



DSNG Q1-2021 profit rose due to higher CPO's price

DSNG posted its Q1-2021 profit of Rp 99.3 billion, an increase of 21% compared to the same period last year, still supported by higher CPO prices.

The higher consolidated profit for Q1-2021 was in line with higher consolidated revenue of Rp 1.64 trillion, an increase of 3% compared to the same period of 2020. Even though consolidated EBITDA for Q1-2021 was lower by 6% against Q1-2020, mainly attributable to lower EBITDA from the wood product segment.

Profit and Loss	3M-2021	3M-2020	%	12M-2020
Revenue	1,636,631	1,589,994	2.9	6,698,918
- Palm Oil	1,351,721	1,318,217	2.5	5,703,114
- Wood Product	284,910	271,777	4.8	995,804
Cost of Revenue	(1,242,533)	(1,178,139)	5.5	(4,947,242)
Gross Profit	394,098	411,855	(4.3)	1,751,676
- Margin (%)	24.1	25.9		26.1%
Operating Profit	311,382	297,064	4.8	995,056
- Margin (%)	19.0	18.7		14.9%
Profit Before Tax	143,566	109,489	31.1	695,296
EBITDA	412,097	438,180	(6.0)	1,650,410
- Margin (%)	25.2	27.6		24.6%
Profit	99,279	82,276	20.7	478,171
- Margin (%)	6.1	5.2		7.1%

Financial Position	31 Mar 2021	31 Dec 2020	%
Total Assets	14,091,859	14,151,383	(0.4)
Total Liabilities	7,761,831	7,920,634	(2.0)
Equity	6,330,028	6,230,749	1.6

In million of Rupiah

	3M-2021	3M-2020	%	12M-2020
Plantation Performance				
FFB Production (tons)	485,268	503,005	(3.5)	2,041,052
- FFB Nucleus (tons)	394,287	410,470	(3.9)	1,675,893
- FFB Plasma (tons)	90,981	92,535	(1.7)	365,159
Mill Performance				
FFB Processed (tons)	641,965	630,842	(1.8)	2,711,357
CPO Production (tons)	143,701	152,653	(5.9)	636,947
PK Production (tons)	25,402	26,993	(5.9)	114,290
PKO Production (tons)	7,109	7,790	(8.8)	34,049
CPO OER (%)	22.38	24.20	(7.5)	23.49
FFA (%)	3.26	2.54	28.7	2.76
Sales Performance				
CPO (tons)	135,201	142,947	(5.4)	640,416
PK (tons)	6,941	9,018	(23.0)	30,917
PKO (tons)	8,002	8,003	(0.0)	33,013
CPO ASP (Rp '000/Ton)	8.695	8.292	(4.9)	8,141

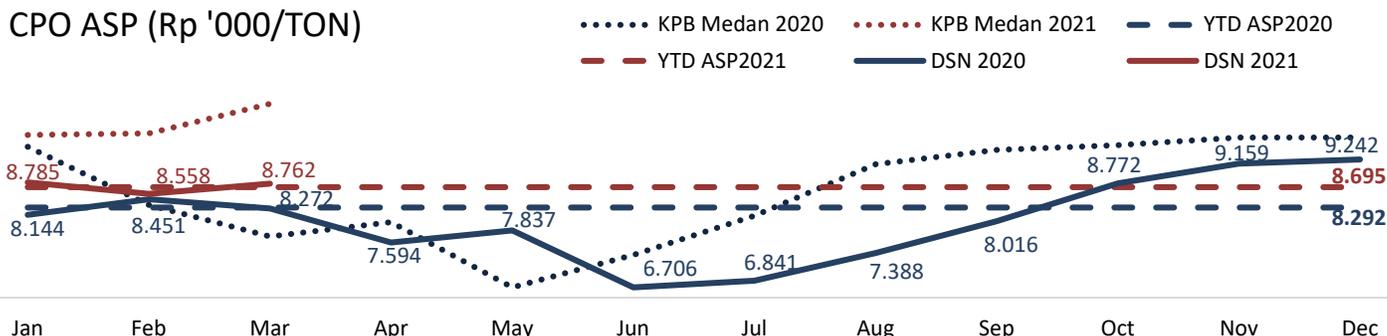
During Q1-2021 palm oil segment contributed revenue of Rp 1.35 trillion, an increase by 3% even though CPO sales volume was only 135 thousand tons or a 5% decrease compared to Q1-2020.

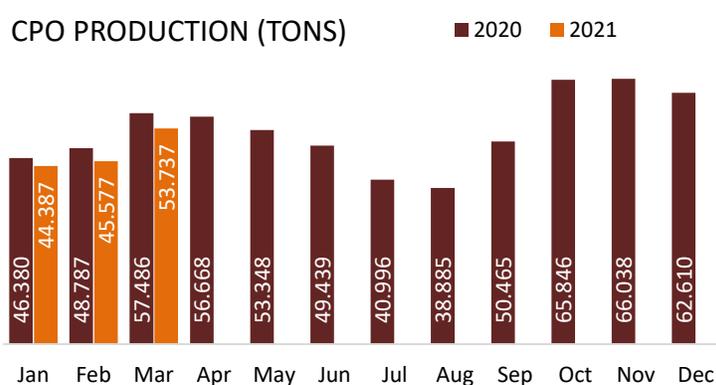
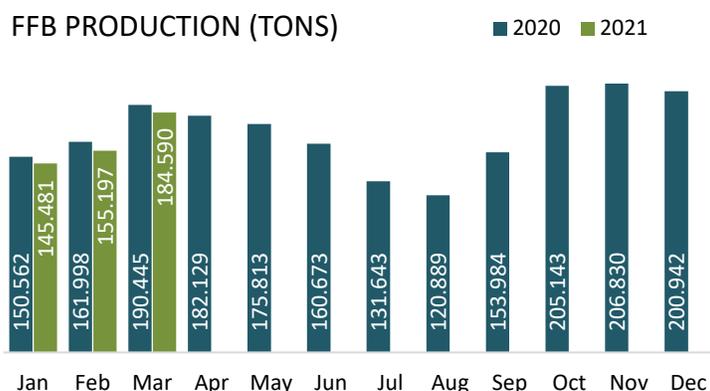
The declining in CPO sales volume was attributable to a lower CPO production following some disruptions occurred in the first quarter of 2021.

Our CPO ASP was recorded at Rp 8.7 million per ton, rose by 5% against CPO ASP in the same period last year.

CPO AVERAGE SELLING PRICE (Rp '000/TON)

CPO ASP (Rp '000/TON)





DSNG operational performance in Q1-2021 was disrupted by the combined effects of (1) the El Nino's 12-month-lagging effect from Q1-2020 causing FFB production to drop by 4% to 485.3 thousand tons; and (2) the excessive rainfall brought by La Nina during the past 5 months, especially in East Kalimantan, has been hampering the evacuation process of the FFB harvest from estates to palm oil mills.

Consequently, the aggregate FFA level increased to above 3% and OER declined to 22.38% from the previous 24.20% in the Q1-2020. Nevertheless, 63% of CPO production was still categorized as Super CPO with FFA level below 3% and thus enable DSNG to enjoy premium price that brought up consolidated profit increase by 21% in Q1-2021.

PLANTED AREA

As of end of March 2021, the company's total planted area, including nucleus and plasma, was 112.6 thousand hectares, with mature areas of 102.7 thousand hectares and average age of 11.9 years.

Planted ('000 ha)	Average Age (yrs)	Planted Hectareage	
		Mature ('000 ha)	Total Planted ('000 ha)
Nucleus	12.7	79.5	84.5
Plasma	9.1	23.2	28.0
Total	11.9	102.7	112.6

WOOD PRODUCTS

WP Sales Volume Has Started to Recover

In regard to the wood product segment, DSNG recorded revenue of Rp 284.9 billion in Q1-2021, increased by 5% compared to Q1-2020. The revenue increase was primarily driven by higher sales volume of both engineered flooring and panel products; topped up with a slightly better selling price of Engineered Flooring as demand recovered from the US market while Panel maintained a similar selling price.

	3M-2021	3M-2020	%	12M-2020
Sales Volume				
Panel ('000 m3)	26.3	25.9	1.5	86.2
Engineered flooring ('000 m2)	255.0	239.0	6.7	986.6
Average Selling Price (ASP)				
Panel (Rp mio /m3)	5.75	5.75	0.0	5.81
Engineered flooring (Rp mio /m2)	0.39	0.38	1.1	0.39

However, the global transportation system is currently experiencing a unique and unexpected crisis. The extraordinary cascade of events caused by the Covid-19 pandemic has led to a severe container shortage crisis. Consequently, we have incurred a significantly higher selling expense which has resulted in a lower EBITDA contribution by our Wood Product segment despite higher revenue achievement.

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