

PT Dharma Satya Nusantara, Tbk



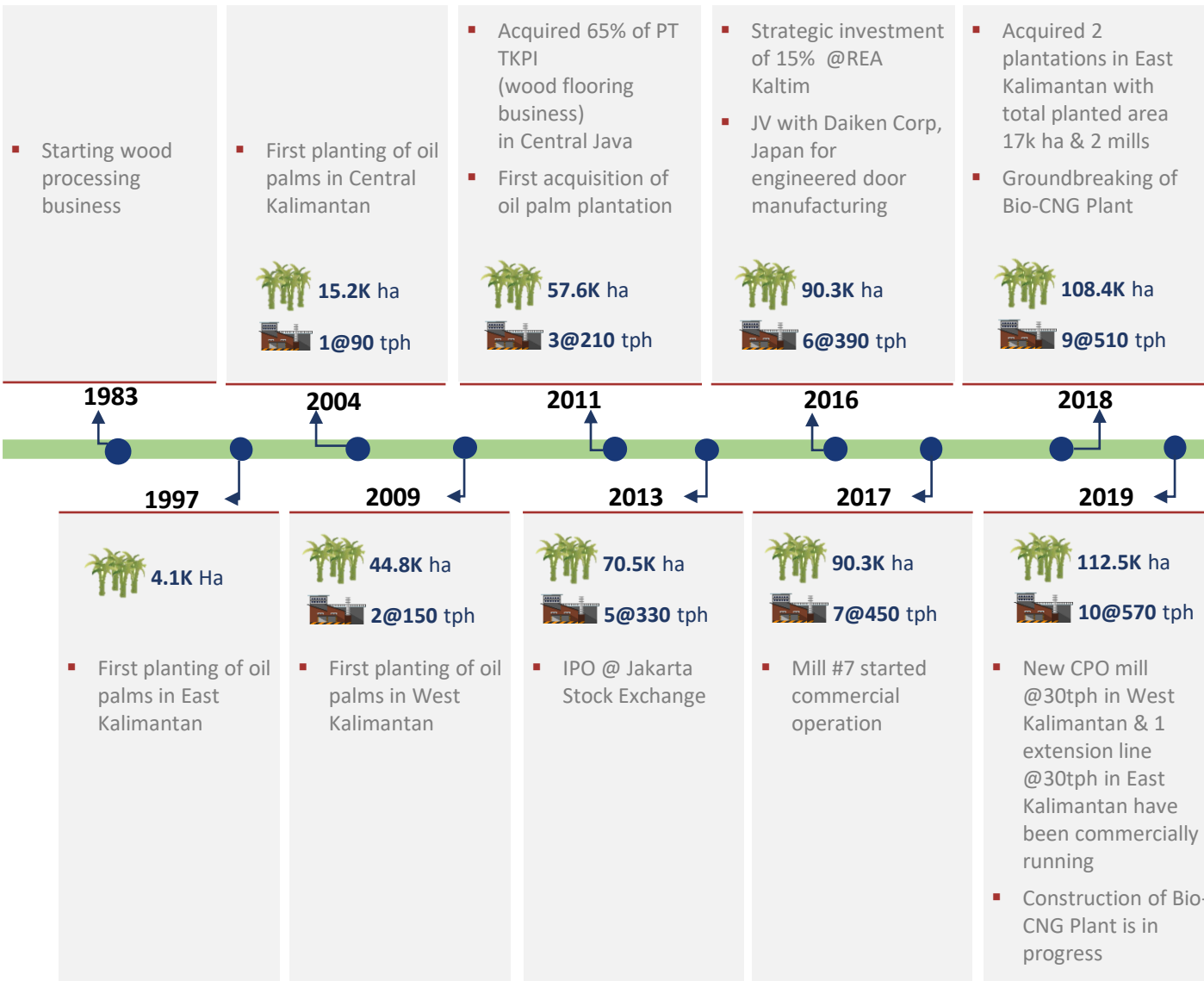
Results
Update

1H 2020

www.dsn.co.id



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



2020

112.5K ha
10@570 tph

In April 2020, DSN has signed a USD 30.0 million 10-year loan facility from Stichting andgreen.fund ("&Green"), a globally-focused impact investment fund financing sustainable commodity production to protect tropical forests

In July 2020, DSNG raised Rp 451 Billion from Its first bond issuance

Total planted Mill capacity

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

112,450 Ha Planted
15 Estates Oil Palm

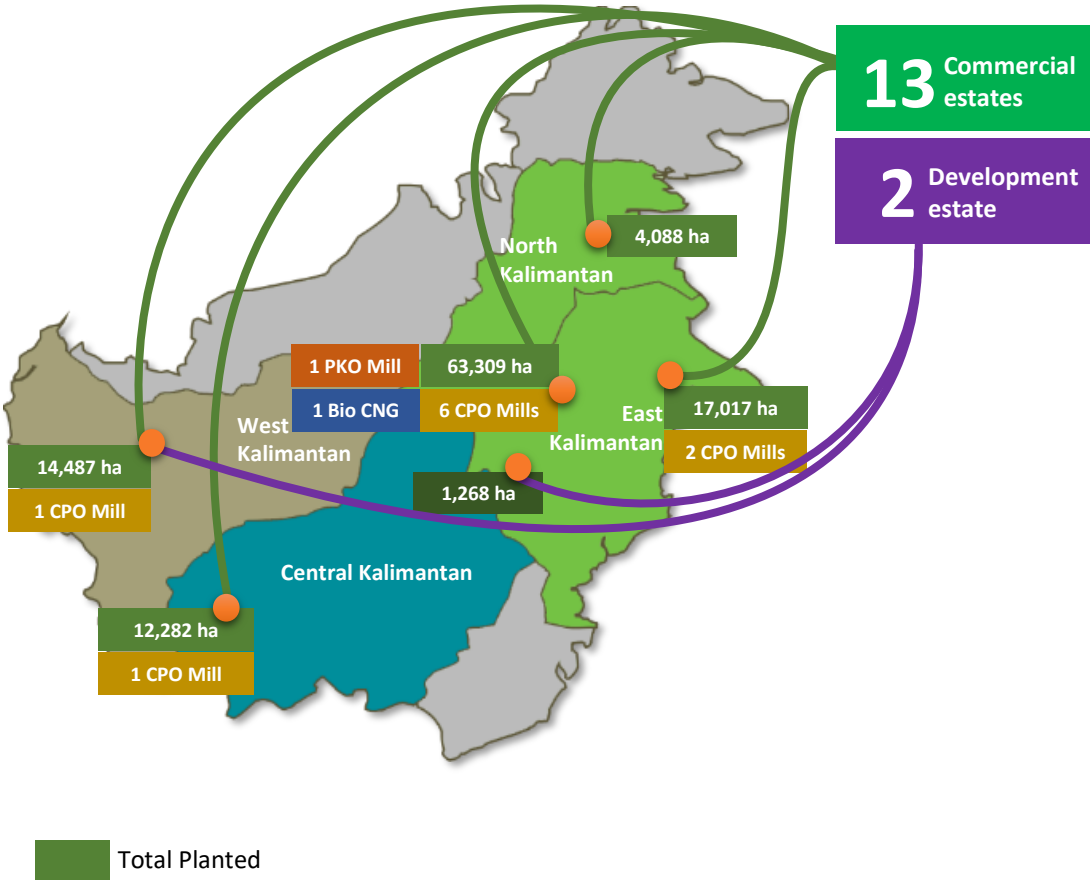
570 Tons/hr FFB
10 CPO Mills

300 Tons/Day PK
1 Mill Kernel Crushing Plant

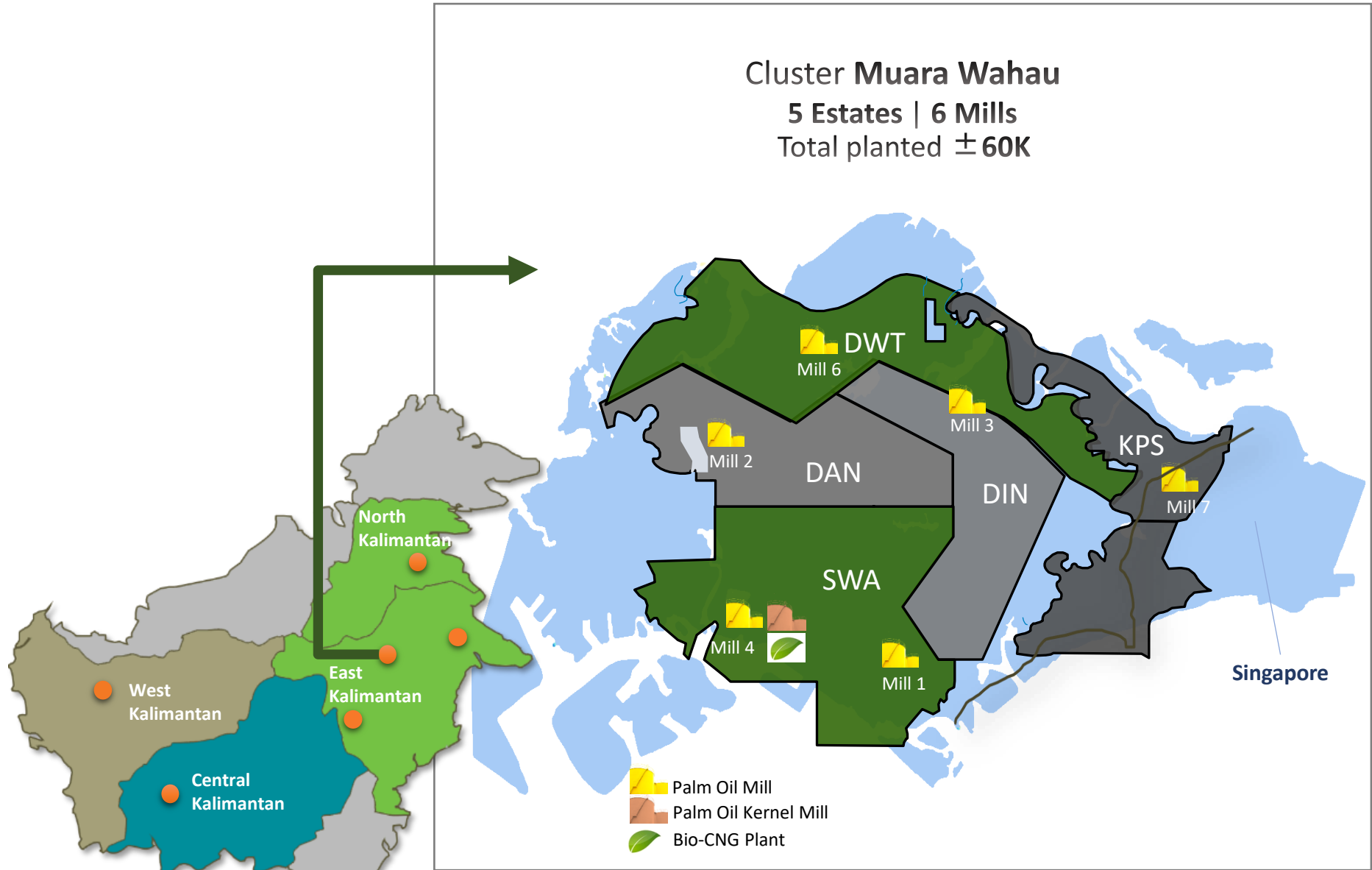
1,200 KW Capacity
1 Plant Bio-CNG Start commissioning in Q4-2020

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	4.7	1.7	6.4



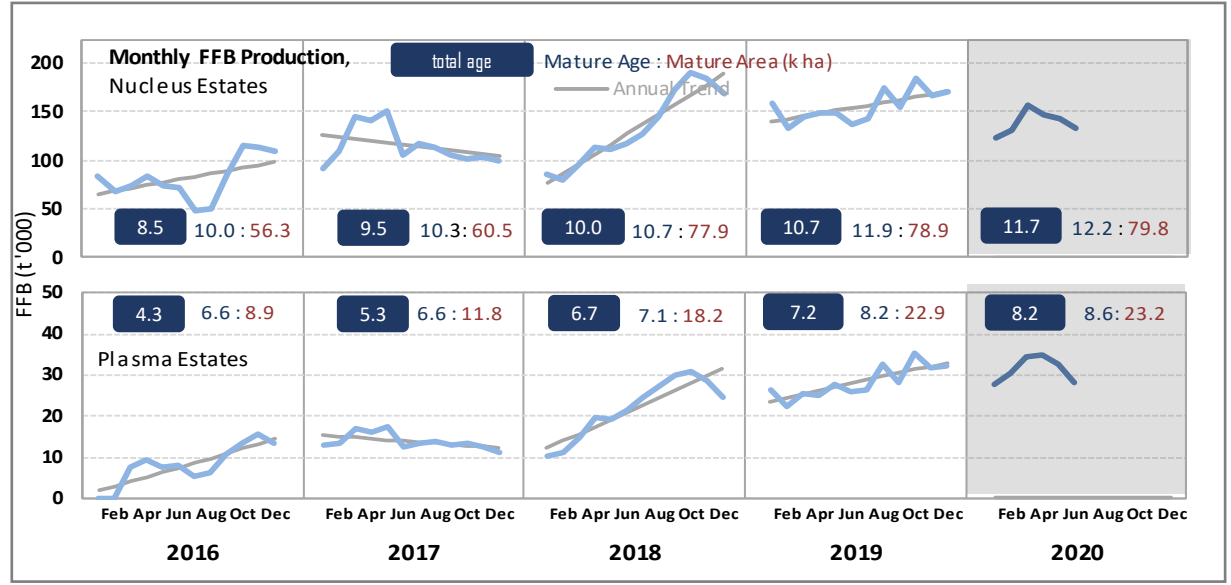
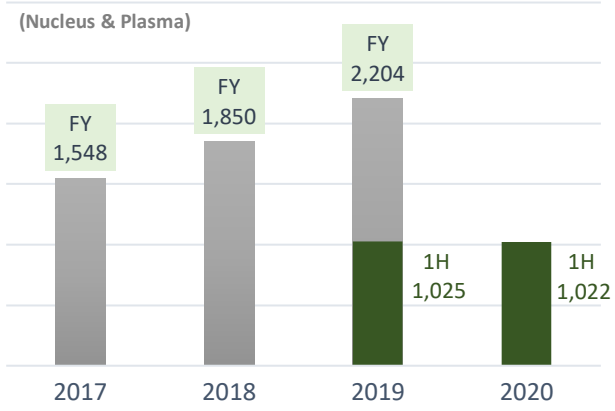
Our most developed cluster in East Kalimantan is nearly the size of Singapore



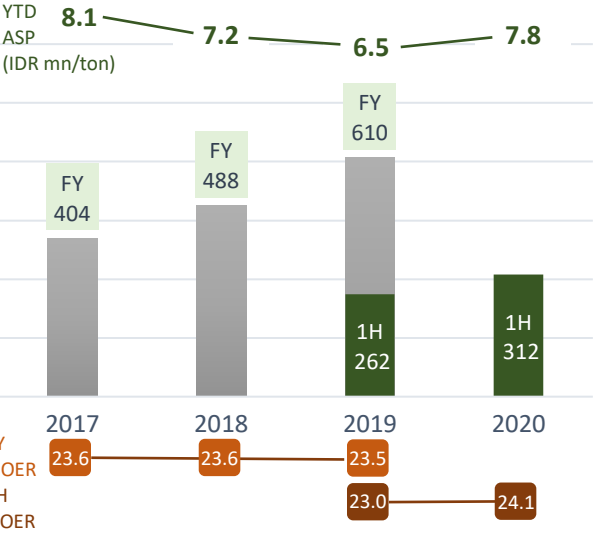
Our CPO production rose by 19% to 312 thousand tons following higher OER of 24.1% against 23.0% first half last year

Production ('000 Tons)

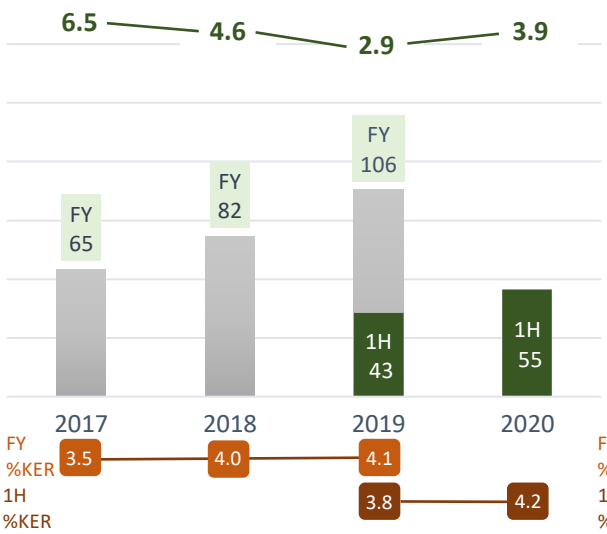
FFB



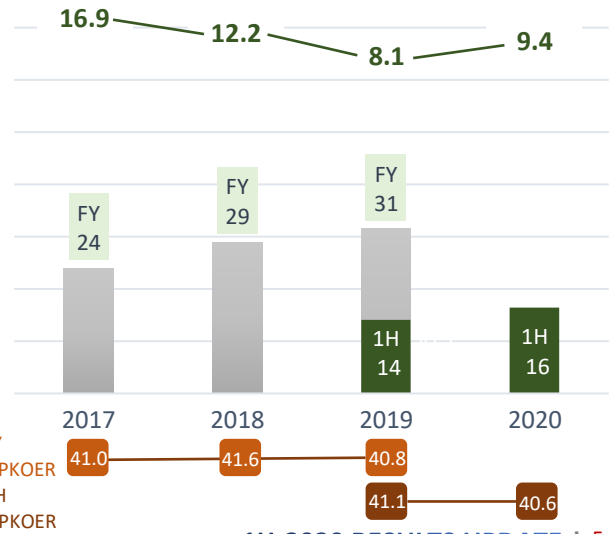
CPO



PK

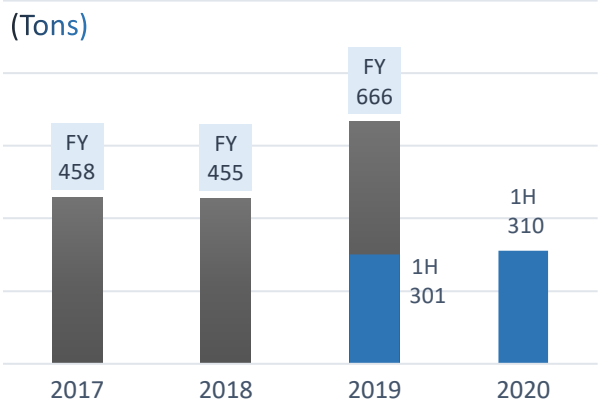


PKO

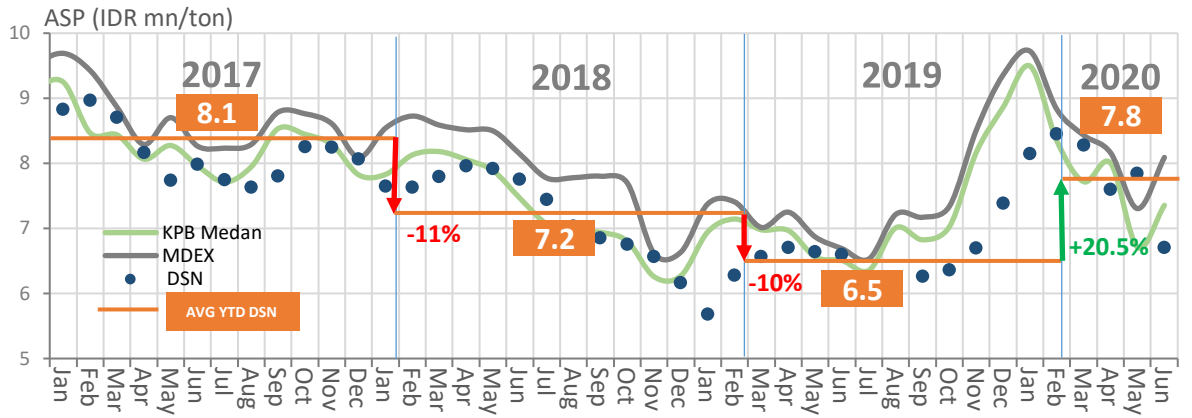


Significantly higher CPO ASP in 1H-2020 has been contributing to a better performance against last year

CPO Sales volume



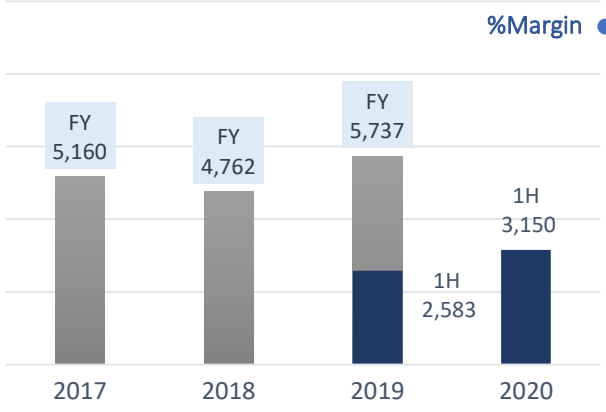
CPO price from 2017



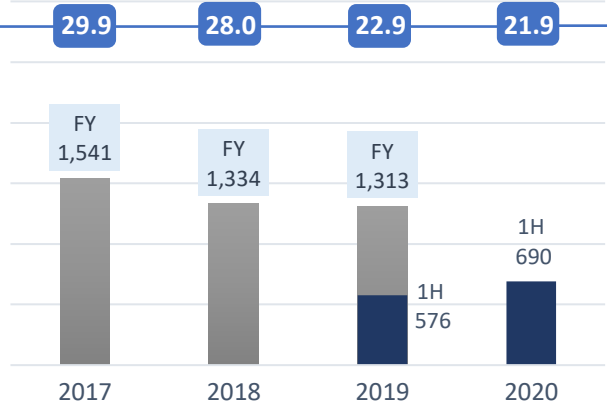
Financial Performance

(IDR bn)

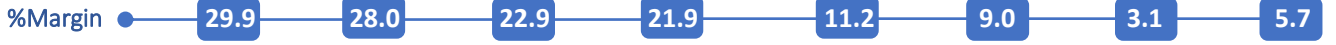
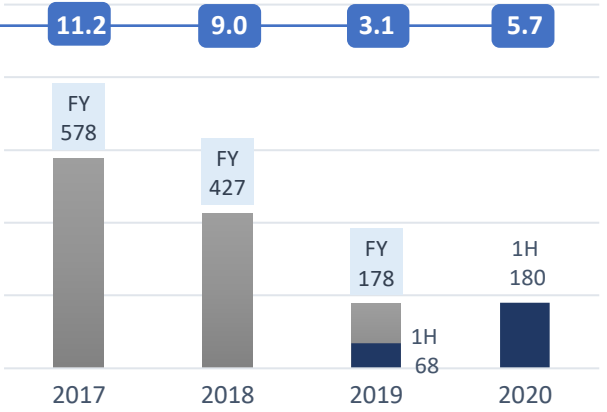
Revenue



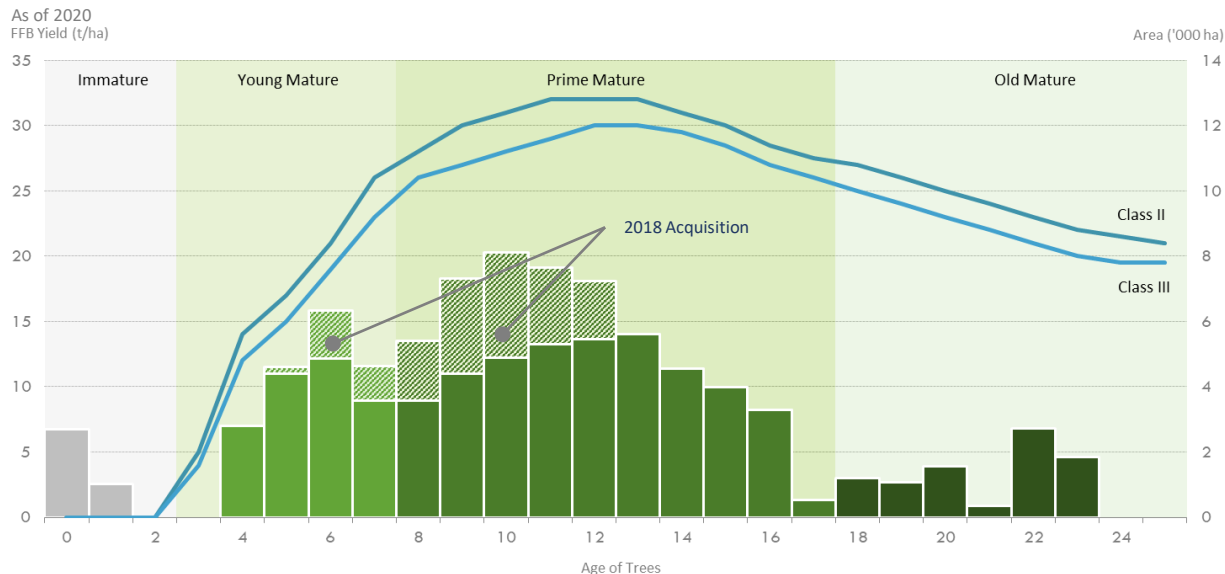
EBITDA



Net Profit



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



Year	Mature Ha ¹ (^{'000})	Avg. age ¹ (Years)	Yield Guidance ² Class II (t/ha)	Act. FFB Yield (t/ha)	Class III (t/ha)
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Historical yield

'11	32.3	5.5		22.8	
'12	38.4	6.1		25.5	
'13	43.7	6.3		26.4	
'14	48.0	6.4		26.2	
'15	51.8	6.7		26.2	
'16	56.3	7.6		17.4	
'17	60.6	8.6		22.8	
'18	77.9	9.3	25.0	26.2	22.8
'19	78.9	9.9	25.4	23.6	23.2

Yield Guidance	Class II (t/ha)	Class III (t/ha)
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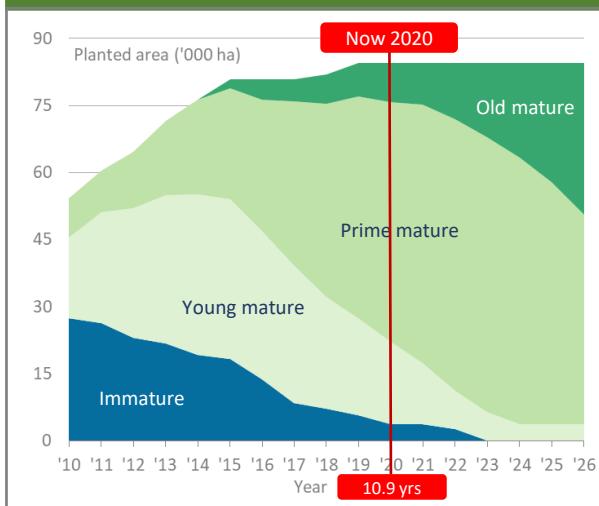
'20	79.8	10.9	26.3	24.0
'21	81.4	11.9	27.6	25.3
'22	82.6	12.9	28.4	26.2
'23	80.6	13.9	29.1	27.0
'24	78.1	14.9	28.5	26.5
'25	76.1	15.9	28.6	26.6
'26	74.6	16.9	28.5	26.5

¹Nucleus

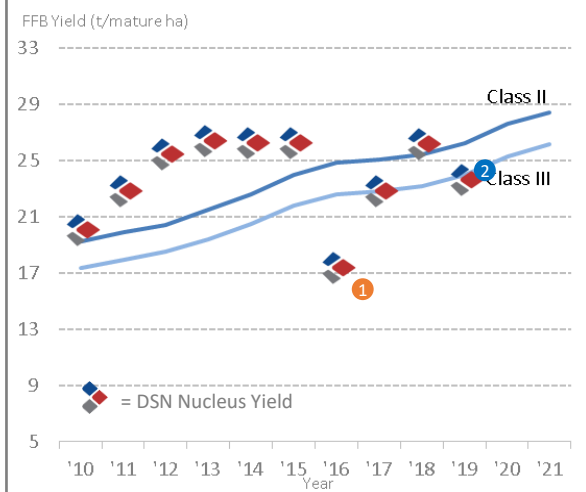
²Calculate based on :

- Actual planted
- PPKS Standard yield

Plantation Age Profile through 2026



DSN's yield against standard throughout the years



① In2H-15, we experienced extreme & long drought (El Nino) resulting below standard yield in 2016

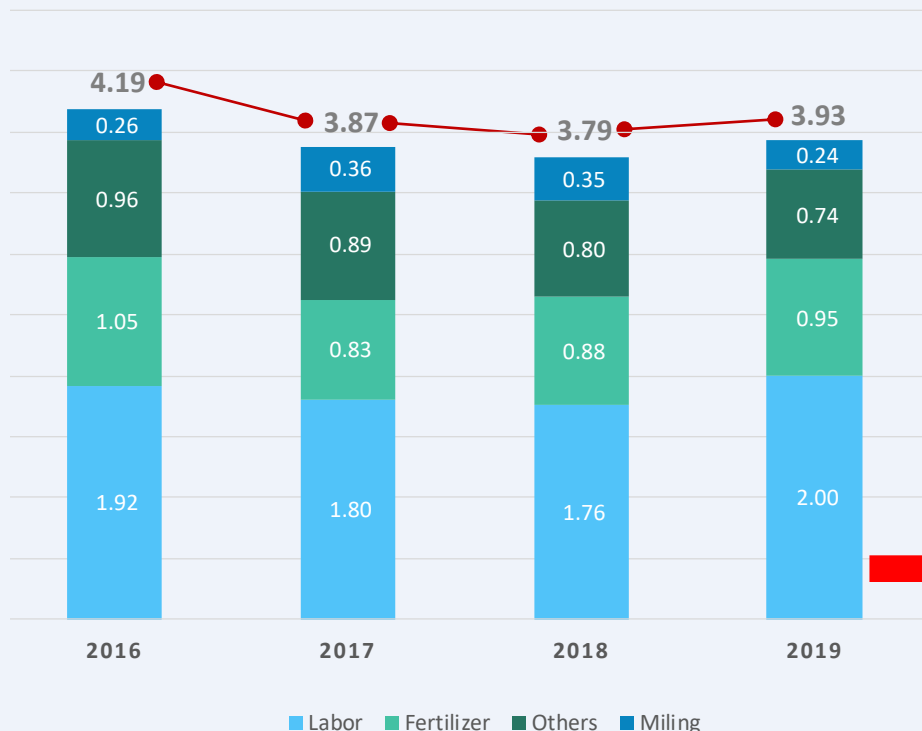
② Low performance from 2 estates ex 2018 acquisition has temporarily dragged down the group existing average yield from 25.3 (exclude acquisition) to 23.6 tons/ha.

DSN always strives for the best performance by conducting efficient operation

Cash Cost/ton CPO Nucleus

Breakdown per Activities

(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
Total cash cost	1,776.9	2,370.4	2,108.0	2,959.2

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 & 3 rd 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

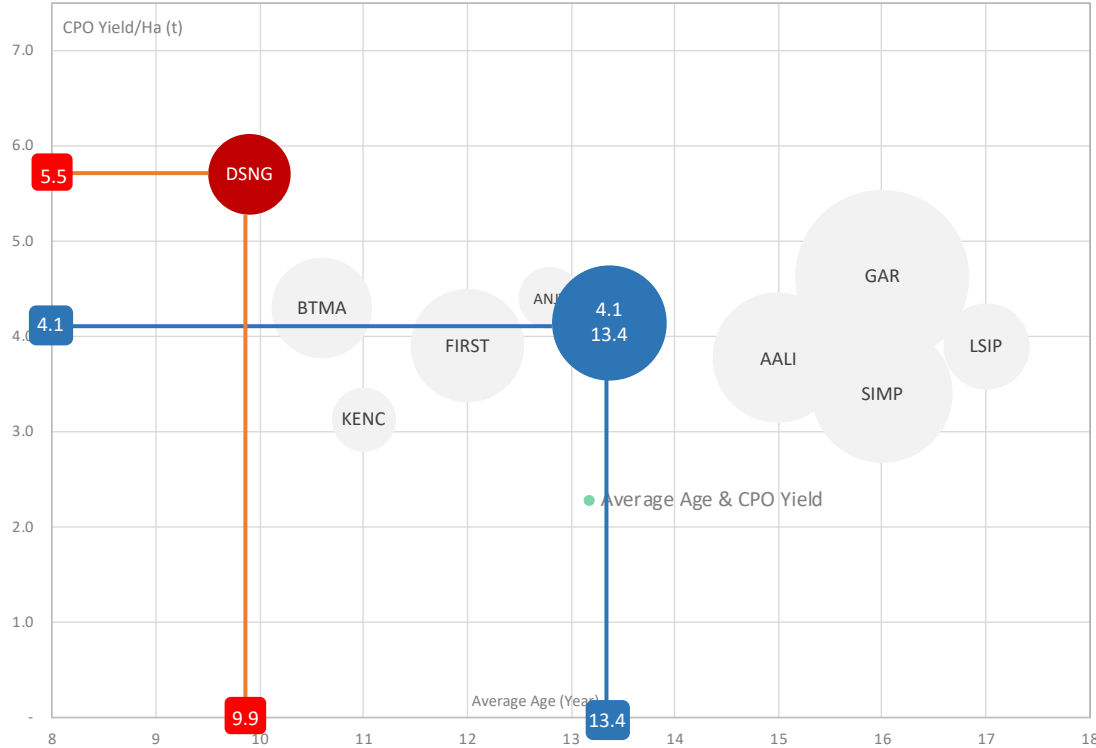
UCC for internal FFB production per Mature Hectare (IDR mn & USD)	2016	2017	2018	2019
IDR/Mature Ha	14.91	17.44	13.79	20.70
USD/Mature Ha	1,110	1,287	952	1,489

Avg IDR/USD Rate	13,436	13,548	14,481	13,901
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DSN is still ahead against Peers in the region by productivity & premium quality



Peer CPO Yield by Average Age of Plantations in 2019*

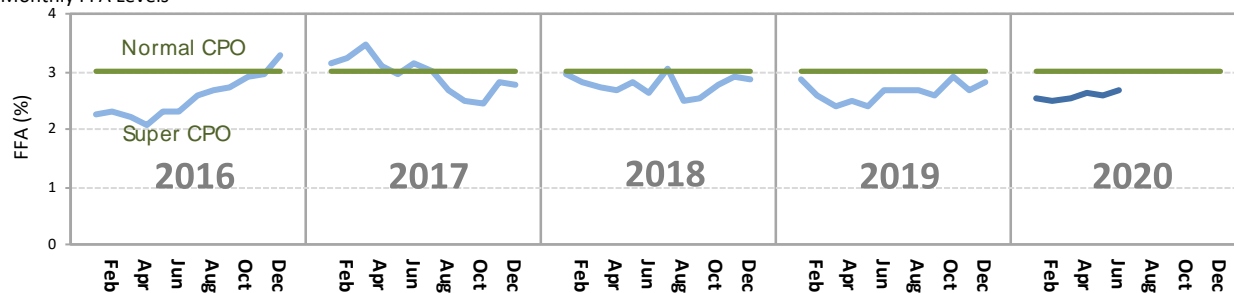


	DSNG				2019 Regional Peers*
	2016	2017	2018	2019	
Tons FFB/ha	17.4	22.8	25.2	23.6	19.0
%OER	23.9	23.0	23.6	23.5	22.0
Tons CPO/ha	4.3	5.6	6.3	5.5	4.1

*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



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

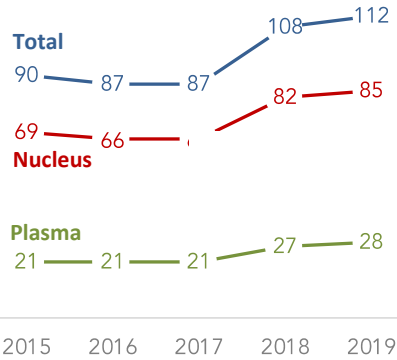
1 Main clinic with 16 Supporting Clinics



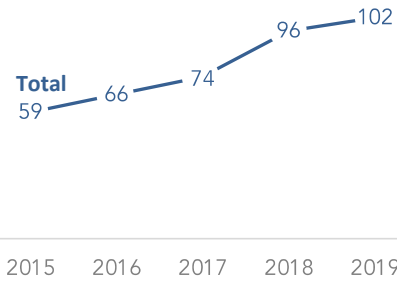
DSN's key numbers in last 5 years



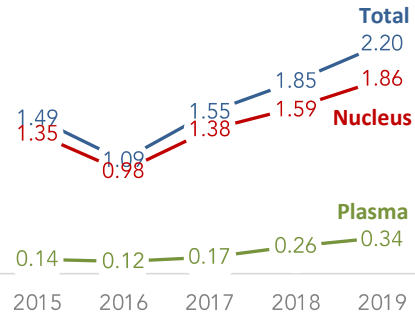
Planted Area ('000 ha)



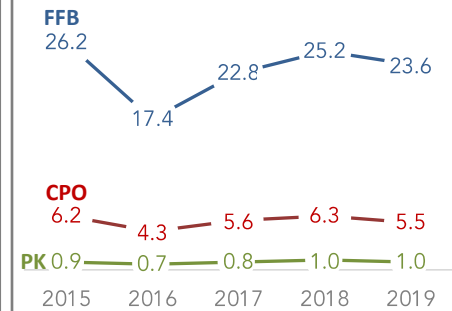
Mature Area ('000 ha)



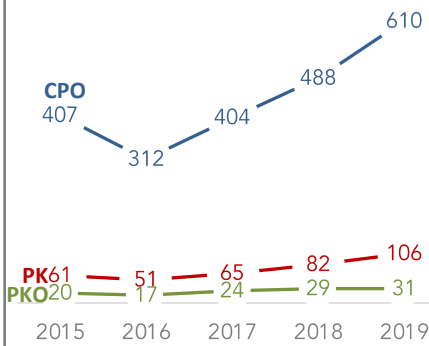
FFB Harvested (million tons)



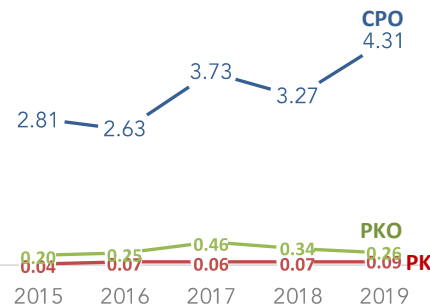
Yield per Ha Nucleus (tons)



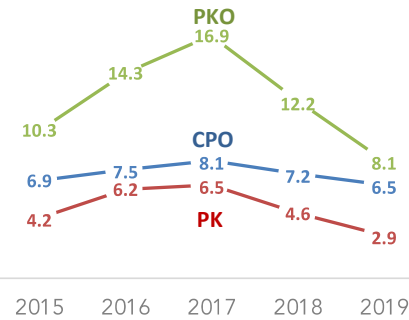
Mill Production ('000 tons)



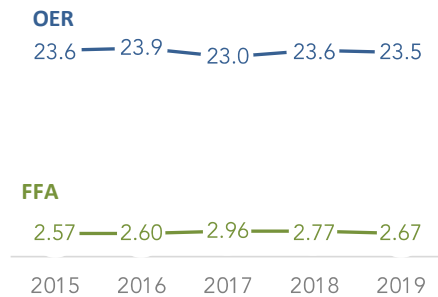
Revenue (IDR bn)



Avg Selling Price (IDR mn)



Mill Effici. & Effectiveness (%)

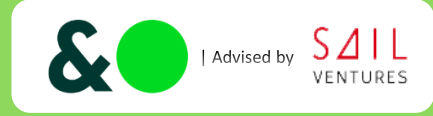




Bio-Compressed Natural Gas (Bio-CNG) Plant project

DSN initiated a CBG Plant in East Kalimantan with a capacity of 1,200 KW by utilizing POME, expected to start commissioning in 4th quarter 2020. This plant is expected to generate 2 million litre saving of diesel fuel consumption a year and demonstrated DSN's commitment to a green environment to enhance a sustainable palm oil practice

Green loan



Following the signing of the green loan facility with &Green in April 2020, DSN affirms its commitment to transparency and accountability via the strict loan conditions agreed with &Green, such as:

- Landscape Protection Plan to define DSN's various concessions;
- Environmental and Social Action Plan to manage the concessions sustainably within dynamic social and economic settings
- Full implementation of the NDPE throughout the group and its supply chains, including smallholder farmers, by 2025

Enhanced Planting Procedures

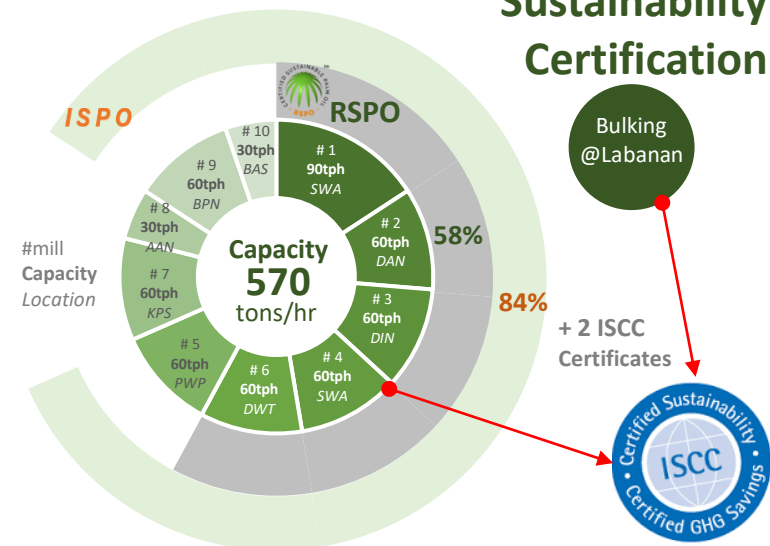
- No deforestation footprint in our oil palm operations by not developing on :
 - High carbon stock (HCS) forests
 - High conservation value (HCV) forests
 - Peat lands of any depth
- Continuous yield improvement in nucleus and plasma plantations managed by Company
- Zero burning policy in new planting 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



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

Sustainability Certification



A man in a white shirt and light-colored trousers is measuring a large stack of logs with a yellow tape measure. The logs are stacked in a dense, organized manner, and many of them have handwritten markings on their ends. The scene is set outdoors, and the lighting is bright, highlighting the natural textures of the wood.

WOOD PRODUCTS: RENEWABLE RESOURCES

DSN also produces panel, engineered floor, and engineered door products for export markets around the world



Engineered Flooring



Engineered Door

JV with
DAIKEN
Corporation, Japan



Operating summary

	1H-20	1H-19	YoY Δ%	Q2-20	Q1-20	QoQ Δ%	2019	2018	YoY Δ%
Sales Volume ('000)									
Panel (m3)	47.8	44.9	6.4	21.9	25.9	(15.2)	96.6	83.8	15.4
Engineered floors (m2)	402.1	431.7	(6.8)	163.2	239.0	(31.7)	931.7	1,093.8	(14.8)
ASP (IDR mn)									
Panel (m3)	6.0	6.1	(2.3)	6.3	5.7	8.8	5.9	6.1	(2.3)
Engineered floors (m2)	0.4	0.4	(0.2)	0.4	0.4	6.9	0.4	0.4	(7.2)

Financial summary (IDR bn)

	1H-20	1H-19	YoY Δ%	Q2-20	Q1-20	QoQ Δ%	2019	2018	YoY Δ%
Revenue	493	474	4.1	222	272	(18.5)	1,001	990	1.2
Gross Profit	85	90	(5.4)	34	51	(33.2)	173	207	(16.3)
% margin	17.3	19.0		15.4	18.8		17.3	20.9	
Operating Profit	19	38	(49.8)	(23)	42	(155.0)	64	100	(36.0)
% margin	3.8	8.0		(10.4)	15.5		6.4	10.1	
EBITDA	59	56	5.1	(2)	61	(103.2)	107	134	(19.5)
% margin	11.9	11.8		(0.9)	22.3		10.7	13.5	
Profit Before Tax	9	31	(70.2)	34	(24)	238.7	52	49	5.7
% margin	1.9	6.6		15.1	(8.9)		5.2	5.0	



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



Consolidated Financial Summary (IDR bn)

	1H-20	1H-19	YoY Δ%	Q2-20	Q1-20	QoQ Δ%	2019	2018	QoQ Δ%
Profit & Loss									
Revenue	3.150	2.583	22,0	1.560	1.590	(1,9)	5.737	4.762	20,5
Gross Profit	732	656	11,5	320	412	(22,4)	1.461	1.543	(5,3)
% margin	23,2	25,4		20,5	25,9		25,5	32,4	
Operat. Profit	354	330	7,4	59	295	(80,0)	757	932	(18,8)
% margin	11,2	12,8		3,8	18,5		13,2	19,6	
EBITDA	690	576	19,9	254	436	(41,6)	1.313	1.334	(1,6)
% margin	21,9	22,3		16,3	27,4		22,9	28,0	
Net Profit	180	68	163,4	97	82	18,4	178	427	(58,3)
% margin	5,7	2,6		6,2	5,2		3,1	9,0	
Cashflow Statement									
Cash from operation	509	247	106,2	509	269	89,5	587	298	96,8
Cash from Investing	(418)	(317)	(31,9)	(418)	(217)	(92,9)	(740)	(1.385)	46,6
Cash from Financing	(38)	(246)	84,7	(38)	147	(125,5)	(201)	1.261	(115,9)
Financial Position									
Total debt ¹	6.208	6.305	(1,5)	6.208	6.550	(5,2)	6.415	6.444	(0,5)
Net debt	5.920	6.076	(2,6)	5.920	6.184	(4,3)	6.144	5.920	3,8
Total Asset	11.710	11.296	3,7	11.710	12.007	(2,5)	11.621	11.739	(1,0)
Total Equity	3.856	3.623	6,4	3.856	3.811	1,2	3.732	3.659	2,0
Debt/equity	1,6x	1,7x		1,6x	1,7x		1,7x	1,8x	
Net debt/equity	1,5x	1,7x		1,5x	1,6x		1,6x	1,6x	
Net debt/EBITDA	4,1x	4,3x		4,1x	4,3x		4,7x	4,4x	

Palm Oil Financial Summary (IDR bn)

	1H-20	1H-19	YoY Δ%	Q2-20	Q1-20	YoY Δ%	2019	2018	YoY Δ%
Palm Oil									
Revenue	2.657	2.109	26,0	1.339	1.318	1,5	4.736	3.772	25,5
Gross Profit	646	566	14,2	286	361	(20,8)	1.287	1.336	(3,7)
% margin	24,3	26,8		21,3	27,4		27,2	35,4	
Operating Profit	377	333	13,3	108	270	(60,1)	783	943	(17,0)
% margin	14,2	15,8		8,0	20,5		16,5	25,0	
EBITDA	674	561	20,2	281	392	(28,2)	1.294	1.310	(1,2)
% margin	25,4	26,6		21,0	29,7		27,3	34,7	
Profit Before Tax	285	103	175,7	134	151	(10,9)	317	666	(52,4)
% margin	10,7	4,9		10,0	11,4		6,7	17,7	

Wood Financial Summary (IDR bn)

	1H-20	1H-19	YoY Δ%	Q2-20	Q1-20	YoY Δ%	2019	2018	YoY Δ%
Wood									
Revenue	493	474	4,1	222	272	(18,5)	1.001	990	1,2
Gross Profit	85	90	(5,4)	34	51	(33,2)	173	207	(16,3)
% margin	17,3	19,0		15,4	18,8		17,3	20,9	
Operating Profit	19	38	(49,8)	(23)	42	(155,0)	64	100	(36,0)
% margin	3,8	8,0		(10,4)	15,5		6,4	10,1	
EBITDA	59	56	5,1	(2)	61	(103,2)	107	134	(19,5)
% margin	11,9	11,8		(0,9)	22,3		10,7	13,5	
Profit Before Tax	9	31	(70,2)	34	(24)	238,7	52	49	5,7
% margin	1,9	6,6		15,1	(8,9)		5,2	5,0	

¹Total debt excludes debt backed by restricted cash

Annual financial statements are audited by Siddharta & Widjaja, Registered Public Accountants– a Member Firm of KPMG International



Palm Oil Results



	1H-20	1H-19	YoY Δ%	Q2-20	Q1-20	QoQ Δ%	2019	2018	YoY Δ%
Palm Estates									
Planted Land ('000 ha)	112,4	108,4	3,7	112,4	112,4	0,0	112,4	108,4	3,7
Nucleus	84,6	84,4	0,2	84,6	84,6	0,0	84,6	84,4	0,2
Plasma	27,9	24,0	16,2	27,9	27,9	0,0	27,9	24,0	16,2
FFB Production ('000 t)	1.021,6	1.025,1	(0,3)	518,6	503,0	3,1	2.204,3	1.849,5	19,2
Nucleus	833,4	872,1	(4,4)	422,9	410,5	3,0	1.864,9	1.587,7	17,5
Plasma	188,2	153,1	23,0	95,7	92,5	3,4	339,5	261,9	29,6
FFB Yield (t/ha)									
Nucleus	10,4	10,7	(2,4)	5,3	5,1	3,0	23,6	25,2	(6,3)
Plasma	8,1	7,5	8,1	4,1	4,0	3,4	14,8	16,3	(9,2)
Mills									
Production ('000 t)									
FFB Processed	1.295,8	1.139,9	13,7	664,9	630,8	5,4	2.597,1	2.070,6	25,4
Crude Palm Oil (CPO)	312,1	262,0	19,1	159,5	152,7	4,5	610,0	488,4	24,9
Palm Kernel (PK)	54,7	42,8	28,0	27,8	27,0	2,8	105,8	82,1	28,9
Palm Kernel Oil (PKO)	16,4	14,1	16,7	8,7	7,8	11,1	31,5	29,4	7,1
Yields (%)									
Palm Oil (OER)	24,1	23,0	4,8	24,0	24,2	(0,9)	23,5	23,6	(0,4)
Palm Kernel (KER)	4,2	3,8	12,6	4,2	4,3	(2,4)	4,1	4,0	2,8
Free Fatty Acid (FFA)	2,58	2,58	0,1	2,63	2,54	3,5	2,67	2,77	(3,7)
Sales									
Volume ('000 t)									
Crude Palm Oil (CPO)	310,4	301,2	3,1	167,5	142,9	17,2	666,0	454,9	46,4
Palm Kernel (PK)	15,8	11,6	36,8	6,8	9,0	(24,6)	31,2	16,4	90,4
Palm Kernel Oil (PKO)	15,0	12,0	25,0	7,0	8,0	(12,5)	32,0	28,0	14,3
ASP (IDR mn/ton)									
Crude Palm Oil (CPO)	7,80	6,37	22,6	7,39	8,29	(10,9)	6,48	7,18	(9,8)
Palm Kernel (PK)	3,94	3,07	28,7	3,60	4,20	(14,4)	2,93	4,55	(35,7)
Palm Kernel Oil (PKO)	9,44	9,20	2,6	9,00	9,82	(8,3)	8,10	12,20	(33,6)



Wood Results

	1H-20	1H-19	YoY Δ%	Q2-20	Q1-20	QoQ Δ%	2019	2018	YoY Δ%
Sales Volume ('000)									
Panel (m3)	47,8	44,9	6,4	21,9	25,9	(15,2)	96,6	83,8	15,4
Engineered floors (m2)	402,1	431,7	(6,8)	163,2	239,0	(31,7)	931,7	1.093,8	(14,8)
ASP (IDR mn)									
Panel (m3)	5,98	6,12	(2,3)	6,25	5,75	8,8	5,92	6,06	(2,3)
Engineered floors (m2)	0,39	0,39	(0,2)	0,41	0,38	6,9	0,39	0,42	(7,2)



DSNG Shareholders (%)

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





Behind every floor there is a story
and legend, original design can not
be separated from the history and
culture of the heritage, numerous
classic reproduction in TEKA

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Let's join the Government's efforts
in combating the Covid-19 Pandemic
KEEP SAFE & STAY WELL





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