

**Kenneth Leong**  
[kennethleong@msec.com.my](mailto:kennethleong@msec.com.my)  
(603) 2201 2100

## DPI Holdings Bhd

### Local spray paint market leader

- Market leader with over 25.0% of the local spray paint market in Malaysia which supplies more than 300 colours to over 700 of distributors, including own brand name such as DPI, Anchor and Kromoto as well as OEM products.
- Expansion of new plant targeting for completion in November 2021 will bump total installed capacity to 20.0m aerosol cans (from current 9.7m aerosol cans).
- Overall market demand for aerosol spray paint has been improving, owing to the stay-at-home measures as DIY activities gained traction. Technically, Price has experienced a consolidation breakout above RM0.42 level, targeting the next resistances at RM0.455-0.475 with long term target set at RM0.50.

### DPIH daily: Resistance breakout



### DPI HOLDINGS BHD

|                              |          |
|------------------------------|----------|
| Last Price (RM)              | 0.430    |
| 5 Day Change (%)             | 3.6      |
| 1 Day Range Percentile (%)   | 100.0    |
| 5 Day Range Percentile (%)   | 85.7     |
| 52Week Range Percentile (%)  | 92.0     |
| Volatility 30D               | 51.4     |
| EMA9, EMA20, EMA60 Trend     | Uptrend  |
| Price vs. EMA20 (%)          | 5.3      |
| DMI DI+                      | 29.0     |
| DMI DI-                      | 14.9     |
| ADX                          | 27.2     |
| Price Skew                   | UP       |
| RSI 14D                      | 62.2     |
| RSI OB/OS                    | Positive |
| Price vs. Bollinger Band (%) | 105.1    |

### Bloomberg

### Financial snapshot

| FYE May           | FY21  | FY22f | FY23f |
|-------------------|-------|-------|-------|
| Revenue (RM m)    | 49.1  | 41.7  | 62.4  |
| Net profit (RM m) | 6.4   | 6.0   | 11.9  |
| Shares (m)        | 730.1 | 730.1 | 730.1 |
| EPS (sen)         | 0.9   | 0.8   | 1.6   |
| DPS (sen)         | -     | 0.4   | 1.0   |
| P/E (x)           | 49.1  | 52.0  | 26.5  |
| DY (%)            | -     | 0.9   | 2.3   |

Bloomberg

### Trading Catalyst

- DPI Holdings Bhd (DPIH) is regarded as a market leader with over 25.0% of the local spray paint market in Malaysia. DPIH supply more than 300 colours to over 700 of distributors and retailers in Malaysia, including own brand name such as DPI, Anchor and Kromoto as well as OEM products.
- Moving forward, the expansion of new plant that is targeting for completion in November 2021 will bump up the total installed capacity to 20.0m aerosol cans (vs current capacity of 9.7m aerosol cans). The recent completed acquisition of DPI Japan Co., Ltd (DPIJ) for cash consideration of RM0.2m will boost their presence in the overseas market.
- The overall market demand for aerosol spray paint has been improving, owing to the stay-at-home measures as do-it-yourself activities gained traction. We note that DPIH operates in a healthy balance sheet with net cash position of RM28.9m in FY21, translating to net cash per share of RM0.04 (c.9.3% of share price).

## Technical Outlook

- Technically, share price is trading on a gradual upward trending mode as price rebounded from the correction since May 2021. Price has recently experienced a short-term consolidation breakout above RM0.42 level, targeting the next resistances at RM0.455-0.475 with long term target set at RM0.50. Support is pegged at RM0.385 and cut loss is located at RM0.38.

## Glossary

|                              |  |
|------------------------------|--|
| Last Price (RM)              | Last closing price   |
| 5 Day Change (%)             | Percent change in price over the last five days. The formula is:<br>[(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.  |
| 1 Day Range Percentile (%)   | Calculates the percentile value within the 1-day range   |
| 5 Day Range Percentile (%)   | Calculates the percentile value within the 5-day range   |
| 52 Week Range Percentile (%) | Calculates the percentile value within the 52-week range   |
| Volatility 30D               | A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage. If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation. |
| EMA9, EMA20, EMA60 Trend     | Position of the price away from the EMA20 level  |
| Price vs. EMA20 (%)          | Positive directional movement.   |
| DMI DI+                      | Negative directional movement.   |
| DMI DI-                      | ADX is a moving average of the directional movement index.   |
| ADX                          | If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.  |
| Price Skew                   | RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.   |
| RSI 14D                      | If RSI 14 days is greater or equal to 70, it will be stated Overbought.  |
| RSI OB/OS                    | If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive.   |
| Price vs. Bollinger Band (%) | If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative.  |
|                              | If the RSI 14 days is lower or equal to 30, it will be stated Oversold.  |
|                              | Position of the price compare to the Bollinger band in percentage  |