

Astra International

BUY (unchanged)

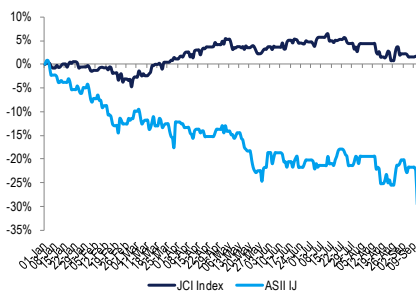
Company Update | Automotive | ASII IJ | 11 September 2024

Stock Data

Target price	Rp6,000
Prior TP	NA
Current price	Rp5,025
Upside/downside	19.4%
Shares outstanding (mn)	40,484
Market cap (Rp bn)	203,430
Free float	42%
Avg. 6m daily T/O (Rp bn)	283

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%
------------------------------	-------

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

Aug24 sales: overall volume improved mom while ASII's share normalized

- Aug24 4W volume declined by -14% yoy but grew by +3% mom. 8M24 sales missed Gaikindo's FY24F, but in-line with ours (66/62% run-rate).
- Discounts declined by c.-1% mom, mainly driven by lower discounts across the LCGC/MPV segments.
- Toyota launched Fortuner facelift; likely limited impact on volume, but the higher pricing should bode well for ASII's blended ASP and margins.

4W sales volume improved by +3% mom; in-line 8M24

Wholesale 4W sales volume in Aug24 improved mom to 76.3k units (-14% yoy/+3% mom). 8M24 sales (-17% yoy) met our estimates at 66% of our FY24F, but missed Gaikindo's at 62% of FY24F (3yr average of 66% in FY17-19 pre-COVID and 67% in FY23). Recall that Gaikindo recently revised down its FY24F target from 1.1mn to 900k. ASII's sales volume reached 42.2k units in Aug24 (-17% yoy/-4 mom); 8M24 (-16% yoy) reached 66% of our FY24F (vs. 3yr average of 66% in FY17-19 pre-COVID and 67% FY23). ASII's 4W market share normalized from a high-base to 55% in Jul24 (vs. 57/59% in Aug23/Jul24), which may be due to inventory movement. All brands gained market share at the expense of ASII and Suzuki.

Discounts declined marginally mom

Our channel checks with dealers indicated that discounts declined mom in Sep24 (from Rp22.9mn in Aug24 to Rp22.7mn in Sep24; -1% mom). Discounts across the LCGC/MPV segments declined by -9/-29% mom, while LSUV segment was flat, and SUV/LMPV increased by +1/8% mom. However, note that the increase in LMPV segment was mainly driven discounts for some specific older models, namely Wuling Confero/Cortez (+33/41% mom), which means that overall discount level remained benign and should bode well for 2H24 dealership margin (see our previous [note](#)).

Toyota launched Fortuner facelift but volume impact may be minimal

Toyota Fortuner facelift was launched on Sep 6th, 2024 with prices ranging from Rp573-761mn (c.Rp20mn or c.3-5% vs. pre-facelift models). No changes in the engine bay, but the exterior and interior were refreshed and now also come with Toyota Safety Sense (TSS). As of 7M24, Fortuner made up for c.3% of ASII's total sales volume. It had c.2% market share, with c.22% share within the SUV segment. While we believe that it is unlikely to see major spike in sales volumes (facelift typically is less impactful), the higher pricing should bode well for ASII's blended ASP and margins.

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 6.3x 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: 11 September 2024

Fig. 1: National wholesale 4W volume summary

4W wholesale sales (in units)	Aug-24	Aug-23	yoy%	Jul-24	mom%
Toyota + Lexus	26,183	30,385	-14%	27,310	-4%
Daihatsu	13,829	17,481	-21%	13,910	-1%
Isuzu	2,002	2,800	-29%	2,371	-16%
UD Trucks	181	136	33%	176	3%
Peugeot	0	14	-100%	0	N/A
Astra total	42,195	50,816	-17%	43,767	-4%
Mitsubishi	8,530	9,827	-13%	7,809	9%
Suzuki	5,265	6,872	-23%	5,410	-3%
Honda	7,556	11,778	-36%	6,249	21%
Wuling	1,866	1,095	70%	1,526	22%
Hyundai	1,823	0	N/A	1,701	7%
Chery	798	0	N/A	780	2%
BYD	2,940	0	N/A	1,925	53%
Others	5,331	8,350	-36%	4,993	7%
Non-Astra total	34,109	38,112	-11%	30,393	12%
National wholesale	76,304	88,928	-14%	74,160	3%

Source: Gaikindo, Indo Premier

Fig. 2: National wholesale 4W market share summary

4W wholesale market share	Aug-24	Aug-23	yoy (bp)	Jul-24	mom (bp)
Toyota	34%	34%	15	37%	(251)
Daihatsu	18%	20%	(153)	19%	(63)
Isuzu	3%	3%	(52)	3%	(57)
UD Trucks	0%	0%	8	0%	(0)
Peugeot	0%	0%	(2)	0%	-
Astra total	55%	57%	(184)	59%	(372)
Mitsubishi	11%	11%	13	11%	65
Suzuki	7%	8%	(83)	7%	(40)
Honda	10%	13%	(334)	8%	148
Wuling	2%	1%	121	2%	39
Hyundai	2%	0%	239	2%	10
Chery	1%	0%	105	1%	(1)
BYD	4%	0%	385	3%	126
Others	7%	9%	(240)	7%	25
Non-Astra total	45%	43%	184	41%	372
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	May-24	Jun-24	Jul-24	Aug-24
Daihatsu	Ayla	6-10	5	8-10	5	5-8	5-8	5-7	6-7	3-18
Daihatsu	Rocky	15-17	10-15	20-25	7-10	9-12	10-13	10-15	8-11	7-18
Daihatsu	Xenia	15-17	14-15	20-24	13-15	10-11	8-12	15-18	7-11	5-21
Honda	Brio Satya	10	4-7	10	5	8-9	15-25	5-15	15-20	12-15
Honda	BR-V	30-40	30-57	30-40	0-5	20-25	30	5-15	35-40	20-30
Honda	CR-V	45	0	0	5-7	0-5	40-50	10-30	20-25	20-25
Honda	New CR-V	0	0	0	0	0	10-25	10-30	20-25	20-25
Honda	HR-V	30	30-35	30-35	20-35	20-25	30-50	5-20	20-25	20-25
Honda	WR-V	20-25	15-20	24-30	20-30	25-30	25	15-25	30-45	20-25
Hyundai	Creta	35-45	35-45	45	15-45	25	30-35	30-35	35-45	25-35
Hyundai	Stargazer	15	40-45	30	30-35	25-30	25-40	20	30-32	25-35
Mitsubishi	Pajero	25-30	25-37	30-35	30-40	35-40	20-30	20-25	30-35	30-35
Mitsubishi	Xpander	10-20	20-25	20-25	23-25	10-25	10-15	12-20	14-20	14-20
Toyota	Agya	15	10-18	15	10	10-12	8-10	10-12	7-10	10-12
Toyota	Avanza	23-25	14-33	22-25	15-20	26-28	15-20	20-25	25	23-25
Toyota	Fortuner	30-45	25-30	50-55	40	40-50	25-35	30-35	30-40	30-35
Toyota	Innova Zenix (petrol)	15-20	15-20	20-25	10-20	15-20	10-12	15-20	20-25	25
Toyota	Innova Zenix (hybrid)	0-8	5-7	6-8	5-15	10-15	7-10	10	15	13-15
Toyota	Raize	18-25	20-30	20-32	20-25	25	15-17	20-25	22-25	20-22
Toyota	Rush	25-33	25-33	22-30	20-25	25-28	18-20	20-25	20-30	25-30
Wuling	Almaz	20-40	40-50	50-60	40-50	60-70	25-60	50-60	60-70	50-60
Wuling	Almaz facelift	25-40	8-30	10-15	10-40	15-23	20	25-30	25-35	14-20
Wuling	Alvez	15-17	10-15	15-17	10-15	20	10-15	20-25	30	25-30
Wuling	Confero	25-27	20-25	20-25	10-20	25	10-15	20-30	25-30	20-25
Wuling	Cortez	23-27	25-30	20-30	30	30-35	30-35	25-30	30-40	21-25

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

Source: Indo Premier survey

Fig. 5: Front fascia of the newly-facelifted Toyota Fortuner



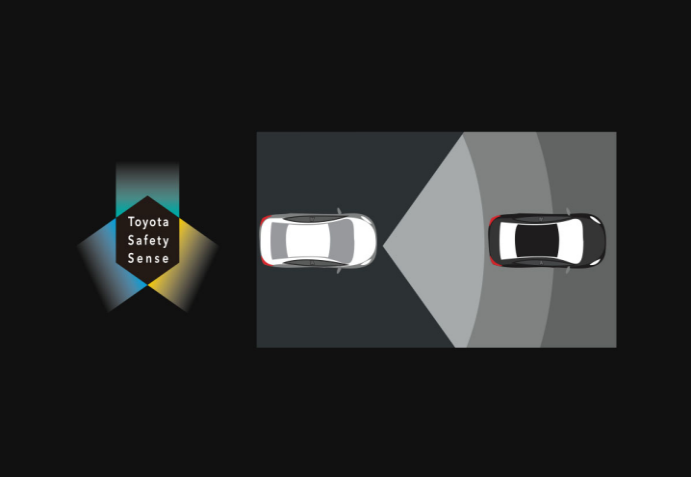
Source: Company, Indo Premier

Fig. 6: Revamped front grille & bumper spoiler



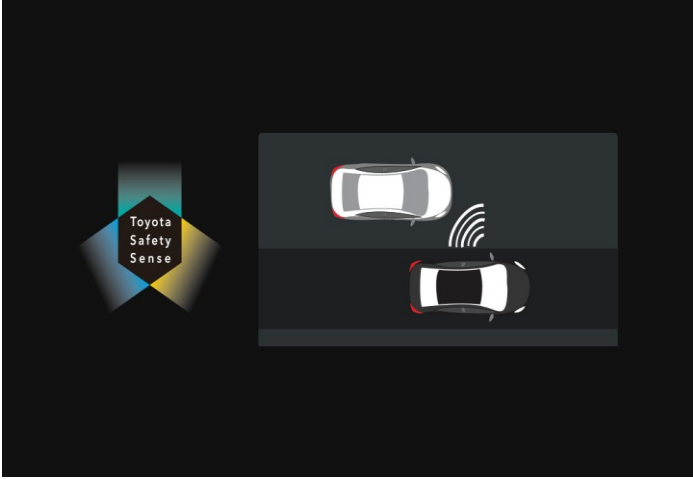
Source: Company, Indo Premier

Fig. 7: TSS features a pre collision warning system



Source: Company, Indo Premier

Fig. 8: TSS also features a blind spot monitor



Source: Company, 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)
Gross profit	70,088	73,310	71,537	72,895	76,403
SG&A Expenses	(27,887)	(29,042)	(30,294)	(31,475)	(33,155)
Operating profit	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
Pre-tax income	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)
Net income	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
Total current assets	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
Total non-current assets	233,479	279,493	290,191	311,127	325,406
Total assets	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
Total current liab.	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
Total liabilities	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
Total SHE + minority int.	243,720	250,418	262,566	281,370	302,743
Total liabilities & equity	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)
Cash flow from operating	29,576	30,020	30,073	19,912	27,735
Capital expenditure	(18,148)	(34,965)	(7,217)	(7,012)	(7,295)
Others	-	-	-	-	-
Cash flow from investing	(18,148)	(34,965)	(7,217)	(7,012)	(7,295)
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	-	-	-	-	-
Cash flow from financing	(14,275)	(15,163)	(22,193)	(13,233)	(12,026)
Changes in cash	(2,652)	(20,159)	663	(334)	8,413

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

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.