

AVIA started the year on a strong note, recording 1Q26 sales of IDR 2.3T (+16.8% YoY) and fulfilling 28.1% of our FY26 estimates. The architectural segment grew 15.7% YoY, supported by robust volume growth (+12.6% YoY & +5.7% QoQ), while the trading segment recorded sales of IDR 463B (+21.6% YoY &), bringing net income to IDR 503B (+12.6% YoY). ASP increased by 2.7% YoY throughout 1Q26 and will continue to price hike of 7-10% in April and May. On margins, gross margin compressed modestly to 44.9%. Net margin declined to 21.3% (1Q25: 22.1% & 4Q25: 21.3%), broadly in line with the gross margin movement, as operating cost efficiency remained intact with total costs as a percentage of sales improving to 74.8% (1Q26) from 76.3% in FY 2025. Key downside risks include IDR depreciation, rising raw material prices and weak purchasing power. We keep "Buy" recommendation with TP of IDR 560 / share.

1Q26 Performance: Robust Volume Growth in Architectural

- Strong Growth in Architectural Despite Fewer Working Days.** Architectural segment recorded a double-digit sales growth to IDR 1.89T (+15.7% YoY) with strong sales volume of 53,296 MT (+12.6% YoY & +5.7% QoQ), driven by robust execution across AVIA's wholly-owned DCs and continued market share gains. Notably, this segment also benefited from a demand pull-forward in late March, as customers stocked up ahead of anticipated price increases amid rising oil prices and geopolitical tensions. Despite a fewer working day count due to the Lebaran holiday, architectural segment continued to outperform the broader retail market.
- Trading goods remains robust with stable margin.** The trading goods segment recorded sales of IDR 463B in 1Q26 (1Q25: IDR 381B | Quarterly basis: +21.5% YoY; -10.1% QoQ, 4Q25: IDR 515B), contributing 20% of total sales. GPM remains stable at 18.9%.
- ASP started to increase in 1Q26 to offset the rising raw material price.** We see that AVIA has increased its ASP during the quarter by 2.7% YoY. Management noted that they implemented 2 price hike during April and May, each 7-10%, primarily driven by surging oil-linked input costs (solvents, plastic packaging and resins) and compounded by a weakening IDR. However, demand remained resilient in April supported by a low base effect, as April-25 had fewer working days due to the Lebaran holiday. Despite price increase, architectural volume still grew at a double-digit rate, reflecting a confidence in AVIA's products.

Strong Inventory & Cost Management to Sustain Margin in The Next Quarter

- Sufficient inventory to cover the next two months and has secured adequate supply.** While market prices for key oil-related raw materials have risen sharply, the actual cost impact is cushioned by contract lag effects and existing inventory. Together with pricing adjustments implemented in April and May, this should keep the gap between costs and ASP manageable, allowing margins to remain relatively stable. AVIA also reflects a prudent cost management, resulting in a stable cost structure.

Well Positioned to Capture The Shift in Customer Preferences

- Winning the wallet shift.** AVIA is well-positioned to capture consumers shift toward more affordable options. Its product portfolio enables seamless downtrading within the same brand, preserving customer loyalty while sustaining volumes. This is further reinforced by strong brand trust and distribution reach, allowing AVIA to capture market share from smaller players that are more vulnerable to demand softness. As pricing pressures persist, the downtrading trend is likely to continue, positioning AVIA as a relative winner in a challenging consumer environment.

Recommendation "Buy" at Level IDR 560 / Share (Potential Upside +42.9%)

- NHKS 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 uncertainty, particularly the contraction in purchasing power, along with the still sluggish and weak building materials sector, AVIA's performance is 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 inexpensive 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.
- Downside risks include IDR depreciation and ongoing geopolitical tension,** which started to elevate the prices of some raw materials; the still-weak purchasing power; the competitiveness in the wall-paint segment; and the ASP increase which could affecting demand.

PT Avia Avian Tbk. | Summary (IDR Billions)

In IDR Bn (Otherwise Stated)	2025A	2026 F	2027 F	2028 F
Revenues	8,124	8,766	9,516	10,373
<i>Revenues growth</i>	8.7%	7.9%	8.6%	9.0%
Net profit	1,741	1,791	1,865	1,961
<i>Growth</i>	4.7%	2.9%	4.1%	5.2%
EPS (IDR)	28.1	28.9	30.1	31.7
P/E	14.0x	19.4x	22.0x	25.0x
P/BV	2.5x	3.6x	4.0x	4.6x
EV/EBITDA	9.2x	13.8x	16.3x	18.6x
ROE	18.2%	18.3%	18.3%	18.6%
<i>Dividend yield</i>	5.6%	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, NHKS Research

Please consider the rating criteria & important disclaimer

Update Report | 05<sup>th</sup> May 2026

Buy

Target Price (IDR)	560
Consensus Price	518
TP to Consensus Price	+8.1%
Potential Upside	+42.9%

Shares Data

Last Price (IDR)	392
Price date as of	04 <sup>th</sup> May 2026
52 wk range (Hi/Lo)	530 / 360
Free Float (%)	24.29
Outstanding sh (mn)	61,953
Market Cap (IDR bn)	24,286
Market Cap (USD mn)	1,395
Avg. Trd Vol - 3M (mn)	18.3
Avg. Trd Val - 3M (IDR Bn)	7.20
Foreign Ownership	17.6%

Sector

Basic Materials

Sub-Sector

Building Material

Bloomberg  
Reuters

AVIA IJ Equity  
AVIA JK

Shares Price Performance



	YTD	1M	3M	12M
Abs.Ret	-24.6%	+5.4%	-12.9%	-14.8%
Rel.Ret	-4.3%	+5.6%	+1.5%	-16.8%

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**1Q26: Quarterly Income Statement – Operational Review For AVIA**

AVIA Income Statement Breakdown																					
(In IDR Billion)	1Q25			1Q26			YoY Growth		1Q25			4Q25			1Q26			QoQ Growth		YoY Growth	
<b>AVIA Income Statement FY25</b>																					
Revenue	IDR	2,019	IDR	2,358	16.81%	IDR	2,019	IDR	2,196	IDR	2,358	7.4%	16.8%								
COGS	IDR	(1,094)	IDR	(1,298)	18.70%	IDR	(1,094)	IDR	(1,162)	IDR	(1,298)	11.7%	18.7%								
Gross Profit	IDR	925	IDR	1,060	14.57%	IDR	925	IDR	1,034	IDR	1,060	2.5%	14.6%								
GPM		45.8%		44.9%			45.8%		47.1%		44.9%										
<b>Operating Expenses</b>																					
Marketing Expenses	IDR	(339)	IDR	(392)	15.51%	IDR	(339)	IDR	(322)	IDR	(392)	21.7%	15.5%								
G&A Expenses	IDR	(61)	IDR	(72)	18.02%	IDR	(61)	IDR	(73)	IDR	(72)	-1.2%	18.0%								
Operating Profit	IDR	525	IDR	596	13.56%	IDR	525	IDR	639	IDR	596	-6.8%	13.6%								
OPM		26.0%		25.3%			26.0%		29.1%		25.3%										
Other Income	IDR	(11)	IDR	8	-177.02%	IDR	(11)	IDR	5	IDR	8	75.7%	-177.0%								
Finance Income (Expenses)	IDR	66	IDR	50	-24.71%	IDR	66	IDR	55	IDR	50	-8.8%	-24.7%								
Finance Costs	IDR	(1)	IDR	(1)	-20.85%	IDR	(1)	IDR	(1)	IDR	(1)	-30.2%	-20.9%								
Earning Before Tax	IDR	580	IDR	654	12.73%	IDR	580	IDR	698	IDR	654	-6.4%	12.7%								
Income Tax Expenses	IDR	(133)	IDR	(151)	13.21%	IDR	(133)	IDR	(142)	IDR	(151)	6.1%	13.2%								
Net Profit	IDR	447	IDR	503	12.59%	IDR	447	IDR	556	IDR	503	-9.5%	12.6%								
NPM		22.1%		21.3%			22.1%		25.3%		21.3%										

AVIA Product Segment Breakdown																					
(In IDR Billion)	1Q25			1Q26			YoY Growth		1Q25			4Q25			1Q26			QoQ Growth		YoY Growth	
<b>AVIA Segment Breakdown</b>																					
Architectural Solution	IDR	1,637	IDR	1,894	15.70%	IDR	1,637	IDR	1,681	IDR	1,894	12.7%	15.7%								
Trading Goods	IDR	381	IDR	463	21.52%	IDR	381	IDR	515	IDR	463	-10.1%	21.5%								
<b>Gross Profit Margin Per Segment</b>																					
Architectural Solution		52.0%		51.3%			52.0%		56.1%		51.3%										
Trading Goods		19.3%		18.9%			19.3%		17.6%		18.9%										

AVIA Simple ASP Breakdown																					
(In IDR / Kg)	1Q25			1Q26			YoY Growth		1Q25			4Q25			1Q26			QoQ Growth		YoY Growth	
Architectural Solution Sales Volume (MT)	IDR	47,339	IDR	53,296	12.58%	IDR	47,339	IDR	50,425	IDR	53,296	5.7%	12.6%								
Architectural Solution Sales Value (IDR Bio)	IDR	1,637	IDR	1,894	15.70%	IDR	1,637	IDR	1,681	IDR	1,894	12.7%	15.7%								
ASP In IDR / Kg	IDR	34,580	IDR	35,537	2.77%	IDR	34,580	IDR	33,337	IDR	35,537	-1.08%	-0.9%								

Source : AVIA, NHKSI Research

**AVIA Global – Asian Peers Comparison**

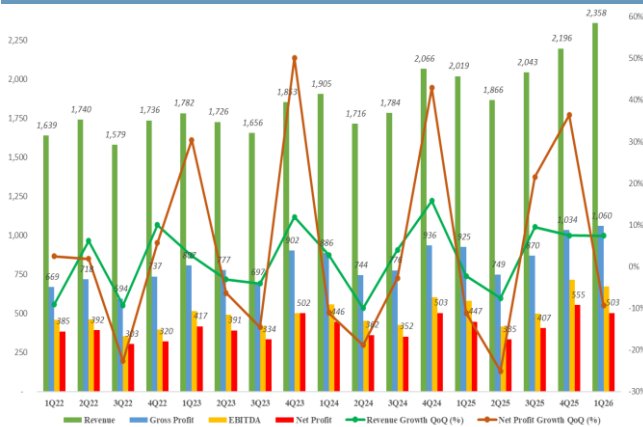
Ticker Name	Country	Market Cap (IDR Ba)	Net Profit LTM (IDR Ba)	ROE(LTM)	Dividend Yield (%)	P/E Ratio			P/B Ratio			Gross Profit Margin (%)			EBITDA Margin (%)			Net Profit Margin (%)				
						2024	2025	2026F	2024	2025	2026F	2024	2025	2026F	2024	2025	2026F	2024	2025	2026F		
Sherwin-Williams	United States	1,335,825	42,326	60.7%	1.0	32.9x	30.5x	25.3x	21.1x	17.5x	17.3x	48.5%	48.8%	48.8%	21.6%	21.6%	19.3%	11.6%	10.9%	11.1%		
RPM International Inc.	United States	218,669	11,103	22.8%	2.2	22.0x	20.9x	16.7x	5.7x	5.1x	4.0x	41.1%	41.4%	41.8%	15.4%	15.6%	15.7%	8.0%	9.3%	9.0%		
Nippon Paint Holdings Co. Ltd	Japan	257,899	19,817	10.6%	1.6	18.9x	13.7x	11.8x	1.5x	1.4x	1.3x	40.1%	42.3%	41.9%	15.3%	18.4%	18.0%	7.8%	10.1%	9.8%		
Kansai Paint Co. Ltd.	Japan	45,983	4,029	12.9%	4.7	7.3x	10.6x	12.7x	1.5x	1.4x	1.4x	30.8%	31.5%	31.8%	13.2%	13.2%	13.2%	11.9%	6.5%	5.8%		
Asian Paints Ltd.	India	424,976	6,952	19.2%	1.0	50.0x	61.2x	47.5x	15.1x	12.0x	11.8x	37.8%	38.3%	43.6%	21.4%	17.7%	18.5%	15.4%	10.8%	12.3%		
Berger Paints India Ltd.	India	99,870	2,238	20.5%	0.8	57.2x	49.4x	42.6x	12.4x	9.5x	8.7x	38.7%	36.2%	42.1%	17.0%	16.3%	15.2%	10.6%	10.4%	9.4%		
Akzo Nobel N.V	Netherlands	170,258	11,830	13.1%	4.1	18.3x	15.9x	12.2x	2.2x	2.2x	1.7x	40.5%	39.9%	40.3%	12.0%	15.2%	14.1%	5.1%	6.3%	5.5%		
<b>Average</b>						22.8%	2.2	29.5x	28.9x	24.1x	8.5x	7.0x	6.6x	39.6%	39.8%	41.5%	16.6%	16.9%	16.3%	10.1%	9.2%	9.0%
Avia Avian Tbk.	Indonesia	24,286	1,741	18.2%	5.6	14.6x	17.3x	19.4x	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

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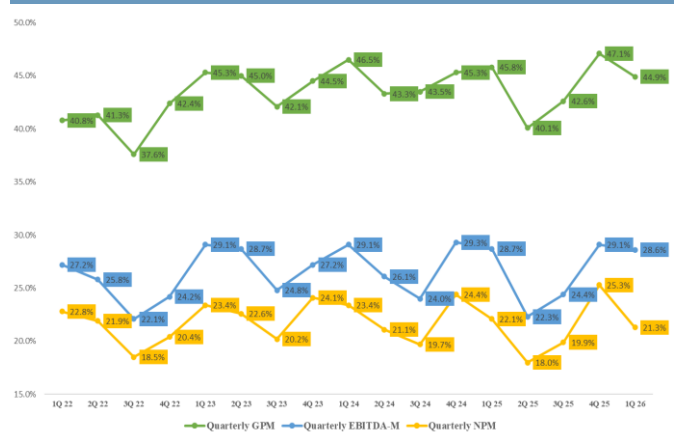
**Performance Highlight For AVIA**

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



Source : AVIA, NHKSI Research

**Exhibit 2. AVIA Profitability Margin Ratio (In %)**



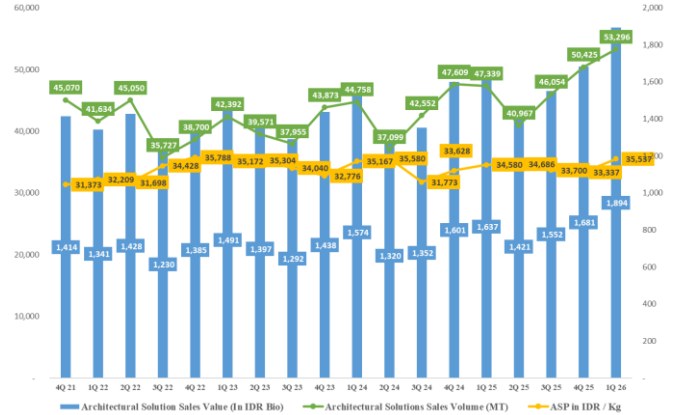
Source : AVIA, NHKSI Research

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

### 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
<b>Total Current Assets</b>	<b>8,493</b>	<b>8,554</b>	<b>8,531</b>	<b>8,944</b>
Net Fixed Assets	2,111	2,376	2,739	3,186
Other Non Current Assets	456	1,155	1,622	2,400
<b>Total Non Current Assets</b>	<b>2,568</b>	<b>3,531</b>	<b>4,361</b>	<b>5,586</b>
<b>Total Assets</b>	<b>11,061</b>	<b>12,086</b>	<b>12,892</b>	<b>14,530</b>
Payables	1,137	1,269	1,348	1,501
ST Debt	74	37	52	52
Others Current Liab.	141	368	249	679
<b>Total Current Liabilities</b>	<b>1,352</b>	<b>1,674</b>	<b>1,649</b>	<b>2,231</b>
LT Debt	19	33	25	26
Others Non Current Liab.	58	639	1,068	1,793
<b>Total Liabilities</b>	<b>1,429</b>	<b>2,347</b>	<b>2,742</b>	<b>4,049</b>
Capital Stock + APIC	8,413	8,413	8,413	8,413
Retained Earnings	1,651	2,437	2,810	3,202
<b>Shareholders' Equity</b>	<b>9,632</b>	<b>9,773</b>	<b>10,187</b>	<b>10,559</b>

### 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)
<b>Net Changes in Cash</b>	<b>(673)</b>	<b>(509)</b>	<b>(654)</b>	<b>193</b>

Source : AVIA, Bloomberg & NHKSI Research

### 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	5.6%	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 (mm)	61,954	61,954	61,954	61,954
Share Price (IDR)	392	560	660	790
Market Cap (IDR tn)	24.3	34.7	40.9	48.9

### VALUATION INDEX

	2025/12A	2026/12F	2027/12F	2028/12F
Price /Earnings	14.0x	19.4x	22.0x	25.0x
PE/EPS Growth	3.0x	6.7x	5.3x	4.8x
Price /Book Value	2.5x	3.6x	4.0x	4.6x
EV/EBITDA	9.2x	13.8x	16.3x	18.6x
EV (IDR bn)	20,147	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

### OWNERSHIP

By Geography	%
Indonesia	82.4
Singapore	7.2
United States	2.1
Others	8.3

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

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%



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