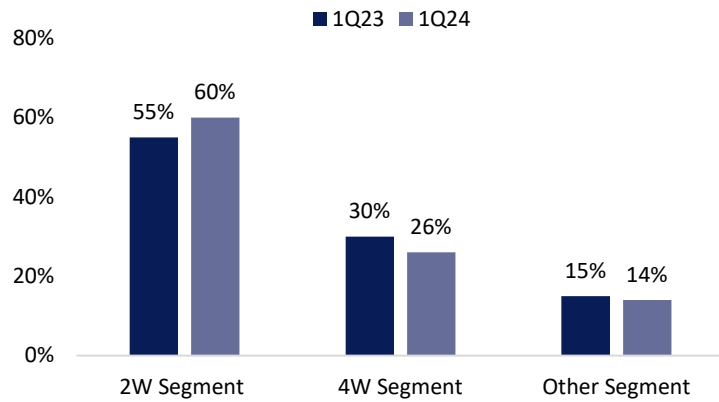
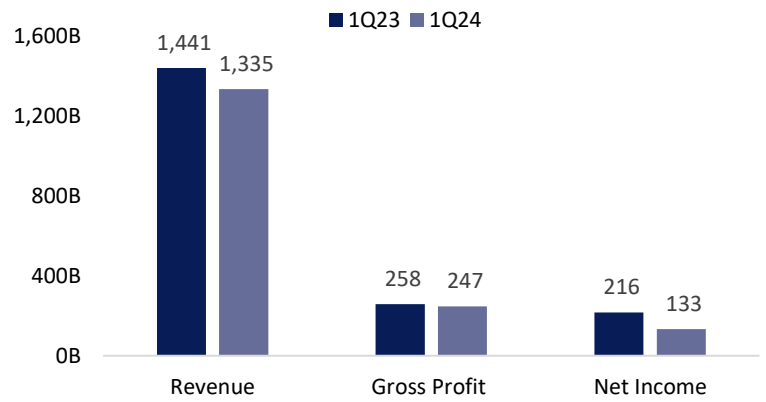


Figure 1. Revenue Portion 1Q24



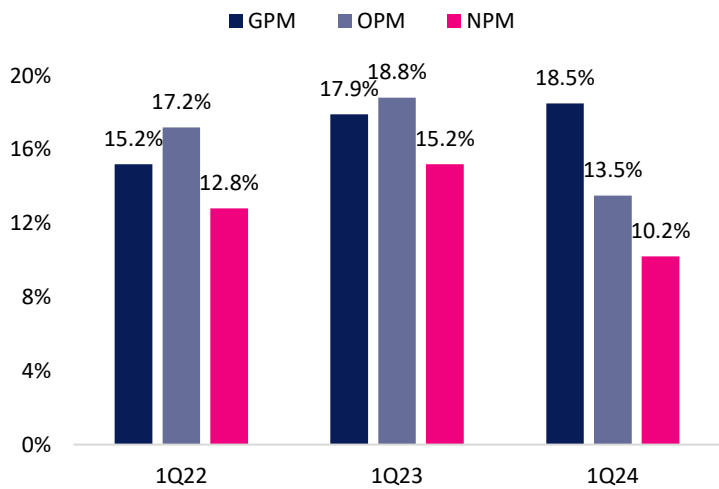
Source: Company & KSI Research

Figure 2. Income Statement 1Q24 (IDR Bn)



Source: Company & KSI Research

Figure 3. DRMA's Margins Figure QoQ



Source: Company & KSI Research

DRMA 1Q24 Highlights

DRMA achieved total sales of IDR 1.3 trillion / +3.1% QoQ but fell by 7.4% YoY. Sales contributed by the 2W segment amounted to 60% of total revenue, and increased by 1.7% YoY / 16.4% QoQ. Meanwhile, the 4W segment experienced a sales decline of 19.5% YoY in 1Q24.

DRMA achieved gross profit of IDR 246.6 billion / down 4.4% YoY, but gross profit margin improved compared to 1Q23 from 17.9% to 18.5% in 1Q24. Meanwhile, net profit was recorded at IDR 133.4 billion / -38% YoY but grew by 44.5% QoQ.

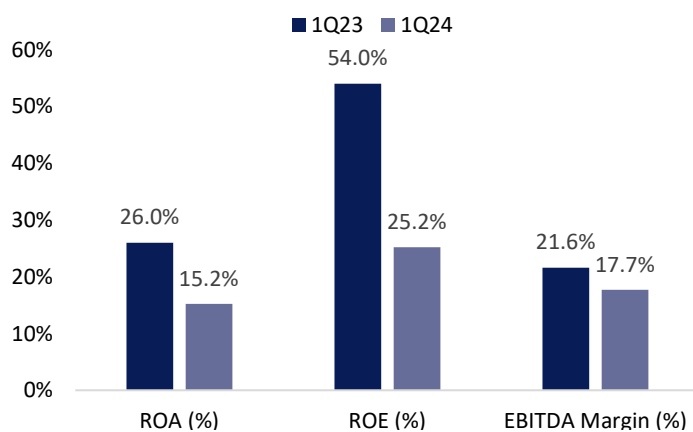
Growth Catalyst

One of DRMA's growth catalysts this year lies in the 2W segment, considering the high volume of the automotive industry in Indonesia. DRMA has developed a wide range of high-quality products, making it possible to diversify its product portfolio into hybrid and EV technologies, making effective use of existing infrastructure.

Comment

We see that DRMA has the potential for recovery and performance growth in 2024 by looking at strategies such as new product development, progress in building two new factories and factory expansion to increase production of electric vehicle components. Currently DRMA is trading at IDR 925, has a fair value of IDR 990 with a P/E of 6.6x which is below 2Y AVG and has a PBV of 2.1x which is still below 2Y AVG.

Figure 4. Profitability Ratio is Decrease



Source: Company & KSI Research

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