

31st October 2019
PT ASTRA INTERNATIONAL TBK
2019 THIRD QUARTER FINANCIAL STATEMENTS

Highlights

- Net earnings per share down 7% at Rp392
- Motorcycle sales up 5% but car sales down 7%, both with increased market shares
- Higher earnings contribution from financial services and gold mining operations
- Heavy equipment, coal mining and agribusiness activities impacted by lower commodity prices

“While the Group’s full year result is expected to continue to benefit from an improved performance from financial services and the contribution from the newly acquired gold mine, concerns remain over relatively weak domestic consumption and low commodity prices.”

Prijono Sugiarto
 President Director

Group Results

	For the period ended 30th September		
	2019 Rp bn	2018 Rp bn	Change %
Net revenue	177,044	174,881	1
Net income*	15,868	17,073	(7)
	Rp	Rp	
Net earnings per share	392	422	(7)
	As at 30th September 2019 Rp bn	As at 31st December 2018 Rp bn	Change %
Shareholders' funds**	142,885	136,947	4
	Rp	Rp	
Net asset value per share**	3,529	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 nine months ended 30th September 2019 and 2018 as well as the financial position as at 30th September 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 7% lower during the first nine months of 2019, compared with the same period last year, mainly due to lower contributions from its automotive and agribusiness divisions, which more than offset a higher contribution from its financial services division.

Performance

The Group's consolidated net revenue for the period increased by 1% to Rp177.0 trillion, mainly due to higher revenue from its heavy equipment, mining, construction and energy, financial services, and infrastructure and logistics divisions, which more than offset declines in the automotive and agribusiness divisions.

The Group's net income was Rp15.9 trillion, 7% lower than the same period in 2018. The net asset value per share at 30th September 2019 was Rp3,529, 4% higher than at the end of 2018.

Net debt, excluding the Group's financial services subsidiaries, was Rp17.7 trillion at 30th September 2019, compared with Rp13.0 trillion at the end of 2018, mainly due to the Group's new toll road and Gojek investments, as well as capital expenditure in its mining contracting operation. The Group's financial services subsidiaries had net debt of Rp47.1 trillion at 30th September 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 30th September		
	2019 Rp bn	2018 Rp bn	Change %
Automotive	6,060	7,013	(14)
Financial Services	4,306	3,452	25
Heavy Equipment, Mining, Construction and Energy	5,140	5,428	(5)
Agribusiness	89	896	(90)
Infrastructure and Logistics	155	112	38
Information Technology	77	106	(28)
Property	41	66	(38)
Attributable Net Income	15,868	17,073	(7)

Automotive

Net income from the Group's automotive division fell by 14% to Rp6.1 trillion, mainly due to lower car sales volumes, increased manufacturing costs, and the effect of foreign exchange translation. Highlights were as follows:

- Astra's car sales were 7% lower at 396,000 units. The overall wholesale market declined by 12% to 754,000 units (*source: Gaikindo*). Astra's market share increased from 50% to 53%. 14 new models and 7 revamped models were launched during the period.
- The wholesale market for motorcycles increased by 4% to 4.9 million units. Astra Honda Motor's sales increased by 5% to 3.7 million units, with its market share slightly up at 75% (*source: Ministry of Industry*). 6 new models and 19 revamped models were launched during the period.
- The Group's 80%-owned components business, Astra Otoparts, reported a 24% increase in net income at Rp512 billion, mainly due to higher revenue from the replacement market and lower production costs.

Financial Services

Net income from the Group's financial services division increased by 25% to Rp4.3 trillion, mainly due to a larger loan portfolio and an improvement in non-performing loans. Highlights were as follows:

- The Group's consumer finance businesses saw a 7% increase in the amount financed to Rp64.2 trillion. The net income contribution from the Group's car-focused finance companies increased by 31% to Rp1.1 trillion, mainly due to lower non-performing loan losses. The net income contribution from the Group's motorcycle-focused business, Federal International Finance, increased by 8% to Rp1.9 trillion, mainly due to a larger loan portfolio.
- The Group's heavy equipment-focused finance operations saw a 17% decrease in the amounts financed to Rp3.1 trillion. The net income contribution from this segment grew 27% to Rp76 billion, with lower loan provisions.
- 44.6%-owned Permata Bank reported a 121% increase in net income to Rp1.1 trillion, due to improved revenue and lower loan impairment levels, attributable to improved loan quality and recoveries from non-performing loans. The bank's gross and net non-performing loan ratios improved to 3.3% and 1.2%, respectively, compared to 4.4% and 1.7% at the end of 2018.
- General insurance company, Asuransi Astra Buana, reported a 6% growth in net income at Rp809 billion, due to increased investment income.
- The Group's life insurance joint venture, Astra Aviva Life, acquired more than 723,000 new individual life customers and 140,000 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 decreased by 5% to Rp5.1 trillion, principally due to foreign exchange translation, where a significant gain was recorded in the prior year. Excluding foreign exchange translation, net income would have been slightly higher, mainly due to the contribution from the new gold mining operation and improved mining contracting volume, partly offset by lower heavy

equipment sales, which were impacted by lower coal prices, and lower earnings from the general contracting business. Highlights were as follows:

- 59.5%-owned United Tractors reported a 5% decrease in net income to Rp8.6 trillion.
- Komatsu heavy equipment sales fell 30% to 2,568 units, while parts and service revenues were stable.
- Mining contractor Pamapersada Nusantara recorded a 5% higher overburden removal volume at 750 million bank cubic metres, and a 7% higher coal production at 96 million tonnes.
- United Tractors' coal mining subsidiaries achieved 11% higher coal sales at 6.4 million tonnes, including 0.8 million tonnes of coking coal, but were affected by lower coal prices.
- Agincourt Resources, 95%-owned by United Tractors, achieved gold sales of 306,000 oz.
- General contractor Acset Indonusa, 50.1%-owned by United Tractors, reported a net loss of Rp752 billion, compared to a net income of Rp91 billion in the first nine months of 2018, mainly due to increased project and funding costs for several ongoing contracts.

Agribusiness

Net income from the Group's agribusiness division was down 90% at Rp89 billion. Highlights were as follows:

- 79.7%-owned Astra Agro Lestari reported a 90% decline in net income to Rp111 billion, primarily due to a fall in crude palm oil prices.
- Average crude palm oil prices fell 16% to Rp6,449/kg.
- Crude palm oil and derivatives sales increased by 10% to 1.7 million tonnes.

Infrastructure and Logistics

Net income from the Group's infrastructure and logistics division increased by 38% to Rp155 billion, mainly due to improved revenue from its operational toll roads. Highlights were as follows:

- The Group has interests in 339km of operational toll roads along the Trans-Java network and a further 11km currently under construction in the Jakarta Outer Ring Road.
- Toll revenue increased due to a 22% higher traffic volume in the Group's operational concessions, following the completion of the Trans-Java network in December 2018.
- Serasi Autoraya's net income decreased by 23% to Rp147 billion, due to a reduction in vehicles under lease and lower used car sales.

Information Technology

Net income from the Group's information technology division was 28% lower at Rp77 billion.

76.9%-owned Astra Graphia reported a 28% lower net income at Rp100 billion, due to lower operating profit margins, despite increased revenue from its document solution and office service solution businesses.

Property

Net income from the Group's property division was 38% lower at Rp41 billion, mainly due to reduced development earnings recognised from Anandamaya Residences, as a result of the completion of construction in 2018.

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

Prospects

While the Group's full year result is expected to continue to benefit from an improved performance from financial services and the contribution from the newly acquired gold mine, concerns remain over relatively weak domestic consumption and low commodity prices.

Prijono Sugiarto
President Director
31st October 2019

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About Astra

PT Astra International Tbk was established in 1957 in Jakarta as a general trading company under the name Astra International Inc. In 1990, for the purpose of the company's initial public offering (IPO), the name of the company changed to PT Astra International Tbk, followed by listing its shares on the Indonesia Stock Exchange under the ticker code ASII.

Astra has developed its business by implementing a business model based on synergies and diversification within seven business segments, consisting of: 1) Automotive, 2) Financial Services, 3) Heavy Equipment, Mining, Construction & Energy, 4) Agribusiness, 5) Infrastructure and Logistics, 6) Information Technology and 7) Property.

Astra conducts business operations in all parts of Indonesia under the management of more than 230 subsidiaries, joint ventures and associates companies, and was supported by more than 226,000 employees, as of September 2019.

As one of the largest national business groups today, Astra has built a strong reputation through offering a range of quality products and services, taking into account the implementation of good corporate governance and environmental governance. Astra always aspires to be the pride of the nation that participates in efforts to improve the welfare of the Indonesian people.

Therefore, Astra's business activities strive to apply a balanced mix in the commercial aspects of business and non-business contributions through 9 foundations and a variety of sustainable social responsibility programmes in the fields of health, education, the environment and the development of small and medium-sized enterprises (SMEs). Astra initiated the Semangat Astra Terpadu Untuk (SATU) Indonesia Awards programme, which has entered a decade this year, and has given recognition awards to 305 young Indonesians, consisting of 59 national level recipients and 246 provincial level recipients in the fields of Health, Education, the Environment, Entrepreneurship and Technology, which are integrated with Astra's wide range of community activities through 85 Kampung Berseri Astra and 645 Desa Sejahtera Astra initiated in 34 provinces throughout Indonesia.

For further information, please visit www.astra.co.id & www.satu-indonesia.com.