sekuritas sinarmas

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INDUSTRY UPDATE

Automotive & Components

4W SALES DRIVEN

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Automotive and Automotive Components Update

NEUTRAL

We Lower our rating on automotive industry to NEUTRAL from OVERWEIGHT as the industry itself is facing several challenges that will limit its volume growth. 4W sales in 8M2012 has been surprisingly resilient at 714k units (+23% yoy) even with the implementation of DP rules in June. However, the real impact will only be observed in October after we remove all the exogenous catalysts (Hari Raya Idul Fitri, IIMS and holiday seasons). 2W sales has been particularly weak even before the implementation of the regulation as lower-income segment of society is coping with rising living costs while income is declining due to falling commodity prices such as coffee and cocoa. 8M2012 2W sales was at 4,711k units (-14% yoy).

Sector : Automotive & Automotive Parts
Rating : Neutral ↓
Prior : Overweight

Company under Coverage:
PT Astra Otoparts Tbk
(BBG: AUTO.IJ; RIC: AUTO.JK)
OVERWIEGHT ↑—12M TP: **IDR 4,100**
(prior HOLD—12M TP: IDR 3,800)

Domestic 4W sales to reach 1mn units

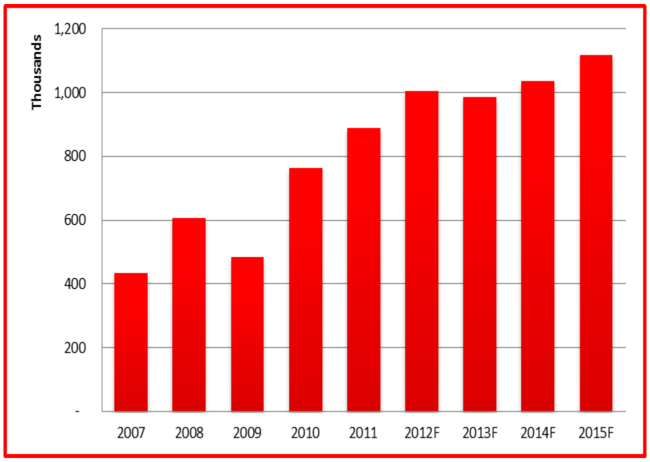
July domestic 4W sales reached 102k units on the backdrop of strong demands from consumers in preparation for Hari Raya Idul Fitri while August figure was relatively mild (76k units) due to shorter operational days. September figure is expected to be strong due to the ongoing International Indonesia Motor Show (IIMS) and we expect sales of more than 90k units. With these expectations, we revise the 2012 4W sales up to 1,006k units (+13% yoy) on the caveats that implementation of DP rule on Sharia financing space will not be effective this year. However, we remain cautious in 2013 due to: (1) BI's intention to stop the arbitrage by extending the Down Payment (DP) regulations into Sharia financing space (previously only conventional financing is subjected to the DP rules but now BI intends to pass the regulation to extend this rule into Sharia financing to minimize the formation of loan bubbles and limit the arbitrage opportunities that many automotive firms have undertaken). However, there are still many loopholes that the automotive firms can take advantage of and we feel that its impact might not be disastrous; (2) Potential hike in fuel price in 2013 to limit budget deficit and in the bid to boost the more-needed investment in infrastructure; (3) BPH Migas has suggested to implement limitation and consumption of subsidized gasoline (Premium) for certain area in Greater Jakarta (Jabodetabek) to rein control on the rising consumption of subsidized gasoline. Furthermore, BPH Migas also suggested to government to ban '*luxury*' cars (which its definition is very vague) from using subsidized gasoline.

We estimate that 4W sales will decline slightly to 986k units (-2% yoy) in 2013F due to our expectation that government will raise gasoline prices (historically, car sales declined when price of fuel increase. The decline might not be as significant as the previous hike as we estimate that the government will increase it gradually (ie IDR500 ever 4 month) instead of one-time IDR1500 increase—see appendix). 4W sales figure will recover to 1,036 units (+5% yoy) in 2014F as vehicles are still much needed commodities in urban area.

Domestic 2W sales to worsen—2012E estimate: 7mn (-15% yoy)

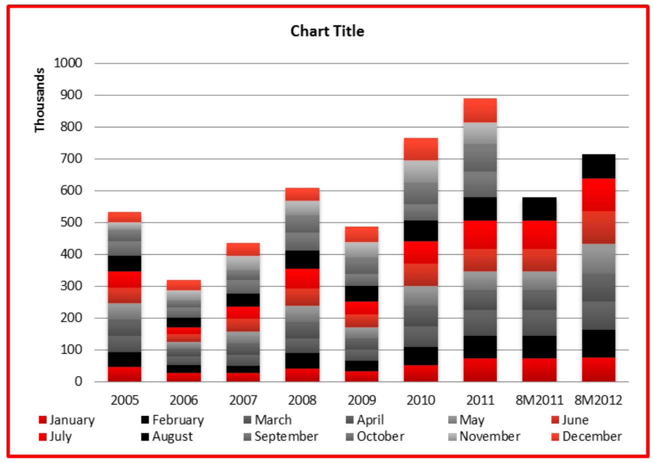
We expect Domestic 2W to continue its lower trajectory due to combination of the following factors: (1) declining commodity prices affecting workers in commodity-related industry and thus their earning and spending power; (2) implementation of DP regulation. Prior to June, financing on 2W was loosely regulated with DP reaching as low as 0%.; (3) Rising inflation (increase in food prices, electricity tariff and potential fuel) which curbs the saving rate of consumers, limits their discretionary spending and even prolongs the time for them to save to pay for the required DP.; (4) Implementation of fiduciary rules by Finance ministers imposing extra costs for buyers outside Java as they need to seek notary public service (which will cost additional IDR500k-1mn) for the registration. This will be additional cost upfront and they need to save even more before they can purchase the 2W vehicles.

Chart 1: Domestic 4W-vehicles Sales—Surprisingly strong growth prompts us to boost our 2012 estimate figure to 1mn units.



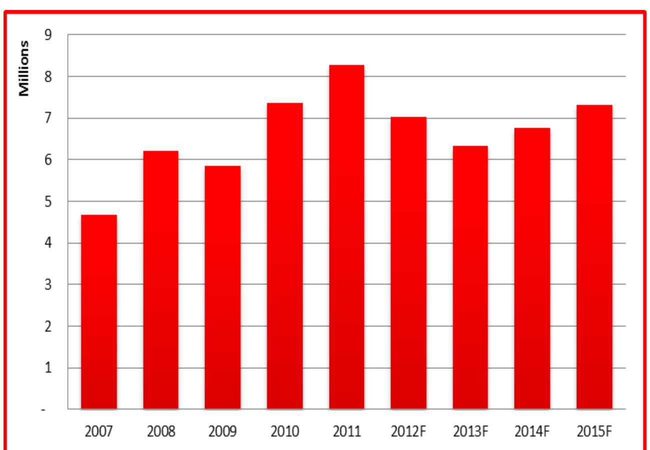
Source: Gaikindo, Sinarmas Sekuritas Research

Chart 2: 4W-Vehicles sales volume rose by 23.1% in 8M12 vs 8M11



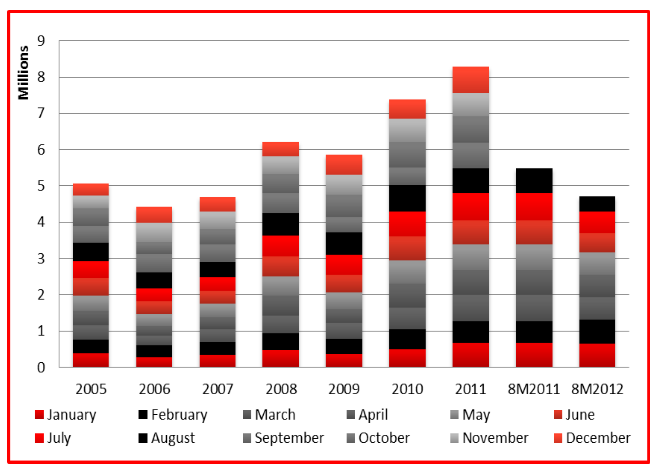
Source: Gaikindo

Chart 3: Domestic 2W-vehicles Sales—new regulations are negative to 2W as such we downgrade our estimates on 2W sales for 2012E-2015F.



Source: AISI, Sinarmas Sekurtias Research

Chart 4: Disappointing 8M2012 2W-vehicles Sales (-13.9% yoy) will drag down overall annual performance.



Source: AISI

Situation	Probability	Impact Factor	Explanation
Implementation of DP rules on Conventional Financing	Implemented	★★★☆☆	The impact is still not observable although many auto firms are already exploiting the loopholes and one of them is to introduce loan in Sharia banking space. The vagueness of the terms in the regulations opens up possibilities for firms to take advantage of. Furthermore, vehicles have become integral parts of urban population in Indonesia and with the lack of investment in public transportation, we feel that people will just save enough to qualify for the DP (especially for 2W as consumers have paid relatively high DP (>20%) for 4W even before the implementation of DP). Full impacts will only be observed in October sales figure and even then, firms like Astra has already prepared plans to get around this rules.
DP rules on Sharia Financing	●●●●○	★★★★☆	BI's intentions to stop the arbitrage opportunity by extending the DP rules into Sharia space might limit the loopholes but we are confident that firms like Astra International have found ways to circumvent these regulations. Additionally, the discussion is still on-going but chances are the bill will be passed. From our conversation with Astra, almost 60% of 2W financing has been deployed to Sharia financing and this will have even more negative impact on sales of 2W should it be passed.
Fuel Price Increase & High Inflationary Pressure	●●●●○	★★★★★	Significant impact on 4W & 2W sales as shown in previous years. With the combination of high inflationary pressure from rising foods and other commodities, electricity tariffs and fuel prices, we feel that consumers will think twice before purchasing new vehicle. They might also have to save longer in order to qualify for the purchase of vehicles with auto-loans. However, plan to increase the fuel price incrementally (IDR 500 every 4 months) might soften the blow but high inflationary pressure will dampen the consumers' sentiment. It is puzzling that Indonesia spent about 30% of its national budget on fuel subsidies which 84% of it is consumed by the wealthiest 50% of Indonesian households. Efficient asset reallocation through direct subsidies to the poor (instead of the current subsidies to the population) might potentially alleviate the inflationary problems and even boost sale of 2W as living condition of the poor improves slightly. Furthermore, gradual removal of fuel subsidies will also free-up investments for infrastructure investment such as toll-road which will boost vehicles sales as this alleviate the congested traffic in urban areas.
Ban subsidized fuel on luxury cars and limitation on the consumption of subsidized gasoline by not supplying these fuels to luxury residential area, toll road and instruct Pertamina Gas Station (SPBU) employee to charge full amount, instead of subsidized amount to luxury car drivers.	●●●○○	★★☆☆☆	Limited impacts as owners of luxury cars should be able to afford to pay fuel at market price. Vagueness and challenges in the regulation include: definition of '*luxury*', availability of unsubsidized fuel outside urban area and enforcement of this rule. This rule, if passed, will only cause frustration to existing car owners and they will eventually shift to non-subsidized fuel. This will definitely won't deter them to stop driving or even stop purchasing vehicles as the high dependency on vehicles, especially among the middle class and higher, has already entrenched in the psyche of these segment of populations.
Continuous downward pressure on commodity prices	Ongoing ●●●●● High probability that it will persist next year.	★★★★★ (esp for 2W)	Significant population of Indonesians are working in commodity or commodity-related industry such as palm oil, coal, plantations, and minerals. Based on our conversation with the management team of AUTO, certain commodities have experienced price decline for certain states outside Java leading to reduced income and even headcount cut causing the income of these people to decline. This explained the decline in 2W sales even before the implementation of DP rules as these segments of populations tend to be of lower income.
Fiduciary rules on 2W financing standard.	Passed PMK No. 130/2012 (effective from 7th of October 2012)	★★★★★ (esp for 2W)	Finance Minister regulation PMK No. 130/2012 (effective from 7th Oct 2012) stipulates that *firms must register fiduciary certificates with Law and Human Rights Ministry no later than 30 days after their customers sign financing agreements (Jakarta Post).* The new rule will prohibit the credit firms from repossessing motorcycles from customers who default on their loan obligations without the written permission from the Law and Human Rights Ministry and it will also provide legal guarantee for the firms in the case of customers' default. This rule will just introduce additional cost and with highly bureaucratic and complicated legal procedures, we see this only as cost and additional burden to buyer. According to the chairman of Indonesian Association of Financial Services (APPI), Wiwie Kurnia, the fiduciary certificate will cost around IDR50k/per certificate for customers but registration process for customers outside Java must be done in the presence of notary public which will cost another IDR500k-1mn (additional burden to buyers outside Java as they need to save even more to cover the DP and legal fees).

Source: various newspapers, news, Sinarmas Sekuritas Research

Investment Rush to Indonesia

Since Indonesia regains its investment grade status from Fitch's Rating and Moody's, the rush to invest in Indonesia is gaining speed, especially in automotive and automotive components industry. Global automakers including Toyota, Honda, Daihatsu, Mitsubishi, General Motors, Ford, and even Tata Motors have raised their stakes in Indonesia in order to secure the potential growth in the coming years. This is further catalyzed by the expectation of 2W sales reaching 1mn units this year and its growth potential with current low car ownership rate. Moreover, the Indonesian government has planned to approve luxury-goods sales tax (PPnBM) cut on Low Cost Green Car (LCGC) paving way for production and sales of this hybrid-power vehicles and industry experts estimate that with more incentives, Indonesia will become a full-scale production base for LCGC by 2020. According to industry experts, the stream of taxes have made it more challenging for manufacturers to offer car below IDR100mn, the minimum threshold to qualify for low-cost car.

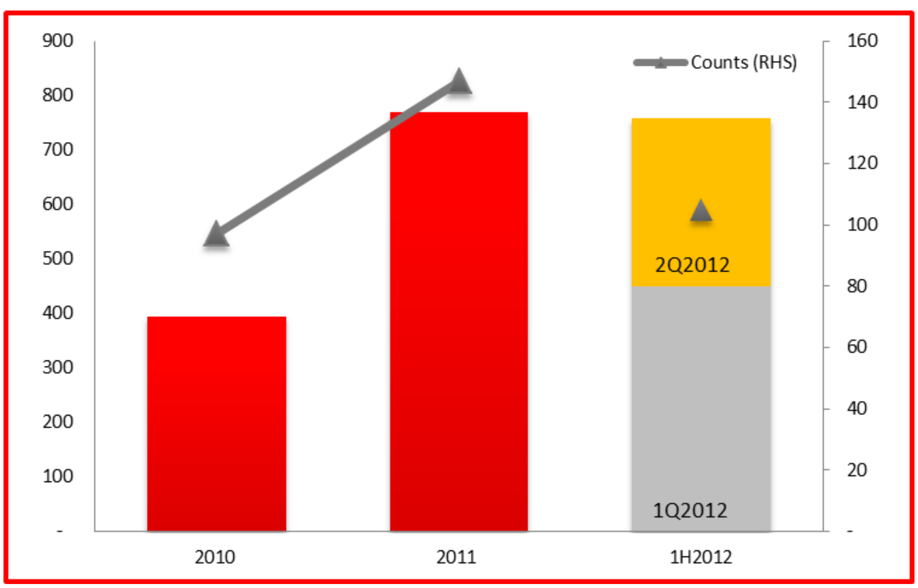
With its ambitious aims to be main automotive manufacturing base for the ASEAN markets, Indonesian government rolls out many incentives to attract global giants to expand and establish their manufacturing base here. The Ministry of Industry's Director General for High-Technology Priority Industries, Budi Darmadi, mentioned that the extent of tax incentives will depend on the amount of locally-produced components used in manufacturing the vehicles, the implementation of environmentally friendly technology used in manufacturing process and the fuel efficiency of the vehicles*. Tax incentives on import of raw materials for component manufacturing and enforcement of the use of locally-produced components will spur more investment in auto-parts industry as automakers continue to expand in Indonesia.

Key landmark investments in Auto-parts include:

1. Denso Corporation (JV with PT Astra Otoparts Tbk) planned to invest about USD110 mn to build a new plant in Bekasi Fajar as it sees potential growing demand for automobiles in Indonesia. It will start operating in February 2014 and it will produce engine control products and devices such as starters.
2. Pirelli (JV with PT Astra Otoparts) invested USD120 mn to build a new plant in Karawang to produce 2W tires.
3. Jouku Technology Co, Ltd and PT Takagi Sari Multi Utama, with PT Astra Otoparts, will invest IDR100 bn to produce vehicles lamp in Karawang.

However, current lack of infrastructure and highly bureaucratic process, vis-à-vis its other ASEAN counterparts, has become decisive factors that deter MNCs away from investing in Indonesia and they still prefer to establish regional manufacturing base at Thailand or Malaysia. Unstable electricity supply, despite rising tariffs, lack of proper road and port for transportation have hindered in investment despite strong momentum from rising 4W and 2W sales as GDP per capital increases. Going forward, the government has shifted its focus heavily on infrastructure investment and with the passing of land-acquisition bills, we should expect some level of progress in the near term.

Chart 5: Investments in Auto and Auto-related Industries



Source: BKPM

*: Automotive manufacturers will be eligible for the lower tax rate for making cars with 1,000 cc-engines that can travel more than 22km per liter of fuel or cars with 1,200-cc engines with fuel efficiency 20km per liter of fuel.

PT ASTRA OTOPARTS TBK

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Volume Play

OVERWEIGHT

We raised our rating to OVERWEIGHT from HOLD on PT Astra Otoparts Tbk with higher TP of IDR 4,100. AUTO has gained some traction since our previous reports and AUTO has expanded its products portfolio significantly this year via establishment of JV with global players and will continue to do so should opportunity arise. This expansion will payoff in 2014/2015 when the manufacturing plants are ready for operation and as such we increase our growth estimate from 2014 onwards to account for the boost in product portfolio. However outlook, as highlighted above, remains uncertain as 2W sales has declined significantly and impact of the DP rules and potential increase in fuel price next year will cloud 4W sales. Margin will remain an issue for OEM division as the firm is still negotiating with car manufacturer and the outcome remains highly unclear if AUTO will be able to coax the vehicles manufacturers for price increase. Consequently, we reduce our margin estimate throughout our projection with the assumptions that ASP of OEM does not rise/decline materially and margin from Trading division will increase slightly due its market leadership in REM and competitors' shift of focus from REM to export markets.

Margins

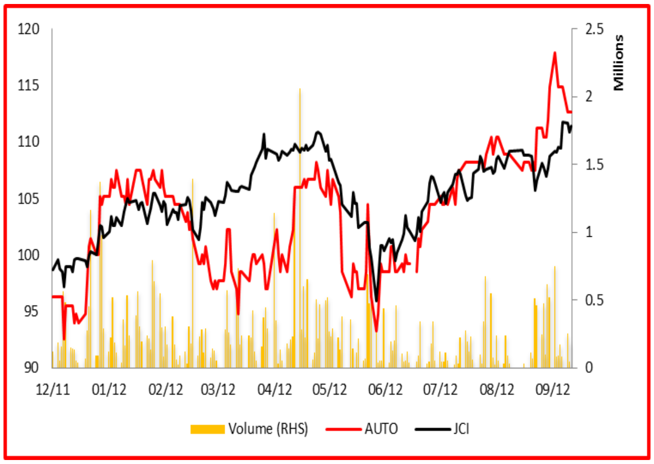
We revise down our gross margin by at least 100 bps across our projection periods. We reduce our estimate for 2013F GM to 14.8% from our previous 16.8% due to: (1) potential rising labor costs to allow workers to cope with rising inflation (electricity tariff and fuel); (2) Rising raw materials as an effect of global monetary easing which might result in inflation; (3) rising industrial electricity tariff (although the industry association is still lobbying for some incentives or no price increase for industrial tariff); (4) ASP of OEM does not rise/decline materially; (5) Efficiency has reached its limit and any further efficiency program embarked by the firm has diminishing effect on overall gross margins.

2014F-2016F Growth Rate

We hike the growth rate for OEM and Trading Revenue with 2014F-2016F CAGR of 29% and 19% (vs. our previous estimate of 20% and 17%), respectively as the expansion in product portfolio start (PT Autoplastik Indonesia and PT Velasto Indonesia) to generate return. Additionally, we raise its growth rate of equity-linked net income to 2014F-2016F CAGR of 24% from the previous estimate of 20%.

Stock Data	
Sector	Automotive Component
Price (31 July 2012)	IDR 3,775
12M Target Price	IDR 4,100
12-month Rating	OVERWEIGHT
Prior	HOLD (TP IDR 3,800)
Ticker	AUTO.IJ (BBG); AUTO.JK (RIC)
Market Cap	IDR14.6 tn
Shares Outstanding	3,855.8 mn
Free Float	167.3 mn

AUTO Performance against JCI Index



Source: Bloomberg

Summary (IDR bn)	2009	2010	2011	2012E	2013F	2014F	2015F
Revenues	5,266	6,255	7,364	8,376	9,633	11,897	14,813
EBIT	440	573	520	566	628	803	1,034
Net Income	788	1,138	1,013	1,042	1,059	1,340	1,720
EPS (IDR)	204	295	263	270	275	347	446
Net DPS (IDR)	120	118	105	108	110	139	178

Source: Company data, Sinarmas Sekuritas Research

Profitability	2009	2010	2011	2012E	2013F	2014F	2015F
Gross Margin%	18.0%	18.4%	16.8%	15.3%	14.8%	14.8%	14.9%
EBIT Margin%	8.4%	9.2%	7.1%	6.8%	6.5%	6.7%	7.0%
EBITDA Margin%	10.1%	11.2%	9.2%	9.1%	9.0%	9.2%	9.5%
EV/EBITDA x			13.3	11.8	10.4	8.2	6.4
P/E x				15.2	14.9	11.8	9.2
Net Dividend Yield				2.84%	2.89%	3.66%	4.69%

Source: Company data, Sinarmas Sekuritas Research

	Ownership rate
PT Astra International Tbk	95.66%
Institutional Ownership	0.44%
Retail/Others	3.90%

Source: Bloomberg (as of 19 September 2012)

Key Catalysts for growth include:

1. AUTO-Shell Co-branding of Lubricants were launched this year.
2. AUTO-Pirelli JV to manufacture 2W tires (AUTO will now manufacture its Aspira tire from this plant and will consider coming up with sister brand to ensure competition and strengthen AUTO's market share in tires).
3. AUTO-PT Juoku Technology & PT Takagi Sari Multi Utama JV to manufacture automotive lamps.
4. Expansion of Denso—Denso will establish its 3rd plant in Bekasi Fajar crystalizing Indonesia as Denso's production base to expand its supplier network to ASEAN.

All, except the Co-branding between AUTO & Shell Corporation, will begin production in 2014, allowing the firm to further cement its market share in the components market, especially REM.

Overall

AUTO presents potential after its major expansion in capex in 2012E and 2013F totaling to almost IDR 3tn and we should export significant growth in 2014F once most of its manufacturing facilities begin their operations. Meanwhile, AUTO is facing margin pressure as costs are rising while its ASP for its OEM components remains relatively stagnant. Its consolidated revenue of OEM is also sensitive to 2W sales (rough breakdown of consolidated revenue: 20% 4W and 80% 2W) while its equity-linked net income is more sensitive to 4W (80% 4W and 20% 2W). Its top line consolidated revenue might see some weakness as 2W sales is in declining trend and its equity-linked net-income will decline slightly especially if fuel subsidies is reduced in 2013 and there are no more positive exogenous factors supporting 4W sales and unadulterated full-blown impact of DP regulations will then be observed.

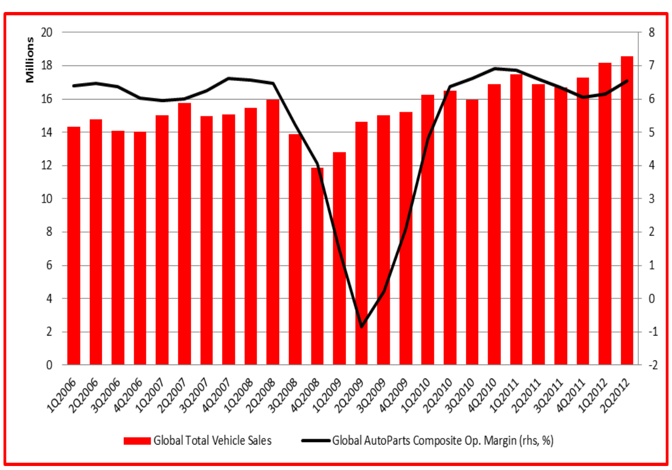
Valuations

We derive our TP of IDR 4,100 via SOTP with DCF (WACC: 13.5% and long term growth rate of 3.5%) on the parent company while P/E multiple of 13.5 on its subsidiaries and jointly-controlled entities. The TP implies 8.6% potential increase from the closing value of IDR 3,775, 2012E and 2013F P/E of 15.1 and 14.8, respectively.

Potential downside risks include: (1) Bigger than expected drop in 2W and 4W sales as there is no more catalysts supporting car sales and BI is plugging the loopholes by implementing the same rule on Sharia Financing space; (2) One-time increase in fuel price in 2013 triggering full-blown inflation, especially if combined with 15% increase in electricity tariff; (3) Slower than expected operation of new manufacturing plants resulting in delayed cash flows; (4) OEM margin compression worsens as ASP fails to rise in line with rising costs; (5) Yuasa Battery (competitor of GS Battery) shifts its focus back to domestic market fueling pricing and advertising war among the 2 brands, potentially resulting in margin compression for Trading division and rising operational costs.

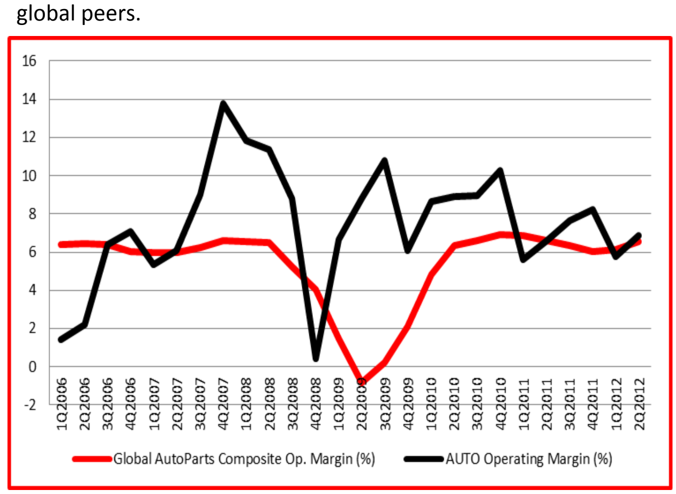
Key upside potentials include: (1) positive results from the negotiation process resulting in rising ASP of OEM and thus more-than-expected margin expansion; (2) vehicles sales volume is not impacted as much as expected probably due to appetite for vehicles especially in urban area or Automotive dealers might have found other loopholes to circumvent the DP rules.

Chart 6: Global Total Vehicles Sales and Operating Margin of Global Auto Parts Composite—Operating margin has been struggling to rise beyond 7% despite rising total vehicles sales



Source: Bloomberg (Bloomberg Industry BI <GO>)

Chart 7: AUTO's EBIT Margin is in-line with industry standard indicating that despite the absence of ASP increase in OEM, AUTO's still manage to achieve industry standard profitability, it is relatively efficient vs. its global peers.



Source: Bloomberg (Bloomberg Industry BI <GO>), Company data

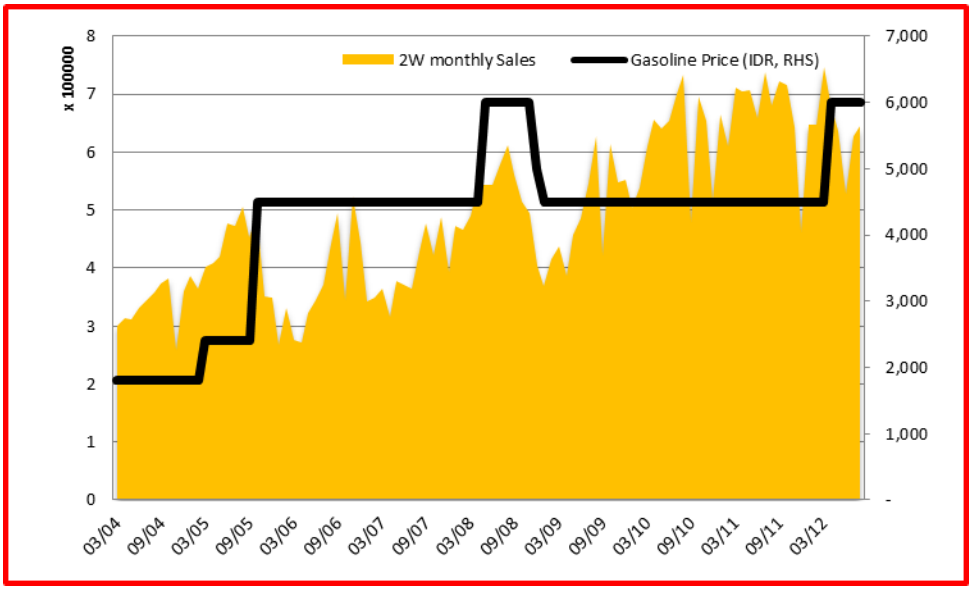
Table 1: Income Statement Summary

	2009	2010	2011	1H2012E	2012E	2013F	2014F	2015F	2016F	2017F
Revenues	5,265,798	6,255,109	7,363,659	4,161,580	8,376,465	9,632,935	11,896,886	14,813,256	18,708,831	22,121,556
Cost of Revenue	4,317,181	5,102,483	6,126,058	3,485,651	7,094,866	8,207,260	10,136,147	12,606,081	15,547,038	18,383,013
Gross Profit	948,617	1,152,626	1,237,601	675,929	1,281,599	1,425,674	1,760,739	2,207,175	3,161,792	3,738,543
SG&A	508,626	579,511	718,053	413,607	715,175	797,604	957,765	1,172,809	1,577,872	1,860,043
EBIT	439,991	573,115	519,548	262,322	566,424	628,071	802,975	1,034,366	1,583,920	1,878,500
Other non-	56,242	30,993	35,642	43,919	44,018	54,809	69,223	81,850	95,183	110,733
interest, net	-14,493	-141,764	-169,543	(28,971)	-175,544	-148,219	-147,931	-127,930	-109,485	-147,001
Equity linked, net income	509,774	761,161	693,786	370,619	789,682	813,373	992,315	1,210,624	1,513,280	1,664,608
Profit before tax	967,001	1,391,264	1,255,083	647,889	1,273,032	1,307,543	1,663,764	2,151,581	3,018,493	3,497,028
Taxation	-137,046	-168,956	-153,500	(73,707)	-130,504	-133,426	-181,291	-254,058	-406,407	-494,753
Profit after tax	829,955	1,222,308	1,101,583	574,182	1,142,527	1,174,117	1,482,473	1,897,523	2,612,085	3,002,275
Minorities	-41,690	-84,126	-88,364	(46,278)	-100,518	-115,595	-142,763	-177,759	-224,506	-265,459
Net Profit	788,265	1,138,182	1,013,219	527,904	1,042,010	1,058,522	1,339,710	1,719,763	2,387,579	2,736,816
EPS (Adjusted)	204.44	295.19	262.78	136.91	270.25	274.53	347.45	446.02	619.22	709.79
Gross Margin	18.0%	18.4%	16.8%	16.2%	15.3%	14.8%	14.8%	14.9%	16.9%	16.9%
EBITDA margin	10.1%	11.2%	9.2%	8.7%	9.1%	9.0%	9.2%	9.5%	10.7%	10.7%
EBIT Margin	8.4%	9.2%	7.1%	6.3%	6.8%	6.5%	6.7%	7.0%	8.5%	8.5%
NOPAT Margin	5.9%	6.7%	5.1%	4.7%	4.9%	4.8%	4.9%	5.1%	6.2%	6.2%
Net Margin	5.3%	6.0%	4.3%	3.8%	3.0%	2.5%	2.9%	3.4%	4.7%	4.8%
Revenue Growth	-1.3%	18.8%	17.7%	16.8%	13.8%	15.0%	23.5%	24.5%	26.3%	18.2%
EBITDA Growth	0.4%	31.1%	-3.2%	-3.0%	12.1%	14.5%	26.6%	27.7%	42.1%	18.5%
EBIT Growth	-2.6%	30.3%	-9.3%	22.4%	9.0%	10.9%	27.8%	28.8%	53.1%	18.6%
Net Profit Growth	39.3%	44.4%	-11.0%	9.9%	2.8%	1.6%	26.6%	28.4%	38.8%	14.6%
Equity linked net income Growth	80.0%	49.3%	-8.9%	6.9%	2.8%	1.6%	26.6%	28.4%	38.8%	14.6%

Fiscal Year End	2010	2011	2012E	2013F	2014F	2015F	2016F	2017F
Income Statement (IDR mn)								
Sales Revenue	6,255,109	7,363,659	8,376,465	9,632,935	11,896,886	14,813,256	18,708,831	22,121,556
Gross Profit	1,152,626	1,237,601	1,281,599	1,425,674	1,760,739	2,207,175	3,161,792	3,738,543
Operating Income	573,115	519,548	566,424	628,071	802,975	1,034,366	1,583,920	1,878,500
Depreciation & Amortization	2,952,125	2,952,126	2,952,127	2,952,128	2,952,129	2,952,130	2,952,131	2,952,132
EBITDA	**699,832**	**677,293**	**759,082**	**868,894**	**1,100,397**	**1,404,698**	**1,995,514**	**2,365,174**
Other non-operating income	30,993	35,642	44,018	54,809	69,223	81,850	95,183	110,733
Net Interest Income (expense)	-141,764	-169,543	-175,544	-148,219	-147,931	-127,930	-109,485	-147,001
Equity linked, net income	761,161	693,786	789,682	813,373	992,315	1,210,624	1,513,280	1,664,608
Profit before tax	1,391,264	1,255,083	1,273,032	1,307,543	1,663,764	2,151,581	3,018,493	3,497,028
Tax expenses	-168,956	-153,500	-130,504	-133,426	-181,291	-254,058	-406,407	-494,753
Profit after tax	1,222,308	1,101,583	1,142,527	1,174,117	1,482,473	1,897,523	2,612,085	3,002,275
Minority Interests	-84,126	-88,364	-100,518	-115,595	-142,763	-177,759	-224,506	-265,459
Net Profit	**1,138,182**	**1,013,219**	**1,042,010**	**1,058,522**	**1,339,710**	**1,719,763**	**2,387,579**	**2,736,816**
Cash Flow (IDR mn)								
Operating Cash Flow	399,127	258,576	719,986	741,199	652,061	972,373	996,541	1,354,509
Capex	409,006	773,467	1,842,822	1,155,952	713,813	370,331	467,721	553,039
Investments in Associates & Jointly Controlled Entities	0	64,405	450,000	100,000	0	0	0	0
Free Cash Flow	-9,879	-579,296	-1,572,836	-514,753	-61,753	602,042	528,820	801,470
Dividends Received from Investments	223,250	441,016	370,017	425,520	476,582	524,240	576,664	622,797
Dividends Paid	456,525	488,202	416,804	423,409	535,884	687,905	955,032	1,094,726
Debt Issuance (redemption)	-20,552	561,321	1,536,062	316,212	50,382	-425,647	249,115	-296,473
Net debt (cash)	-203,122	365,399	281,838	85,407	14,735	27,464	427,032	460,100
Balance Sheet (IDR mn)								
Cash & cash equivalents	485,564	365,399	281,838	85,407	14,735	27,464	427,032	460,100
Account Receivables	849,087	1,017,494	1,116,637	1,322,080	1,670,847	2,079,345	2,687,237	2,948,829
Inventories	708,322	955,369	1,091,518	1,206,950	1,490,610	1,853,835	2,286,329	2,703,384
Other Current assets	156,752	226,193	226,256	252,700	319,519	410,591	557,060	665,070
Net fixed assets	985,029	1,547,831	3,200,487	4,166,989	4,539,443	4,470,044	4,350,390	4,388,859
Investment in Jointly Controlled Entities	2,154,640	2,475,031	2,846,286	3,273,228	3,666,016	4,032,618	4,435,879	4,790,750
Other non-current assets	246,458	376,910	725,112	344,425	522,617	472,822	1,273,366	1,965,765
Total Assets	**5,585,852**	**6,964,227**	**9,488,134**	**10,651,780**	**12,223,786**	**13,346,719**	**16,017,292**	**17,922,756**
Short term Liabilities	1,251,731	1,892,818	3,469,465	3,786,270	4,291,651	4,273,996	5,329,547	5,484,291
Long term Liabilities	230,974	348,515	611,482	751,369	927,957	933,235	991,568	951,227
Total Liabilities	1,482,705	2,241,333	4,080,947	4,537,639	5,219,609	5,207,232	6,321,115	6,435,518
Shareholders' Equity	3,860,827	4,423,554	5,047,979	5,683,092	6,486,918	7,518,776	8,951,324	10,593,413
Minority Interest	242,320	299,340	359,208	431,050	517,260	620,711	744,854	893,824
Total Equity & Liabilities	**5,585,852**	**6,964,227**	**9,488,134**	**10,651,780**	**12,223,786**	**13,346,719**	**16,017,292**	**17,922,756**
Key Ratio								
Revenue Growth (%)	18.8%	17.7%	13.8%	15.0%	23.5%	24.5%	26.3%	18.2%
EPS Growth (%)	44.4%	-11.0%	2.8%	1.6%	26.6%	28.4%	38.8%	14.6%
EBITDA Margin (%)	11.2%	9.2%	9.1%	9.0%	9.2%	9.5%	10.7%	10.7%
Payout Ratio (%)	40.1%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
ROE (%)	29.5%	22.9%	20.6%	18.6%	20.7%	22.9%	26.7%	25.8%
Quick Ratio (×)	1.19	0.85	0.47	0.44	0.47	0.59	0.69	0.74
Debt/Equity (%)	0.07	0.20	0.48	0.48	0.43	0.32	0.29	0.22

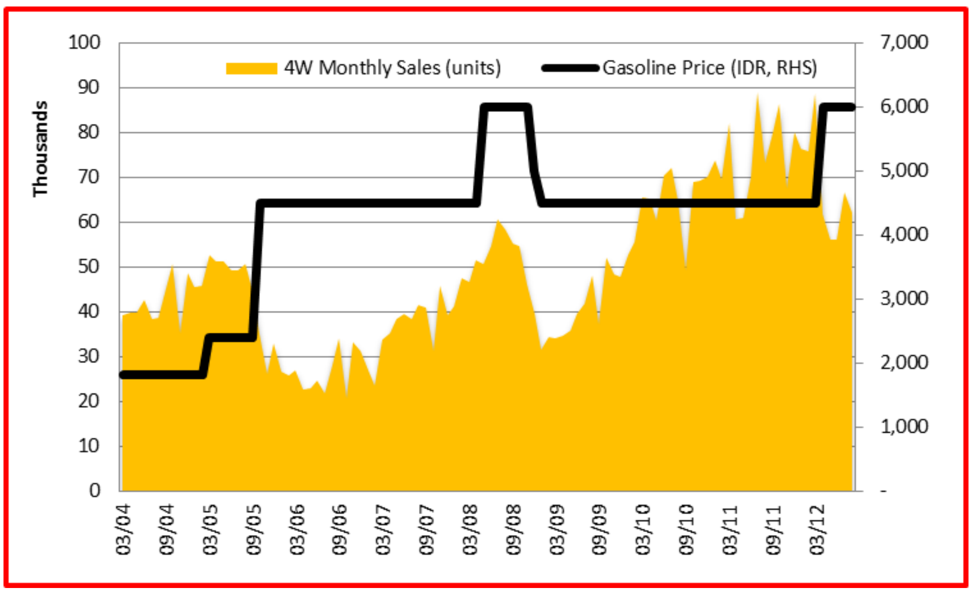
Appendix : Impacts of Fuel Price Hike on 2W and 4W sales (Reproduced from Reports "Automotive Industry Update: Fuel Price Hike and Plan to Increase Down Payment for Auto-Financing—Key Risks" dated 15 Mar 2012)

Chart 8: Fuel Price Hike and 2W monthly Sales



Source: AISI, Bloomberg

Chart 9: Fuel Price Hike and 4W monthly Sales



Source: GAIKINDO, Bloomberg

PT ASTRA OTOPARTS Tbk COMPANY UPDATE

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