



Jardine Strategic

Jardine Strategic Holdings Limited
Jardine House, Reid Street
Hamilton, Bermuda

Press Release

www.jardines.com

To: Business Editor

26th October 2020

For immediate release

PT Astra International Tbk 2020 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.

For further information, please contact:

Jardine Matheson Limited
Jonathan Lloyd

(852) 2843 8223

Brunswick Group Limited
Ben Fry

(65) 9017 9886

Issued by: Jardine Matheson Limited
48th Floor Jardine House, Central, Hong Kong

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PRESS RELEASE

26th October 2020

**PT ASTRA INTERNATIONAL TBK (the Company or Astra)
2020 THIRD QUARTER FINANCIAL STATEMENTS**

Highlights

- Net earnings per share down 49% (before gain on sale of investment in Permata Bank)
- Car sales down by 51%, while motorcycle sales fell by 38%
- Increased loan loss provisions in Financial Services
- Lower coal prices impact heavy equipment sales and mining contracting volumes
- Agribusiness benefits from higher crude palm oil prices
- Strong balance sheet

“The Group’s overall performance in the first nine months of 2020 was lower compared to the same period last year, mainly due to the COVID-19 pandemic, although the Group’s performance in the third quarter showed some improvement compared to the second quarter as pandemic restrictions were partially eased. The Group’s balance sheet remains strong.

It is expected that the pandemic, and measures taken to contain it, will persist for some time and will continue to have an adverse impact on the Group’s results for the remainder of the year.”

Djony Bunarto Tjondro
President Director

Astra Group Results

	For the period ended 30th September		
	2020 Rp bn	2019 Rp bn	Change %
Net revenue	130,349	177,044	(26)
Net income (before gain on sale of investment in Permata Bank)	8,158	15,868	(49)
Net income*	14,039	15,868	(12)
	Rp	Rp	
Net earnings per share (before gain on sale of investment in Permata Bank)	202	392	(49)
Net earnings per share	347	392	(12)
	As at 30th September 2020 Rp bn	As at 31st December 2019 Rp bn	Change %
Shareholders' funds	154,727	147,847	5
	Rp	Rp	
Net asset value per share	3,822	3,652	5

*Net income is profit attributable to owners of the parent, i.e. Astra International shareholders, and includes the gain on sale of investment in Permata Bank.

The financial results for the nine months ended 30th September 2020 and 2019, as well as the financial position as at 30th September 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 for first nine months of 2020 was Rp130.3 trillion, a decrease of 26% compared with the same period last year. Net income, including the gain from the sale of the Group's investment in Permata Bank was Rp14.0 trillion, 12% lower than the first nine months of 2019. Excluding this one-off gain, the Group's net income would have decreased by 49% to Rp8.2 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, and lower coal prices.

The net asset value per share at 30th September 2020 was Rp3,822, 5% higher than the net asset value per share at 31st December 2019.

Net cash, excluding the Group's financial services subsidiaries, was Rp4.4 trillion at 30th September 2020, compared with net debt of Rp22.2 trillion at the end of 2019, following the receipt of proceeds from the sale of the Group's investment in Permata Bank in May 2020. Net debt of the Group's financial services subsidiaries decreased from Rp45.8 trillion at the end of 2019 to Rp43.0 trillion at 30th September 2020.

Business Activities

The Group's net income was higher in the third quarter of 2020 compared with the second quarter, driven by Automotive and Agribusiness. Operations, however, remained under significant pressure across most business segments. Net income attributable to shareholders of Astra by business segment was as follows:

	Net Income Attributable to Astra International		
	For the period ended 30th September		
	2020 Rp bn	2019 Rp bn	Change %
Automotive	1,796	6,060	(70)
Financial Services	2,759	4,306	(36)
Heavy Equipment, Mining, Construction and Energy	3,086	5,140	(40)
Agribusiness	464	89	421
Infrastructure and Logistics	(59)	155	N/A
Information Technology	26	77	(66)
Property	86	41	110
Attributable net income (before gain on sale of investment in Permata Bank)	8,158	15,868	(49)
Gain on sale of investment in Permata Bank	5,881	-	N/A
Attributable Net Income	14,039	15,868	(12)

Automotive

Net income from the Group's automotive division decreased by 70% to Rp1.8 trillion, reflecting a significant drop in sales volume. The Group's automotive division saw a return to profitability in the third quarter after suffering a net loss in the second quarter, due to an increase in sales volume following the easing of the containment measures which had caused the temporary closure of factories and dealerships in the second quarter. Key points were as follows:

- The wholesale market for cars declined by 51% to 372,000 units in the first nine months of 2020 (*source: Gaikindo*). Astra's car sales for that period were 51% lower at 192,400 units, with market share maintained at 52%. In the third quarter of 2020, Astra's car sales increased to 53,000 units, from 9,700 units in the second quarter. 13 new models and 15 revamped models were launched in the first nine months of 2020.
- The wholesale market for motorcycles declined by 42% to 2.9 mio units in the first nine months of 2020 (*source: Ministry of Industry*). Astra Honda Motor's sales decreased by 38% to 2.3 million units. In the third quarter of 2020, Astra's motorcycle sales increased to 849,000 units, from 244,000 units in the second quarter. 4 new models and 9 revamped models were launched in the first nine months of 2020.
- The Group's 80%-owned components business, Astra Otoparts, reported a net loss of Rp243 billion, compared to a net profit of Rp512 billion in the equivalent period last

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

Financial Services

Net income from the Group's financial services division decreased by 36% to Rp2.8 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 21% decrease in new amounts financed to Rp50.7 trillion. The net income contribution from the Group's car-focused finance companies decreased by 39% to Rp669 billion, while the net income contribution from its motorcycle-focused business, Federal International Finance, decreased by 37% to Rp1.2 trillion. Both decreases were due to higher loan loss provisioning, as non-performing loans increased.
- The Group's heavy equipment-focused finance operations saw a 15% decrease in new amounts financed to Rp2.7 trillion. The net income contribution from this segment decreased by 54% to Rp35 billion.
- General insurance company Asuransi Astra Buana reported a 3% decrease in net income to Rp785 billion, caused by lower underwriting income. The Group's life insurance joint venture, Astra Aviva Life, acquired more than 1,012,000 new individual life customers and 55,000 new participants for its corporate employee benefits programme in the period.

Heavy Equipment, Mining, Construction and Energy

Net income from the Group's heavy equipment, mining, construction and energy division decreased by 40% to Rp3.1 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 38% decrease in net income to Rp5.3 trillion.
- Komatsu heavy equipment sales fell by 54% to 1,191 units, while parts and service revenues were also lower.
- Mining contractor Pamapersada Nusantara recorded 16% lower overburden removal volume at 631 million bank cubic metres and 12% lower coal production at 85 million tonnes.
- United Tractors' coal mining subsidiaries achieved 11% higher coal sales at 7.1 million tonnes, including 1.2 million tonnes of coking coal, but their performance was affected by lower coal prices.
- Agincourt Resources, 95%-owned by United Tractors, reported 16% lower gold sales at 256,000 oz.
- General contractor Acset Indonusa, 64.8%-owned by United Tractors, reported a net loss of Rp753 billion, mainly due to the slowdown of several ongoing projects and reduced project opportunities during the COVID-19 pandemic.
- In September 2020, Acset Indonusa raised Rp1.5 trillion from a rights issue, to reduce debt and to strengthen its capital structure. Following the rights issue, United Tractors's ownership in Acset Indonusa increased from 50.1% to 64.8%.

Agribusiness

Net income from the Group's agribusiness division was Rp464 billion, significantly higher compared to the first nine months of 2019, mainly due to higher crude palm oil prices. Key points were as follows:

- The net income of 79.7%-owned Astra Agro Lestari increased from Rp111 billion to Rp583 billion, mainly due to higher crude palm oil prices, which rose by 27% to Rp8,194/kg.
- Crude palm oil and derivatives sales fell by 12% to 1.5 million tonnes.

Infrastructure and Logistics

The Group's infrastructure and logistics division reported a net loss of Rp59 billion in the first nine months of 2020, compared with a net profit of Rp155 billion in the same period last year, due to lower toll road revenues and lower operating margin in Serasi Autoraya. Key points were as follows:

- Astra has interests in 350km of operational toll roads along the Trans-Java network and in the Jakarta Outer Ring Road.
- There was 15% lower traffic volume in the Group's toll road concessions.
- Serasi Autoraya's net income decreased by 56% to Rp65 billion, mainly due to lower operating margin and lower used car sales, despite 2% higher vehicles under contract at 22,900 units.

Information Technology

Net income from the Group's information technology division was 66% lower at Rp26 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 Rp41 billion to Rp86 billion, mainly due to higher occupancy at Menara Astra and earnings recognised from its Asya Residences development project.

Prospects

It is expected that the pandemic, and measures taken to contain it, will persist for some time and will continue to have an adverse impact on the Group's results for the remainder of the year.

Djony Bunarto Tjondro

President Director

26th October 2020

For further information, please contact:

PT Astra International Tbk

Riza Deliansyah, Chief of Corporate Affairs

Tel: +62 - 21 - 5084 3888

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 Group conducts business operations in all parts of Indonesia under the management of more than 235 companies, including subsidiaries, joint ventures and associates companies, and was supported by more than 190,000 employees, as of September 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 112 Kampung Berseri Astra and 753 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).