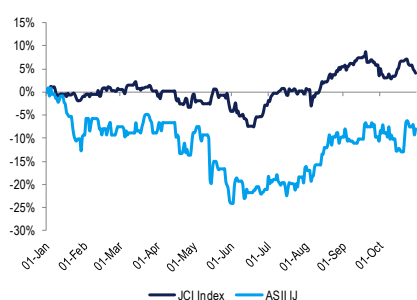


Stock Data

Target price	Rp6,000
Prior TP	Rp6,000
Current price	Rp5,200
Upside/downside	+15.4%
Shares outstanding (mn)	40,484
Market cap (Rp bn)	210,514
Free float	42%
Avg. 6m daily T/O (Rp bn)	282

Price Performance

	3M	6M	12M
Absolute	14.5%	1.0%	-10.0%
Relative to JCI	10.0%	-3.7%	-22.1%
52w low/high (Rp)	4,290 – 5,925		



Major Shareholders

Jardine Cycle & Carriage Ltd	50.1%
------------------------------	-------

Anthony

PT Indo Premier Sekuritas
 anthony@ipc.co.id
 +62 21 5088 7168 ext. 715

Ryan Dimitry

PT Indo Premier Sekuritas
 ryan.dimitry@ipc.co.id
 +62 21 5088 7168

3Q24 results: beat from one-off gain in UNTR and auto recovery

- 9M24 net profit of Rp25.9tr (+1% yoy/+19% qoq) came as a beat on one-off gain in UNTR and recovery in auto segment.
- 4W/2W volume grew by +13/30% qoq partly due to GIIAS event in Jul24. Auto EBIT margin also improved by +20bp qoq on higher-end sales mix.
- Fincos generally posted an improvement (+6% yoy/+4% qoq), while AALI was in-line as ASP hike offset by lower production. Maintain Buy.

9M24 was a was a beat on one-off gain in UNTR and auto recovery

ASII posted 9M24 net profit Rp25.9tr (+1% yoy/+19% qoq), ahead at 82/84% of our/consensus estimates vs. 3Y average of 77%. The beat was mainly due one-off gain in UNTR (i.e. forex/asset disposal gain) amounting Rp1tr and recovery in auto segment. Core profit came at Rp26.2tr, still above ours (at 83%).

Recovering auto volume with better margin post GIIAS event

Auto net profit of Rp8.5tr in 9M24 was declined by -7% yoy but improved +7% qoq as auto revenue increased by +12% qoq supported by pickup in both 4W and 2W volume by 13/30% qoq respectively – this was partly due to GIIAS event in Jul24. Moreover, auto EBIT margin also improved by +20bp qoq to 1.2% partly due to sales mix from higher-end models to support its margin. At the same time, our channel check with dealers indicated that discounts trend has been consistently declining since GIIAS event which also help margin. We anticipate auto sales volume will maintain its momentum in 4Q, supported by seasonal year-end discounts, though potentially at the expense of margin.

Fincos and agri also posted positive qoq performance

Fincos booked 9M24 net profit of Rp6.2tr (+6% yoy/+4% qoq) supported by consumer finance, heavy equipment finance and general insurance business. UNTR's 9M24 net profit rose sequentially to Rp15.6tr (+2% yoy/+22% qoq) but primarily attributed to forex/asset disposal gain amounting to Rp1.1tr in 3Q24. Moreover, AALI posted 9M24 profit of Rp801bn (flat yoy/+11% qoq), attributed to improvement in ASP (+3% yoy/+10% qoq) but offset with lower CPO production (-17% yoy/flat qoq).

Maintain Buy

We maintain Buy with unchanged TP as we await more details from its earnings call (1st of Nov24). Risks: 1) lower-than-expected 4W/2W volumes; and 2) lower-than-expected commodity prices.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	301,379	316,565	317,426	326,107	340,589
Operating profit	42,201	44,268	41,244	41,420	43,248
Op. profit growth	65.3%	4.9%	-6.8%	0.4%	4.4%
Net profit	28,944	33,839	31,575	29,834	31,659
EPS	499	715	852	827	842
EPS growth	43.3%	16.9%	-6.7%	-5.5%	6.1%
ROE	13.0%	14.0%	12.3%	11.0%	10.8%
PER (x)	7.3	6.2	6.7	7.1	6.6
Dividend yield	5.6%	12.9%	10.3%	6.2%	5.9%
IPS vs. consensus			103%	94%	100%

Source: Company, Indo Premier

price closing as of: 30 October 2024

Fig. 1: ASII 3Q24 results summary

ASII 3Q24 results (Rp bn)	9M24	9M23	% YoY	3Q24	3Q23	% YoY	2Q24	% QoQ	IPS FY24F	% of IPS	Cons FY24F	% of Cons
Revenue	246,329	240,913	2%	86,362	78,520	10%	78,758	10%	317,426	78%	312,500	79%
COGS	(191,677)	(187,326)	2%	(67,310)	(61,566)	9%	(60,743)	11%				
Gross profit	54,652	53,587	2%	19,052	16,954	12%	18,015	6%				
Operating expenses	(22,880)	(21,148)	8%	(8,128)	(7,241)	12%	(7,321)	11%				
Operating profit	31,772	32,439	-2%	10,924	9,713	12%	10,694	2%	41,244	77%	39,388	81%
Other income/(expense)	9,006	8,753	3%	4,883	2,731	79%	2,265	116%				
Pre-tax profit	40,778	41,192	-1%	15,807	12,444	27%	12,959	22%				
Taxes	(7,374)	(7,617)	-3%	(2,828)	(2,300)	23%	(2,293)	23%				
Non-controlling interests	(7,550)	(7,884)	-4%	(2,981)	(1,902)	57%	(2,274)	31%				
Net profit	25,854	25,691	1%	9,998	8,242	21%	8,392	19%	31,575	82%	30,752	84%
Core profit	26,186	26,069	0%	9,513	8,750	9%	8,544	11%	31,543	83%		NA
Margin (%)												
Gross margin	22.2%	22.2%	(6)	22.1%	21.6%	47	22.9%	(81)				
Operating margin	12.9%	13.5%	(57)	12.6%	12.4%	28	13.6%	(93)				
Net margin	10.5%	10.7%	(17)	11.6%	10.5%	108	10.7%	92				
Operational data												
Industry's 4W sales volume (000' units)	633	755	-16%	225	249	-10%	193	17%				
Astra's 4W sales volume (000' units)	358	421	-15%	126	143	-12%	112	13%				
Astra's 4W market share (%)	56.6%	55.8%	79	56.0%	57.4%	(143)	58.0%	(203)				
Industry's 2W sales volume (000' units)	4,900	4,700	4%	1,700	1,500	13%	1,465	16%				
Astra's 2W sales volume (000' units)	3,800	3,700	3%	1,400	1,100	27%	1,076	30%				
Astra's 2W market share (%)	77.6%	78.7%	(117)	82.4%	73.3%	902	73.4%	891				

Source: Company, Indo Premier

Fig. 2: ASII 3Q24 revenue breakdown by segment

Revenue (Rp bn)	9M24	9M23	% YoY	3Q24	3Q23	% YoY	2Q24	% QoQ
Automotive	99,529	99,162	0%	34,525	33,438	3%	30,811	12%
Financial services	24,504	21,983	11%	8,592	7,730	11%	8,136	6%
Heavy equipment and mining	99,558	97,598	2%	35,044	28,921	21%	32,102	9%
Agribusiness	16,287	15,682	4%	5,974	6,291	-5%	5,513	8%
Other businesses	9,124	9,367	-3%	3,260	3,230	1%	2,971	10%
Eliminations and other adjustments	(2,673)	(2,879)	-7%	(1,033)	(1,090)	-5%	(775)	33%
Total revenue	246,329	240,913	2%	86,362	78,520	10%	78,758	10%

Source: Company, Indo Premier

Fig. 3: ASII 3Q24 net profit breakdown by segment

Net profit (Rp bn)	9M24	9M23	% YoY	3Q24	3Q23	% YoY	2Q24	% QoQ
Automotive	8,497	9,167	-7%	2,964	3,474	-15%	2,783	7%
Financial services	6,230	5,857	6%	2,114	2,031	4%	2,030	4%
Heavy equipment and mining	9,571	9,431	1%	3,723	2,545	46%	3,057	22%
Agribusiness	638	638	0%	239	345	-31%	215	11%
Other businesses	1,250	976	28%	473	355	33%	459	3%
Total core profit	26,186	26,069	0%	9,513	8,750	9%	8,544	11%
Eliminations and other adjustments	(332)	(378)	-12%	485	(508)	-195%	(152)	-419%
Total net profit	25,854	25,691	1%	9,998	8,242	21%	8,392	19%
Net margin (%)								
Automotive	8.5%	9.2%	(71)	8.6%	10.4%	(180)	9.0%	(45)
Financial services	25.4%	26.6%	(122)	24.6%	26.3%	(167)	25.0%	(35)
Heavy equipment and mining	9.6%	9.7%	(5)	10.6%	8.8%	182	9.5%	110
Agribusiness	3.9%	4.1%	(15)	4.0%	5.5%	(148)	3.9%	10
Other businesses	13.7%	10.4%	328	14.5%	11.0%	352	15.4%	(94)
Astra's net margin	10.5%	10.7%	(17)	11.6%	10.5%	108	10.7%	92

Source: Company, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	301,379	316,565	317,426	326,107	340,589
Cost of sales	(231,291)	(243,255)	(245,889)	(253,212)	(264,187)
Gross profit	70,088	73,310	71,537	72,895	76,403
SG&A Expenses	(27,887)	(29,042)	(30,294)	(31,475)	(33,155)
Operating profit	42,201	44,268	41,244	41,420	43,248
Net interest	428	(59)	(984)	(2,042)	(1,406)
Forex gain (loss)	188	(408)	32	33	34
Others	7,573	10,928	9,778	8,665	9,071
Pre-tax income	50,390	54,729	50,069	48,076	50,947
Income tax	(9,970)	(10,228)	(9,263)	(8,894)	(9,425)
Minority interest	(11,476)	(10,662)	(9,232)	(9,348)	(9,863)
Net income	28,944	33,839	31,575	29,834	31,659

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalents	61,295	41,136	41,799	41,466	49,878
Receivables	71,839	72,227	72,182	74,156	77,449
Other current assets	46,684	52,823	51,432	54,020	57,300
Total current assets	179,818	166,186	165,413	169,642	184,627
Fixed assets	94,697	114,374	108,560	102,251	95,643
Other non-current assets	138,782	165,119	181,631	208,876	229,763
Total non-current assets	233,479	279,493	290,191	311,127	325,406
Total assets	413,297	445,679	455,604	480,769	510,034
Payables	37,644	40,529	33,683	34,687	36,190
Other payables	46,885	45,432	44,069	42,747	41,465
Current portion of LT loans	34,669	39,061	49,888	53,460	57,521
Total current liab.	119,198	125,022	127,640	130,894	135,176
Long term loans	36,052	54,249	49,888	53,460	57,521
Other LT liab.	14,327	15,990	15,510	15,045	14,594
Total liabilities	169,577	195,261	193,038	199,399	207,291
Equity	10,619	9,643	9,643	9,643	9,643
Retained earnings	181,523	188,997	199,592	216,795	236,521
Minority interest	51,578	51,778	53,331	54,931	56,579
Total SHE + minority int.	243,720	250,418	262,566	281,370	302,743
Total liabilities & equity	413,297	445,679	455,604	480,769	510,034

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net profit	28,944	33,839	31,575	29,834	31,659
Depr. & amortization	13,901	15,288	13,030	13,321	13,904
Changes in working capital	(2,790)	(5,095)	(6,772)	(4,882)	(6,352)
Others	(10,479)	(14,012)	(7,760)	(18,362)	(11,476)
Cash flow from operating	29,576	30,020	30,073	19,912	27,735
Capital expenditure	(18,148)	(34,965)	(7,217)	(7,012)	(7,295)
Others	-	-	-	-	-
Cash flow from investing	(18,148)	(34,965)	(7,217)	(7,012)	(7,295)
Loans	(1,765)	22,589	6,465	7,145	8,122
Equity	(1,094)	(11,438)	(7,678)	(7,748)	(8,215)
Dividends	(11,416)	(26,314)	(20,980)	(12,630)	(11,933)
Others	-	-	-	-	-
Cash flow from financing	(14,275)	(15,163)	(22,193)	(13,233)	(12,026)
Changes in cash	(2,652)	(20,159)	663	(334)	8,413

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	23.3%	23.2%	22.5%	22.4%	22.4%
Operating margin	14.0%	14.0%	13.0%	12.7%	12.7%
Pre-tax margin	16.7%	17.3%	15.8%	14.7%	15.0%
Net margin	9.6%	10.7%	9.9%	9.1%	9.3%
ROA	7.7%	8.0%	7.0%	6.4%	6.4%
ROE	13.0%	14.0%	12.3%	11.0%	10.8%
ROIC	12.5%	12.4%	10.1%	8.9%	8.8%

Acct. receivables TO (days)	80	83	83	83	83
Acct. payables - other TO (days)	50	59	50	50	50
Gross debt-to-equity (x)	0.3	0.4	0.4	0.4	0.4
Net debt-to-equity (x)	0.0	0.2	0.2	0.2	0.2
Interest coverage (x)	20.0	14.2	11.8	11.1	12.5

Source: Company, Indo Premier

INVESTMENT RATINGS

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

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.