



**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 Full Year 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

**27th February 2019**  
**PT ASTRA INTERNATIONAL TBK**  
**2018 FULL YEAR FINANCIAL STATEMENTS**

### Highlights

- Net earnings per share up 15% at Rp535
- Higher coal prices benefit heavy equipment, mining contracting and mining revenue
- Improved earnings contribution from financial services
- Automotive market improved, with higher motorcycle and car sales
- Lower crude palm oil prices adversely impact agribusiness

“The Group achieved satisfactory results in 2018, but 2019 is likely to be a more challenging year, owing to macro economic uncertainties, the highly competitive car market and lower commodity prices.”

Prijono Sugiarto  
 President Director

### Group Results

|                           | For the years ended 31st December             |  |                     |
|---------------------------|---|--|---------------------|
|                           | 2018<br>Rp bn                                 | 2017*<br>Rp bn                                 | Change<br>%         |
| Net revenue               | 239,205                                       | 206,057  | 16                  |
| Net income                | 21,673  | 18,847   | 15                  |
|                           | <b>Rp</b>                                     | <b>Rp</b>                                      |                     |
| Net earnings per share    | 535   | 466  | 15                  |
|                           | <b>As at 31st<br/>December 2018<br/>Rp bn</b> | <b>As at 31st<br/>December 2017*<br/>Rp bn</b> | <b>Change<br/>%</b> |
| Shareholders' funds       | 136,947                                       | 123,780  | 11                  |
|                           | <b>Rp</b>                                     | <b>Rp</b>                                      |                     |
| Net asset value per share | 3,383   | 3,058  | 11                  |

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

The financial results for the year ended 31st December 2018 and 2017 as well as the financial position as at 31st December 2018 and 2017 have 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 2018, mainly due to increased contributions from its heavy equipment, mining, construction and energy, and financial services businesses, which more than offset lower contributions from its agribusiness and automotive businesses. While the weakening of the Rupiah during the year led to margin pressure in the Group's manufacturing operations, the impact was more than offset by the positive impact on its contract mining and automotive export activities.

### **Performance**

The Group's consolidated net revenue for the year increased by 16% to Rp239.2 trillion, with higher revenue achieved in most business segments, especially from heavy equipment, mining, construction and energy, and automotive.

The Group's net income was Rp21.7 trillion, 15% higher than the previous year.

The net asset value per share was Rp3,383 as at 31st December 2018, 11% higher than at the end of 2017.

Net debt, excluding the Group's financial services subsidiaries, was Rp13.0 trillion at the end of 2018, down from a net cash position of Rp2.7 trillion at the end of 2017, due mainly to the Group's investments in its toll road businesses, a gold mining concession and GOJEK. The Group's financial services subsidiaries had net debt of Rp47.7 trillion, compared with Rp46.1 trillion at the end of 2017.

A final dividend of Rp154 per share (2017: Rp130 per share) will be proposed at the Annual General Meeting to be held in April 2019. The proposed final dividend, together with the interim dividend of Rp60 per share (2017: Rp55 per share), will bring the total dividend for the year to Rp214 per share (2017: Rp185 per share).

## Business Activities

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

|  | Net Income Attributable to Astra International |                |             |
|--|--|----------------|-------------|
|  | for the years ended 31st December              |                |             |
|  | 2018<br>Rp bn                                  | 2017*<br>Rp bn | Change<br>% |
| Automotive                                       | 8,518  | 8,868          | (4)         |
| Financial Services                               | 4,815  | 3,752          | 28          |
| Heavy Equipment, Mining, Construction and Energy | 6,630  | 4,469          | 48          |
| Agribusiness                                     | 1,146  | 1,568          | (27)        |
| Infrastructure and Logistics                     | 196  | (231)          | N/A         |
| Information Technology                           | 208  | 198            | 5           |
| Property   | 160  | 223            | (28)        |
| <b>Attributable Net Income</b>                   | <b>21,673</b>                                  | <b>18,847</b>  | <b>15</b>   |

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

### Automotive

Net income from the Group's automotive division was 4% lower at Rp8.5 trillion, mainly due to lower operating margins despite higher automotive sales.

The wholesale market for cars was 7% higher in the year compared to 2017 at 1.15 million units. Astra's car sales were 1% higher at 582,000 units, but increased competition resulted in a decline in market share from 54% to 51%. The Group launched 18 new models and seven revamped models during the year.

The wholesale market for motorcycles increased by 8% to 6.4 million units. Astra Honda Motor's domestic sales increased by 9% to 4.8 million units, with its market share stable at 75%. The Group launched six new models and 19 revamped models during the year.

Astra Otoparts, the Group's automotive components business, reported net income 11% higher at Rp611 billion, with increased revenues from its original equipment manufacturing and replacement market segments.

### Financial Services

Net income from the Group's financial services division increased by 28% to Rp4.8 trillion. This resulted from improved contributions from its consumer finance, banking and general insurance businesses.

The net income contribution from the Group's car-focused finance companies increased by 26% to Rp1.2 trillion, mainly due to lower loan loss provisions and an increased

shareholding in Astra Sedaya Finance. The net income contribution from motorcycle-focused Federal International Finance was 16% higher at Rp2.3 trillion, reflecting a larger loan portfolio. The Group's consumer finance businesses overall saw a 1% decrease in the amount financed to Rp81 trillion during the year, due to a reduction in the amount financed in the low cost car segment.

The net income contribution from the Group's heavy equipment-focused finance operations increased by 30% to Rp86 billion, partly due to lower loss provisions. The amount financed decreased by 12% to Rp5.2 trillion, mainly due to reduced lending to the small and medium-sized segment.

Permata Bank, in which Astra holds a 44.6% interest, reported net income of Rp901 billion, compared to Rp748 billion in 2017, mainly due to increased net interest income and recoveries from non-performing loans. The bank's gross non-performing loan ratio was 4.4% at the end of 2018 compared to 4.6% at the end of 2017, while its net non-performing loan ratio was stable at 1.7%.

Asuransi Astra Buana, the Group's general insurance company, reported net income 4% higher at Rp1.0 trillion, primarily due to higher investment income. During the period, the Group's life insurance joint venture, Astra Aviva Life, acquired more than 339,000 new individual life customers and more than 713,000 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 48% to Rp6.6 trillion.

United Tractors, which is 59.5%-owned, reported net income of Rp11.1 trillion, 50% higher than the previous year, mainly due to improved performances in its construction machinery, mining contracting and mining operations, all of which benefited from higher coal prices compared with 2017.

Within United Tractors' construction machinery business, Komatsu heavy equipment sales rose 29% to 4,878 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 979 million bank cubic metres and 11% higher coal production at 125 million tonnes. United Tractors' coal mining subsidiaries reported an 11% increase in coal sales to 7 million tonnes, including sales of 807,000 tonnes of coking coal by 80.1%-owned Suprabari Mapanindo Mineral which became operational in late 2017. Agincourt Resources, in which United Tractors acquired a 95% interest in December 2018 and which operates a gold mining concession in Sumatera, reported gold sales of 35,000 oz in December 2018.

Acset Indonusa, United Tractors' 50.1%-owned general contractor, reported a 88% decrease in net income to Rp18 billion, mainly due to increased financing costs. Rp1.6 trillion of new construction projects were secured during 2018.

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 operation in 2021.

### ***Agribusiness***

Net income from the Group's agribusiness division was down 27% at Rp1.1 trillion.

Astra Agro Lestari, which is 79.7%-owned, reported a 27% decline in net income to Rp1.4 trillion, primarily due to a fall in crude palm oil prices, which were 12% lower at Rp7,275/kg compared with the average in 2017. This more than offset a 30% increase in crude palm oil and derivatives sales to 2.3 million tonnes.

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

The Group's infrastructure and logistics division reported a net income of Rp196 billion in 2018, compared to a net loss of Rp231 billion in the prior year. 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.

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 10% to Rp1.1 trillion, while the wholly-owned 40.5km Jombang-Mojokerto toll road, which became fully operational in December 2018, recorded Rp213 billion of toll revenue during the year. Toll revenue from the 45%-owned 116.8km Cikopo-Palimanan toll road increased by 12% to Rp1.4 trillion. The 40%-owned 72.6km Semarang-Solo toll road recorded a 39% increase in toll revenue to Rp248 billion.

Serasi Autoraya's net income increased by 50% to Rp302 billion, primarily due to improved operating margins in its car leasing and rental businesses. Its vehicles under contract decreased 2% to 23,000 units.

### ***Information Technology***

Net income from the Group's information technology division was 5% higher at Rp208 billion.

Astra Graphia, which is 76.9%-owned, reported net income of Rp270 billion, 5% higher than the previous year as a result of increased revenue from its document and IT solutions businesses.

### ***Property***

The Group's property division reported a 28% lower net profit at Rp160 billion, due mainly to reduced development earnings recognised from its Anandamaya Residences project as a result of lower percentage completion during the period in its final stages of construction.

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.

### **Prospects**

The Group achieved satisfactory results in 2018, but 2019 is likely to be a more challenging year, owing to macro economic uncertainties, the highly competitive car market and lower commodity prices.

Prijono Sugiarto  
President Director  
27th February 2019

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