

1Q26 earnings likely to stay soft on seasonal run-rate

15 April 2026



ASII IJ	BUY
Sector	Banks
Price at 14 April 2026 (IDR)	6,150
Price target (IDR)	6,950
Upside/Downside (%)	13.0

Stock Information

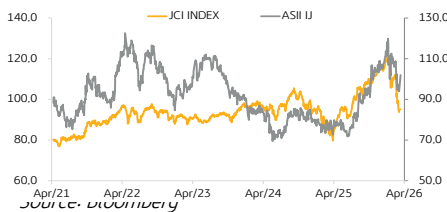
Astra International is the largest diversified conglomerate company in Indonesia focusing on several business segments: automotive, financial services, heavy equipment & mining, agribusiness, infrastructure & logistics, IT, as well as property. The company is the leader in automotive, heavy equipment, as well as mining contracting.

Market cap (IDR bn)	249,986
Shares outstanding (mn)	40,484
52-week range (IDR)	4,400-7,475
3M average daily vol. ('000)	55,027
3M average daily val. (IDR mn)	354,876

Shareholders (%)

Jardine Cycle & Carriage l	50.1
Public	49.9

Stock Performance



	1M	3M	12M
Performance	6.0	(15.4)	(17.1)

Analyst

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Pressure on 2W and 4W sales will persist coupled with challenging HEMCE segment amid the year-to-date coal price spike. Despite we expect 1Q26 actual result will beat our expectation, the latest key data metrics such as 2W and 4W in Mar26 and HEMCE operational updates suggest that the seasonal weak first quarter earnings could remain intact. On positive side, agribusiness division will continue to shine and we also anticipate a steady stronger financial services divisional net revenue. In all, we believe Astra could maintain its favorable trajectory. The Group's proven, diversified portfolio, which effectively mitigates sector-specific risks tied with dividend play sentiment has reinforces our view of Astra as a compelling investment. Maintain Buy with SOTP-based TP of IDR6,950 (8.6x '26F P/E), while currently trades at 7.7x, or slightly below its +1SD of 8.1x '26F P/E.

Auto segment remains as the main drawbacks

Astra grup financial performance likely to continue face challenges. Auto segment as the main backbone growth could remain under pressure on the back of prolonged domestic and global uncertainty will be resulting to a steady poor consumer spending confidence. That said, we think a flat 4W sales growth will be more than enough to express our cautiously optimistic outlook on the sector. Our '26F car sales of 804,224 units, equal to 0.1% yoy growth and 5.4% below Gaikindo guidance of 850,000 units. Similarly, we also foresee '26F 2W sales volume will stay single-digit (2.8% YoY) equal to around 6.59mn units, or within AISI '26F guidance. We still kept our conservative forecast and expect flattish automotive & mobility divisional net income at 35% to total group consolidated earnings.

Another earnings division dragged

HEMCE segment pressure will also continue mainly on the same backdrop and government plan to cut '26F coal production which lead to a milder demand. The division targeting Komatsu sales of 4,300-4,500 units, with total coal sales volume to reach 18.8mn ton. Despite latest coal price surge on intensified conflicts in Middle East could somewhat impacting to coal players earnings, we still concern on the overall prolonged domestic and global uncertainty impact to '26F demand. That said, we expect the segment revenue and earnings to Astra's group contribution likely to continue softer to 26.1% from 27.8% last year.

Seasonal mild earnings in the first quarter

We anticipate 1Q26F earnings likely to be flat on the back of continuing pressure in automotive and HEMCE segment. On the other hand, CPO segment is possibly to continue shine and will become as another net income saver. We also believe financial services to continue play its vital contribution to groups consolidated PATMI. Worth to note that in the last 3year average run-rate (Covid-19 momentum included), first quarter top line noted around 25.6% of total full year with around 21.7% at earnings level, or around 62bps and 182bps above our conservative '1Q26F revenue and net profit for Astra. Despite we expect 1Q26 actual result will beat our expectation, the latest key data metrics such as 2W and 4W Mar26 and HEMCE operational updates suggest that the seasonal weaker first quarter earnings likely remain intact.

'26F catalyst for the group's remain unchanged.

We view global CPO prices could rise significantly this year driven by geopolitical tensions and energy transitions and thus will impact to domestic player's cash flow. That said, we believe Astra's agribusiness segment will continue to shine and will play vital role to the group's consolidated earnings. Following the continuing contribution from 6.6% in FY23 to 8.9% last year, we anticipate a stronger divisional net revenue portion this year to 9.8% backed by steady volume and much higher selling price. Another vital earnings cushion is Astra's financial services business. More materialized transmission on previous benchmark rate cut to auto loan yield and the expectation of another rate cut this year tied with a possible steady credit demand are the main '26F earnings segment pillars. Following the 313bps higher contribution to total consolidated PATMI, we expect the divisions net profit portion could reach 28.0% this year.

Dividend play, with sound solid diversified business portfolio

Despite a prolonged cautious outlook, soft market confidence, and headwinds from its HEMCE segment and a sluggish national car market, we expect Astra to maintain its favorable trajectory. The company's previous year's net profit run-rate is currently tracking in line with expectations, suggesting that this year steady performance could continue with our forecasts and street expectation. Our optimism is also fueled by the Group's proven, diversified portfolio, which effectively mitigates sector-specific risks. Furthermore, Astra solid dividend play and management's strategic focus on financial discipline as well as operational excellence positions Astra to capitalize prudently on long-term opportunities. This robust structure reinforces our view of Astra as a compelling investment.

Maintain BUY SOTP TP of IDR6,950.

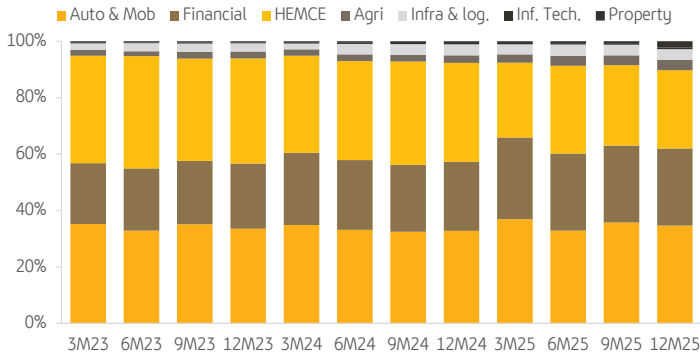
We have revisited our '26F model for ASII and made some adjustment on several assumption to accommodate the heavy '26F year. Yet, we still maintain our BUY stance with SOTP TP of IDR6,950 (8.6x '26F P/E), while currently trade at 7.7x, or slightly below its +1SD of 8.1x '26F P/E. Downside risks: a) lower-than expected auto sales, consumer financing and HEMCE net income, b) weakening agribusiness division, d) steady weakening purchasing power, mild economic activity and softer market confidence, e) prolonged domestic and global uncertainty, and f) weakening IDR. Potential catalyst: a) better auto sales volume on softer car loan yield, b) softer HEMCE segment pressure, c) steady financial and agribusiness solid earnings and d) stable performance from the remaining segment.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenue	328,480	323,392	317,801	334,768	353,176
Operating profit	42,400	38,665	37,669	40,591	41,096
Net profit	33,901	32,769	32,529	33,788	35,726
EPS (Rp)	837	809	804	835	882
EPS growth (%)	(0.3)	(3.3)	(0.7)	3.9	5.7
ROA (%)	7.2	6.5	6.2	6.1	6.2
ROE (%)	12.5	11.3	10.4	10.1	10.0
PER (x)	7.4	7.6	7.7	7.4	7.0
PBV (x)	0.9	0.9	0.8	0.7	0.7
EV/EBITDA (x)	5.1	6.6	5.7	5.7	5.6
Div Yield (%)	6.6	6.6	6.6	6.5	8.7

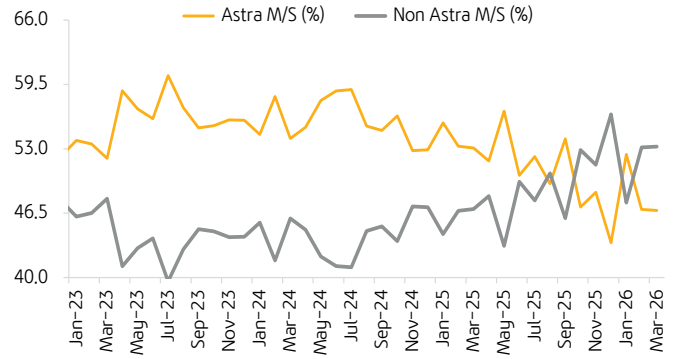
Source: Company, KBVS Research

Exhibit 2: Astra divisional net income



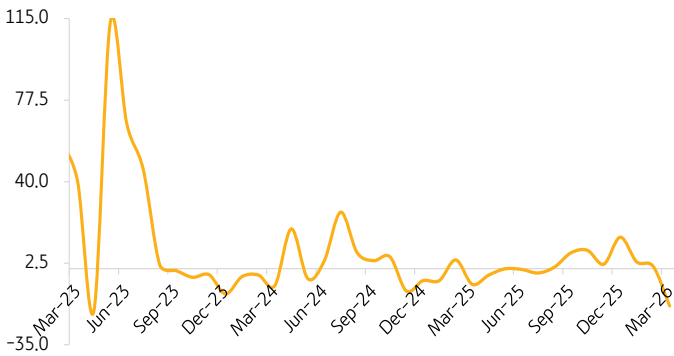
Source: Company, KBVS Research

Exhibit 3: Astra and Non Astra 4W market share (%)



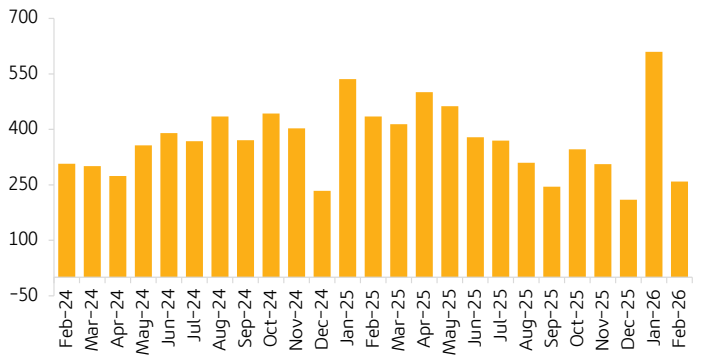
Source: Company, KBVS Research

Exhibit 4: 2W domestic YoY (%)



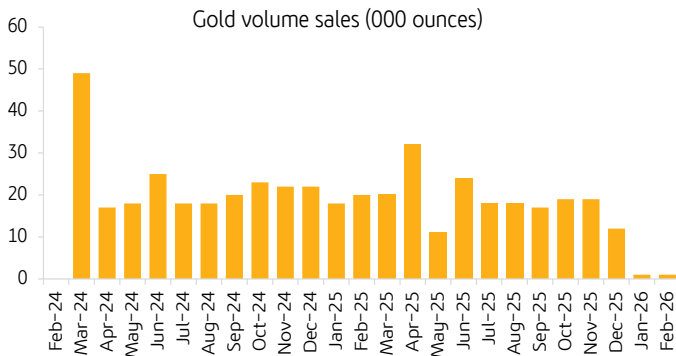
Source: Company, KBVS Research

Exhibit 5: Komatsu sales volume (unit)



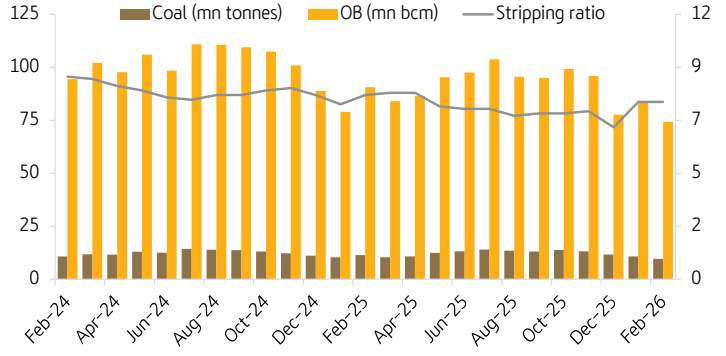
Source: Company, KBVS Research

Exhibit 6: Gold sales volume (000 ounces)



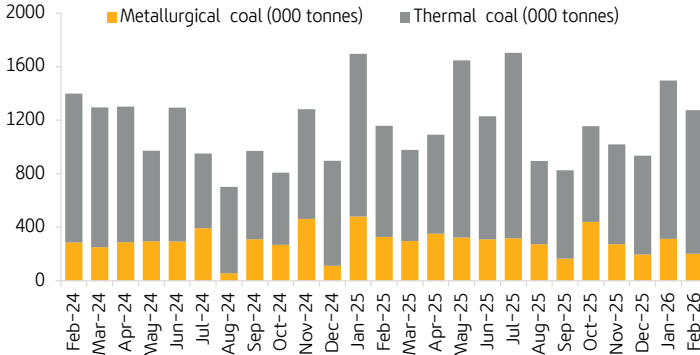
Source: Company, KBVS Research

Exhibit 7: Mining contracting (coal production, OB and SR)



Source: Company, KBVS Research

Exhibit 8: Coal sales volume



Source: Company, KBVS Research

Exhibit 9: Currently trading at 7.7x '26F P/E, slightly below +1SD of 8.1x '26F P/E



Source: Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 10: Profit & Loss

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenues	328,480	323,392	317,801	334,768	353,176
Cost of revenues	255,421	251,948	249,583	262,214	279,006
Gross profit	73,059	71,444	68,218	72,554	74,171
Selling expenses	11,065	11,744	11,325	12,051	12,227
GA expenses	19,594	21,035	19,224	19,912	20,848
Operating expenses	30,659	32,779	30,549	31,963	33,075
Operating profit	42,400	38,665	37,669	40,591	41,096
EBITDA	58,727	46,147	47,635	48,401	49,444
Net financing	(519)	(79)	834	-139	1,244
Other income/(expenses)	829	1,084	1,164	1,545	1,851
Share of results of JV & associates	10,291	9,618	9,445	10,116	9,721
Pretax profit	53,001	49,288	49,112	52,115	53,912
Net profit	33,901	32,769	32,529	33,788	35,726

Source: Company, KB Valbury Sekuritas

Exhibit 11: Balance sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Cash and other investments	49,247	53,986	54,736	56,037	59,926
Receivables	74,414	82,058	81,237	91,444	100,343
Inventories	37,771	36,215	37,644	39,894	42,597
Other current assets	14,829	16,296	18,225	25,515	28,936
Total current assets	176,261	188,555	191,842	212,890	231,801
Receivables	47,259	48,927	49,403	50,206	54,902
Inventories	6,228	6,291	6,201	6,515	7,696
Prepaid taxes	4,789	4,526	4,448	4,350	6,532
Investments	94,790	112,803	120,830	121,922	125,168
Plantations	7,465	7,385	7,257	7,143	7,006
Fixed assets	78,734	83,766	88,356	89,056	87,243
Mining properties	15,712	14,809	14,553	13,656	12,641
Concessions	9,289	9,509	9,345	9,341	8,795
Other non-current assets	30,922	30,795	30,263	28,531	26,921
Total non-current assets	295,188	318,811	330,655	330,719	336,904
Total assets	471,449	507,366	522,497	543,609	568,704
Current liabilities					
Short-term debts	49,581	69,325	46,448	48,817	48,997
Payables	39,066	59,253	64,853	68,788	67,732
Other current liabilities	41,850	23,500	39,576	39,570	40,662
Total current liabilities	130,497	152,078	150,876	157,174	157,392
Long-term debts	51,092	40,976	32,453	35,698	37,483
Other non-current liabilities	17,856	23,500	27,861	21,949	23,415
Total non-current liabilities	68,948	64,476	60,314	57,647	60,899
Shareholder's Equity	272,004	290,812	311,308	328,787	350,414
Total liabilities and equity	471,449	507,366	522,497	543,609	568,704

Source: Company, KB Valbury Sekuritas

Exhibit 12: Statement of Cash Flow

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net profit	33,901	32,769	32,529	33,788	35,726
Depreciation & amortization	16,327	7,482	9,967	7,810	8,348
Changes in working capital	(7,857)	(5,718)	19,138	(15,817)	(14,985)
CF from operating activities	42,371	34,533	61,633	25,781	29,089
Decr. (incr.) in fixed assets	(21,613)	(11,751)	(14,009)	(7,495)	(4,837)
Decr. (incr.) in non-current assets	(10,683)	(19,354)	(7,802)	(379)	(9,696)
CF from investing activities	(32,296)	(31,105)	(21,811)	(14,722)	(25,060)
Capital Issues (Inc)	13,630	16,310	16,264	12,164	16,077
Dividends paid	-16,436	(16,385)	(16,264)	(21,624)	(19,650)
Net change in gross debt	7,363	9,628	(31,400)	5,614	1,966
Other financing activities	2,146	5,644	4,361	(5,912)	1,467
CF from financing activities	6,703	15,198	(27,040)	(9,758)	(141)
Net Changes in Cash	16,778	18,626	12,783	1,301	3,889
Cash at beginning of period	41,984	49,247	53,986	54,736	56,037
Cash at end of period	49,247	53,986	54,736	56,037	59,926

Source: Company, KB Valbury Sekuritas

Exhibit 13: Key performance metrics

Year End Dec (%)	2024A	2025A	2026F	2027F	2028F
Gross profit margin (%)	22.2	22.1	21.5	21.7	21.0
Operating profit margin (%)	12.9	12.0	11.9	12.1	11.6
EBITDA margin	17.9	14.3	15.0	14.5	14.0
Net profit margin (%)	10.3	10.1	10.2	10.1	10.1
ROA (%)	7.2	6.5	6.2	6.2	6.3
ROE (%)	12.5	11.3	10.4	10.3	10.2
DER (x)	37.0	37.9	25.3	25.7	24.7
Net (cash) gearing (x)	18.9	19.4	7.8	8.7	7.6
Interest coverage ratio (x)	(11.1)	(10.4)	(11.8)	(10.7)	(14.2)
EV/EBITDA (x)	5.1	6.6	5.7	5.7	5.6
PER (x)	7.3	7.6	7.7	7.4	7.0
PBV (x)	0.9	0.9	0.8	0.8	0.7
Dividend Yield (%)	6.6	6.6	6.5	6.8	7.3

Source: Company, KBVS Research

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