



Jardine Strategic

Jardine Strategic Holdings Limited
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Press Release

www.jardines.com

To: Business Editor

29th July 2020

For immediate release

PT Astra International Tbk 2020 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

29th July 2020

**PT ASTRA INTERNATIONAL TBK (the Company or Astra)
2020 FIRST HALF FINANCIAL STATEMENTS**

Highlights

- Net earnings per share down 44% (before gain on sale of investment in Permata Bank)
- Car sales down 45% and motorcycle sales down 40%
- Lower coal prices impact heavy equipment sales and mining contracting volumes
- Agribusiness benefits from higher crude palm oil prices
- Interest in Permata Bank sold resulting in proceeds of Rp16.8 trillion
- Strong balance sheet

“The COVID-19 pandemic has had a significant adverse impact on Astra’s businesses and its financial results, especially in the second quarter. The pandemic containment measures implemented across most of the country have caused severe disruption to the Group’s operations, including the temporary closure of its automotive manufacturing and distribution operations, and there was also a significant rise in the number of restructured loans in its financial services businesses. In addition, depressed coal prices led to a deterioration in its heavy equipment, mining contracting and mining businesses. The pandemic, and the measures taken to contain it, are expected to continue to adversely affect results for the rest of this year.

During this challenging period of business disruption and uncertainty, the Group has put a particular focus on reducing its operational and capital expenditure, managing its working capital and ensuring liquidity. The Group’s balance sheet remains strong, with Rp38.6 trillion of available committed credit facilities.

Ensuring the safety and wellbeing of employees during the pandemic is our top priority and the Group has adopted a range of health and safety measures. The strength of the Group has always been its people, so we are grateful to our employees across the Group who have responded with professionalism and dedication in the face of these unprecedented challenges.”

Djony Bunarto Tjondro
President Director

Astra Group Results

	For the period ended 30th June		
	2020 Rp bn	2019 Rp bn	Change %
Net revenue	89,795	116,182	(23)
Net income (before gain on sale of investment in Permata Bank)	5,497	9,803	(44)
Net income	11,378	9,803	16
	Rp	Rp	
Net earnings per share (before gain on sale of investment in Permata Bank)	137	242	(44)
Net earnings per share	281	242	16
	As at 30th June 2020 Rp bn	As at 31st December 2019 Rp bn	Change %
Shareholders' funds	152,759	147,847	3
	Rp	Rp	
Net asset value per share	3,773	3,652	3

The financial results for the six months ended 30th June 2020 and 2019 as well as the financial position as at 30th June 2020 have been prepared in accordance with Indonesian Financial Accounting Standards and are unaudited. The financial position as at 31st December 2019 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**Performance**

The Group's consolidated net revenue in the first half of 2020 was Rp89.8 trillion, a decrease of 23% from comparable period last year. Net income was Rp11.4 trillion, 16% higher than the first half of 2019, including the gain from the sale of its stake in Permata Bank. Excluding this one-off gain, the Group's net income would have decreased by 44% to Rp5.5 trillion, primarily due to weaker performances by its automotive, heavy equipment and mining, and financial services divisions, as a result of the impact of the COVID-19 pandemic and related containment measures.

The net asset value per share at 30th June 2020 was Rp3,773, 3% higher than the net asset value per share at 31st December 2019.

Net cash, excluding the Group's financial services subsidiaries, was Rp1.4 trillion at 30th June 2020, compared with net debt of Rp22.2 trillion at the end of 2019, following the receipt of proceeds from the sale of the stake in Permata Bank in May. The net debt of the Group's financial services subsidiaries increased from Rp45.8 trillion at the end of 2019 to Rp46.4 trillion at 30th June 2020.

In each of the Group's businesses, debt levels and liquidity positions are being carefully monitored and steps are being taken to mitigate both operational and financial risks. A range

of actions are also being taken to manage costs and preserve cash, including reducing capital expenditure and managing working capital.

Business Activities

In the second quarter of 2020, the Group's operations have experienced significant disruption due to the COVID-19 pandemic and related containment measures. These included the temporary closures of corporate offices, manufacturing facilities and automotive dealerships. Net income attributable to shareholders by business segment was as follows:

	Net Income Attributable to Astra International		
	For the period ended 30th June		
	2020 Rp bn	2019 Rp bn	Change %
Automotive	716	3,458	(79)
Financial Services	2,102	2,819	(25)
Heavy Equipment, Mining, Construction and Energy	2,368	3,332	(29)
Agribusiness	312	35	791
Infrastructure and Logistics	(88)	83	N/A
Information Technology	16	44	(64)
Property	71	32	122
Attributable net income (before gain on sale of investment in Permata Bank)	5,497	9,803	(44)
Gain on sale of investment in Permata Bank	5,881	-	N/A
Attributable Net Income	11,378	9,803	16

Automotive

Net income from the Group's automotive division decreased by 79% to Rp716 billion, mainly due to a significant drop in sales volume in the second quarter. Key points were as follows:

- The wholesale market for cars declined by 46% to 261,000 units in the first half of 2020 (*source: Gaikindo*). Astra's car sales were 45% lower at 139,500 units with market share maintained at 53%. In the second quarter of 2020, Astra's car sales declined by 92%, compared with the first quarter. 6 new models and 10 revamped models were launched in the first half of 2020.
- The wholesale market for motorcycles declined by 42% to 1.9 million units in the first half of 2020 (*source: Ministry of Industry*). Astra Honda Motor's sales decreased by 40% to 1.5 million units with an increase in market share from 75% to 77%. In the second quarter of 2020, Astra's motorcycle sales declined by 80%, compared with the first quarter. 3 new models and 6 revamped models were launched in the first half of 2020.
- The Group's 80%-owned components business, Astra Otoparts, reported a net loss of Rp296 billion compared to a net profit of Rp246 billion in the equivalent period last

year, mainly due to lower revenues from the OEM (original equipment manufacturer) and replacement market segments.

Financial Services

Net income from the Group's financial services division decreased by 25% to Rp2.1 trillion in the period, primarily due to increased provisions to cover higher non-performing loan losses in the consumer and heavy equipment-focused finance businesses. Key points were as follows:

- The Group's consumer finance businesses saw a 16% decrease in amounts financed to Rp35.3 trillion. The net income contribution from Astra's car-focused finance companies decreased by 24% to Rp545 billion, while the net income contribution from its motorcycle-focused business, Federal International Finance, decreased by 25% to Rp918 billion. The decrease in both were due to higher loan loss provisioning, as non-performing loans increased.
- Astra's heavy equipment-focused finance operations saw a 14% decrease in amounts financed to Rp1.8 trillion. The net income contribution from this segment decreased by 30% to Rp35 billion.
- General insurance company Asuransi Astra Buana reported a 4% decrease in net income to Rp521 billion, caused by lower underwriting income. The Group's life insurance joint venture, Astra Aviva Life, acquired more than 781,000 new individual life customers and 57,000 new participants for its corporate employee benefits programme in the period.
- In March 2020, the Group signed a conditional agreement for the purchase of Aviva's stake in the Astra Aviva Life joint venture.
- In May 2020, the Group completed the sale of its 44.56% stake in Permata Bank, for a net consideration of Rp16.8 trillion.

Heavy Equipment, Mining, Construction and Energy

Net income from Astra's heavy equipment, mining, construction and energy division decreased by 29% to Rp2.4 trillion, mainly due to lower heavy equipment sales and mining contracting volume caused by weaker coal prices. Key points were as follows:

- 59.5%-owned United Tractors reported a 28% decrease in net income to Rp4.1 trillion.
- Komatsu heavy equipment sales fell by 56% to 853 units, while parts and service revenues were also lower.
- Mining contractor Pamapersada Nusantara recorded 10% lower overburden removal volume at 420 million bank cubic metres and 8% lower coal production at 56 million tonnes.
- United Tractors' coal mining subsidiaries achieved 14% higher coal sales at 5.6 million tonnes, including 869,000 tonnes of coking coal, but their performance was affected by lower coal prices.
- Agincourt Resources, 95%-owned by United Tractors, reported 4% lower gold sales at 186,000 oz.

- General contractor Acset Indonusa, 50.1%-owned by United Tractors, reported a 38% lower net loss of Rp252 billion, mainly due to reduced funding costs following the collection of amounts due in respect of the Jakarta-Cikampek elevated toll road project.

Agribusiness

Net income from the Group's agribusiness division was Rp312 billion, significantly higher compared to the first half of 2019, due to higher crude palm oil prices. Key points were as follows:

- The net income of 79.7%-owned Astra Agro Lestari increased from Rp44 billion to Rp392 billion, primarily due to higher crude palm oil prices, especially in the first quarter of 2020, although prices declined in the second quarter.
- Average crude palm oil prices rose by 26% to Rp8,109/kg compared with the equivalent period last year.
- Crude palm oil and derivatives sales fell by 13% to 1,030,000 tonnes.

Infrastructure and Logistics

Astra's infrastructure and logistics division reported a net loss of Rp88 billion, compared with a net profit of Rp83 billion in the first half of 2019, mainly due to lower toll road revenues. Key points were as follows:

- The Group has interests in 350km of operational toll roads along the Trans-Java network and in the Jakarta Outer Ring Road.
- There was 18% lower traffic volume in the Group's toll road concessions.
- Serasi Autoraya's net income decreased by 62% to Rp34 billion, mainly due to lower operating margin, despite 3% higher vehicles under contract at 22,900 units and 3% higher used car sales at 15,300 units.

Information Technology

Net income from Astra's information technology division was 64% lower at Rp16 billion, primarily due to lower revenues in the document solution and office service businesses of 76.9%-owned Astra Graphia.

Property

Net income from the Group's property division increased from Rp32 billion to Rp71 billion, mainly due to higher occupancy at Menara Astra and earnings recognised from its development project, Asya Residences.

People

Mr. Prijono Sugiarto was appointed as President Commissioner on 16th June 2020. The Company would like to express its gratitude to Mr. Prijono for his contributions as President Director since 2010.

Prospects

The COVID-19 pandemic has had a significant adverse impact on Astra's businesses and its financial results, especially in the second quarter. The pandemic containment measures implemented across most of the country have caused severe disruption to the Group's operations, including the temporary closure of its automotive manufacturing and distribution

operations, and there was also a significant rise in the number of restructured loans in its financial services businesses. In addition, depressed coal prices led to a deterioration in the heavy equipment, mining contracting, and mining businesses. The pandemic and the measures taken to contain it are expected to continue to adversely affect results for the rest of this year.

Djony Bunarto Tjondro
President Director
29th July 2020

For further information, please contact:
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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 235 subsidiaries, joint ventures and associates companies, and was supported by more than 194,000 employees, as of June 2020.

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 Astra Untuk Indonesia Sehat, Astra Untuk Indonesia Cerdas, Astra Untuk Indonesia Hijau and Astra Untuk Indonesia Kreatif.

Astra initiated the Semangat Astra Terpadu Untuk (SATU) Indonesia Awards programme, which has entered the eleventh 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 87 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, and follow Astra through Instagram (@SATU_Indonesia), Youtube (SATU Indonesia), Facebook (Semangat Astra Terpadu) and Twitter (@SATU_Indonesia).