

ASII FY24 PATMI above; diversification and initiatives as catalysts

4 March 2025



ASII IJ	BUY
Sector	Automotive
Price at 3 Mar 2025 (IDR)	4,680
Price target (IDR)	5,850
Upside/Downside (%)	25.0

Stock Information

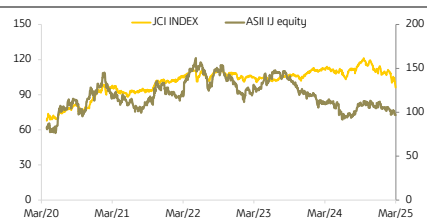
Astra International is the largest diversified conglomerate company in Indonesia focusing on 7 business segments, namely: automotive, financial services, heavy equipment & mining, agribusiness, infrastructure & logistics, IT, as well as property. The company is the leader in automotive industry for 2W and 4W, heavy equipment, as well as mining contracting.

Market cap (IDR bn)	183,390
Shares outstanding (mn)	40,484
52-week range (IDR)	4,290-5,425
3M average daily vol. ('000)	31,754
3M average daily val. (IDR mn)	153,868

Shareholders (%)

Jardine Cycle & Carriage l	50.1
Public	49.9

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(2.5)	(10.4)	(10.0)

Despite persistent headwinds in the automotive sector, characterized by waning consumer confidence and broader economic challenges, ASII demonstrated resilience, achieving a commendable 4.5% yoy growth in net revenue and a 0.6% yoy increase in PATMI. In all FY24 net profit came in above ours and street expectation. We anticipate that Astra will effectively navigate the prolonged uncertainties, maintaining its automotive market share and capitalizing on an expected resurgence in the mining contracting business segment, thereby sustaining growth into FY25. While the agribusiness segment is likely to deliver steady earnings, we recognize the pivotal role of Astra's financing divisions in mitigating prevailing market headwinds. The Group's strategic diversification initiatives and ongoing business advancements are poised to serve as potent catalysts for medium-to-long-term growth. Maintain BUY, SOTP-TP of IDR 5,850 (7.3x P/E '25F), while currently trading at 5.7x '25F P/E or slightly above its -1SD 5.3x.

FY24 PATMI; above ours and street expectation

ASII successfully delivered higher top line with bottom line growth remain positive amid the various challenges in FY24. Net revenue 4.5% yoy higher to IDR330.92tn, supported by solid top line growth across Astra main revenue driver, while net income only inched up 0.6% yoy to IDR 34.1tn due to mix positive note from several segment contributions, yet offset by weaker automotive and lower coal prices. Without FV adjustment on investments in GoTo and Hermina, PATMI was IDR 34.2tn. In all, FY24 PATMI beating ours and '24F street expectation.

Inline PATMI driver

Of the total segment, financial services, agribusiness, Infra & Logistics, IT and Property booked solid net profit growth, while Automotive as the backbone earnings driver declined by 1.7% yoy due to the continuing pressure on 4W market (overall was helped by better contribution from 2W market). Mining contracting business saw a declining growth of 5.3% yoy on the back of lower Komatsu demand and softer coal mining business. We like the overall financial services PATMI growth (6.3% yoy), driven mainly by consumer finance segment (9% yoy) which saw solid new amount finance of IDR128.2tn. Notably, PATMI contribution from 4W focuses financed up by 4% yoy (IDR 2.4tn), while 2W finance (FIF) net income reached IDR 4.4tn, or 7% higher yoy. In all this business arms mark a better contribution to groups consolidated net profit from 23% to 24% (Auto: 33% vs 34% and mining contracting business to 35% vs 37% in FY23).

Auto business remain resilient

Despite all the drawbacks, we think the automotive business is considerably remain resilient. Amid the declining total 4W sales, Astra successfully maintain its market share which stood at 56% (there are 13 new models and 15 revamped models was launched). On the 2W market, sales grew by 2% yoy to 6.3mn units and Astra Honda Motor's market share was well managed reaching 78%. Last but not least, we also like the latest rapid development on electric vehicle, whereas Astra hold around 60% of markets share in the Hybrid segment, dominated by Innova Zenix and Yaris Cross.

Diversification strategy for long term growth.

United Tractors has significantly bolstered its renewable energy portfolio by acquiring an additional 20.2% stake in PT Supreme Energy Rantau Dedap (SERD), a key player in South Sumatra's geothermal energy sector. This strategic move, valued at USD 80.7 million (IDR 1.3tn), increases the Group's total shareholding in SERD to 32.7%, solidifying its commitment to sustainable energy development. SERD operates a substantial geothermal project with a current capacity of 2 x 49 MW, marking a significant step in the Group's diversification efforts.

Business initiatives to diversified and strengthened earnings driver

Astra has strategically expanded its presence within Indonesia's healthcare sector, culminating in the acquisition of a commanding 95.8% stake in Jakarta-based Heartology Cardiovascular Hospital, a premier private specialist facility, for Rp 643 billion. Concurrently, the Group augmented its ownership in the digital healthcare platform Halodoc, elevating its share from 21% to 31.3%, thereby reinforcing its position in the burgeoning telehealth market. These strategic moves underscore Astra's overarching ambition to assume a pivotal role in the Indonesian healthcare landscape, with a focus on driving cost efficiencies and elevating the quality of care accessible to the community. The Group's cumulative investment in the healthcare sector now stands at a substantial Rp 5.2 trillion, reflecting its commitment to this critical domain.

Maintain BUY SOTP TP of IDR5,850.

Maintain BUY SOTP-TP IDR5,850 (7.3x '25F P/E), while currently trade at 5.7x '25F P/E or slightly above its -1SD of 5.3x. Downside risks: 1) a) lower-than expected auto sales, consumer financing and coal sales volume, b) lower-than-expected mining contracting business performance, c) higher than expected auto loan yield and d) prolong uncertainties and softer consumer confidence / purchasing power.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue (Rp bn)	316,565	330,920	327,501	337,347	380,005
Operating profit (Rp bn)	44,268	42,202	40,400	40,530	43,845
Net profit (Rp bn)	33,839	34,051	32,230	33,319	34,628
EPS (Rp)	836	841	796	823	855
EPS growth (%)	11.0	0.6	(5.3)	3.4	3.9
ROA (%)	7.6	7.2	6.7	6.7	6.5
ROE (%)	13.5	12.5	11.8	12.2	12.6
PER (x)	5.6	5.6	5.9	5.7	5.5
PBV (x)	0.8	0.7	0.7	0.7	0.7
EV/EBITDA (x)	4.4	4.0	4.2	4.7	5.0
Div Yield (%)	11.1	14.0	11.0	11.1	11.6

Source: Company, KBVS Research

Exhibit 2: ASII FY24 financial results

Profit and Loss (IDRbn)	12M23	12M24	YoY (%)	4Q23	4Q24	YoY (%)	3Q24	QoQ (%)	KBVS '24F	% to KBVS	Cons '24F	% to Cons
Revenue	316,565	330,920	4.5	75,652	84,591	11.8	86,362	(2.1)				
COGS	(243,255)	(257,363)	5.8	(55,929)	(65,686)	17.4	(67,310)	(2.4)				
Gross Profit	73,310	73,557	0.3	19,723	18,905	(4.1)	19,052	(0.8)				
Opex	(29,042)	(31,355)	8.0	(7,894)	(8,475)	7.4	(8,128)	4.3				
EBIT	44,268	42,202	(4.7)	11,829	10,430	(11.8)	10,924	(4.5)				
Other income (exp.)	1,247	793	(36.4)	(541)	(790)	46.0	1,618	n/a				
Gain sales inv & FV adjustment	(285)	(127)	(55.4)	(1)	208	n/a	516	(59.7)				
Share of results of JV & associates	9,499	10,291	8.3	2,250	2,533	12.6	2,749	(7.9)				
Net Income	33,839	34,051	0.6	8,148	8,197	0.6	9,998	(18.0)	29,384	115.9%	30,923	110.1%

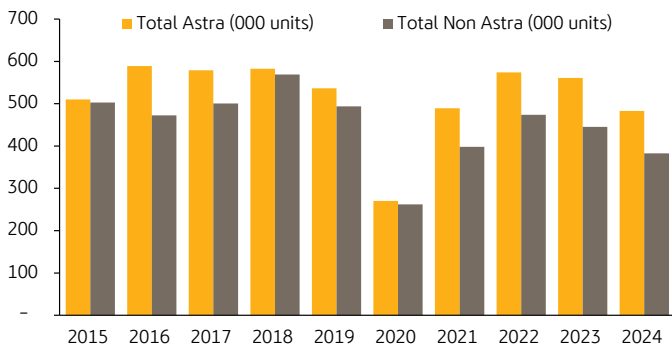
Margin (%)	12M23	12M24	YoY (%)	4Q23	4Q24	YoY (%)	3Q24	QoQ (%)
Gross profit	23.2	22.2	(0.9)	26.1	22.3	(3.7)	22.1	0.3
EBIT	14.0	12.8	(1.2)	15.6	12.3	(3.3)	12.6	(0.3)
Net profit	10.7	10.3	(0.4)	10.8	9.7	(1.1)	11.6	(1.9)

Segment net income (IDRbn)	12M23	12M24	YoY (%)	4Q23	4Q24	YoY (%)	3Q24	QoQ (%)
Automotive	11,417	11,218	(1.7)	2,250	2,721	20.9	2,964	(8.2)
Financial	7,852	8,350	6.3	1,995	2,120	6.3	2,114	0.3
HEMCE	12,664	11,995	(5.3)	3,233	2,424	(25.0)	3,723	(34.9)
Agribusiness	841	914	8.7	203	276	36.0	239	15.5
Infra & log.	973	1,334	37.1	207	362	74.9	352	2.8
Inf. Tech.	109	156	43.1	13	40	207.7	53	(24.5)
Property	142	222	56.3	28	60	114.3	68	(11.8)
Total	33,998	34,189	0.6	7,929	8,003	0.9	9,513	(15.9)
FV adjustments	159	138	(13.2)	537	470	(12.5)	485	(3.1)
Net Income	33,839	34,051	0.6	8,148	8,197	0.6	9,998	(18.0)

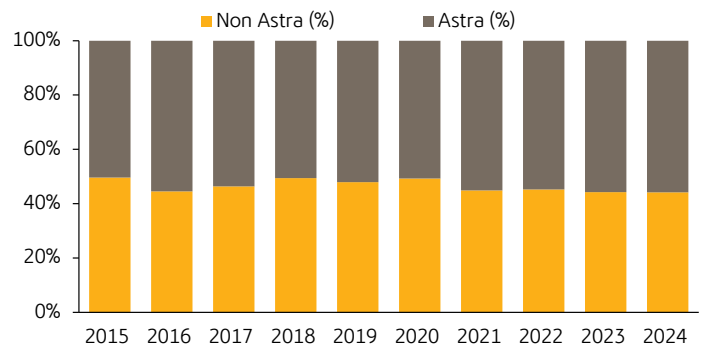
Source: Company, KBVS Research

Exhibit 3: ASII 4W sales



Source: Company, KBVS Research

Exhibit 4: Market share remain intact



Source: Company, KBVS Research

Exhibit 5: Astra net income segment

Net Revenue	2018	2019	2020	2021	2022	2023	2024
Automotive	45%	44%	39%	41%	40%	41%	40%
Financial	8%	9%	12%	11%	9%	9%	10%
Mining contracting	35%	36%	34%	34%	41%	41%	41%
Agriculture	8%	7%	11%	10%	7%	7%	7%
Infra	3%	3%	4%	3%	3%	3%	3%
IT	2%	2%	2%	1%	1%	1%	1%
Properti	0%	0%	1%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%

Source: Company, KBVS Research

Exhibit 6: Currently trading at 5.7x '25F P/E or slightly above its -1SD of 5.3x.



Source: Company, Bloomberg, KBVS Research

**FINANCIAL TABLES**  
**Exhibit 7: Profit & Loss**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
<b>Revenues</b>	<b>316,565</b>	<b>330,920</b>	<b>327,501</b>	<b>337,347</b>	<b>380,005</b>
Cost of revenues	(243,255)	(257,363)	(255,185)	(264,285)	(302,230)
<b>Gross profit</b>	<b>73,310</b>	<b>73,557</b>	<b>72,316</b>	<b>73,062</b>	<b>77,775</b>
Operating expenses	(29,042)	(31,355)	(31,915)	(32,532)	(33,930)
<b>Operating profit</b>	<b>44,268</b>	<b>42,202</b>	<b>40,400</b>	<b>40,530</b>	<b>43,845</b>
<b>EBITDA</b>	<b>59,824</b>	<b>58,535</b>	<b>54,583</b>	<b>55,199</b>	<b>58,598</b>
Other income/(expenses)	(467)	(992)	(1,560)	(2,005)	(1,853)
Gain sales investment & FA adjustments	1,429	1,658	1,596	1,621	1,940
<b>Share of results of JV &amp; associates</b>	<b>9,499</b>	<b>10,291</b>	<b>12,742</b>	<b>13,483</b>	<b>13,911</b>
Pretax profit	54,729	53,159	53,178	53,629	57,843
<b>Net profit</b>	<b>33,839</b>	<b>34,051</b>	<b>32,230</b>	<b>33,319</b>	<b>34,628</b>

Source: Company, KBVS Research

**Exhibit 8: Balance sheet**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Cash and other investments	41,984	49,247	55,030	60,383	65,647
Receivables	72,227	77,061	78,359	79,791	84,675
Inventories	39,138	37,771	41,625	45,281	47,643
Other current assets	12,837	12,852	12,719	13,102	10,958
<b>Total current assets</b>	<b>166,186</b>	<b>176,931</b>	<b>187,733</b>	<b>198,557</b>	<b>208,922</b>
Receivables	43,116	47,259	44,721	46,065	46,685
Inventories	6,399	6,228	6,260	6,483	3,274
Prepaid taxes	4,402	4,789	4,740	4,882	5,119
Investments	88,081	94,790	93,811	96,631	103,150
Plantations	7,410	7,465	7,388	7,610	8,572
Fixed assets	72,887	78,734	77,920	80,263	90,413
Mining properties	16,547	15,712	15,550	16,017	18,043
Concessions	9,070	9,289	9,193	9,469	10,667
Other non-current assets	31,307	31,728	31,400	32,344	36,434
<b>Total non-current assets</b>	<b>279,219</b>	<b>295,994</b>	<b>290,982</b>	<b>299,765</b>	<b>322,356</b>
<b>Total assets</b>	<b>445,405</b>	<b>472,925</b>	<b>478,715</b>	<b>498,322</b>	<b>531,279</b>
Short-term debts	39,061	49,581	50,698	57,772	68,967
Payables	40,529	40,047	39,863	41,052	46,233
Other current liabilities	45,432	43,675	39,949	37,776	38,753
<b>Total current liabilities</b>	<b>125,022</b>	<b>133,303</b>	<b>130,510</b>	<b>136,600</b>	<b>153,953</b>
Long-term debts	54,249	51,092	59,311	71,319	82,139
Other non-current liabilities	15,710	17,034	16,858	17,365	19,561
<b>Total non-current liabilities</b>	<b>69,959</b>	<b>68,126</b>	<b>76,169</b>	<b>88,684</b>	<b>101,700</b>
<b>Shareholder's Equity</b>	<b>250,424</b>	<b>271,496</b>	<b>272,037</b>	<b>273,038</b>	<b>275,626</b>
<b>Total Liabilities and Equity</b>	<b>445,405</b>	<b>472,925</b>	<b>478,715</b>	<b>498,322</b>	<b>531,279</b>

Source: Company, KBVS Research

**Exhibit 9: Cash Flow**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net profit	33,839	34,051	32,230	33,319	34,628
Depreciation & amortization	15,556	16,333	14,183	13,929	14,669
Changes in working capital	(4,247)	(5,721)	(8,930)	(6,454)	1,056
<b>CF from operating activities</b>	<b>45,148</b>	<b>44,663</b>	<b>37,483</b>	<b>40,794</b>	<b>50,352</b>
Decr. (incr.) in fixed assets	(42,764)	(20,616)	(17)	(10,853)	(35,791)
Decr. (incr.) in non-current assets	(12,307)	(4,780)	2,884	(2,654)	(1,737)
<b>CF from investing activities</b>	<b>(55,071)</b>	<b>(25,396)</b>	<b>2,867</b>	<b>(13,508)</b>	<b>(37,528)</b>
Net change in gross debt	22,589	7,363	9,336	19,082	22,016
Dividends paid	(21,011)	(26,479)	(20,932)	(21,080)	(22,044)
Other financing activities	1,383	1,324	(176)	507	2,196
<b>CF from financing activities</b>	<b>2,961</b>	<b>(17,792)</b>	<b>(11,772)</b>	<b>(1,491)</b>	<b>2,168</b>
Net Changes in Cash	(6,962)	1,474	28,578	25,795	14,992
Cash at beginning of period	48,946	47,773	26,452	34,587	50,655
<b>Cash at end of period</b>	<b>41,984</b>	<b>49,247</b>	<b>55,030</b>	<b>60,383</b>	<b>65,647</b>

Source: Company, KBVS Research

**Exhibit 10: Key Financial Ratios**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Gross profit margin (%)	23.2	22.2	22.1	21.7	20.5
Operating profit margin (%)	14.0	12.8	12.3	12.0	11.5
EBITDA margin	18.9	17.7	16.7	16.4	15.4
Net profit margin (%)	10.7	10.3	9.8	9.9	9.1
ROA (%)	7.6	7.2	6.7	6.7	6.5
ROE (%)	13.5	12.5	11.8	12.2	12.6
DER (x)	37.3	37.1	40.4	47.3	54.8
Net (cash) gearing (x)	20.5	18.9	20.2	25.2	31.0
Interest coverage ratio (x)	14.2	11.1	9.2	8.4	9.4
EV/EBITDA (x)	4.4	4.0	4.2	4.7	5.0
PER (x)	5.6	5.6	5.9	5.7	5.5
PBV (x)	0.8	0.7	0.7	0.7	0.7
Dividend Yield (%)	11.1	14.0	11.0	11.1	11.6

Source: Company, KBVS Research

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