

Financial Performance

Our financial performance in 2018 was heavily affected by a significantly lower CPO ASP (-12%). On the top of that, a higher sales volume could not be realized despite a higher production due to the vessel congestion in 2H18 hampering the delivery of sales. These adverse factors have driven the declining of revenue by 8% against 2017 to Rp 4.8 trillion, with gross profit and operating profit also declined by 11% and 21% respectively.

The Company posted EBITDA of Rp 1.3 trillion, 14% less than last year but margin-wise was only down by 2% to 28%. The net profit was recorded at Rp 427 billion, 26% lower against 2017.

Palm Oil Operational Performance

Production-wise, as been disclosed earlier in January 2019, 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.

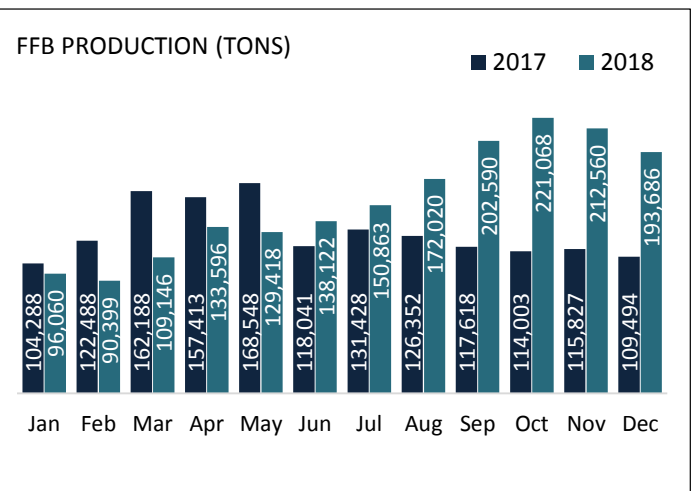
Our mill productivity also demonstrated an improvement throughout 2018 with CPO production increased by 21% compared to the previous year while CPO Oil Extraction Rate increased to 23.59% and average FFA level was maintained at 2.77%.

Our CPO sales volume until December 2018 was 455 thousand tons, only short by 3 thousand tons than last year despite the fourth quarter sales volume was higher by 31.1% than the third quarter of 2018. Our realized ASP for CPO was Rp 7.2 million per ton against Rp 8.1 million per ton in 2017 or lower by 12%.

In millions of Rp

| | FY2018 | FY 2017* |
|--------------------------|-------------|-------------|
| Revenue | 4,761,805 | 5,159,911 |
| Cost of Revenue | (3,218,587) | (3,435,940) |
| Gross Profit | 1,543,218 | 1,723,971 |
| % margin | 32.4% | 33.4% |
| Operating Profit | 931,863 | 1,178,560 |
| % margin | 19.6% | 22.8% |
| Profit Before Income Tax | 611,264 | 935,280 |
| % margin | 12.8% | 18.1% |
| EBITDA | 1,333,583 | 1,541,300 |
| % margin | 28.0% | 29.9% |
| Net Profit | 427,245 | 578,418 |
| % margin | 9.0% | 11.2% |
| Total Assets | 11,738,892 | 8,452,115 |
| Total Liabilities | 8,079,930 | 5,138,073 |
| Total Equities | 3,658,962 | 3,314,042 |

* As restated.

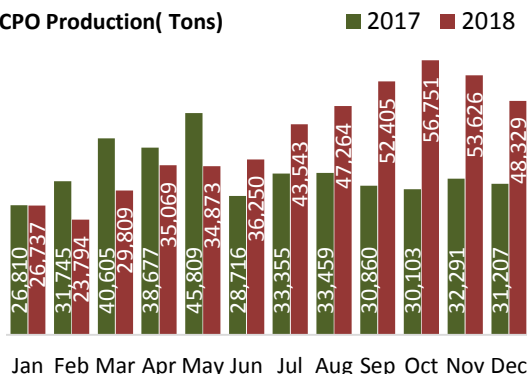


| | 12M-2018 | 12M-2017 | YoY% | Q1-2018 | Q2-2018 | Q3-2018 | Q4-2018 | QoQ% |
|-------------------------------|-----------|-----------|-------|---------|---------|---------|---------|-------|
| Plantation Performance | | | | | | | | |
| FFB Production (ton) | 1,849,528 | 1,547,686 | 19.5 | 295,605 | 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 |
| Mill Performance | | | | | | | | |
| 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 |
| Sales Performance | | | | | | | | |
| 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 |

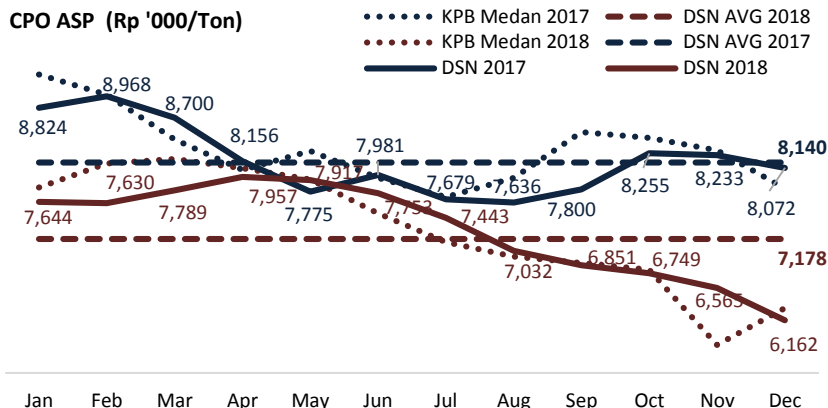
PT DHARMA SATYA NUSANTARA TBK (DSNG) INVESTOR NEWSLETTER



CPO Production(Tons)



CPO ASP (Rp '000/Ton)



Planted Area

As of December 2018, the company's total planted area, including nucleus and plasma, reached 108,411 hectares including the additional 17 thousands hectares from the acquisition of PT Bima Palma Nugraha and PT Bima Agri Sawit, 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 |
| Total | | 9.3 | 96,118 | 108,411 |

Wood Product Performance

In 2018, our wood panel business has demonstrated an improvement with an increase in revenue of 36% to Rp 507 billion, while engineered flooring sales revenue decreased slightly by 6% to Rp 457 billion against last year. Profitability-wise, the wood business has also generated a profit before income tax of Rp 55 million or margin of 6%.

| | 12M-2018 | 12M-2017 | % YoY | Q1-2018 | Q2-2018 | Q3-2018 | Q4-2018 | QoQ% |
|---------------------------------------|-----------|-----------|--------|---------|---------|---------|---------|------|
| Sales Volume | | | | | | | | |
| 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 |
| Average Selling Price (ASP) | | | | | | | | |
| 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 |
| Revenue | | | | | | | | |
| Panel (Rp million) | 507,381 | 372,507 | 36.2 | 108,207 | 119,978 | 133,298 | 145,898 | 9.5 |
| Engineered Flooring (Rp million) | 456,506 | 486,641 | (6.2) | 109,907 | 103,512 | 120,138 | 122,949 | 2.3 |

COMPANY HIGHLIGHTS

Acquisition of Bima Palma Group

On December 12, 2018, DSN has completed the acquisition of PT Bima Palma Nugraha and PT Bima Agri Sawit, palm oil companies both located in East Kutai, East Kalimantan. This was a strategic step for DSN to grow through the in-organic way, while continue the new planting at the Company's existing land bank. The acquisition will provide added values for DSN from neighbouring location as the acquired estates are also located in East Kutai District, East Kalimantan, near the Company's largest estates, thus will create a synergy and efficiency in the Company's operation.

Bio-CNG Plant Ground Breaking

To continuously demonstrate the Company's commitment as a green producer, the Company has been developing a methane capture plant to convert the Palm Oil Mill Effluent (POME) into electricity (capacity of 1.2MW) and compressed bio-methane gas (280m3/hour) to reduce and/or replace the consumption of diesel fuel in mills and emplacements. The groundbreaking of this plant was held in December 2018 and expected to start commission in the first quarter of 2020.

DISCLAIMER: The views expressed here contain information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. Any forward looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by PT. Dharma Satya Nusantara Tbk. Nothing in this release should be construed as either an offer to buy or sell or a solicitation of an offer to buy or sell shares in any jurisdiction.