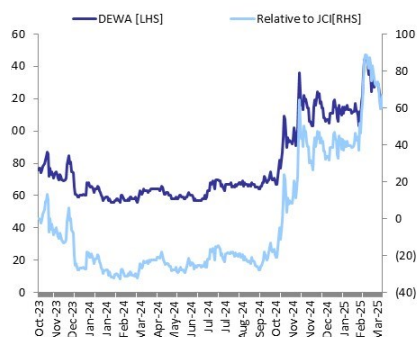


Not Rated

Last Price (Rp)	109
Target Price (Rp)	n/a
Previous Target Price (Rp)	n/a
Upside/Downside	n/a
No. of Shares (mn)	40,687
Mkt Cap (Rpbn/US\$mn)	4,434.9/270
Avg, Daily T/O (Rpbn/US\$mn)	54.8/3.3
Free Float (%)	38.2
Major Shareholder (%)	
Goldwave Capital Ltd	9.4
Zurich Assets International	6.2
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	n/a n/a n/a
Consensus	n/a n/a n/a
BRIDS/Cons (%)	n/a n/a n/a

DEWA relative to JCI Index



Source: Bloomberg

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Darma Henwa (DEWA IJ)

A Turnaround in Progress

- 18.8bn shares were issued from an NPR in Feb25, where new equity investors MTN, ATP, and AMM currently hold 46% of outstanding shares.
- DEWA is expanding its fleet to increase in-house works and reduce dependency on subcontractors, which should help lift margins.
- GMR is a copper and gold mine that is under exploration phase. Though promising, it is still in the early stages and was originally owned by BUMI.

Turning over a new chapter: new management and equity investors

DEWA underwent a major transformation in FY24 that started with a change of management in Jun24 with the goal of efficiency. In Jul24, it secured Rp2.6tr in syndication loan led by BCA, which was mainly used for purchase of heavy equipment (Rp2tr) and to refinance loans and leases (Rp340bn) at a lower interest rate of 9% vs. existing leasing rate of up to 18%. Efficiency also led to the reduction of headcount from >5,900 in 2022 to c.3,000 by 2025, eliminating inefficient and redundant positions. Finally, in Feb25, DEWA completed an NPR of 18.8bn shares at Rp75/share, or equal to Rp1.4tr of payables that was converted into equity. On this occasion, there was a 46% dilution in which the new equity holders, MTN, ATP, and AMM, own 24.8%, 11.8%, 9.7%, respectively. Meanwhile, BUMI's combined ownership through Goldwave Capital and Zurich Assets declined to 15.5%. After the NPR, DEWA's DER declined from 1.3x to 0.6x.

Fleet expansion to resume operational control and improve margins

DEWA's contracts are exclusively with BUMI's KPC and Arutmin. Before the company's revitalization in FY23, DEWA handled 40Mbcm of in-house work at KPC while outsourcing 108Mbcm of KPC's contract to subcontractors. However, after purchasing new equipment using BCA's syndicated loan, DEWA will increase its in-house work in KPC by 30Mbcm, to a total of 60Mbcm. Nonetheless, as the equipment will fully arrive by Mar25, the impact of cost efficiency from in-house work should only be visible starting in 2Q25. In 3Q25, DEWA will collaborate with XCMG on a vendor financing scheme to deliver heavy equipment worth another 30Mbcm of annual work. Thus, by 4Q25, DEWA will have 90Mbcm of in-house capacity for KPC on top of the existing 31.6Mbcm of capacity for Arutmin (Exh.3).

GMR: A Copper & Gold mine in Aceh

DEWA owns a porphyry copper concession in Aceh that is currently under the exploration and drilling phase, aiming for a JORC evaluation in the near future. Although the prospect of the asset is exciting, with over 11-12 potential areas that span over c.7,000 Ha and indicative gold and copper grades of 0.48g/t and 0.29%, the concession is located beside a protected forest, which could hinder mining operations. Furthermore, note that the asset was originally owned by BUMI through Bumi Resources Investment (BRI).

Key Financials

Year to 31 Dec	2021A	2022A	2023A	9M23A	9M24A
Revenue (Rpbn)	4,618	6,042	7,373	5,423	4,523
EBITDA (Rpbn)	1,095	665	1,030	819	634
Net Profit (Rpbn)	16	(248)	35	13	9
EPS (Rp)	7.2	(114.4)	1.6	0.6	0.4
BVPS (Rp)	176.3	180.2	150.6	148.7	151.1
PER (x)	7.0	n/a	37.0	n/a	n/a
PBV (x)	0.3	0.3	0.4	n/a	n/a
EV/EBITDA	4.4	7.3	4.7	1.5	1.8

Source: DEWA, BRIDS Estimates

A Turnaround Story in the Making

In Feb25, DEWA completed an NPR of 18.8bn shares at Rp75/share, or equal to Rp1.4tr of payables that was converted into equity. On this occasion, there was a 46% dilution in which the new equity holders, MTN, ATP, and AMM own 24.8%, 11.8%, 9.7%, respectively. Meanwhile, BUMI's combined ownership through Goldwave Capital and Zurich Assets declined to 15.5%. After the NPR, DEWA's DER declined from 1.3x to 0.6x

Exhibit 1. DEWA ownership pre and post NPR (Feb25)

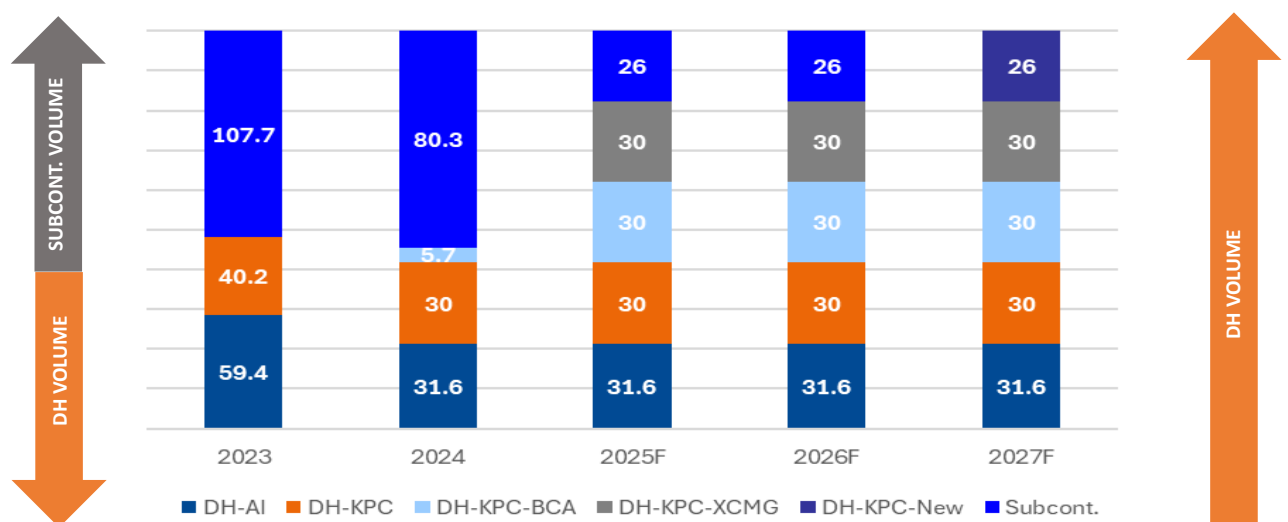
Description	Series	Before Proposed PMTHMETD**			After Proposed PMTHMETD		
		Total Shares	Nominal Value (IDR)	%	Total Shares	Nominal Value (IDR)	%
Authorized Capital							
Series A	A	21,853,733,792	2,185,373,379,200		21,853,733,792	2,185,373,379,200	
Series B	B	76,292,532,416	3,814,626,620,800		76,292,532,416	3,814,626,620,800	
Total Authorized Capital		98,146,266,208	6,000,000,000,000		98,146,266,208	6,000,000,000,000	
Issued and Paid-up Capital							
Goldwave Capital Limited	A	3,815,217,000	381,521,700,000	17.46	3,815,217,000	381,521,700,000	9.38
Zurich Assets International Ltd	A	2,513,178,390	251,317,839,000	11.50	2,513,178,390	251,317,839,000	6.18
PT Madhani Talatah Nusantara	B	-	-	-	10,093,210,520	504,660,526,000	24.81
PT Andhesti Tungkas Pratama	B	-	-	-	4,785,666,666	239,283,333,300	11.76
PT Antareja Mahada Makmur	B				3,954,823,266	197,741,163,300	9.72
Public*	A	15,525,338,402	1,552,533,840,200	71.04	15,525,338,402	1,552,533,840,200	38.15
Total Issued and Paid-up Capital		21,853,733,792	2,185,373,379,200	100.00	40,687,434,244	3,127,058,401,800	100.00

Source: Company, BRIDS

Fleet expansion plan

DEWA's contracts are exclusively with BUMI's KPC and Arutmin. Before the company's revitalization in FY23, DEWA handled 40Mbcm of in-house work at KPC while outsourcing 108Mbcm of KPC's contract to subcontractors. However, after purchasing new equipment using BCA's syndicated loan, DEWA will increase its in-house work in KPC by 30Mbcm, to a total of 60Mbcm. Nonetheless, as the equipment will fully arrive by Mar25, the impact of cost efficiency from in-house work should only be visible starting in 2Q25. In 3Q25, DEWA will collaborate with XCMG on a vendor financing scheme to deliver heavy equipment that is worth another 30Mbcm of annual work. Thus, by 4Q25, DEWA will have 90Mbcm of in-house capacity for KPC on top of the existing 31.6Mbcm of capacity for Arutmin (Exh.3).

Exhibit 2. DEWA ownership pre and post NPR (Feb25)



Source: Company, BRIDS

Exhibit 3. DEWA 9M24 financial and operational results
Darma Henwa

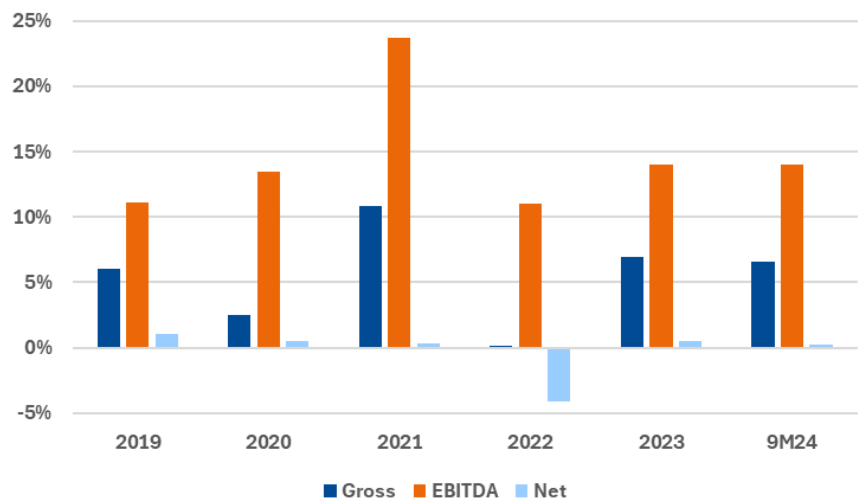
DEWA	3Q23	2Q24	3Q24	q-q (%)	yoy (%)	9M23	9M24	y-y (%)
PROFIT & LOSS (Rpbn)								
Revenue	1,761	1,468	1,603	9.2	(9.0)	5,423	4,523	(16.6)
Cost of revenue	(1,638)	(1,392)	(1,524)	9.5	(7.0)	(5,107)	(4,227)	(17.2)
Gross profit	123	77	79	3.5	(35.8)	315	297	(6.0)
Operating expenses	(63)	(75)	(36)	(52.2)	(43.0)	(174)	(185)	6.3
Operating profit	61	2	43	2,397	(28.5)	141	111	(21.0)
EBITDA	278	171	223	29.9	(19.8)	819	634	(22.6)
Other income/(expense)	(52)	(12)	(17)	40.3	(67.0)	(122)	(56)	(54.0)
Pre-tax profit	8	(11)	26	(347.2)	210.2	19	55	186.2
Taxes	(0)	17	(31)	(284.1)	6,212.8	(6)	(46)	676.7
Non-controlling interests	0	0	(0)	(652.4)	(276.8)	0	0	700.2
Net profit attributable to parent	8	6	(5)	(178.4)	(161.9)	13	9	(29.9)
Margins (%)								
Gross margin	7.0	5.2	4.9			5.8	6.6	
EBITDA margin	15.8	11.7	13.9			15.1	14.0	
Op. margin	3.4	0.1	2.7			2.6	2.5	
Net margin	0.5	0.4	(0.3)			0.2	0.2	

Operational data	3Q23	3Q24	yoy (%)	6M23	6M24	y-y (%)	9M23	9M24	y-y (%)
Waste removal (Mbcm)	54	36	-33.4%	96.4	63.3	-34.3%	150	99	-34.0%
Coal mining (Mt)	4.6	4.2	-10.6%	8.7	8.2	-6.0%	13.3	12.3	-7.6%
Material moved (Mbcm)	57	39	-31.9%	103.1	69.6	-32.5%	160	108	-32.3%

Source: Company, BRIDS

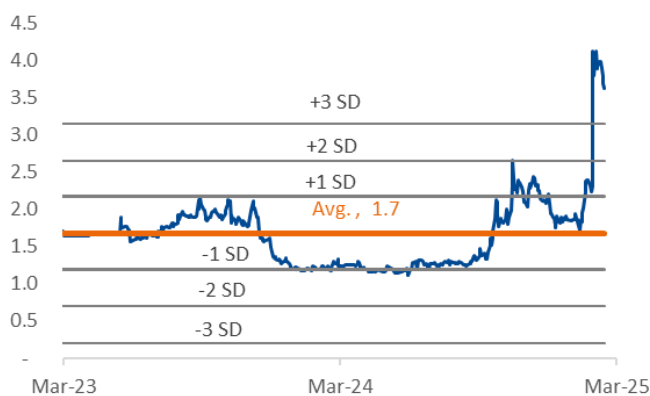
DEWA recorded a weaker 9M24 performance where revenues declined to Rp4.5tr, -17% yoy, and net profit fell to Rp9bn, -30% yoy, due to the decline in its operational activities. During 9M24, waste removal declined by -34% yoy to 99Mbcm, followed by a decline in coal mining to 12.3mn ton, -8% yoy. Nonetheless, DEWA saw slight GPM improvement from 5.8% in 9M23 to 6.6% in 9M24 where notable decreases were from a reduction in fuel cost (-47%) and equipment rental (-68%). Though the gains were offset by higher opex of Rp185bn, +6% yoy, note that the difference was mainly attributable to a Rp26bn forex loss.

Exhibit 4. DEWA's Gross, EBITDA, and Net margin



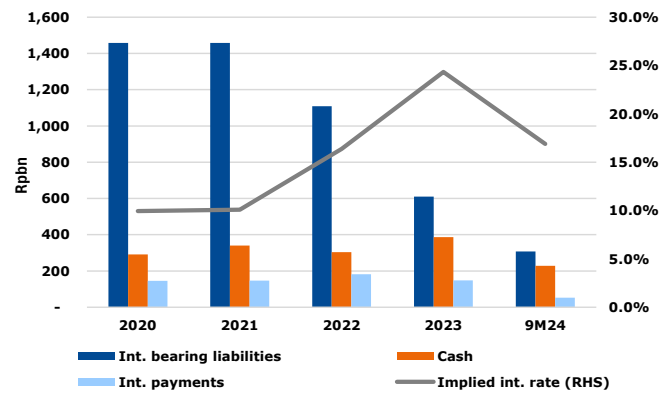
Source: Company, BRIDS

Exhibit 5. DEWA's EV/EBITDA band



Source: Company, Bloomberg

Exhibit 6. DEWA's Total debt and avg. interest rate



Source: Company, BRIDS

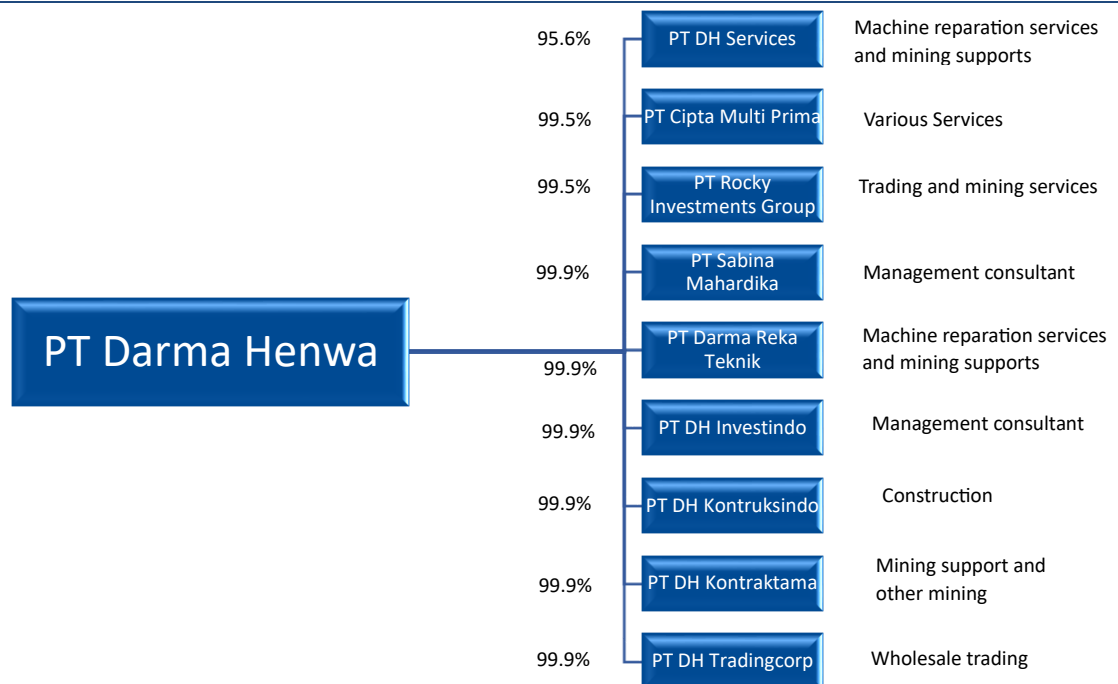
Company profile

PT Darma Henwa Tbk (DEWA) is an Indonesian mining contractor which provides comprehensive services to the coal and mineral mining industries. Established on October 8, 1991, the company transitioned into a foreign investment entity in 1996 following the acquisition of majority shares by Henry Walker Group Ltd. Over the years, DEWA has developed expertise in various aspects of mining operations, from site preparation to coal hauling and infrastructure development.

DEWA's services include land clearing, topsoil management, drilling and blasting, overburden removal, coal extraction, run-of-mine (ROM) coal handling, coal hauling, and coal barging. The company also undertakes mining infrastructure projects such as road and bridge construction, installation of mineral processing plants, earthworks, and exploration drilling.

With a strong presence in Indonesia's mining sector, DEWA operates multiple sites across the country, serving some of the largest mining companies. Its commitment to efficiency, safety, and environmental responsibility has positioned it as a trusted partner in the industry.

Exhibit 7. DEWA corporate structure



Source: Company

Exhibit 8. Peers comparable

Date	16-Mar-25	Company	Mkt.Cap (USD mn.)	PE		PB		ROA		ROE	
				25F	26F	25F	26F	25F	26F	25F	26F
UNTR IJ	UNTR IJ Equity	UNITED TRACTORS TBK PT	5,187.7	4.5	4.8	0.9	0.8	11.2	10.2	19.4	16.6
MAH AU	MAH AU Equity	MACMAHON HOLDINGS LTD	367.8	5.7	5.1	0.8	0.7	2.9	3.4	15.1	14.8
NWH AU	NWH AU Equity	NRW HOLDINGS LTD	789.1	10.3	9.4	1.9	1.7	9.0	9.3	18.3	18.5
PRN AU	PRN AU Equity	PERENTI LTD	756.1	6.8	6.1	0.7	0.6	9.4	10.2	9.6	10.7
Average.				6.8	6.3	1.0	1.0	8.1	8.3	15.6	15.2

Source: Company, BRIDS Estimates

Exhibit 9. Income Statement

Year to 31 Dec (Rpbn)	2021A	2022A	2023A	9M23A	9M24A
Revenue	4,618	6,042	7,373	5,423	4,523
COGS	(4,120)	(6,034)	(6,860)	(5,107)	(4,227)
Gross profit	498	8	513	315	297
EBITDA	1,095	665	1,030	819	634
Oper. profit	318	(226)	198	133	134
Interest income	3	5	3	2	4
Interest expense	(151)	(193)	(156)	(121)	(54)
Forex Gain/(Loss)	(29)	168	(9)	6	(26)
Income From Assoc. Co's	0	1	0	1	0
Other Income (Expenses)	(3)	(4)	(3)	(2)	(2)
Pre-tax profit	138	(249)	33	19	56
Income tax	(122)	0	3	(6)	(46)
Minority interest	(0)	(0)	(0)	(0)	(0)
Net profit	16	(248)	35	13	9
Core Net Profit	16	(249)	35	13	16

Exhibit 10. Balance Sheet

Year to 31 Dec (Rpbn)	2021A	2022A	2023A	9M23A	9M24A
Cash & cash equivalent	313	300	387	440	228
Receivables	805	866	1,775	1,448	1,679
Inventory	301	584	412	412	403
Other Curr. Asset	909	798	333	400	355
Fixed assets - Net	3,055	3,224	2,627	2,843	2,497
Other non-curr.asset	2,642	2,726	2,603	2,594	2,490
Total asset	8,024	8,497	8,138	8,137	7,653
ST Debt	746	887	549	694	221
Payables	1,944	2,473	3,377	3,148	3,356
Other Curr. Liabilities	0	2	34	35	0
Long Term Debt	594	207	62	75	87
Other LT. Liabilities	883	989	826	931	690
Total Liabilities	4,167	4,557	4,848	4,885	4,354
Shareholder's Funds	3,854	3,937	3,292	3,249	3,302
Minority interests	3	3	(2)	3	(2)
Total Equity & Liabilities	8,024	8,497	8,138	8,137	7,653

Exhibit 11. Cash Flow

Year to 31 Dec (Rpbn)	2021A	2022A	2023A	9M23A	9M24A
Net income	16	(248)	35	13	9
Depreciation and Amort.	777	891	833	678	523
Change in Working Capital	n/a	n/a	n/a	n/a	n/a
Other Oper. Cash Flow	n/a	n/a	n/a	n/a	n/a
Operating Cash Flow	965	212	1,110	931	569
Capex	(227)	(215)	(187)	(201)	(218)
Others Inv. Cash Flow	(3)	106	(56)	42	51
Investing Cash Flow	(230)	(109)	(243)	(159)	(167)
Net change in debt	(564)	(609)	(594)	(481)	(431)
New Capital	0	0	0	0	0
Dividend payment	0	0	0	0	0
Other Fin. Cash Flow	(101)	195	(179)	(158)	(103)
Financing Cash Flow	(665)	(414)	(773)	(639)	(534)
Net Change in Cash	45	(39)	83	137	(159)
Cash - begin of the year	267	339	304	304	387
Cash - end of the year	313	300	387	440	228

Exhibit 12. Key Ratio

Year to 31 Dec	2021A	2022A	2023A	9M23A	9M24A
Growth (%)					
Sales	6.4	26.1	22.0	25.5	(16.6)
EBITDA	87.1	(41.5)	55.0	(31.5)	149.6
Operating profit	n/a	n/a	n/a	n/a	350.6
Net profit	(33.7)	n/a	n/a	n/a	(29.8)
Profitability (%)					
Gross margin	10.8	0.1	7.0	5.8	6.6
EBITDA margin	23.7	11.0	14.0	15.0	14.5
Operating margin	6.9	(3.7)	2.7	2.5	3.0
Net margin	0.3	(4.1)	0.5	0.2	0.2
ROAA	0.2	(3.0)	0.4	0.2	0.1
ROAE	0.4	(6.4)	1.0	0.0	0.0
Leverage					
Net Gearing (x)	0.3	0.2	0.1	(19.6)	(0.1)
Interest Coverage (x)	2.1	(1.2)	1.3	n/a	n/a

Source : DEWA, BRIDS Estimates

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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