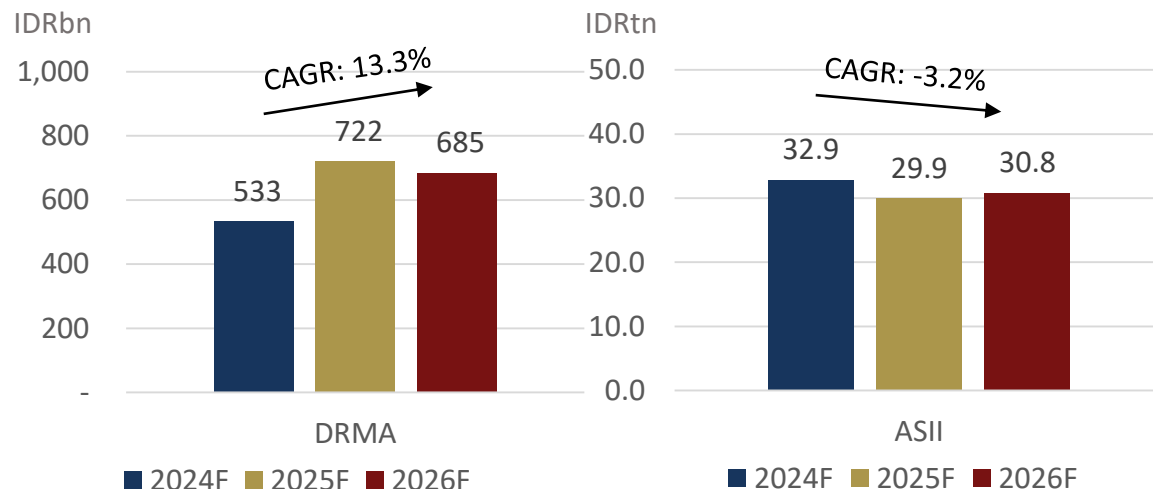


## Automotive: Neutral with ASII as Top Pick

### Sector Net Profit Outlook, by Company



### Peer Comparables

Company	Market Cap.	Rating	Last Price	Target Price	2025F				
					P/E	EPS Gwt	P/B	Div. Yield	ROE
Ticker	(IDR Tn)		(IDR)	(IDR)	(x)	(x)	(%)	(%)	(%)
Isuzu Motors	4,766	-	-	-	9.0	6.5	1.0	3.4	11.2
Toyota Motor	809	-	-	-	6.5	5.8	0.5	4.9	7.6
Honda Motor	915	-	-	-	4.9	3.0	0.7	1.2	14.4
ASII IJ	196	BUY	4,850	5,800	6.0	2.1	0.8	7.7	14.2
<b>Sector</b>	<b>7,195</b>	-	-	-	<b>8.0</b>	<b>5.8</b>	<b>0.9</b>	<b>3.4</b>	<b>11.3</b>
AUTO IJ	10	-	-	-	5.3	3.3	0.6	8.4	12.8
SMSM IJ	10	-	-	-	12.5	0.0	3.1	7.3	24.6
DRMA IJ	4	BUY	915	1,025	5.9	35.4	1.5	3.1	25.1
<b>Sector</b>	<b>25</b>	-	-	-	<b>8.4</b>	<b>7.5</b>	<b>1.8</b>	<b>7.0</b>	<b>19.8</b>

### SWOT Analysis: 2025 Outlook

#### Strength

For ASII, we like its diversified earnings streams, supported by various subsidiaries in different sectors; DRMA's expansion into new auto parts and models may help offset the potential impact of lower vehicle sales due to the VAT for luxury goods increase to 12%

#### Weakness

ASII's non-hybrid automotive sales to remain low due to pressure from the 12% VAT for luxury goods, which may also affect DRMA's revenue growth, while lower-than-expected operational efficiencies and low sales volumes may limit margin improvements

#### Opportunity

In 2025, locally manufactured HEVs will see 3% lower luxury tax incentive to benefit ASII; DRMA to be supported by potential partnerships with Chinese players on minimum local content compliance; ASII's market underperformance provides buying opportunities

#### Threat

Strong dollar for longer will cap Bank Indonesia's ability to cut rates and hurt vehicle sales demand while weak IDR will lower purchasing power, resulting in continued market underperformance for both counters under our coverage

### Relative 2024 Performance vs JCI

