PT Avia Avian Tbk. (AVIA)

A Sky Full of Colors: AVIA's Volume Breakout Year

AVIA closed FY25 solidly, with net profit growth of +4.85% YoY to IDR 1.74T due to strong sales volume (FY24: IDR 1.66T | Quarterly basis: +36.7% QoQ & +10.4% YoY, 4Q25: IDR 556B, 3Q25: IDR 407B, 4Q24: IDR 503B) and surpassing our estimation (102% of NHKSI Estimation for FY25). AVIA's sales growth continued to increase by +8.7% YoY to IDR 8.12T in FY25 (FY24: IDR 7.47T | Quarterly basis: +7.5% QoQ & +6.3% YoY, 4Q24: IDR 2.07T, 3Q25: IDR 2.04T), in line with management. Although 4Q25 ASP was slightly down, strong volume growth lifted AVIA's earnings, driving NPM increased to 25.3% (vs 3Q25: 19.9% and 4Q24: 24.4%). Despite a challenging demand and competition in the building materials sector, AVIA remains resilient in the paint & coating industry. **We maintain "Buy" Rating for AVIA with unchanged target price at IDR 560/share (Average last 3 years – PE Standard Deviation with +31.5% Potential Upside).**

4Q25 & FY25 Performance: Driven by Strong Sales Volume Growth

- **Strong Growth in Paint and Coatings Sales Volume in 4Q25.** Architectural segment remains as base contributor, which increased by +5.0% YoY to IDR 1.68 T in 4Q25 (4Q24: IDR 1.6T | Quarterly basis: +8.3% QoQ & +5.0% YoY, 3Q25: IDR 1.55T), while trading goods posted at IDR 515B (+4.9% QoQ, +10.5% YoY), bringing 4Q25 total revenue to IDR 2.2T (+6.3% YoY). This growth performance was driven by strong sales volume growth in architectural segment at 50,425 MT (+9.5% QoQ, +5.9% YoY), thanks to strong positioning and 2% market share gains (based on management estimates). Cumulatively, FY25 sales volume reached 184,785 MT (+7.42% YoY), in line with management guidance (AVIA management guidance for Volume growth: +7-9%).

- **Trading goods remains robust, but margin still pressured**. The trading goods segment recorded sales of IDR 1.83T in FY25 (FY24: IDR 1.62T | Quarterly basis: +10.5% YoY; +4.9% QoQ, 4Q24: IDR 466B, 3Q25: IDR 491B & 4Q25: IDR 515B), contributing 22.5% of total sales. However, margin pressure persists, with gross margin easing to 17.6% in 4Q25 (vs. 3Q25: 18.4%, 2Q25: 21%) and 18% in FY25 (FY24: 21%). Still, the trading goods maintained at ~20% of total sales, helping to cushion the impact on overall margins.

Strong Cost Management Sustains Margin

- **AVIA's cost management has effectively maintained the overall margin.** Despite ongoing promotion to drive sales volume growth, AVIA successfully maintained cost efficiency, with sales & marketing expense easing to 17% in FY25 (vs FY24: 17.6%). The architectural segment recorded 4Q25 gross margin improvement at 56% and 52% in FY25 (3Q25: 50.2%, 4Q24: 52.3%, FY24: 51.2%) with overall cost maintained at stable level. Amid USD/IDR depreciation pressuring production costs, AVIA implemented two price hikes to support margin, resulting in stable FY25 margin.

FY26 Performance Estimate – Cautious but Keep Optimistic

- **The third Cirebon plant start to run production in 1H26F.** Management noted that within the first year, initial production capacity is estimated at ~100k MT/year, with gradual ramp-up and utilization maintained at 65%–70%. Additionally, the Cirebon plant has absorbed 66% of the total allocated capex. We expect that this plant should support to cover more of the West Java area and improving the production of AVIA's water-based products.

- **Cautious FY26 guidance with an optimistic view.** Management targets 6%-10% in sales growth with +4%-8% in sales volume. We estimate AVIA sales at FY26 to reach IDR 8.77T (+7.9% YoY) and the net profit of FY26 at IDR 1.79T (+2.9%).

Recommendation "Buy" at Level IDR 560 / Share (Potential Upside +31.5%)

- **NHKSI Research maintain its recommendation "Buy" rating for AVIA with the unchanged target price of IDR 560 / Share, which implies an 18.1x Forward-PE 2026 (Average Last 3 Years).** Despite the economic slowdown, particularly the contraction in purchasing power, along with the still sluggish and weak building materials sector, AVIA's performance is quite resilient, as shown by the increase in market share and sales volume, controlled and efficient cost structure, strong balance sheet and distribution network expansion, providing a strong foundation for better profitability. AVIA's valuation is still quite attractive considering its position as a market leader in Indonesia's paint and coatings industry and is discounted compared to other global players in similar industries.

- The risks for AVIA include Rupiah depreciation, which could elevate the prices of some raw materials; the still-weak purchasing power of the public; the highly competitive paint and coatings industry especially in the wall-paint segment; and the macroeconomic situation is not yet conducive.

PT Avia Avian Tbk. | Summary (IDR Billions)

In IDR Bn (Otherwise Stated)	2025A	2026 F	2027 F	2027 F
Revenues	8,124	8,766	9,516	10,373
Revenues growth	*8.7%*	*7.9%*	*8.6%*	*9.0%*
Net profit	1,741	1,791	1,865	1,961
Growth	*4.7%*	*2.9%*	*4.1%*	*5.2%*
EPS (IDR)	28.1	28.9	30.1	31.7
P/E	15.2x	19.4x	22.0x	25.0x
P/BV	2.8x	3.6x	4.0x	4.6x
EV/EBITDA	10.1x	13.8x	16.3x	18.6x
ROE	*18.2%*	*18.3%*	*18.3%*	*18.6%*
Dividend yield	*5.1%*	*4.1%*	*3.6%*	*3.2%*
BVPS (IDR)	154	158	164	170
EBITDA margin	*27.0%*	*24.8%*	*23.7%*	*23.2%*
NPM	*21.4%*	*20.4%*	*19.6%*	*18.9%*
ROE	*18.2%*	*18.3%*	*18.3%*	*18.6%*
ROA	*15.7%*	*14.8%*	*14.5%*	*13.5%*
DPS (IDR)	21.8	23.1	24.1	25.3
EBITDA	2,195	2,173	2,259	2,403

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Update Report | 03rd March 2026

Buy

Target Price (IDR)	**560**
Consensus Price	522
TP to Consensus Price	+7.3%
Potential Upside	+31.5%

Shares Data

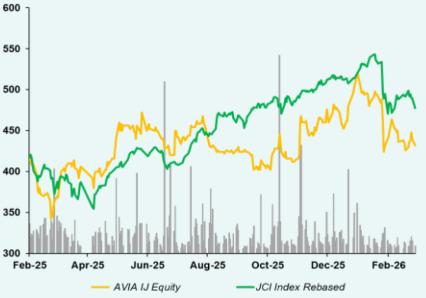
Last Price (IDR)	426
Price date as of	02nd March 2026
52 wk range (Hi/Lo)	530 / 336
Free Float (%)	22.33
Outstanding sh (mn)	61,953
Market Cap (IDR bn)	26,392
Market Cap (USD mn)	1,566
Avg. Trd Vol – 3M (mn)	16.7
Avg. Trd Val – 3M (IDR Bn)	7.89
Foreign Ownership	18.2%

Sector
Basic Materials

Sub-Sector
Building Material

Bloomberg	AVIA IJ Equity
Reuters	AVIA JK

Shares Price Performance



	YTD	1M	3M	12M
Abs.Ret	-16.9%	-1.8%	-9.2%	+16.8%
Rel.Ret	-8.7%	-3.2%	-2.4%	-6.4%

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4Q25 | FY25 : Quarterly Income Statement – Operational Review For AVIA

AVIA Income Statement Breakdown

(In IDR Billion)	FY24	FY25	YoY Growth	4Q24	3Q25	4Q25	QoQ Growth	YoY Growth
AVIA Income Statement FY25								
Revenue	**IDR 7,471**	**IDR 8,124**	8.74%	**IDR 2,066**	**IDR 2,043**	**IDR 2,196**	7.5%	6.3%
COGS	*IDR (4,131)*	*IDR (4,545)*	10.04%	*IDR (1,131)*	*IDR (1,173)*	*IDR (1,162)*	-0.9%	2.8%
Gross Profit	**IDR 3,340**	**IDR 3,578**	7.12%	**IDR 936**	**IDR 870**	**IDR 1,034**	16.2%	12.2%
GPM	44.7%	44.0%		45.3%	42.6%	47.1%		
Operating Expenses								
Marketing Expenses	*IDR (1,318)*	*IDR (1,378)*	*4.54%*	*IDR (338)*	*IDR (386)*	*IDR (322)*	*-16.6%*	*-4.9%*
G&A Expenses	*IDR (253)*	*IDR (278)*	*9.65%*	*IDR (67)*	*IDR (71)*	*IDR (73)*	*3.2%*	*8.6%*
Operating Profit	**IDR 1,769**	**IDR 1,922**	8.68%	**IDR 530**	**IDR 414**	**IDR 639**	54.5%	20.6%
OPM	23.7%	23.7%		25.6%	20.3%	29.1%		
Other Income	*IDR 17*	*IDR 16*	-4.96%	*IDR 10*	*IDR 17*	*IDR 5*	-72.4%	-51.7%
Finance Income (Expenses)	*IDR 285*	*IDR 240*	-15.84%	*IDR 71*	*IDR 45*	*IDR 55*	22.9%	-22.7%
Finance Costs	*IDR (3)*	*IDR (3)*	-0.51%	*IDR (1)*	*IDR (1)*	*IDR (1)*	20.5%	-15.6%
Earning Before Tax	**IDR 2,068**	**IDR 2,176**	5.20%	**IDR 610**	**IDR 475**	**IDR 698**	47.0%	14.5%
Income Tax Expenses	*IDR (405)*	*IDR (432)*	6.64%	IDR (106)	IDR (68)	IDR (142)	108.9%	33.7%
Net Profit	**IDR 1,663**	**IDR 1,744**	4.85%	**IDR 503**	**IDR 407**	**IDR 556**	36.7%	10.4%
NPM	22.3%	21.5%		24.4%	19.9%	25.3%		

AVIA Product Segment Breakdown

	FY24	FY25	YoY Growth	4Q24	3Q25	4Q25	QoQ Growth	YoY Growth
AVIA Segment Breakdown								
Revenue (In IDR Billion)								
Architectural Solution	IDR 5,847	**IDR 6,291**	7.59%	IDR 1,601	IDR 1,552	**IDR 1,681**	8.3%	5.0%
Trading Goods	IDR 1,624	**IDR 1,832**	12.81%	IDR 466	IDR 491	**IDR 515**	4.9%	10.5%

	FY24	FY25	4Q24	3Q25	4Q25
Gross Profit Margin Per Segment					
Architectural Solution	51.2%	**51.6%**	52.3%	50.2%	**56.1%**
Trading Goods	21.3%	**18.0%**	21.3%	18.4%	**17.6%**

AVIA Simple ASP Breakdown

	FY24	FY25	YoY Growth	4Q24	3Q25	4Q25	QoQ Growth	YoY Growth
Architectural Solution Sales Volume (MT)	172,018	**184,785**	7.42%	47,609	46,054	**50,425**	9.5%	5.9%
Architectural Solution Sales Value (IDR Bio)	IDR 5,847	**IDR 6,291**	7.59%	IDR 1,601	IDR 1,552	**IDR 1,681**	8.3%	5.0%
ASP In IDR / Kg	**IDR 33,991**	**IDR 34,045**	0.16%	**IDR 33,628**	**IDR 33,700**	**IDR 33,337**	-1.08%	-0.9%

Source : AVIA, NHKSI Research

AVIA Global – Asian Peers Comparison

Ticker Name	Country	Market Cap (IDR Bn)	Net Profit LTM (IDR Bn)	ROE (LTM)	Dividend Yield (%)	P/E Ratio 2024	P/E Ratio 2025	P/E Ratio 2026F
Sherwin-Williams	United States	1,485,918	42,326	59.4%	0.9	32.9x	30.5x	29.9x
RPM International Inc.	United States	238,995	11,103	22.8%	1.9	22.0x	20.9x	21.0x
Nippon Point Holdings Co. Ltd	Japan	275,715	19,817	10.6%	1.5	18.9x	13.7x	13.5x
Kansai Paint Co. Ltd.	Japan	50,773	4,029	12.9%	3.1	7.3x	10.6x	14.3x
Asian Paints Ltd.	India	407,710	6,952	19.2%	1.1	50.0x	61.2x	50.5x
Berger Paints India Ltd.	India	96,108	2,238	20.5%	0.8	57.2x	49.4x	45.7x
Akzo Nobel N.V	Netherland	192,176	11,830	13.8%	3.5	18.3x	15.9x	13.3x
			Average	**22.7%**	**1.8**	**29.5x**	**28.9x**	**26.9x**
Avia Avian Tbk.	Indonesia	26,392	1,741	18.2%	5.1	14.6x	17.3x	19.4x

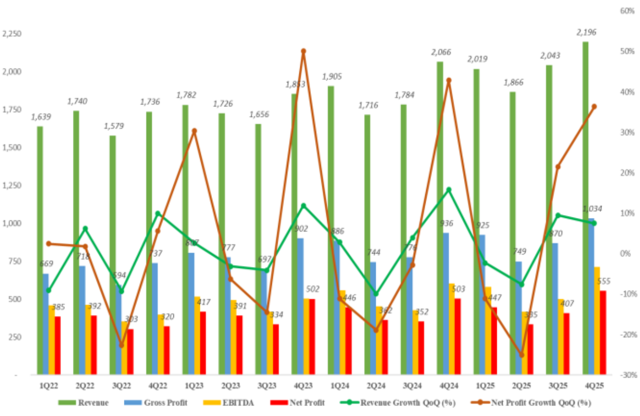
Ticker Name	P/B Ratio 2024	P/B Ratio 2025	P/B Ratio 2026F	Gross Profit Margin (%) 2024	Gross Profit Margin (%) 2025	Gross Profit Margin (%) 2026F	EBITDA Margin (%) 2024	EBITDA Margin (%) 2025	EBITDA Margin (%) 2026F	Net Profit Margin (%) 2024	Net Profit Margin (%) 2025	Net Profit Margin (%) 2026F
Sherwin-Williams	21.1x	17.5x	17.6x	48.5%	48.8%	48.9%	21.6%	21.6%	19.6%	11.6%	10.9%	11.4%
RPM International Inc.	5.7x	5.1x	4.4x	41.1%	41.4%	41.8%	15.4%	15.6%	15.4%	8.0%	9.3%	8.7%
Nippon Point Holdings Co. Ltd	1.5x	1.4x	1.4x	40.1%	42.3%	42.0%	15.3%	18.4%	18.3%	7.8%	10.1%	9.8%
Kansai Paint Co. Ltd.	1.5x	1.4x	1.7x	30.8%	31.5%	31.9%	13.2%	13.2%	13.5%	11.9%	6.5%	5.8%
Asian Paints Ltd.	15.1x	12.0x	10.5x	37.8%	38.3%	43.5%	21.4%	17.7%	18.5%	15.4%	10.8%	12.3%
Berger Paints India Ltd.	12.4x	9.5x	7.6x	38.7%	36.2%	42.0%	17.0%	16.3%	15.3%	10.6%	10.4%	9.6%
Akzo Nobel N.V	2.2x	2.2x	2.0x	40.5%	39.9%	41.0%	12.0%	15.2%	15.2%	5.1%	6.3%	6.1%
Average	**8.5x**	**7.0x**	**6.5x**	**39.6%**	**39.8%**	**41.6%**	**16.6%**	**16.9%**	**16.5%**	**10.1%**	**9.2%**	**9.1%**
Avia Avian Tbk.	2.5x	3.1x	3.6x	44.7%	44.0%	41.4%	27.0%	27.0%	21.2%	22.3%	21.5%	20.4%

Source : Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

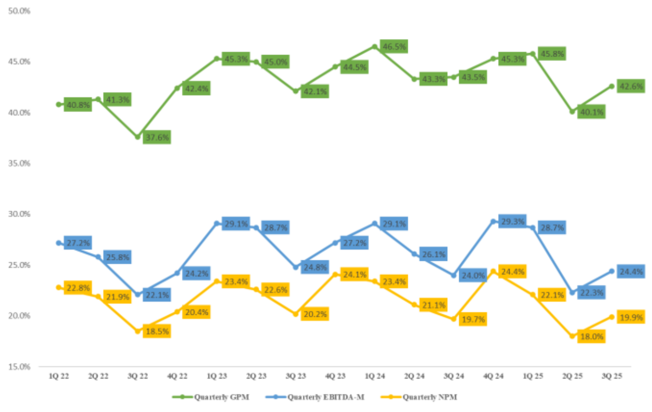
Performance Highlight For AVIA

Exhibit 1. AVIA Quarterly Financial Performance (In IDR Billion)



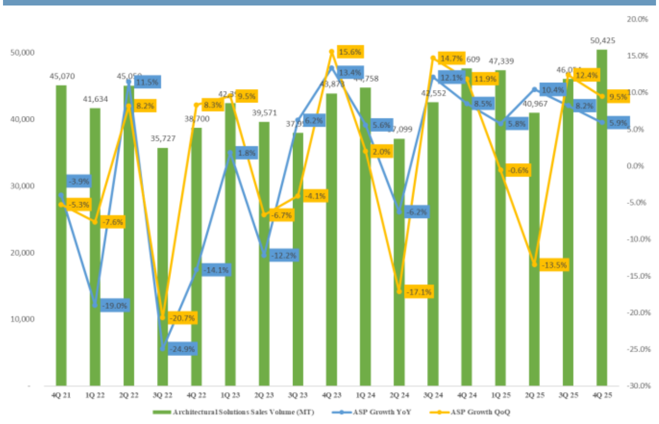
Source : AVIA, NHKSI Research

Exhibit 2. AVIA Profitability Margin Ratio (In %)



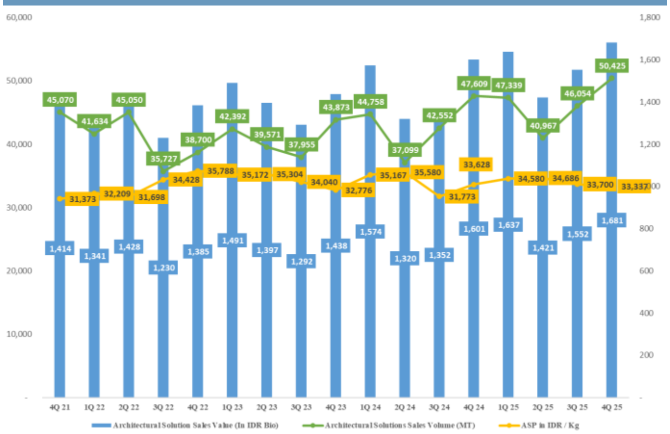
Source : AVIA, NHKSI Research

Exhibit 3. AVIA Architectural Solutions Sales Volume (Quarterly Base)



Source : AVIA, NHKSI Research

Exhibit 4. AVIA Quarterly Architectural Solutions ASP (In IDR / Kg)



Source : AVIA, NHKSI Research

Exhibit 5. AVIA Quarterly Sales Breakdown (In IDR Billion)

Source : AVIA, NHKSI Research

Exhibit 6. AVIA Forward 3-Year P/E Bands

Source : AVIA, NHKSI Research

Please consider the rating criteria & important disclaimer

Summary of AVIA's Financials & Forecast

INCOME STATEMENT

(IDR bn)	2025/12A	2026/12F	2027/12F	2028/12F
Revenues	**8,124**	**8,766**	**9,516**	**10,373**
Growth (% y/y)	*8.7%*	*7.9%*	*8.6%*	*9.0%*
Cost of Revenues	(4,545)	(5,133)	(5,664)	(6,302)
Gross Profit	**3,578**	**3,632**	**3,852**	**4,071**
Gross Margin	*44.0%*	*41.4%*	*40.5%*	*39.2%*
Operating Expenses	(1,656)	(1,775)	(1,956)	(2,115)
EBIT	**1,922**	**1,857**	**1,896**	**1,955**
EBIT Margin	*23.7%*	*21.2%*	*19.9%*	*18.8%*
Depreciation	273	316	363	448
EBITDA	**2,195**	**2,173**	**2,259**	**2,403**
EBITDA Margin	*27.0%*	*24.8%*	*23.7%*	*23.2%*
Interest Expenses	254	382	436	497
EBT	**2,176**	**2,239**	**2,332**	**2,452**
Income Tax	(432)	(448)	(466)	(490)
Net Profit	**1,741**	**1,791**	**1,865**	**1,961**
Growth (% y/y)	*4.7%*	*2.9%*	*4.1%*	*5.2%*
Net Profit Margin	*21.4%*	*20.4%*	*19.6%*	*18.9%*

PROFITABILITY & STABILITY

	2025/12A	2026/12F	2027/12F	2028/12F
ROE	18.2%	18.3%	18.3%	18.6%
ROA	15.7%	14.8%	14.5%	13.5%
Inventory Turnover	2.81x	2.69x	2.73x	2.74x
Receivables Turnover	5.25x	5.59x	5.45x	5.43x
Payables Turnover	3.83x	3.83x	3.82x	3.82x
Dividend Yield	5.1%	4.1%	3.6%	3.2%
Dividend Payout Ratio	75.5%	80.0%	80.0%	80.0%
DER	0.01x	0.01x	0.01x	0.01x
Equity Ratio	86.1%	80.9%	79.0%	72.7%
Financial Leverage	116.2%	123.7%	126.5%	137.6%
Current Ratio	536.7%	511.0%	517.3%	401.0%
Quick Ratio	421.5%	416.6%	401.4%	316.9%
Par Value (IDR)	25	25	25	25
Total Shares (mn)	61,954	61,954	61,954	61,954
Share Price (IDR)	426	560	660	790
Market Cap (IDR tn)	26.4	34.7	40.9	48.9

BALANCE SHEET

(IDR bn)	2025/12A	2026/12F	2027/12F	2028/12F
Cash & Liquid Investments	5,282	4,773	4,119	4,313
Receivables	1,462	1,818	2,021	2,181
Inventories	1,558	1,580	1,911	1,875
Other Current Assets	191	383	479	575
Total Current Assets	**8,493**	**8,554**	**8,531**	**8,944**
Net Fixed Assets	2,111	2,376	2,739	3,186
Other Non Current Assets	456	1,155	1,622	2,400
Total Non Current Assets	**2,568**	**3,531**	**4,361**	**5,586**
Total Assets	**11,061**	**12,086**	**12,892**	**14,530**
Payables	1,137	1,269	1,348	1,501
ST Debt	74	37	52	52
Others Current Liab.	141	368	249	679
Total Current Liabilities	**1,352**	**1,674**	**1,649**	**2,231**
LT Debt	19	33	25	26
Others Non Current Liab.	58	639	1,068	1,793
Total Liabilities	**1,429**	**2,347**	**2,742**	**4,049**
Capital Stock + APIC	8,413	8,413	8,413	8,413
Retained Earnings	1,651	2,437	2,810	3,202
Shareholders' Equity	**9,632**	**9,773**	**10,187**	**10,559**

VALUATION INDEX

	2025/12A	2026/12F	2027/12F	2028/12F
Price /Earnings	15.2x	19.4x	22.0x	25.0x
PE/EPS Growth	3.3x	6.7x	5.3x	4.8x
Price /Book Value	2.8x	3.6x	4.0x	4.6x
EV/EBITDA	10.1x	13.8x	16.3x	18.6x
EV (IDR bn)	22,254	29,991	36,847	44,708
Revenues CAGR (3-Yr)	6.7%	7.7%	8.4%	8.5%
Net Income CAGR (3-Yr)	7.5%	2.9%	3.9%	4.1%
Basic EPS (IDR)	28.1	28.9	30.1	31.7
BVPS (IDR)	154.0	157.7	164.4	170.4
DPS (IDR)	21.8	23.1	24.1	25.3

CASH FLOW STATEMENT

(IDR bn)	2025/12A	2026/12F	2027/12F	2028/12F
Operating Cash Flow	1,751	1,977	1,915	2,208
Investing Cash Flow	(388)	(492)	(486)	(267)
Financing Cash Flow	(2,035)	(1,995)	(2,083)	(1,748)
Net Changes in Cash	**(673)**	**(509)**	**(654)**	**193**

OWNERSHIP

By Geography	%
Indonesia	81.1
Singapore	7.2
United States	2.0
Others	9.8

Shareholders	%
PT Tancorp Surya Sentosa	36.6
PT Wahana Lancar Rejeki	32.5
Archipelago Investment Private Ltd. (GIC Singapore)	6.3
Others	24.6

Source : AVIA, Bloomberg & NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication
2. Rating system based on a stock's potential upside from the date of publication

- Buy : Greater than 15%
- Overweight : +5% to 15%
- Hold : -5% to +5%
- Underweight : -5% to -15%
- Sell : Less than -15%

Disclaimer