

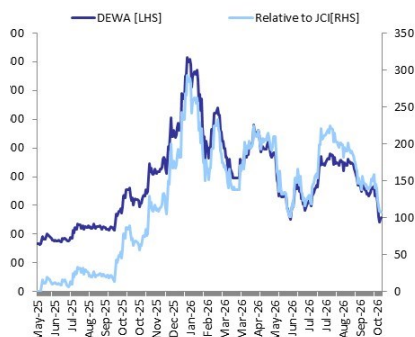
Buy

(Maintained)

Tactical (3M): **OW**

Last Price (Rp)	258
Target Price (Rp)	530
Previous TP (Rp)	-
Upside/Downside	+105.4%
No. of Shares (mn)	40,687
Mkt Cap (Rpbn/US\$mn)	10,497/583
Avg, Daily T/O (Rpbn/US\$mn)	251.0/13.9
Free Float (%)	49.9
Major Shareholder (%)	
Goldwave Capital Ltd	9.4
CGS International Securities Hong Kong Ltd	6.4
EPS Consensus (Rp)	
	2026F 2027F 2028F
BRIDS	16.6 40.3 35.9
Consensus	15.5 29.6 34.4
BRIDS/Cons (%)	7.6 36.4 4.4

DEWA relative to JCI Index



Source: Bloomberg

Darma Henwa (DEWA IJ)

Fleet Internalization on Track, Potential New Contracts Offer Further Upside

- DEWA's fleet internalization strategy delivered margin expansion, with 3Q26 EBITDA rising 27.5% qoq and margin reaching 33.0%.
- Sebuku underpins volume growth, while potential tender wins could lift FY27F EBITDA by 32.8% under our upside scenario.
- Reiterate Buy rating and TP of Rp530 TP on improving operating efficiency and accelerating FY27F earnings.

3Q26: Fleet Internalization Delivers, Driving Further Margin Expansion

DEWA's 3Q26 EBITDA rose 27.5% qoq to Rp626bn, outpacing revenue growth of 14.4% qoq, as the full-quarter contribution from Bengalon's fleet internalization and favorable weather supported stronger operating efficiency. With in-house material movement reaching 100%, EBITDA margin expanded to 33.0% from 29.6% in 2Q26, bringing 9M26 EBITDA to Rp1.56tn (+30.7% yoy), or 72% of our FY26F estimate. We view the results as reinforcing our fleet internalization thesis, with operating performance broadly on track despite elevated financing costs weighing on bottom-line earnings, while management expects limited operational disruption from Kepmen ESDM No. 365/2026.

Sebuku on Track, Tender Pipeline Offers Further Upside

DEWA's Sebuku project remains on track following its Aug26 commencement, with management's FY26 target of 8–10 mbcm broadly aligned with our 8 mbcm forecast, while targeting 30–35 mbcm of waste removal in FY27. With Sebuku providing a secured foundation for volume growth, the next earnings catalyst could come from potential new contract, as DEWA pursues coal mining opportunities in South Sumatra and nickel mining in East Halmahera, North Maluku. Under our upside scenario, selected contract wins could add up to 61.4 mbcm of annual material movement, potentially lifting FY27F revenue by 25.6% (+Rp3.02tn), EBITDA by 32.8% (+Rp1.33tn), and adjusted net profit by 54.5% (+Rp896bn) versus our base case.

Reiterate Buy rating with unchanged Rp530 TP

We reiterate our Buy rating with an unchanged SOTP-based TP of Rp530, supported by sustained margin improvement and secured volume growth from Sebuku. DEWA currently trades at 6.4x FY27F P/E and c.105% upside to our TP. Potential coal and nickel contract wins offer additional earnings upside (Rp40/share upside potential to our TP), while Gayo Mineral Resources provides longer-term valuation optionality. Key risks remain project execution delays, higher capex requirements, rising financing costs, and regulatory implementation.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (Rpbn)	6,032	6,393	7,218	11,783	12,726
EBITDA (Rpbn)	925	1,667	2,169	4,043	4,109
EBITDA Growth (%)	(15.5)	80.2	30.1	86.4	1.6
Net Profit (Rpbn)	55	4,307	676	1,640	1,461
EPS (Rp)	2.5	105.8	16.6	40.3	35.9
EPS Growth (%)	56.5	4,088.2	(84.3)	142.6	(10.9)
BVPS (Rp)	138.9	210.8	227.4	267.7	303.6
PER (x)	102.1	2.4	15.5	6.4	7.2
EV/EBITDA	7.5	7.4	6.6	3.8	3.8

Source: DEWA, BRIDS Estimates

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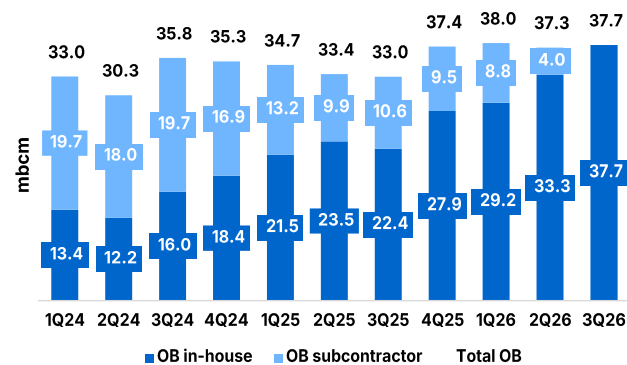
Exhibit 1. DEWA 3Q26 result update

DEWA (Rpbn)	3Q25	2Q26	3Q26	q-q (%)	y-y (%)	9M25	9M26	y-y (%)	FY26F BRIDS	A/BRIDS, %	FY26F Cons.	A/Cons, %
Revenue	1,542	1,657	1,896	14%	23%	4,650	5,102	10%	7,218	70.7	7,343	69.5
COGS	(1,345)	(1,313)	(1,473)	12%	10%	(3,977)	(4,067)	2%				
Gross Profit	197	343	423	23%	115%	673	1,035	54%	1,388	74.6	1,153	89.8
Operating expenses	(54)	(127)	(120)	-5%	124%	(182)	(322)	77%				
Operating profit	143	217	303	40%	112%	491	712	45%	1,027	69.4	879	81.1
EBITDA	324	494	621	25.8%	91.8%	1,149	1,558	36%	2,169	71.8	2,004	77.7
Interest income	3	1	2	16%	-51%	6	6	0%				
Interest expense	(56)	(137)	(112)	-18%	99%	(178)	(319)	79%				
Other income/(expense)	16	266	4			14	261					
Pre-tax profit	106	347	196	-44%	85%	333	660	98%	868	76.0	679	97.2
Income tax	(35)	(86)	(37)	-57%	N/A	(94)	(147)	56%				
Minority interest	0	(0)	0	N/A	N/A	0	(0)	N/A				
Net profit	71	262	159	-39%	123%	239	513	115%	676	75.9	509	100.8
Core profit	60	61	156	155%	158%	229	310	35%	477	65.0	310	100.1
Margins (%)												
Gross	12.8	20.7	22.3			14.5	20.3		19.2		15.7	
EBIT	9.3	13.1	16.0			10.6	14.0		14.2		12.0	
EBITDA	21.0	29.8	32.8			24.7	30.5		30.1		27.3	
Net	4.6	15.8	8.4			5.1	10.1		9.4		6.9	
Core	3.9	3.7	8.2			4.9	6.1		6.6		4.2	
Net Gearing Ratio						0.37	0.47					

DEWA	3Q25	2Q26	3Q26	q-q (%)	y-y (%)	9M25	9M26	y-y (%)	FY26F BRIDS	A/BRIDS, %
Total OB (MBcm)	33.0	37.3	37.7	1%	14%	101.2	113.0	12%	143.7	78.6
DH	22.4	33.3	37.7	13%	68%	67.4	100.2	49%		
Subcon	10.6	4.0	-	-100%	-100%	33.8	12.8	-62%		
Coal (Mtons)	4.1	4.2	4.9	17%	19%	12.5	13.1	5%	16.9	77.8
DH	2.9	3.6	4.9	35%	66%	9.1	11.8	30%		
Subcon	1.2	0.5	-	-100%	-100%	3.4	1.3	-61%		
Material Moved (MBcm)	36.2	40.5	41.5	2%	15%	110.8	123.1	11%	160.6	76.7
DH	24.6	36.1	41.5	15%	68%	74.4	109.3	47%		
Subcon	11.5	4.4	-	-100%	-100%	36.4	13.8	-62%		
SR (x)	8.0	8.9	7.7	-14%	-4%	8.1	8.6	6%		

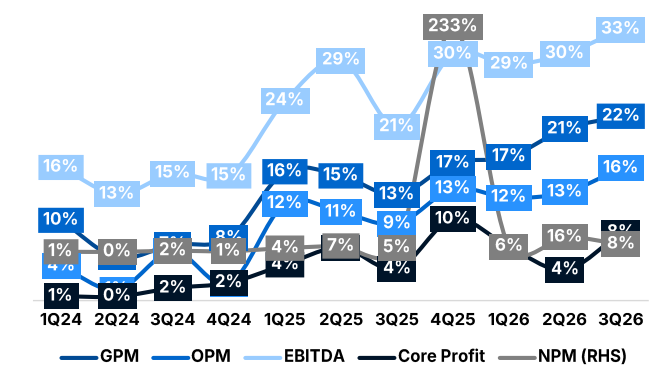
Source: DEWA, BRIDS

Exhibit 2. DEWA OB removal (q-q)



Source: DEWA, BRIDS

Exhibit 3. DEWA's margin trend (q-q)

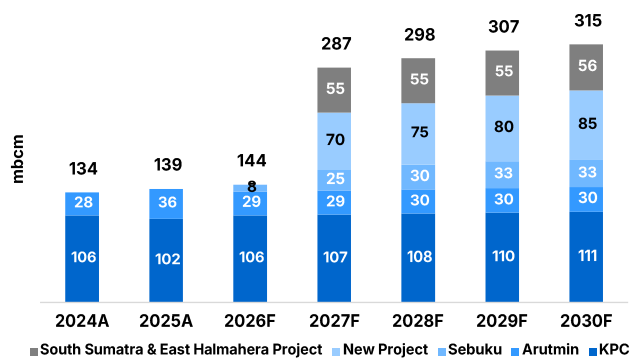


Source: DEWA, BRIDS

FY27F Growth Hinges on Expanded Mining Scope, with Tender Upside Beyond the Base Case

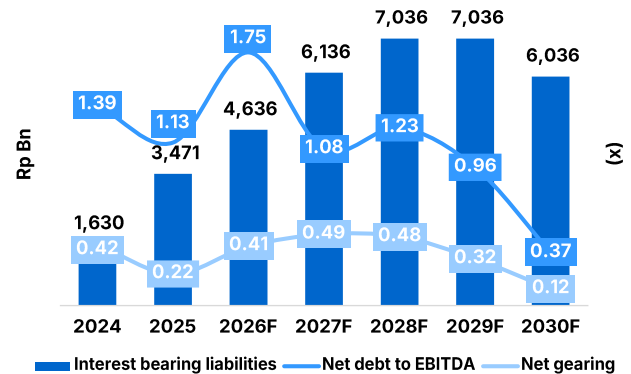
Our FY27F base case assumes OB removal of 231 mbcm (+61.5% yoy), comprising 136 mbcm from existing operations, 25 mbcm from Sebuku, and 70 mbcm from additional operating scope. Notably, the latter accounts for nearly 80% of our projected incremental OB volumes in FY27, suggesting that earnings growth will depend more heavily on the execution of expanded mining activities than on Sebuku's ramp-up alone. Meanwhile, our Sebuku volume assumption of 25 mbcm remains below management's FY27 target of 30–35 mbcm, providing some potential upside to our existing estimates. The key consideration is therefore the timing and commercial visibility of the additional operating scope, which represents the largest component of our forecast volume increase.

Exhibit 4. DEWA's potential OB removal



Source: DEWA, BRIDS Estimates

Exhibit 5. DEWA's winning scenario debt outlook



Source: DEWA, BRIDS Estimates

Beyond our base case, DEWA is pursuing coal-mining tenders in South Sumatra and a nickel-mining opportunity in East Halmahera. Under our illustrative upside scenario, selected project wins could contribute up to 61.4 mbcm of annual material movement, including 55 mbcm of OB removal, potentially lifting FY27F revenue to Rp14.80tn (+25.6% vs. base case) and EBITDA to Rp5.37tn (+32.8%), translating into an implied TP of Rp570/sh (121% potential upside). Adjusted net profit could reach Rp2.54tn (+54.5%), although the implied incremental EBITDA margin of c.44% warrants closer scrutiny against project-level economics. Importantly, these opportunities remain outside our base case and are contingent on successful tender awards, project mobilization, and financing availability.

Exhibit 6. DEWA's earnings and potential upside scenario

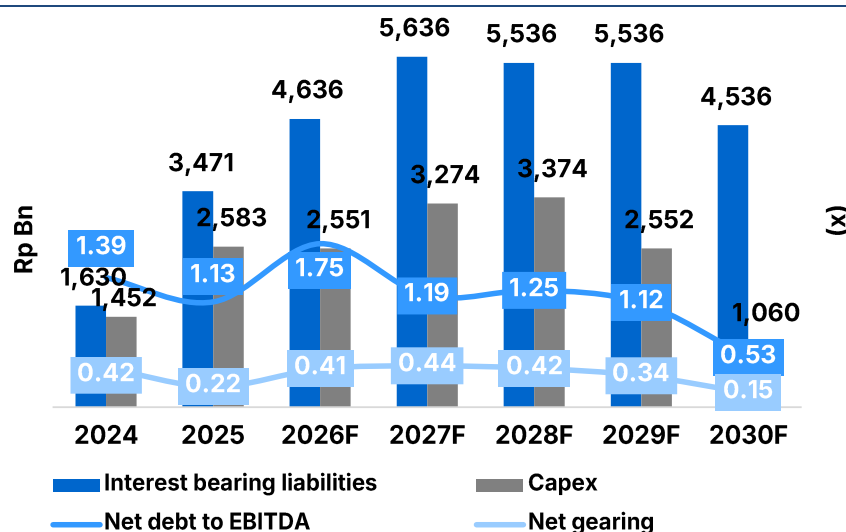
Scenario	Material Moved (mbcm)			Net Profit (RpBn)			Implied TP	Potential Upside
	26F	27F	28F	26F	27F	28F		
Base Case	157	252	264	676	1,640	1,461	530	105%
Winning both tender	157	313	325	676	2,536	2,156	570	121%
South Sumatra only	157	299	311	676	2,263	1,928	560	117%
East Halmahera only	157	266	278	676	1,830	1,602	550	113%

Source: DEWA, BRIDS Estimates

Sukuk Financing to Support the Next Phase of Expansion

DEWA plans to issue up to Rp3.5tn in Sukuk Wakalah, with an initial tranche of up to Rp1.5tn targeted for Dec-26 at an indicative high-single-digit yield. Proceeds are expected to support capex and working capital requirements, providing additional funding flexibility for project mobilization and potential tender wins. The initial issuance would be equivalent to c.46% of our FY27F capex forecast of Rp3.27tn. Nevertheless, with financing costs already weighing on earnings conversion, we believe incremental project returns must sufficiently offset higher funding expenses to sustain bottom-line growth.

Exhibit 7. DEWA's Base Case Capex and Leverage Outlook



Source: DEWA, BRIDS Estimates

Kepmen ESDM 365/2026: Regulatory Risks Remain Manageable

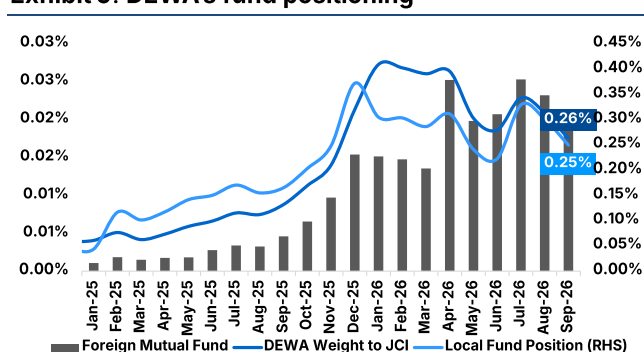
Kepmen ESDM No. 365/2026 prioritizes local mining contractors and requires ministerial approval for affiliated contractors, with exemptions for PSN, downstreaming, and domestic supply activities. Management expects limited disruption to DEWA's existing operations, particularly given KPC and Arutmin's involvement in coal downstreaming initiatives under the PSN framework. DEWA has also engaged with relevant ESDM representatives to clarify regulatory requirements and ensure continued compliance, with no material operational concerns identified thus far. Nevertheless, regulatory implementation remains a key risk to monitor.

Exhibit 8. Peers comparable

Ticker	Company	Mkt.Cap (USD mn.)	PE		EV/EBITDA		ROA		ROE	
			26F	27F	26F	27F	26F	27F	26F	27F
DEWA IJ	DARMA HENWA PT TBK	582	16.7	8.7	6.2	3.2	4.5	5.3	9.7	10.6
UNTR IJ	UNITED TRACTORS TBK PT	4,965	10.0	6.7	3.6	2.8	5.5	8.0	8.4	12.2
PTRO IJ	PETROSEA TBK PT	1,712	24.3	21.2	N/A	N/A	3.6	3.9	18.5	18.9
Domestic Average			17.0	12.2	4.9	3.0	4.5	5.7	12.2	13.9
MAH AU	MACMAHON HOLDINGS LTD	1,583	19.2	16.6	5.6	5.1	8.0	8.7	15.2	16.3
NWH AU	NRW HOLDINGS LTD	2,128	16.9	14.2	6.6	5.7	11.3	11.8	25.3	27.7
PRN AU	PERENTI LTD	1,308	10.7	9.6	3.3	3.0	10.0	11.0	9.2	10.4
Regional Average			15.6	13.5	5.2	4.6	9.8	10.5	16.6	18.1
CAPD LN	CAPITAL LTD	379	9.8	9.1	4.1	3.6	N/A	N/A	9.8	8.5
ARLP US	ALLIANCE RESOURCE PARTNERS	3,310	10.7	8.9	N/A	N/A	N/A	N/A	N/A	N/A
Global Average			10.3	9.0	4.1	3.6	N/A	N/A	9.8	8.5
Average.			14.8	11.9	4.9	3.9	7.1	8.1	13.7	15.0

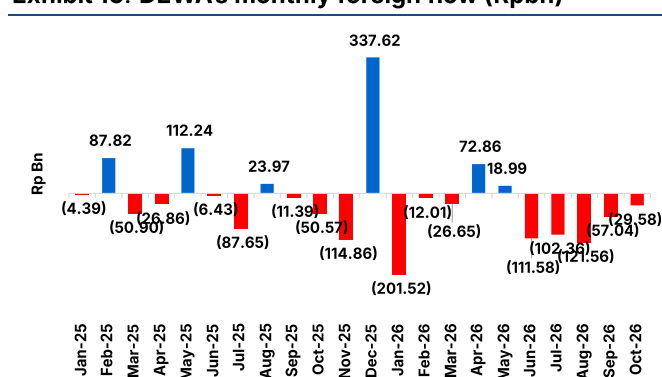
Source: Bloomberg, BRIDS

Exhibit 9. DEWA's fund positioning



Source: Bloomberg, BRIDS Estimates

Exhibit 10. DEWA's monthly foreign flow (Rpbn)



Source: Bloomberg, BRIDS Estimates

Exhibit 11. DEWA's P/E Band 3-Year



Source: Company, BRIDS Estimates

Exhibit 12. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Revenue	6,032	6,393	7,218	11,783	12,726
COGS	(5,592)	(5,431)	(5,830)	(8,589)	(9,722)
Gross profit	439	962	1,388	3,195	3,004
EBITDA	925	1,667	2,169	4,043	4,109
Oper. profit	206	726	1,027	2,606	2,368
Interest income	5	16	7	17	16
Interest expense	(85)	(259)	(417)	(507)	(498)
Forex Gain/(Loss)	(3)	(3)	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	(28)	3,733	252	(10)	(10)
Pre-tax profit	95	4,214	868	2,105	1,876
Income tax	(40)	93	(191)	(463)	(413)
Minority interest	0	0	(1)	(2)	(2)
Net profit	55	4,307	676	1,640	1,461
Core Net Profit	58	4,309	676	1,640	1,461

Exhibit 13. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	347	1,591	836	812	387
Receivables	1,614	1,537	1,780	2,906	3,138
Inventory	402	302	495	729	826
Other Curr. Asset	392	190	392	392	392
Fixed assets - Net	3,417	4,609	6,090	7,999	9,705
Other non-curr.asset	2,362	8,506	8,506	8,506	8,506
Total asset	8,534	16,735	18,099	21,344	22,953
ST Debt	258	835	2,000	1,000	900
Payables	2,530	1,612	1,678	2,282	2,531
Other Curr. Liabilities	827	691	827	827	827
Long Term Debt	1,372	2,636	2,636	4,636	4,636
Other LT. Liabilities	509	2,370	1,704	1,704	1,704
Total Liabilities	5,496	8,144	8,844	10,449	10,597
Shareholder's Funds	3,036	8,576	9,252	10,892	12,353
Minority interests	3	15	3	3	3
Total Equity & Liabilities	8,534	16,735	18,099	21,344	22,953

Exhibit 14. Cash Flow

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Net income	55	4,307	676	1,640	1,461
Depreciation and Amort.	719	941	1,142	1,437	1,741
Change in Working Capital	276	(824)	(47)	(755)	(80)
Other Oper. Cash Flow	(865)	3,285	(1,127)	(72)	(72)
Operating Cash Flow	186	7,709	644	2,250	3,049
Capex	(1,489)	(9,551)	(2,551)	(3,274)	0
Others Inv. Cash Flow	0	0	0	0	0
Investing Cash Flow	(1,489)	(9,551)	(2,551)	(3,274)	0
Net change in debt	1,257	1,841	1,165	1,000	(100)
New Capital	5	1,246	(12)	0	0
Dividend payment	0	0	0	0	0
Other Fin. Cash Flow	0	0	0	0	0
Financing Cash Flow	1,263	3,087	1,152	1,000	(100)
Net Change in Cash	(40)	1,244	(755)	(24)	2,949
Cash - begin of the year	387	347	1,591	836	812
Cash - end of the year	347	1,591	836	812	387

Exhibit 15. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Sales	(18.2)	6.0	12.9	63.2	8.0
EBITDA	(15.5)	80.2	30.1	86.4	1.6
Operating profit	(10.6)	252.7	41.4	153.7	(9.1)
Net profit	56.5	7,697.7	(84.3)	142.6	(10.9)
Profitability (%)					
Gross margin	7.3	15.1	19.2	27.1	23.6
EBITDA margin	15.3	26.1	30.1	34.3	32.3
Operating margin	3.4	11.4	14.2	22.1	18.6
Net margin	0.9	67.4	9.4	13.9	11.5
ROAA	0.7	34.1	3.9	8.3	6.6
ROAE	1.8	74.2	7.6	16.3	12.6
Leverage					
Net Gearing (x)	0.4	0.2	0.4	0.4	0.4
Interest Coverage (x)	2.4	2.8	2.5	5.1	4.8

Source: DEWA, BRIDS Estimates

Equity Research – Company Update

Friday, 23 October 2026

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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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