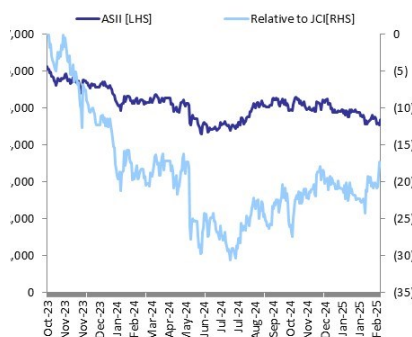


Buy

(Maintained)

Last Price (Rp)	4,680
Target Price (Rp)	5,800
Previous Target Price (Rp)	5,900
Upside/Downside	+23.9%
No. of Shares (mn)	40,484
Mkt Cap (Rpbn/US\$mn)	189,463/11,497
Avg, Daily T/O (Rpbn/US\$mn)	196.7/11.9
Free Float (%)	42.3
Major Shareholder (%)	
Jardine Cycle & Carriage	50.1
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	836.7 902.7 940.4
Consensus	814.0 829.1 899.2
BRIDS/Cons (%)	2.8 8.9 4.6

ASII relative to JCI Index



Source: Bloomberg

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Astra International (ASII IJ)

Finetuning FY25F est.: Flattish Earnings Due to Lower 4W Growth Expectation

- We cut our 4W sales expectation by 5%, resulting in FY25F 4W sales of 900k (+4% yoy), with ASII market share expected to remain at ~56%.
- We cut EBIT est. for financial segment due to slower financing growth and higher CoF, yet expect agri and HE segments to remain strong.
- We cut our FY25F/ FY26F revenue by -2.2%/ -1.7% and net profit by -0.8%/- 0.7% for. Reiterate Buy rating with a lower TP of Rp5,800.

Tuning down our 4W expectation due to soft purchasing power

Media reports indicated IIMS 2025 sales of 22.3k units (+16% yoy), a slower growth rate compared to IIMS 2024's 28% yoy growth. Media reports also indicated Toyota's weaker sales growth of only +7% yoy, vs. IIMS 2024's +30% yoy growth. Additionally, during ASII's analyst meeting, management expects 0-4% growth for 4W at the industry level, similar to Gaikindo's target. Despite management's indication that 4W sales in Feb25 were better than Jan25, we trimmed our industry 4W sales expectation from 945k to 900k, implying 4% yoy vol. growth. We also downgraded our auto segment operating margin assumption from 1.6%/1.7% in FY25F/FY26F to 1.2%/1.4%, as we expect more marketing exp. or discounts to push sales. However, we expect ASII's market share to remain at ~56%, which it has sustained for the past 2 years despite the entrance of China cars. This implies 504k/564k unit sales in FY24F/FY25F for ASII. On 2W, we reiterate our 0% vol. growth at the industry level. Contrary to our earlier belief that ASII's 2W MS might drop, it was sustained at ~78% in FY24, and we expect this to continue in FY25F.

Slower financial segment, while HE and agri segment remain strong

We cut our operating profit for the financial segment by 1.2%/2.7% in FY25F/FY26F, though it still implies 0.9%/1.8% growth (vs. 10% growth in FY24), due to: 1) slower new 4W financing growth; 2) higher funding costs, as Astra Financial indicated that its CoF in 2H24 was higher vs. 1H24; 3) higher competition from Mandala Finance, which led to a lower margin. However, we expect the HE segments to remain strong with 5.4%/7.1% EBIT growth in FY24F/FY25F. Furthermore, we expect 20%/28% growth in EBIT for the agri segment, as CPO price is sustained at MYR 4.6k/MT in 2M25 (~11% higher than the FY24 average).

Reiterate BUY, yet with lower TP and earnings

We trimmed our FY25F/FY26F revenue est. by -2.2%/-1.7%, EBIT by -1.8%/-1.9%. However, we cut our net profit est. by -0.8%/-0.7%, as we slightly raised equity income by 0.8%/1.8% due to a higher AHM margin assumption. Our latest forecast implies -1%/+8% growth for FY25F/FY26F consolidated ASII earnings. We reiterate BUY rating on ASII with a lower SOTP-based TP of Rp5,800. ASII currently trades at 5.6x forward PE, -1.5 std dev of its 5-year mean. Downside risks: 1) Further deceleration of 4W growth; 2) Rising NPF in the financial segment; 3) Declining CPO prices.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	316,565	330,920	349,612	384,539	400,991
EBITDA (Rpbn)	59,556	61,178	60,760	64,595	65,751
EBITDA Growth (%)	6.2	2.7	(0.7)	6.3	1.8
Net Profit (Rpbn)	33,839	34,051	33,871	36,544	38,072
EPS (Rp)	835.9	841.1	836.7	902.7	940.4
EPS Growth (%)	16.9	0.6	(0.5)	7.9	4.2
BVPS (Rp)	4,906.7	5,265.5	5,698.4	6,199.5	6,706.6
DPS (Rp)	956.1	621.8	403.7	401.6	433.3
PER (x)	5.6	5.6	5.6	5.2	5.0
PBV (x)	1.0	0.9	0.8	0.8	0.7
Dividen yield (%)	20.4	13.3	8.6	8.6	9.3
EV/EBITDA	4.1	4.0	3.8	3.4	3.2

Source: ASII, BRIDS Estimates

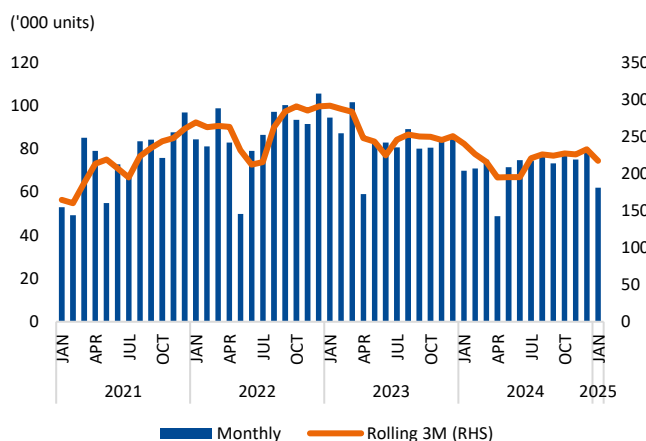
See important disclosure at the back of this report

Exhibit 1. ASII Forecast Changes

	Previous		New		Changes		New Estimate vs Cons	
	FY25F	FY26F	FY25F	FY26F	FY25F	FY26F	FY25F	FY26F
ASII 4W sales, unit	529,760	572,141	504,197	564,701	-4.8%	-1.3%		
ASII 2W sales, unit	4,934,552	5,082,589	4,939,982	5,088,181	0.1%	0.1%		
Consolidated								
Revenue	357,305	391,021	349,612	384,539	-2.2%	-1.7%	6.7%	13.3%
Gross Profit	77,115	83,488	75,908	82,130	-1.6%	-1.6%	5.1%	11.2%
EBIT	44,524	47,427	43,722	46,538	-1.8%	-1.9%	4.9%	12.3%
EBITDA	64,531	69,201	60,760	64,595	-5.8%	-6.7%	8.5%	14.3%
Equity Income	9,832	10,012	9,909	10,187	0.8%	1.8%		
Net Profit	34,141	36,804	33,871	36,544	-0.8%	-0.7%	3.3%	8.9%
By Segment								
<u>Revenue</u>								
Automotive	146,507	162,006	139,117	155,538	-5.0%	-4.0%		
Financial	35,229	37,379	34,678	36,277	-1.6%	-2.9%		
Agribusiness	20,727	20,105	21,531	22,202	3.9%	10.4%		
IT	3,089	3,151	2,814	2,814	-8.9%	-10.7%		
Heavy equipment	145,705	162,036	145,705	162,036	0.0%	0.0%		
Infra & logistic	9,526	10,240	8,583	8,840	-9.9%	-13.7%		
Property	1,290	1,323	1,441	1,513	11.7%	14.3%		
<u>Operating Profit</u>								
Automotive	2,410	2,797	1,669	2,219	-30.7%	-20.7%		
Financial	9,152	9,461	9,042	9,204	-1.2%	-2.7%		
Agribusiness	1,250	1,213	1,505	1,557	20.4%	28.4%		
IT	207	212	204	204	-1.4%	-3.7%		
Heavy equipment	28,648	30,680	28,648	30,680	0.0%	0.0%		
Infra & logistic	2,366	2,529	2,112	2,109	-10.7%	-16.6%		
Property	199	216	184	172	-7.4%	-20.4%		
GPM	21.6%	21.4%	21.7%	21.4%				
EBIT Margin	12.5%	12.1%	12.5%	12.1%				
EBITDA Margin	18.1%	17.7%	17.4%	16.8%				
Auto margin	1.6%	1.7%	1.2%	1.4%				

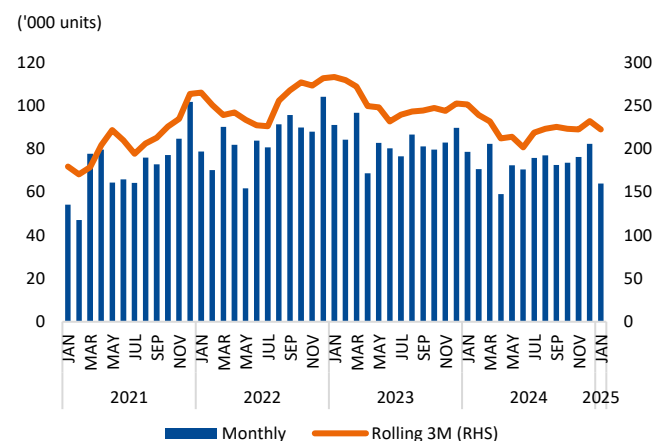
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. Industry 4W Monthly Wholesales



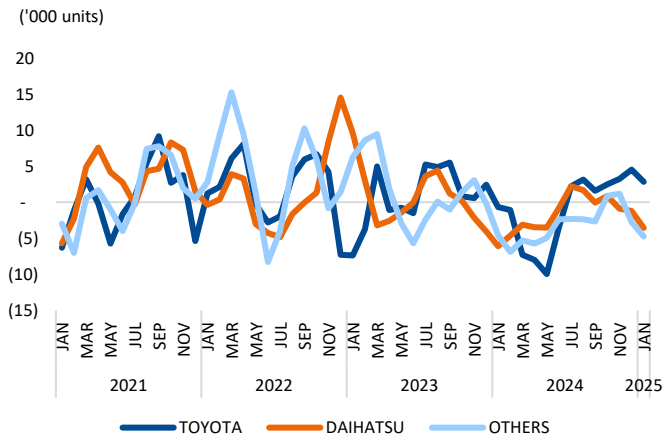
Source: Gaikindo, BRIDS

Exhibit 3. Industry 4W Monthly Retail Sales



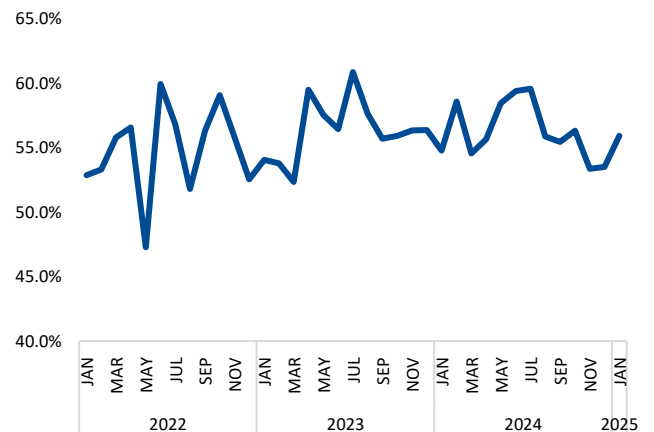
Source: Gaikindo, BRIDS

Exhibit 4. Industry 4W Inventory Level



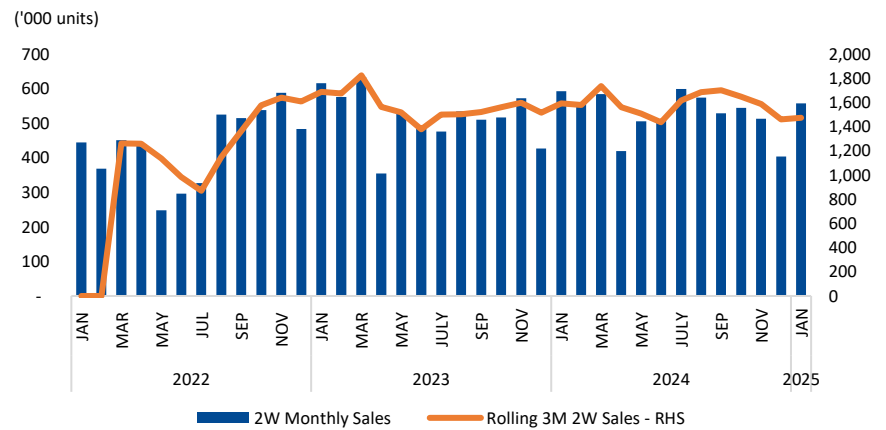
Source: Gaikindo, BRIDS

Exhibit 5. ASII 4W Market Share



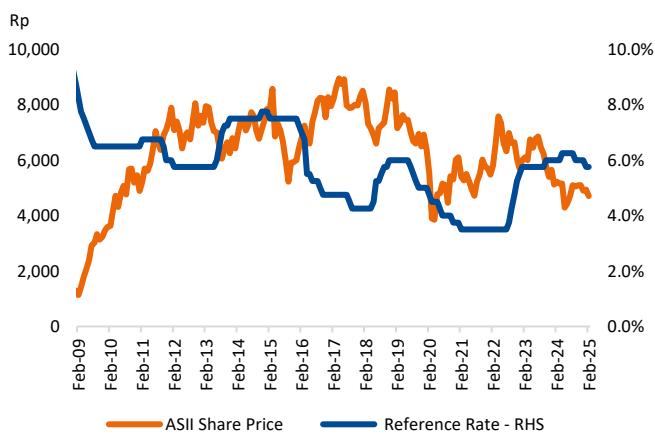
Source: Gaikindo, BRIDS

Exhibit 6. Industry 2W Monthly Sales



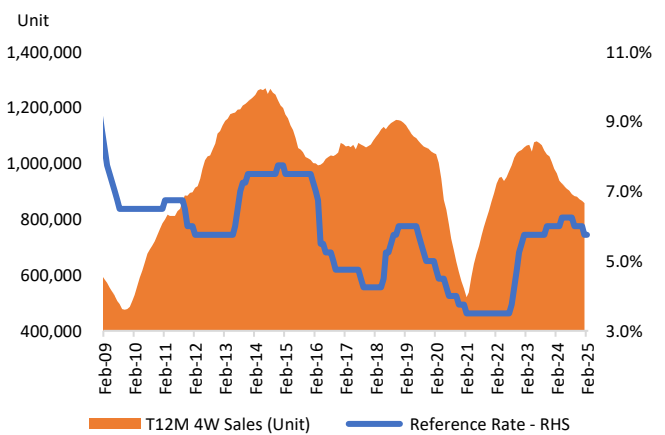
Source: AISI, BRIDS

Exhibit 7. ASII's Share Price vs Reference Rate



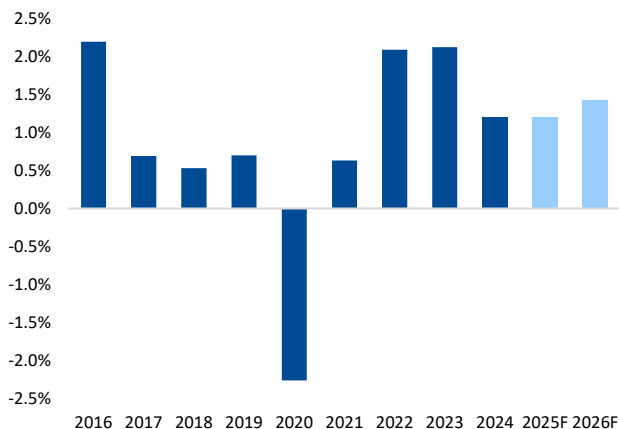
Source: BI, Bloomberg, BRIDS

Exhibit 8. Industry 4W Wholesales vs Reference Rate



Source: BI, Bloomberg, BRIDS

Exhibit 9. ASII Automotive Segment Operating Margin



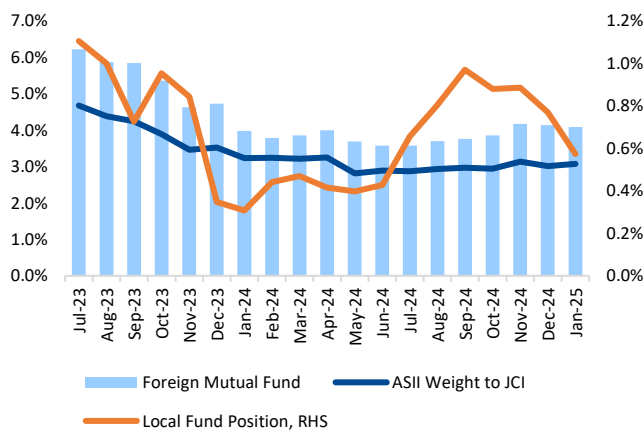
Source: ASII, BRIDS Estimates

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



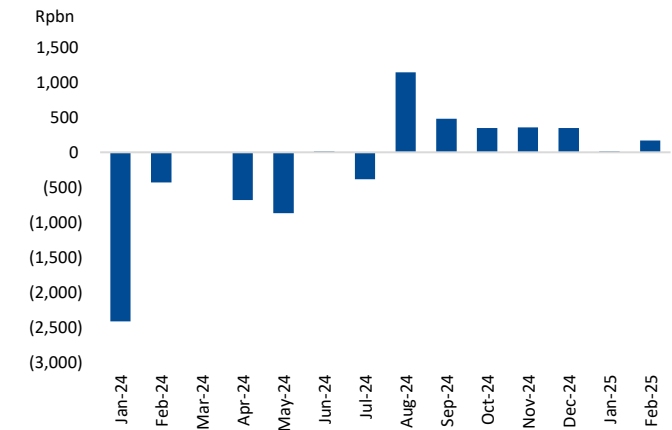
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 11. ASII's Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 12. ASII's Historical Foreign Flows



Source: IDX, BRIDS

Exhibit 13. 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	5,761	7.3	41,813,823	100.0%	41,813,823	15.2%
AUTO	1,994	6.7	13,292,059	80.0%	10,633,647	3.9%
HEAVY EQUIPMENT (shares * TP)						
UNTR	4,931	31,000	152,861,000	59.5%	90,952,295	33.0%
AGRI BUSINESS (P/E method)						
AALI	1,157	7.4	8,518,875	79.7%	6,787,840	2.5%
FINANCIAL SERVICES (P/BV method)						
ASDF	11,229	2.3	25,407,999	86.1%	21,886,450	7.9%
FIFA	13,023	2.9	38,070,233	100.0%	38,070,233	13.8%
OTHERS (P/E method)						
ASGR	205	5.3	1,084,682	76.9%	833,795	0.3%
Others			64,482,160	100.0%	64,482,160	23.4%
Total equity value (Rp mn)	275,460,244					
Shares (mn)	40,484					
NAV/share, Rp	6,800					
Conglomerate Discount	15%					
Adjusted NAV/share, Rp	5,800					

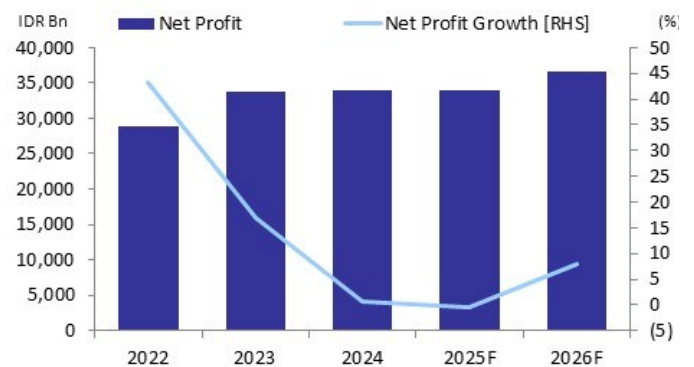
Source: BRIDS Estimates

Exhibit 14. Revenue and Growth



Source: Company, BRIDS Estimates

Exhibit 15. Net Profit and Growth



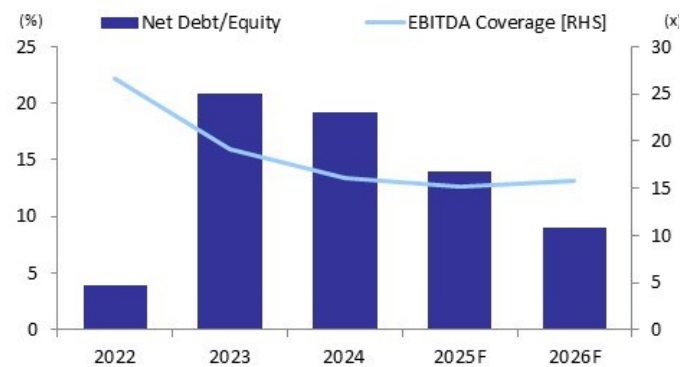
Source: Company, BRIDS Estimates

Exhibit 16. Margins



Source: Company, BRIDS Estimates

Exhibit 17. Gearing Level



Source: Company, BRIDS Estimates

Exhibit 18. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	316,565	330,920	349,612	384,539	400,991
COGS	(243,255)	(257,363)	(273,705)	(302,408)	(314,829)
Gross profit	73,310	73,557	75,908	82,130	86,162
EBITDA	59,556	61,178	60,760	64,595	65,751
Oper. profit	44,268	42,202	43,722	46,538	46,679
Interest income	3,053	3,348	3,106	3,106	3,106
Interest expense	(3,112)	(3,808)	(4,006)	(4,087)	(4,168)
Forex Gain/(Loss)	(408)	(532)	0	0	0
Income From Assoc. Co's	9,499	10,291	9,909	10,187	10,826
Other Income (Expenses)	1,429	1,658	1,607	1,446	1,301
Pre-tax profit	54,729	53,159	54,336	57,190	57,743
Income tax	(10,228)	(9,735)	(10,285)	(10,826)	(10,930)
Minority interest	(10,662)	(9,373)	(10,180)	(9,821)	(8,742)
Net profit	33,839	34,051	33,871	36,544	38,072
Core Net Profit	34,247	34,583	33,871	36,544	38,072

Exhibit 19. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	41,136	48,439	61,667	75,858	89,820
Receivables	72,227	77,061	81,178	86,827	91,502
Inventory	39,138	37,771	40,896	45,185	47,041
Other Curr. Asset	12,837	12,852	13,578	14,934	15,573
Fixed assets - Net	108,320	118,622	122,509	125,470	127,283
Other non-curr.asset	170,899	177,372	186,939	197,047	208,245
Total asset	445,405	472,925	507,575	546,129	580,272
ST Debt	39,061	49,581	50,573	51,584	52,616
Payables	57,709	56,658	60,814	67,192	69,952
Other Curr. Liabilities	28,252	27,064	27,064	27,064	27,064
Long Term Debt	54,249	51,092	52,885	53,943	55,022
Other LT. Liabilities	15,710	17,034	17,034	17,034	17,034
Total Liabilities	194,981	201,429	208,370	216,817	221,687
Shareholder's Funds	198,640	213,165	230,691	250,977	271,508
Minority interests	51,784	58,331	68,511	78,332	87,074
Total Equity & Liabilities	445,405	472,925	507,573	546,126	580,268

Exhibit 20. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	33,839	34,051	33,871	36,544	38,072
Depreciation and Amort.	9,078	8,647	9,717	10,735	11,751
Change in Working Capital	(5,095)	(5,681)	(3,810)	(4,915)	(4,409)
Other Oper. Cash Flow	(15,691)	394	(2,884)	(3,063)	(3,768)
Operating Cash Flow	22,131	37,411	36,894	39,300	41,645
Capex	(22,646)	(18,949)	(13,603)	(13,696)	(13,564)
Others Inv. Cash Flow	(13,369)	(3,059)	(2,676)	(2,959)	(3,262)
Investing Cash Flow	(36,015)	(22,008)	(16,280)	(16,655)	(16,826)
Net change in debt	22,589	7,363	2,785	2,069	2,111
New Capital	0	0	0	0	0
Dividend payment	(38,707)	(25,173)	(16,344)	(16,258)	(17,541)
Other Fin. Cash Flow	9,843	9,710	6,174	5,734	4,573
Financing Cash Flow	(6,275)	(8,100)	(7,386)	(8,455)	(10,857)
Net Change in Cash					
Cash - begin of the year	(20,159)	7,303	13,228	14,191	13,962
Cash - end of the year	61,295	41,136	48,439	61,667	75,858

Exhibit 21. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	5.0	4.5	5.6	10.0	4.3
EBITDA	6.2	2.7	(0.7)	6.3	1.8
Operating profit	4.9	(4.7)	3.6	6.4	0.3
Net profit	16.9	0.6	(0.5)	7.9	4.2
Profitability (%)					
Gross margin	23.2	22.2	21.7	21.4	21.5
EBITDA margin	18.8	18.5	17.4	16.8	16.4
Operating margin	14.0	12.8	12.5	12.1	11.6
Net margin	10.7	10.3	9.7	9.5	9.5
ROAA	7.9	7.4	6.9	6.9	6.8
ROAE	17.3	16.5	15.3	15.2	14.6
Leverage					
Net Gearing (x)	0.2	0.2	0.1	0.1	0.0
Interest Coverage (x)	14.2	11.1	10.9	11.4	11.2

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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