

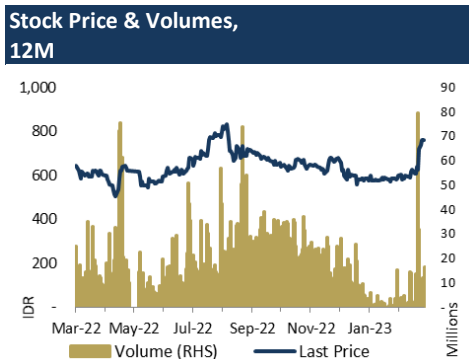
BUY (Maintain)

Target Price (IDR) 920 (from 830)
Potential Upside (%) 21.1

Price Comparison	
Cons. Target Price (IDR)	933
SSI vs. Cons. (%)	98.7

Stock Information	
Last Price (IDR)	760
Shares Issued (Mn)	4,706
Market Cap. (IDR Bn)	3,741
52-Weeks High/Low (IDR)	855/500
3M Avg. Daily Value (IDR Bn)	5.8
Free Float (%)	15.2
Shareholder Structure:	
PT Dharma Inti Anugerah (%)	47.6
PT Triputra Investindo Arya (%)	13.5
Public	15
Others	23.9

Stock Performance				
(%)	YTD	1M	3M	12M
Absolute	35.9	32.5	21.4	23.3
JCI Return	0.2	(0.3)	(2.2)	0.0
Relative	35.7	32.8	23.6	23.3



Company Background

Established in 1989, PT Dharma Polimetal is a leading manufacturer of automotive components (for motorcycles and cars). The company also produces three-wheeled vehicles (PowerAce) and foldable bicycles (Polimetal).



Pebe Peresia
 +62 21 2854 8339
 Pebe.peresia@samuel.co.id

Record-Breaking 2022; More of the Same in 2023?

FY22: Record-breaking year. DRMA reported great numbers in 4Q22, with revenue growth of +16.6% qoq (+49.4% yoy), which helped boost DRMA's FY22 cumulative revenue to IDR 3.9 trillion (+17.3% YoY), beating our forecast (115.7% of SSI's FY22 projection). All of its business segments reported positive growth in sales, including 2W (+11.2% YoY), 4W (+77.4% YoY), and other segments (+80.5% YoY). Thanks in part to its project with Hyundai (which was started in early 2022), DRMA's 4W segment experienced significant growth in revenue, boosting its contribution to the company's total revenue to 29.3% (FY21: 22.2%) and reducing 2W segment's portion to 54.8% (FY21: 66.1%). To note, Hyundai contributed 5.4% of DRMA's FY22 revenue, though most of it came from AHM (50.4%, FY21: 57.6%). On its bottom line, DRMA reported net profit growth of +89.1% YoY (excluding the one-off gain from the sale of its assets in Balaraja in 2021) to IDR 394 billion, exceeding our estimate (120.0% of SSI's FY22 projection). DRMA's FY22 revenue and net profit were its highest ever.

Forecast changes. In light of its record-breaking performance in FY22 and the acquisition of Trimitra Chitrahasta in early 2023, we decided to revise our projections for DRMA, raising its projected FY23F net profit by +11.6% (we did not include potential revenue from the acquisition of Trimitra in our previous projections) to IDR 4.7 trillion. DRMA's management has provided a guidance for its FY23F revenue target, which is set at IDR 4.2 trillion (excluding the potential revenue from Trimitra Chitrahasta [IDR 700 billion]). We also raised our projection for DRMA's FY23F net profit by +11.6% to IDR 425 billion, with Trimitra Chitrahasta expected to contribute IDR 21.7 billion (NPM: 4%). To note, DRMA acquired a 72.75% stake in PT Trimitra Chitrahasta, an automotive component manufacturer which is part of the Kuroda Group (Japan). Trimitra supplies its products to well-known brands, one of which is Yamaha. We believe that the acquisition will help boost DRMA's market share and increase its exposure to Yamaha, considering that Yamaha only accounted for an insignificant portion of DRMA's 2W revenue (the majority of which came from the Astra group).

BUY, TP IDR 920. With the positive catalysts outlined above, we decided to reiterate our BUY rating on DRMA with a new TP of IDR 920, implying an FY23F PE of 10.3x. Aside from the acquisition of Trimitra Chitrahasta, DRMA will open its new 4W factory this year, which will supply suspension members to two market leaders in the Indonesian 4W industry (combined market share: ~50%). Not only that, but DRMA is also working on the expansion of the factories of its subsidiaries, DPP (Dharma Precision Parts) and DCI (Dharma Controlcable Indonesia), as well as preparing to penetrate the EV industry (component localization and charging station).

Forecasts and Valuations (at IDR 760/share)

Y/E Dec	20A	21A	22A	23F	24F
Revenue (IDRBn)	1,875	2,913	3,905	4,743	5,147
EBITDA (IDR Bn)	168	388	667	760	786
EV/EBITDA (x)	24.2	9.8	5.7	4.8	4.3
Net Profit (IDR Bn)	19	301	394	425	446
EPS (IDR)	4	64	84	90	95
EPS Growth (%)	-88.9	1492.8	30.9	7.8	5.0
P/E Ratio (x)	189.2	11.9	9.1	8.4	8.0
BVPS (IDR)	108	228	299	373	449
P/BV Ratio (x)	7.0	3.3	2.5	2.0	1.7
ROE	3.7	28.0	28.0	24.2	21.1
ROA	1.2	11.9	13.1	12.2	11.4

Table 1. DRMA FY22 Results

(IDR Bn)	4Q21	3Q22	4Q22	QoQ	YoY	FY21	FY22	YoY	% SSI	% Cons
Revenue	835	1,069	1,247	16.6%	49.4%	2,913	3,905	34.1%	115.7%	123.7%
Gross Profit	127	188	210	11.8%	64.9%	452	614	35.8%		
Operating Profit	45	146	54	-63.2%	19.4%	420	533	26.9%		
Net Profit	73	106	144	35.7%	98.4%	301	394	30.9%	120.0%	113.9%
GPM	15.3%	17.6%	16.8%	-72 bps	158 bps	15.5%	15.7%	21 bps		
OPM	5.4%	13.6%	4.3%	-932 bps	-108 bps	14.4%	13.7%	-77 bps		
NPM	8.7%	9.9%	11.6%	162 bps	286 bps	10.3%	10.1%	-24 bps		

Source: Company, SSI Research

Table 2. DRMA FY22 Results by Segment

(IDR Bn)	4Q21	3Q22	4Q22	QoQ	YoY	FY21	FY22	YoY
Revenue (IDR Bn)								
2W	587	561	697	24.3%	18.7%	336	2,141	11.2%
4W	204	256	353	37.7%	72.7%	79	1,146	77.4%
Other	43	252	197	-21.9%	356.5%	37	619	80.5%
Gross Profit (IDR Bn)								
2W	110	102	127	23.7%	15.7%	336	358	6.7%
4W	22	56	62	11.9%	183.0%	79	186	134%
Other	-4	30	21	-29.4%	n.a	37	70	89.5%
GPM								
2W	18.7%	18.3%	18.2%	-9 bps	-47 bps	17.4%	16.7%	-71 bps
4W	10.8%	21.7%	17.6%	-406 bps	687 bps	12.3%	16.2%	392 bps
Other	-9.9%	11.8%	10.6%	-114 bps	2058 bps	10.8%	11.4%	54 bps

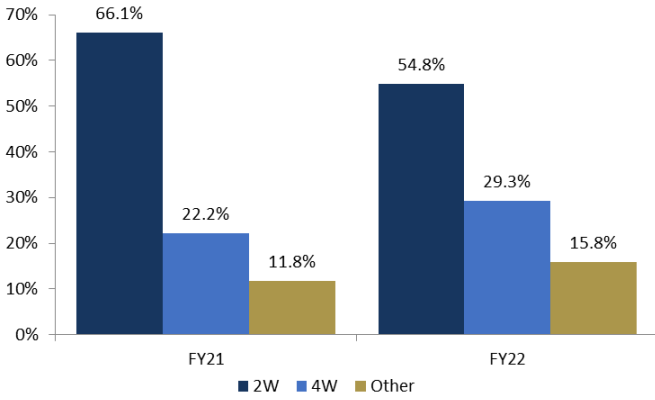
Source: Company, SSI Research

Table.3 Forecast Changes

	OLD		NEW		% Change	
	23F	24F	23F	24F	23F	24F
Revenue	4,110	4,882	4,743	5,147	15.4%	5.4%
Gross Profit	661	783	768	828	16.1%	5.7%
Operating Profit	537	611	594	633	10.5%	3.6%
Net Profit	381	444	425	460	11.6%	3.7%

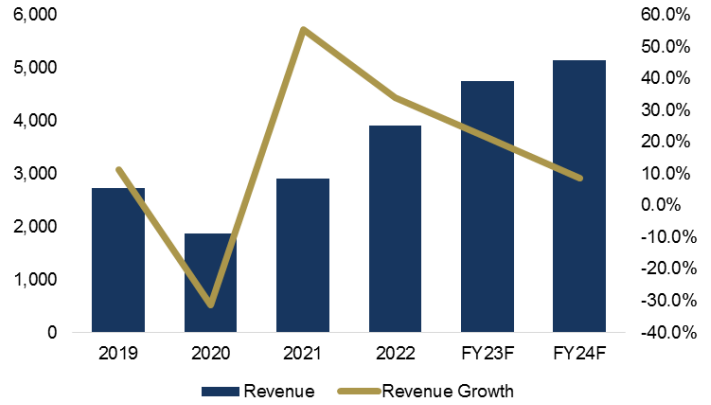
Source: Company, SSI Research

Figure 1. Revenue Mix FY22 (Business Segments)



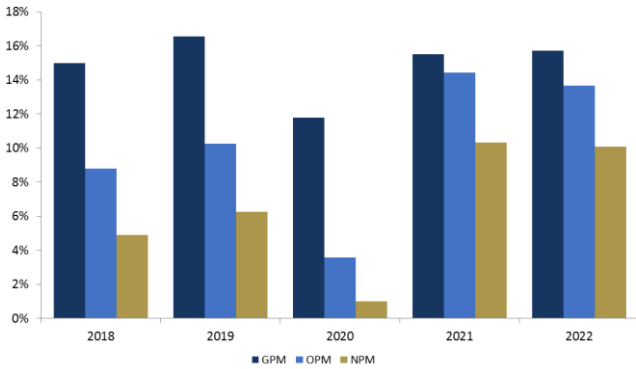
Source: Company, SSI Research

Figure 2. Revenue Growth



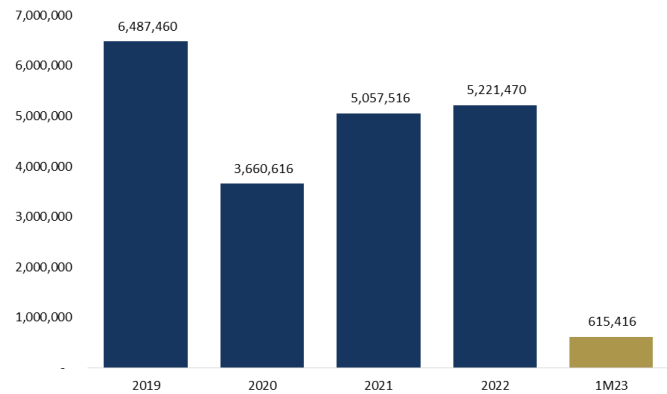
Source: Company, SSI Research

Figure 3. Profitability Margin



Source: SSI Research, Company

Figure 4. 2W Locals Sales



Source: Gaikindo

Research Team			
Prasetya Gunadi	Head of Equity Research, Strategy, Banking, Digital Banks	prasetya.gunadi@samuel.co.id	+6221 2854 8320
Lionel Priyadi	Macro Equity Strategist	lionel.priyadi@samuel.co.id	+6221 2854 8854
Arga Samudro	Economist	alkosar.marga@samuel.co.id	+6221 2854 8144
Muhamad Alfatih, CSA, CTA, CFTe	Senior Technical Analyst	m.alfatih@samuel.co.id	+6221 2854 8129
William Mamudi, CFTe, CMT, CCT	Senior Technical Analyst	william.mamudi@samuel.co.id	+6221 2854 8382
Yosua Zisokhi	Cement , Cigarette, Paper, Plantation, Telco Infra, Chemicals	yosua.zisokhi@samuel.co.id	+6221 2854 8387
M. Farras Farhan	Media, Poultry, Oil & Gas, Technology	farras.farhan@samuel.co.id	+6221 2854 8346
Pebe Peresia	Automotive, Consumer Staples, Retail	pebe.peresia@samuel.co.id	+6221 2854 8339
Juan Oktavianus Harahap	Coal, Metal Mining	juan.oktavianus@samuel.co.id	+6221 2854 8846
Jonathan Guyadi	Banking, Healthcare, Telco	jonathan.guyadi@samuel.co.id	+6221 2854 8321
Adolf Richardo	Editor	adolf.richardo@samuel.co.id	+6221 2864 8397
Ashalia Fitri Yuliana	Research Associate	ashalia.fitri@samuel.co.id	+6221 2854 8389
Abraham Timothy	Research Associate	abraham.timothy@samuel.co.id	+6221 2854 8322
Daniel Aditya Widjaja	Research Associate	daniel.aditya@samuel.co.id	+6221 2854 8322
Laurencia Hiemas	Research Associate	laurencia.hiemas@samuel.co.id	+6221 2854 8392
Brandon Boedhiman	Research Associate	brandon.boedhiman@samuel.co.id	+6221 2854 8392

Equity Institutional Team			
Benny Bambang Soebagjo	Head of Institutional Equity Sales	benny.soebagjo@samuel.co.id	+6221 2854 8312
Ronny Ardianto	Institutional Equity Sales	ronny.ardianto@samuel.co.id	+6221 2854 8399
Anthony Yunus	Institutional Equity Sales	anthony.yunus@samuel.co.id	+6221 2854 8314
Widya Meidrianto	Institutional Equity Sales	widya.meidrianto@samuel.co.id	+6221 2854 8317
Fachruly Fiater	Institutional Sales Trader	fachruly.fiater@samuel.co.id	+6221 2854 8325
Lucia Irawati	Institutional Sales Trader	lucia.irawati@samuel.co.id	+6221 2854 8173
Alexander Tayus	Institutional Equity Dealer	alexander.tayus@samuel.co.id	+6221 2854 8319
Leonardo Christian	Institutional Equity Dealer	leonardo.christian@samuel.co.id	+6221 2854 8147

Equity Retail Team			
Joseph Soegandhi	Head of Equity	joseph.soegandhi@samuel.co.id	+6221 2854 8872
Damargumilang	Head of Equity Retail	damargumilang@samuel.co.id	+6221 2854 8309
Denzel Obaja	Head of Community & Partnership	denzel.obaja@samuel.co.id	+6221 2854 8342
Clarice Wijana	Head of Equity Sales Support	clarice.wijana@samuel.co.id	+6221 2854 8395
Gitta Wahyu Retnani	Equity Sales & Trainer	gitta.wahyu@samuel.co.id	+6221 2854 8365
Vincentius Darren	Equity Sales	darren@samuel.co.id	+6221 2854 8348
Michael Alexander	Equity Sales	michael.alexander@samuel.co.id	+6221 2854 8369
Sylviawati	Equity Sales	sylviawati@samuel.co.id	+6221 2854 8112
Wandha Ahmad	Equity Sales	wandha.ahmad@samuel.co.id	+6221 2854 8316
Handa Sandiawan	Equity Sales	handa.sandiawan@samuel.co.id	+6221 2854 8302
Wahyudi Budiyo	Dealer	wahyudi.budiyo@samuel.co.id	+6221 2854 8152

Fixed Income Sales Team			
R. Virine Tresna Sundari	Head of Fixed Income	virine.sundari@samuel.co.id	+6221 2854 8170
Rudianto Nugroho	Fixed Income Sales	rudianto.nugroho@samuel.co.id	+6221 2854 8306
Sany Rizal Keliobas	Fixed Income Sales	sany.rizal@samuel.co.id	+6221 2854 8337
Safitri	Fixed Income Sales	safitri@samuel.co.id	+6221 2854 8376
Nadya Attahira	Fixed Income Sales	nadya.attahira@samuel.co.id	+6221 2854 8305