

Weak 3M25 PATMI growth, yet inline

15 May 2025



ASII IJ	BUY
Sector	Banks
Price at 14 May 2025 (IDR)	4,810
Price target (IDR)	5,850
Upside/Downside (%)	21.6

Stock Information

PT Bank Negara Indonesia (Persero) Tbk is a state-owned offering commercial and consumer banking services. The bank is positioned as one of 3 big SoE banks in Indonesia. Through its subsidiaries, the bank is also offering businesses in sharia banking, insurance, consumer financing and securities.

Market cap (IDR bn)	193,511
Shares outstanding (mn)	40,484
52-week range (IDR)	4,290-5,300
3M average daily vol. ('000)	41,945
3M average daily val. (IDR mn)	198,620

Shareholders (%)

Jardine Cycle & Carriage I	50.1
Public	49.9

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(2.2)	3.0	5.2

Analyst

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Last week ASII held 3Q25 earnings call. 3M25 net income -7.1% yoy driven by weak auto business PATMI and a sharp drop in HEMCE segment net profit. Despite the pressure, PATMI came in line with street and our '25F PATMI for ASII at a run-rate of 20.8%/21.5% vs 23.8%. We expect a seasonal turnaround auto sales volume, following its Mar25 (-2.0% mom) and another sharp drop in April25 (-28% mom), due to shorter working days in Ramadhan and Iedul Fitri celebration. ASII's 3M25 auto business net income was surpassing our '25F for Astra's auto segment contribution to total consolidated PATMI of around 33%. We expect a stronger growth in auto and stable financial services and agribusiness segment net income to offset the potential continuing weakening net profit contribution from UNTR business. Maintain BUY, SOTP-TP of IDR 5,850 (7.3x P/E '25F), while currently trading at 6.1x '25F P/E or slightly above its -1SD 5.3x.

3M25 net profit declined by -7.1% yoy, yet inline

Amid the ongoing concern over softer buying power and prolonged uncertainty, ASII PATMI declined by 7.1% yoy to IDR 6.93tn compared to IDR 7.46tn in 3M24. Excluding fair value adjustments, ASII 3M25 net profit is IDR 7.38tn or 9.1% yoy lower. The weak result was mainly caused continuing pressure in automotive segment (1Q25 sales: IDR 33.09tn, -6.4% yoy), resulting to mild top line growth (2.6% yoy). Nevertheless, ASII net profit still arrives within street expectation and our '25F net income for ASII at a run-rate of 20.8%/21.5% vs 23.8%.

Auto segment booked the highest declining growth

Auto segment saw the highest drop in segmentation sales to IDR 33.09tn (-6.4% yoy), while HEMCE as Astra's main revenue driver in 3M25 grew by 5.7% yoy IDR 34.26tn. Financial segment (contributed around 9.6% to total ASII revenue) grew by 2.8% yoy. Worth to note that surprisingly Agribusiness noted the highest growth of 46.3% yoy in the same period to IDR 7.02tn.

Continuing pressure on auto market; yet resilient market share

In terms of divisional net income, PATMI from the Group's automotive & mobility division declined by 3.7% yoy to IDR 2.72tn, predominantly driven by lower sales volumes in a weakening automotive market, both for 2W and 4W. Yet, Astra continue to manage its market share (54%). As of 3M25 wholesale 4W sales volume decreased by 5% yoy to around 205K units, while motorcycle recorded 3% yoy lower to 1.7mn units (resilient market share: 77%). We expect a robust sales volume in the month of May25, following a massive drop of 29% MoM in April25 that was impacted by the month of Ramadhan and Iedul Fitri Celebration (mass leave) whereas working days is shorter than in a normal month.

Financial noted a positive growth; HEMCE saw the highest pressures

Net profit from financial services segment increased by 3% yoy to IDR 2.14tn, thanks to higher contribution from consumer financing. The business recorded a 7% yoy increase of new amounts financed, while car-focused finance companies saw a 2% yoy higher and Astra's motorcycle-focused finance business, Federal International Finance, recorded a growth of 3% yoy. On HEMCE

A sharp drop HEMCE net income of 30% yoy on lower coal prices

Heavy Equipment, Mining, Construction & Energy (HEMCE) segment sharply declined by 30% yoy, triggered by softer growth from its coal related business on heavy rainfall and impact from lower coal prices. Worth to note that the declined were partly offset by UNTR's machinery (heavy equipment) sales businesses and better contribution from its gold mining businesses. Worth to note that the company robust Komatsu sales of 23% yoy to 1,400units was underpinned by higher demand from all sectors. We expect auto segment to post a much better growth in the coming quarters. Worth to note that 3M25 auto business net income was surpassing our '25F for Astra's automotive segment contribution to total consolidated PATMI of around 33%. Likewise for financial services segment and agribusiness. Our main concern is still on Astra's HEMCE business, whereas its divisional net income (3M25) still pointedly arrives below our expectation. Hence, we expect a stronger growth in auto PATMI, stable financial services and agribusiness segment to offset the potential continuing weakening contribution from HEMCE segment.

Maintain BUY SOTP TP of IDR5,850.

Maintain BUY GGM-TP IDR5,850 (7.3x '25F P/E), while currently trade at 6.1x '25F P/E or slightly above its -1SD of 5.3x. Downside risks: a) lower-than-expected auto sales, consumer financing and HEMCE segment b) continuing lower coal price, c) lower-than-expected mining contracting business performance, d) weakening financial services demand, e) softer consumer confidence, f) steady weakening purchasing power, g) mild economic activity; and h) prolonged global uncertainty.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	316,565	330,920	327,501	337,347	380,005
Operating profit	44,268	42,202	40,400	40,530	43,845
Net profit	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)	5.8	5.7	6.0	5.8	5.6
PBV (x)	0.8	0.7	0.7	0.7	0.7
EV/EBITDA (x)	4.5	4.1	4.3	4.8	5.1
Div Yield (%)	10.8	13.6	10.7	10.8	11.3

Source: Company, KBVS Research

Exhibit 2: ASII 3M25 Profit & Loss and selected consolidated margin

ASII Profit & Loss (IDRbn)	3M24	3M25	YoY (%)	1Q24	1Q25	YoY (%)	4Q24	QoQ (%)	KBVS '25F	% to KBVS	Cons. '25F	% to Cons.
Revenue	81,209	83,361	2.6	81,209	83,361	2.6	84,591	(1.5)				
COGS	(63,624)	(66,301)	4.2	(63,624)	(66,301)	4.2	(65,686)	0.9				
Gross Profit	17,585	17,060	(3.0)	17,585	17,060	(3.0)	18,905	(9.8)				
Opex	(7,431)	(7,842)	5.5	(7,431)	(7,842)	5.5	(8,475)	(7.5)				
EBIT	10,154	9,218	(9.2)	10,154	9,218	(9.2)	10,430	(11.6)				
EBITDA	14,714	13,931	(5.3)	14,714	13,931	(5.3)	15,408	(9.6)				
Interest income	765	856	11.9	765	856	11.9	856	0.0				
Finance costs	(978)	(921)	(5.8)	(978)	(921)	(5.8)	(868)	6.1				
Foreign exchange losses	(330)	(271)	(17.9)	(330)	(271)	(17.9)	(683)	(60.3)				
Gain sales inv & FV adjustment	(665)	(456)	(31.4)	(665)	(456)	(31.4)	194	n/a				
Other income – net	468	452	(3.4)	468	452	(3.4)	(95)	(575.8)				
Share of results of JV and associates	2,609	1,779	(31.8)	2,609	1,779	(31.8)	2,533	(29.8)				
Pretax	12,012	10,646	(11.4)	12,012	10,646	(11.4)	12,381	(14.0)				
Tax	(2,253)	(2,091)	(7.2)	(2,253)	(2,091)	(7.2)	(2,361)	(11.4)				
Income for the period	9,759	8,555	(12.3)	9,759	8,555	(12.3)	10,020	(14.6)				
Minority interest	(2,295)	(1,623)	(29.3)	(2,295)	(1,623)	(29.3)	(1,823)	(11.0)				
Net income before FV adjustment	8,129	7,388	(9.1)	8,129	7,388	(9.1)	8,003	(7.7)				
Net Income	7,464	6,932	(7.1)	7,464	6,932	(7.1)	8,197	(15.4)	32,230	21.5	33,301	20.8
Consolidated margin (%)	3M24	3M25	YoY (%)	1Q24	1Q25	YoY (%)	4Q24	QoQ (%)				
Gross profit	21.7	20.5	(1.2)	21.7	20.5	(1.2)	22.3	(1.9)				
EBIT	12.5	11.1	(1.4)	12.5	11.1	(1.4)	12.3	(1.3)				
EBITDA	18.1	16.7	(1.4)	18.1	16.7	(1.4)	18.2	(1.5)				
Pretax	14.8	12.8	(2.0)	14.8	12.8	(2.0)	14.6	(1.9)				
Net profit	9.2	8.3	(0.9)	9.2	8.3	(0.9)	9.7	(1.4)				

Source : Companies, KB Valbury Sekuritas

Exhibit 3: ASII 3M25 Segmentation Net Income and Margin

Segmentation Net Income (IDRbn)	3M24	3M25	YoY (%)	1Q24	1Q25	YoY (%)	4Q24	QoQ (%)
Automotive	2,750	2,727	(0.8)	2,750	2,727	(0.8)	2,721	0.2
Financial	2,086	2,142	2.7	2,086	2,142	2.7	2,120	1.0
HEMCE	2,791	1,955	(30.0)	2,791	1,955	(30.0)	2,424	(19.3)
Agribusiness	184	221	20.1	184	221	20.1	276	(19.9)
Infra & log.	251	260	3.6	251	260	3.6	362	(28.2)
Inf. Tech.	22	36	63.6	22	36	63.6	40	(10.0)
Property	45	47	4.4	45	47	4.4	60	(21.7)
Total	8,129	7,388	(9.1)	8,129	7,388	(9.1)	8,003	(7.7)
FV adjustments	(665)	(456)	(31.4)	(665)	(456)	(31.4)	194	(335.1)
Net Income	7,464	6,932	(7.1)	7,464	6,932	(7.1)	8,197	(15.4)
Segmentation Net Income Margin (%)	3M24	3M25	YoY (%)	1Q24	1Q25	YoY (%)	4Q24	QoQ (%)
Automotive	7.8	8.2	0.5	7.8	8.2	0.5	8.1	0.1
Financial	26.8	26.8	(0.0)	26.8	26.8	(0.0)	24.7	2.1
HEMCE	8.6	5.7	(2.9)	8.6	5.7	(2.9)	7.0	(1.2)
Agribusiness	3.8	3.1	(0.7)	3.8	3.1	(0.7)	5.0	(1.8)
Infra & log.	42.6	35.0	(7.6)	42.6	35.0	(7.6)	16.8	18.2
Inf. Tech.	3.6	5.0	1.4	3.6	5.0	1.4	5.2	(0.2)
Property	20.3	22.2	1.9	20.3	22.2	1.9	13.0	9.2
Net Income	9.2	8.3	(0.9)	9.2	8.3	(0.9)	9.7	(1.4)

Source : Companies, KB Valbury Sekuritas

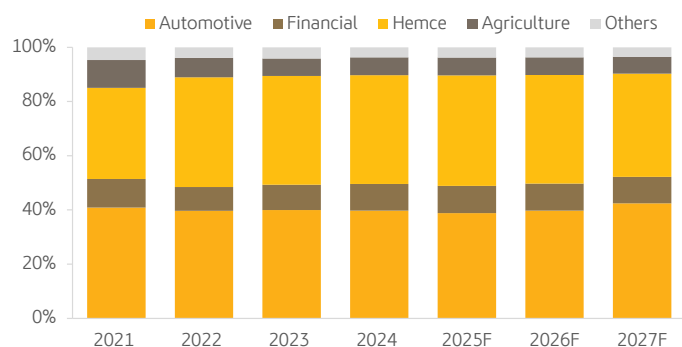
Exhibit 4: ASII 3M25 Divisional Revenue and Net Income

Divisional Revenue (%)	3M24	3M25	YoY (%)	1Q24	1Q25	YoY (%)	4Q24	QoQ (%)
Automotive	43.5	39.7	(3.8)	43.5	39.7	(3.8)	39.6	0.1
Financial	9.6	9.6	0.0	9.6	9.6	0.0	10.2	(0.6)
HEMCE	39.9	41.1	1.2	39.9	41.1	1.2	41.2	(0.1)
Agribusiness	5.9	8.4	2.5	5.9	8.4	2.5	6.5	1.9
Infra & log.	0.7	0.9	0.2	0.7	0.9	0.2	2.5	(1.7)
Inf. Tech.	0.8	0.9	0.1	0.8	0.9	0.1	0.9	(0.1)
Property	0.3	0.3	(0.0)	0.3	0.3	(0.0)	0.5	(0.3)
Total	100.0	100.0	0.0	100.0	100.0	0.0	100.0	0.0

Divisional Net Income (%)	3M24	3M25	YoY (%)	1Q24	1Q25	YoY (%)	4Q24	QoQ (%)
Automotive	33.8	36.9	3.1	33.8	36.9	3.1	34.0	2.9
Financial	25.7	29.0	3.3	25.7	29.0	3.3	26.5	2.5
HEMCE	34.3	26.5	(7.9)	34.3	26.5	(7.9)	30.3	(3.8)
Agribusiness	2.3	3.0	0.7	2.3	3.0	0.7	3.4	(0.5)
Infra & log.	3.1	3.5	0.4	3.1	3.5	0.4	4.5	(1.0)
Inf. Tech.	0.3	0.5	0.2	0.3	0.5	0.2	0.5	(0.0)
Property	0.6	0.6	0.1	0.6	0.6	0.1	0.7	(0.1)
Total	100.0	100.0	0.0	100.0	100.0	0.0	100.0	0.0

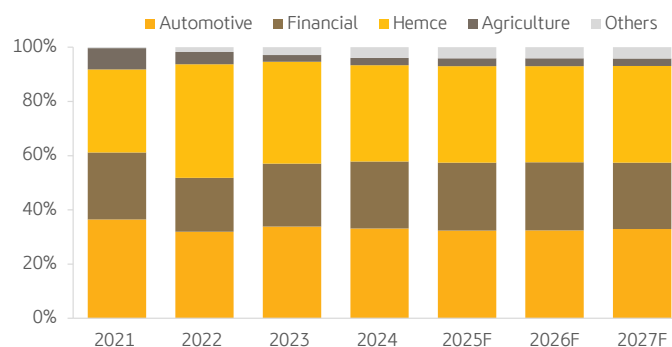
Source : Companies, KB Valbury Sekuritas

Exhibit 5: Astra divisional revenue



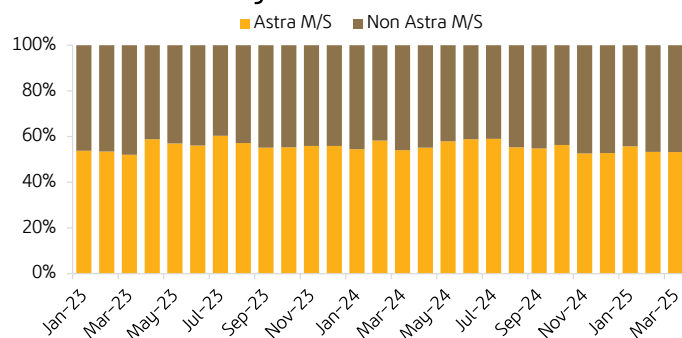
Source: Company, KBVS Research

Exhibit 6: Astra divisional net income



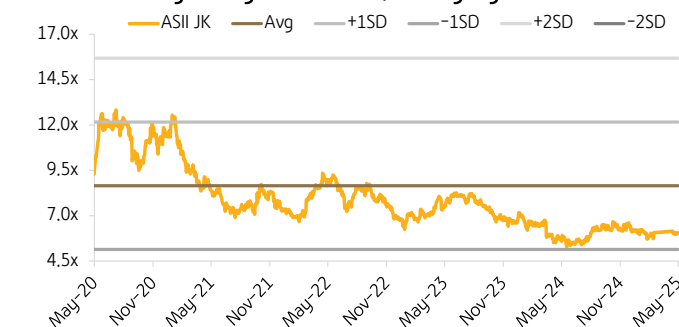
Source: Company, KBVS Research

Exhibit 7: Astra 4W monthly market share



Source: Company, KBVS Research

Exhibit 8: Currently trading at 6.1x '25F P/E or slightly above its -1SD of 5.3x.



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 9: Profit & Loss

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

Source: Company, KB Valbury Sekuritas

Exhibit 10: 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
Total current assets	166,186	176,931	187,733	198,557	208,922
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
Total non-current assets	279,219	295,994	290,982	299,765	322,356
Total assets	445,405	472,925	478,715	498,322	531,279
Current liabilities					
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
Total current liabilities	125,022	133,303	130,510	136,600	153,953
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
Total non-current liabilities	69,959	68,126	76,169	88,684	101,700
Shareholder's Equity	250,424	271,496	272,037	273,038	275,626
Total liabilities and equity	445,405	472,925	478,715	498,322	531,279

Source: Company, KB Valbury Sekuritas

Exhibit 11: Statement of 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
CF from operating activities	45,148	44,663	37,483	40,794	50,352
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)
CF from investing activities	(55,071)	(25,396)	2,867	(13,508)	(37,528)
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
CF from financing activities	2,961	(17,792)	(11,772)	(1,491)	2,168
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
Cash at end of period	41,984	49,247	55,030	60,383	65,647

Source: Company, KB Valbury Sekuritas

Exhibit 12: Key performance metrics

Year End Dec (%)	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)	4.5	4.1	4.3	4.8	5.1
PER (x)	5.8	5.7	6.0	5.8	5.6
PBV (x)	0.8	0.7	0.7	0.7	0.7
Dividend Yield (%)	10.8	13.6	10.7	10.8	11.3

Source: Company, KBVS Research

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T. (0241) 16000818

Medan

Komplek Jati Junction No. P5-5A
Jl. Perintis Kemerdekaan
Medan 20218
T. (061) 88816222

Denpasar

Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 225229

Investment Gallery

Jakarta

Citra Garden 6 Ruko Sixth Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 522392181

Semarang

Jl. MT Haryono 637
Semarang 50242
T. (024) 8415195

Salatiga

Jl. Diponegoro No. 68
Salatiga 50711
T. (0298) 313007

Solo

Jl. Ronggowarsito No. 34
Surakarta 57118
T. (0271) 6726306