

# Astra International

**BUY** (unchanged)

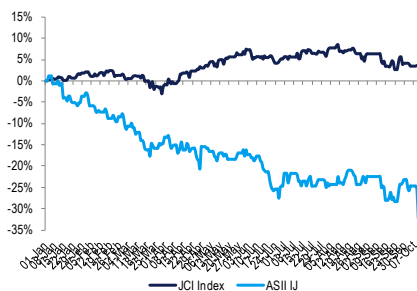
Company Update | Automotive | ASII IJ | 11 October 2024

## Stock Data

Target price	Rp6,000
Prior TP	NA
Current price	Rp5,125
Upside/downside	17.1%
Shares outstanding (mn)	40,484
Market cap (Rp bn)	207,478
Free float	42%
Avg. 6m daily T/O (Rp bn)	273

## Price Performance

	3M	6M	12M
Absolute	-13.0%	-18.4%	-27.4%
Relative to JCI	-10.2%	-22.2%	-33.1%
52w low/high (Rp)	4610 - 6925		



## Major Shareholders

Jardine Cycle & Carriage Ltd	50.1%
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## Sep24 sales: another mom volume decline; ASII's market share was flat

- Sep24 4W volume declined by -9% yoy/-5% mom. 9M24 sales remained below Gaikindo's FY24F, but met ours (at 70/74% run-rate).
- Discounts declined by c.-3% mom, as discounts across all segments declined by about -2% to -9% mom.
- Zeekr plans to enter the Indonesian market with two BEV models initially; likely limited impact for ASII, given Zeekr's premium positioning.

### 4W sales volume declined by -5% mom; 9M24 is tracking below Gaikindo's FY24F, though still in-line with ours

Wholesale 4W sales volume in Sep24 declined to 72.7k units (-9% yoy/-5% mom). 9M24 sales (-16% yoy) missed Gaikindo's forecast at 70% of FY24F, but was in-line with our estimates at 74% of our FY24F (3yr average of 74% in FY17-19 pre-COVID and 75% in FY23). ASII's sales volume reached 40.1k units in Sep24 (-9% yoy/-5% mom); 9M24 (-15% yoy) reached 75% of our FY24F (vs. 3yr average of 75% in FY17-19 pre-COVID and 75% FY23). ASII's 4W market share was flat at 55% in Sep24 (vs. 55% in Sep23/Aug24).

### Discounts moderated on mom basis across all segments

Our channel checks with dealers indicated that discounts declined further mom in Oct24 (from Rp22.7mn in Sep24 to Rp22.1mn in Oct24; -3% mom), as discounts across all segments declined by about -2% to -9% mom. The declining discount trend has been relatively consistent since Jul24 post-GIIAS 2024, which likely an indication of healthy inventory movement and should bode well for 2H24 dealership margin (see our previous [note](#)). It is also worth noting that Toyota Innova Zenix HEV is seeing lower discounts (-25% mom) and now also has 1-2 months backlog (vs. ready-stock previously).

### Zeekr to enter the Indonesian market with two BEV models

Zeekr (a Chinese BEV brand, owned by Geely) plans to enter the Indonesian market with two models initially: 1) Zeekr 009 (BEV MPV); and 2) Zeekr X (BEV SUV), with starting price of Rp1.1bn and Rp500mn, respectively. It also plans to build a local factory within the next 2-3 years. Zeekr will partner with Premium Auto Prima (PAP) for distributions. Of note, PAP currently already distributes MG and Neta. It plans to rollout dealerships in Jakarta, Surabaya, and Bandung. Note that, Zeekr has opened 10 dealerships in Thailand since its launch in Mar24. We believe that Zeekr seems unlikely to pose a threat for ASII's market share, given its premium positioning.

### Reaffirm Buy rating with an unchanged TP of Rp6,000

Most of the concerns for ASII have likely been priced-in at current valuation of 6.4x FY25F P/E. Reiterate Buy, with TP of Rp6,000/share. Risks: 1) lower-than-expected sales volumes; and 2) lower-than-expected commodity prices.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Revenue	301,379	316,565	317,426	326,107	340,589
Operating profit	42,201	44,268	41,244	41,420	43,248
Net profit	28,944	33,839	31,575	29,834	31,659
EPS growth	43.3%	16.9%	-6.7%	-5.5%	6.1%
ROE	13.0%	14.0%	12.3%	11.0%	10.8%
PER (x)	6.4	5.5	5.9	6.3	5.9
Dividend yield	5.6%	12.9%	10.3%	6.2%	5.9%
IPS vs. consensus			102%	95%	98%

Source: Company, Indo Premier

price closing as of: 10 October 2024

Fig. 1: National wholesale 4W volume summary

4W wholesale sales (in units)	Sep-24	Sep-23	yoy%	Aug-24	mom%
Toyota + Lexus	25,591	26,164	-2%	26,183	-2%
Daihatsu	12,676	15,009	-16%	13,829	-8%
Isuzu	1,670	2,690	-38%	2,002	-17%
UD Trucks	159	172	-8%	181	-12%
Peugeot	0	16	-100%	0	N/A
<b>Astra total</b>	<b>40,096</b>	<b>44,051</b>	<b>-9%</b>	<b>42,195</b>	<b>-5%</b>
Mitsubishi	5,824	8,416	-31%	8,530	-32%
Suzuki	5,183	6,502	-20%	5,265	-2%
Honda	7,926	10,911	-27%	7,556	5%
Wuling	2,004	2,001	0%	1,866	7%
Hyundai	1,596	0	N/A	1,823	-12%
Chery	673	0	N/A	798	-16%
BYD	2,075	0	N/A	2,940	-29%
Others	7,290	7,925	-8%	5,331	37%
<b>Non-Astra total</b>	<b>32,571</b>	<b>35,868</b>	<b>-9%</b>	<b>34,109</b>	<b>-5%</b>
<b>National wholesale</b>	<b>72,667</b>	<b>79,919</b>	<b>-9%</b>	<b>76,304</b>	<b>-5%</b>

Source: Gaikindo, Indo Premier

Fig. 2: National wholesale 4W market share summary

4W wholesale market share	Sep-24	Sep-23	yoy (bp)	Aug-24	mom (bp)
Toyota	35%	33%	248	34%	90
Daihatsu	17%	19%	(134)	18%	(68)
Isuzu	2%	3%	(107)	3%	(33)
UD Trucks	0%	0%	0	0%	(2)
Peugeot	0%	0%	(2)	0%	-
<b>Astra total</b>	<b>55%</b>	<b>55%</b>	<b>6</b>	<b>55%</b>	<b>(12)</b>
Mitsubishi	8%	11%	(252)	11%	(316)
Suzuki	7%	8%	(100)	7%	23
Honda	11%	14%	(275)	10%	100
Wuling	3%	3%	25	2%	31
Hyundai	2%	0%	220	2%	(19)
Chery	1%	0%	93	1%	(12)
BYD	3%	0%	286	4%	(100)
Others	10%	10%	12	7%	305
<b>Non-Astra total</b>	<b>45%</b>	<b>45%</b>	<b>(6)</b>	<b>45%</b>	<b>12</b>
<b>National</b>	<b>100%</b>	<b>100%</b>	<b>0</b>	<b>100%</b>	<b>0</b>

Source: Gaikindo, Indo Premier

Fig. 3: Dealers' discounts (in Rp mn)

Manufacturer	Model	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Daihatsu	Ayla	6-10	5	8-10	5	5-8	5-8	5-7	6-7	3-18	7-8	5-7
Daihatsu	Rocky	15-17	10-15	20-25	7-10	9-12	10-13	10-15	8-11	7-18	10	10-15
Daihatsu	Xenia	15-17	14-15	20-24	13-15	10-11	8-12	15-18	7-11	5-21	10-11	12-15
Honda	Brio Satya	10	4-7	10	5	8-9	15-25	5-15	15-20	12-15	10-12	12-15
Honda	BR-V	30-40	30-57	30-40	0-5	20-25	30	5-15	35-40	20-30	27-30	20-30
Honda	CR-V	45	0	0	5-7	0-5	40-50	10-30	20-25	20-25	15-20	15-25
Honda	New CR-V	0	0	0	0	0	10-25	10-30	20-25	20-25	15-20	15-25
Honda	HR-V	30	30-35	30-35	20-35	20-25	30-50	5-20	20-25	20-25	30-35	20-25
Honda	WR-V	20-25	15-20	24-30	20-30	25-30	25	15-25	30-45	20-25	25-30	20
Hyundai	Creta	35-45	35-45	45	15-45	25	30-35	30-35	35-45	25-35	25-30	30-35
Hyundai	Stargazer	15	40-45	30	30-35	25-30	25-40	20	30-32	25-35	20-30	35-40
Mitsubishi	Pajero	25-30	25-37	30-35	30-40	35-40	20-30	20-25	30-35	30-35	30-35	30-35
Mitsubishi	Xpander	10-20	20-25	20-25	23-25	10-25	10-15	12-20	14-20	14-20	15-20	13-15
Toyota	Agya	15	10-18	15	10	10-12	8-10	10-12	7-10	10-12	12-15	10-12
Toyota	Avanza	23-25	14-33	22-25	15-20	26-28	15-20	20-25	25	23-25	20-25	15-25
Toyota	Fortuner	30-45	25-30	50-55	40	40-50	25-35	30-35	30-40	30-35	30-35	30-40
Toyota	Innova											
Toyota	Zenix (petrol)	15-20	15-20	20-25	10-20	15-20	10-12	15-20	20-25	25	15-20	15-20
Toyota	Innova Zenix (hybrid)											
Toyota	Zenix (hybrid)	0-8	5-7	6-8	5-15	10-15	7-10	10	15	13-15	5-10	5-10
Toyota	Raize	18-25	20-30	20-32	20-25	25	15-17	20-25	22-25	20-22	20-25	20
Toyota	Rush	25-33	25-33	22-30	20-25	25-28	18-20	20-25	20-30	25-30	25-30	30
Wuling	Almaz	20-40	40-50	50-60	40-50	60-70	25-60	50-60	60-70	50-60	50-60	40-60
Wuling	Almaz facelift	25-40	8-30	10-15	10-40	15-23	20	25-30	25-35	14-20	10-20	15-25
Wuling	Alvez	15-17	10-15	15-17	10-15	20	10-15	20-25	30	25-30	20-25	17-20
Wuling	Confero	25-27	20-25	20-25	10-20	25	10-15	20-30	25-30	20-25	30	25-30
Wuling	Cortez	23-27	25-30	20-30	30	30-35	30-35	25-30	30-40	21-25	30-35	20-30

Source: Indo Premier survey

Fig. 4: Backlog (months)

Manufacturer	Model	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Daihatsu	Ayla	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Daihatsu	Rocky	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Daihatsu	Xenia	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Honda	Brio Satya	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Honda	BR-V	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Honda	New CR-V	1-2	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Honda	HR-V	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Honda	WR-V	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Hyundai	Creta	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Hyundai	Stargazer	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Mitsubishi	Pajero	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Mitsubishi	Xpander	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Toyota	Agya	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Toyota	Avanza	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Toyota	Fortuner	1-3	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Toyota	Innova											
Toyota	Zenix (petrol)	1-2	1	ready	ready	ready	ready	ready	ready	ready	ready	ready
Toyota	Innova Zenix (hybrid)											
Toyota	Zenix (hybrid)	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	1-2
Toyota	Raize	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Toyota	Rush	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Wuling	Almaz	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Wuling	Almaz facelift	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Wuling	Alvez	ready	ready-2	ready	ready	ready	ready	ready	ready	ready	ready	ready
Wuling	Confero	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready
Wuling	Cortez	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready	ready

Source: Indo Premier survey

**Fig. 5: Zeekr 009 (BEV MPV; Rp1.1bn)**



Source: Zeekr, Indo Premier

**Fig. 6: Zeekr X (BEV SUV; Rp500mn)**



Source: Zeekr, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	301,379	316,565	317,426	326,107	340,589
Cost of sales	(231,291)	(243,255)	(245,889)	(253,212)	(264,187)
<b>Gross profit</b>	70,088	73,310	71,537	72,895	76,403
SG&A Expenses	(27,887)	(29,042)	(30,294)	(31,475)	(33,155)
<b>Operating profit</b>	42,201	44,268	41,244	41,420	43,248
Net interest	428	(59)	(984)	(2,042)	(1,406)
Forex gain (loss)	188	(408)	32	33	34
Others	7,573	10,928	9,778	8,665	9,071
<b>Pre-tax income</b>	50,390	54,729	50,069	48,076	50,947
Income tax	(9,970)	(10,228)	(9,263)	(8,894)	(9,425)
Minority interest	(11,476)	(10,662)	(9,232)	(9,348)	(9,863)
<b>Net income</b>	28,944	33,839	31,575	29,834	31,659

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalents	61,295	41,136	41,799	41,466	49,878
Receivables	71,839	72,227	72,182	74,156	77,449
Other current assets	46,684	52,823	51,432	54,020	57,300
<b>Total current assets</b>	179,818	166,186	165,413	169,642	184,627
Fixed assets	94,697	114,374	108,560	102,251	95,643
Other non-current assets	138,782	165,119	181,631	208,876	229,763
<b>Total non-current assets</b>	233,479	279,493	290,191	311,127	325,406
<b>Total assets</b>	413,297	445,679	455,604	480,769	510,034

Payables	37,644	40,529	33,683	34,687	36,190
Other payables	46,885	45,432	44,069	42,747	41,465
Current portion of LT loans	34,669	39,061	49,888	53,460	57,521
<b>Total current liab.</b>	119,198	125,022	127,640	130,894	135,176
Long term loans	36,052	54,249	49,888	53,460	57,521
Other LT liab.	14,327	15,990	15,510	15,045	14,594
<b>Total liabilities</b>	169,577	195,261	193,038	199,399	207,291

Equity	10,619	9,643	9,643	9,643	9,643
Retained earnings	181,523	188,997	199,592	216,795	236,521
Minority interest	51,578	51,778	53,331	54,931	56,579
<b>Total SHE + minority int.</b>	243,720	250,418	262,566	281,370	302,743
<b>Total liabilities &amp; equity</b>	413,297	445,679	455,604	480,769	510,034

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net profit	28,944	33,839	31,575	29,834	31,659
Depr. & amortization	13,901	15,288	13,030	13,321	13,904
Changes in working capital	(2,790)	(5,095)	(6,772)	(4,882)	(6,352)
Others	(10,479)	(14,012)	(7,760)	(18,362)	(11,476)
<b>Cash flow from operating</b>	<b>29,576</b>	<b>30,020</b>	<b>30,073</b>	<b>19,912</b>	<b>27,735</b>
Capital expenditure	(18,148)	(34,965)	(7,217)	(7,012)	(7,295)
Others	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(18,148)</b>	<b>(34,965)</b>	<b>(7,217)</b>	<b>(7,012)</b>	<b>(7,295)</b>
Loans	(1,765)	22,589	6,465	7,145	8,122
Equity	(1,094)	(11,438)	(7,678)	(7,748)	(8,215)
Dividends	(11,416)	(26,314)	(20,980)	(12,630)	(11,933)
Others	-	-	-	-	-
<b>Cash flow from financing</b>	<b>(14,275)</b>	<b>(15,163)</b>	<b>(22,193)</b>	<b>(13,233)</b>	<b>(12,026)</b>
<b>Changes in cash</b>	<b>(2,652)</b>	<b>(20,159)</b>	<b>663</b>	<b>(334)</b>	<b>8,413</b>

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	23.3%	23.2%	22.5%	22.4%	22.4%
Operating margin	14.0%	14.0%	13.0%	12.7%	12.7%
Pre-tax margin	16.7%	17.3%	15.8%	14.7%	15.0%
Net margin	9.6%	10.7%	9.9%	9.1%	9.3%
ROA	7.7%	8.0%	7.0%	6.4%	6.4%
ROE	13.0%	14.0%	12.3%	11.0%	10.8%
ROIC	12.5%	12.4%	10.1%	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	0.2	0.2	0.2
Interest coverage (x)	20.0	14.2	11.8	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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