

BUY

Target Price (IDR)
Potential Upside (%)

DEWA
800 (from 350)
68.1

Consensus

Cons. Target Price (IDR) 921
SSI vs. Cons (%) 87

Stock Information

Last Price (IDR/share) 476
Shares Issued (mn) 37,721
Market Cap. (IDR Bn) 19,286
52-Weeks High/Low (IDR) 865/83
3M Avg. Daily Value (IDR Bn) 861.1
Free Float (%) 70.9

Shareholder structure:

Goldwave Capital 17.5
Zurich Assets International 11.5
Public 71.0

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	(29.3)	(6.1)	10.7	273.2
JCI Return	(11.2)	(5.8)	(11.2)	20.3
Relative	(18.0)	(0.4)	21.9	252.9

Stock Price & Volume



Company Background

Established in 1991 and listed in 2007, PT Darma Henwa Tbk (DEWA) is an integrated mining services provider offering mining support, machinery repair, equipment rental, and infrastructure construction. In the future, DEWA, through its subsidiary, plans to diversify into gold mining in Aceh.

Juan Harahap
+62 21 2854 8346
juan.oktavianus@samuel.co.id

Fadhlan Banny
+62 21 2854 8342
fadhlan.banny@samuel.co.id

Transformation, Expansion, Diversification

Stellar revenue growth through project ramp-ups and expansions beyond BUMI and coal.

DEWA will undergo strong top line with 2025-27F CAGR of 20% supported by: (1) +50% YoY higher in-house overburden volumes to 150–160 mbcmm at KPC and Arutmin in 2026. This will include the management's business transformation of eliminating third party's outsourcing, cancelling PAMA's 26 mbcmm share in KPC's contract; and (2) expansions beyond BUMI with total target of more than ~100 mbcmm p.a. within the next three years. In addition, DEWA continues to explore other coal contract opportunities with major local coal producers. This ramp-ups, coupled with successful transformation toward in-house contractor (96% of aggregate capacity), will raise DEWA's total volumes to 163 mbcmm (+77.6% YoY) in 2026F, reaching 194 mbcmm (+19.2% YoY) by 2027F.

IDR 5tn syndicated bank loan to strengthen expansion and transformation initiatives.

To anticipate expansion other internal initiatives, DEWA on 30 December 2025 has secured IDR 5tn in bank loans with 2.68% IndONIA (equivalent to 6.75% effective rate) from PT Bank Central Asia Tbk and PT Bank Mandiri Tbk. Of the total proceeds, approximately IDR 2.14tn will be allocated for refinancing, IDR 1.61tn for working capital, and the remaining IDR 1.25tn for capital expenditure, primarily to procure additional heavy equipment to support higher volumes going forward. Hence, we estimate DEWA's net gearing will rise to around 53.2% in 2026F (2025F: 45.3%), but remaining manageable as Debt to EBITDA stands at 168.2% (Figure 15).

BUY — IDR 800 TP: Earnings upgrades reinforce valuation upside. At the current cycle, we reiterate our BUY recommendation with higher target price of IDR 800 (from IDR 350 per share), reflecting an upward revision to our 2025–27F earnings CAGR from 70% to 94% (Figure 2). We raise our 2025F earnings forecast by 20.9% on better-than-expected cost manageability, one-off income, and lower effective tax rate. For 2026–27F, we adopt more bullish stance as we factor in higher-than-expected volumes following additional clients beyond BUMI and coal-related contracts. Further upside could stem from potential gold resource discoveries in Gayo, Aceh. Key risks to our call: slower volume ramp-ups, fleet arrival delays, and prolonged Gayo resource development.

Key Data, Ratios & Valuations (at closing price IDR 476 per share)

Y/E Dec	23A	24A	25F	26F	27F	28F
Revenues (IDR bn)	7,373	6,032	6,271	7,690	9,016	11,947
EBITDA (IDR bn)	1,063	857	1,540	2,600	3,263	4,271
EV/EBITDA (x)	9.9	13.8	14.1	8.1	6.6	5.2
Net Profit (IDR bn)	35	16	313	870	1,173	1,576
EPS (IDR)	1.6	0.7	7.7	23.1	31.1	41.8
EPS Growth (%)	NM	(54)	929	200	35	34
P/E Ratio (x)	294.6	636.8	61.9	20.6	15.3	11.4
BVPS (IDR)	151	152	124	157	188	230
P/BV Ratio (x)	3.2	3.1	3.8	3.0	2.5	2.1
ROAE (%)	1.1	0.5	7.5	15.9	18.0	20.0
ROAA (%)	0.4	0.2	3.1	7.2	8.5	9.6
ROAIC (%)	1.0	0.4	5.7	12.0	13.3	14.7
ICR (x)	1.4	2.0	2.8	5.5	6.6	7.5
Net Gearing (%)	2.6	42.5	45.3	53.2	50.0	49.5

Appendix

Figure 1. Earnings Changes

(IDR bn)	Old			New			Changes (%)		
	25F	26F	27F	25F	26F	27F	25F	26F	27F
Revenues	6,609	6,288	6,096	6,609	7,690	9,016	0.0	22.3	47.9
EBITDA	1,488	2,296	2,398	1,540	2,600	3,263	3.5	13.3	36.1
EBIT	739	1,338	1,472	656	1,494	1,945	(11.2)	11.7	32.1
Net Profit	259	657	753	313	870	1,173	20.9	32.3	55.8

Sources: Company, SSI Research

Lifting 2025F earnings forecast by +20.9% on better cost control, one-off gain, and lower tax rate, before turning more bullish in for 2026–27F on higher volumes from client diversifications and coal contracts

Figure 2. 3Q25 Results

3Q25 Results (IDR bn)	3Q24	2Q25	3Q25	QoQ (%)	YoY (%)	9M24-R	9M25	YoY (%)	9M25/ SSI (%)	9M25/ Cons. (%)
Net Revenue	1,603	1,524	1,542	1.1	(3.8)	4,523	4,650	2.8	74.2	73.3
Gross Profit	79	230	197	(14.4)	148.4	326	673	106.6	74.7	68.0
Operating Profit	67	163	143	(12.2)	115.0	175	491	180.4	74.9	68.7
EBITDA	246	433	324	(25.1)	31.7	689	1,149	66.7	74.6	74.7
Net Profit	(5)	99	71	(28.2)	NM	39	239	519.3	76.4	93.1

Key Ratios

GPM (%)	4.9	15.1	12.8	-	-	7.2	14.5	-	-	-
OPM (%)	4.2	10.7	9.3	-	-	3.9	10.6	-	-	-
EBITDA Margin (%)	15.3	28.4	21.0	-	-	15.2	24.7	-	-	-
NPM (%)	(0.3)	6.5	4.6	-	-	0.9	5.1	-	-	-

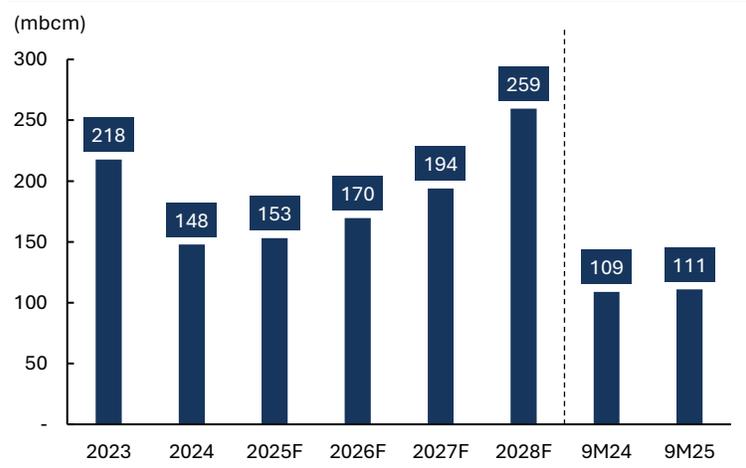
Revenue Segments

Mining Business	1,523	1,445	1,461	1	(4)	4,291	4,419	3.0	74	-
Other Services Business	92	80	100	25	9	252	260	3.0	72	-

9M24-R: Period results after auditor change

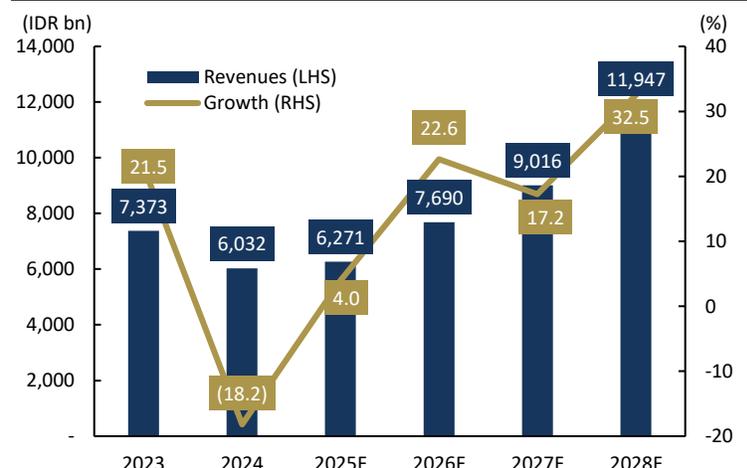
Sources: Company, SSI Research

Figure 3. Operational Data, 2023-28F & 9M24-25



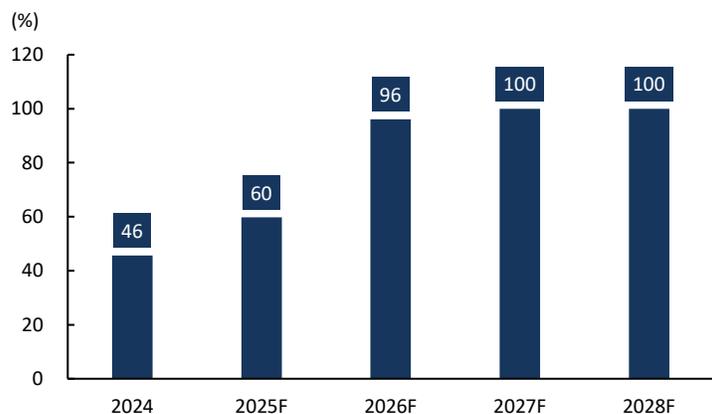
Sources: Company, SSI Research

Figure 4. Revenue Projections, 2023-28F



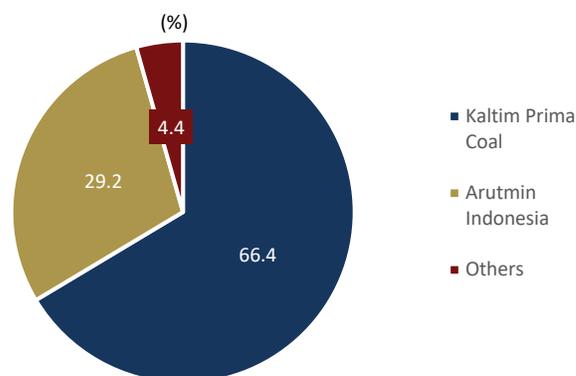
Sources: Company, SSI Research

Figure 5. In-House Capacity, 2024-28F



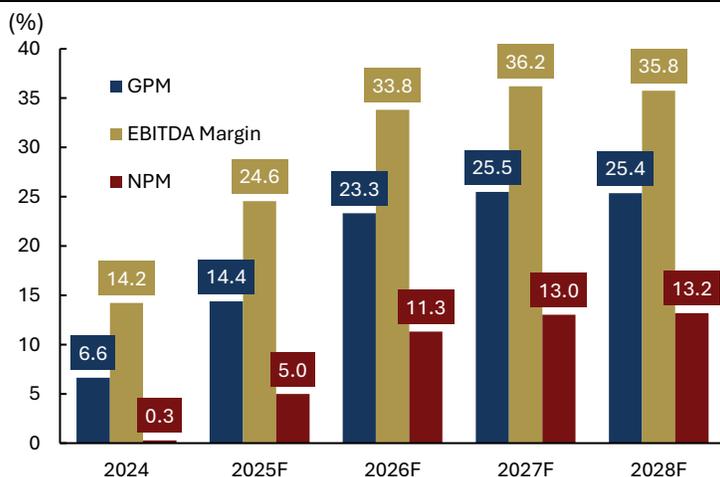
Sources: Company, SSI Research

Figure 6. Client Breakdown, 9M25



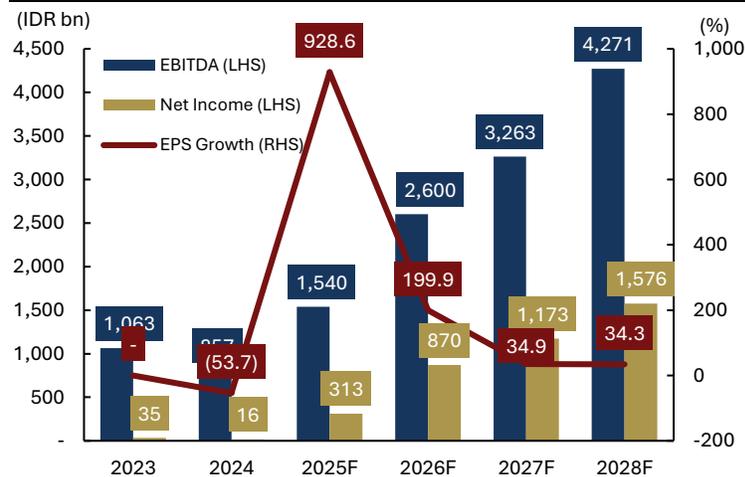
Sources: Company, SSI Research

Figure 7. Profitability Margins, 2023-28F



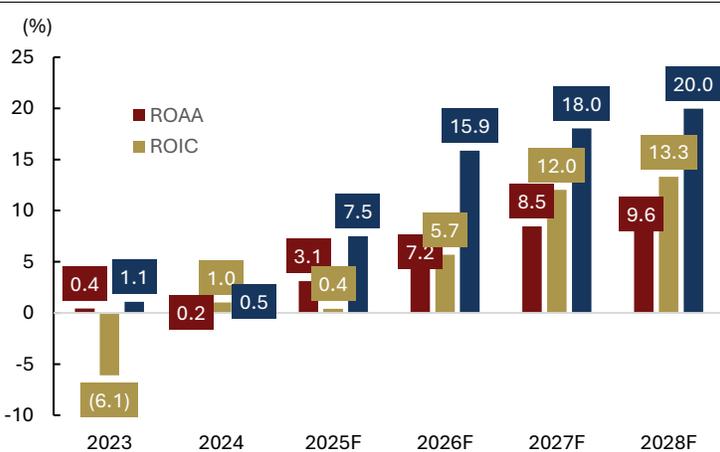
Sources: Company, SSI Research

Figure 8. EBITDA and EPS Growth, 2023-28F



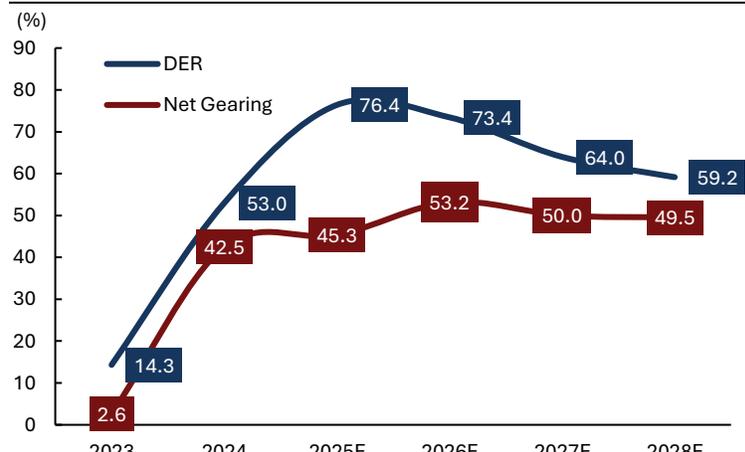
Sources: Company, SSI Research

Figure 9. Profitability Metrics, 2023-28F



Sources: Company, SSI Research

Figure 10. Leverage Metrics, 2023-28F



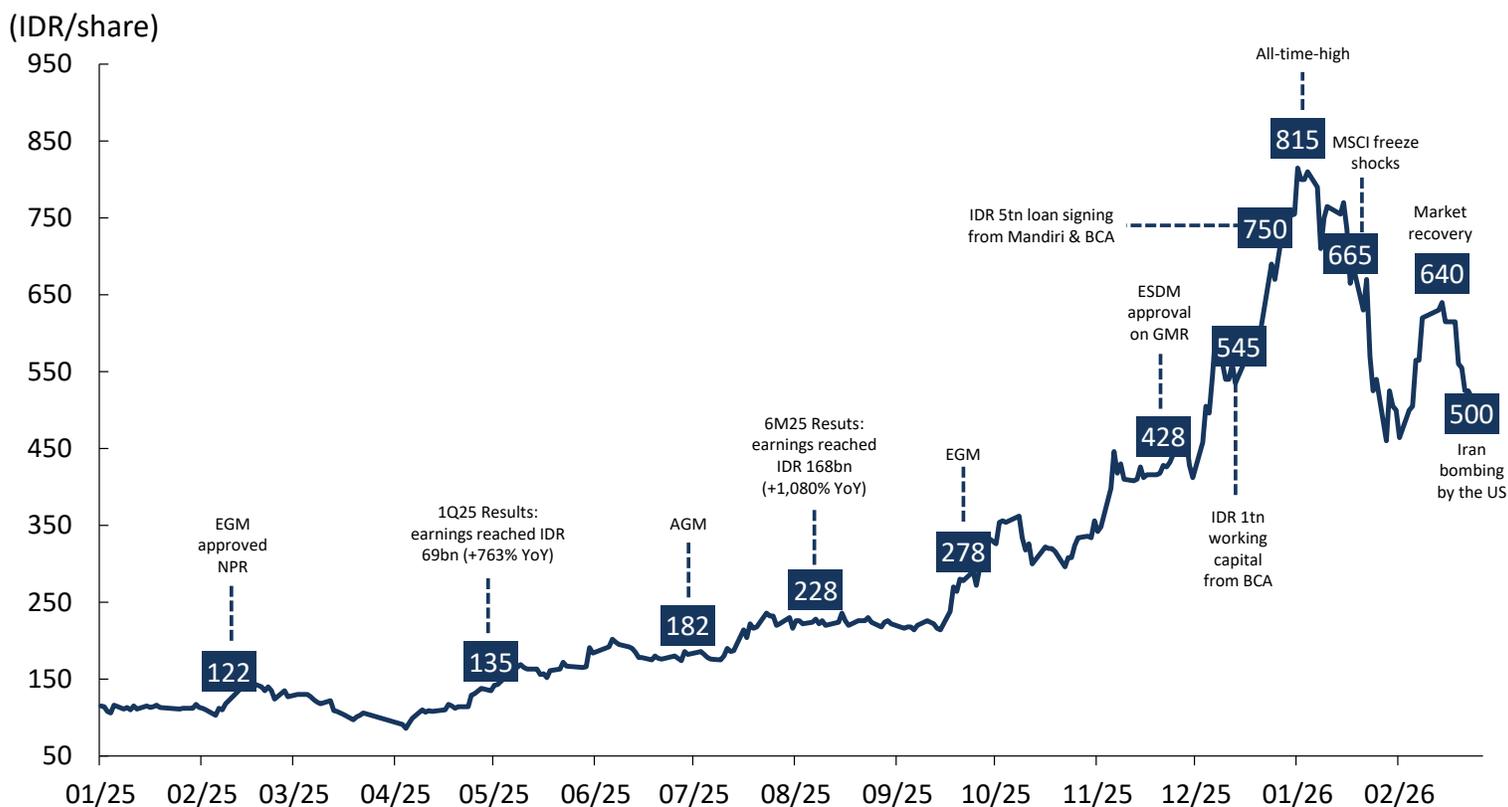
Sources: Company, SSI Research

Figure 11. Peer Comparables

Ticker Code	Company Name	Mkt. Cap USD mn	EV USD mn	EPS Gwt 26F (%)	P/E 26F (x)	EV/EBITDA 26F (x)	ROE 26F (%)	Net Gearing (%)	Div. Yield 26F (%)	GPM (%)	EBITDA Margin (%)
603979 CH	JCHX Mining Management Co Ltd	6,682	6,543	17.0	19.6	10.6	22.7	NC	1.3	34.9	32.6
UNTR IJ	United Tractors Tbk PT	6,377	6,240	3.1	6.5	3.1	14.9	NC	6.7	21.9	25.9
NWH AU	NRW Holdings Ltd	2,027	2,161	10.1	16.7	6.6	26.9	NC	3.1	55.6	11.2
MAH AU	Macmahon Holdings Ltd	1,099	1,195	9.4	13.7	4.1	15.6	NC	2.7	83.8	15.0
CAPD LN	Capital Ltd	451	504	150.0	35.7	7.0	14.3	13.3	1.5	41.4	25.2
Global Sector		16,635	16,642	14.0	14.3	6.7	19.5	0.4	3.7	35.8	26.0
DEWA IJ	Darma Henwa Tbk PT	1,141	21,052	199.9	20.6	8.1	15.9	53.2	NA	23.3	33.8

Sources: Bloomberg, SSI Research

Figure 12. What Drives DEWA's Share Price



Sources: Bloomberg, Company, SSI Research

Financial Highlights

Figure 13. Profit and Loss

Y/E Dec (IDR bn)	23A	24A	25F	26F	27F	28F
Revenues	7,373	6,032	6,271	7,690	9,016	11,947
COGS	(6,860)	(5,631)	(5,370)	(5,896)	(6,719)	(8,917)
Gross Profit	513	401	901	1,794	2,296	3,031
Operating Expenses	(282)	(234)	(245)	(300)	(352)	(466)
Operating Profit	230	167	656	1,494	1,945	2,565
D & A	833	690	884	1,106	1,318	1,707
EBITDA	1,063	857	1,540	2,600	3,263	4,271
Interest Expenses	(160)	(85)	(232)	(271)	(293)	(342)
Interest Incomes	3	5	9	10	8	7
Other Incomes (Expenses)	(42)	(30)	4	(19)	(23)	(30)
Pre-Tax Profit	33	56	437	1,214	1,637	2,200
Income Tax	3	(40)	(122)	(340)	(458)	(616)
NPAT	35	16	314	874	1,179	1,584
Minority Interest	0	0	2	4	6	8
Net Profit	35	16	313	870	1,173	1,576

Sources: Company, SSI Research

Net profit is projected to surge +200% YoY in 2026F, underpinned by the shift to in-house contractor model and expansion beyond BUMI and coal

Figure 14. Balance Sheet

Y/E Dec (IDR bn)	23A	24A	25F	26F	27F	28F
Cash & Equivalents	387	347	1,567	1,200	992	837
Receivables	1,775	1,614	1,427	1,750	2,052	3,046
Inventories	412	402	383	485	663	879
Other Curr. Assets	333	392	415	468	517	625
Total Current Assets	2,907	2,755	3,792	3,903	4,223	5,387
Fixed Assets	2,552	3,417	4,958	6,283	7,426	9,066
Right of Use Assets	76	112	97	111	129	168
Other Non-Curr. Assets	5,510	5,278	6,192	6,594	7,186	8,952
Total Assets	8,138	8,806	11,246	12,988	14,742	18,186
Payables	2,747	2,676	1,374	1,662	2,009	2,906
ST. Debts	460	358	784	885	926	1,047
Other Curr. Liabilities	985	581	522	524	476	686
Total Current Liabilities	4,192	3,614	2,681	3,071	3,411	4,640
LT. Debts	11	1,396	3,066	3,461	3,619	4,094
Other LT. Liabilities	645	485	461	538	609	761
Total Liabilities	4,848	5,496	6,207	7,070	7,639	9,495
Minority Interest	(2)	(2)	(2)	(2)	(2)	(2)
Total Equity	3,289	3,311	5,039	5,918	7,102	8,691

Sources: Company, SSI Research

Despite multi-year expansion initiatives, cash levels should remain solid, supported by syndicated loan facility back in 30 December 2025

Figure 15. Cash Flow

Y/E Dec (IDR bn)	23A	24A	25F	26F	27F	28F
Net Profit	35	16	313	870	1,173	1,576
D & A	833	690	884	1,106	1,318	1,707
Changes in Working Capital	157	(666)	(1,170)	(185)	(222)	(204)
Operating Cash Flow	1,025	40	27	1,791	2,269	3,079
Capital Expenditure	(244)	(1,225)	(2,410)	(2,446)	(2,481)	(3,386)
Other Investments	(40)	81	122	(291)	(272)	(602)
Investing Cash Flow	(285)	(1,144)	(2,288)	(2,737)	(2,753)	(3,987)
Dividend Paid	-	-	-	-	-	-
Net Borrowing	(467)	1,283	2,096	497	199	596
Other Financing	(190)	(220)	1,385	83	76	157
Financing Cash Flow	(657)	1,063	3,481	579	275	753
Net Changes	83	(40)	1,220	(366)	(208)	(155)
Cash at Beginning	304	387	347	1,567	1,200	992
Cash at Ending	387	347	1,567	1,200	992	837

Sources: Company, SSI Research

Amid strong expansions ahead, capex is expected to remain in the range of IDR 2.4–3.3tn

Figure 16. Key Ratios

Y/E Dec	23A	24A	25F	26F	27F	28F
Gross Profit Margin (%)	7.0	6.6	14.4	23.3	25.5	25.4
Operating Margin (%)	3.1	2.8	10.5	19.4	21.6	21.5
EBITDA Margin (%)	14.4	14.2	24.6	33.8	36.2	35.8
Pre-Tax Margin (%)	0.4	0.9	7.0	15.8	18.2	18.4
Net Profit Margin (%)	0.5	0.3	5.0	11.3	13.0	13.2
Debt to Equity (%)	14.3	53.0	76.4	73.4	64.0	59.2
Net Gearing (%)	2.6	42.5	45.3	53.2	50.0	49.5
Debt to EBITDA (%)	57.4	208.4	251.5	168.2	140.2	121.1
ROAE (%)	1.1	0.5	7.5	15.9	18.0	20.0
ROAA (%)	0.4	0.2	3.1	7.2	8.5	9.6

Sources: Company, SSI Research

2026F profitability margins are expected to jump driven by the company's successful transition to in-house contracting model

Research Team

Harry Su	Managing Director of Research	harry.su@samuel.co.id	+6221 2854 8100
Prasetya Gunadi	Head of Equity Research, Strategy, Banking	prasetya.gunadi@samuel.co.id	+6221 2854 8320
Fithra Faisal Hastiadi, Ph.D	Senior Macro Strategist	fithra.hastiadi@samuel.co.id	+6221 2854 8100
Juan Harahap	Coal, Metals, Mining Contracting, Oil & Gas, Plantations	juan.oktavianus@samuel.co.id	+6221 2854 8392
Jonathan Guyadi	Consumer, Retail, Healthcare, Cigarettes, Telco	jonathan.guyadi@samuel.co.id	+6221 2854 8846
Ahnaf Yassar	Research Associate; Banking, Property, Strategy	ahnaf.yassar@samuel.co.id	+6221 2854 8392
Ashalia Fitri Yuliana	Research Associate; Macro Economics, Coal	ashalia.fitri@samuel.co.id	+6221 2854 8389
Fadhlan Banny	Research Associate; Cement, Media, Mining Contracting, Oil & Gas, Plantations, Poultry, Technology	fadhlan.banny@samuel.co.id	+6221 2854 8325
Jason Sebastian	Research Associate; Automotive, Telco, Tower	jason.sebastian@samuel.co.id	+6221 2854 8392
Kenzie Keane	Research Associate; Cigarettes, Consumer, Healthcare, Retail	kenzie.keane@samuel.co.id	+6221 2854 8325

Digital Production Team

Sylvanny Martin	Creative Production Lead & Graphic Designer	sylvanny.martin@samuel.co.id	+6221 2854 8100
M. Indra Wahyu Pratama	Video Editor & Videographer	muhammad.indra@samuel.co.id	+6221 2854 8100
M. Rifaldi	Video Editor	m.rifaldi@samuel.co.id	+6221 2854 8100
Raflyyan Rizaldy	SEO Specialist	raflyyan.rizaldy@samuel.co.id	+6221 2854 8100
Ahmad Zupri Ihsyan	Team Support	ahmad.zupri@samuel.co.id	+6221 2854 8100

Equity

Joseph Soegandhi	Director of Equity Sales	joseph.soegandhi@samuel.co.id	+6221 2854 8872
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Equity Institutional Team

Widya Meidrianto	Head of Institutional Equity Sales	anto@samuel.co.id	+6221 2854 8317
Ronny Ardianto	Institutional Equity Sales	ronny.ardianto@samuel.co.id	+6221 2854 8399
Fachruly Fiater	Institutional Sales Trader	fachruly.fiater@samuel.co.id	+6221 2854 8325
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

Damargumilang	Head of Equity Retail	atmaji.damargumilang@samuel.co.id	+6221 2854 8309
Clarice Wijana	Head of Equity Sales Support	clarice.wijana@samuel.co.id	+6221 2854 8395
Denzel Obaja	Equity Retail Chartist	denzel.obaja@samuel.co.id	+6221 2854 8342
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
Sylviawati	Equity Sales Support	sylviawati@samuel.co.id	+6221 2854 8113
Handa Sandiawan	Equity Sales Support	handa.sandiawan@samuel.co.id	+6221 2854 8302
Yonathan	Equity Dealer	yonathan@samuel.co.id	+6221 2854 8347
Reza Fahlevi	Equity Dealer	reza.fahlevi@samuel.co.id	+6221 2854 8359

Fixed Income Sales Team

R. Virine Tresna Sundari	Head of Fixed Income	virine.sundari@samuel.co.id	+6221 2854 8170
Sany Rizal Keliobas	Fixed Income Sales	sany.rizal@samuel.co.id	+6221 2854 8337
Khairanni	Fixed Income Sales	khairanni@samuel.co.id	+6221 2854 8104
Dina Afrilia	Fixed Income Sales	dina.afrilia@samuel.co.id	+6221 2854 8100
Muhammad Alfizar	Fixed Income Sales	muhammad.alfizar@samuel.co.id	+6221 2854 8305

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