



# PT DHARMA SATYA NUSANTARA TBK (DSNG.IJ) INVESTOR NEWSLETTER

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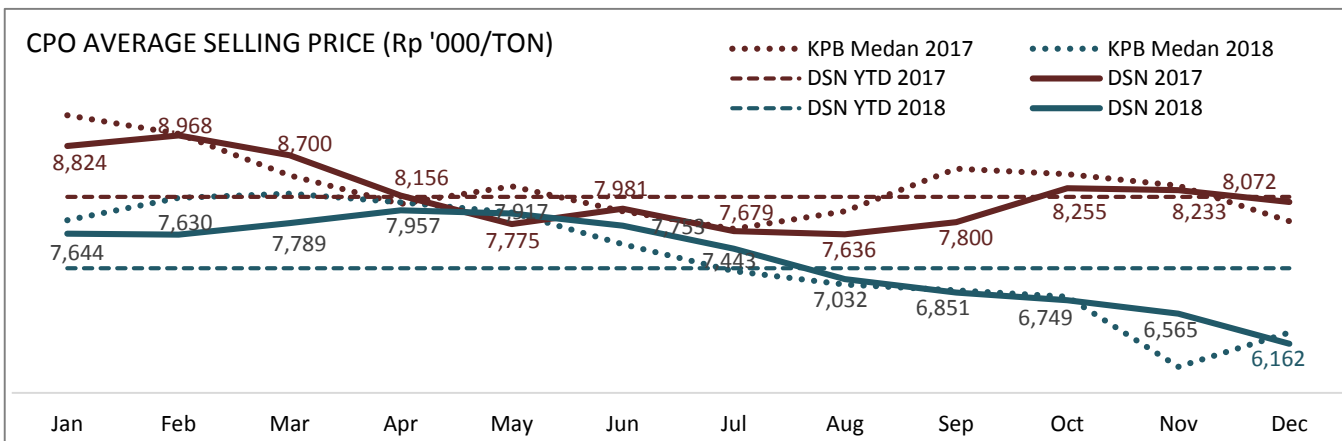
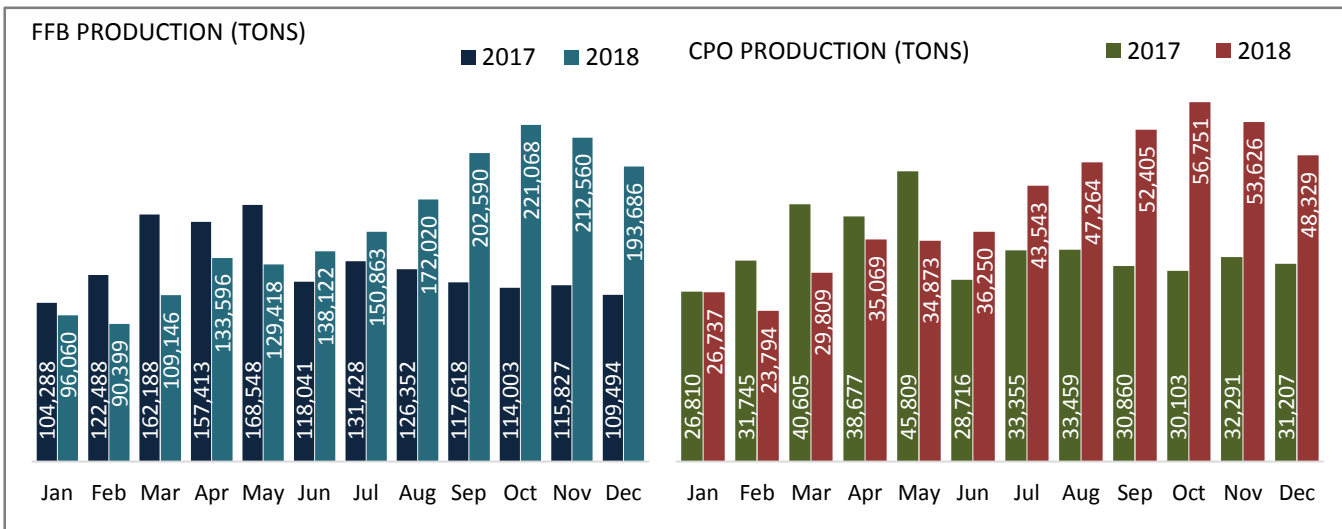
In 2018, our FFB reached 1.85 million tons, an increase of 20% compared to the same period last year. Our operational performance has shown a significant improvement in the second half of 2018 following the yield recovery with the second half FFB production increased by 65% compared to the first half of 2018.

Our mill productivity also demonstrated an improvement throughout 2018 with CPO production increased by 21% compared to the previous year while CPO Oil Extraction Rate increased to

23.59%. Our average FFA level was maintained at 2.77% last year.

Our CPO sales volume until December 2018 was 454.9 thousand tons, decreased slightly by 0.7% compared to same period last year, despite the fourth quarter sales volume was higher by 31.1% higher compared to the third quarter of 2018. Our realized ASP for CPO from January to December 2018 was Rp 7.2 million per ton against Rp 8.1 million per ton in 2017 or lower by 12%.

	12M-2018	12M-2017	YoY%	Q1-2018	Q2-2018	Q3-2018	Q4-2018	QoQ%
<b>Plantation Performance</b>								
FFB Production (ton)	1,849,528	1,547,686	19.5	295,605	401,136	525,472	627,314	19.4
- FFB Nucleus (ton)	1,587,667	1,381,803	14.9	259,588	340,912	443,776	543,391	22.4
- FFB Plasma (ton)	261,861	165,884	57.9	36,017	60,224	81,696	83,923	2.7
<b>Mill Performance</b>								
FFB Processed (ton)	2,070,609	1,753,986	18.1	337,692	449,068	604,617	679,232	14.3
CPO Production (ton)	488,449	403,638	21.0	80,340	106,192	143,212	158,706	12.7
PK Production (ton)	82,061	65,092	26.1	13,598	17,933	24,160	26,369	10.9
PKO Production (ton)	29,370	24,284	20.9	5,365	7,053	8,548	8,405	(1.7)
CPO OER (%)	23.59	23.01	2.5	23.79	23.65	23.66	23.37	(1.2)
FFA (%)	2.77	2.96	(6.2)	2.84	2.71	2.71	2.85	5.9
<b>Sales Performance</b>								
CPO (ton)	454,889	457,973	(0.7)	81,900	105,279	115,863	151,848	31.1
PK (ton)	16,373	10,067	62.6	2,711	2,420	3,532	7,711	118.3
PKO (ton)	28,004	27,003	3.7	5,001	5,000	8,000	10,002	25.0



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## PLANTED AREA

As of December 2018, the company's total planted area, including nucleus and plasma, reached 108,411 hectares including the additional 17.715 hectares from the acquisition of PT Bima Palma Nugraha (BPN) and PT Bima Agri Sawit (BAS), with average age of 9.3 years.

Planted (as of Dec 2018) (ha)	Average Age (yr)	Planted Hectareage	
		Mature (ha)	Total Planted (ha)
Nucleus	10.0	77,899	84,393
Plasma	6.7	18,219	24,018
<b>Total</b>	<b>9.3</b>	<b>96,118</b>	<b>108,411</b>

## COMPANY HIGHLIGHTS

On December 12, 2018, DSN has signed Sale and Purchase Agreement of the acquisition of PT Bima Palma Nugraha (BPN) and PT Bima Agri Sawit (BAS), palm oil companies both located in East Kutai, East Kalimantan Province, following the approval from DSN's shareholders at the EGM in December 10, 2018.

This acquisition was a strategic step for DSN to grow through the inorganic way, while continue the new planting at the Company's existing land bank. The Company also benefited from a younger

age profile of BPN and BAS lowering DSN overall age profile from 9.6 years to 9.3 years.

In addition, the acquisition will provide added values for DSN from neighbouring location as the acquired estates are also located in East Kutai District, East Kalimantan Province, near the Company's largest estates, thus will create a synergy and efficiency in the Company's operation.

## WOOD PRODUCTS BUSINESS

In 2018, the Company's wood panel product performance showed an improvement with panel sales volume and average selling price increased by 18.5% and 15.0% respectively. Meanwhile our

engineered flooring sales volume decreased by 12.5%. The average selling price, however, 7.2% higher compared to the same period last year.

	12M-2018	12M-2017	% YoY	Q1-2018	Q2-2018	Q3-2018	Q4-2018	QoQ%
<b>Sales Volume</b>								
Panel (m3)	83,751	70,679	18.5	19,181	20,071	21,794	22,706	4.2
Engineered flooring (M2)	1,093,848	1,249,734	(12.5)	269,693	254,269	282,494	287,391	1.7
<b>Average Selling Price (ASP)</b>								
Panel (Rp million /m3)	6,06	5,27	15.0	5.64	5.98	6.12	6.43	5.1
Engineered flooring (Rp 'million /m2)	0,42	0,39	7.2	0.41	0.41	0.43	0.43	0.6

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