

**BREAKING  
OUR LIMITS**



**FY2019**

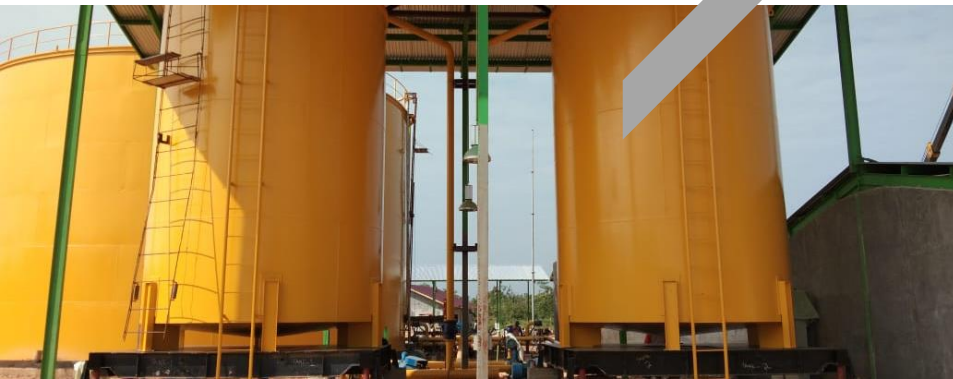
RESULTS  
UPDATE  
PT DHARMA SATYA  
NUSANTARA Tbk



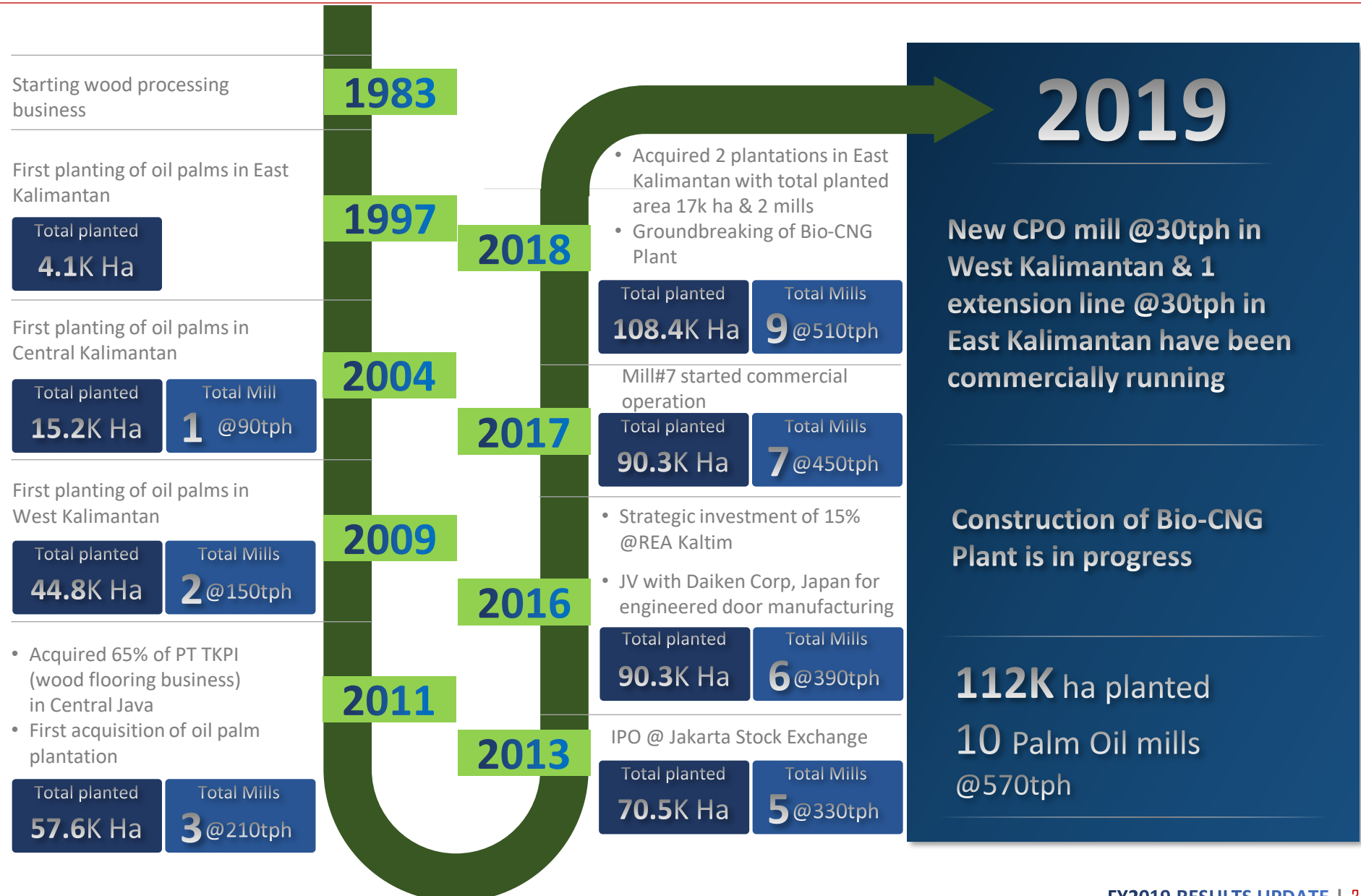
**New 30tph Mill**  
PT Agro Andalan  
Sekadau, West Kalimantan

**New Bulking**  
Desa Peniti, Sekadau  
West Kalimantan

**New Jetty**  
Desa Peniti, Sekadau  
West Kalimantan



# Established in 1980, DSN is a growing, green producer of palm oil & wood products for global market



# Our estates are clustered across East, West, and Central Kalimantan, with the largest in East

**112,450** Ha  
PLANTED

**15** ESTATES  
Oil Palm

**570** Tons/hr  
FFB

**10** CPO  
Mills

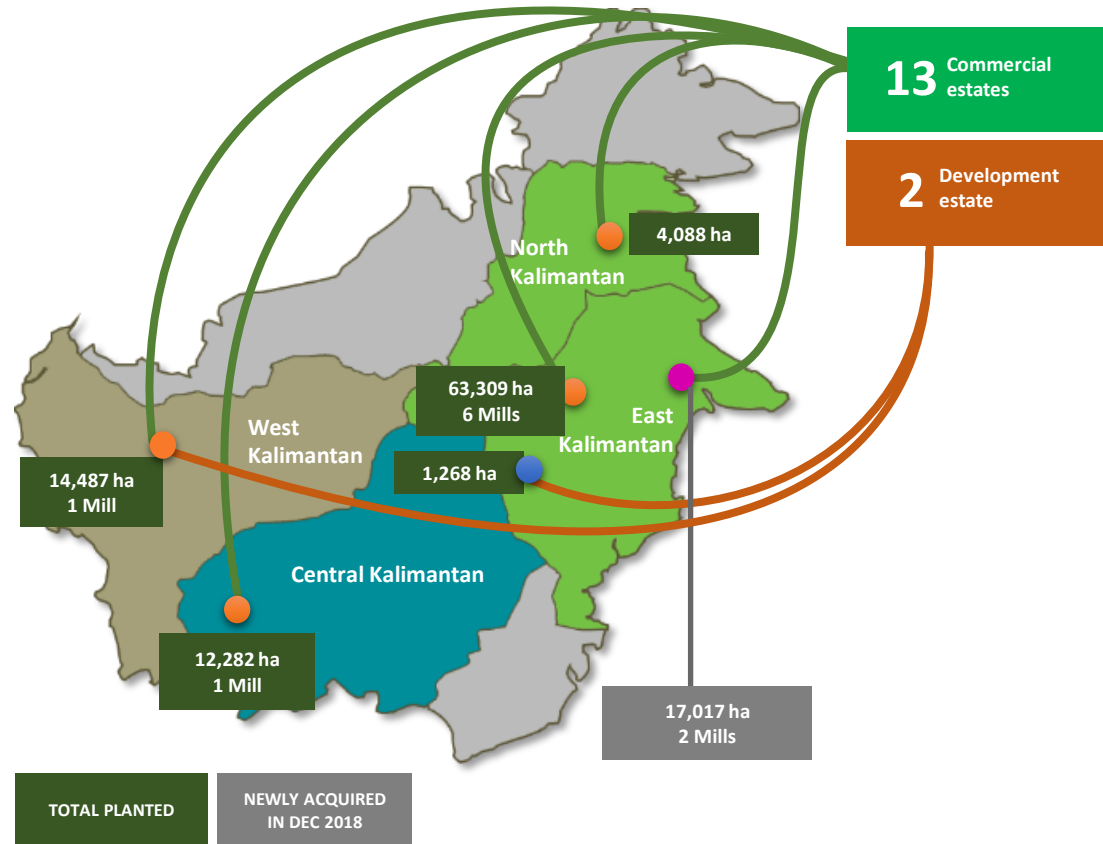
**300** Tons/Day  
PK

**1** MILL  
Kernel Crushing Plant

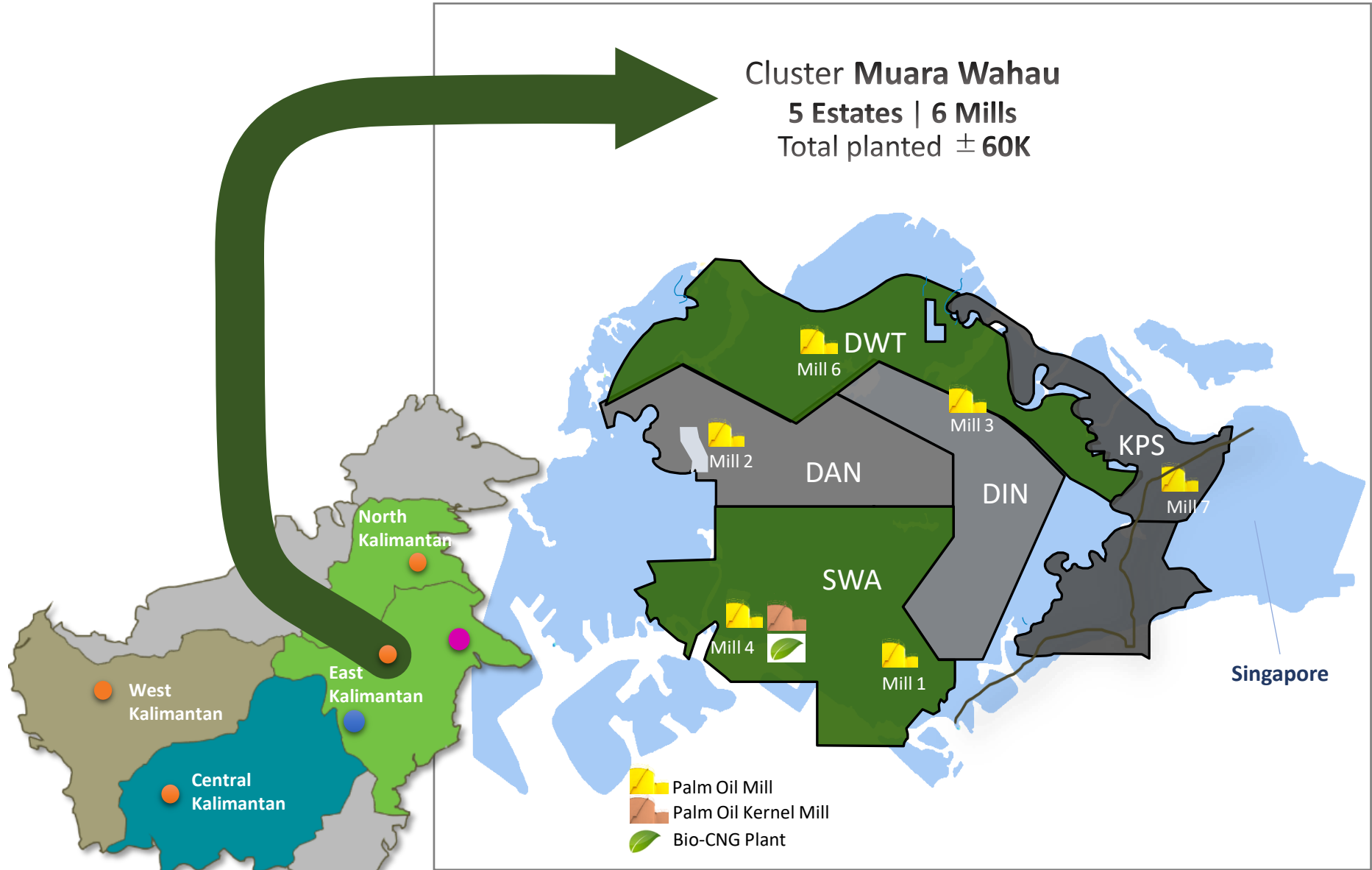
**90,000** Ton  
CAPACITY

**45** Storage  
Tanks      **3** Bulking  
Location

Planted area ('000 ha)	Nucleus	Plasma	Total
Total Planted	84.6	27.9	112.5
Total Immature	5.7	5.0	10.7

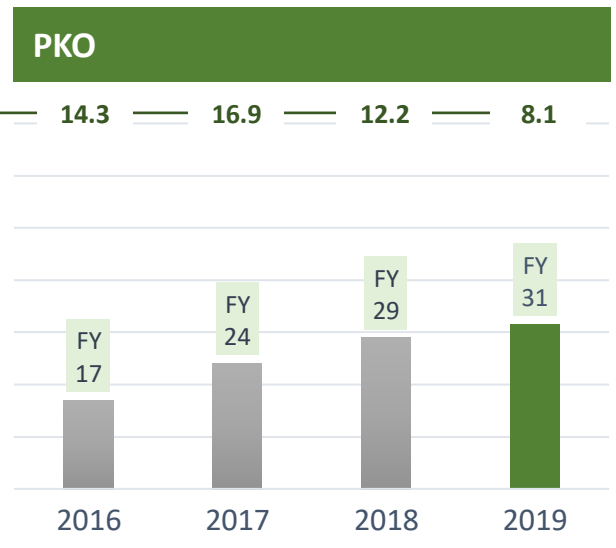
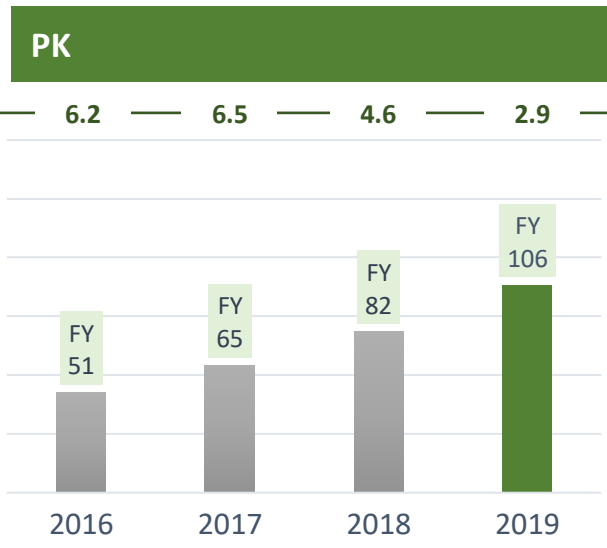
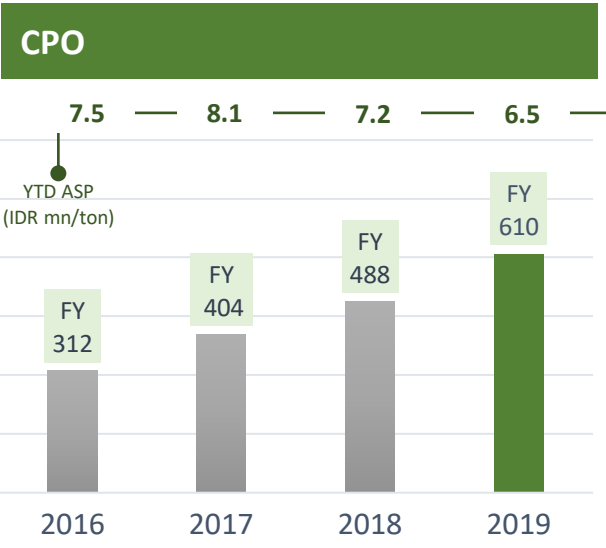
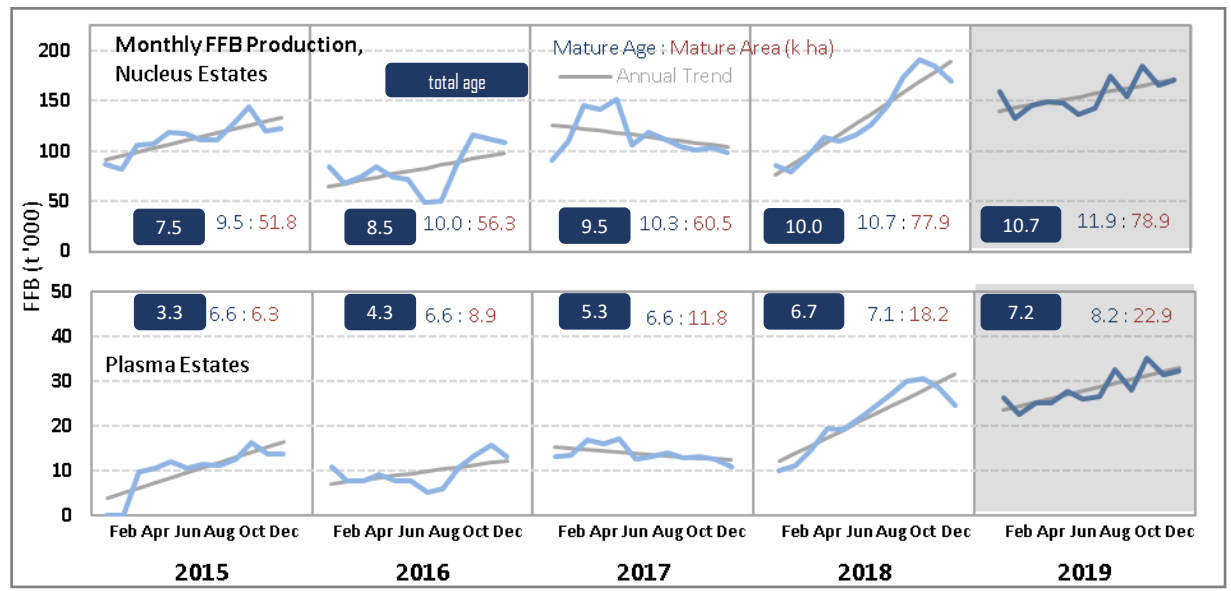
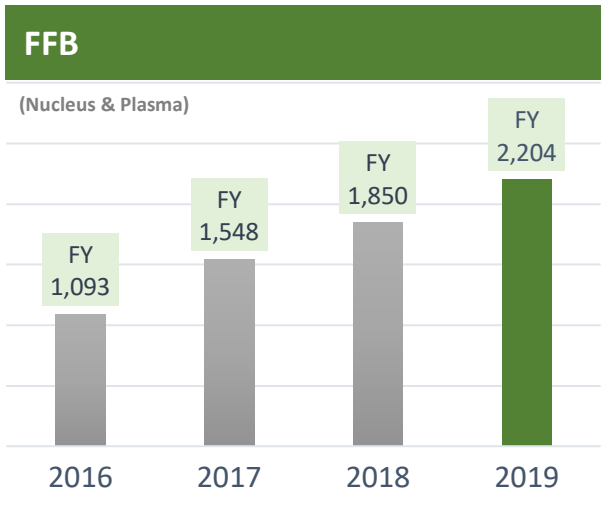


# Our most developed cluster in East Kalimantan is nearly the size of Singapore



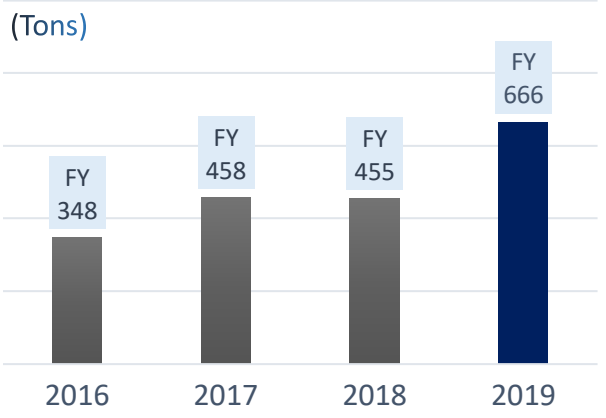
# FFB and CPO productions have grown significantly over the past four years

## Production ('000 Tons)

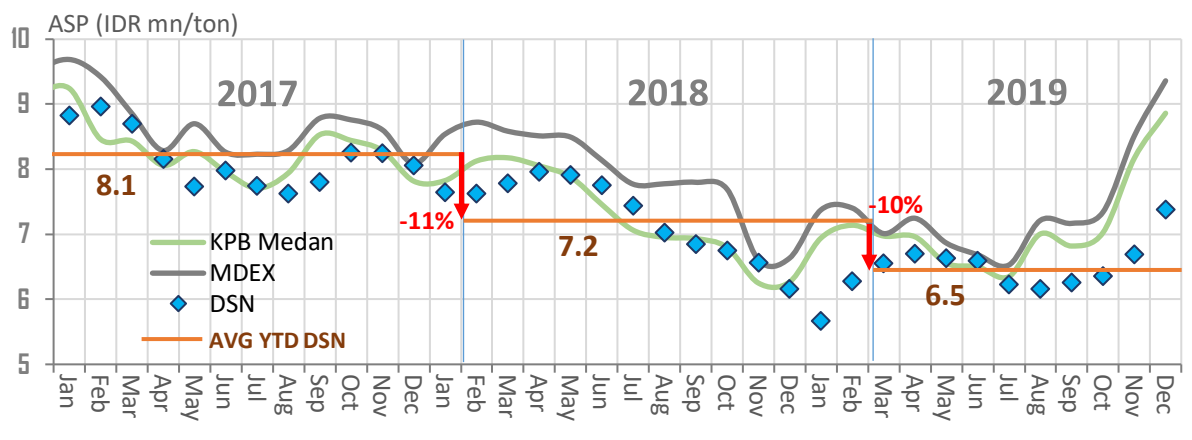


# Despite a continuously low CPO Price environment over the last couple years, EBITDA margin remained strong

## CPO Sales volume



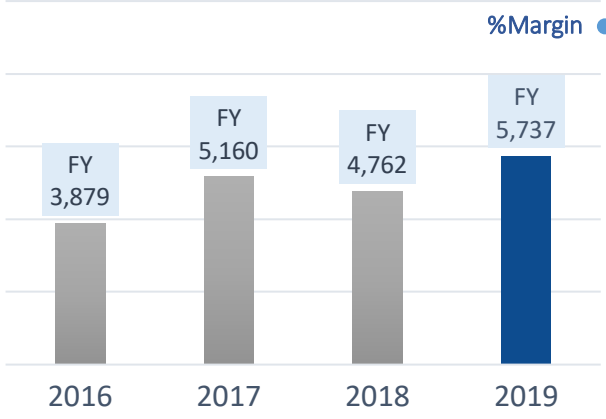
## CPO price in last 3 years



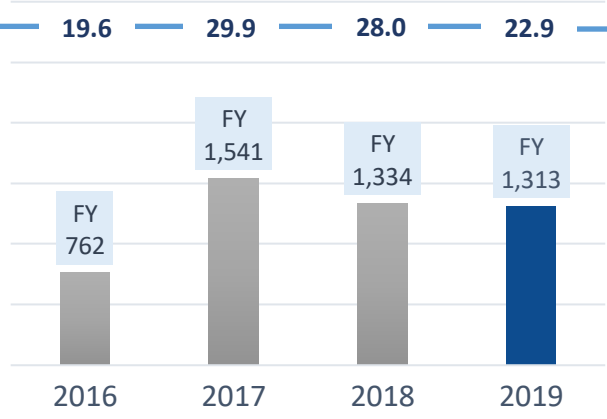
## Financial Performance

(IDR bn)

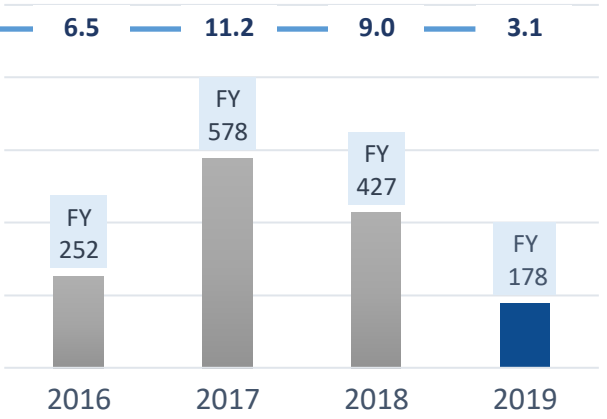
### Revenue



### EBITDA

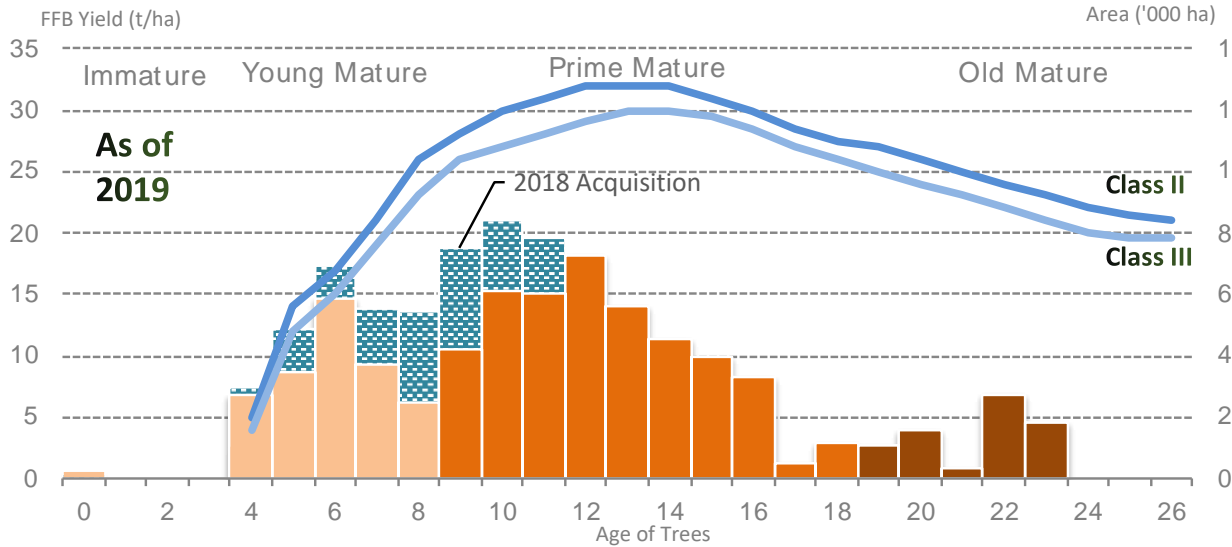


### Net Profit



%Margin: 19.6 (2016), 29.9 (2017), 28.0 (2018), 22.9 (2019)

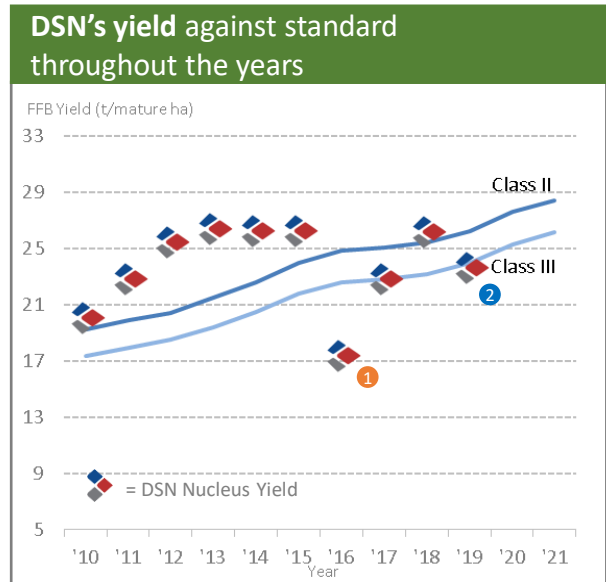
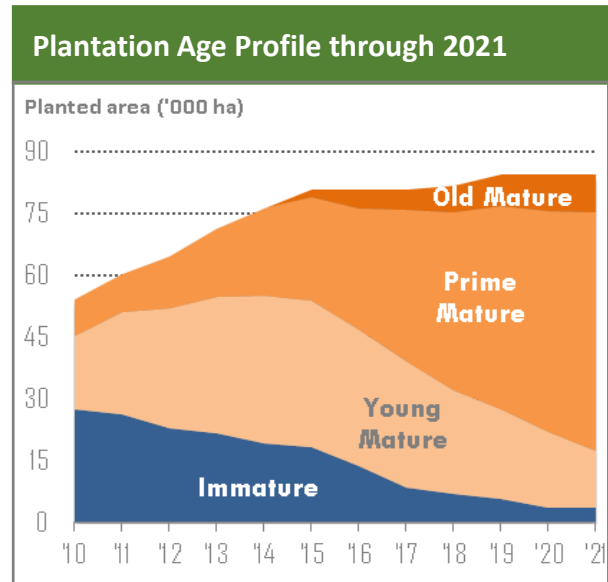
# Our plantation whose profile are largely young and prime mature suggested a continuing yield growth potential



### Yield Trend throughout Age Profile

#### Historical FFB Yield/Mature Ha

Yr	Planted '000 ha	Mature Area		Actual FFB Yield	FFB Yield by Soil Type		
		'000 ha	% Δ		Class II	Class III	% Δ
'10	47.0	26.7	7.5	20.0	19.2	17.3	
'11	50.1	32.3	21%	22.8	19.9	17.9	3%
'12	53.4	38.4	19%	25.5	20.4	18.5	3%
'13	57.9	43.7	14%	26.4	21.5	19.4	5%
'14	62.8	48.0	10%	26.2	22.6	20.5	5%
'15	69.3	51.8	8%	26.2	24.0	21.8	6%
'16	69.4	56.3	9%	17.4 <sup>1</sup>	24.9	22.6	5%
'17	69.4	60.6	8%	22.8	25.0	22.8	1%
'18	84.4	77.9	29%	26.2	25.4	23.2	2%
'19	84.6	78.9	1%	23.6 <sup>2</sup>	26.3	24.0	3%



### Projected FFB Yield for 2020-21 (Standard)

Yr	Planted '000 ha	Mature Area		Avg Age	FFB Yield by Soil Type		
		'000 ha	% Δ		Class II	Class III	% Δ
'20	84.4	83.4	6%	12.2	27.6	25.3	5%
'21	84.4	83.4	0%	13.2	28.4	26.2	3%

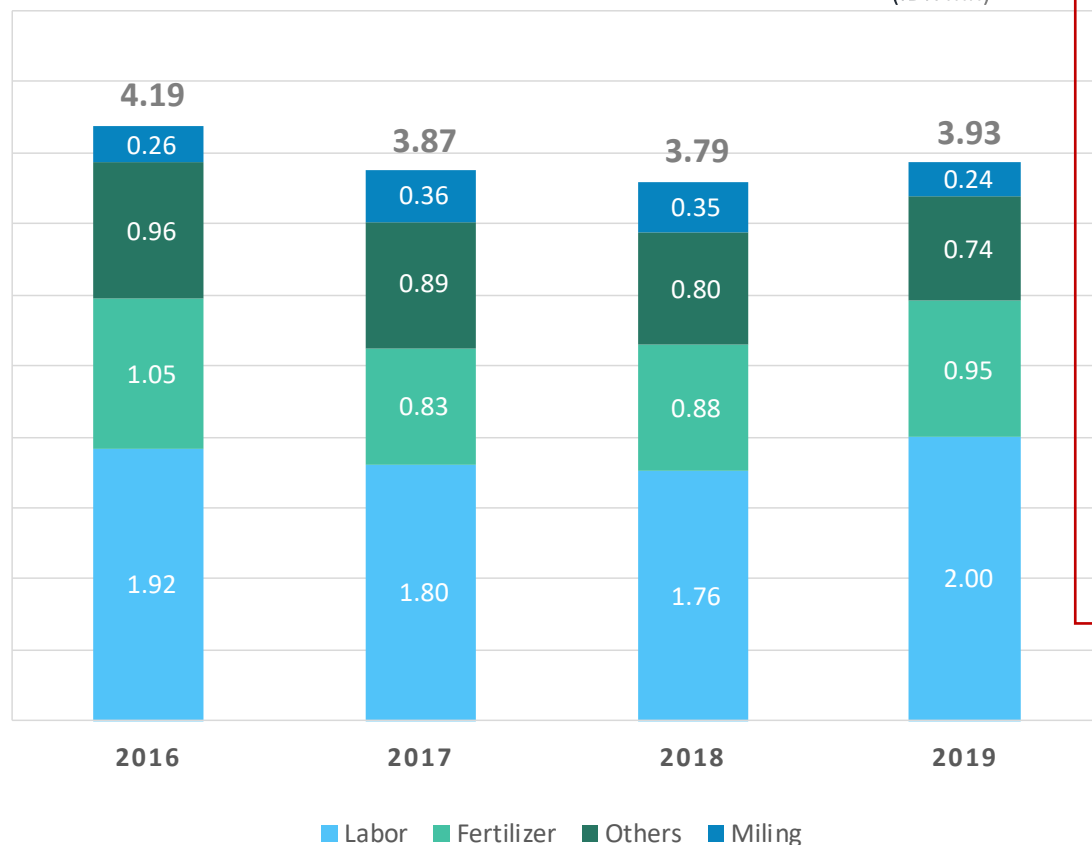
- <sup>1</sup> In2H-15, we experienced extreme & long drought (El Nino) resulting below standard yield in 2016
- <sup>2</sup> Low performance from 2 estates ex 2018 acquisition has temporarily dragged down the group existing average yield from 25.3 (exclude acquisition) to 23.6 tons/ha.



# DSN always strives for the best performance by conducting efficient operation



**Cash Cost/ton CPO - Nucleus**  
(IDR mn)



Cost of Sales (IDR bn)	2016	2017	2018	2019
Fertilizer	246.4	265.8	304.6	445.6
Labor	450.5	580.3	605.8	939.2
Others	225.7	285.9	275.1	345.2
FFB Purchased	515.8	714.1	654.6	1,045.6
CPO Purchased	257.2	378.5	112.7	23.9
Milling	81.2	145.8	155.2	159.6
<b>Total cash cost</b>	<b>1,776.9</b>	<b>2,370.4</b>	<b>2,108.0</b>	<b>2,959.2</b>

Cost as a % of total	2016	2017	2018	2019
Fertilizer	13.9%	11.2%	14.4%	15.1%
Labor	25.4%	24.5%	28.7%	31.7%
Others	12.7%	12.1%	13.1%	11.7%
FFB Purchased	29.0%	30.1%	31.1%	35.3%
CPO Purchased	14.5%	16.0%	5.3%	0.8%
Milling	4.6%	6.2%	7.4%	5.4%

Unit Cash Costs (UCC) (IDR mn & USD)	2016	2017	2018	2019
IDR/ton CPO - Total	5.10	5.18	4.63	4.44
USD/ton CPO - Total	380	382	320	320

UCC excld CPO Trading (IDR mn & USD)	2016	2017	2018	2019
IDR/ton CPO	4.83	4.87	4.52	4.43
USD/ton CPO	360	360	312	318

UCC excld CPO Trading & 3rd Party FFB (IDR mn & USD)	2016	2017	2018	2019
IDR/ton CPO	4.19	3.87	3.79	3.93
USD/ton CPO	312	286	262	283

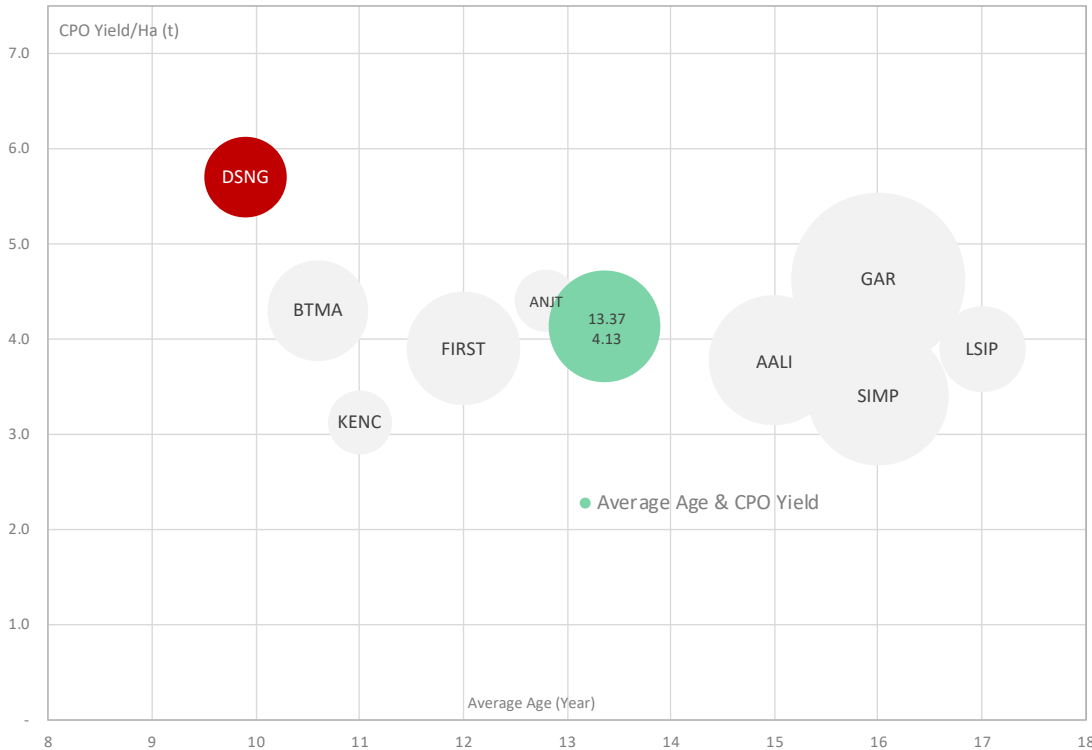
UCC CPO only excld FFB, PK & PKO revenues (IDR mn & USD)	2016	2017	2018	2019
IDR/ton CPO - net	3.08	2.44	2.70	3.12
USD/ton CPO - net	230	180	186	225

UCC for internal FFB production per Mature Hectare (IDR mn & USD)	2016	2017	2018	2019
IDR/Mature Ha	14.91	17.44	13.79	20.70
USD/Mature Ha	1,110	1,287	952	1,489

<b>Avg IDR/USD Rate</b>	<b>13,436</b>	<b>13,548</b>	<b>14,481</b>	<b>13,901</b>
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# DSN is still ahead against Peers in the region

Peer CPO Yield by Average Age of Plantations in 2019\*



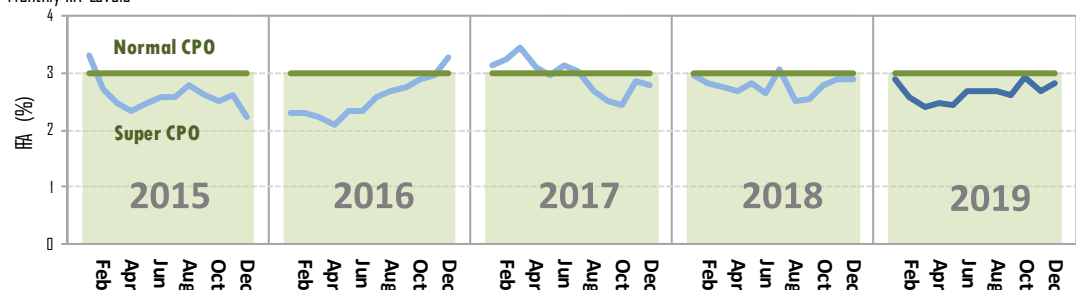
	2016 DSNG	2017 DSNG	2018 DSNG	2019 DSNG	2019 Regional Peers*
<b>Tons FFB/ha</b>	17.4	22.8	25.2	23.6	19.0
<b>%OER</b>	23.9	23.0	23.6	23.5	22.0
<b>Tons CPO/ha</b>	4.3	5.6	6.3	5.5	4.1

\*Based on public information  
Source : Company reporting and analyst research

## FFA < 3% = Super CPO

Consistently produced premium quality CPO within the last 5 years.

Monthly FFA Levels



# DSN respects society, environment and social responsibilities to all stakeholders



## Social Empowerment

**27,000** Ha Plasma Plantation

**55** Cooperation Partners

**4** Credit Union  
3,162 Total MEMBERS

**13,000** Smallholders  
Involved in empowerment programs (transportations, contractors, infrastructure, etc)

more than **200** Local Partners

**Education**

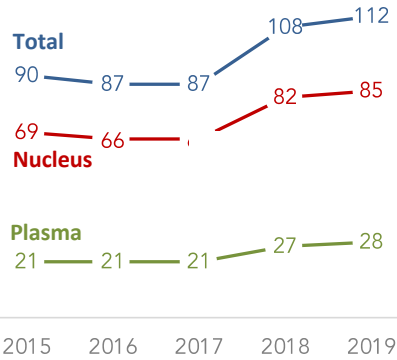
- 1 Kindergarten
- 1 Elementary school
- 1 Junior high school
- 5 Learning center

**Health facilities**

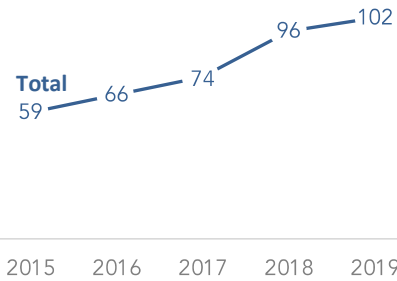
- 1 Main clinic with 16 Supporting Clinics

# DSN's key numbers over the last 5 years

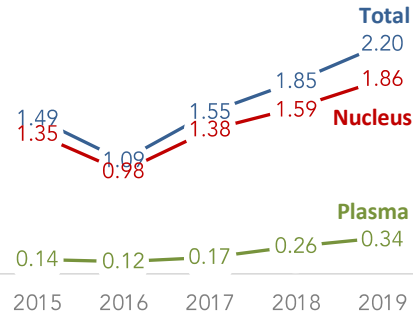
### Planted Area ('000 ha)



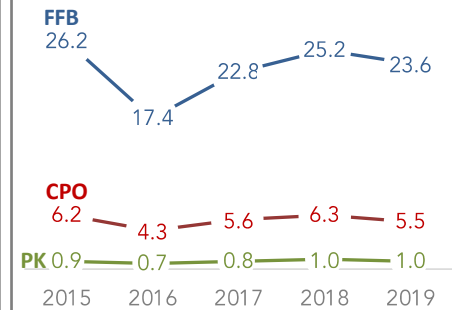
### Mature Area ('000 ha)



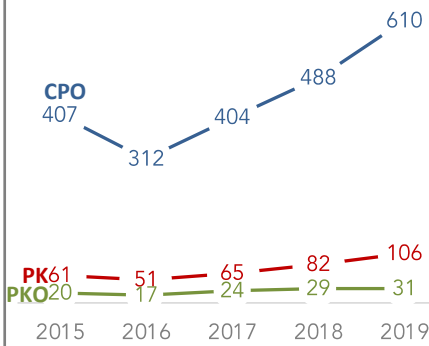
### FFB Harvested (million tons)



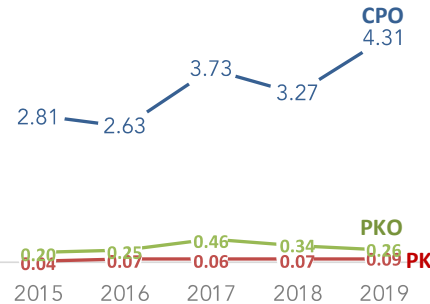
### Yield per Ha Nucleus (tons)



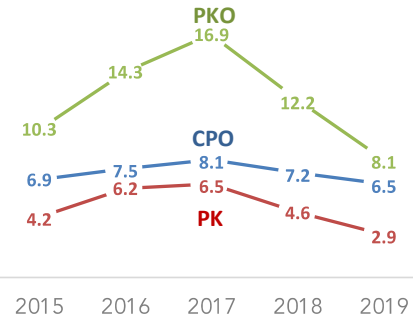
### Mill Production ('000 tons)



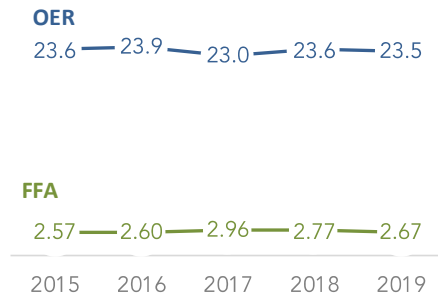
### Revenue (IDR trillions)



### Avg Selling Price (IDR millions)



### Mill Effici. & Effectiveness (%)



# DSN commits to environmentally friendly and sustainable palm oil practices

## Sustainability Certification

- 5 RSPO certificates
- 8 ISPO certificates
- 2 ISCC certificates



## Bio-Compressed Natural Gas (Bio-CNG) Plant project

DSN initiated a CBG Plant project in Wahau, East Kalimantan with the groundbreaking ceremony held in Dec 2018 and expected to be completed in 2<sup>nd</sup> semester 2020. This project demonstrated DSN's commitment to green environment to enhance sustainable palm oil practice

## Sustainable Practices for Existing Plantations

- Zero waste policy by recycling the mill's wastes
- Precise dosage in fertilizer application planning to minimize risk of pollution
- Integrated pest management by deploying biological controls to minimize and mitigate the impact of chemical pesticides

## Enhanced Planting Procedures

- No deforestation footprint in our oil palm operations by not developing on :
  - High carbon stock (HCS) forests
  - High conservation value (HCV) forests
  - Peat lands of any depth
- Continuous yield improvement in nucleus and plasma plantations managed by Company
- Zero burning policy in new planting procedures
- Ensure free, prior and informed consent for indigenous and local communities
- Comply with all relevant laws and National Interpretation of RSPO Principles and Criteria

## Green loan

Currently DSN is in the process of obtaining an impact finance facility of \$30mn from Stitching Andgreen.fund ("&Green") to support the sustainable practices in the oil palm plantation.



## Mills Profile

Mil	Year	Loc.	Est.	TPH	RSPO	ISPO
Mill 1	2002	E. Kal.	SWA	90	Cert.	Cert.
Mill 2	2010	E. Kal.	DAN	60	Cert.	Cert.
Mill 3	2011	E. Kal.	DIN	60	Cert.	Cert.
Mill 4	2012	E. Kal.	SWA	60	Cert.	Cert.
Mill 5	2012	C. Kal.	PWP	60		Cert.
Mill 6	2015	E. Kal.	DWT	60	Cert.	Cert.
Mill 7	2017	E. Kal.	KPS	60		
Mill 8 <sup>1</sup>	2019	W. Kal.	AAN	30		
Mill 9 <sup>2,3</sup>	2011	E. Kal.	BPN	60		Cert.
Mill 10 <sup>3</sup>	2014	E. Kal.	BAS	30		Cert.
<b>Total Capacity</b>				<b>570</b>		

<sup>1</sup> New mill @30tph has been commercially running in Q3

<sup>2</sup> Extension line @30tph has been commercially running in Q3

<sup>3</sup> Mills from acquisition in Dec 2018



# Wood Product

# DSN also produces panel, engineered floors for export markets around the world



## JV with Daiken

We continue to shift our product mix into higher margin engineered flooring and doors through our JV with Daiken Corporation and the growth of our Teka portfolio

## Operation Summary

	FY 2019	FY 2018	YoY Δ%	Q4-19	Q3-19	QoQ Δ%	2017	2016	2015
Sales Volume ('000)									
Panel (m3)	96.6	83.8	15.4	25.8	25.9	(0.4)	71.0	92.2	179.6
Engineered floors (m2)	931.7	1,093.8	(14.8)	258.3	241.6	6.9	1,249.7	1,254.6	1,098.3
ASP (IDR mn)									
Panel (m3)	5.9	6.1	(2.3)	5.7	5.7	0.4	5.2	4.9	4.7
Engineered floors (m2)	0.4	0.4	(7.2)	0.4	0.4	(2.2)	0.4	0.4	0.4

## Financial Summary (IDR bn)

	FY 2019	FY 2018	YoY Δ%	Q4-19	Q3-19	QoQ Δ%	2017	2016	2015
Revenue	1,001	990	1.2	268	259	3.3	869	921	1,370
Gross Profit	173	207	(16.3)	44	39	11.9	103	35	69
% margin	17.3	20.9		16.4	15.2		11.8	3.8	5.1
Operating Profit	64	100	(36.0)	10	17	(40.3)	28	(93)	51
% margin	6.4	10.1		3.7	6.4		3.2	(10.1)	3.7
EBITDA	107	134	(19.5)	26	26	(1.2)	68	(42)	104
% margin	10.7	13.5		9.6	10.0		7.8	(4.6)	7.6
Profit Before Tax	52	49	5.7	(13)	9	(241.5)	(75)	57	(30)
% margin	5.2	5.0		(4.8)	3.5		(8.6)	6.2	(2.2)

## Comply with International Environmental Standards

We comply with numerous international environmental standards, and seek to ensure that all logs and sawn timber purchased for our operations are sourced from sustainable forest resources



# FY 2019 Financial Results



## Consolidated Financial Summary (IDR bn)

	FY 2019	FY 2018	YoY Δ%	Q4-19	Q3-19	QoQ Δ%	2017	2016	2015
<b>Profit &amp; Loss</b>									
Revenue	5,737	4,762	20.5	1,769	1,385	27.7	5,160	3,879	4,425
Gross Profit	1,461	1,543	(5.3)	494	310	59.3	1,724	954	1,175
% margin	25.5	32.4		27.9	22.4		33.4	24.6	26.6
Operat. Profit	757	932	(18.8)	297	130	129.2	1,179	436	730
% margin	13.2	19.6		16.8	9.4		22.8	11.2	16.5
EBITDA	1,313	1,334	(1.6)	468	269	74.0	1,541	762	1,039
% margin	22.9	28.0		26.5	19.4		29.9	19.6	23.5
Net Profit	178	427	(58.3)	116	(6)	(1,893.8)	578	252	303
% margin	3.1	9.0		6.6	(0.5)		11.2	6.5	6.8

## Cashflow Statement

Cash from operation	587	298	96.8	587	551	6.5	1,095	399	352
Cash from Investing	(740)	(1,385)	46.6	(740)	(568)	(30.2)	(709)	(1,042)	(811)
Cash from Financing	(201)	1,261	(115.9)	(201)	(255)	21.1	(261)	223	193

## Financial Position

Total debt <sup>1</sup>	6,415	6,444	(0.5)	6,415	6,270	2.3	4,038	4,246	4,098
Net debt	6,144	5,920	3.8	6,144	6,025	2.0	3,657	3,995	3,299
Total Asset	11,621	11,739	(1.0)	11,621	11,315	2.7	8,452	8,183	7,853
Total Equity	3,732	3,659	2.0	3,732	3,616	3.2	3,314	2,704	2,507
Debt/equity	1.7x	1.8x		1.7x	1.7x		1.2x	1.6x	1.6x
Net debt/equity	1.6x	1.6x		1.6x	1.7x		1.1x	1.5x	1.3x
Net	4.7x	4.4x		4.7x	4.7x		2.4x	5.2x	3.2x

## Palm Oil Financial Summary (IDR bn)

	FY 2019	FY 2018	YoY Δ%	Q4-19	Q3-19	YoY Δ%	2017	2016	2015
<b>Palm Oil</b>									
Revenue	4,736	3,772	25.5	1,501	1,126	33.3	4,290	2,957	3,055
Gross Profit	1,287	1,336	(3.7)	450	271	66.1	1,621	919	1,106
% margin	27.2	35.4		30.0	24.1		37.8	31.1	36.2
Operating Profit	783	943	(17.0)	312	138	126.8	1,241	630	788
% margin	16.5	25.0		20.8	12.2		28.9	21.3	25.8
EBITDA	1,294	1,310	(1.2)	467	267	74.6	1,563	904	1,043
% margin	27.3	34.7		31.1	23.7		36.4	30.6	34.1
Profit Before Tax	317	666	(52.4)	203	10	1,932.1	1,017	440	611
% margin	6.7	17.7		13.5	0.9		23.7	14.9	20.0

## Wood Financial Summary (IDR bn)

	FY 2019	FY 2018	YoY Δ%	Q4-19	Q3-19	YoY Δ%	2017	2016	2015
<b>Wood</b>									
Revenue	1,001	990	1.2	268	259	3.3	869	921	1,370
Gross Profit	173	207	(16.3)	44	39	11.9	103	35	69
% margin	17.3	20.9		16.4	15.2		11.8	3.8	5.1
Operating Profit	64	100	(36.0)	10	17	(40.3)	28	(93)	51
% margin	6.4	10.1		3.7	6.4		3.2	(10.1)	3.7
EBITDA	107	134	(19.5)	26	26	(1.2)	68	(42)	104
% margin	10.7	13.5		9.6	10.0		7.8	(4.6)	7.6
Profit Before Tax	52	49	5.7	(13)	9	(241.5)	(75)	57	(30)
% margin	5.2	5.0		(4.8)	3.5		(8.6)	6.2	(2.2)

<sup>1</sup>Total debt excludes debt backed by restricted cash  
Annual financial statements are audited by Siddharta & Widjaja, Registered Public Accountants—a Member Firm of KPMG International



# FY 2019 Operation Results



## Palm Oil Results

	FY 2019	FY 2018	YoY Δ%	Q4-19	Q3-19	QoQ Δ%	2017	2016	2015
<b>Palm Estates</b>									
<b>Planted Land ('000 ha)</b>	112.4	108.4	3.7	112.4	108.4	3.7	90.3	90.3	90.1
Nucleus	84.6	84.4	0.2	84.6	84.4	0.2	69.4	68.5	68.5
Plasma	27.9	24.0	16.2	27.9	24.0	16.1	20.9	21.8	21.6
<b>FFB Production ('000 t)</b>	2,204.3	1,849.5	19.2	621.0	558.2	11.2	1,547.7	1,092.9	1,489.0
Nucleus	1,864.9	1,587.7	17.5	521.8	471.0	10.8	1,381.8	977.6	1,351.4
Plasma	339.5	261.9	29.6	99.2	87.2	13.7	165.9	115.3	137.6
<b>FFB Yield (t/ha)</b>									
Nucleus	23.6	25.2	(6.2)	23.6	16.5	43.3	22.8	17.4	26.2
Plasma	14.8	16.3	(9.1)	14.8	11.8	25.5	14.0	13.0	22.6
<b>Mills</b>									
<b>Production ('000 t)</b>									
FFB Processed	2,597.1	2,070.6	25.4	805.2	652.1	23.5	1,754.0	1,306.4	1,725.6
Crude Palm Oil (CPO)	610.0	488.4	24.9	190.9	157.1	21.5	403.6	312.0	407.2
Palm Kernel (PK)	105.8	82.1	28.9	34.4	28.7	19.9	65.1	51.1	60.6
Palm Kernel Oil (PKO)	31.5	29.4	7.1	9.5	7.8	21.8	24.3	17.3	20.5
<b>Yields (%)</b>									
Palm Oil (OER)	23.5	23.6	(0.4)	23.7	24.1	(1.6)	23.0	23.9	23.6
Palm Kernel (KER)	4.1	4.0	2.8	4.3	4.4	(2.9)	3.7	3.9	3.5
Free Fatty Acid (FFA)	2.67	2.77	(3.7)	2.81	2.66	5.4	2.96	2.60	2.57
<b>Sales</b>									
<b>Volume ('000 t)</b>									
Crude Palm Oil (CPO)	666.0	454.9	46.4	201.8	163.0	23.8	458.0	348.4	409.8
Palm Kernel (PK)	31.2	16.4	90.4	10.5	9.1	15.7	10.1	11.1	9.5
Palm Kernel Oil (PKO)	32.0	28.0	14.3	10.0	10.0	(0.0)	27.0	17.5	19.5
<b>ASP (IDR mn/ton)</b>									
Crude Palm Oil (CPO)	6.48	7.18	(9.8)	6.85	6.21	10.2	8.14	7.54	6.86
Palm Kernel (PK)	2.93	4.55	(35.7)	2.89	2.80	3.3	6.45	6.22	4.17
Palm Kernel Oil (PKO)	8.10	12.20	(33.6)	7.54	7.35	2.5	16.86	14.31	10.33



## Wood Results

	FY 2019	FY 2018	YoY Δ%	Q4-19	Q3-19	QoQ Δ%	2017	2016	2015
<b>Sales Volume ('000)</b>									
Panel (m3)	96.6	83.8	15.4	25.8	25.9	(0.4)	71.0	92.2	179.6
Engineered doors (pcs)			n.a			n.a	65.9	59.4	61.9
Engineered floors (m2)	931.7	1,093.8	(14.8)	258.3	241.6	6.9	1,249.7	1,254.6	1,098.3
<b>ASP (IDR mn)</b>									
Panel (m3)	5.92	6.06	(2.3)	5.75	5.73	0.4	5.25	4.86	4.68
Engineered doors (pcs)			n.a			n.a	0.99	1.06	1.25
Engineered floors (m2)	0.39	0.42	(7.2)	0.38	0.39	(2.2)	0.39	0.37	0.41



## **DSNG Shareholders** (%)

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Oetomo family	28.9
Rachmat family	31.0
Salim Lim family	6.3
Subianto family	8.4
Public & Others	25.4

as of 31 December 2019

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