



Source: BI, Bloomberg, BRIDS

Exhibit 9. ASII Automotive Segment Operating Margin



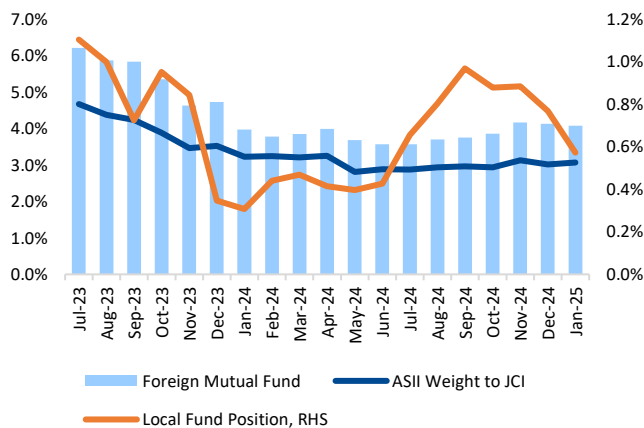
Source: ASII, BRIDS Estimates

Exhibit 10. ASII P/E Band (2019-2025)

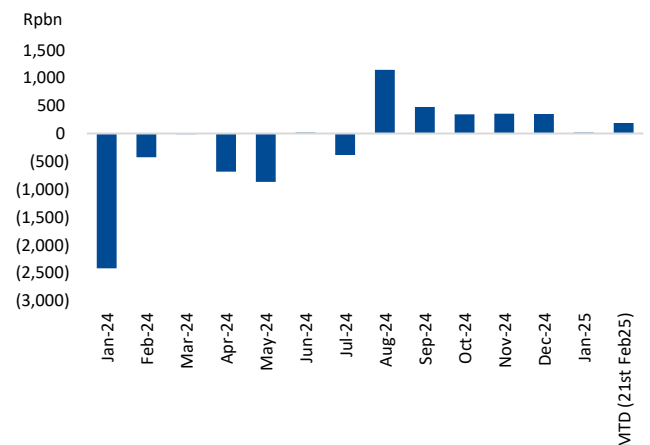


Source: Company, Bloomberg, BRIDS Estimates

Exhibit 11. ASII's Weighting and Fund Position

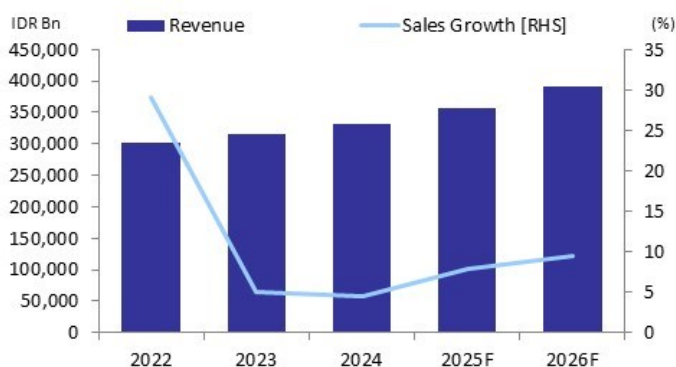


Source: KSEI, BRIDS

Exhibit 12. ASII's Historical Foreign Flows (as of 21<sup>st</sup> Feb25)


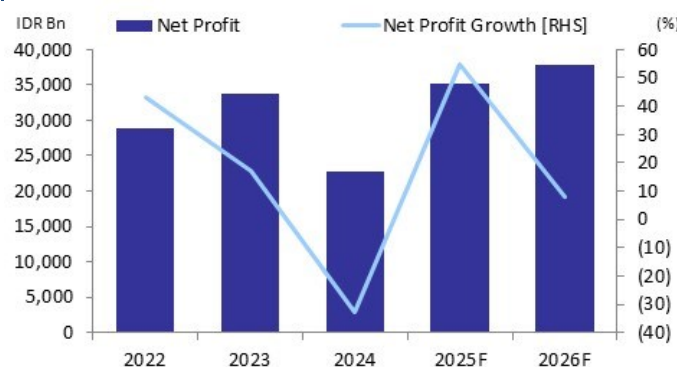
Source: IDX, BRIDS

Exhibit 13. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 14. Net Profit and Growth



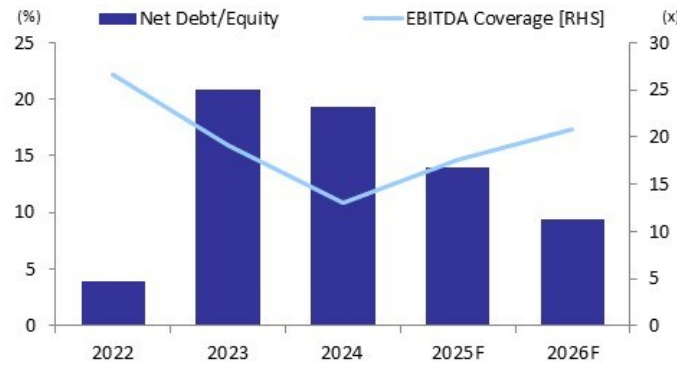
Source: Company, BRIDS Estimates

**Exhibit 15. Margins**



Source: Company, BRIDS Estimates

**Exhibit 16. Gearing Level**



Source: Company, BRIDS Estimates

**Exhibit 17. Income Statement**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
<b>Revenue</b>	<b>316,565</b>	<b>330,920</b>	<b>357,305</b>	<b>391,021</b>	<b>408,634</b>
COGS	(243,255)	(257,363)	(280,190)	(307,533)	(320,828)
<b>Gross profit</b>	<b>73,310</b>	<b>73,557</b>	<b>77,115</b>	<b>83,488</b>	<b>87,806</b>
<b>EBITDA</b>	<b>59,556</b>	<b>61,178</b>	<b>64,531</b>	<b>69,201</b>	<b>70,484</b>
<b>Oper. profit</b>	<b>44,268</b>	<b>42,202</b>	<b>44,524</b>	<b>47,427</b>	<b>46,805</b>
Interest income	3,053	3,348	2,945	2,798	2,798
Interest expense	(3,112)	(3,808)	(3,672)	(3,307)	(3,142)
Forex Gain/(Loss)	(408)	(532)	0	0	0
Income From Assoc. Co's	9,499	10,291	9,832	10,012	10,518
Other Income (Expenses)	1,429	1,658	1,700	1,275	956
<b>Pre-tax profit</b>	<b>54,729</b>	<b>53,159</b>	<b>55,329</b>	<b>58,205</b>	<b>57,934</b>
Income tax	(10,228)	(9,735)	(10,947)	(11,516)	(11,093)
Minority interest	(10,662)	(9,373)	(10,241)	(9,885)	(8,667)
<b>Net profit</b>	<b>33,839</b>	<b>34,051</b>	<b>34,141</b>	<b>36,804</b>	<b>38,175</b>
<b>Core Net Profit</b>	<b>34,247</b>	<b>34,583</b>	<b>34,141</b>	<b>36,804</b>	<b>38,175</b>

**Exhibit 18. Balance Sheet**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	41,136	48,439	51,947	58,628	65,769
Receivables	72,227	77,061	84,041	90,462	95,760
Inventory	39,138	37,771	41,156	45,172	47,125
Other Curr. Asset	12,837	12,852	14,489	15,856	16,570
Fixed assets - Net	107,977	115,135	113,355	116,217	118,196
Other non-curr.asset	171,242	180,859	195,214	206,821	219,240
<b>Total asset</b>	<b>445,405</b>	<b>472,925</b>	<b>501,050</b>	<b>534,004</b>	<b>563,508</b>
ST Debt	39,061	49,581	38,963	37,015	35,164
Payables	57,709	56,658	64,372	70,653	73,708
Other Curr. Liabilities	28,252	27,064	28,252	28,252	28,252
Long Term Debt	54,249	51,092	54,113	51,408	48,837
Other LT. Liabilities	15,710	17,034	15,990	15,990	15,990
<b>Total Liabilities</b>	<b>194,981</b>	<b>201,429</b>	<b>201,690</b>	<b>203,318</b>	<b>201,952</b>
Shareholder's Funds	198,640	213,165	227,118	248,559	270,762
Minority interests	51,784	58,331	72,240	82,124	90,791
<b>Total Equity &amp; Liabilities</b>	<b>445,405</b>	<b>472,925</b>	<b>501,048</b>	<b>534,001</b>	<b>563,504</b>

**Exhibit 19. Cash Flow**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	33,839	34,051	34,141	36,804	38,175
Depreciation and Amort.	9,078	8,239	16,117	17,885	19,790
Change in Working Capital	(5,095)	(5,681)	(4,304)	(5,522)	(4,910)
Other Oper. Cash Flow	(16,034)	(2,750)	(3,856)	(4,659)	(5,410)
<b>Operating Cash Flow</b>	<b>21,788</b>	<b>33,859</b>	<b>42,099</b>	<b>44,508</b>	<b>47,645</b>
Capex	(22,303)	(15,397)	(18,792)	(20,747)	(21,769)
Others Inv. Cash Flow	(13,369)	(3,059)	(3,350)	(3,640)	(3,867)
<b>Investing Cash Flow</b>	<b>(35,672)</b>	<b>(18,456)</b>	<b>(22,142)</b>	<b>(24,387)</b>	<b>(25,636)</b>
Net change in debt	22,589	7,363	(4,899)	(4,654)	(4,421)
New Capital	0	0	0	0	0
Dividend payment	(38,707)	(25,173)	(14,972)	(15,363)	(16,729)
Other Fin. Cash Flow	9,843	9,710	6,569	6,577	5,525
<b>Financing Cash Flow</b>	<b>(6,275)</b>	<b>(8,100)</b>	<b>(13,302)</b>	<b>(13,440)</b>	<b>(15,625)</b>
<b>Net Change in Cash</b>					
Cash - begin of the year	<b>(20,159)</b>	<b>7,303</b>	<b>6,655</b>	<b>6,681</b>	<b>6,384</b>
Cash - end of the year	61,295	41,136	45,291	51,947	59,385

**Exhibit 20. Key Ratio**

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
<b>Growth (%)</b>					
Sales	5.0	4.5	7.6	9.4	4.5
EBITDA	6.2	2.7	4.4	7.2	1.9
Operating profit	4.9	(4.7)	2.9	6.5	(1.3)
Net profit	16.9	0.6	2.6	7.8	2.7
<b>Profitability (%)</b>					
Gross margin	23.2	22.2	21.6	21.4	21.5
EBITDA margin	18.8	18.5	18.1	17.7	17.2
Operating margin	14.0	12.8	12.5	12.1	11.5
Net margin	10.7	10.3	9.6	9.4	9.3
ROAA	7.9	7.4	7.0	7.1	7.0
ROAE	17.3	16.5	15.7	15.5	14.7
<b>Leverage</b>					
Net Gearing (x)	0.2	0.2	0.1	0.1	0.1
Interest Coverage (x)	14.2	11.1	12.1	14.3	14.9

Source: ASII, BRIDS Estimates



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**INVESTMENT RATING**

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

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