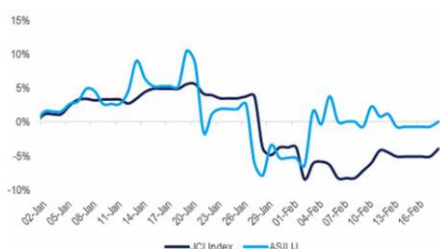


Sector Index Performance

	3M	6M	12M
Absolute	-4.6%	14.6%	-34.6%
Relative to JCI	-6.9%	12.9%	11.7%



Summary Valuation Metrics

	2026F	2027F	2028F
P/E (x)			
ASII IJ	8.6	8.1	7.5
P/BV (x)			
ASII IJ	1.1	1.0	0.9
Div. Yield			
ASII IJ	6.1	5.7%	6.1%

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FY26F outlook: auto wholesale improvement; but retain HOLD on ASII

- We expect 4W wholesale volume to rise 3% yoy to 824k units, driven by xEV growth of 41% yoy, while ICEV declines 5% yoy.
- We are more constructive on 2W, now forecasting 3% yoy growth supported by stronger incremental income and a better CPO harvest.
- We retain our Neutral stance on the auto sector and HOLD on ASII. Auto parts players may offer better upside.

xEV to primarily drive 4W wholesale growth

In FY26F, we estimate 4W wholesale volume to increase 3% yoy to 824k units (2% higher than our previous estimate), slightly below Gaikindo's 850k target (6% yoy). Growth is mainly driven by xEV volume, rising 30% yoy (+52k units) on the FY impact of FY25 launches and additional new models in FY26F. We expect BEV volume to reach 132k units (27% yoy), with 16% market share (vs. 13% in FY25) and monthly volume of 11k units (27% yoy). Hybrid volume is projected at 85k units (30% yoy), with 10% share and monthly volume of 7k units (30% yoy). PHEV volume is forecast at 10k units (88% yoy), with 1% share and monthly volume of 833 units (88% yoy). Meanwhile, ICEV volume is expected to decline -5% yoy in FY26F (vs. 18% decline in FY24/25), reflecting full opsen implementation, particularly impacting ex-Jakarta demand and shifting demand to hybrid models. In contrast, BEV sales should continue to grow, as most buyers are Jakarta-based and unaffected by opsen tax. The longer-term potential downside to the 4W players if price competition becomes more severe, leading to potential margin pressure.

More constructive on 2W outlook

We upgrade our FY26F 2W wholesale volume estimate to 6.6mn (3% yoy), or 3% higher than our previous forecast. This follows better-than-expected performance in FY25, with wholesale volume growth of 1.3% yoy (vs. our estimate of -2% yoy). Our revised forecast is at the high end of AISI's FY26F guidance range of 6.4-6.7mn units (0-4% yoy). Nevertheless, we believe this target is achievable, supported by improved purchasing power from incremental income generated by government programs (e.g. MBG and Kopdes), a stronger CPO harvest season due to wetter weather conditions in FY25 while the pricing environment remains favorable, and demand growth in ex-Java regions. In addition, ASII expects a more supportive financing environment heading into FY26F, which further support the sales momentum.

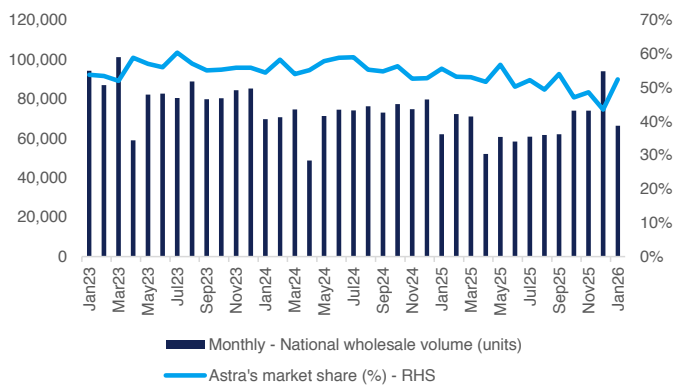
Auto part players potentially offer better growth and return

AUTO IJ (not rated) guides FY26F revenue/NP growth of 5%/5% yoy with potential upside from additional hybrid contributions. It also proposes a higher FY26F final DPS of Rp170 (125% to consensus), implying a DPR of 37%. DRMA IJ (not rated) guides at least 10% yoy revenue/NP growth, driven by additional hybrid orders and stronger exports, with limited contribution from BYD orders in FY26F. AUTO and DRMA are currently trading at 6x and 8x FY26F P/E, respectively. Both companies are pursuing organic expansion and/or acquisitions. AUTO may expand into spare parts and medical segments, while DRMA may focus on battery-related businesses.

Retain our Neutral rating; auto part players potentially offer better return

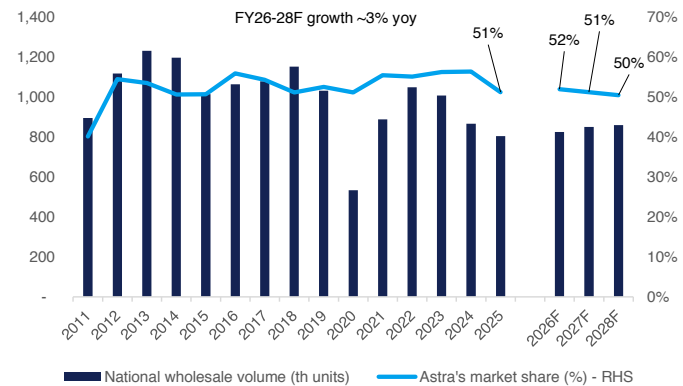
We maintain our Neutral stance and HOLD call on ASII, given earnings headwinds and a weaker dividend outlook. Auto parts players appear more attractive, given that they remain relatively under-owned, while ASII is already well-owned.

Fig. 1: 4W monthly wholesale volume



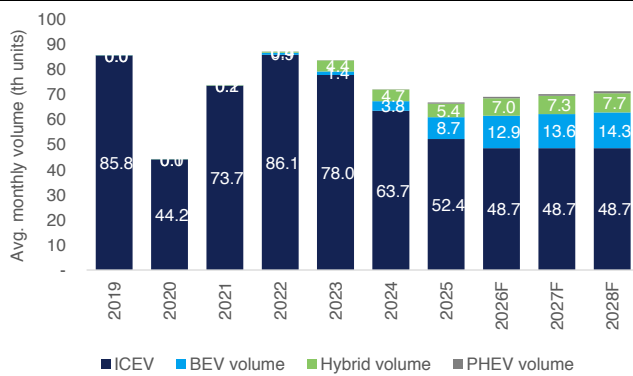
Source: Gaikindo, Indo Premier

Fig. 2: We estimate ASII's market share could improve to 52% in FY26F, supported by new hybrid models and rising commercial vehicle demand



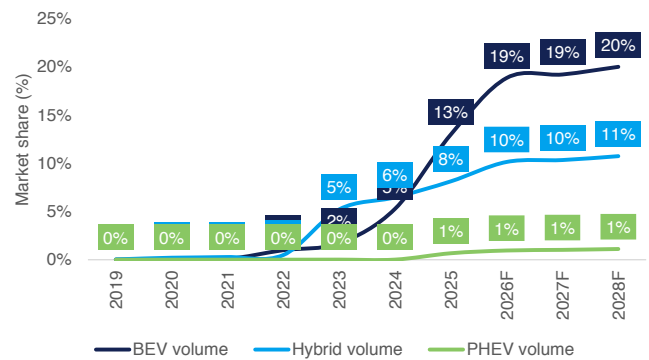
Source: Gaikindo, Indo Premier

Fig. 3: We estimate xEV will support demand growth in FY26-28F



Source: Gaikindo, Indo Premier

Fig. 4: xEV market share is expected to further improve through FY28F



Source: Gaikindo, Indo Premier

Fig. 5: 4W launching in 4Q25

Launching month	Brand	Model	Type of car	Price range (Rp mn)		Remarks
				Lower range	Upper range	
ICEV						
Nov-25	Jetour	T2	Jeep	588	588	
HEV						
Nov-25	Toyota	Veloz Hybrid	Medium MPV	299	390	Deliveries starting in Feb25
Nov-25	BAIC	BJ30 Hybrid	MPV	499	575	
BEV						
Nov-25	Changan	SO7	SUV	599	599	
Nov-25	Changan	Lumin	LCGC	178	178	Indonesia's cheapest BEV in its class
Nov-25	Geely	EX2	SUV	233	273	
Nov-25	Wuling	Darion	Large MPV	356	356	
Nov-25	Wuling	J6T	Jeep	526	585	Showcasted only in Nov25
Nov-25	Jaecoo	J5	SUV	250	300	
Nov-25	Toyota	BZ4x	SUV	799	799	New price as its started to be Indonesia CKD
PHEV						
Oct-25	Geely	EM i	SUV	499	499	
Nov-25	Wuling	Darion	Large MPV	439	489	
Nov-25	Chery	Tiggo8 CSH	SUV	440	560	

Source: Indo Premier

Fig. 6: Potential 4W launching in 2026

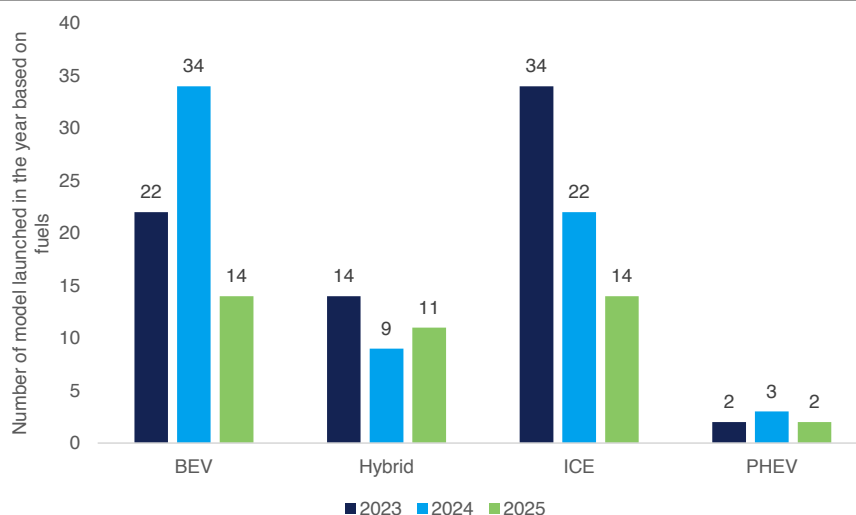
Potential launching in 2026F	Fuel	Potential price (Rpmm)	Potential launching in 2026F	Fuel	Potential price (Rpmm)
Chinese brands			Japanese brands		
BYD and Denza			Toyota		
BYD M9	PHEV	566 - 702	Fortuner Hybrid	Hybrid	N/A
BYD Atto 4	BEV	464.3	Mitsubishi		
BYD Seal 08	BEV	TBA	Xpander Hybrid	HEV	405.5
BYD Sealion 08	BEV	TBA	Suzuki		
BYD Yangwang U8	PHEV	TBA	e-Vitara	BEV	N/A
Denza Z9 GT	BEV	1,500.0	Nissan		
Denza N9	PHEV	TBA	Ariya	BEV	754.3
Chery			Note e Power	ICEV	N/A
Tiggo 4 Pro	ICEV	457.0	Korean brands		
Jetour			Hyundai		
X50e	BEV	N/A	TBA	ICEV	TBA
T2	PHEV	N/A	TBA	Hybrid	TBA
J6	BEV	N/A	Other brands		
X70	ICEV	N/A	Morris Garage		
GAC			MG S5 EV	BEV	203.0
E9	PHEV	N/A			
iCar					
V23	BEV	NA			
Leapmotor					
C10	BEV	N/A			
Hongqi					
	BEV	N/A*			

*Hongqi will be distributed by IndoMobil Group which expected to be in 2H26F, and included in luxury car

**NETA will keep doing its business in Indonesia, however they will continue sell V-II and X model only

Source: Indo Premier

Fig. 7: Number of model launched in 2023-25 based on fuels



Source: Many sources, Indo Premier

Fig. 8: DRMA's financial snapshot (FY26F based on Bloomberg consensus estimates)

DRMA - numbers is based on consensus estimates (Rpbn - unless stated otherwise)	FY24	FY25F	FY26F	FY26F
Revenue	5,508	5,984	6,285	6,826
<i>Growth yoy</i>		9%	5%	9%
EBITDA	1,013	1,077	1,111	1,295
<i>Growth yoy</i>		6%	3%	17%
<i>Margin</i>	18.4%	18.0%	17.7%	19.0%
Net income attributable	579	628	687	758
<i>Growth yoy</i>		8%	9%	10%
<i>Margin</i>	10.5%	10.5%	10.9%	11.1%
EPS	123	133	146	161
Core NP	579	616	660	749
<i>Growth yoy</i>		6%	7%	13%
<i>Margin</i>	10.5%	10.3%	10.5%	11.0%
<i>Core EPS</i>	123	131	140	159
ROE	27.4%	21.3%	20.5%	20.0%
DPS	43	61	61	61
Implied DPR	35%	46%	42%	38%
Div. yield	4.0%	5.7%	5.7%	5.7%

Source: Company, Indo Premier

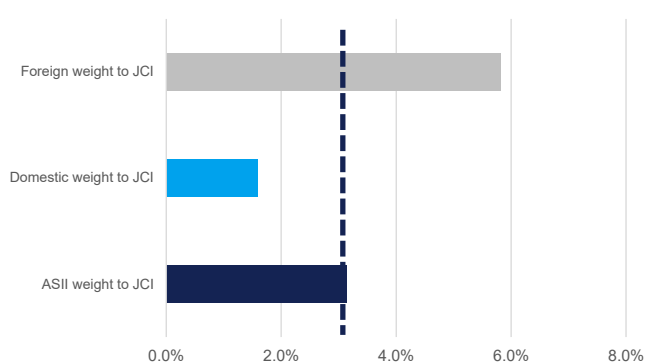
Fig. 9: AUTO's financial snapshot

AUTO - numbers based on our estimate for ASII (Rpbn - unless stated otherwise)	FY24	FY25	FY26F	FY26F
Revenue	19,074	19,907	21,105	22,195
<i>Growth yoy</i>		4%	6%	5%
EBITDA	1,606	1,786	2,027	2,119
<i>Growth yoy</i>		11%	13%	5%
<i>Margin</i>	8.4%	9.0%	9.6%	9.5%
Net income attributable	2,034	2,205	2,362	2,494
<i>Growth yoy</i>		8%	7%	6%
<i>Margin</i>	10.7%	11.1%	11.2%	11.2%
EPS	422	457	490	517
Core NP	1,852	2,191	2,349	2,480
<i>Growth yoy</i>		18%	7%	6%
<i>Margin</i>	9.7%	11.0%	11.1%	11.2%
<i>Core EPS</i>	384	455	487	515
ROE	13.4%	14.6%	14.3%	13.9%
DPS	189	192	233	249
Implied DPR	45%	42%	48%	48%
Div. yield	6.7%	6.8%	8.2%	8.8%

Source: Company, Indo Premier

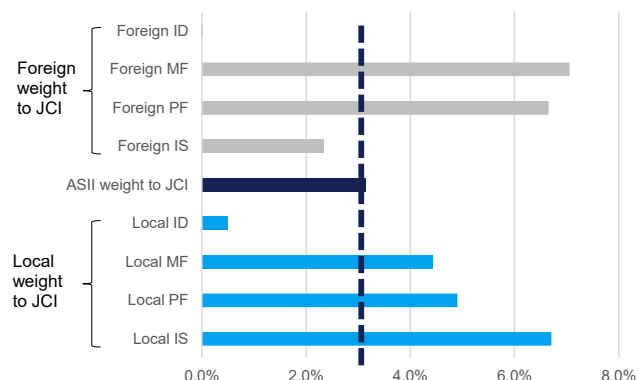
Share ownership - ASII

Fig. 10: ASII's ownership as of Feb26



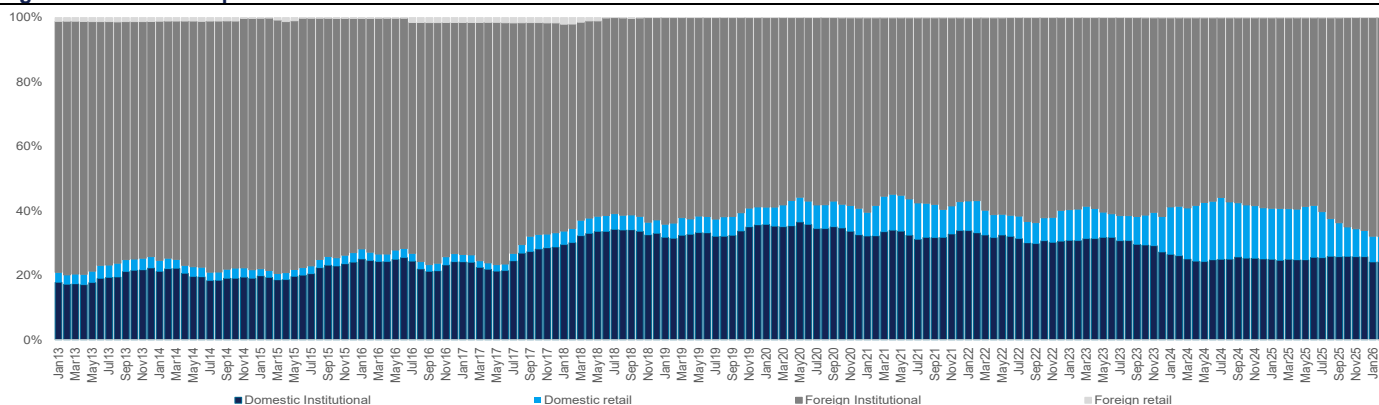
Source: KSEI, Indo Premier

Fig. 11: ASII's ownership as of Feb26



Source: KSEI, Indo Premier

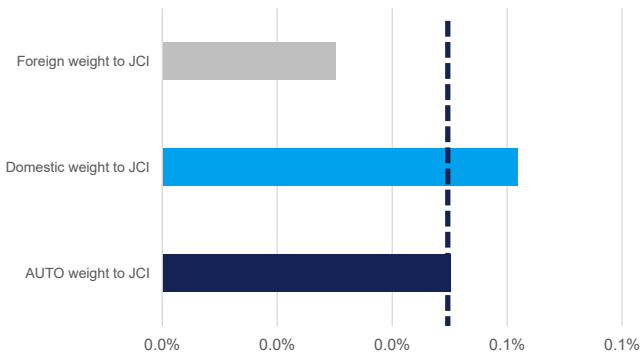
Fig. 12: ASII ownership since 2013



Source: KSEI, Indo Premier

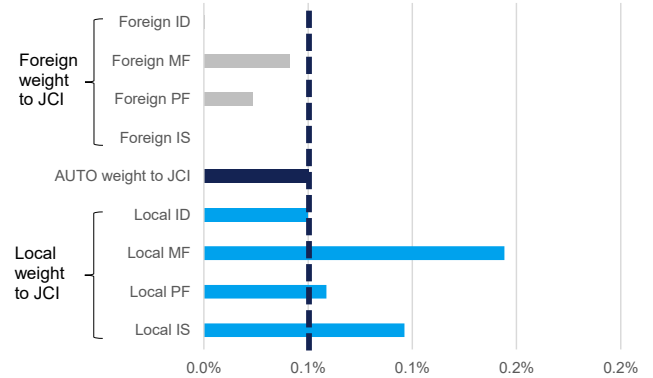
Share ownership - AUTO

Fig. 13: AUTO's ownership as of Feb26



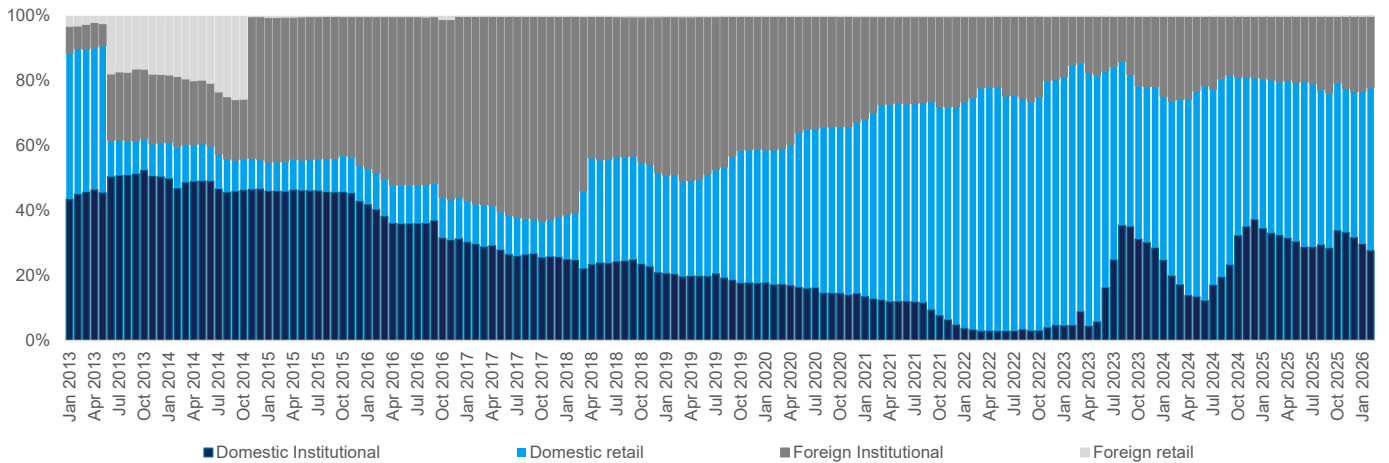
Source: KSEI, Indo Premier

Fig. 14: AUTO's ownership as of Feb26



Source: KSEI, Indo Premier

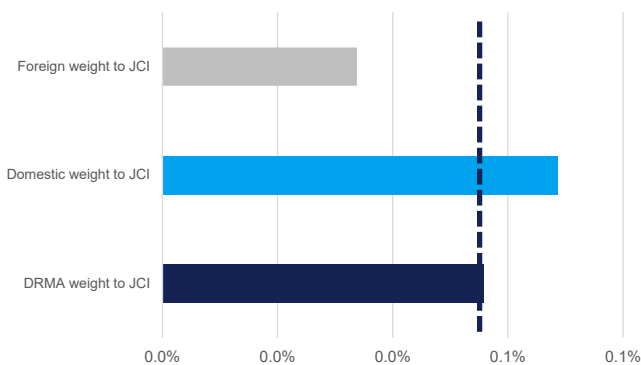
Fig. 15: AUTO ownership since 2013



Source: KSEI, Indo Premier

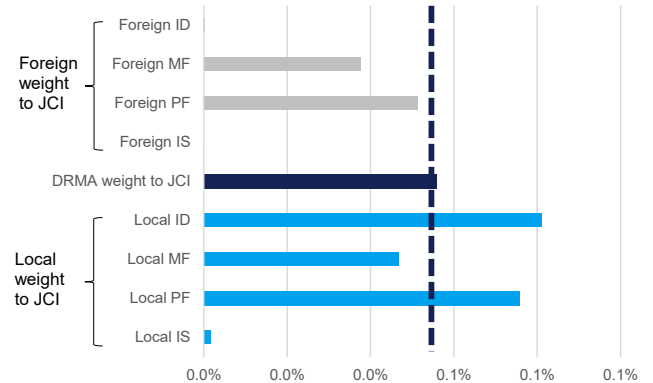
Share ownership - DRMA

Fig. 16: DRMA's ownership as of Feb26



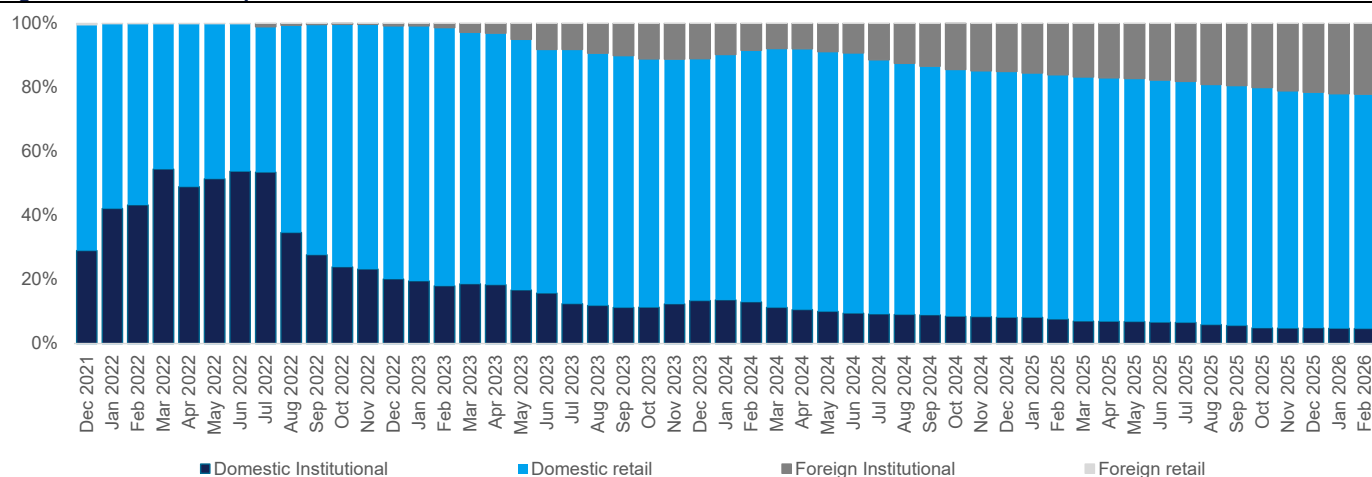
Source: KSEI, Indo Premier

Fig. 17: DRMA's ownership as of Feb26



Source: KSEI, Indo Premier

Fig. 18: DRMA ownership since Dec21



Source: KSEI, 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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