

Sector Index Performance

	3M	6M	12M
Absolute	21.7%	15.4%	10.49%
Relative to JCI	14.2%	0-.9%	11.1%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
ASII IJ	7.0	7.3	7.0
P/BV (x)	2025F	2026F	2027F
ASII IJ	1.0	0.9	0.9
Div. Yield	2025F	2026F	2027F
ASII IJ	7.2%	6.8%	6.7%

Aug25 volumes remained weak but in-line with expectations

- 4W national wholesale volume improved by 1% mom (-19% yoy), but Astra's volume declined by -4% mom.
- Mitsubishi, Hyundai, and Wuling had strong mom volume improvement in Aug25, likely supported by new models and wider price discounts.
- We retain our Neutral call on the auto sector, as volume has yet to show meaningful improvement.

Slight improvement in 4W wholesale national volume

In Aug25, 4W wholesale volume reached 62k units (+1% mom), bringing 8M25 volume to 501k units (-11% yoy), or 63%/64% of Gaikindo's and our FY25F estimates - still in line with the 3-year mean of 65%. Despite the slight overall improvement, brand-level performance was mixed (Fig 1). Three brands supported the growth: Mitsubishi (+31% mom), Hyundai (+13% mom), and Wuling (+12% mom) which likely driven by new model launches and wider price discounts (Figs 3-5). In contrast, Honda, Chery, and Astra brands recorded volume declines in Aug25, while BYD volume was flat mom (Fig 1).

ASII's 4W volume declined by -4% mom in Aug25

Astra's 4W wholesale volume fell -4% mom in Aug25 to 30.6k units, leading to 8M25 volume of 264k units (-17% yoy) or 63% of our estimate but still in line to 3-year mean of 65%. Based on our survey, ASII's price discounts on several models also increased in Aug25, though not as much as other brands and even lower in value compared to Aug24 (Fig 3). ASII's market share in Aug25 slipped to 49.5% from 52.2% in Jul25, with cumulative 8M25 market share at 52.7%, in line with our FY25F estimate of 53.1%.

Declining 2W volume remained within expectations

In Aug25, 2W wholesale volume was 578k units (-2% mom), while 8M25 volume reached 4.3mn units (-2% yoy). This equates to 69% of our FY25F estimate, slightly above our assumption and broadly in line with AISI's lower guidance of 67% (3-year mean: 65%).

Toyota Veloz hybrid is expected to launch in FY26F

On 22nd of Aug25, the CEO of Toyota Motor Manufacturing Indonesia (TMMIN) confirmed plans to launch the Toyota Veloz Hybrid in 2026, supported by new investments and potential battery procurement partnership, while the conventional Veloz will remain in production, aligned with marketing strategies. In 2024, combined Veloz + Avanza wholesale volume reached 69.6k units, or 14% of ASII's 4W wholesale. A hybrid model is typically priced ~20% above its ICE counterpart. Assuming an incremental 20k units p.a. from the model in FY26F, ASII's blended ASP could rise 2.5% yoy (vs. our current 2% estimate), lifting core NP by +1.6% of current forecast. This implies ASII's FY26F core NP decline may narrow to -3% yoy (vs. our current estimate of -4% yoy). The launch also benefits DRMA through additional parts orders.

No meaningful improvement – retain our Neutral rating

We retain our Neutral rating for the auto sector as we have yet to meaningful improvement in demand, and potential new catalyst for ASII. We still wait for the strategic review outcome for ASII, which if more positive, this could change our view on the stock.

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8M25 performance

Fig. 1: 4W and 2W wholesale performances in 8M25

	Aug-25	Aug-24	%YoY	Jul-25	%MoM	8M25	8M24	%YoY	Gaikindo/AISI	% of target	IPS FY25F	% of target	3-y avg
									Low	High	Low	High	
Number of days	26	26		27		184	192						
4W wholesale sales (in units)													
Toyota + Lexus	18,463	26,183	-29%	19,006	-3%	162,312	184,758	-12%					
Daihatsu	9,846	13,829	-29%	10,451	-6%	84,702	113,173	-25%					
Others	2,249	2,183	3%	2,315	-3%	16,949	19,775	-14%					
Astra	30,558	42,195	-28%	31,772	-4%	263,963	317,706	-17%			417k	63%	65%
per day	1,175	1,623	-28%	1,177	0%	1,435	1,655	-13%					
Mitsubishi	8,982	8,530	5%	6,882	31%	58,387	66,122	-12%					
Honda	4,375	7,556	-42%	5,235	-16%	42,291	61,394	-31%					
Suzuki	5,911	5,265	12%	6,010	-2%	39,101	43,808	-11%					
Hyundai	1,401	1,823	-23%	1,239	13%	13,828	15,568	-11%					
Wuling	1,411	1,866	-24%	1,256	12%	10,925	11,910	-8%					
Chery	1,179	798	48%	1,593	-26%	13,055	5,517	137%					
BYD + Denza	2,854	2,940	-3%	2,858	0%	25,537	6,461	295%					
Others	5,109	5,197	-2%	4,033	27%	33,865	31,348	8%					
Non-Astra	31,222	34,107	-8%	29,106	7%	236,989	242,846	-2%					
per day	1,201	1,312	-8%	1,078	11%	1,288	1,265	2%					
Total	61,780	76,302	-19%	60,878	1%	500,952	560,552	-11%	800k	800k	63%	63%	785k
per day	2,376	2,935	-19%	2,255	5%	2,723	2,920	-7%					
2W wholesale sales (in units)													
Domestic	578,041	573,886	1%	587,048	-2%	4,269,718	4,343,781	-2%	6400k	6700k	67%	64%	6201k
per day	22,232	22,073	1%	21,743	2%	23,205	22,624	3%					

Source: Gaikindo, Indo Premier

Fig. 2: 4W wholesale market share

	Aug-25	Aug-24	YoY (bp)	Jul-25	MoM (bp)	8M25	8M24	YoY (bp)	IPS FY25F
4W wholesale market share									
Toyota + Lexus	29.9%	34.3%	(443)	31.2%	(133.5)	32.4%	33.0%	(56)	
Daihatsu	15.9%	18.1%	(219)	17.2%	(123.0)	16.9%	20.2%	(328)	
Others	3.6%	2.9%	78	3.8%	(16.2)	3.4%	3.5%	(14)	
Astra	49.5%	55.3%	(584)	52.2%	(272.7)	52.7%	56.7%	(399)	53.1%
Mitsubishi	14.5%	11.2%	336	11.3%	323.4	11.7%	11.8%	(14)	
Honda	7.1%	9.9%	(282)	8.6%	(151.8)	8.4%	11.0%	(251)	
Suzuki	9.6%	6.9%	267	9.9%	(30.4)	7.8%	7.8%	(1)	
Hyundai	2.3%	2.4%	(12)	2.0%	23.3	2.8%	2.8%	(2)	
Wuling	2.3%	2.4%	(16)	2.1%	22.1	2.2%	2.1%	6	
Chery	1.9%	1.0%	86	2.6%	(70.8)	2.6%	1.0%	162	
BYD + Denza	4.6%	3.9%	77	4.7%	(7.5)	5.1%	1.2%	395	
Others	8.3%	6.8%	146	6.6%	164.5	6.8%	5.6%	117	
Non-Astra	50.5%	44.7%	584	47.8%	272.7	47.3%	43.3%	399	
Total	100.0%	100.0%		100.0%		100.0%	100.0%		

Source: Indo Premier

Survey on dealer discounts

Fig. 3: Average dealers' discounts for ICEV models (in Rp mn)

Brand	Type	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Astra															
Daihatsu	Ayla	11	8	6	8	6	8	9	6	5	6	8	10	6	6
Daihatsu	Rocky	13	10	13	12	11	11	10	13	9	9	15	10	14	19
Daihatsu	Xenia	13	11	14	15	11	12	15	10	10	11	13	10	13	15
Average Daihatsu		12	9	11	11	9	10	11	10	8	9	12	10	11	13
Average Daihatsu, mom		44%	-22%	14%	6%	-18%	9%	11%	-16%	-19%	13%	35%	-14%	8%	22%
Toyota	Agia	11	14	11	7	9	11	8	8	10	8	5	8	8	9
Toyota	Avanza	24	23	20	23	18	20	9	10	14	16	13	10	11	13
Toyota	Fortuner	33	33	35	35	35	43	23	20	20	28	24	23	30	33
Toyota	Innova Zenix (petrol)	25	18	18	18	13	23	15	13	21	21	19	18	18	18
Toyota	Innova Zenix (hybrid)	14	10	8	9	8	18	8	8	15	13	12	13	10	18
Toyota	Raize	21	23	20	23	23	23	13	13	14	13	13	13	13	13
Toyota	Rush	28	28	30	28	28	33	20	18	20	23	19	21	23	23
Average Toyota		22	21	20	20	19	24	13	13	16	17	15	15	16	18
Average Toyota, mom		0%	-6%	-3%	0%	-7%	29%	-44%	-7%	29%	6%	-14%	1%	7%	12%
Average Astra		19	17	17	17	16	20	13	12	14	15	14	13	14	16
Average Astra, mom		6%	-9%	-1%	1%	-9%	25%	-36%	-9%	17%	7%	-5%	-3%	7%	14%
Non-Astra															
Honda	Brio Satya	14	11	14	9	7	4	6	7	10	6	5	13	6	8
Honda	BR-V	25	29	25	25	28	35	23	25	10	13	7	12	23	23
Honda	New CR-V	23	18	20	8	13	20	18	30	-	5	3	-	15	10
Honda	HR-V	23	33	23	25	20	30	23	25	13	13	10	12	18	25
Honda	WR-V	23	28	20	23	28	20	20	20	10	8	8	12	13	15
Average Honda		21	23	20	18	19	22	18	21	9	9	6	10	15	16
Average Honda, mom		-13%	10%	-14%	-12%	6%	15%	-18%	21%	-60%	2%	-28%	53%	53%	8%
Hyundai	Creta	30	28	33	25	28	35	15	15	23	18	17	17	23	23
Hyundai	Stargazer	30	25	38	30	33	38	15	20	22	18	18	18	23	28
Average Hyundai		30	26	35	28	30	36	15	18	22	18	17	17	23	25
Average Hyundai, mom		-20%	-13%	33%	-21%	9%	21%	-59%	17%	26%	-20%	-3%	0%	32%	11%
Mitsubishi	Pajero	31	33	33	33	35	45	25	25	20	23	13	18	25	23
Mitsubishi	Xpander	17	20	14	20	20	25	13	20	15	18	16	12	13	25
Average Mitsubishi		24	26	23	26	28	35	19	23	18	20	14	15	19	24
Average Mitsubishi, mom		0%	9%	-11%	12%	6%	27%	-46%	20%	-22%	14%	-29%	2%	29%	27%
Wuling	Almaz	55	55	50	60	45	55	50	50	56	18	22	23	35	38
Wuling	Almaz facelift	17	15	20	36	23	35	33	23	28	13	13	45	20	23
Wuling	Alvez	28	23	19	25	20	33	25	25	10	18	19	19	23	26
Wuling	Confero	23	30	28	28	28	23	25	23	13	18	23	23	25	71
Wuling	Cortez	23	33	25	28	28	28	55	45	25	23	20	24	18	67
Average Wuling		29	31	28	35	29	35	38	33	26	18	19	27	24	45
Average Wuling, mom		-22%	7%	-9%	25%	-19%	21%	9%	-12%	-20%	-33%	9%	40%	-10%	85%
Average Non-Astra		26	27	26	27	25	30	25	25	18	15	14	17	20	29
Average Non-Astra, mom		-17%	5%	-5%	4%	-5%	20%	-19%	2%	-28%	-19%	-8%	29%	13%	45%
Average overall		22	22	21	21	20	24	18	18	15	14	14	15	16	22
Average overall, mom		-9%	-1%	-3%	0%	-6%	21%	-26%	-1%	-14%	-9%	-2%	6%	11%	34%






Source: Indo Premier

Fig. 4: We observed during GIIAS 2025, Wuling has lowered its EV models by -13% to -43%

	Rp mn		% cuts
	Current price	Previous price	
Binguo EV	235	413	-43%
Air EV lite 200km	160	184	-13%

Source: Company, Indo Premier

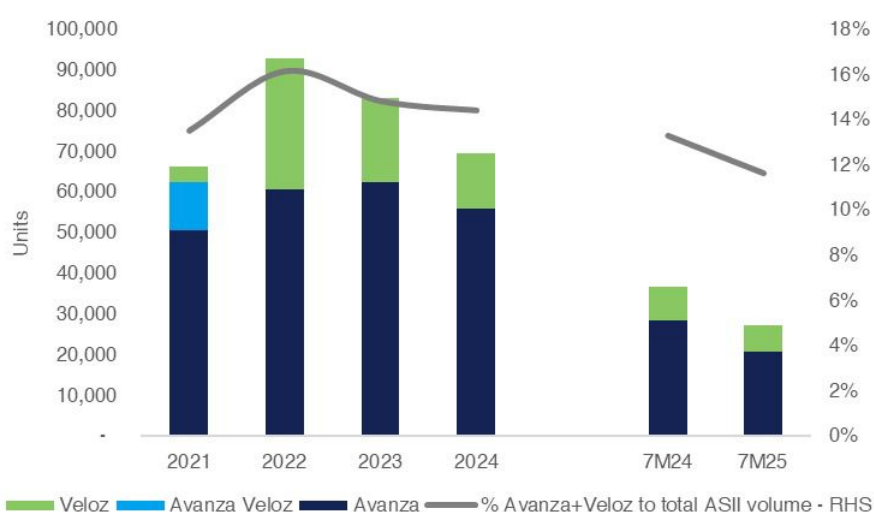
Fig. 5: The Destinator is Mitsubishi's latest model and has received a strong market response. According to recent reports from the Jakarta GIIAS 2025, Mitsubishi recorded 1,900 Destinator bookings—accounting for nearly half of its total booking orders.

	Mitsubishi Destinator	Honda BRV	Toyota Rush	Mitsubishi Pajero Sport	Toyota Fortuner
					
OTR price (Rpmm)	385 - 495	297.3 - 370.4	288.5 - 314.6	577.7 - 779.7	582.2 - 786.2
Type of fuel	Petrol	Petrol	Petrol	Diesel	Diesel
Fuel usage per km (litre)	14.3 - 15.6	15 - 21	14 - 16	12.3	12.5
Engine	1499	1497	1462	2477	2393
Power (HP)	161	119	101	134	148
Torque (Nm)	250	145	130	324	400
Seating	7	7	4	7	7
Transmission	CVT	Manual and CVT	Manual and Automatic	Manual	Manual

Source: Indo Premier

Avanza and Veloz's contribution to ASII's total sales

Fig. 6: Avanza+Veloz contributes 14% of ASII's total sales in 2024



Source: Company, 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

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