



Jardine Strategic

Jardine Strategic Holdings Limited
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Press Release

www.jardines.com

To: Business Editor

30th July 2019

For immediate release

PT Astra International Tbk 2019 First Half 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

30th July 2019
PT ASTRA INTERNATIONAL TBK
2019 FIRST HALF FINANCIAL STATEMENTS

Highlights

- Net earnings per share down 6% at Rp242
- Motorcycle sales up 8%, car sales down 6%
- Higher earnings contributions from financial services and newly acquired gold mine
- Agribusiness impacted by lower crude palm oil prices

“The Group’s performance in the first half of 2019 was impacted by relatively weak domestic consumption and a downward trend in commodity prices, but benefitted from an improved performance from financial services and the contribution from the newly acquired gold mine. The outlook for the rest of the year remains challenging as these conditions may persist.”

Prijono Sugiarto
 President Director

Group Results

| | 6 months ended 30th June | | |
|-----------------------------|----------------------------------|--------------------------------------|-------------|
| | 2019 Rp bn | 2018 Rp bn | Change % |
| Net revenue | 116,182 | 112,554 | 3 |
| Net income* | 9,803 | 10,384 | (6) |
| | Rp | Rp | |
| Net earnings per share | 242 | 257 | (6) |
| | As at 30th June 2019 Rp bn | As at 31st December 2018 Rp bn | Change % |
| Shareholders' funds** | 139,441 | 136,947 | 2 |
| | Rp | Rp | |
| Net asset value per share** | 3,444 | 3,383 | 2 |

* 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 six months ended 30th June 2019 and 2018 as well as the financial position as at 30th June 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 6% lower in the first half of 2019, compared with the same period last year, mainly due to lower contributions from its automotive and agribusiness divisions, which more than offset increased contributions from its financial services, infrastructure and logistics, and heavy equipment, mining, construction and energy divisions.

Performance

The Group's consolidated net revenue for the period increased by 3% to Rp116.2 trillion, principally due to higher revenue from its heavy equipment, mining, construction and energy, and financial services divisions.

The Group's net income was Rp9.8 trillion, 6% lower than the same period in 2018. The net asset value per share at 30th June 2019 was Rp3,444, 2% higher than at the end of 2018.

Net debt, excluding the Group's financial services subsidiaries, was Rp23.3 trillion at 30th June 2019, compared with Rp13.0 trillion at the end of 2018, mainly due to the Group's investments in the Surabaya – Mojokerto toll road and Gojek, as well as capital expenditure in the mining contracting business. The Group's financial services subsidiaries had a relatively stable net debt of Rp47.8 trillion at 30th June 2019, compared with the end of 2018.

Business Activities

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

| | Net Income Attributable to Astra International | | |
|--|--|---------------|-------------|
| | 6 months ended 30th June | | |
| | 2019 Rp bn | 2018 Rp bn | Change % |
| Automotive | 3,458 | 4,215 | (18) |
| Financial Services | 2,819 | 2,142 | 32 |
| Heavy Equipment, Mining, Construction and Energy | 3,332 | 3,282 | 2 |
| Agribusiness | 35 | 625 | (94) |
| Infrastructure and Logistics | 83 | 4 | 1,975 |
| Information Technology | 44 | 68 | (35) |
| Property | 32 | 48 | (33) |
| Attributable Net Income | 9,803 | 10,384 | (6) |

Automotive

Net income from the Group's automotive division fell by 18% to Rp3.5 trillion, mainly due to lower car sales volumes and increased material costs incurred in manufacturing activities. Highlights were as follows:

- Astra's car sales were 6% lower at 253,000 units, with the overall wholesale car market declining by 13% to 482,000 units (*source: Gaikindo*); Astra's market share increased from 48% to 53%; and 8 new models and 2 revamped models were launched.
- Astra's Honda motorcycle sales were 8% higher at 2.4 million units, as the wholesale motorcycle market grew by 7% to 3.2 million units (*source: Ministry of Industry*); and 4 new models and 15 revamped models were launched.
- The Group's Components business, Astra Otoparts, reported a 19% increase in net income at Rp246 billion, mainly due to higher revenue from the replacement market and export segments.

Financial Services

Net income from the Group's financial services division increased by 32% to Rp2.8 trillion, due mainly to the recovery of non-performing loans, lower loan loss provisions and a larger loan portfolio. Highlights were as follows:

- Consumer finance businesses saw a 6% increase in the amount financed to Rp42.1 trillion. The net income contribution from the Group's car-focused finance companies increased by 39% to Rp713 billion, mainly due to lower non-performing loan losses while the net income contribution from the motorcycle-focused business, Federal International Finance, increased by 10% to Rp1.2 trillion, due to a larger loan portfolio.
- Heavy equipment-focused finance operations saw a 4% decrease in the amounts financed at Rp2.1 trillion. The net income contribution from this segment grew 32% to Rp50 billion, with lower loan provisions.
- Permata Bank, in which Astra holds a 44.6% interest, reported a 146% increase in net income to Rp711 billion, mainly due to higher recoveries from non-performing loans. The bank's gross and net non-performing loan ratios improved to 3.6% and 1.3%, respectively, compared to 4.4% and 1.7% at the end of 2018.
- General insurance company, Asuransi Astra Buana, reported a 9% growth with net income at Rp540 billion, due to increased investment income.
- The Group's life insurance joint venture, Astra Aviva Life, acquired more than 321,000 new individual life customers and 64,000 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 2% to Rp3.3 trillion, mainly due to the contribution from the new gold mining operation and improved mining contracting volume, partly offset by lower heavy equipment sales and the effect of foreign exchange translation. Highlights were as follows:

- United Tractors, which is 59.5%-owned, reported a 2% increase of net income at Rp5.6 trillion.

- Komatsu heavy equipment sales decreased by 20% to 1,917 units while parts and service revenues were stable.
- Mining contracting operations of wholly-owned Pamapersada Nusantara recorded a 5% higher overburden removal volume at 469 million bank cubic metres, and a 7% higher coal production at 61 million tonnes.
- Coal mining subsidiaries achieved 11% higher coal sales at 5 million tonnes, including 674,000 tonnes of coking coal sales.
- Agincourt Resources, a 95%-owned subsidiary of United Tractors, reported gold sales of 194,000 oz.
- General contractor Acset Indonusa, a 50.1%-owned subsidiary of United Tractors, reported a net loss of Rp404 billion, compared to a net income of Rp73 billion in the first half of last year, mainly due to increased project and funding costs for several ongoing contracts.

Agribusiness

Net income from the Group's agribusiness division was down 94% at Rp35 billion. Highlights were as follows:

- Astra Agro Lestari, which is 79.7%-owned, reported a 94% decline in net income to Rp44 billion, primarily due to a fall in crude palm oil prices.
- Crude palm oil prices fell to an average of Rp6,441/kg, 18% lower than the average in the first half of 2018.
- Crude palm oil and derivatives sales increased 19% to 1.2 million tonnes.

Infrastructure and Logistics

Net income from the Group's infrastructure and logistics division was Rp83 billion, significantly higher compared to the first half of 2018. This was mainly due to improved revenue from its operational toll roads. Highlights were as follows:

- Astra has interests in 339km of operational toll roads along the Trans-Java network and a further 11km under construction.
- There was an increase in toll revenue due to 23% higher traffic volume in the operational concessions, following the completion of the Trans-Java network in December 2018.
- In May 2019, the Group announced the acquisition, through PT Astra Tol Nusantara, of a 44.5% stake in PT Jasamarga Surabaya Mojokerto, the concession holder of the 36km Surabaya – Mojokerto toll road.
- Serasi Autoraya's net income decreased by 20% to Rp89 billion, due to a 6% fall in vehicles under leasing contract at 22,200 units and 5% lower used car sales at 15,200 units.

Information Technology

Net income from the Group's information technology division was 35% lower at Rp44 billion. Astra Graphia, which is 76.9%-owned, reported a net income of Rp57 billion, 35% lower than the first half of last year due to lower revenue in IT solutions & office service businesses and higher operating costs.

Property

Net income from the Group's property division was Rp32 billion, 33% lower compared to the same period in 2018, 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

The Group's performance in the first half of 2019 was impacted by relatively weak domestic consumption and a downward trend in commodity prices, but benefitted from an improved performance from financial services and the contribution from the newly acquired gold mine. The outlook for the rest of the year remains challenging as these conditions may persist.

Prijono Sugiarto
President Director
30th July 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 225,000 employees, as of June 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, also through a variety of sustainable social responsibility programs in the fields of health, education, environment and the development of small and medium enterprises (SMEs). Astra initiated Semangat Astra Terpadu Untuk (SATU) Indonesia Awards program, which has entered a decade this year, and has appreciated 245 young people, consisting of 53 national level recipients and 192 provincial level recipients in five fields, Health, Education, Environment, Entrepreneurship, and Technology. Astra also fosters 81 Kampung Berseri Astra and 645 Kampung Sejahtera Astra in 34 provinces throughout Indonesia.

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