

Astra International

HOLD (unchanged)

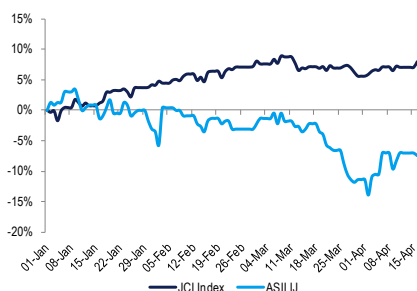
Company Update | Automotive | ASII IJ | 16 April 2024

Stock Data

Target price	Rp5,800
Prior TP	Rp5,800
Current price	Rp5,100
Upside/downside	13.7%
Shares outstanding (mn)	40,484
Market cap (Rp bn)	206,466
Free float	42%
Avg. 6m daily T/O (Rp bn)	398

Price Performance

	3M	6M	12M
Absolute	-8.2%	-21.5%	-7.0%
Relative to JCI	-15.4%	-27.6%	-13.1%
52w low/high (Rp)	4930 - 6925		



Major Shareholders

Jardine Cycle & Carriage Ltd	50.1%
------------------------------	-------

Giovanni Dustin

PT Indo Premier Sekuritas
giovanni.dustin@ipc.co.id
+62 21 5088 7168 ext. 719

Ryan Dimitry

PT Indo Premier Sekuritas
ryan.dimitry@ipc.co.id
+62 21 5088 7168

Mar24 sales: better mom sales volume on seasonal demand

- Wholesale 4W volume declined by -26% yoy in Mar24, but grew +6% mom on seasonality; in-line with our estimates, but below Gaikindo's.
- We observed higher discounts mom across all segments (+13% mom).
- Chinese 4W manufacturers to introduce more 4W BEV models in the coming months; reaffirm Hold on ASII.

Higher wholesale 4W sales volume mom in Mar24, likely on seasonality

Wholesale 4W sales volume in Mar24 came in at 74.7k units, declined by -26% yoy, but improved by +6% mom, likely supported by seasonal demand factors, ahead of the Eid al-Fitr holidays. This was broadly in-line with our forecasts (23% of our FY24F vs. 3yr average of 25% in FY17-19 pre-COVID), but below Gaikindo's run-rate of 20%. Note that we expect FY24F 4W sales to decline by -4% yoy, amidst higher macro uncertainties (see our previous [note](#)). ASII's sales volume reached 40.0k units in Mar24 (-24% yoy/-3% mom), forming 22% of our FY24F – also broadly in-line. ASII's 4W market share normalized to 54% in Mar24 (vs. 52/58% in Mar23/Feb24).

Discounts increased mom across all segments

Our channel checks with dealers indicated that discounts increased on mom basis in Apr24 (from Rp19.2mn in Mar24 to Rp21.9mn in Apr24; +13% mom), as discounts across all segments rose by +5-30% mom. We note that the LCGC and LSUV segments saw the highest jump in discounts at +30/27% mom, which we believe is partly attributable to competition.

GAC Aion to introduce two BEV models at GIIAS 2024

Chinese 4W manufacturer, GAC Aion, is entering the Indonesian market and will partner with Indomobil Group (IMAS; not rated) for distributions. It was established in FY17 and is a subsidiary of GAC Group, a Chinese automotive conglomerate. Notably, GAC Aion sold 480k units in FY23 globally. It plans to launch two BEV models at GIIAS 2024 in Jun24 (vs. in Aug typically), namely Y Plus and Hyper HT, which are MPV and cross-over SUV models. Furthermore, based on our channel checks, more BEV models will be launched in the coming months, including BYD Denza D9 in May24 (luxury MPV, which is likely to be a direct competitor for Toyota Alphard), Vinfast VF6/7 in Jul24 (SUV), and Neta U and S in Sep24 (SUV/Sedan).

Reaffirm Hold rating, with an unchanged TP of Rp5,800

Although most of the concerns have likely been priced-in at current valuation of 7x FY25F P/E, we see limited positive near-term catalysts for ASII. Reiterate Hold, with TP of Rp5,800/share. Risks: 1) higher/lower-than-expected 4W/2W volumes; and 2) higher/lower-than-expected commodity prices.

Financial Summary (Rp bn)	2021A	2022A	2023F	2024F	2025F
Revenue	233,485	301,379	307,661	314,143	333,249
Operating profit	25,533	42,201	47,015	44,069	44,037
Net profit	20,196	28,944	34,550	33,705	34,376
EPS growth	24.9%	43.3%	19.4%	-2.4%	2.0%
ROE	9.8%	13.0%	13.8%	12.7%	11.9%
PER (x)	11.9	8.3	7.0	7.1	7.0
Dividend yield	2.2%	4.7%	10.2%	5.7%	5.6%
IPS vs. consensus			110%	105%	105%

Source: Company, Indo Premier

price closing as of: 16 April 2024

Fig. 1: National wholesale 4W volume summary

4W wholesale sales (in units)	Mar-24	Mar-23	yoy%	Feb-24	mom%
Toyota + Lexus	21,142	29,642	-29%	23,732	-11%
Daihatsu	16,552	19,884	-17%	15,088	10%
Isuzu	2,251	2,936	-23%	2,245	0%
UD Trucks	137	189	-28%	167	-18%
Peugeot	3	36	-92%	8	-63%
Astra total	40,085	52,687	-24%	41,240	-3%
Mitsubishi	8,464	11,093	-24%	8,244	3%
Suzuki	6,670	8,430	-21%	4,992	34%
Nissan	147	188	-22%	131	12%
Honda	10,572	16,871	-37%	9,081	16%
Wuling	2,080	3,000	-31%	1,200	73%
Hyundai	1,812	0	N/A	2,428	-25%
Others	4,894	9,003	-46%	3,382	45%
Non-Astra total	34,639	48,585	-29%	29,458	18%
National wholesale	74,724	101,272	-26%	70,698	6%

Source: Gaikindo, Indo Premier

Fig. 2: National wholesale 4W market share summary

4W wholesale market share	Mar-24	Mar-23	yoy (bp)	Feb-24	mom (bp)
Toyota	28%	29%	(98)	34%	(527)
Daihatsu	22%	20%	252	21%	81
Isuzu	3%	3%	11	3%	(16)
UD Trucks	0%	0%	(0)	0%	(5)
Peugeot	0%	0%	(3)	0%	(1)
Astra total	54%	52%	162	58%	(469)
Mitsubishi	11%	11%	37	12%	(33)
Suzuki	9%	8%	60	7%	187
Nissan	0%	0%	1	0%	1
Honda	14%	17%	(251)	13%	130
Wuling	3%	3%	(18)	2%	109
Hyundai	2%	0%	242	3%	(101)
Others	7%	9%	(234)	5%	177
Non-Astra total	46%	48%	(162)	42%	469
National	100%	100%	0	100%	0

Source: Gaikindo, Indo Premier

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

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

Source: Indo Premier survey

Fig. 4: Backlog (months)

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

Source: Indo Premier survey

Income Statement (Rp bn)	2021A	2022A	2023F	2024F	2025F
Net revenue	233,485	301,379	307,661	314,143	333,249
Cost of sales	(182,452)	(231,291)	(231,808)	(240,189)	(257,606)
Gross profit	51,033	70,088	75,853	73,954	75,644
SG&A Expenses	(25,500)	(27,887)	(28,838)	(29,885)	(31,607)
Operating profit	25,533	42,201	47,015	44,069	44,037
Net interest	265	428	512	680	513
Forex gain (loss)	57	188	31	31	33
Others	6,495	7,573	9,138	9,930	10,845
Pre-tax income	32,350	50,390	56,695	54,711	55,428
Income tax	(6,764)	(9,970)	(11,849)	(10,942)	(11,086)
Minority interest	(5,390)	(11,476)	(10,296)	(10,064)	(9,967)
Net income	20,196	28,944	34,550	33,705	34,376

Balance Sheet (Rp bn)	2021A	2022A	2023F	2024F	2025F
Cash & equivalents	63,947	61,295	65,349	69,741	73,806
Receivables	60,761	71,839	67,433	68,853	73,041
Other current assets	35,554	46,684	41,201	43,699	47,345
Total current assets	160,262	179,818	173,983	182,293	194,193
Fixed assets	90,450	94,697	83,506	79,227	74,891
Other non-current assets	116,599	138,782	152,660	167,926	193,115
Total non-current assets	207,049	233,479	236,166	247,154	268,007
Total assets	367,311	413,297	410,149	429,447	462,199

Payables	25,149	37,644	31,755	32,903	35,288
Other payables	39,962	46,885	45,478	44,114	42,791
Current portion of LT loans	38,667	34,669	31,902	31,128	35,907
Total current liab.	103,778	119,198	109,135	108,145	113,987
Long term loans	33,819	36,052	31,902	31,128	35,907
Other LT liab.	14,099	14,327	13,897	13,480	13,076
Total liabilities	151,696	169,577	154,934	152,753	162,970

Equity	8,253	10,619	10,619	10,619	10,619
Retained earnings	163,800	181,523	191,471	211,356	232,249
Minority interest	43,562	51,578	53,125	54,719	56,361
Total SHE + minority int.	215,615	243,720	255,215	276,694	299,229
Total liabilities & equity	367,311	413,297	410,149	429,447	462,199

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2021A	2022A	2023F	2024F	2025F
Net profit	20,196	28,944	34,550	33,705	34,376
Depr. & amortization	14,148	12,326	12,778	12,930	13,766
Changes in working capital	4,951	(2,790)	2,594	(4,135)	(6,772)
Others	(1,011)	(10,479)	(4,012)	(5,619)	(15,627)
Cash flow from operating	38,284	28,001	45,909	36,881	25,743
Capital expenditure	(9,470)	(16,573)	(1,587)	(8,651)	(9,430)
Others	-	-	-	-	-
Cash flow from investing	(9,470)	(16,573)	(1,587)	(8,651)	(9,430)
Loans	(6,995)	(1,765)	(6,917)	(1,548)	9,559
Equity	39	(1,094)	(8,749)	(8,470)	(8,325)
Dividends	(5,344)	(11,416)	(24,602)	(13,820)	(13,482)
Others	-	-	-	-	-
Cash flow from financing	(12,300)	(14,275)	(40,268)	(23,838)	(12,248)
Changes in cash	16,394	(2,652)	4,054	4,392	4,065

Key Ratios	2021A	2022A	2023F	2024F	2025F
Gross margin	21.9%	23.3%	24.7%	23.5%	22.7%
Operating margin	10.9%	14.0%	15.3%	14.0%	13.2%
Pre-tax margin	13.9%	16.7%	18.4%	17.4%	16.6%
Net margin	8.6%	9.6%	11.2%	10.7%	10.3%
ROA	5.7%	7.7%	8.4%	8.0%	7.7%
ROE	9.8%	13.0%	13.8%	12.7%	11.9%
ROIC	8.9%	12.5%	13.6%	12.9%	12.1%

Acct. receivables TO (days)	90	80	80	80	80
Acct. payables - other TO (days)	42	50	50	50	50

Gross debt-to-equity (x)	0.3	0.3	0.3	0.2	0.2
Net debt-to-equity (x)	0.0	0.0	(0.0)	(0.0)	(0.0)
Interest coverage (x)	11.2	20.0	21.1	20.2	17.5

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

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.