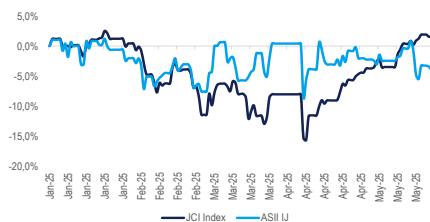


Sector Index Performance

	3M	6M	12M
Absolute	-4.0	-12.2%	6.0%
Relative to JCI	-12.3%	-9.9%	0.5%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
ASII IJ	6.1	6.2	5.9
P/BV (x)	2025F	2026F	2027F
ASII IJ	0.8	0.8	0.7
Div. Yield	2025F	2026F	2027F
ASII IJ	8.6%	7.9%	7.9%

2W demand recovery amid continued weak 4W demand in May25

- In May25, 4W wholesale volume improved by 18% mom, normalizing after the post-Eid month, but monthly demand of 60.6k units remained weak.
- More positively, 2W wholesale volume saw recovery in May25, rising by 24% mom to 505k units, though 5M25 volume still declined by -2% yoy.
- Our discussion with GAIKINDO suggests that 4W market conditions remain challenging. We retain our Neutral sector call.

Post-Eid normalization in 4W demand remained weak

In May25, 4W domestic wholesale volume improved to 60.6k units (+18% mom), which we believe was due to normalization following the post-Eid month in Apr25. The volume in May25 remained below the average monthly volume in Jan–Feb 2025 of 67k units and the FY24 average of 72k units. In 5M25, 4W wholesale volume reached 316.9k units (-5% yoy), still well below our/GAIKINDO's median estimate, accounting for 37%/37% (3-year mean: 40%). Astra's wholesale volume also improved in May25 to 34.5k units (+28% mom), with 5M25 volume of 172k units (-8% yoy), achieving 37% of our estimate (3-year mean: 39%). In May25, Astra's market share was 56.9%, resulting in a 54.3% market share in 5M25 vs. 53.7% in 4M25.

2W demand recovery in May25

More positively, in May25, 2W domestic wholesale volume rose by 24% mom, reaching 505k units (flat yoy). This led to a better 5M25 wholesale run-rate of 2,595k units, achieving 40% of our estimate and 41% of AISI's target (3-year mean: 41%), though still declined by -2% yoy.

GAIKINDO suggests 4W market conditions remain challenging

We had a discussion with GAIKINDO (The Association of Indonesia Automotive Industries), which now lowered the low-end 4W wholesale volume target to 750k, with a median 4W wholesale volume target of 850k units in FY25F. However, GAIKINDO considers the current demand situation to be in a "yellow light" stage and has raised the issue with the government, given the large labor force involved in the industry—c. 1.5mn people. On the ground, it noted that used car demand has also started to show signs of slowing. In addition, several car dealerships in Java have shut down, either shifting to Chinese brand dealerships or relocating to areas outside Java where demand is stronger. To support long-term demand, GAIKINDO is considering tax restructuring as one of the options, given the very high and layered tax structure for car sales in Indonesia, which makes local cars far less competitive compared to other ASEAN countries such as Malaysia (Fig. 1–2). GAIKINDO also noted that luxury tax incentives may help boost overall demand, as similar incentives during the COVID period had a net positive impact of c.Rp1.4tr. On the production side, it estimates total volume could range between 1.2–1.3mn units in FY25F, supported by still-solid export volume as of Apr25. However, the outlook could deteriorate, driven by weak demand from export destination countries, regulatory changes, and the impact of Trump's proposed tariff policy.

Retain unchanged Neutral call

In Jun25, we observed lower discounts offered across all brands (-2% mom), with Astra reducing its discount by -5% mom. We retain our unchanged Neutral call for the auto sector, given the demand outlook has yet to improve.

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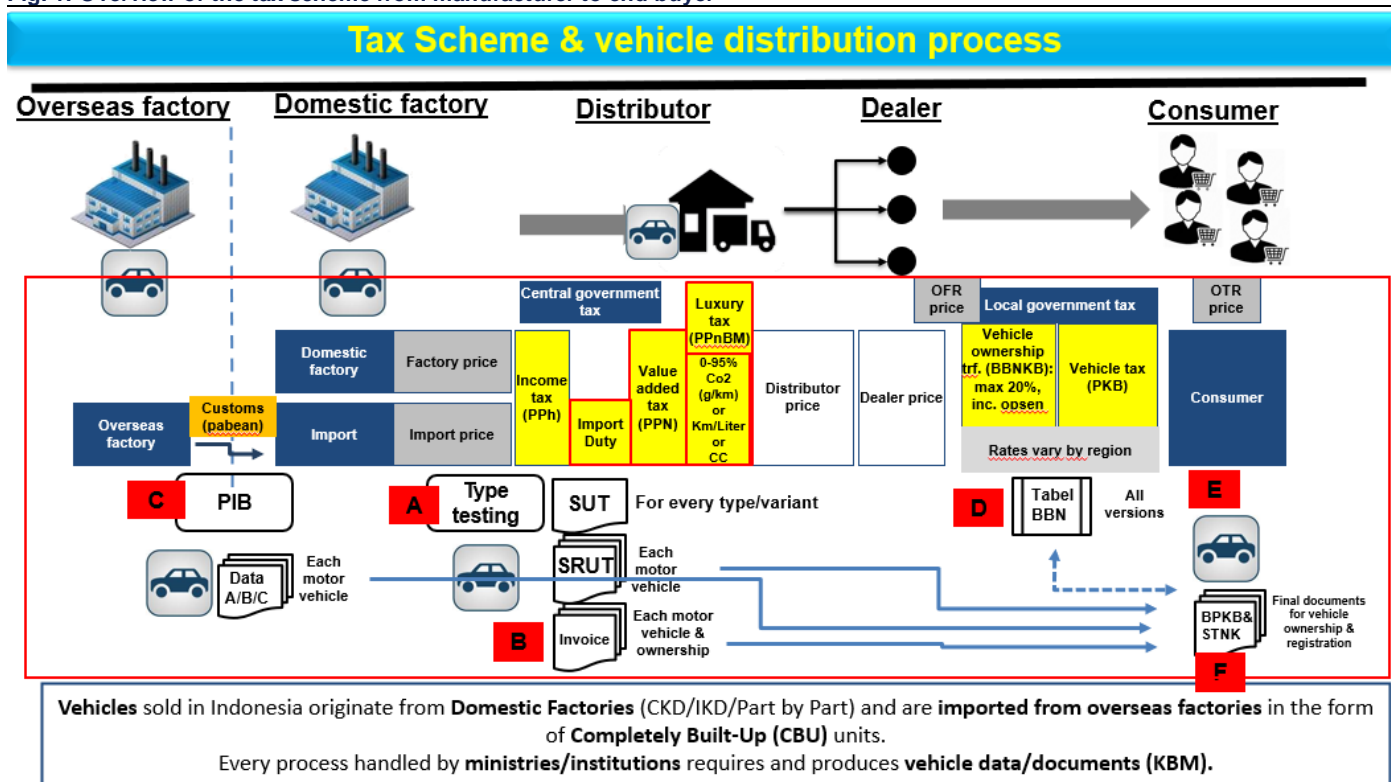
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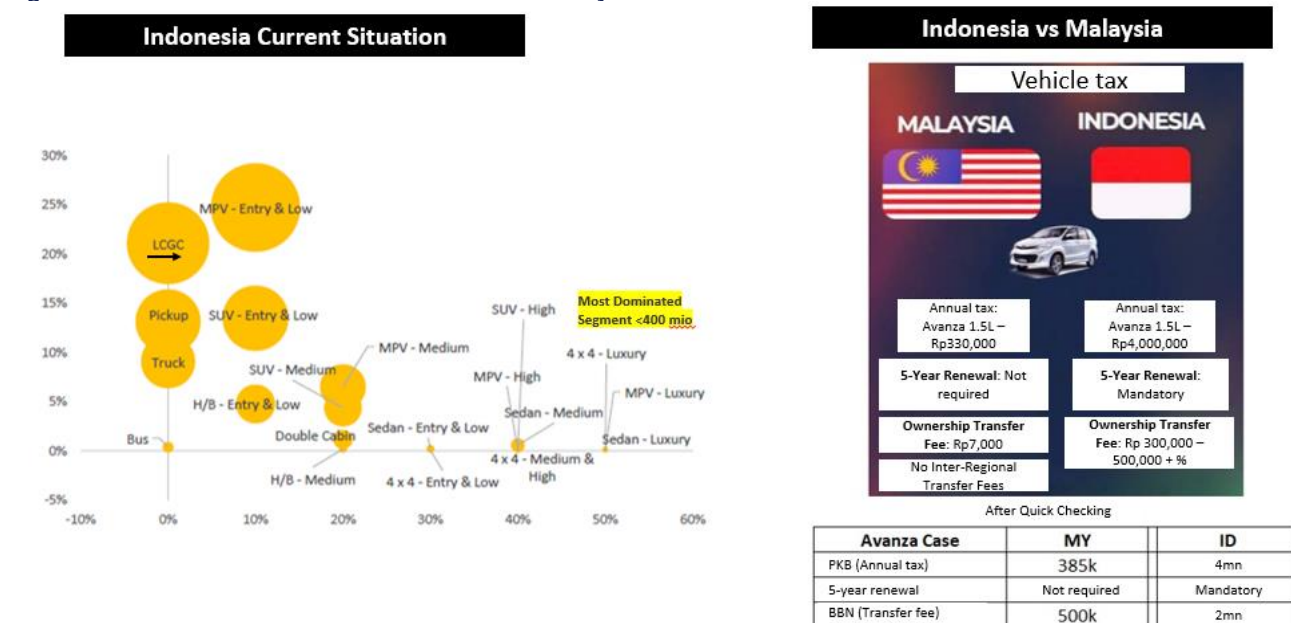
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Fig. 1: Overview of the tax scheme from manufacturer to end buyer



Source: Gaikindo, Indo Premier

Fig. 2: Overview of vehicle taxation in Indonesia vs Malaysia



Source: Gaikindo, Indo Premier

Domestic 4W wholesale volume performance in 5M25

Fig. 3: 4W and 2W wholesale performances in 5M25

	May-25	May-24	%YoY	Apr-25	%MoM	5M25	5M24	%YoY	Gaikindo/AISI		% of target		IPS FY25F	% of target
Number of days	17	24		16		104	116		Low	High	Low	High		
4W wholesale sales (in units)														
Toyota + Lexus	21,241	23,897	-11%	16,268	31%	106,805	105,613	1%						
Daihatsu	11,166	14,983	-25%	8,884	26%	55,049	70,467	-22%						
Others	2,073	2,444	-15%	1,824	14%	10,414	11,754	-11%						
Astra	34,480	41,324	-17%	26,976	28%	172,268	187,834	-8%					470,088	37%
per day	2,028	1,722	18%	1,686	20%	1,656	1,619	2%						
Mitsubishi	6,723	9,386	-28%	5,195	29%	35,214	41,083	-14%						
Honda	3,166	7,294	-57%	3,000	6%	28,502	39,971	-29%						
Suzuki	3,921	5,762	-32%	4,145	-5%	22,240	28,549	-22%						
Hyundai	1,650	1,408	17%	1,607	3%	10,215	10,136	1%						
Wuling	1,566	909	72%	1,240	26%	7,601	7,554	1%						
Chery	1,993	968	106%	1,620	23%	8,012	3,091	159%						
BYD + Denza	3,429	0	N/A	4,307	-20%	15,978	0	N/A						
Others	3,685	4,278	-14%	3,115	18%	16,951	16,689	2%						
Non-Astra	26,133	30,067	-13%	24,229	8%	144,713	147,571	-2%						
per day	1,537	1,253	23%	1,514	2%	1,391	1,272	9%						
Total	60,613	71,391	-15%	51,205	18%	316,981	335,405	-5%	750k	950k	42%	33%	865,723	37%
per day	3,565	2,975	20%	3,200	11%	3,048	2,891	5%						
Astra LCGC	8,022	11,451	-30%	7,382	9%	43,698	55,782	-22%						
Total LCGC	9,321	14,593	-36%	9,305	0%	59,730	74,391	-20%						
2W wholesale sales (in units)														
Domestic	505,350	505,670	0%	406,691	24%	2,595,303	2,659,896	-2%	6400k	6700k	41%	39%	6460k	40%
per day	29,726	21,070	41%	25,418	17%	24,955	22,930	9%						

Source: Company, Indo Premier

Fig. 4: 4W wholesale market share

	May-25	May-24	YoY (bp)	Apr-25	MoM (bp)	5M25	5M24	YoY (bp)	IPS FY25F
4W wholesale market share									
Toyota + Lexus	35.0%	33.5%	157	31.8%	327.3	33.7%	31.5%	221	
Daihatsu	18.4%	21.0%	(257)	17.3%	107.2	17.4%	21.0%	(364)	
Others	3.4%	3.4%	(0)	3.6%	(14.2)	3.3%	3.5%	(22)	
Astra	56.9%	57.9%	(100)	52.7%	420.3	54.3%	56.0%	(166)	54.3%
Mitsubishi	11.1%	13.1%	(206)	10.1%	94.6	11.1%	12.2%	(114)	
Honda	5.2%	10.2%	(499)	5.9%	(63.6)	9.0%	11.9%	(293)	
Suzuki	6.5%	8.1%	(160)	8.1%	(162.6)	7.0%	8.5%	(150)	
Hyundai	2.7%	2.0%	75	3.1%	(41.6)	3.2%	3.0%	20	
Wuling	2.6%	1.3%	131	2.4%	16.2	2.4%	2.3%	15	
Chery	3.3%	1.4%	193	3.2%	12.4	2.5%	0.9%	161	
BYD + Denza	5.7%	0.0%	566	8.4%	(275.4)	5.0%	0.0%	504	
Others	6.1%	6.0%	9	6.1%	(0.4)	5.3%	5.0%	37	
Non-Astra	43.1%	42.1%	100	47.3%	(420.3)	45.7%	44.0%	166	
Total	100.0%	100.0%	0	100.0%	0.0	100.0%	100.0%	0	

Source: Company, Indo Premier

Jun25 survey on dealer discounts

Fig. 5: Average dealers' discounts for ICEV models (in Rp mn)

Brand	Type	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Astra														
Daihatsu	Ayla	6	7	11	8	6	8	6	8	9	6	5	6	8
Daihatsu	Rocky	13	10	13	10	13	12	11	11	10	13	9	9	15
Daihatsu	Xenia	17	9	13	11	14	15	11	12	15	10	10	11	13
Average Daihatsu		12	8	12	9	11	11	9	10	11	10	8	9	12
Average Daihatsu, mom		25%	-29%	44%	-22%	14%	6%	-18%	9%	11%	-16%	-19%	13%	35%
Toyota	Agya	11	9	11	14	11	7	9	11	8	8	10	8	5
Toyota	Avanza	23	25	24	23	20	23	18	20	9	10	14	16	13
Toyota	Fortuner	33	35	33	33	35	35	35	43	23	20	20	28	24
Toyota	Innova Zenix (petrol)	18	23	25	18	18	18	13	23	15	13	21	21	19
Toyota	Innova Zenix (hybrid)	10	15	14	10	8	9	8	18	8	8	15	13	12
Toyota	Raize	23	24	21	23	20	23	23	23	13	13	14	13	13
Toyota	Rush	23	25	28	28	30	28	28	33	20	18	20	23	19
Average Toyota		20	22	22	21	20	20	19	24	13	13	16	17	15
Average Toyota, mom		25%	12%	0%	-6%	-3%	0%	-7%	29%	-44%	-7%	29%	6%	-14%
Average Astra		17	18	19	17	17	17	16	20	13	12	14	15	14
Average Astra, mom		25%	3%	6%	-9%	-1%	1%	-9%	25%	-36%	-9%	17%	7%	-5%
Non-Astra														
Honda	Brio Satya	10	18	14	11	14	9	7	4	6	7	10	6	5
Honda	BR-V	10	38	25	29	25	25	28	35	23	25	10	13	7
Honda	New CR-V	20	23	23	18	20	8	13	20	18	30	-	5	3
Honda	HR-V	13	23	23	33	23	25	20	30	23	25	13	13	10
Honda	WR-V	20	23	23	28	20	23	28	20	20	20	10	8	8
Average Honda		15	25	21	23	20	18	19	22	18	21	9	9	6
Average Honda, mom		-45%	69%	-13%	10%	-14%	-12%	6%	15%	-18%	21%	-60%	2%	-28%
Hyundai	Creta	33	38	30	28	33	25	28	35	15	15	23	18	17
Hyundai	Stargazer	20	38	30	25	38	30	33	38	15	20	22	18	18
Average Hyundai		26	38	30	26	35	28	30	36	15	18	22	18	17
Average Hyundai, mom		-19%	43%	-20%	-13%	33%	-21%	9%	21%	-59%	17%	26%	-20%	-3%
Mitsubishi	Pajero	23	31	31	33	33	33	35	45	25	25	20	23	13
Mitsubishi	Xpander	16	17	17	20	14	20	20	25	13	20	15	18	16
Average Mitsubishi		19	24	24	26	23	26	28	35	19	23	18	20	14
Average Mitsubishi, mom		3%	25%	0%	9%	-11%	12%	6%	27%	-46%	20%	-22%	14%	-29%
Wuling	Almaz	55	65	55	55	50	60	45	55	50	50	56	18	22
Wuling	Almaz facelift	28	28	17	15	20	36	23	35	33	23	28	13	13
Wuling	Alvez	23	30	28	23	19	25	20	33	25	25	10	18	19
Wuling	Confero	25	28	23	30	28	28	28	23	25	23	13	18	23
Wuling	Cortez	28	35	23	33	25	28	28	28	55	45	25	23	20
Average Wuling		32	37	29	31	28	35	29	35	38	33	26	18	19
Average Wuling, mom		31%	17%	-22%	7%	-9%	25%	-19%	21%	9%	-12%	-20%	-33%	9%
Average Non-Astra		23	31	26	27	26	27	25	30	25	25	18	15	14
Average Non-Astra, mom		-10%	34%	-17%	5%	-5%	4%	-5%	20%	-19%	2%	-28%	-19%	-8%
Average overall		20	24	22	22	21	21	20	24	18	18	15	14	14
Average overall, mom		-5%	23%	-9%	-1%	-3%	0%	-6%	21%	-26%	-1%	-14%	-9%	-2%

Source: Company, Indo Premier

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- OVERWEIGHT : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY 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

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