

Astra International

BUY (under review)

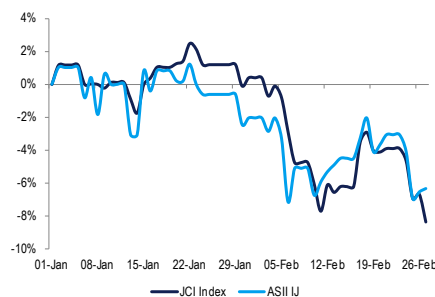
Company Update | Automotive | ASII IJ | 27 February 2025

Stock Data

Target price	Rp6,000
Prior TP	Rp6,000
Current price	Rp4,590
Upside/downside	+30.7%
Shares outstanding (mn)	40,484
Market cap (Rp bn)	185,820
Free float	42%
Avg. 6m daily T/O (Rp bn)	153

Price Performance

	3M	6M	12M
Absolute	-10.9%	-8.7%	-12.2%
Relative to JCI	-0.4%	6.7%	-0.6%
52w low/high (Rp)	4,290 – 5,375		



Major Shareholders

Jardine Cycle & Carriage Ltd	50.1%
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4Q24 results: beat but 2025's outlook will be challenging

- ASII recorded an above-expectation FY24 EBITDA of Rp61.2tr (+3% yoy) and core NP of Rp34.2tr (+1% yoy), beating our and consensus estimates.
- The beat relative to our estimates was driven by auto, financial services, and heavy equipment/mining segments.
- Despite the strong results, we may need to revisit our call and forecasts for ASII due to a potentially more muted 4W wholesale volume outlook.

FY24 results review: above our and consensus estimates

ASII recorded a total revenue of Rp84.6tr in 4Q24 (-2% qoq) with FY24 revenue of Rp331tr (+5% yoy), 104% to our and cons' estimates. 4Q24 EBITDA was Rp15.3tr (-4% qoq) with FY24 EBITDA of Rp61.2tr (+3% yoy), above at 112/109% to our/cons' estimates. 4Q24 JV and associates profit was Rp2.5tr (-8% qoq) with FY24 profit of Rp10.3tr (+8% yoy) and came above at 117% to our estimate. 4Q24 core NP was Rp8tr (-16% qoq) with FY24 core NP of Rp34.2tr (+1% yoy), 108/106% to our/cons' estimates. The beat was attributed to auto, heavy equipment and mining, financial services segments.

Auto: all segments outperformed expectations

Auto distribution revenue in 4Q24 was Rp33.5tr (-3% qoq) with FY24 revenue reaching Rp133tr (+4% yoy), surpassing our estimate mainly due to a higher-than-expected ASP of Rp259mn (+21% yoy), achieving 107% of our estimate. On the JV segment, ADM and AHM 4Q24 core NP stood at Rp826bn (flat qoq) and Rp2.2tr (-29% qoq), with FY24 core NP of Rp3.4tr (+8% yoy) and Rp10.1tr (+17% yoy), respectively - both exceeding our estimates. This was attributed to higher net margin of 5.4% (vs. our estimate: 4.7%) for ADM and 10.4% (vs. our estimate: 9.4%) for AHM. The strong performance was driven by improved economies of scale from increase in volume and export. Astra Otoparts (AUTO, non-rated) also recorded above core NP of Rp2tr (+10% yoy) in FY24 primarily due to strong growth in the trading business from increasing replacement market demand.

Financials: strong nett loan additions with improving CoC and NPF

In FY24, financial service revenue was Rp33.1tr (+16% yoy) with FY24 core NP of Rp8.4tr (+6% yoy). Total net loan addition in FY24 was Rp6.3tr (+10% yoy), 130% of our estimate due to rising market share for new vehicle financing and strong growth in multipurpose loan. FY24 cost of credit (CoC) improved to 3% (compared to 3.1% in FY23 and our FY24F: 3.4%). Additionally, total NPF in FY24 improved to 1.3% down from 1.7% in FY23.

2025 outlook could turn unattractive

Our call and forecasts for ASII is under review. 4W volume outlook could turn muted, mainly due to a likely still weak purchasing power outlook. In FY26F, 4W volume growth could further decline if opsen tax implemented nationally.

Financial Summary (Rp bn)	2022A	2023A	2024A	2025F	2026F
Revenue	301,379	316,565	330,920	326,107	340,589
Operating profit	42,201	44,268	42,202	41,420	43,248
Net profit	28,944	33,839	34,051	29,834	31,659
EPS growth	43.3%	16.9%	0.6%	-12.4%	6.1%
ROE	13.0%	14.0%	13.1%	11.0%	10.8%
PER (x)	6.4	5.5	5.5	6.2	5.9
Dividend yield	5.6%	12.9%	10.0%	6.2%	5.9%
IPS vs. consensus				91%	94%

Source: Company, Indo Premier

price closing as of: 27 February 2025

Fig. 1: ASII 4Q24 results summary

ASII 4Q24 results (Rp bn)	FY24	FY23	% YoY	4Q24	4Q23	% YoY	3Q24	% QoQ	IPS FY24F	% of IPS	Cons FY24F	% of Cons
Revenue	330,920	316,565	5%	84,591	75,652	12%	86,362	-2%	317,426	104%	319,270	104%
COGS	(257,363)	(243,255)	6%	(65,686)	(55,929)	17%	(67,310)	-2%				
Gross profit	73,557	73,310	0%	18,905	19,723	-4%	19,052	-1%				
Operating expenses	(31,355)	(29,042)	8%	(8,475)	(7,894)	7%	(8,128)	4%				
Operating profit	42,202	44,268	-5%	10,430	11,829	-12%	10,924	-5%	41,244	102%	51,673	82%
Other income/(expense)	10,957	10,461	5%	1,951	1,708	14%	4,883	-60%				
Pre-tax profit	53,159	54,729	-3%	12,381	13,537	-9%	15,807	-22%				
Taxes	(9,735)	(10,228)	-5%	(2,361)	(2,611)	-10%	(2,828)	-17%				
Non-controlling interests	(9,373)	(10,662)	-12%	(1,823)	(2,778)	-34%	(2,981)	-39%				
Net profit	34,051	33,839	1%	8,197	8,148	1%	9,998	-18%	31,575	108%	32,188	106%
Core profit	34,189	33,998	1%	8,003	7,929	1%	9,513	-16%	31,543	108%		NA
Margin (%)												
Gross margin	22.2%	23.2%	(93)	22.3%	26.1%	(372)	22.1%	29				
Operating margin	12.8%	14.0%	(123)	12.3%	15.6%	(331)	12.6%	(32)				
Net margin	10.3%	10.7%	(40)	9.7%	10.8%	(108)	11.6%	(189)				
Operational data												
Industry's 4W sales volume (000' units)	866	1,006	-14%	233	251	-7%	225	3%				
Astra's 4W sales volume (000' units)	483	561	-14%	125	140	-11%	126	-1%				
Astra's 4W market share (%)	55.8%	55.7%	4	53.7%	55.7%	(201)	56.0%	(230)				
Industry's 2W sales volume (000' units)	6,333	6,237	2%	1,433	1,537	-7%	1,700	-16%				
Astra's 2W sales volume (000' units)	4,900	4,900	0%	1,100	1,200	-8%	1,400	-21%				
Astra's 2W market share (%)	77.4%	78.6%	(119)	76.7%	78.1%	(133)	82.4%	(561)				

Source: Company, Indo Premier

Fig. 2: ASII 4Q24 revenue breakdown by segment

Revenue (Rp bn)	FY24	FY23	% YoY	4Q24	4Q23	% YoY	3Q24	% QoQ	IPS FY24F	% of IPS
Automotive	133,052	128,250	4%	33,523	29,088	15%	34,525	-3%	124,398	107%
Financial services	33,103	29,998	10%	8,599	8,015	7%	8,592	0%	31,170	106%
Heavy equipment and mining	134,427	128,583	5%	34,869	30,985	13%	35,044	0%	130,001	103%
Agribusiness	21,815	20,745	5%	5,528	5,063	9%	5,974	-7%	16,505	132%
Other businesses	12,519	13,172	-5%	3,395	3,805	-11%	3,260	4%	15,353	82%
Eliminations and other adjustments	(3,996)	(4,183)	-4%	(1,323)	(1,304)	1%	(1,033)	28%		
Total revenue	330,920	316,565	5%	84,591	75,652	12%	86,362	-2%	317,426	104%

Source: Company, Indo Premier

Fig. 3: ASII 4Q24 revenue breakdown by segment

Net profit (Rp bn)	FY24	FY23	% YoY	4Q24	4Q23	% YoY	3Q24	% QoQ	IPS FY24F	% of IPS
Automotive	11,218	11,417	-2%	2,721	2,250	21%	2,964	-8%	10,687	105%
Financial services	8,350	7,852	6%	2,120	1,995	6%	2,114	0%	8,191	102%
Heavy equipment and mining	11,995	12,664	-5%	2,424	3,233	-25%	3,723	-35%	11,436	105%
Agribusiness	914	841	9%	276	203	36%	239	15%	772	118%
Other businesses	1,712	1,224	40%	462	248	86%	473	-2%	490	350%
Total core profit	34,189	33,998	1%	8,003	7,929	1%	9,513	-16%		
Eliminations and other adjustments	(138)	(159)	-13%	194	378	-49%	485	-60%		
Total net profit	34,051	33,839	1%	8,197	8,148	1%	9,998	-18%	31,575	108%
Net margin (%)										
Automotive	8.4%	8.9%	(47)	8.1%	7.7%	38	8.6%	(47)		
Financial services	25.2%	26.2%	(95)	24.7%	24.9%	(24)	24.6%	5		
Heavy equipment and mining	8.9%	9.8%	(93)	7.0%	10.4%	(348)	10.6%	(367)		
Agribusiness	4.2%	4.1%	14	5.0%	4.0%	98	4.0%	99		
Other businesses	13.7%	9.3%	438	13.6%	6.5%	709	14.5%	(90)		
Astra's net margin	10.3%	10.7%	(40)	9.7%	10.8%	(108)	11.6%	(189)		

Source: Company, Indo Premier

Fig. 4: ASII – P/E band



Source: Bloomberg, Indo Premier

Fig. 5: ASII – P/BV band



Source: Bloomberg, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024A	2025F	2026F
Net revenue	301,379	316,565	330,920	326,107	340,589
Cost of sales	(231,291)	(243,255)	(257,363)	(253,212)	(264,187)
Gross profit	70,088	73,310	73,557	72,895	76,403
SG&A Expenses	(27,887)	(29,042)	(31,355)	(31,475)	(33,155)
Operating profit	42,201	44,268	42,202	41,420	43,248
Net interest	428	(59)	(460)	(2,042)	(1,406)
Forex gain (loss)	188	(408)	(532)	33	34
Others	7,573	10,928	11,949	8,665	9,071
Pre-tax income	50,390	54,729	53,159	48,076	50,947
Income tax	(9,970)	(10,228)	(9,735)	(8,894)	(9,425)
Minority interest	(11,476)	(10,662)	(9,373)	(9,348)	(9,863)
Net income	28,944	33,839	34,051	29,834	31,659

Balance Sheet (Rp bn)	2022A	2023A	2024A	2025F	2026F
Cash & equivalents	61,295	41,136	48,439	41,466	49,878
Receivables	71,839	72,227	77,061	74,156	77,449
Other current assets	46,684	52,823	51,431	54,020	57,300
Total current assets	179,818	166,186	176,931	169,642	184,627
Fixed assets	94,697	114,374	118,620	102,251	95,643
Other non-current assets	138,782	165,119	177,374	208,876	229,763
Total non-current assets	233,479	279,493	295,994	311,127	325,406
Total assets	413,297	445,679	472,925	480,769	510,034
Payables	37,644	40,529	40,047	34,687	36,190
Other payables	46,885	45,432	43,675	42,747	41,465
Current portion of LT loans	34,669	39,061	49,581	53,460	57,521
Total current liab.	119,198	125,022	133,303	130,894	135,176
Long term loans	36,052	54,249	51,092	53,460	57,521
Other LT liab.	14,327	15,990	17,034	15,045	14,594
Total liabilities	169,577	195,261	201,429	199,399	207,291
Equity	10,619	9,643	11,049	9,643	9,643
Retained earnings	181,523	188,997	202,116	216,795	236,521
Minority interest	51,578	51,778	58,331	54,931	56,579
Total SHE + minority int.	243,720	250,418	271,496	281,370	302,743
Total liabilities & equity	413,297	445,679	472,925	480,769	510,034

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024A	2025F	2026F
Net profit	28,944	33,839	34,051	29,834	31,659
Depr. & amortization	13,901	15,288	12,858	13,321	13,904
Changes in working capital	(2,790)	(5,095)	(5,909)	(4,882)	(6,352)
Others	(10,479)	(14,012)	(14,697)	(18,362)	(11,476)
Cash flow from operating	29,576	30,020	54,914	19,912	27,735
Capital expenditure	(18,148)	(34,965)	(7,105)	(7,012)	(7,295)
Others	-	-	-	-	-
Cash flow from investing	(18,148)	(34,965)	(7,105)	(7,012)	(7,295)
Loans	(1,765)	22,589	(2,697)	7,145	8,122
Equity	(1,094)	(11,438)	(7,951)	(7,748)	(8,215)
Dividends	(11,416)	(26,314)	(20,980)	(12,630)	(11,933)
Others	-	-	-	-	-
Cash flow from financing	(14,275)	(15,163)	(24,419)	(13,233)	(12,026)
Changes in cash	(2,652)	(20,159)	22,953	(334)	8,413

Key Ratios	2022A	2023A	2024A	2025F	2026F
Gross margin	23.3%	23.2%	22.2%	22.4%	22.4%
Operating margin	14.0%	14.0%	12.8%	12.7%	12.7%
Pre-tax margin	16.7%	17.3%	16.1%	14.7%	15.0%
Net margin	9.6%	10.7%	10.3%	9.1%	9.3%
ROA	7.7%	8.0%	7.4%	6.4%	6.4%
ROE	13.0%	14.0%	13.1%	11.0%	10.8%
ROIC	12.5%	12.4%	11.9%	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	0.1	0.2	0.2
Interest coverage (x)	20.0	14.2	10.4	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

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