Neutral

(Maintained)

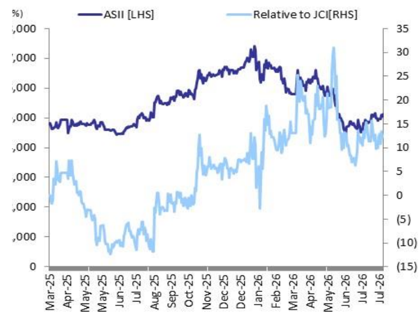
Tactical (3M): **N**

Automotive

4W Market: Persisting EV Competition Pressure; Commercial Segment Continues to Drive Recovery

- **Our visit to GIIAS confirms intensifying passenger competition, with more Chinese brand launches broadening to SUV segment.**
- **1H26 commercial segment sales rose +27% YoY vs. passenger +7%, driven by electrified +76% YoY.**
- **ASII's 4W business may continue to benefit from volume in 2H26 but margin upside is limited given stronger commercial mix.**

ASII relative to JCI Index



Source: Bloomberg

GIIAS 2026: Intensifying EV Launches

Our visit to GIIAS 2026 reinforced the increasingly competitive industry backdrop, with a broader brand lineup and more Chinese EV entrants. Customer interest remained concentrated in mass-market compact MPVs, small MPVs, SUVs and hybrid models. New launches broadened across both the Rp200–300mn mass-market segment and higher-priced SUVs. Meanwhile, promotional activity remained within normal levels.

1H26: commercial led recovery, electrification accelerated

Our channel checks were consistent with recent sales trends. Passenger segment sales rose 7% yoy in 1H26, with growth increasingly driven by electrified models: BEV sales rose 91% yoy to 70.1k units, lifting penetration to 16.1% from 9.8% in 1H25; HEV sales +49% yoy to 40.4k units, while PHEV sales nearly tripled to 5.0k units. Combined HEV, PHEV and BEV wholesales rose 76% yoy to 115.5k units, well ahead of the 16% growth in the overall market, lifting their combined share to 26.5% from 17.5%. Meanwhile, commercial segment sales rose a stronger 27% yoy, supported by logistics demand and government-linked programs.

Read-through to ASII's 4W earnings outlook

ASII's 1H26 4W sales volume rose by a healthy 10% yoy, but its operating margin remained flat at 1.2%. Management attributed this to sales mix and competition, consistent with industry data. Looking into 2H26, we expect commercial demand to remain relatively steady, but see limited scope for margin expansion given persisting competition in passenger segment. Management also indicated that 4W manufacturing margins could begin to reflect higher raw material costs in 2H26.

Reiterate Buy rating on ASII on steady 2H26 4W earnings

We reiterate our Buy rating on ASII, as we believe resilient FY26 earnings and a recovery into FY27 are not fully reflected in the current valuation of 7.0x P/E, or -1SD below its 5-year mean. While the near-term 4W earnings outlook remains steady rather than accelerating, we expect 2H26 earnings support from a recovery in 2W and UNTR, driven by higher PAMA volumes following the expected RKAB revision and a stronger contribution from Martabe. We retain our **Neutral Tactical 3M view**, as the auto business currently offers limited near-term catalysts and 4W margin upside remains constrained. Key downside risks are further margin pressure in the auto business and a lower-than-expected RKAB volume revision for PAMA's coal-mining clients.

BRI Danareksa Sekuritas Analysts

Erindra Krisnawan, CFA
(62-21) 5091 4100 ext. 3500
erindra.krisnawan @brids.co.id

Sabela Nur Amalina
(62-21) 5091 4100 ext. 4212
sabela.amalinai@brids.co.id

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x) 2026F	P/E (x) 2027F	P/BV (x) 2026F	P/BV (x) 2027F	ROE (%) 2027F
Astra International	ASII IJ	BUY	6,850	206,466.1	8.6	7.0	1.0	0.9	13.6

GIIAS 2026 Site Visit KTAs

Overall, we see competition is intensifying as more Chinese brands and affordable EVs enter the market, with actual customer interest remain in practical MPVs, SUVs, hybrids, and established mass-market models.

- **A larger and more competitive event, particularly in passenger-car and EV brands**. GIIAS 2026 was showcased as the largest edition to date, with more than 65 vehicle brands comprising 43 passenger-car brands, seven commercial-vehicle brands, 13 motorcycle brands; it also featured 10 first-time participants. This compares with more than 60 brands at GIIAS 2025, including 40 passenger-car and four commercial-vehicle brands. The expansion was driven largely by Chinese entrants such as Changan, Leapmotor, iCar, BAW, and Farizon, reinforcing Indonesia's position as an increasingly crowded launch market, particularly for EVs.

- **New launches remained heavily tilted toward electrification in affordable city cars and compact SUVs.**
  - Wuling launched locally assembled Aira EV, priced at Rp155mn–175mn, directly targeting first-time buyers and the LCGC price bracket.
  - Chery launched Chery Q, the successor to the QQ, in two variants with a special GIIAS starting price in the Rp230mn range. The compact EV claimed a range of around 400km and competes directly with the BYD's Atto-1 and Geely EX2 in the Rp200mn segment.

- **Competition broadened into the Rp300mn–500mn SUV segments.**
  - GAC refreshed the AION UT, priced at Rp345mn–395mn.
  - Jaecoo continued to push the J5 EV (already one of the best-selling EVs before GIIAS), whose earlier launch pricing ranged from Rp350mn to Rp450mn.
  - New entrant Leapmotor launched the B10 compact electric SUV at Rp499mn, with a special GIIAS price of Rp449mn, while the larger C10 was offered at Rp618mn, or Rp598mn during the show.
  - New brands including Changan, iCar, Zeekr and Leapmotor used GIIAS as their market-entry platform, while BAW and Farizon expanded the Chinese presence into utility and commercial vehicles.

- **The Japanese brands introduced some flagship models but offered limited new models in mass market segment**.
  - Toyota showcased the Land Cruiser Hybrid, bZ4X Touring, and Land Cruiser FJ (bookings to open in Nov–Dec 2026).
  - Honda introduced its first EV, the Honda Super EV, priced at around Rp400mn, with annual production capped at 100 units.

- **Promotional activity was broad but generally within normal dealer-discounting patterns**.
  Cash discounts reached around Rp20mn for the Innova Zenix, Rp15mn for the Honda BR-V, Rp16–18mn for the Daihatsu Xenia, Rp6–16mn across Wuling models, Rp20–50mn for Mitsubishi's Xpander, Destinator, and Pajero Sport, and up to Rp50mn for the BYD M6. Financing support was also standard for major exhibitions, including low down payments, trade-in bonuses, subsidised insurance, lucky draws, and zero-interest packages that typically required a high initial down payment. Similar financing structures had already been offered by manufacturers outside GIIAS.

- **Customer interest remained concentrated in practical MPVs, compact SUVs and increasingly affordable electrified vehicles.**
  Our channel checks identified Toyota's Veloz, Zenix Hybrid, and Hilux; Daihatsu's Xenia and Rocky Hybrid; Honda's Brio; Mitsubishi's Xpander, Pajero Sport, and Destinator; and BYD's Atto 1 and M6 remain the popular models. This is also visible in 1H26 wholesales:

  - 1H26, hybrid segment wholesales reached 42,366 units, up 47% yoy, with a 9.7% market share**.** Toyota's Innova Zenix HEV remained the market leader with 13,279 units, followed by the newly introduced Veloz HEV with 11,147 units. Together, the two models accounted for around 58% of Indonesia's total hybrid sales.
  - In BEVs, demand was spread across several formats rather than concentrated in entry-level city cars. The Jaecoo J5 led 1H26 sales with 16,990 units, followed by the BYD Atto 1 at 10,116 units, Geely EX2 at 6,582 units, and BYD M6 at 5,844 units. The model mix points to growing demand for compact SUVs and family MPVs, alongside affordable hatchbacks.
  - Chinese brand rose 73% yoy to 78.7k units in 1H26, lifting their market share to 18% from 12%, suggesting the proliferation of launches is being accompanied by tangible market share gains.

Exhibit 1. Notable New Launches Model in GIAAS 2026

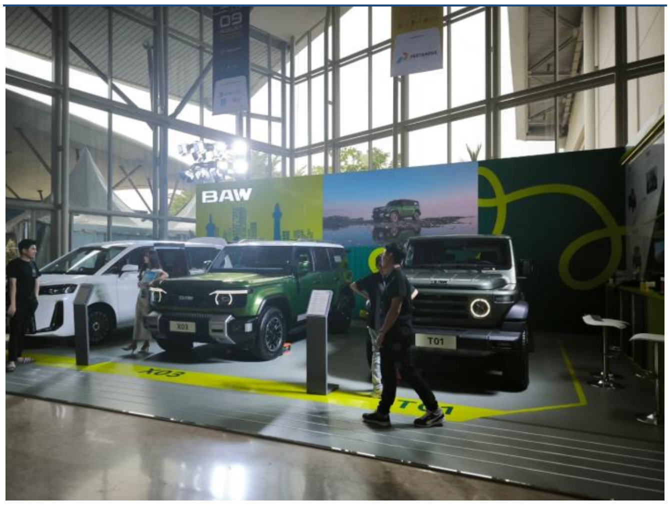
Model	Powertrain / segment	Indicative price
Wuling Aira EV	Entry-level city BEV	**Rp155–175mn**
Chery Q	Compact BEV	**from Rp230mn during GIIAS**
Geely EX2	Compact BEV	**Rp239.9–269.9mn**
AION UT	Electric hatchback	**Rp345–395mn**
Jaecoo J5 EV	Compact electric SUV	**Rp350–450mn**
Leapmotor B10	Compact electric SUV	**Rp449mn GIIAS / Rp499mn normal**
Leapmotor C10	Mid-size electric SUV	**Rp598mn GIIAS / Rp618mn normal**

Source: Varios Sources

Exhibit 2. GIIAS 2026 Event

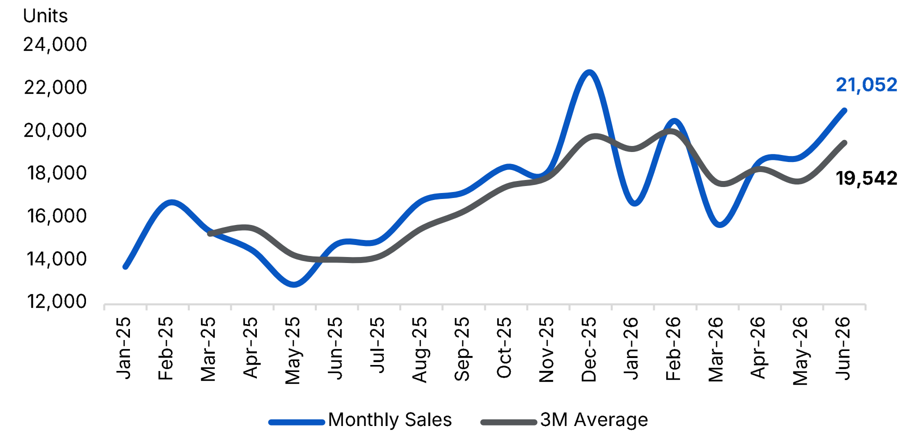
Source: BRIDS Survey

Exhibit 3. New Chinese Brand in GIIAS 2026



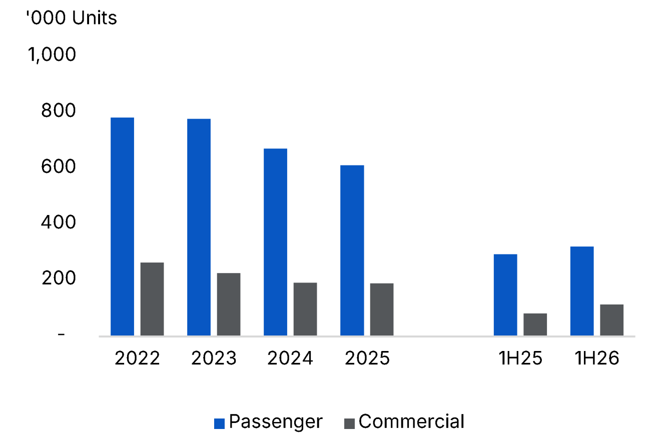
Source: BRIDS Survey

Exhibit 4. Retail Monthly Sales in Commercial Segment



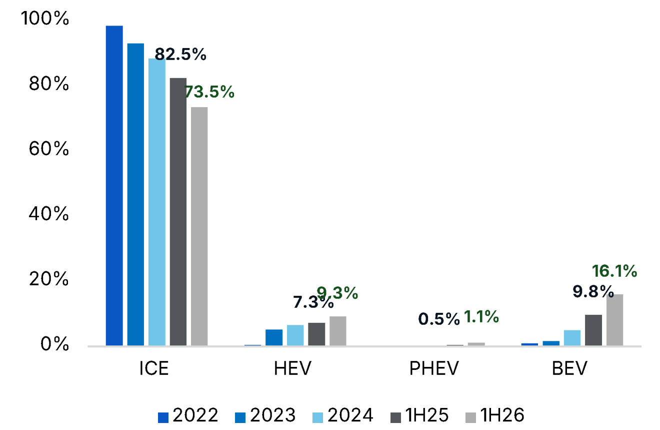
Source: GAIKINDO, BRIDS

Exhibit 5. Passenger vs Commercial Segment Wholesales



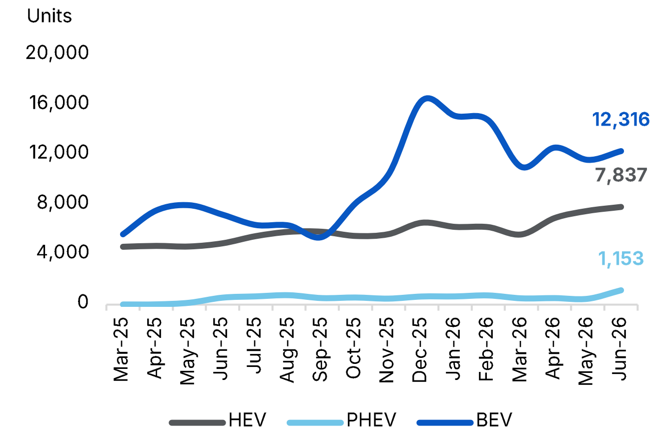
Source: GAIKINDO, BRIDS

Exhibit 6. Market Share by power train



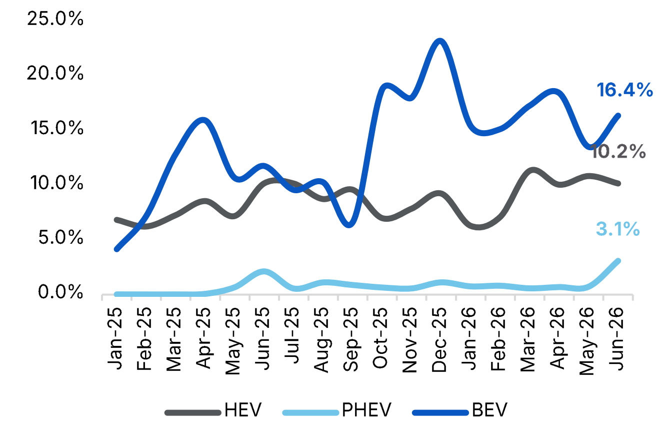
Source: GAIKINDO, BRIDS

Exhibit 7. EV Monthly Sales (3mMA)



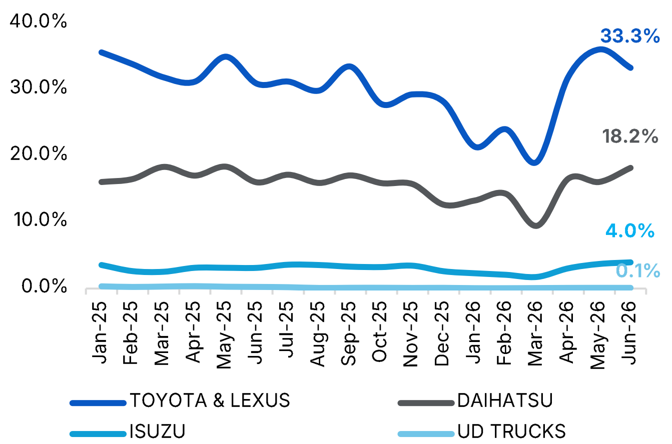
Source: GAIKINDO, BRIDS

Exhibit 8. EV Monthly Market Share



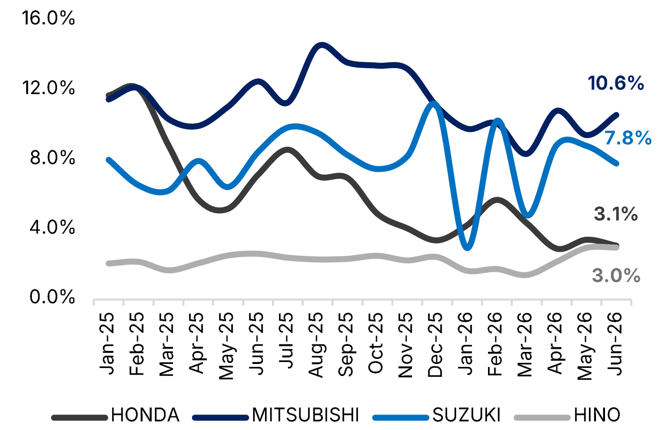
Source: GAIKINDO, BRIDS

Exhibit 9. Astra Brand Market Share



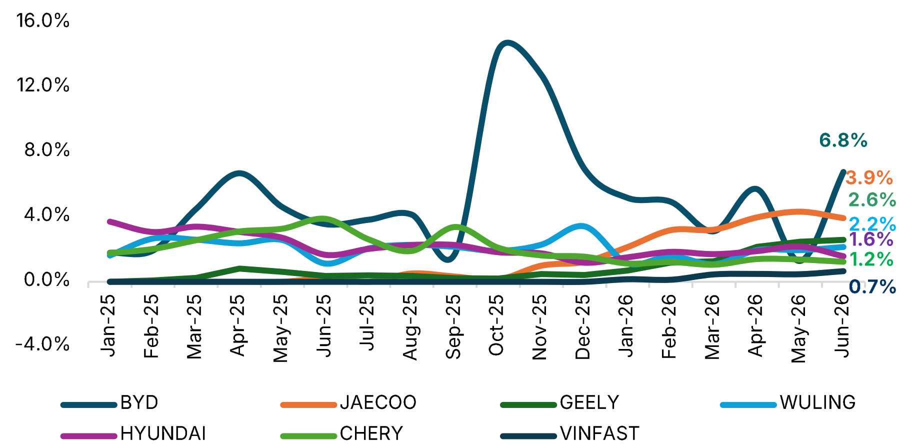
Source: GAIKINDO, BRIDS

Exhibit 10. Japanese Brand Market Share



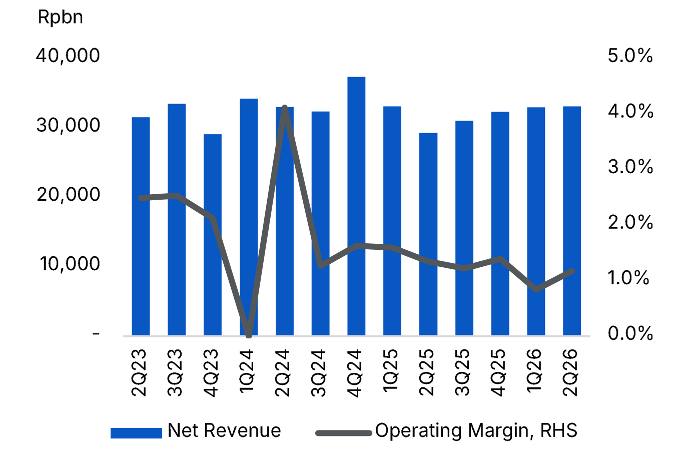
Source: GAIKINDO, BRIDS

Exhibit 11. Other Brands Market Share



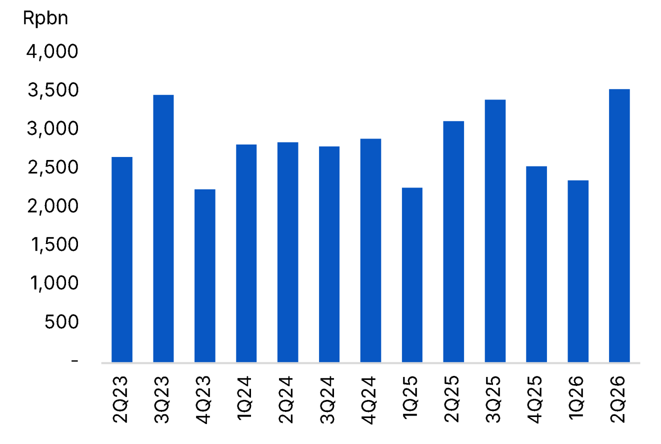
Source: GAIKINDO, BRIDS

Exhibit 12. ASII Automotive Segment Revenue and Operating Margin



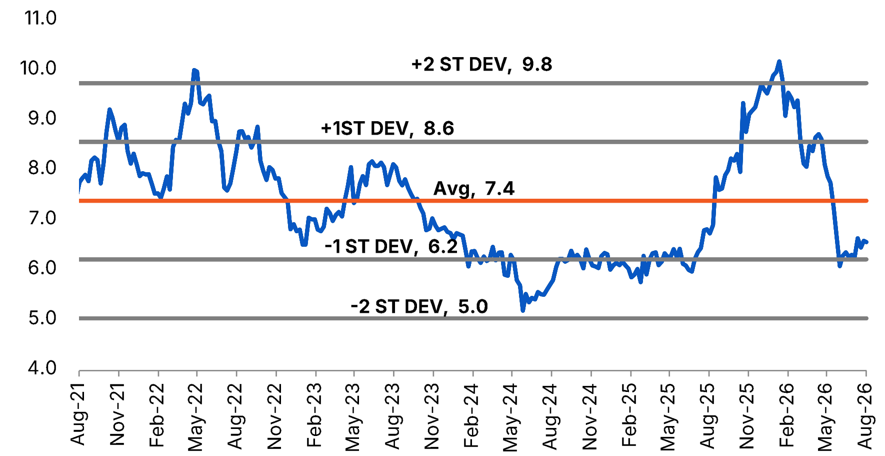
Source: Company, BRIDS

Exhibit 13. ASII Automotive Segment Net Income



Source: Company, BRIDS

Exhibit 14. ASII PE Band (5-Years)



Source: Company, Blooomberg, BRIDS Estimates

Equity Research – Sector Update

Friday, 07 August 2026

BRI Danareksa Sekuritas

BRI Danareksa Equity Research Team		
Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Coal	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Andhika Audrey Eko Nugroho	Metal Mining, Oil & Gas	andhika.nugroho@brids.co.id
Kafi Ananta Azhari	Telco, Technology	kafi.azhari@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Nataniella Eva Kezia	Research Associate	nataniella.kezia@brids.co.id

BRI Danareksa Economic Research Team		
Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yuriswari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuho Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team		
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrliech Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Jason Joseph	Institutional Sales Associate	Jason.joseph@brids.co.id

BRI Danareksa Sales Traders		
Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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