

# BREAKING OUR LIMITS



## 9M-2019

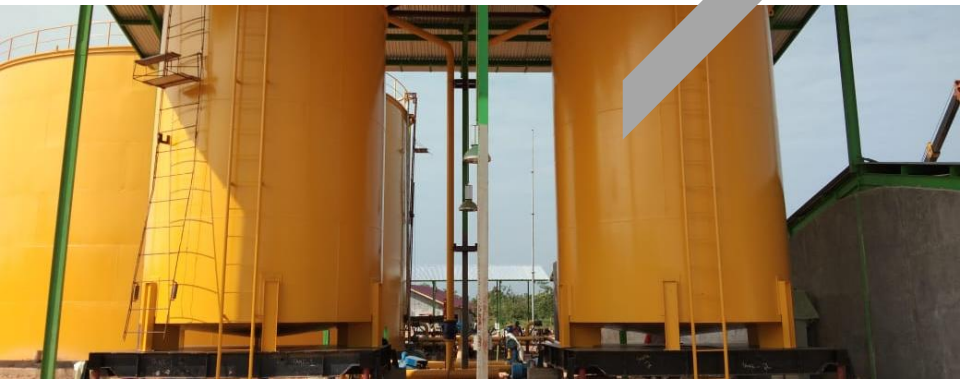
COMPANY  
PRESENTATION  
PT DHARMA SATYA  
NUSANTARA Tbk



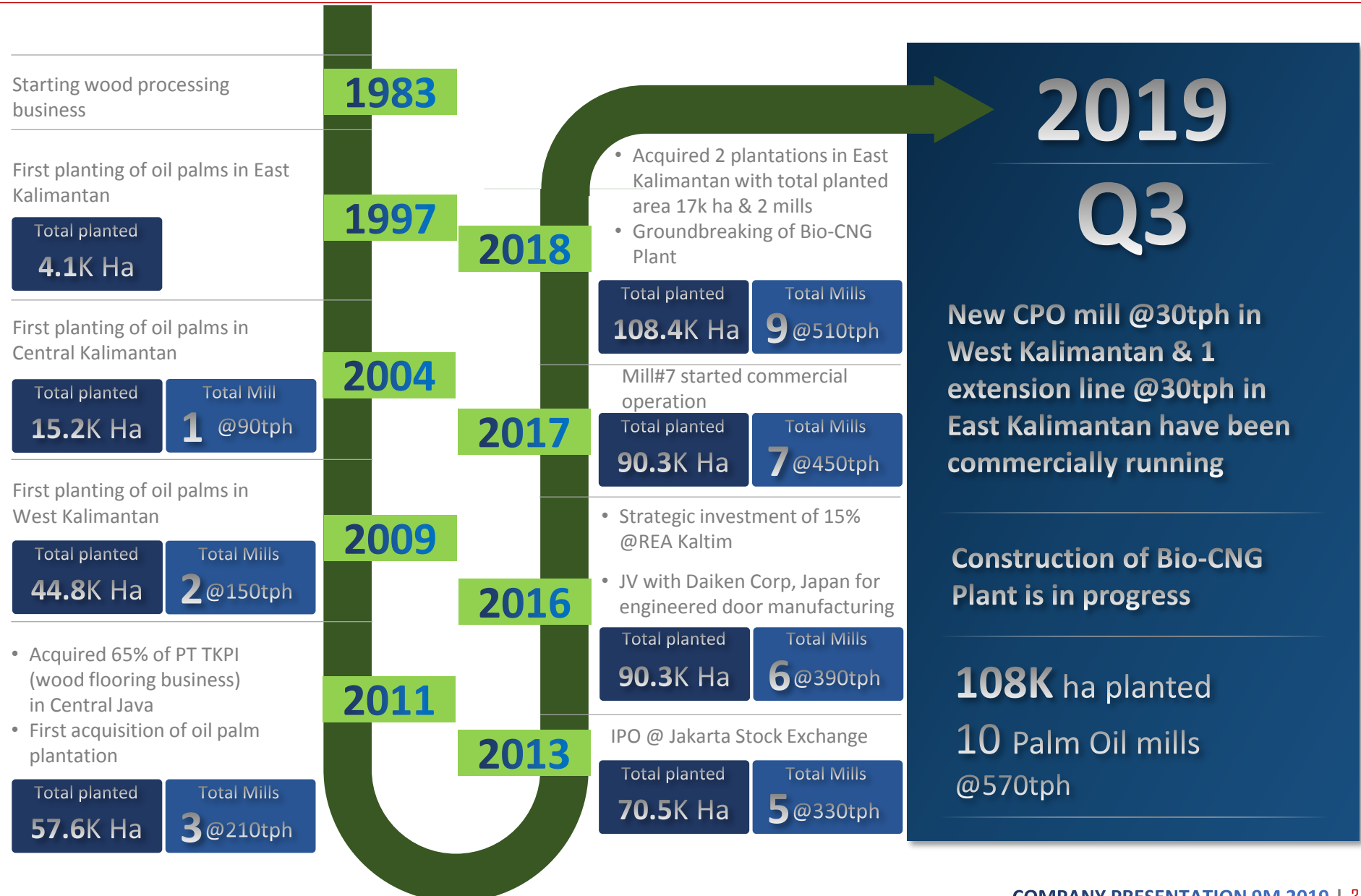
**New 30tph Mill**  
PT Agro Andalan  
Sekadau, West Kalimantan

**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

**108,400** Ha  
PLANTED

**15** ESTATES  
Oil Palm

**570** Tons/hr  
FFB

**10** CPO  
Mills

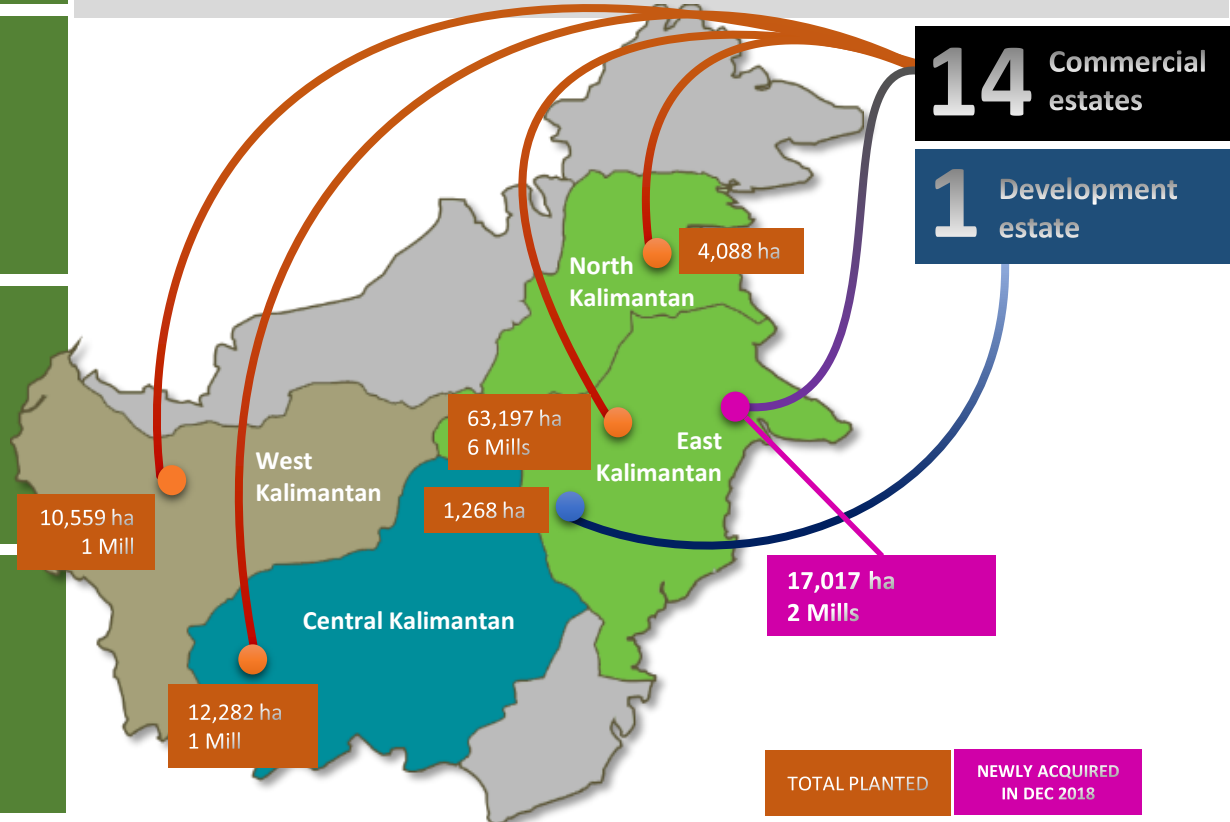
**300** Tons/hr  
PK

**1** MILL  
Kernel Crushing Plant

**90,000** Ton  
CAPACITY

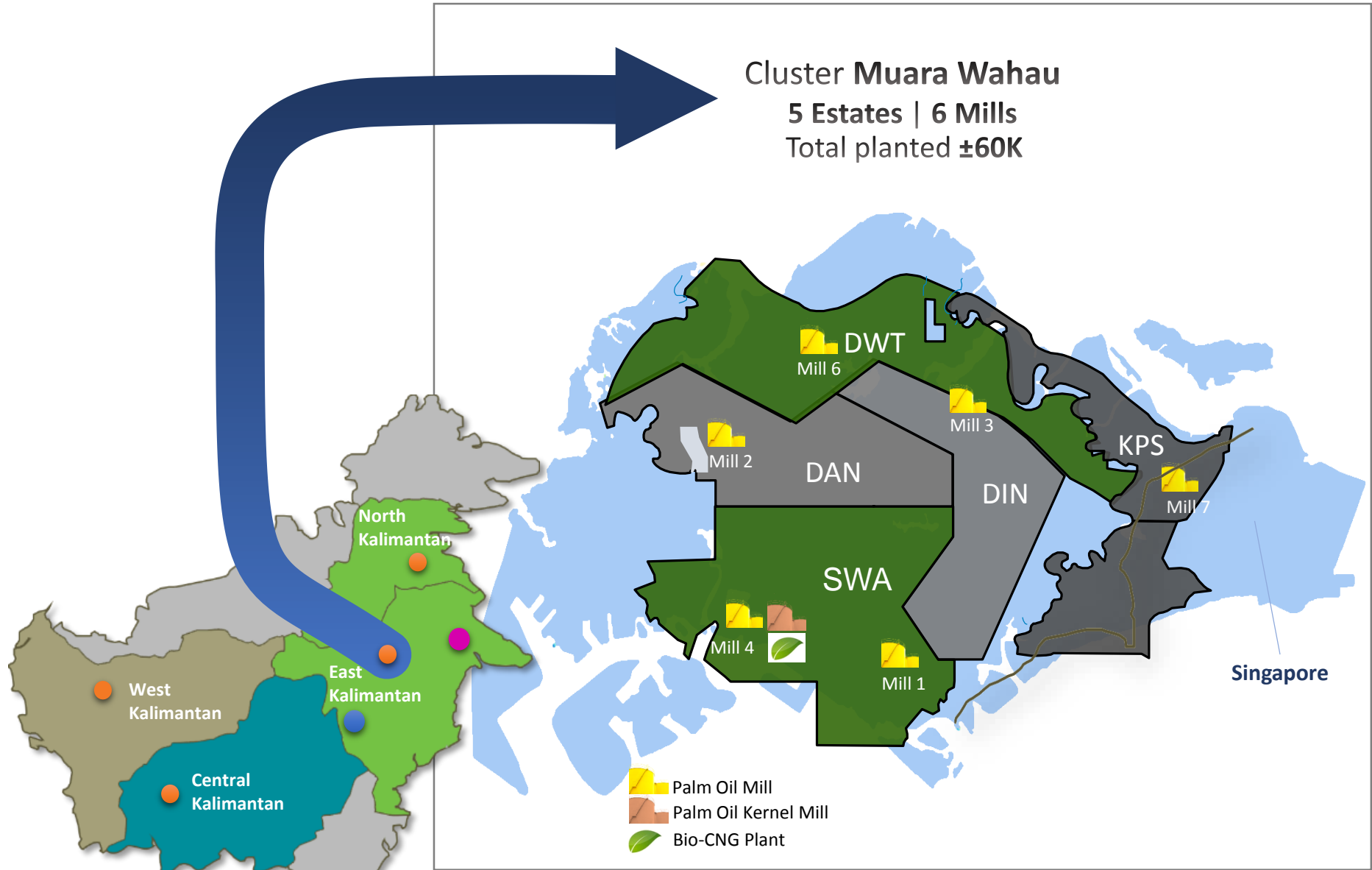
**45** Storage  
Tanks      **3** Bulking  
Location

Planted area ('000 ha)	Nucleus	Plasma	Total
Total Planted	84.4	24.0	108.4
Total Mature	81.4	20.4	101.8
Total Immature	3.0	0.6	3.6



TOTAL PLANTED      NEWLY ACQUIRED  
IN DEC 2018

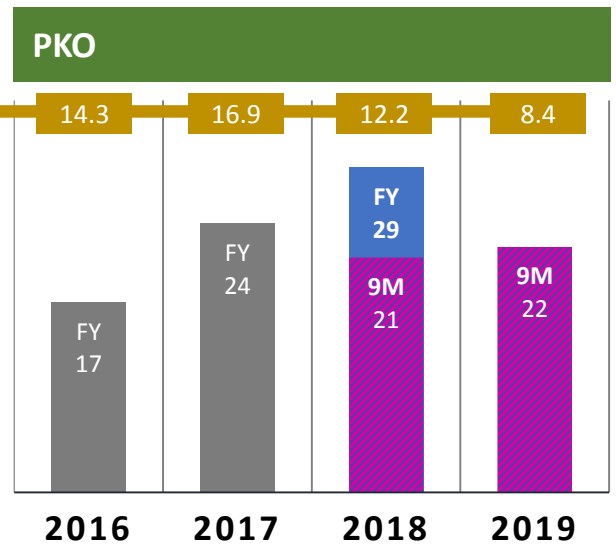
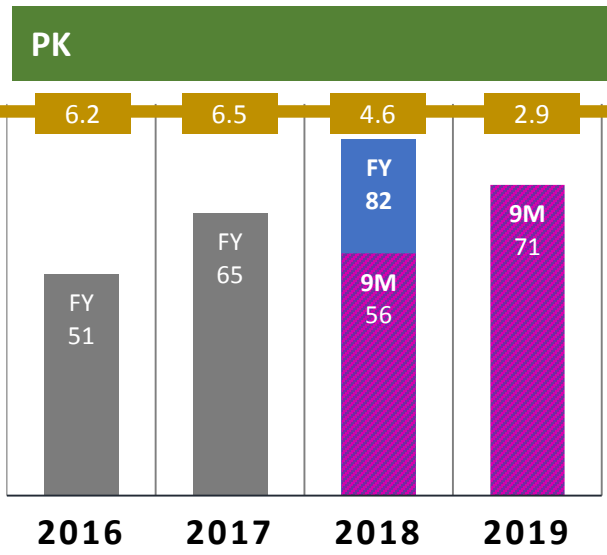
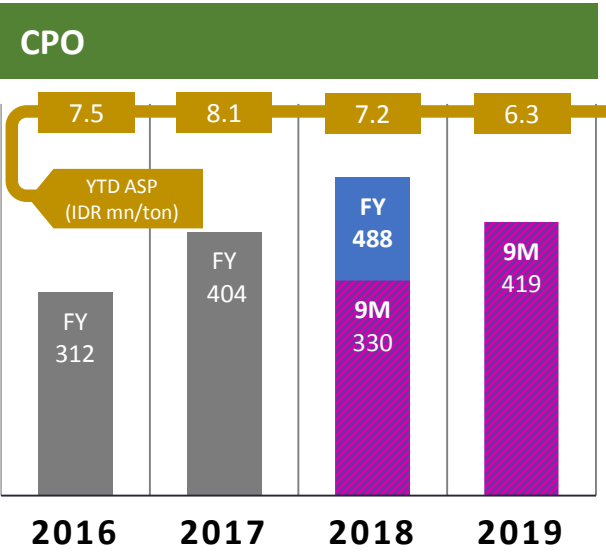
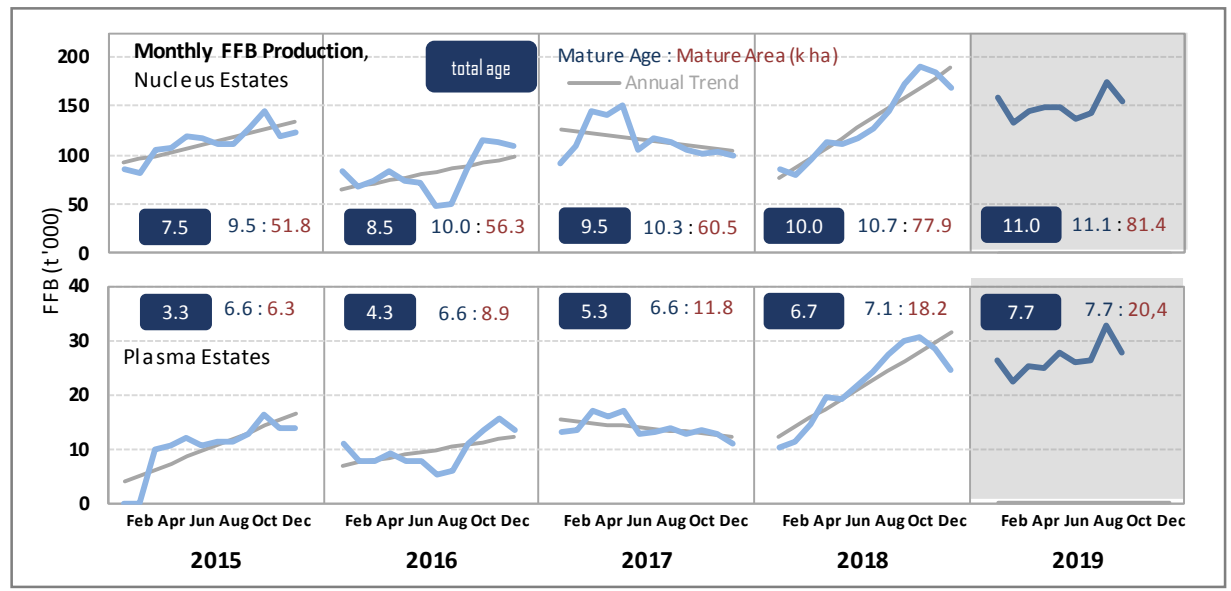
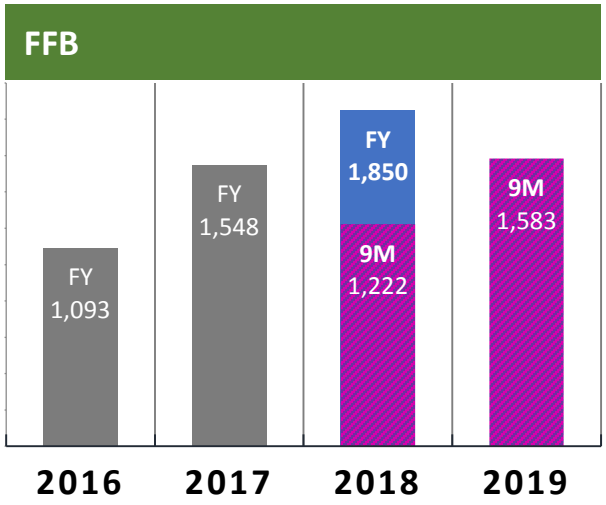
# Our most developed cluster in East Kalimantan is nearly the size of Singapore



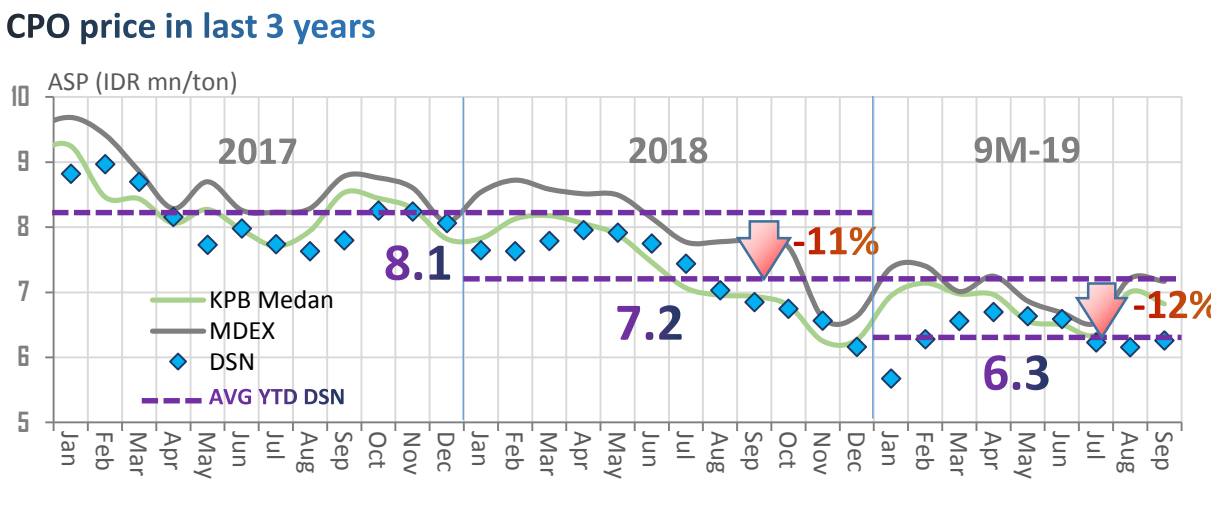
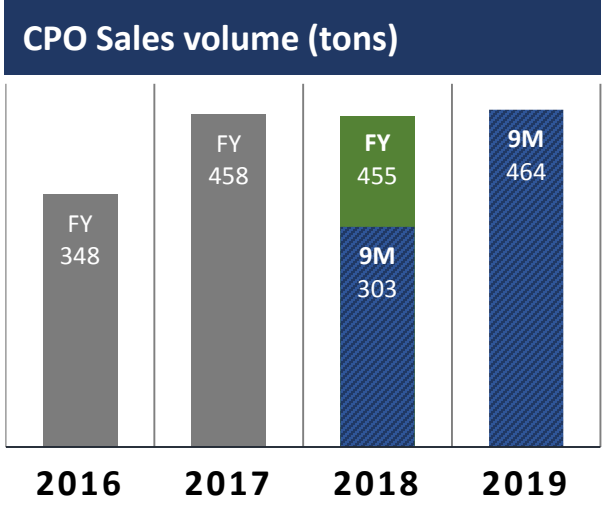
# 9M-2019 production has significantly increased by 30% against the same period last year



## Production ('000 Tons)

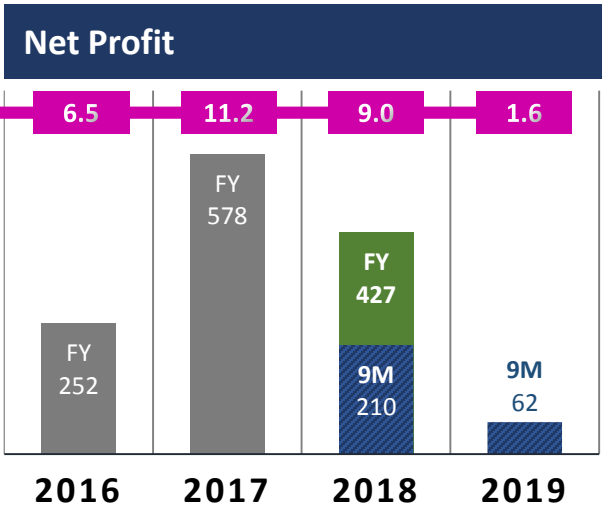
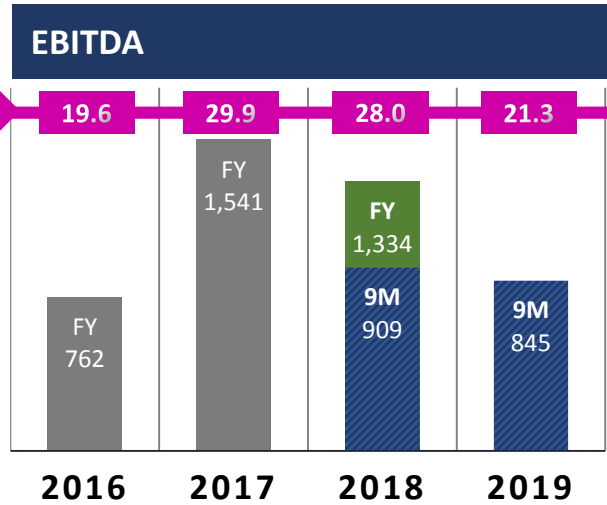
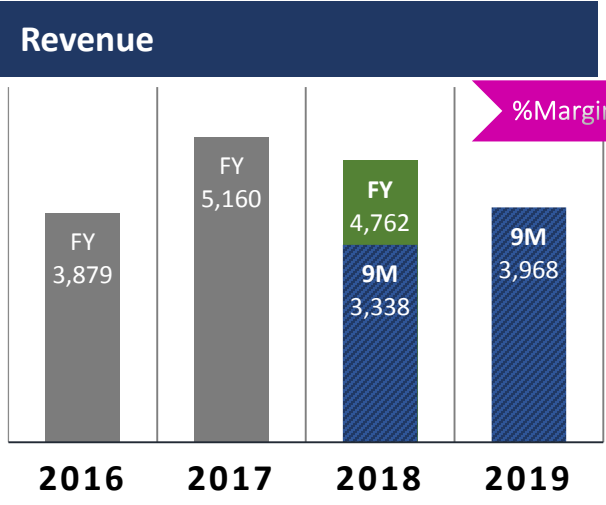


# 9M-2019 revenue was better than last year with contribution from Palm Oil around 82%

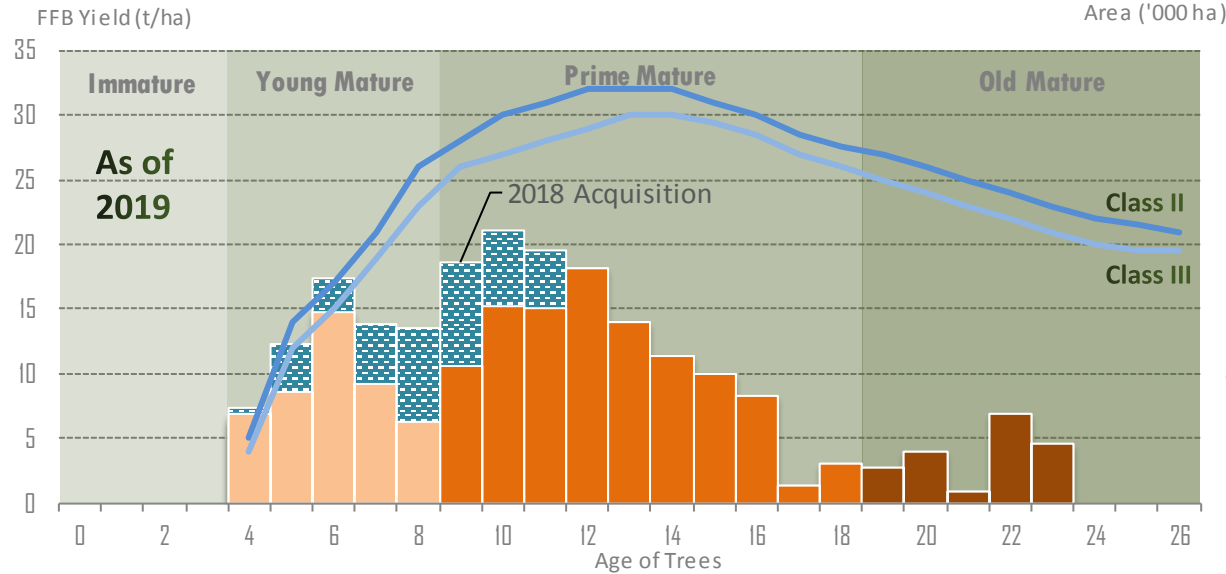


## Financial Performance

(IDR mn)



# The existing age profile of our plantation still suggests continuing growth of our FFB yield in near future

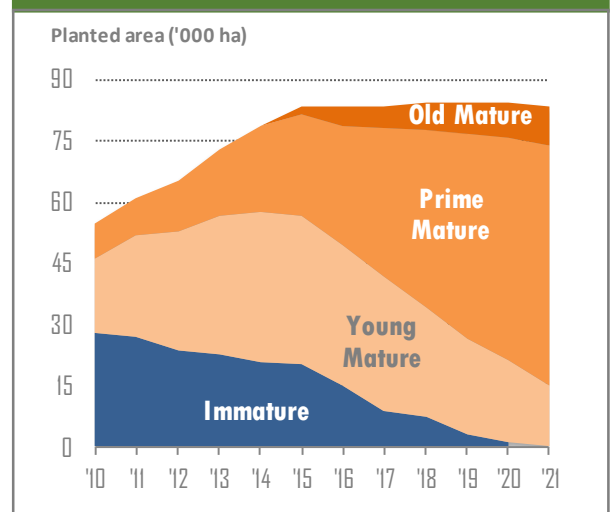


## Yield Trend throughout Age Profile

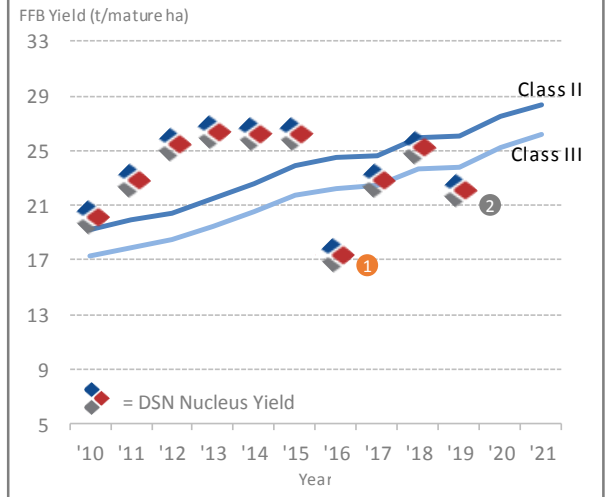
### Historical FFB Yield/Mature Ha

Yr	Planted '000 ha	Mature Area		Avg Age	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%	7.7	22.8	19.9	17.9	3%
'12	53.4	38.4	19%	8.0	25.5	20.4	18.5	3%
'13	57.9	43.7	14%	8.4	26.4	21.5	19.4	5%
'14	62.8	48.0	10%	8.9	26.2	22.6	20.5	5%
'15	69.3	51.8	8%	9.5	26.2	23.9	21.7	6%
'16	69.4	56.3	9%	10.0	17.4 <sup>1</sup>	24.5	22.3	3%
'17	69.4	60.6	8%	10.3	22.8	24.7	22.5	1%
'18	84.4	77.9	29%	10.7	25.2	26.0	23.7	5%
'19	84.4	83.4	7%	11.4	22.0 <sup>2</sup>	26.1	23.8	1%

## Plantation Age Profile through 2021



## DSN's yield against standard throughout the years



If exclude acquisition

'18	69.6	63.9	5%	11.1	25.2	25.9	23.5	5%
'19	69.6	68.5	7%	11.8	17.7	25.9	23.7	0%

## 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	0%	12.1	27.5	25.2	6%
'21	84.4	83.4	0%	13.1	28.4	26.1	3%

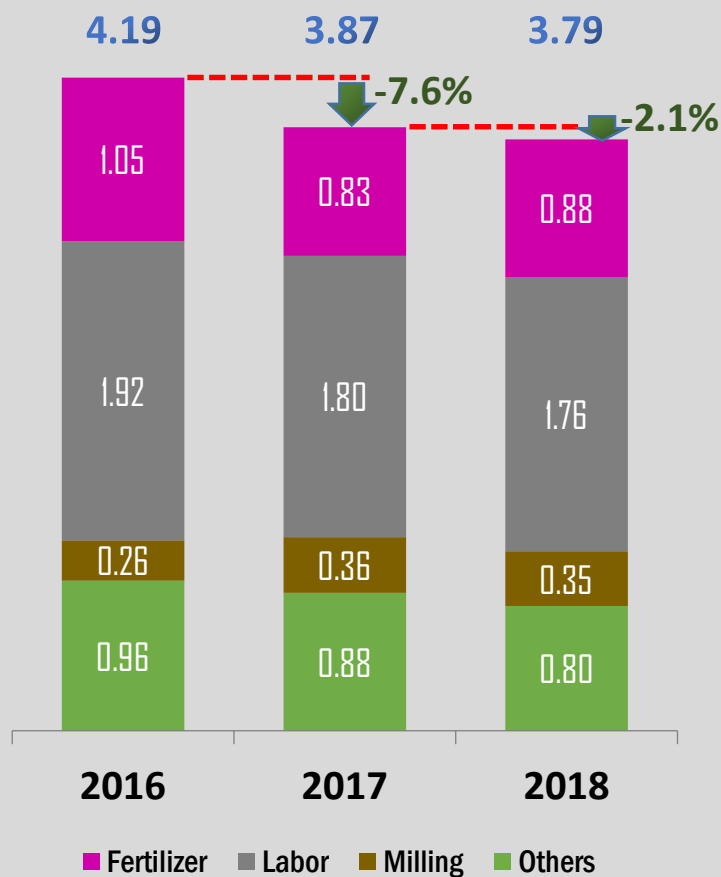
<sup>1</sup> In2H-15, we experienced extreme & long drought (El Nino) resulting below standard yield in 2016  
<sup>2</sup> Annualized



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



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



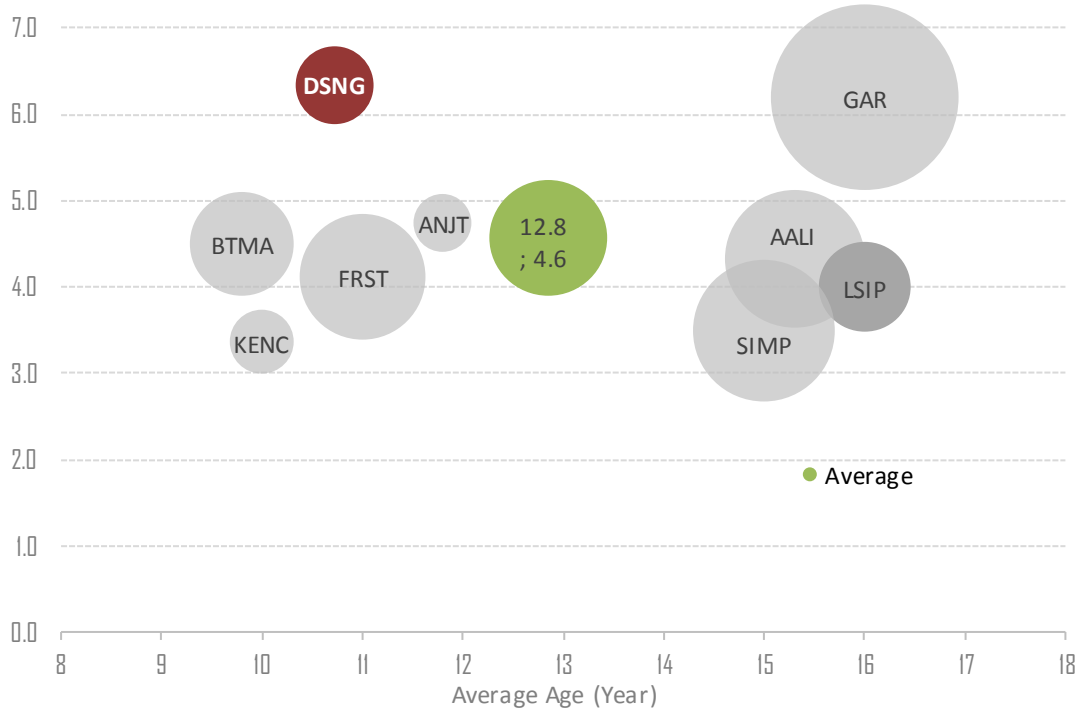
Cost of Sales (IDR bn)	2018	2017	2016	2015	2014	2013	2012
Fertilizer	304.6	265.8	246.4	337.3	331.9	282.1	326.7
Labor	605.8	580.3	450.5	479.6	409.5	330.5	274.3
Others	275.1	285.9	225.7	262.8	302.2	265.7	224.3
FFB Purchased	654.6	714.1	515.8	517.3	671.0	290.5	179.1
CPO Purchased	112.7	378.5	257.2				
Milling	155.2	145.8	81.2	109.6	104.2	94.5	65.1
<b>Total cash cost</b>	<b>2,108.0</b>	<b>2,370.4</b>	<b>1,776.9</b>	<b>1,706.5</b>	<b>1,818.7</b>	<b>1,263.0</b>	<b>1,069.5</b>
<b>Cost as a % of total</b>							
Fertilizer	14.4%	11.2%	13.9%	19.8%	18.2%	22.3%	30.5%
Labor	28.7%	24.5%	25.4%	28.1%	22.5%	26.2%	25.6%
Others	13.1%	12.1%	12.7%	15.4%	16.6%	21.0%	21.0%
FFB Purchased	31.1%	30.1%	29.0%	30.3%	36.9%	23.0%	16.7%
CPO Purchased	5.3%	16.0%	14.5%				
Milling	7.4%	6.2%	4.6%	6.4%	5.7%	7.5%	6.1%
<b>Unit Cash Costs (UCC) (IDR mn &amp; USD)</b>							
IDR/ton CPO - Total	4.63	5.18	5.10				
USD/ton CPO - Total	320	385	382				
<b>UCC excld CPO Trading (IDR mn &amp; USD)</b>							
IDR/ton CPO	4.52	4.87	4.83	4.16	4.61	3.76	4.23
USD/ton CPO	312	363	362	351	441	400	482
<b>UCC excld CPO Trading &amp; 3rd Party FFB (IDR mn &amp; USD)</b>							
IDR/ton CPO	3.79	3.87	4.19	3.64	3.70	3.39	3.90
USD/ton CPO	262	286	312	272	311	325	416
<b>UCC CPO only excld FFB, PK &amp; PKO revenues (IDR mn &amp; USD)</b>							
IDR/ton CPO - net	2.70	2.44	3.08	2.99	2.97	3.06	3.90
USD/ton CPO - net	186	180	230	224	250	293	416
<b>UCC for internal FFB production per Mature Hectare (IDR mn &amp; USD)</b>							
IDR/Mature Ha	13.79	17.44	14.91	19.16	20.14	17.78	21.51
USD/Mature Ha	952	1,310	1,110	1,434	1,696	1,701	2,293
Avg IDR/USD Rate	14,481	13,548	13,436	13,360	11,878	10,451	9,380

# DSN is still competitive against Peers in the region



## Peer CPO Yield by Average Age of Plantations in 2018\*

CPO Yield/Ha (t)



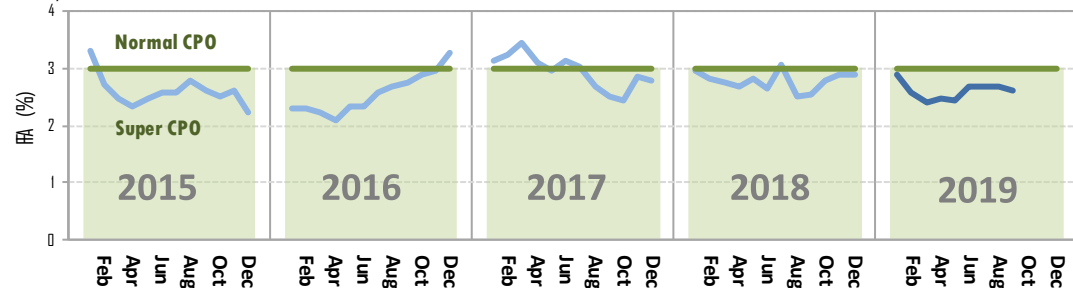
DSNGROUP	2016	2017	2018	2018 Regional Peers*
<b>Tons FFB/ha</b>	17.4	22.8	25.2	19.8
<b>%OER</b>	23.9	23.0	23.6	21.9
<b>Tons CPO/ha</b>	4.3	5.6	6.3	4.4

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

## FFA < 3% = Super CPO

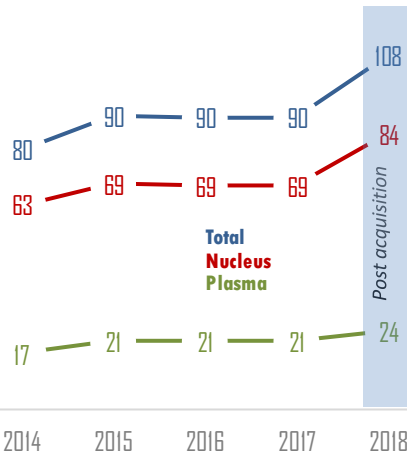
Consistently produced premium quality CPO within the last 5 years.

Monthly FFA Levels

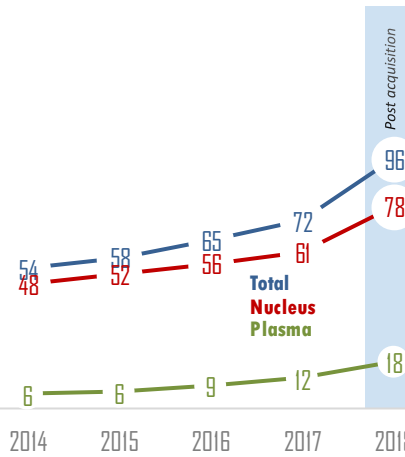


# DSN's key numbers in last 5 years

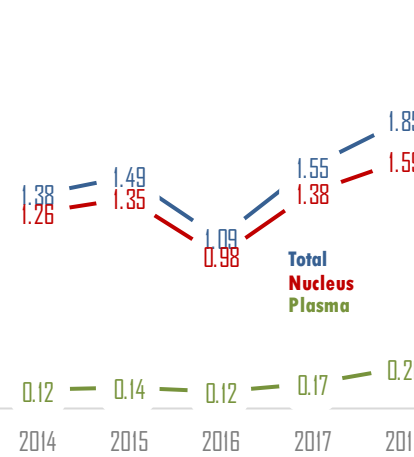
### Planted Area ('000 ha)



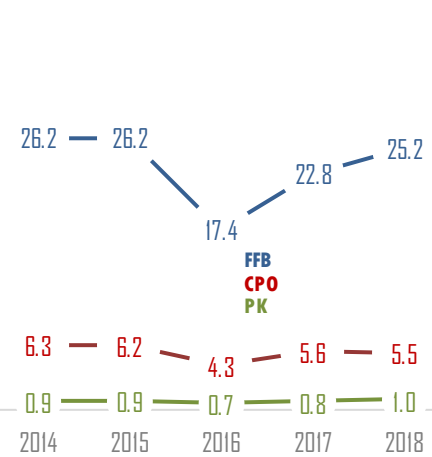
### Mature Area ('000 ha)



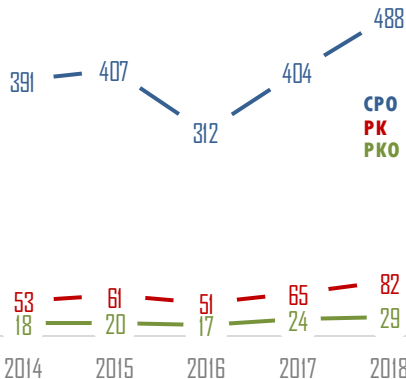
### FFB Harvested (million tons)



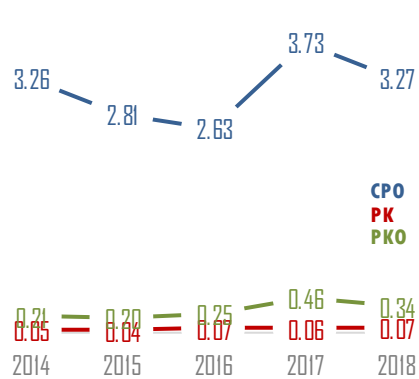
### Yield per Ha Nucleus (tons)



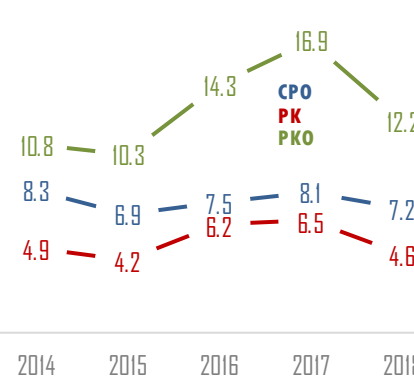
### Mill Production ('000 tons)



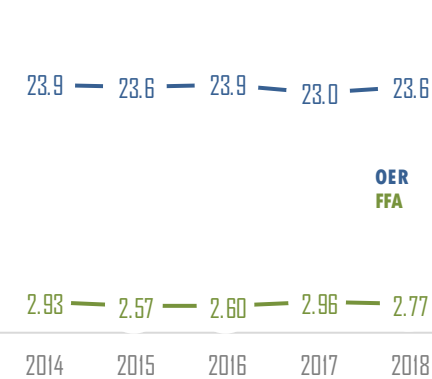
### Revenue (IDR trillions)



### Avg Selling Price (IDR millions)



### Mill Effici. & Effectiveness (%)



# DSN commits to environmentally friendly and sustainable palm oil practices



## Sustainability Certification

- 4 RSPO certificates
- 8 ISPO 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. 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

## 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.
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

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



**24,000** 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



## Social Empowerment

A display of various wood samples mounted on a dark metal grid. The samples are arranged in a grid pattern, showing different wood species and finishes. The background is a blurred indoor setting, possibly a trade show or exhibition.

# 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

	9M-19	9M-18	YoY Δ%	Q3-19	Q2-19	QoQ Δ%	2018	2017	YoY Δ%
Sales Volume ('000)									
Panel (m3)	70.8	61.0	16.0	25.9	22.5	14.9	83.8	71.0	18.0
Engineered floors (m2)	673.3	806.5	(16.5)	241.6	200.7	20.4	1,093.8	1,249.7	(12.5)
ASP (IDR mn)									
Panel (m3)	6.0	5.9	1.0	5.7	6.1	(6.7)	6.1	5.2	15.4
Engineered floors (m2)	0.4	0.4	(5.6)	0.4	0.4	(1.9)	0.4	0.4	7.2

## Financial Summary (IDR bn)

	9M-19	9M-18 <sup>1</sup>	YoY Δ%	Q3-19	Q2-19	QoQ Δ%	2018	2017	YoY Δ%
Revenue	733	712	3.1	259	232	11.7	990	869	13.8
Gross Profit	129	144	(9.9)	39	39	1.6	207	103	101.8
% margin	17.7	20.2		15.2	16.7		20.9	11.8	
Operating Profit	54	83	(34.9)	17	11	55.4	100	28	263.4
% margin	7.4	11.7		6.4	4.6		10.1	3.2	
EBITDA	82	108	(24.5)	26	20	30.5	134	68	97.0
% margin	11.2	15.2		10.0	8.6		13.5	7.8	
Profit Before Tax	39	24	62.9	8	9	(11.8)	49	(75)	165.8
% margin	5.4	3.4		3.1	3.9		5.0	(8.6)	

<sup>1</sup>Restated

## 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



# 9M 2019 Financial Results



## Consolidated Financial Summary (IDR bn)

	9M-19	9M-18 <sup>1</sup>	YoY Δ%	Q3-19	Q2-19	QoQ Δ%	2018	2017	QoQ Δ%
<b>Profit &amp; Loss</b>									
Revenue	3,968	3,338	18.9	1,385	1,211	14.3	4,762	5,160	(7.7)
Gross Profit	966	1,004	(3.8)	310	295	5.0	1,543	1,724	(10.5)
% margin	24.4	30.1		22.4	24.4		32.4	33.4	
Operat. Profit	459	602	(23.7)	130	124	5.0	932	1,179	(20.9)
% margin	11.6	18.0		9.4	10.2		19.6	22.8	
EBITDA	845	909	(7.1)	269	258	4.4	1,334	1,541	(13.5)
% margin	21.3	27.2		19.4	21.3		28.0	29.9	
Net Profit	62	210	(70.6)	(6)	2	(386.6)	427	578	(26.1)
% margin	1.6	6.3		(0.5)	0.2		9.0	11.2	
<b>Cashflow Statement</b>									
Cash from operation	551	423	30.3	551	247	123.2	298	1,095	(72.8)
Cash from Investing	(568)	(496)	(14.6)	(568)	(317)	(79.2)	(1,385)	(709)	(95.4)
Cash from Financing	(255)	34	(844.3)	(255)	(246)	(3.7)	1,261	(261)	582.9
<b>Financial Position</b>									
Total debt <sup>4</sup>	6,270	4,248	47.6	6,270	6,305	(0.5)	6,444	4,038	59.6
Net debt	6,025	3,913	54.0	6,025	6,076	(0.8)	5,920	3,657	61.9
Total Asset	11,315	9,050	25.0	11,315	11,296	0.2	11,739	8,452	38.9
Total Equity	3,616	3,627	(0.3)	3,616	3,623	(0.2)	3,659	3,314	10.4
Debt/equity	1.7x	1.2x		1.7x	1.7x		1.8x	1.2x	
Net debt/equity	1.7x	1.1x		1.7x	1.7x		1.6x	1.1x	
Net debt/EBITDA	4.7x	3.0x		4.7x	4.3x		4.4x	2.4x	

## Palm Oil Financial Summary (IDR bn)

	9M-19	9M-18 <sup>1</sup>	YoY Δ%	Q3-19	Q2-19	YoY Δ%	2018	2017	YoY Δ%
<b>Palm Oil</b>									
Revenue	3,235	2,627	23.2	1,126	979	15.0	3,772	4,290	(12.1)
Gross Profit	837	860	(2.7)	271	257	5.6	1,336	1,621	(17.6)
% margin	25.9	32.8		24.1	26.2		35.4	37.8	
Operating Profit	471	589	(20.0)	138	135	1.8	943	1,241	(24.0)
% margin	14.5	22.4		12.2	13.8		25.0	28.9	
EBITDA	828	870	(4.9)	267	260	2.9	1,310	1,563	(16.2)
% margin	25.6	33.1		23.7	26.5		34.7	36.4	
Profit Before Tax	113	364	(68.8)	10	16	(38.8)	666	1,017	(34.5)
% margin	3.5	13.8		0.9	1.7		17.7	23.7	

## Wood Financial Summary (IDR bn)

	9M-19	9M-18 <sup>1</sup>	YoY Δ%	Q3-19	Q2-19	YoY Δ%	2018	2017	YoY Δ%
<b>Wood</b>									
Revenue	733	712	3.1	259	232	11.7	990	869	13.8
Gross Profit	129	144	(9.9)	39	39	1.6	207	103	101.8
% margin	17.7	20.2		15.2	16.7		20.9	11.8	
Operating Profit	54	83	(34.9)	17	11	55.4	100	28	263.4
% margin	7.4	11.7		6.4	4.6		10.1	3.2	
EBITDA	82	108	(24.5)	26	20	30.5	134	68	97.0
% margin	11.2	15.2		10.0	8.6		13.5	7.8	
Profit Before Tax	39	24	62.9	8	9	(11.8)	49	(75)	165.8
% margin	5.4	3.4		3.1	3.9		5.0	(8.6)	

<sup>1</sup>Restated

<sup>2</sup>Exceptional items include discontinued operation profit/loss from Door business, one time gain/loss & unrealized forex gain/loss

<sup>3</sup>Adjusted profit reflects profit from continuing operation adjusted for exceptional items

<sup>4</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



# 9M 2019 Operation Results

## Palm Oil Results



	9M-19	9M-18	YoY Δ%	Q3-19	Q2-19	QoQ Δ%	2018	2017	YoY Δ%
<b>Palm Estates</b>									
<b>Mature Land ('000 ha)</b>	101.8	79.1	28.7	101.8	101.8	(0.0)	96.1	72.3	32.9
Nucleus	81.4	63.9	27.4	81.4	81.4	(0.0)	77.9	60.5	28.8
Plasma	20.4	15.2	34.3	20.4	20.4	0.0	18.2	11.8	54.4
<b>Planted Land ('000 ha)</b>	108.4	90.3	20.1	108.4	108.4	(0.0)	108.4	90.3	20.1
Nucleus	84.4	69.4	21.6	84.4	84.4	(0.0)	84.4	69.4	21.6
Plasma	24.0	20.9	14.9	24.0	24.0	0.0	24.0	20.9	14.9
<b>FFB Production ('000 t)</b>	1,583.4	1,222.2	29.6	558.2	512.8	8.9	1,849.5	1,547.7	19.5
Nucleus	1,343.1	1,044.3	28.6	471.0	433.9	8.6	1,587.7	1,381.8	14.9
Plasma	240.3	177.9	35.0	87.2	78.9	10.5	261.9	165.9	57.9
<b>FFB Yield (t/ha)</b>									
Nucleus	16.5	16.3	1.2	16.5	10.7	54.2	25.2	22.8	10.4
Plasma	11.8	11.7	0.6	11.8	7.5	57.0	16.3	14.0	16.7
<b>Mills</b>									
<b>Production ('000 t)</b>									
FFB Processed	1,791.9	1,391.4	28.8	652.1	580.0	12.4	2,070.6	1,754.0	18.1
Crude Palm Oil (CPO)	419.1	329.7	27.1	157.1	133.1	18.1	488.4	403.6	21.0
Palm Kernel (PK)	71.4	55.7	28.3	28.7	22.5	27.4	82.1	65.1	26.1
Palm Kernel Oil (PKO)	21.9	21.0	4.6	7.8	7.4	5.4	29.4	24.3	20.9
<b>Yields (%)</b>									
Palm Oil (OER)	23.4	23.7	(1.3)	24.1	22.9	5.0	23.6	23.0	2.5
Palm Kernel (KER)	4.0	4.0	(0.4)	4.4	3.9	13.3	4.0	3.7	6.8
Free Fatty Acid (FFA)	2.61	2.73	(4.5)	2.66	2.53	5.2	2.77	2.96	(6.2)
<b>Sales</b>									
<b>Volume ('000 t)</b>									
Crude Palm Oil (CPO)	464.2	303.0	53.2	163.0	135.3	20.5	454.9	458.0	(0.7)
Palm Kernel (PK)	20.6	8.7	138.4	9.1	5.8	57.8	16.4	10.1	62.6
Palm Kernel Oil (PKO)	22.0	18.0	22.3	10.0	5.0	99.9	28.0	27.0	3.7
<b>ASP (IDR mn/ton)</b>									
Crude Palm Oil (CPO)	6.31	7.53	(16.1)	6.21	6.65	(6.5)	7.18	8.14	(11.8)
Palm Kernel (PK)	2.95	5.39	(45.3)	2.80	2.89	(3.2)	4.55	6.45	(29.4)
Palm Kernel Oil (PKO)	8.36	13.14	(36.4)	7.35	8.36	(12.1)	12.20	16.86	(27.6)

## Wood Results



	9M-19	9M-18	YoY Δ%	Q3-19	Q2-19	QoQ Δ%	2018	2017	YoY Δ%
<b>Sales Volume ('000)</b>									
Panel (m3)	70.8	61.0	16.0	25.9	22.5	14.9	83.8	71.0	18.0
Engineered doors (pcs)			n.a.			n.a.		65.9	n.a.
Engineered floors (m2)	673.3	806.5	(16.5)	241.6	200.7	20.4	1,093.8	1,249.7	(12.5)
<b>ASP (IDR mn)</b>									
Panel (m3)	6.0	5.9	1.0	5.7	6.1	(6.7)	6.1	5.2	15.4
Engineered doors (pcs)			n.a.			n.a.		1.0	n.a.
Engineered floors (m2)	0.4	0.4	(5.6)	0.4	0.4	(1.9)	0.4	0.4	7.2



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## DSNG Shareholders (%)

Oetomo family	28.9
Rachmat family	31.0
Salim Lim family	6.3
Subianto family	8.4
Commissioners & directors	4.5
Treasury shares	1.3
Public	19.6

as of 31 December 2018

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**PT DHARMA SATYA NUSANTARA Tbk**  
Sapta Mulia Center  
Jl. Rawa gelam V Kav. OR/3B  
Kawasan industry pulogadung  
Jakarta 13930 Indonesia

[www.dsn.co.id](http://www.dsn.co.id)

T. +62(21)461 8135

F. +62(21)468 34865

E. [info@dsngroup.co.id](mailto:info@dsngroup.co.id)

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