KSI Research

ASII Equity Update 1Q26

PT Astra International Tbk

Weathering the Heavy Equipment Drag

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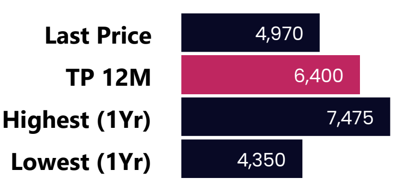
Stock Rate	**BUY**
Industry	Neutral
Fair Value	**IDR 6,400**
vs. Last Price	28.77%

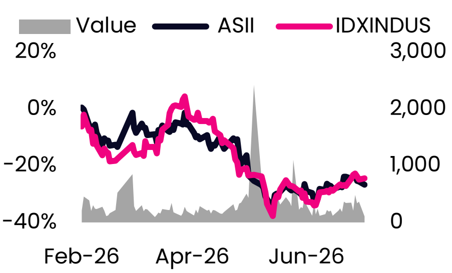
Stock Data

Ticker Code	ASII
Sub Sector	Holding Company
Sector	Industrials
Market Cap (IDR Tn)	199.86
Shares Issued (Bn)	40.21
AVG 3M Turnover (IDR Bn)	337.48

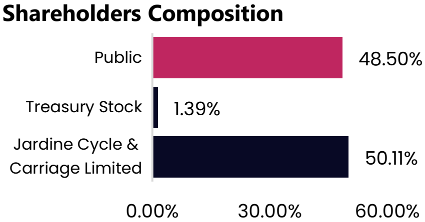
Price (IDR)



Price Performance, YTD (%) Turnover (Bn)



Shareholders Composition



ESG Rating	**3.99**
Environmental	4.43
Social	2.99
Governance	5.00

Source: Bloomberg

ASII recorded a subdued performance in 1Q26, marked by overall top-line and bottom-line contractions. Total revenue declined 6% y/y to IDR 78.7tn. Profitability narrowed, with gross profit falling to IDR 15.5tn (-9% y/y) and operating profit dropping 32% y/y to IDR 6.3tn. Consequently, EBITDA contracted 21% y/y to IDR 10.6tn, bringing net income down 16% y/y to IDR 5.9tn.

From an operational standpoint, 1Q26 displayed mixed segmental results. The Automotive & Mobility division remained flat, generating IDR 33.0tn (0% y/y) in revenue, impacted by a soft mass market and increased competition. Financial Services posted a solid 7% y/y revenue increase to IDR 8.5tn, supported by higher new amounts financed across consumer and heavy equipment portfolios. Agribusiness revenue grew by 7% y/y to IDR 7.5tn, driven by a 6% increase in CPO and derivative product sales volumes. Smaller segments showed varied performance; Property revenue surged 63% y/y to IDR 345bn and Information Technology grew 5% y/y to IDR 760bn, while Infrastructure contracted 14% y/y to IDR 641bn. However, the broader top-line contraction was heavily driven by the Heavy Equipment, Mining, Construction & Energy (HEMCE) division, which saw revenue plunge 17% y/y to IDR 28.6tn as mining clients held back on capital expenditures due to lower national coal RKAB allocations.

Zooming in on United Tractors (UNTR), the subsidiary faced substantial headwinds that heavily impacted ASII's consolidated earnings. UNTR recognized IDR 723bn in non-recurring charges within its nickel and geothermal units. Operationally, Komatsu sales dropped 20% y/y (1,107 units), overburden removal fell 7% y/y, and gold sales collapsed 93% y/y to just 4,000 oz due to the temporary halt at Martabe. However, coal mining provided a slight buffer with sales rising to 4.0 million tonnes, and the Martabe gold mine finally received government approval to resume operations in March 2026.

Key Takeaways

- **1Q26 Earnings Contraction.** Consolidated net income fell 16% y/y to IDR 5.9tn, heavily dragged by HEMCE's underperformance.
- **Heavy Equipment & Mining Hurdles.** Regulatory constraints, specifically lower national coal RKAB allocations, significantly dampened heavy equipment demand.
- **Catalysts on the Horizon.** The regulatory approval for the Martabe Gold Mine to resume operations in March 2026 paves the way for segmental recovery.

Recommendation:

We maintain our **"BUY"** recommendation for ASII. Our valuation is derived through a SOTP methodology. We determine a 12-month target price of **IDR 6,400** (lowered from IDR 7,100). This presents a **28.77% upside potential** from the last close of IDR 4,970 (as of 28 Jul 26). Valuations remain compelling at a 2026F P/E of 8.91x and P/BV of 0.84x. Downside risks include: persistent weakness in automotive purchasing power, intensifying competition from the influx of Chinese automakers in the domestic market, and continued volatility in global commodity prices.

Financial Highlights

End 31 Dec	2023A	2024A	2025A	2026F	2027F	2028F
Revenue (IDR Bn)	316,565	330,920	323,392	302,787	327,491	342,166
Net Profit (IDR Bn)	33,839	34,051	32,769	28,900	29,954	33,149
EBITDA Margin	16.87%	15.37%	14.27%	14.49%	14.16%	14.89%
NPM	10.69%	10.29%	10.13%	9.54%	9.15%	9.69%
ROE	13.51%	12.52%	11.27%	9.40%	9.13%	9.42%
P/E (x)	6.8	5.8	8.2	8.9	8.6	7.8
P/BV (x)	0.9	0.7	0.9	0.8	0.8	0.7
Dividend Yield	11.33%	10.59%	7.75%	6.09%	5.37%	5.57%

Source: Company, KSI Research

Performance Overview

IDR Bn	Quarters				
	1Q25	4Q25	1Q26	qoq	yoy
Revenue Segment					
Automotive & Mobility	33,093	32,309	32,958	2%	0%
Financial Services	7,995	8,994	8,537	-5%	7%
HEMCE	34,261	30,836	28,554	-7%	-17%
Agribusiness	7,024	6,536	7,502	15%	7%
Infrastructure	743	855	641	-25%	-14%
Information Technology	721	729	760	4%	5%
Property	212	430	345	-20%	63%
Revenue	83,361	79,784	78,668	-1%	-6%
Gross Profit	17,060	19,197	15,494	-19%	-9%
Operating Profit	9,218	10,275	6,310	-39%	-32%
EBITDA	13,373	14,502	10,584	-27%	-21%
Net Income	6,932	8,296	5,850	-29%	-16%
EPS(Full IDR)	172	206	145	-29%	-16%
Liabilities	212,949	216,554	224,681	4%	6%
Equity	281,776	290,812	293,123	1%	4%
Asset	494,725	507,366	517,804	2%	5%
GPM %	20.47%	24.06%	19.70%	-4%	-1%
OPM%	11.06%	12.88%	8.02%	-5%	-3%
NPM %	8.32%	10.40%	7.44%	-3%	-1%
EBITDA Margin %	16.04%	18.18%	13.45%	-5%	-3%
ROE %	12%	11%	11%	0%	-1%
ROA %	7%	6%	6%	0%	-1%

Source: Company, KSI Research

Industry 4W Domestic Wholesales

Source: GAIKINDO, KSI Research

Industry 2W Domestic Sales

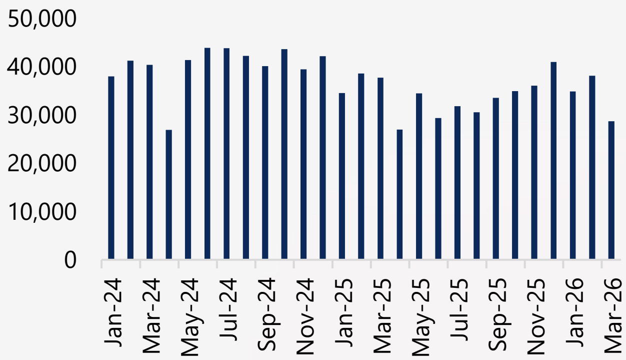
Source: AISI, KSI Research

Valuation

Our fair value estimate is derived using a SOTP valuation methodology. Based on this approach, we set ASII's **12-month target price at IDR 6,400**, offering a **potential upside of 28.77%** from its last closing price of IDR 4,970 (as of 28 Jul 26). At this target level, valuations remain compelling, trading at an implied 2026F P/E of 8.91x and P/BV of 0.84x.

Segments	Methodology	Earnings / Book Value / Shares (Bn)	Multiple / TP	ASII's Stake	Valuation (Bn)
Automotive & Mobility	P/E Multiple	10,910	7.00	100%	76,367
Financial Services	P/BV Multiple	52,225	1.21	100%	63,192
HEMCE	Target Price	3.73	29,100	59.50%	64,583
Agribusiness	P/E Multiple	1,125	8.83	100%	9,934
Others	Book Value	43,762	-	100%	43,762
				Total Value (Bn)	**257,839**
				Shares (Bn)	40.21
				Intrinsic Value (IDR)	6,412
				Target Price (IDR)	**6,400**
				Last Price (28 Jul 26)	4,970
				Potential Upside	**28.77%**

ASII 4W Domestic Wholesales



Source: Company, KSI Research

ASII Market Share

Source: Company, KSI Research

Historical PE – 5Y

Source: Company, Bloomberg, KSI Research

Historical PBV – 5Y

Source: Company, Bloomberg, KSI Research

Financial Highlight (IDR Bn)

Income Statement

Year-End	2023A	2024A	2025A	2026F	2027F	2028F
Revenue	**316,565**	**330,920**	**323,392**	**302,787**	**327,491**	**342,166**
Cost of Revenue	243,255	257,363	251,948	237,653	257,281	266,154
Gross Profit	**73,310**	**73,557**	**71,444**	**65,134**	**70,210**	**76,011**
Operating Income	**44,268**	**42,202**	**38,665**	**34,443**	**37,015**	**41,329**
EBITDA	**53,405**	**50,851**	**46,147**	**43,872**	**46,363**	**50,954**
Income Before Tax	55,142	53,341	49,173	45,664	47,214	52,194
Tax Expenses	10,228	9,735	9,083	10,046	10,387	11,483
Minority Interest	10,662	9,373	7,436	6,558	6,797	7,522
Net Income	**33,839**	**34,051**	**32,769**	**28,900**	**29,954**	**33,149**
EPS (IDR)	**836**	**841**	**815**	**719**	**745**	**824**

Balance Sheet

Year-End	2023A	2024A	2025A	2026F	2027F	2028F
Cash and cash Equivalents	41,136	48,439	52,621	40,399	51,729	66,633
Account Receivables	72,227	74,414	82,058	81,186	84,770	88,094
Inventories	39,138	37,771	36,215	35,758	37,817	39,142
Fixed Asset	72,911	78,734	83,766	89,906	95,083	100,660
Other Assets	220,267	232,091	252,706	263,448	272,936	284,492
Total Asset	**445,679**	**471,449**	**507,366**	**510,697**	**542,336**	**579,021**
S-T liabilities	32,448	37,757	48,324	45,942	48,550	53,357
Other S-T liabilities	92,574	92,740	103,754	93,969	99,773	103,307
L-T liabilities	54,249	51,092	40,976	38,956	41,168	45,244
Other L-T liabilities	15,990	17,856	23,500	24,227	24,759	25,126
Total Liabilities	**195,261**	**199,445**	**216,554**	**203,094**	**214,250**	**227,034**
Total Equity	**250,418**	**272,004**	**290,812**	**307,603**	**328,086**	**351,986**
BVPS (IDR)	**6,186**	**6,719**	**7,232**	**7,649**	**8,159**	**8,753**

Cash Flow Statement

Year-End	2023A	2024A	2025A	2026F	2027F	2028F
Net Income	33,839	34,051	32,769	28,900	29,954	33,149
Depreciation	9,137	8,649	7,482	9,429	9,348	9,624
Change in working capital	(12,978)	(10,216)	(1,389)	(1,748)	(2,190)	(4,178)
Others	(51)	590	(23)	-	-	-
Operating cash flow	**29,947**	**33,074**	**38,839**	**36,581**	**37,112**	**38,595**
Capital expenditure	(28,849)	(12,612)	(11,751)	(16,332)	(13,757)	(14,946)
Others	(16,756)	(7,467)	(18,596)	(7,223)	(8,373)	(8,975)
Investing cash flow	**(45,605)**	**(20,079)**	**(30,347)**	**(23,555)**	**(22,130)**	**(23,920)**
Dividend paid	(26,314)	(21,011)	(16,436)	(15,683)	(13,832)	(14,336)
Net change in debt	21,619	2,152	451	(4,402)	4,819	8,884
Others	194	13,167	11,675	(5,164)	5,361	5,682
Financing cash flow	**(4,501)**	**(5,692)**	**(4,310)**	**(25,249)**	**(3,652)**	**230**
Change in cash	(20,159)	7,303	4,182	(12,222)	11,330	14,904
Beginning cash balance	61,295	41,136	48,439	52,621	40,399	51,729
Ending cash balance	41,136	48,439	52,621	40,399	51,729	66,633

Source: Company, KSI Research

Financial Ratios

Key Ratios	2023A	2024A	2025A	2026F	2027F	2028F
Revenue Growth (%)	5%	5%	-2%	-6%	8%	4%
Gross Profit Growth (%)	5%	0%	-3%	-9%	8%	8%
Operation Profit Growth (%)	5%	-5%	-8%	-11%	7%	12%
EBITDA Growth (%)	2%	-5%	-9%	-5%	6%	10%
Net Income Growth (%)	17%	1%	-4%	-12%	4%	11%
EPS Growth (%)	17%	1%	-3%	-12%	4%	11%
Gross margin (%)	23%	22%	22%	22%	21%	22%
EBITDA margin (%)	17%	15%	14%	14%	14%	15%
EBIT margin (%)	14%	13%	12%	11%	11%	12%
Pretax margin (%)	17%	16%	15%	15%	14%	15%
Net margin (%)	11%	10%	10%	10%	9%	10%
ROE (%)	14%	13%	11%	9%	9%	9%
ROA (%)	8%	7%	6%	6%	6%	6%
Current ratio (x)	1.33x	1.35x	1.24x	1.25x	1.30x	1.36x
Cash Ratio (%)	33%	37%	35%	29%	35%	43%
AP turnover (days)	61	55	57	58	57	57
AR turnover (days)	32	30	31	31	31	31
Inventory turnover (days)	59	54	52	55	54	54
Dividend Yield (%)	11.33%	10.59%	7.75%	6.09%	5.37%	5.57%
DER (x)	0.35x	0.33x	0.31x	0.28x	0.27x	0.28x
PE (x)	6.76x	5.83x	8.22x	8.91x	8.59x	7.76x
PBV (x)	0.91x	0.73x	0.93x	0.84x	0.78x	0.73x
P/Sales (x)	0.72x	0.60x	0.83x	0.85x	0.79x	0.75x
EV/EBITDA (x)	5.14x	4.70x	6.63x	6.88x	6.37x	5.68x

Source: Company, KSI Research

Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings
Sector/Industry

OVERWEIGHT	: Sector & Industry Outlook has potential and good condition
NEUTRAL	: Sector & Industry Outlook Stable or tend to be stagnant
UNDERWEIGHT	: Sector & Industry Outlook has challenges and bad condition

Stock

BUY	: Stock Performance > +15% Over the next 12 month (excluding dividend)
TRADING BUY	: Stock Performance, range between +5% to +15% Minor to Medium Term
HOLD	: Stock Performance, range between -10% to +15% Over the next 12 month (excluding dividend)
SELL	: Stock Performance > -15% Over the next 12 month (excluding dividend)
TRADING SELL	: Stock Performance, range between -5% to -15% Minor to Medium Term
NOT RATED	: Stock is not within regular research coverage Over the next 12 month (excluding dividend)

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