



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52495.9	1.0	1.6	1.6	9.2
S&P 500	7712.6	0.3	(1.2)	0.8	12.7
FTSE 100	10733.0	(0.3)	0.8	0.7	8.1
AS30	8956.4	0.1	1.0	0.4	(0.7)
CSI 300	4152.1	(0.5)	(2.9)	(8.5)	(10.3)
FSSTI	5404.0	(0.1)	(0.5)	(4.8)	16.3
HSCEI	8030.3	(1.2)	(1.7)	(3.7)	(9.9)
HSI	23867.7	(1.3)	(1.7)	(3.6)	(6.9)
JCI	5278.9	5.6	(10.9)	(17.3)	(39.0)
KLCI	1599.6	0.2	(1.5)	(4.0)	(4.8)
KOSPI	5552.7	(3.7)	(8.0)	(20.8)	31.8
Nikkei 225	64075.4	(1.3)	(5.5)	(1.5)	27.3
SET	1554.9	(1.1)	(1.4)	(2.7)	23.4
TWSE	46292.9	(1.1)	(4.2)	(3.0)	59.8
BDI	2593	1.8	(7.4)	(23.1)	38.1
CPO (RM/mt)	4455	0.0	0.8	(3.9)	13.3
Brent Crude (US\$/bbl)	109	(0.7)	2.9	4.7	78.8

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct
1HFY27 Post Results briefing with Valuetronics Holdings Ltd (VALUE SP)	Singapore	11 Nov	11 Nov
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov

Top Stories

Company Update | Darma Henwa (DEWA IJ/BUY/Rp256/Target: Rp780)

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- DEWA's operations are gaining traction, with 3Q26 margins improving following the Bengalon takeover and full in-house operations. SSC is ramping up, while potential South Sumatra and Halmahera contract wins could lift 2027 OB volume toward 200m BCM and drive core profit growth of 101.4% yoy. We maintain BUY with a lower target price of Rp780, reflecting higher WACC and more conservative earnings assumptions. Unpriced copper exposure offers further upside, although financing costs and execution risks remain.

Technical Analysis

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- Trading Buy Range: We have a technical Buy at Rp5,425, and take profit at Rp5,775.

Aspirasi Hidup Indonesia | ACES IJ

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- Trading Buy Range: We have a technical Buy at Rp332, and take profit at Rp360.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Darma Henwa (DEWA IJ)

Ramping Up For 2027 Growth

Highlights

- **DEWA's operations are gaining traction**, with 3Q26 margins improving following the Bengalon takeover and full in-house operations.
- **Volume to reach 200m BCM**. SSC is ramping up, while potential South Sumatra and Halmahera contract wins could lift 2027 OB volume toward 200m BCM and drive core profit growth of 101.4% yoy.
- **We maintain BUY with a lower target price of Rp780**, reflecting higher WACC and more conservative earnings assumptions. Unpriced copper exposure offers further upside, although financing costs and execution risks remain.

Analysis

- **Full utilisation of in-house in 3Q26**. 3Q26 marked Darma Henwa's (DEWA) first full quarter of 100% in-house operations following the Bengalon takeover in May 26, lifting gross, operating and EBITDA margins to 22.3%, 16.0% and 33.0%, respectively, supported by lower rainfall and better fuel efficiency. 9M26 net profit rose 114.5% yoy to Rp513b, including a Rp229b fair value gain in 2Q26, while EBITDA grew 30.7% to Rp1.56t on 10% revenue growth. 3Q26 net profit was Rp159b (+49% qoq core profit growth). We expect 4Q26 performance to remain solid, supported by SSC and full in-house operations, despite potential seasonal rainfall.
- **Scaling up operations and expanding beyond BUMI**. Sebuiku Sejaka Coal (SSC), DEWA's first major external contract, is ramping up following its US\$1.3b five-year contract signed in Jun 26, with first coal delivered in Oct 26. DEWA targets 0.8-0.9mt of coal and 8m-10m BCM of overburden removal (OB) in 2026. This could potentially rise to 3mt of coal (subject to mining quota award) and 30m-35m BCM of OB in 2027. At full capacity, SSC could generate about Rp4t in annual revenue, add 55m BCM of annual OB volume, and command rates around 30% above DEWA's typical levels.
- **Contract wins could lift 2027 volume**. Meanwhile, DEWA is in the final bidding round for four South Sumatra packages worth about Rp17t combined, with awards expected in Nov-Dec 26. Winning one or two packages could add around 30m BCM of OB, bringing 2027 volume to about 200m BCM alongside SSC. Additional upside could come from a potential 72m BCM nickel mining contract in Halmahera Timur starting in 1Q27, subject to RKAB approval. Over the longer term, DEWA continues to pursue additional opportunities at KPC, supported by its newer, more fuel-efficient fleet with additional 150m bcm of potential volume.

Key Financials

Year to 31 Dec (Rpb)	2024	2025	2026F	2027F	2028F
Net turnover	6,032	6,393	6,965	9,026	10,463
EBITDA	862	1,641	2,404	3,728	4,308
Operating profit	181	720	1,081	2,000	2,691
Net profit (rep./act.)	55	4,307	718	1,053	1,739
Net profit (adj.)	55	570	718	1,053	1,739
EPS (Rp)	1	106	18	26	43
PE (x)	188.5	2.4	14.5	9.9	6.0
P/B (x)	3.4	1.2	1.1	1.0	0.9
EV/EBITDA (x)	13.6	7.5	5.5	3.4	2.8
Dividend yield	-	-	0.6	1.9	6.7
Net margin (%)	0.9	67.4	10.3	11.7	16.6
Net debt/(cash) to equity (%)	21.9	30.5	23.9	13.5	3.2
Interest cover (x)	6.8	6.2	6.3	11.9	19.2
ROE (%)	1.7	74.0	8.0	10.9	16.3
UOBKH/Consensus (x)			1.3	0.8	1.2

Source: Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Rp256
Target Price	Rp780
Upside	+205%
Previous TP	Rp1,260

Stock Data

Sector	Materials
Bloomberg ticker	DEWA IJ
Shares issued (m)	40,687
Market cap (Rpb)	10,416
Market cap (US\$m)	579
3-mth avg daily t'over (US\$m)	13.1

Price Performance (%)

52-week high/low				Rp865/Rp226
1mth	3mth	6mth	1yr	YTD
(30.8)	(35.7)	(53.5)	(14.7)	(61.8)

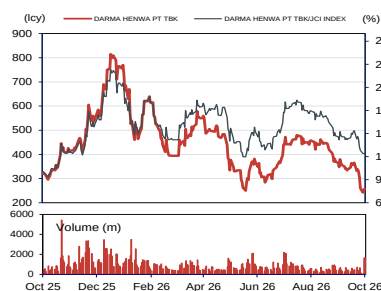
Major Shareholders (%)

CGS International Securities Hong Kong	6.4
Adhesti Tungkas Pratama	6.2
Goldwave Capital Limited	9.4
Zurich Asset International	6.2

Balance Sheet Metrics

FY26 NAV/Share (Rp)	228
FY26 Net Debt/Share (Rp)	n.a.

Price Chart



Source: Bloomberg

Company Description

Darma Henwa is a coal mining company that also provides machinery leasing and energy consultancy services.

DEWA Own Volume OB Forecast (m bcm)

DEWA (In Rp Bn)	9M26	9M25	yoy (%)	3Q26	3Q25	yoy (%)	qoq (%)
Revenue	5,102	4,650	9.7	1,896	1,542	23.0	14.4
Cost of Revenues	(4,067)	(3,977)	2.3	(1,473)	(1,364)	8.0	12.2
Gross Profit	1,035	673	53.7	423	177	138.4	23.1
General and Administrative Exp	(322)	(182)	77.4	(120)	(54)	123.5	(5.3)
Operating Profit	712	491	45.0	303	124	144.8	39.6
Finance Income	6	6	0.5	2	3	(51.0)	15.6
Finance Cost	(319)	(178)	79.5	(112)	(56)	99.2	(18.0)
Gain on Foreign Exchange	4	(3)	(219.5)	(1)	1	(163.6)	(123.8)
Gain/Loss Shares from Associate	(0)	0	(249.3)	-	0	(100.0)	(100.0)
Others	258	17	1,425.2	4	15	(71.1)	(98.4)
Profit Before Tax	660	333	98.2	196	86	126.4	(43.6)
Tax Expense	(147)	(94)	56.5	(37)	(35)	5.9	(57.0)
Minorities	0	(0)	(198.9)	0	(0)	(330.5)	(248.7)
Net Profit (Parent)	513	239	114.6	159	52	208.3	(39.2)
Core Net Profit	363	239	51.7	159	52	208.3	43.0
Margin (%)							
GPM	20.3	14.5		22.3	11.5		
EBITDA	30.5	24.7		32.8	23.6		
NPM	10.1	5.1		8.4	3.3		
Operational							
Waste Removal (mbcm)	113.0	101.2	11.7	44.9	37.9	18.6	34.6
Coal Mining (Mt)	13.1	12.5	5.0	4.7	4.3	10.3	13.6
Material Moved (mbcm)	123.1	110.8	11.1	48.6	41.2	17.9	32.8
In-house Material Moved (%)	89.0	67		100.0			

Source: UOB Kay Hian

- Volume to reach 200m BCM in 2027 (+33.3% yoy).** 2026 guidance is around 150m BCM of OB. This is 139m BCM from the existing KPC and Arutmin sites plus 8m to 10m BCM from Sebuiku. Total material moved should be above 160m BCM, vs 148m in 2025. Monthly OB capacity reached 14.0m BCM in Sep 26, up from 11.9m in May 26 and 6.6m at the start of 2024, and coal capacity is now 1.7MT per month. Management expects capacity to keep rising toward December as Sebuiku ramps up, although 4Q26 rain is a risk. With 2027 OB volume heading toward 200m BCM from the additional tender and SSC contribution, we expect 2027 core profit to grow 101.4% yoy to Rp1.05t.

Valuation/Recommendation

- Maintain BUY with lower DCF-based target price of Rp780 (previously Rp1,260).** We raise our WACC assumption to 10.6% (from 8.3%) and adopt more conservative earnings forecasts, mainly reflecting higher financing costs, while maintaining a 3% terminal growth rate given potential upside to our volume assumptions. We continue to view DEWA as an attractive long-term investment, supported by operational scaling and potential upside from the copper segment, which remains unpriced in our base case.

Earnings Revision/Risk

- We cut our 2026-27 net profit forecasts by 21% and 13.5%, respectively,** reflecting more conservative volume assumptions and higher operating and financing costs. However, we incorporate the one-off fair value gain on an associate booked in 2Q26 into our 2026 earnings estimate.

Earnings Revision

	New		Old		% chg	
	2026F	2027F	2026F	2027F	2026F	2027F
Dewa OB Removal own volume	149	197	154	209	-3.3%	-5.6%
Revenue	6,965	9,026	7,035	9,260	-1.0%	-2.5%
Gross Profit	1,522	2,507	1,653	2,588	-7.9%	-3.1%
Operating Profit	1,085	2,005	1,401	2,318	-22.5%	-13.5%
Net Profit	718	1,053	662	1,217	8.4%	-13.5%
Core Profit	523	1,053	662	1,217	-21.1%	-13.5%

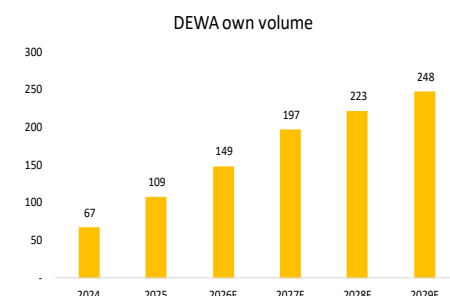
Source: UOB Kay Hian

- Key risks:** a) margin erosion, b) bad weather, c) delay in project execution, and d) higher financing costs.

Share Price Catalyst

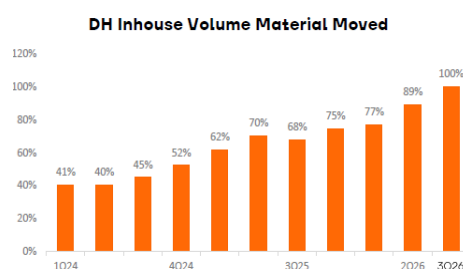
- Catalysts:** a) Tender bidding to add additional OB work, and b) potential upside from Gayo Mineral resource announcement by end-27.

DEWA Own Volume OB Forecast (m BCM)



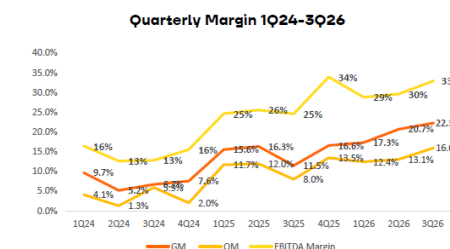
Source: UOB Kay Hian

Sebuiku Coal Mine



Source: UOB Kay Hian

Margin Expansion



Source: UOB Kay Hian

Potential Contract in South Sumatera



Source: UOB Kay Hian

Profit & loss

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Net turnover	6,393	6,965	9,026	10,463
EBITDA	1,641	2,404	3,728	4,308
Deprec. & amort.	922	1,322	1,727	1,617
EBIT	720	1,081	2,000	2,691
Total other non-operating income	3,737	260	(10)	(10)
Associate contributions	0	1	1	1
Net interest income/(expense)	(243)	(385)	(588)	(363)
Pre-tax profit	4,214	957	1,403	2,318
Tax	93	(239)	(351)	(580)
Minorities	0	0	0	1
Net profit	4,307	718	1,053	1,739

Cash flow

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Operating	(3,813)	1,626	2,012	2,765
Pre-tax profit	4,214	957	1,403	2,318
Tax	93	(239)	(351)	(580)
Deprec. & amort.	(1,315)	1,304	1,705	1,595
Working capital changes	(824)	(223)	(569)	(390)
Non-cash items	(5,982)	(172)	(176)	(179)
Investing	163	(2,600)	(1,478)	(1,228)
Capex (growth)	163	(2,600)	(1,478)	(1,228)
Others	0	0	0	0
Financing	4,894	1,604	1,646	(2,578)
Dividend payments	0	(59)	(200)	(696)
Issue of shares	1,246	13	(0)	(13)
Proceeds from borrowings	1,841	1,575	1,769	(1,948)
Loan repayment	1,808	76	77	79
Others/interest paid	0	0	0	0
Net cash inflow (outflow)	1,244	630	2,181	(1,042)
Beginning cash & cash equivalent	346	1,591	2,221	4,401

Balance Sheet

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Fixed assets	4,609	5,909	5,683	5,316
Other LT assets	0	0	0	0
Cash/ST investment	1,591	2,221	4,401	3,360
Other current assets	10,535	10,923	11,668	12,238
Total assets	16,735	19,053	21,752	20,914
ST debt	835	910	1,180	1,367
Other current liabilities	2,303	2,328	2,357	2,386
LT debt	2,636	4,136	5,636	3,500
Other LT liabilities	2,370	2,417	2,465	2,515
Shareholders' equity	8,591	9,262	10,115	11,145
Minority interest	0	0	0	0
Total liabilities & equity	16,735	19,053	21,752	20,914

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	25.7	34.5	41.3	41.2
Pre-tax margin	65.9	13.7	15.5	22.2
Net margin	67.4	10.3	11.7	16.6
ROA	34.1	4.0	5.2	8.2
ROE	74.0	8.0	10.9	16.3
Growth				
Turnover	6.0	9.0	29.6	15.9
EBITDA	90.5	46.5	55.1	15.6
Pre-tax profit	4,331.8	(77.3)	46.7	65.2
Net profit	7,692.7	(83.3)	46.7	65.2
Net profit (adj.)	7,692.7	(83.3)	46.7	65.2
EPS	7,692.7	(83.3)	46.7	65.2
Leverage				
Debt to total capital	40.4	54.5	67.4	43.7
Debt to equity	40.3	54.5	67.4	43.6
Net debt/(cash) to equity	21.9	30.5	23.9	13.5
Interest cover (x)	6.8	6.2	6.3	11.9

Technical Analysis

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Source: Tradingview

Indocement Tunggal Prakarsa INTF IJ

Technical BUY with 6.5% potential return

Resistance: Rp5,800, Rp6,000
Support: Rp5,275, Rp5,025
Stop-loss: Rp5,225

Share price closed with strong gains and formed a long-body bullish candlestick. As price advanced with better momentum, we see potential for more rallies ahead and price could challenge the resistance at Rp5,800 and Rp6,000. Technical indicator RSI is sloping upwards and above its midline, while the MACD remains on a bullish crossover. Buy at Rp5,425 and take profit at Rp5,775.

Approximate timeframe: 2-4 weeks.



Source: Tradingview

Aspirasi Hidup Indonesia ACES IJ

Technical BUY with 8% potential return

Resistance: Rp348, Rp368
Support: Rp328, Rp322
Stop-loss: Rp322

Share price closed higher and formed a bullish candlestick. Price rebounded; hence, we see potential for more rallies, and price could challenge the resistance at Rp348 and Rp368. Technical indicator RSI is sloping upwards and approaching its midline, while the MACD remains on a bullish crossover. Buy at Rp332 and take profit at Rp360.

Approximate timeframe: 2-4 weeks.

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