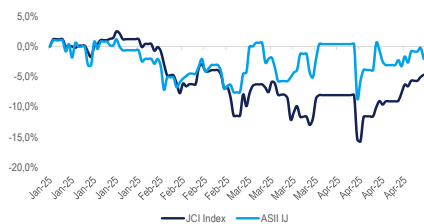


## Sector Index Performance

	3M	6M	12M
Absolute	-6.1%	-6.7%	1.5%
Relative to JCI	-11.8%	-2.7%	5.0%



## Summary Valuation Metrics

	2025F	2026F	2027F
<b>P/E (x)</b>			
ASII IJ	6.2	6.2	6.0
<b>P/BV (x)</b>			
ASII IJ	0.8	0.8	0.7
<b>Div. Yield</b>			
ASII IJ	8.6%	7.8%	7.8%

## Anticipating volume improvement in 2H25F

- In 2H25F, we now anticipate wholesale volume may improve by +39% hoh on the back of robust new model launching and stronger seasonality.
- We anticipate the decline in 4W volume growth shall narrow in FY26F (-5% yoy), and we also expect a rebound in FY27F (+9% yoy).
- We upgrade our sector call to Overweight due to improving demand outlook in 2H25F and already low expectation for the sector.

## Expect an improving 4W wholesale outlook in 2H25F

We cut FY25F domestic wholesale volume assumption to 785k units (-9.3% yoy), or -9.3% lower compared to our previous assumption. However, we now assume the monthly average 4W domestic wholesale volume in 2H25F could improve to 67.9k units, or 5k units higher compared to the average in 1H25F. This is based on historically stronger seasonality in 2H (i.e. longer working days) and we also observe the potential for more new launches during GIIAS 2025 compared to 2024, which could further support the sales volume outlook. We estimate the additional volume could come from ASII by approximately 2,000 units, BEV brands (ex-ASII) by around 2,000 units with the remainder from other brands.

## Growth deceleration to ease by FY26F, with potential rebound in FY27F

In FY26F, we slightly lower our wholesale volume estimate by -4% to 750k units (-5% yoy), anticipating the full implementation of opsen though improving GDP growth outlook. This now aligns with GAIKINDO's low-end assumption under full opsen implementation. In FY27F, we maintain our wholesale volume estimate at 818k units (+9% yoy), anticipating demand recovery driven by improving GDP growth outlook. Bloomberg consensus estimates GDP growth to recover to 4.9% in FY26F and 5.2% in FY27F, compared to 4.8% yoy in FY25F.

## ASII's wholesale and market share outlook

We now cut our FY25-27F wholesale volume estimates by -7 to -11% to 417k/390k/425k units (-14%/-6%/+9% yoy). These revisions imply ASII market shares of 53/52/52 % in FY25/26/27F. For 2H25F, we project ASII's wholesale volume to rise to 287k units, an increase of +39% hoh, assuming at least one new model launches in both the hybrid and BEV segments. Our latest channel checks indicate the potential models to be launched during GIIAS 2025 by Toyota, including: 1) hybrid: a Veloz fitted with a GR Racing body kit; 2) BEV: the BZ3X, priced at RMB109.8-159.8k in China (≈ Rp248-362mn), making it relatively affordable. Our expectation of 2H25F volume recovery remains more conservative than the improvement in 2H24, when average monthly volumes were 3.2k units higher than in 1H24. Importantly, ASII did not introduce any major new models at GIIAS 2024.

## Upgrade our sector rating to Overweight

In FY25F, we slightly revise our 2W wholesale volume estimate by -4% to 6.2mn units (-2% yoy), in line with the 5M25 achievement. We now expect 3% annual growth in FY26-27F. Overall, we upgrade our sector rating to Overweight from previously Neutral, driven by potential volume improvement in both 4W and 2W segments in 2H25F, coupled with already low investor expectations for the sector. A better-than-expected demand recovery is a key catalyst for the sector.

## Aurelia Barus

PT Indo Premier Sekuritas

[aurelia.barus@ipc.co.id](mailto:aurelia.barus@ipc.co.id)

+62 21 5088 7168 ext. 719

## Belva Monica

PT Indo Premier Sekuritas

[belva.monica@ipc.co.id](mailto:belva.monica@ipc.co.id)




+62 21 5088 7168 ext. 716

Fig. 1: Assumption changes

In Rp bn, unless otherwise stated	Previous			Current			Changes %		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
<b>Basic assumption - Automotive</b>									
National sales volume - 4W	865,723	779,151	818,108	785,188	749,855	818,108	-9.3%	-3.8%	0.0%
National sales volume - 2W	6,459,976	6,653,775	6,886,658	6,201,306	6,387,345	6,610,902	-4.0%	-4.0%	-4.0%
<b>4W consolidated</b>									
Total volume of brand under ASII	470,088	420,741	456,504	416,935	389,924	425,416	-11.3%	-7.3%	-6.8%
% market share to national sales volume	54.30%	54.00%	55.80%	53.10%	52.00%	52.00%	-2.2%	-3.7%	-6.8%
ASP	339	346	353	339	346	353	0.0%	0.0%	0.0%
<b>Astra 2W - consolidated</b>									
2W - distribution consol at ASII level	1,666,000	1,715,980	1,776,039	1,591,669	1,647,269	1,704,923	-4.5%	-4.0%	-4.0%
% to AHM domestic sales volume	33%	33%	33%	33%	33%	33%	0.0%	0.0%	0.0%
ASP	21	22	23	21	22	23	0.8%	0.8%	0.8%

Source: Indo Premier

Fig. 2: BZ3X price comparisons with peers in China

Specification	Toyota BZ3x	BYD Atto 3	Geely Galaxy E5
Price in China (Rp)	248-362mn	248-316mn	255-377mn
Price in China (RMB)*	109.8-159.8k	109.8-139.8k	112.8-148.8k
Price in Indonesia (Rp)	-	390-520mn	-
Battery type	LFP	LFP	LFP
Battery Capacity (kWh)	50-67.9	60.5	49.5-68.4
Max speed (km/h)	160	160	175
0-100km/h (s)	7.5	7.3	6.9
Driving range (km)	CLTC: 430-610	CLTC: up to 510	CLTC: 440-610
			

\* in china currencies

Source: Indo Premier

## SECTOR RATINGS

- 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

## ANALYSTS CERTIFICATION

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