

PRESS RELEASE

24th April 2019
PT ASTRA INTERNATIONAL TBK
2019 FIRST QUARTER FINANCIAL STATEMENTS

Highlights

- Net earnings per share up 5% at Rp129
- Improved earnings contribution from financial services
- Increased mining contracting volume and contribution from newly acquired gold mine
- Motorcycle sales up 19%, while car sales fell 5%
- Agribusiness adversely impacted by lower crude palm oil prices

“The Group’s performance was satisfactory in the first quarter of 2019, supported by increased contributions from its financial services and mining contracting businesses, as well as the contribution from its newly acquired gold mining business. For the remainder of the year, the Group is expected to continue to benefit from the performance of these businesses, while concerns remain over lacklustre demand and intense competition in the car market and weaker commodity prices.”

Prijono Sugiarto
 President Director

Group Results

	For the period ended 31st March		
	2019 Rp bn	2018 Rp bn	Change %
Net revenue	59,607	55,822	7
Net income*	5,215	4,980	5
	Rp	Rp	
Net earnings per share	129	123	5
	As at 31st March 2019 Rp bn	As at 31st December 2018 Rp bn	Change %
Shareholders' funds**	141,797	136,947	4
	Rp	Rp	
Net asset value per share**	3,503	3,383	4

* Net income is profit attributable to owners of the parent, i.e. Astra International shareholders.

** Shareholders' funds and net asset value per share are based on equity attributable to owners of the parent.

The financial results for the three months ended 31st March 2019 and 2018 as well as the financial position as at 31st March 2019 have been prepared in accordance with Indonesian Financial Accounting Standards and are unaudited. The financial position as at 31st December 2018 has been prepared in accordance with Indonesian Financial Accounting Standards and audited in accordance with the auditing standards established by the Indonesian Institute of Certified Public Accountants.

PRESIDENT DIRECTOR'S STATEMENT

Overview

The Group's net earnings were higher in the first quarter of 2019 compared with the same period last year, mainly due to increased contributions from its financial services and heavy equipment, mining, construction and energy businesses, which more than offset lower contributions from its automotive business and agribusiness.

Performance

The Group's consolidated net revenue for the period increased by 7% to Rp59.6 trillion, with higher revenue achieved in most business segments, especially heavy equipment, mining, construction and energy, and financial services.

The Group's net income was Rp5.2 trillion, 5% higher compared with the same period in 2018.

The net asset value per share was Rp3,503 at 31st March 2019, 4% higher than at the end of 2018.

Net debt, excluding the Group's financial services subsidiaries, was Rp15.2 trillion at 31st March 2019, compared with Rp13.0 trillion at 31st December 2018, mainly due to the investment in GOJEK. The Group's financial services subsidiaries had net debt of Rp46.7 trillion at 31st March 2019, compared with Rp47.7 trillion at the end of 2018.

Business Activities

Net income attributable to shareholders by business segment was as follows:

	Net Income Attributable to Astra International		
	For the period ended 31st March		
	2019 Rp bn	2018 Rp bn	Change %
Automotive	1,905	2,109	(10)
Financial Services	1,401	1,060	32
Heavy Equipment, Mining, Construction and Energy	1,828	1,518	20
Agribusiness	30	283	(89)
Infrastructure and Logistics	16	(23)	N/A
Information Technology	20	27	(26)
Property	15	6	150
Attributable Net Income	5,215	4,980	5

Automotive

Net income from the Group's automotive division fell by 10% to Rp1.9 trillion, mainly due to lower car sales volumes and increased material cost in the manufacturing activities.

The wholesale market for cars declined by 13% to 254,000 units. Astra's car sales were only 5% lower at 134,000 units, resulting in an increase in market share from 49% to 53% in the first quarter of 2019. The Group launched 6 new models and 2 revamped models during the period.

The wholesale market for motorcycles increased by 19% in the first two months of this year, compared with the equivalent period in 2018. Wholesale market size information is not yet available for March 2019. In the first quarter of 2019, Astra Honda Motor's national sales increased by 19% to 1.3 million units. The Group launched 2 new models and 12 revamped models during the period.

Astra Otoparts, the Group's components business, reported net income 9% higher at Rp159 billion. The increase in net income was mainly due to higher revenue generated from its original equipment manufacturing, replacement market and export segments.

Financial Services

Net income from the Group's financial services division increased by 32% to Rp1.4 trillion, due to higher contributions from most business segments.

The Group's consumer finance businesses saw a 5% increase in the amount financed to Rp20.8 trillion. The net income contribution from the Group's car-focused finance companies increased by 51% to Rp340 billion, mainly due to lower non-performing loan losses. Motorcycle-focused Federal International Finance's net income was up 11% at Rp604 billion, primarily due to a larger loan portfolio.

The amount financed through the Group's heavy equipment-focused finance operations increased by 15% to Rp974 billion. The net income contribution from the Group's heavy equipment-focused finance operations increased by 69% to Rp27 billion, reflecting higher levels of lending to corporate customers.

Permata Bank, in which Astra holds a 44.6% interest, reported significantly higher net income at Rp377 billion compared with Rp164 billion in the first quarter of 2018, mainly due to higher levels of recoveries from non-performing loans. The bank's gross and net non-performing loan ratios were 3.8% and 1.6%, respectively, at the end of March 2019 compared to 4.4% and 1.7% at the end of 2018.

Asuransi Astra Buana, the Group's general insurance company, reported net income 9% higher at Rp269 billion, due to increased investment income. During the period, the Group's life insurance joint venture, Astra Aviva Life, acquired more than 170,000 new individual life customers and 50,000 new participants for its corporate employee benefits programmes.

Heavy Equipment, Mining, Construction and Energy

Net income from the Group's heavy equipment, mining, construction and energy division increased by 20% to Rp1.8 trillion.

United Tractors, which is 59.5%-owned, reported net income of Rp3.1 trillion, 21% higher than the comparable period in 2018. The increase was mainly due to improved performance

in its mining contracting business and contribution from the gold mining operation acquired in December 2018.

Within United Tractors' construction machinery business, Komatsu heavy equipment sales increased by 1% to 1,181 units, while parts and service revenues were also higher. The mining contracting operations of wholly-owned Pamapersada Nusantara recorded a 14% increase in overburden removal volume at 235 million bank cubic metres and 15% higher coal production at 31 million tonnes. United Tractors' coal mining subsidiaries reported 4% lower coal sales at 2.5 million tonnes, including 325,000 tonnes of coking coal sales by 80.1%-owned Suprabari Mapanindo Mineral. Agincourt Resources, a 95%-owned subsidiary of United Tractors, reported gold sales of 97,000 oz in the first quarter of 2019.

General contractor Acset Indonusa, 50.1%-owned subsidiary of United Tractors, reported a net loss of Rp91 billion compared to net income of Rp39 billion recorded in the first quarter last year, mainly due to increased construction and funding costs of several ongoing projects.

25%-owned Bhumi Jati Power is in the process of constructing two 1,000MW power plants in Central Java, which are scheduled to start commercial operations in 2021.

Agribusiness

Net income from the Group's agribusiness division was down 89% at Rp30 billion.

Astra Agro Lestari, which is 79.7%-owned, reported an 89% decline in net income to Rp37 billion, primarily due to a fall in crude palm oil prices, which were 20% lower at Rp6,252/kg compared with the average in the first quarter of 2018. This more than offset the impact of a 25% increase in crude palm oil and derivatives sales to 599,000 tonnes.

Infrastructure and Logistics

Net income from the Group's infrastructure and logistics division was Rp16 billion, compared with a net loss of Rp23 billion in the first quarter of 2018. This was mainly due to improved earnings from its operational toll roads.

Astra has interests in 302km of operational toll roads along the Trans-Java network, with a further 11km in Greater Jakarta under construction. Toll revenue from the 79.3%-owned 72.5km Tangerang-Merak toll road increased by 4% to Rp263 billion, while the wholly-owned 40.5km Jombang-Mojokerto toll road, which became fully operational in December 2018, recorded Rp71 billion of toll revenue in the first quarter of 2019. Toll revenue from the 45%-owned 116.8km Cikopo-Palimanan toll road increased by 18% to Rp348 billion. The 40%-owned 72.6km Semarang-Solo toll road, which became fully operational in December 2018, recorded toll revenue of Rp121 billion.

Serasi Autoraya's net income decreased by 19% to Rp47 billion due to a 2% fall in vehicles under contract at 22,000 and 2% lower used car sales at 8,000 units.

Information Technology

Net income from the Group's information technology division was 26% lower at Rp20 billion.

Astra Graphia, which is 76.9%-owned, reported net income of Rp26 billion, 26% lower than the first quarter of last year. While revenues in the document solutions and office services businesses rose, the impact was offset by higher operating costs.

Property

Net income from the Group's property division was Rp15 billion, compared with net income of Rp6 billion in the first quarter of the previous year, mainly due to increased earnings from Menara Astra.

The Group's other projects include interests in Arumaya in South Jakarta and Asya in East Jakarta, both residential projects, and a 3-hectare residential and commercial development in Jakarta's Central Business District.

Recent Corporate Action

In February 2019, as part of the collaboration between the Group and GOJEK, a joint venture company was formed to provide fleet management support for the ride-hailing online transportation system of GO-CAR in Indonesia. This strategic collaboration was taken following an additional US\$100 million of equity investment by the Group in GOJEK in January 2019, which brought the Group's total investment in GOJEK to US\$250 million.

Prospects

The Group's performance was satisfactory in the first quarter of 2019, supported by increased contributions from its financial services and mining contracting businesses, as well as the contribution from its newly acquired gold mining business. For the remainder of the year, the Group is expected to continue to benefit from the performance of these businesses, while concerns remain over lacklustre demand and intense competition in the car market and weaker commodity prices.

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