

Astra International Tbk (ASII)

Mengikuti Momentum Pemulihan



Company Report | August 26, 2020

HOLD

Target Price	5,575
Consensus Price (IDR)	5,565
TP to Consensus Price	0.2%
vs. Last Price	5.2%

Shares data

Last Price (IDR)	5,300
Price date as of	August 25, 2020
52 wk range (Hi/Lo)	7,250 / 3,220
Free float	49.8%
Outstanding sh.(mn)	40,484
Market Cap (IDR bn)	214,563
Market Cap (USD mn)	14,683
Avg. Trd Vol - 3M (mn)	42.644
Avg. Trd Val - 3M (bn)	209.489
Foreign Ownership	99.1%

Miscellaneous Industry

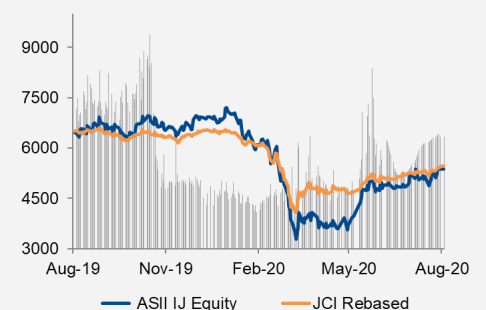
Automotive and Components

Bloomberg	ASII IJ
Reuters	ASII.JK

Anggaraksa Arismunandar

+62 21 5088 9134
anggaraksa@nhsec.co.id

ASII Share Performance



	YTD	1M	3M	12M
Abs. Ret	-22.4%	3.4%	37.5%	-16.3%
Rel. Ret	-6.4%	-0.9%	20.1%	-0.4%

Kinerja 1H20 Ditopang Divestasi BNLI. Selama periode 1H20, ASII membukukan penurunan total pendapatan IDR 89,8 Trilyun, turun 22,7% dari periode yang sama tahun lalu sebesar IDR 116,2 Trilyun. Namun perseroan masih mampu mencetak kenaikan laba bersih sebesar 6,8% yang terbantu oleh hasil divestasi Bank Permata. Dua segmen kontributor utama ASII yaitu Otomotif dan Alat Berat mengalami penurunan penjualan signifikan masing-masing sebesar -33,67% dan -23,68% secara YoY. Sementara itu margin EBITDA pada semester I/2020 juga turun ke level 13,44% (dari 16,38% pada 1H19). Akan tetapi kami mencatat segi positif dari posisi keuangan ASII terdapat pada posisi rasio hutang yang membaik. Hal ini ditandai dengan level Net Debt/Equity di angka 23,16% atau turun dari posisi yang sama tahun lalu di level 40%.

Penjualan Otomotif Mulai Naik. Sepanjang 1H20, segmen otomotif ASII sangat terdampak kebijakan PSBB serta penutupan beberapa pabrik dan agen penjualan. Seluruh pabrik mobil yang berada di bawah naungan ASII mencatatkan penurunan penjualan. Toyota dan Daihatsu yang merupakan merk andalan perseroan masing-masing mengalami penurunan sebesar -46,98% dan -42,80% dibandingkan periode 1H19. Akan tetapi, seiring pelonggaran PSBB yang telah diberlakukan, data penjualan mobil pun sudah mulai menunjukkan perbaikan. Di bulan Juli 2020, tercatat angka penjualan sebesar 25.283 unit atau naik dua kali lipat dari penjualan Juni 2020 sebesar 12.623 unit. Meskipun posisi penjualan ini masih sangat jauh dari level sebelum pandemi, namun kami optimis trend ini akan berlanjut di sisa tahun 2020.

Perbaikan Harga Komoditas sebagai Katalis. Meningkatnya harga CPO setelah sempat terpuruk ke level MYR2.000/mT akan membantu kinerja ASII secara grup melalui anak usahanya AALI. Pada 1H20, segmen agribisnis berkontribusi sebesar 10% terhadap total pendapatan ASII atau naik dari 7,2% pada periode tahun lalu. Selain itu naiknya harga emas dunia juga berdampak positif bagi emiten seiring dengan mulai meningkatnya produksi tambang Martabe milik UNTR. Kami melihat perbaikan harga komoditas dunia akan menjadi penopang kinerja ASII untuk mengimbangi segmen otomotif yang diperkirakan pulih lebih lambat.

Mempertahankan rating HOLD. Seiring dengan berangsur pulihnya perekonomian nasional, kami memperkirakan kinerja operasional ASII juga turut membaik. Kami mempertahankan rating HOLD untuk ASII dengan sedikit kenaikan target harga di IDR 5.575 / lembar berdasarkan metode valuasi Sum of the Parts (SOTP). Target harga tersebut mengimplikasikan 2020F P/E sebesar 9,7x dengan potensi kenaikan 5,2% dari harga penutupan terakhir.

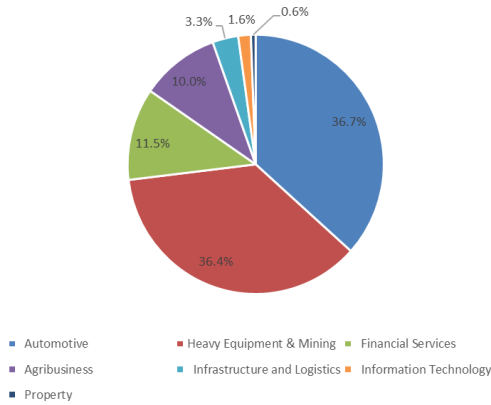
Astra International Tbk | Summary (IDR bn)

	2018	2019	2020 F	2021 F
Sales	239,205	237,166	220,173	222,688
Sales growth	16.1%	-0.9%	-7.2%	1.1%
EBITDA	36,290	39,636	47,880	44,686
Net profit	21,673	21,707	23,215	26,929
EPS (IDR)	535	536	573	665
EPS growth	15.0%	0.2%	6.9%	16.0%
BVPS (IDR)	4,307	4,613	5,452	5,920
EBITDA margin	15.2%	16.7%	21.7%	20.1%
NPM	9.1%	9.2%	10.5%	12.1%
ROE	13.1%	12.0%	11.4%	11.7%
ROA	6.8%	6.2%	6.3%	6.7%
ROIC	8.9%	8.5%	12.1%	10.1%
P/E	15.4x	10.8x	9.7x	8.4x
P/BV	1.9x	1.3x	1.0x	0.9x
EV/EBITDA	11.9x	8.6x	7.3x	6.5x
DPS (IDR)	190	211	211	226
Dividend yield	2.3%	3.6%	3.8%	4.1%

Source: Company Data, Bloomberg, NHKSI Research
 Please consider the rating criteria & important disclaimer

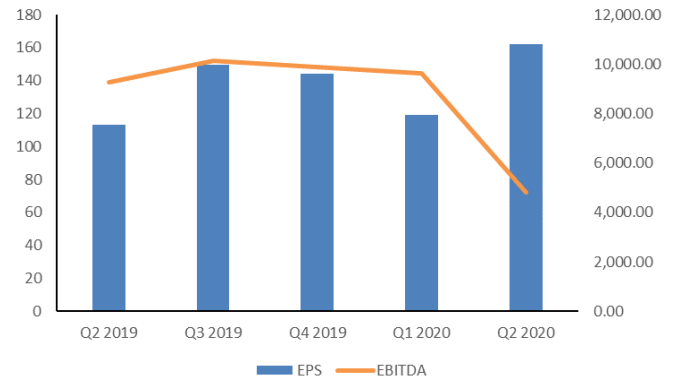
Performance Highlights

1H20 Revenue Breakdown (by Segment)



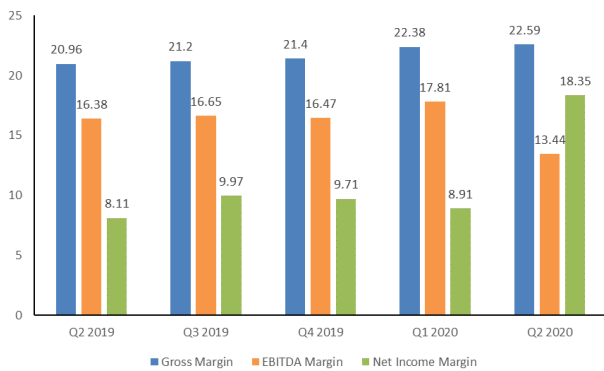
Source: Bloomberg, NHKSI Research

EPS and EBITDA Movement



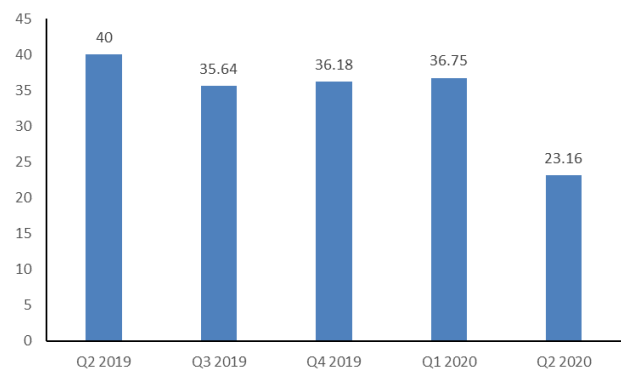
Source: Bloomberg, NHKSI Research

Margin Growth



Source: Bloomberg, NHKSI Research

Net Debt to EBITDA Position



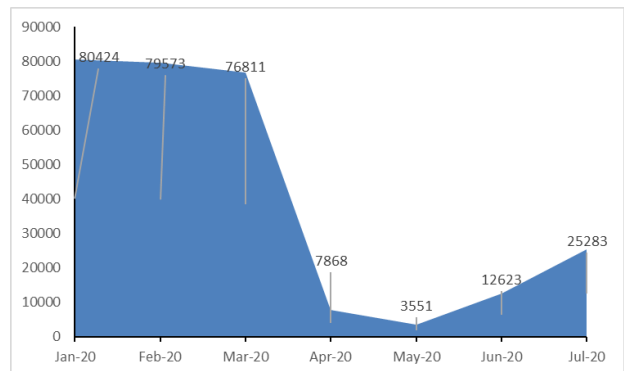
Source: Bloomberg, NHKSI Research

ASII YoY Car Sales Comparison (by Brand)

Brand	Sales Unit		YoY Change
	1H19	1H20	
Toyota	154308	81816	-46.98%
Daihatsu	87023	49774	-42.80%
Isuzu	11283	7107	-37.01%
BMW	1039	847	-18.48%

Source: Gaikindo, NHKSI Research

National Automobile Sales (Units)



Source: Bloomberg, NHKSI Research



Sekilas tentang ASII

ASII merupakan perusahaan yang memiliki tujuh lini bisnis; Otomotif; Jasa Keuangan; Alat Berat, Pertambangan, Konstruksi & Energi; Agribisnis; Infrastruktur & Logistik; Teknologi Informasi, dan Properti. Sejauh ini segmen otomotif selalu memberikan kontribusi terbesar terhadap pendapatan ASII, tercatat hingga 1Q20 segmen otomotif memberikan kontribusi sebesar 44,0%. Saat ini ASII memiliki kegiatan operasional yang tersebar diseluruh Indonesia dikelola melalui 237 anak perusahaan, ventura bersama dan entitas asosiasi.

Industri Otomotif Indonesia di ASEAN

Indonesia merupakan negara dengan kepadudukan terbesar di ASEAN yang memiliki potensi penjualan otomotif yang masih sangat tinggi. Berdasarkan data dari *Asean Automotive Federation* (AAF) Indonesia mencatatkan penjualan terbesar pada tahun 2019 dengan jumlah 4W terjual lebih dari 1 juta unit. Maraknya wabah COVID-19 pada awal 2020, membuat industri otomotif di seluruh Kawasan ASEAN ikut tertekan pasalnya banyak pabrik menghentikan produksinya guna untuk pencegahan terjadinya penularan wabah COVID-19. *New Normal* yang akan diterapkan Indonesia sendiri, nantinya akan membawa peluang besar untuk tumbuh kembali penjualan otomotif di Indonesia pada kuartal ketiga 2020.

ASII List of Subsidiaries

Subsidiary	Sector	Ownership
PT Astra Agro Lestari Tbk	Agribusiness	79.68%
PT United Tractors Tbk	Heavy Equipment & Mining	59.50%
PT Astratel Nusantara	Infrastructure & Logistics	100.00%
PT Intertel Nusaperdana	Infrastructure & Logistics	100.00%
PT Serasi Autoraya	Infrastructure & Logistics	100.00%
PT Astra Mitra Ventura	Financial Services	99.85%
PT Astra Multi Finance	Financial Services	100.00%
PT Astra Sedaya Finance	Financial Services	86.14%
PT Federal International Finance	Financial Services	100.00%
PT Garda Era Sedaya	Financial Services	100.00%
PT Matra Graha Sarana	Financial Services	100.00%
PT Sedaya Multi Investama	Financial Services	100.00%
PT Sedaya Pratama	Financial Services	100.00%
PT Sharia Multifinance Astra	Financial Services	100.00%
PT Staco Estika Sedaya Finance	Financial Services	97.00%
PT Swadharma Bhakti Sedaya Finance	Financial Services	96.54%
PT Arya Kharisma	Automotive	100.00%
PT Astra Autoprima	Automotive	75.00%
PT Astra Multi Trucks Indonesia	Automotive	80.00%
PT Astra Otoparts Tbk	Automotive	80.00%
PT Fuji Technica Indonesia	Automotive	59.63%
PT Gaya Motor	Automotive	100.00%
PT Inti Pantja Press Industri	Automotive	89.36%
PT Pulogadung Pawitra Laksana	Automotive	100.00%
PT Tjahja Sakti Motor	Automotive	100.00%
PT Brahmayasa Bahtera - Divisi Komersial	Property	100.00%
PT Menara Astra	Property	100.00%
PT Samadista Karya	Property	100.00%
PT Astra Graphia Tbk	Information Technology	76.87%

Sources: IDX, Company Data

NH Korindo Sekuritas Indonesia (NHKSI) stock ratings

1. Period: End of year target price
2. Rating system based on a stock's absolute return from the date of publication
 - Buy : Greater than +15%
 - Hold : -15% to +15%
 - Sell : Less than -15%

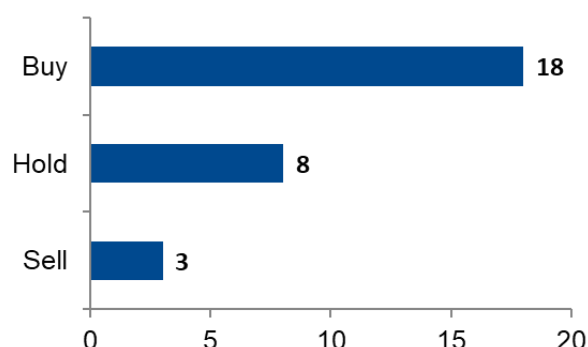
Multiple Valuation

ASII is trading at **-1 SD** | Forward P/E Band



Source: NHKSI Research

Analyst Coverage Rating



Source: Bloomberg

Rating and Target Price Update

Rating Update

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
06/23/2020	Hold	5,350	4,890	5,123	+9.4%	+4.4%
08/26/2020	Hold	5,575	5,300	5,565	+5.2%	+0.2%

Source: Bloomberg, NHKSI Research

ASII SOTP-based Valuation

Segment	Valuation Method	Base Amount	Assigned Multiple (x)	Value
Automotive	Target P/E	5,229	14.0	73,203
Heavy Equipment & Mining	Target P/E	8,203	9.8	80,389
Financial Services	Industry P/B	26,552	1.0	26,552
Agribusiness	Target P/E	926	29.5	27,317
Infrastructure & Logistics	Industry P/E	185	22.9	4,236
Property	Net Assets Value	13,000	1.0	13,000
Information Technology	Industry P/E	129	7.9	1,023
Total Value (IDR Bn)				225,720
Shares O/S (Mn)				40,484
Per Share Value				5,576

NH Korindo Sekuritas Indonesia (NHKSI) stock ratings

- Period: End of year target price
- Rating system based on a stock's absolute return from the date of publication
 - Buy : Greater than +15%
 - Hold : -15% to +15%
 - Sell : Less than -15%

Financial Summary

INCOME STATEMENT				
(IDR bn)	2018/12A	2019/12A	2020/12E	2021/12E
Sales	239,205	237,166	220,173	222,688
Growth	16.1%	-0.9%	-7.2%	1.1%
COGS	(188,436)	(186,927)	(170,634)	(168,511)
Gross Profit	50,769	50,239	49,539	54,176
Gross Margin	21.2%	21.2%	22.5%	24.3%
Operating Expenses	(23,901)	(24,055)	(21,813)	(22,682)
EBIT	26,868	26,184	27,726	31,494
EBIT Margin	11.2%	11.0%	12.6%	14.1%
Depreciation	(9,422)	(13,452)	(12,177)	(13,192)
EBITDA	36,290	39,636	39,903	44,686
EBITDA Margin	15.2%	16.7%	18.1%	20.1%
Interest Expenses	(3,105)	(4,382)	(3,463)	(3,809)
EBT	34,995	34,054	35,238	38,805
Income Tax	(7,623)	(7,433)	(6,958)	(7,009)
Minority Interest	(5,699)	(4,914)	(5,064)	(4,868)
Net Profit	21,673	21,707	23,215	26,929
Growth	15.0%	0.2%	6.9%	16.0%
Net Profit Margin	9.1%	9.2%	10.5%	12.1%

PROFITABILITY & STABILITY				
	2018/12A	2019/12A	2020/12E	2021/12E
ROE	13.1%	12.0%	11.4%	11.7%
ROA	6.8%	6.2%	6.3%	6.7%
ROIC	8.9%	8.5%	9.3%	10.2%
Cash Dividend (IDR bn)	7,692	8,547	8,560	9,155
Dividend Yield	2.3%	3.6%	3.8%	4.1%
Payout Ratio	41.1%	39.4%	39.4%	39.4%
DER	49.3%	49.4%	43.0%	42.0%
Net Gearing	27.2x	29.2x	30.0x	31.8x
LT Debt to Equity	38.0%	41.2%	34.0%	33.4%
Capitalization Ratio	33.0%	33.1%	30.1%	29.6%
Equity Ratio	50.6%	53.1%	57.3%	57.9%
Debt Ratio	24.9%	26.2%	24.6%	24.3%
Financial Leverage	1.9x	1.9x	1.8x	1.7x
Current Ratio	1.1x	1.3x	1.5x	1.6x
Par Value (IDR)	50	50	50	50
Total Shares (mn)	40,484	40,484	40,484	40,484
Share Price (IDR)	8,225	5,800	5,575	5,575
Market Cap (IDR tn)	333.0	234.8	194.3	194.3

BALANCE SHEET				
In IDR bn	2018/12A	2019/12A	2020/12E	2021/12E
Cash	25,193	24,330	38,149	45,868
Receivables	65,062	65,426	75,457	74,520
Inventories	26,505	24,287	31,812	32,823
Total Current Assets	133,609	129,058	161,602	170,720
Net Fixed Assets	57,733	62,337	67,332	74,994
Other Non Current Assets	89,618	90,700	88,904	92,405
Total Assets	344,711	351,958	385,521	413,711
Payables	42,263	30,087	26,216	29,387
ST Borrowing	19,588	15,427	19,783	20,670
LT Debt	66,326	76,874	75,133	79,990
Total Liabilities	170,348	165,195	164,785	174,043
Capital Stock	2,024	2,024	2,024	2,024
Retained Earnings	127,732	140,487	171,972	189,745
Shareholders' Equity	174,363	186,763	220,736	239,668

VALUATION INDEX				
	2018/12A	2019/12A	2020/12E	2021/12E
Price /Earnings	15.4x	10.8x	9.7x	8.4x
Price /Book Value	1.9x	1.3x	1.0x	0.9x
Price/Sales	1.4x	1.0x	1.0x	1.0x
PE/EPS Growth	1.0x	69.0x	1.4x	0.5x
EV/EBITDA	11.9x	8.6x	7.3x	6.5x
EV/EBIT	16.0x	13.0x	10.5x	9.2x
EV (IDR bn)	430,527	341,294	291,132	290,738
Sales CAGR (3-Yr)	9.1%	9.4%	2.2%	-2.4%
EPS CAGR (3-Yr)	14.4%	12.7%	7.2%	7.5%
Basic EPS (IDR)	535	536	573	665
Diluted EPS (IDR)	535	536	573	665
BVPS (IDR)	4,307	4,613	5,452	5,920
Sales PS (IDR)	5,909	5,858	5,439	5,501
DPS (IDR)	190.0	211.1	211.5	226.1

CASH FLOW STATEMENT				
In IDR bn	2018/12A	2019/12A	2020/12E	2021/12E
Operating Cash Flow	27,692	19,175	13,106	41,796
Investing Cash Flow	(29,731)	(14,186)	4,171	(31,825)
Financing Cash Flow	(4,873)	(541)	(3,457)	(2,252)
Net Changes in Cash	(6,912)	4,448	13,819	7,719

OWNERSHIP		
By Geography	% Shareholders	%
Singapore	78.5 Jardine Cycle & C	50.1
United States	10.0 Vanguard Group	1.7
Luxembourg	3.5 Blackrock	1.7
United Kingdom	2.8 Standard Life Aberdeen	1.6

Source: Company Data, NHKSI Research

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entity of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information here is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, respective employees, and agents disclaim any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents liable for errors, omissions, misstatements, negligence, inaccuracy arising herefrom.

All rights reserved by PT NH Korindo Securities Indonesia