



**Jardine Strategic**

Jardine Strategic Holdings Limited  
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## Press Release

[www.jardines.com](http://www.jardines.com)

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For immediate release

### **PT Astra International Tbk 2018 Third Quarter Financial Statements**

The following announcement was issued today by the Company's 75%-owned subsidiary, Jardine Cycle & Carriage Limited, which holds 50.1% of PT Astra International Tbk.

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## PRESS RELEASE

**29th October 2018**  
**PT ASTRA INTERNATIONAL TBK**  
**2018 THIRD QUARTER FINANCIAL STATEMENTS**

### Highlights

- Net earnings per share up 21% at Rp422
- Higher motorcycle sales, while car sales declined
- Higher coal prices continued to benefit heavy equipment, mining contracting and mining revenue
- Lower crude palm oil prices adversely impacted agribusiness

“We expect the Group to achieve satisfactory full year results, notwithstanding concerns over competitive pressure in the car market and weak crude palm oil prices.”

Prijono Sugiarto  
 President Director

### Group Results

	9 months ended 30th September		
	2018 Rp bn	2017* Rp bn	Change %
Net revenue	174,881	150,225	16
Net income	17,073	14,159	21
	<b>Rp</b>	<b>Rp</b>	
Net earnings per share	422	350	21
	<b>As at 30th September 2018 Rp bn</b>	<b>As at 31st December 2017* Rp bn</b>	<b>Change %</b>
Shareholders' funds	132,480	123,780	7
	<b>Rp</b>	<b>Rp</b>	
Net asset value per share	3,272	3,058	7

\* Restated due to implementation of PSAK No. 69: Agriculture

The financial results for the nine months ended 30th September 2018 and 2017 as well as the financial position as at 30th September 2018 have been prepared in accordance with Indonesian Financial Accounting Standards and are unaudited. The financial position as at 31st December 2017 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

Overall, the Group's net earnings were higher during the period, due to increased contribution from its heavy equipment, mining, construction and energy, financial services and automotive segments, which more than offset a lower contribution from agribusiness. While the depreciation of the Rupiah during the period has led to margin pressure in the Group's manufacturing operations, the impact has been offset by the Group's commodity-related and export activities and foreign exchange translation gains.

### Performance

The Group's consolidated net revenue for the period increased by 16% to Rp174.9 trillion, with higher revenues achieved in most segments, especially from heavy equipment, mining, construction and energy.

The Group's net income was Rp17.1 trillion, 21% higher compared with the same period last year.

The net asset value per share was Rp3,272 at 30th September 2018, 7% higher than at the prior year end.

Net cash excluding the Group's financial services subsidiaries was Rp1.7 trillion, down from Rp2.7 trillion at 31st December 2017, due mainly to the Group's toll road and GO-JEK investments and capital expenditure in its mining contracting business. The Group's financial services subsidiaries had net debt of Rp47.8 trillion, compared with Rp46.1 trillion at the end of 2017.

### Business Activities

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

	Net Income Attributable to Astra International		
	9 months ended 30th September 2018		
	2018 Rp bn	2017* Rp bn	Change %
Automotive	7,013	6,579	7
Financial Services	3,452	2,948	17
Heavy Equipment, Mining, Construction and Energy	5,428	3,400	60
Agribusiness	896	1,096	(18)
Infrastructure and Logistics	112	(66)	270
Information Technology	106	105	1
Property	66	97	(32)
<b>Attributable Net Income</b>	<b>17,073</b>	<b>14,159</b>	<b>21</b>

\* Restated due to implementation of PSAK No. 69: Agriculture

### ***Automotive***

Net income from the Group's automotive division was 7% higher at Rp7.0 trillion, primarily due to higher motorcycle sales.

The wholesale market for cars was 7% higher in the period at 857,000 units. Astra's car sales, however, were 4% lower at 424,000 units as a result of increased competition, which resulted in a decline in market share from 55% to 50%. The Group launched 17 new models and six revamped models during the period.

The wholesale market for motorcycles increased by 9% to 4.7 million units. Astra Honda Motor's domestic sales increased by 9% to 3.5 million units, with its market share stable at 75%. The Group launched five new models and 16 revamped models during the period.

Astra Otoparts, the Group's automotive components business, reported net income which was 12% higher at Rp414 billion, due to increased revenues from its original equipment manufacturing and replacement market sales.

### ***Financial Services***

Net income from the Group's financial services division increased by 17% to Rp3.5 trillion, with an improved contribution from its consumer finance businesses.

During the period, the Group's consumer finance businesses saw a 4% decrease in the amount financed to Rp60 trillion, mainly due to a reduction in amount financed in the low cost car segment. The net income contribution from the Group's car-focused finance companies increased by 12% to Rp837 billion, as a result of lower provisioning. The net income contribution from motorcycle-focused Federal International Finance was 18% higher at Rp1.7 trillion, reflecting a larger loan portfolio.

The amount financed through the Group's heavy equipment-focused finance operations decreased by 28% to Rp3.8 trillion, mainly due to reduced lending to small and medium-sized operations.

In September 2018, the Group and WeLab, a leading technology enabler for consumer lending in China including Hong Kong, announced the establishment of Astra WeLab Digital Arta, 60%-owned by Astra, to offer mobile lending products to retail consumers and provide financial technology solutions to enterprise customers.

Permata Bank, in which Astra holds a 44.6% interest, reported net income of Rp494 billion, compared to Rp708 billion in the equivalent period last year. Permata Bank's 2017 results benefited from a one-off gain on the sale of non-performing loans. The bank's gross and net non-performing loan ratios at the end of September 2018 were 4.8% and 1.7%, respectively.

Asuransi Astra Buana, the Group's general insurance company, reported net income 2% higher at Rp764 billion, due to higher investment and underwriting income. During the period, the Group's life insurance joint venture, Astra Aviva Life, acquired more than 232,000 new individual life customers and 663,000 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 60% to Rp5.4 trillion.

United Tractors, which is 59.5%-owned, reported 61% higher net income at Rp9.1 trillion, mainly due to improved performances in its construction machinery, mining contracting and mining operations, all of which benefited from higher coal prices.

Within United Tractors' construction machinery business, Komatsu heavy equipment sales rose 34% to 3,681 units, while parts and service revenues were also higher. The mining contracting operations of wholly-owned Pamapersada Nusantara recorded a 22% increase in overburden removal volume at 717 million bank cubic metres and 10% higher coal production at 90 million tonnes. United Tractors' mining subsidiaries reported 15% growth in coal sales at 5.8 million tonnes, including sales of 526,000 tonnes of coking coal by Suprabari Mapanindo Mineral, United Tractors' 80.1%-owned coking coal company which became operational in late 2017.

General contractor Acset Indonusa, a 50.1% subsidiary of United Tractors, reported an 18% decrease in net income at Rp91 billion. Rp835 billion of new construction projects were secured during the period.

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

In August 2018, United Tractors' subsidiary, Danusa Tambang Nusantara, signed a Conditional Share Sale Agreement to acquire a 95% stake in Agincourt Resources, which operates a gold mine in North Sumatera, for approximately US\$1.0 billion.

### ***Agribusiness***

Net income from the Group's agribusiness division was down 18% at Rp896 billion.

Astra Agro Lestari, which is 79.7%-owned, reported an 18% decline in net income at Rp1.1 trillion primarily due to a fall in crude palm oil prices which were 8% lower at Rp7,639/kg. This more than offset a 23% increase in crude palm oil and derivatives sales to 1.6 million tonnes.

### ***Infrastructure and Logistics***

The Group's infrastructure and logistics division reported a net income of Rp112 billion, compared to a Rp66 billion net loss in the first nine months of 2017. This was mainly due to improved earnings from the Tangerang-Merak toll road and Serasi Autoraya, as well as the inclusion in the prior year's results of a one-off loss on the disposal of the Group's 49% interest in PAM Lyonnaise Jaya.

The Group's portfolio of toll road interests totals 353km, of which 269km is operational. Toll revenue from the mature 72.5km Tangerang-Merak toll road, operated by 79.3%-owned

Marga Mandalasakti, increased by 11% to Rp793 billion, while the wholly-owned 40.5km Jombang-Mojokerto toll road, of which 39.6km became fully operational in September 2017, recorded Rp151 billion of toll revenue during the first nine months of 2018. Toll revenue from the 45%-owned 116.8km Cikopo-Palimanan toll road increased by 12% to Rp1.0 trillion. The 40%-owned 72.6km Semarang-Solo toll road recorded toll revenue of Rp180 billion, a 44% rise from the comparable period last year, with 40.1km now in operation, following the opening of the third section in September 2017. The Group also has a 40% stake in the 11.2km Kunciran-Serpong toll road and a 25% stake in the 39.8km Serpong-Balaraja toll road, both of which are under development.

Serasi Autoraya's net income increased by 41% to Rp190 billion, primarily due to improved operating margins in its car leasing and rental businesses. Its vehicles under contract rose 1% to 22,800 units.

### ***Information Technology***

Net income from the Group's information technology division was 1% higher at Rp106 billion.

Astra Graphia, which is 76.9%-owned, reported 1% higher net income of Rp138 billion due to increased revenue from all of its businesses.

### ***Property***

The Group's property division reported 32% lower net profit of Rp66 billion, due mainly to reduced development earnings recognised from its Anandamaya Residences project as a result of lower percentage completion in its final stages of construction.

The Group's other property development projects comprise Arumaya in South Jakarta and Asya in East Jakarta.

### **Prospects**

We expect the Group to achieve satisfactory full year results, notwithstanding concerns over competitive pressure in the car market and weak crude palm oil prices.

Prijono Sugiarto  
President Director  
29th October 2018

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