

**PT DHARMA
SATYA
NUSANTARA TBK**
RESULT UPDATE
Q1-2021

DSNGROUP



DSNG:IJ

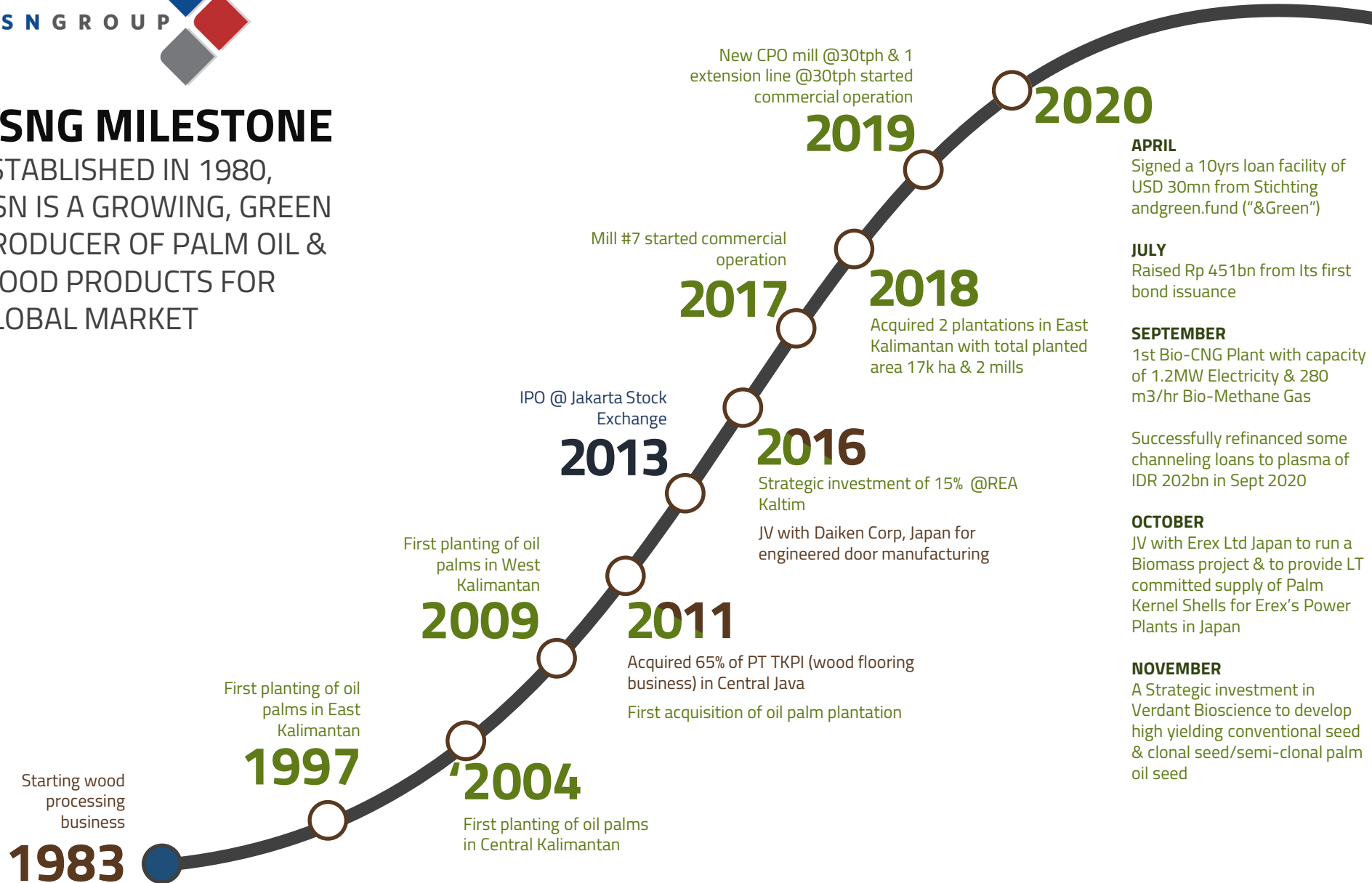
www.dsn.co.id

 [dsn.group](https://www.instagram.com/dsn.group)



DSNG MILESTONE

ESTABLISHED IN 1980,
DSN IS A GROWING, GREEN
PRODUCER OF PALM OIL &
WOOD PRODUCTS FOR
GLOBAL MARKET



Q1 2021

**Groundbreaking of
2nd Bio-CNG Plant**
with capacity :

1.7MW Electricity

540m³ Biomethane Gas

APRIL

Signed a 10yrs loan facility of USD 30mn from Stichting andgreen.fund ("&Green")

JULY

Raised Rp 451bn from Its first bond issuance

SEPTEMBER

1st Bio-CNG Plant with capacity of 1.2MW Electricity & 280 m3/hr Bio-Methane Gas

Successfully refinanced some channeling loans to plasma of IDR 202bn in Sept 2020

OCTOBER

JV with Erex Ltd Japan to run a Biomass project & to provide LT committed supply of Palm Kernel Shells for Erex's Power Plants in Japan

NOVEMBER

A Strategic investment in Verdant Bioscience to develop high yielding conventional seed & clonal seed/semi-clonal palm oil seed



PLANTATION PROFILE

OUR ESTATE IN EAST KALIMANTAN ACCOUNTED TO 56% OF TOTAL PLANTED AREA IS A CONTIGUOUS BLOCK & NEARLY THE SIZE OF SINGAPORE

Total Planted

('000 ha)	Nucleus	Plasma	Total
Total Planted	84.6	28.0	112.6
Total Immature	5.1	1.8	6.9



112.6K Ha Planted

15 Estates

570 Tons/hr FFB

..... + 105 Tons/hr

10 CPO Mills

+2

400 Tons/day PK

1 PKO Mill

1.2 MW Electricity

280 m³/hr Bio-MethaneGas

..... + 1.7MW 570m³/hr

1 Bio-CNG Plant

+1

+5 in the pipeline for the next 2 years

90K Tons Capacity

45 Storage Tanks

3 Locations

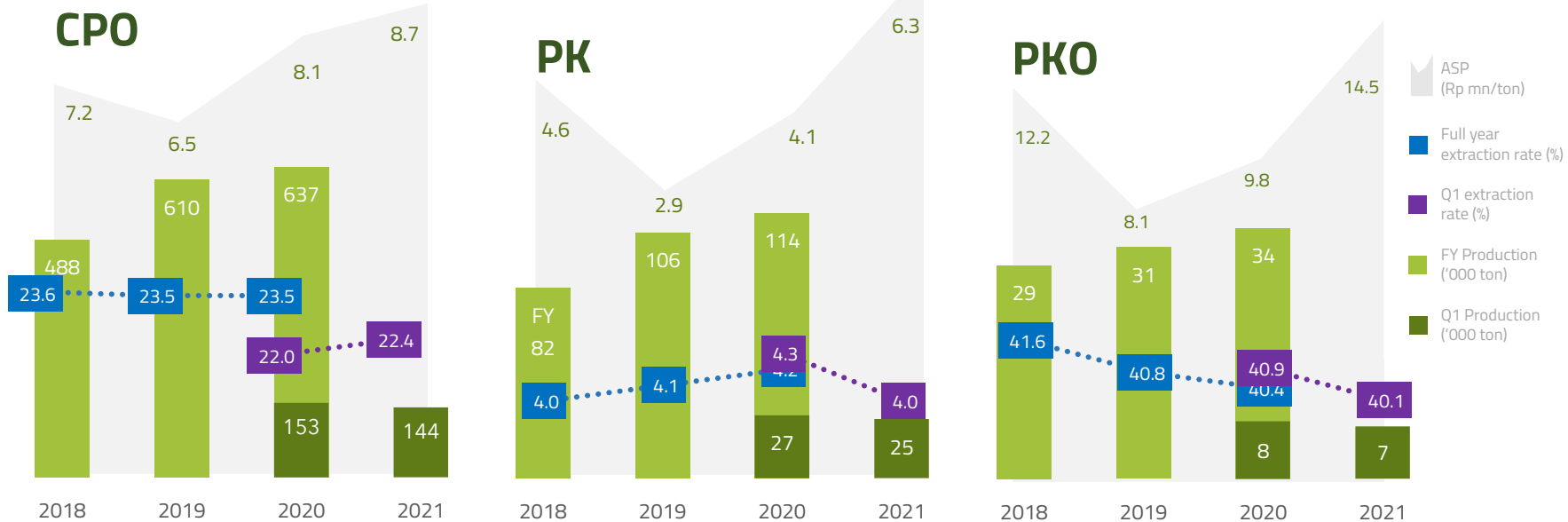
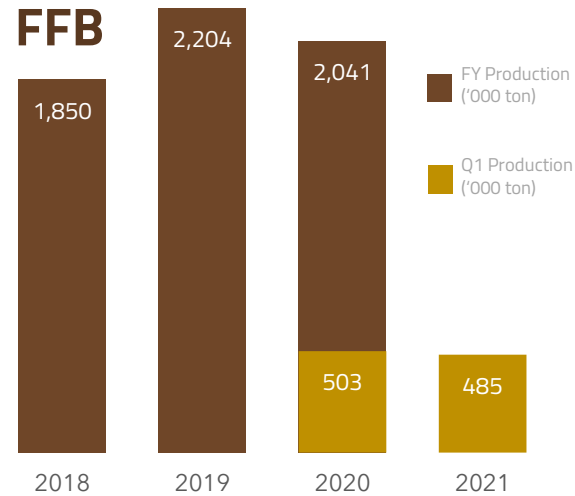


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OPERATIONAL PERFORMANCE

Production

DSNG operational performance in Q1-2021 was still affected by the combined effects of the El Nino's 12mo-lagging effect from Q1-2020 and the excessive rainfall brought by La Nina during the past 5 months



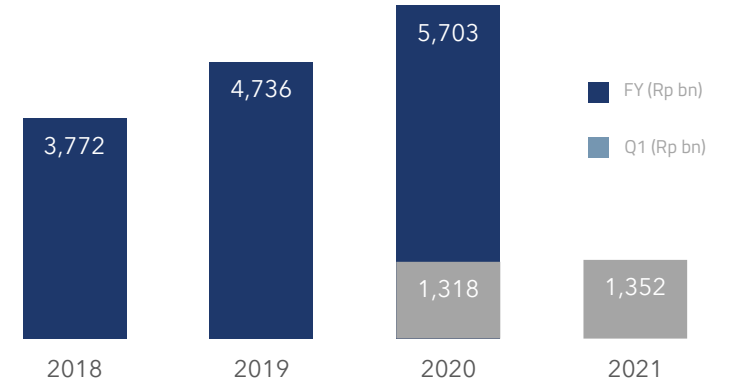


FINANCIAL PERFORMANCE

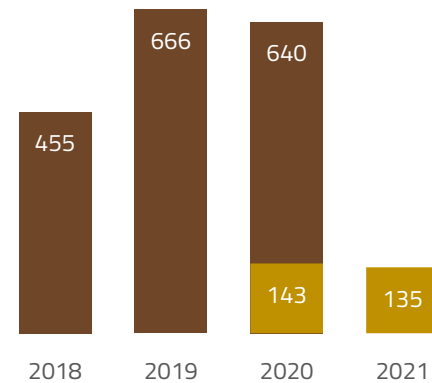


Palm Oil Revenue

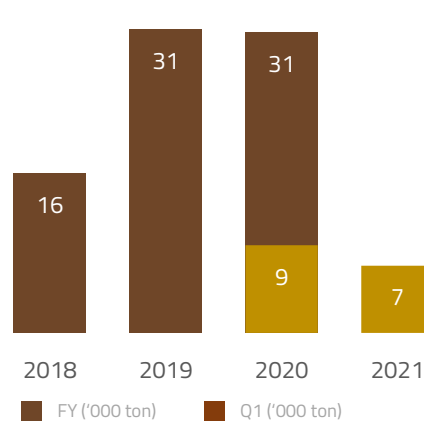
During Q1-2021 palm oil segment contributed revenue of Rp 1.35 trillion, an increase by 3% even though CPO sales volume was only 135 thousand tons or a 5% decrease compared to Q1-2020.



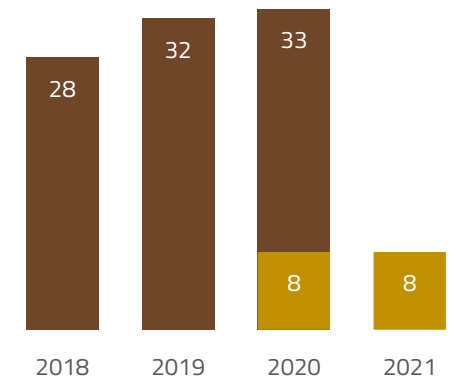
Sales Volume CPO



PK



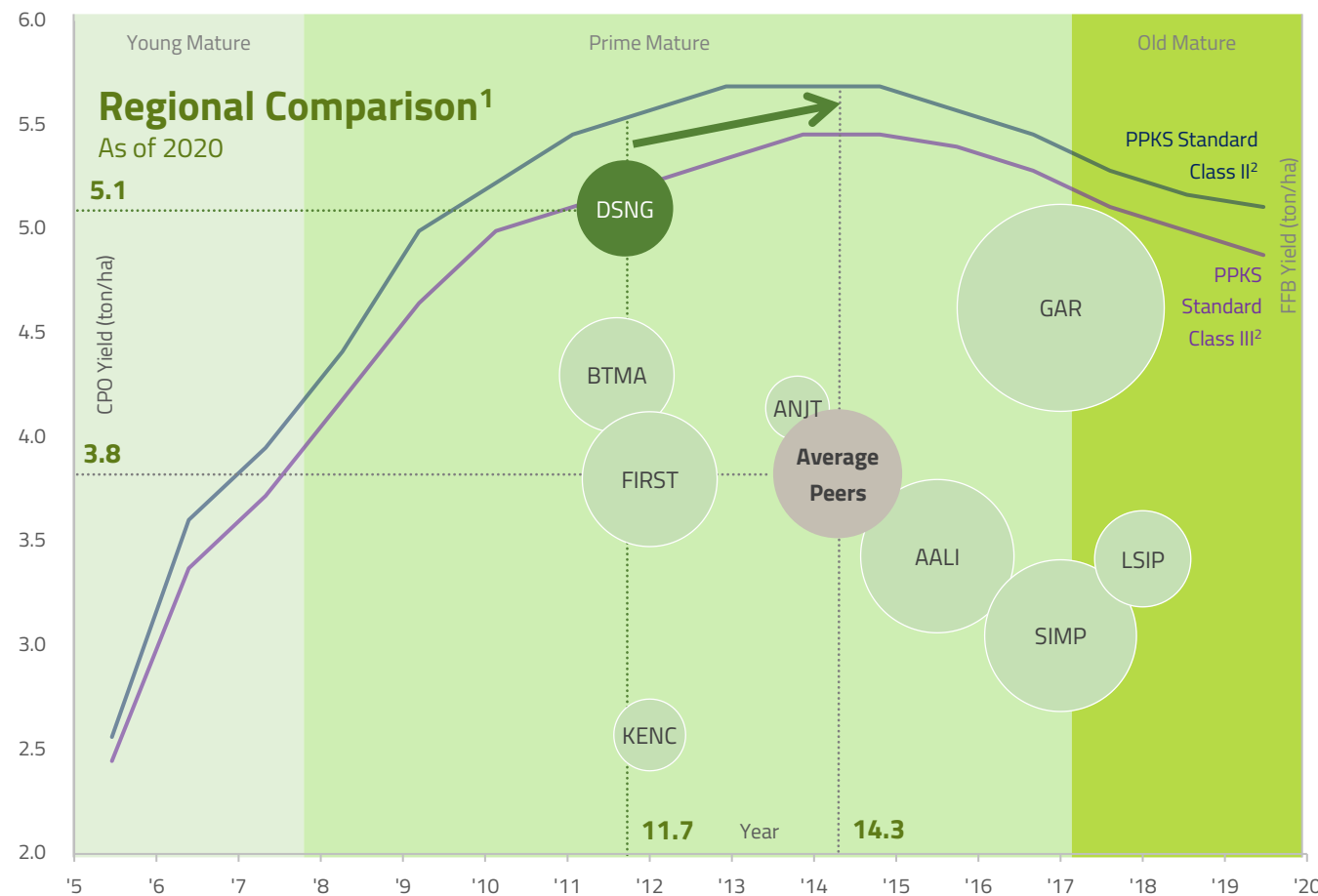
PKO





COMPETITIVE ADVANTAGES

WE CONSISTENTLY DEMONSTRATED OUR PROVEN OPERATIONAL EXCELLENCE BY ACHIEVING SUPERIOR PERFORMANCE AGAINST PEERS

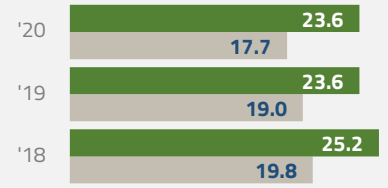


¹Peers are Indonesia-based plantations, listed in IDX & SGX

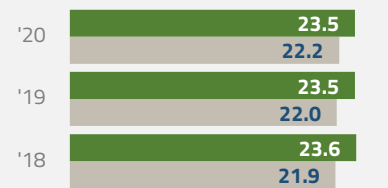
²Class II & III indicate level of production standards based on age made by PPKS (Pusat Penelitian Kelapa Sawit) – a palm oil research and laboratory center in Indonesia

3yrs Performance¹

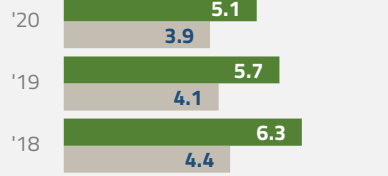
FFB Yield (ton/ha)



OER (%)



CPO Yield (ton/ha)



■ DSNG ■ PEERS



FFA/Free Fatty Acid



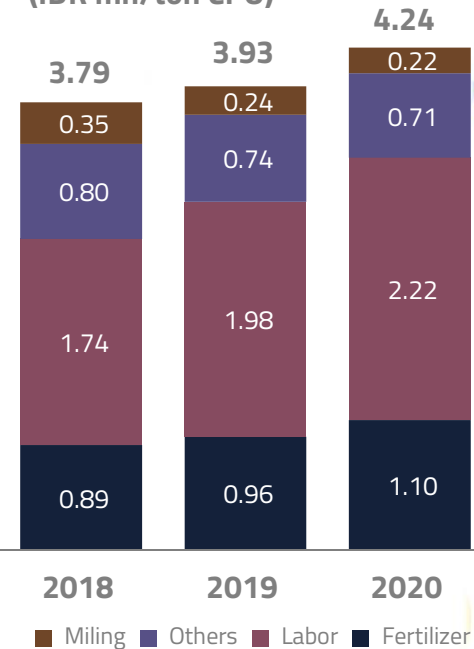


CASHCOST

DSNG ALWAYS STRIVES FOR THE BEST PERFORMANCE BY CONDUCTING EFFICIENT OPERATION

FY	2020	2019	2018
CPO Sales ('000 ton)	640.4	666.0	454.9
Cash Cost (IDR bn)			
Fertilizer	440.8	445.6	304.6
Labor	891.5	939.2	605.8
Others	287.0	345.2	275.1
FFB Purchased	1,817.4	1,045.6	654.6
CPO Purchased		23.9	112.7
Milling	138.7	159.6	155.2
Total cash cost	3,575.3	2,959.2	2,108.0
Cost as a % of total			
Fertilizer	12.3%	15.1%	14.4%
Labor	24.9%	31.7%	28.7%
Others	8.0%	11.7%	13.1%
FFB Purchased	50.8%	35.3%	31.1%
CPO Purchased	0.0%	0.8%	5.3%
Milling	3.9%	5.4%	7.4%
Cash cost exclude 3rd Party FFB (IDR mn & USD) - Nucleus			
IDR/ton CPO	4.24	3.93	3.79
USD/ton CPO	301	283	262
<i>Avg IDR/USD Rate</i>	<i>14,105</i>	<i>13,901</i>	<i>14,481</i>

Cash cost
(IDR mn/ton CPO)





COMMITMENT TO SUSTAINABILITY

DSNG RESPECTS SOCIETY, ENVIRONMENT, AND SOCIAL RESPONSIBILITIES TO ALL STAKEHOLDERS

27,000HA PLASMA

Approx. 32% of Nucleus area

more than

200 LOCAL PARTNERS

13,000 SMALLHOLDERS

Involved in empowerment program (Transportation, Construction, Infrastructure, etc)

4 CREDIT UNIONS

ECONOMIC



SOCIAL



ENVIRONMENTAL

GREEN CERTIFICATION



BIOCNG



BIOMASS

EDUCATION

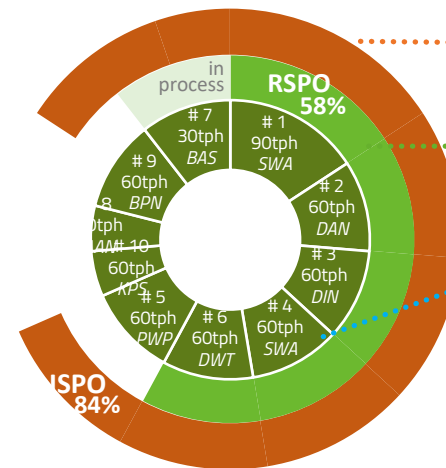
1 Kindergarten
1 Elementary School | 1 Junior High School
5 Learning Centers

RELIGION

Mosques & Churches

HEALTH FACILITIES

1 Main Clinic with 16 supporting clinics



- ISPO** Indonesian Sustainable Palm Oil
Indonesian certification
- RSPO** Roundtable on Sustainable Palm Oil
International certification
- ISCC** The International Sustainability & Carbon Certification
Carbon certification

Bulking @ Labanan

SUSTAINABILITY JOURNEY

Enhanced Planting Procedures

- No deforestation footprint by not developing on :
 - High carbon stock (HCS) forests
 - High conservation value (HCV) forests
 - Peat lands of any depth
- Continuous yield improvement
- 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



DSNG COMMITS TO ENVIRONMENTALLY FRIENDLY & SUSTAINABLE TOWARDS

NET ZERO CARBON ASPIRATION BY 2025

1.7MW
570m³/hr

September 2020

1st BIO-CNG Commissioning

Commissioned 1st Bio-CNG Plant with capacity of 1.2MW Electricity & 280 m³/hr Bio-Methane Gas

October 2020

Joint Ventures with :



Established a JV with Erex Ltd Japan to run a Biomass project & to provide LT committed supply of Palm Kernel Shells for Erex's Power Plants in Japan



A Strategic investment in Verdant Bioscience to develop high yielding conventional seed & clonal seed/semi-clonal palm oil seed

January 2021

Sustainability Advisory Board

DSNG has established the SAB, led by Datuk Darel Webber, the former CEO of RSPO together with Board Member, Michael Schlup of the Sail Venture, an expert on climate change and carbon financing mechanism as independent members.

Next Projects

1 BioCNG Plant with capacity 1.7MW & 570m³/hr under construction (groundbreaking in Q1-2021)

5 BioCNG Plants in the pipeline for the next 2 years

More sustainability initiatives & projects to established the achievement of Net Zero Carbon Aspiration

COMMITMENT TO SUSTAINABILITY

ACKNOWLEDGMENT FROM 3RD PARTIES ON OUR SUSTAINABILITY PRACTICES

3rd Parties Acknowledgment

- ✓ 1. &Green
- ✓ 2. Sri Kehati
- ✓ 3. SPOTT



The first ever Palm Oil Company being granted a green fund in April 2020 **USD 30mn**
10 years

The Contributors



<https://www.andgreen.fund>



KEHATI

For period : Dec 20 – May 21

Inclusion of DSNG:IJ Stock in the SRI KEHATI Index since 24 November 2020

SRI KEHATI measures the stock price performance of 25 listed companies, selected by KEHATI Foundation, that have good performance in encouraging sustainable businesses, as well as having an awareness of the environment, social, and good Corporate governance or called Sustainable and Responsible Investment (SRI).

SRI-KEHATI is a jointly-developed index between the Indonesian Stock Exchange and the Indonesian Biodiversity Foundation (KEHATI Foundation)

<https://www.kehati.or.id/>



In SPOTT Annual Report 2020, DSN was ranked 16th out of 100 nominations with a total scoring of 75.3%, significantly increased from last year position of 46th with a scoring of 37.3%

Company	Rank	Total score	Change	Disclosure	Engaged	Headquarters	Landbank	Market cap	Media
New Britain Palm Oil Ltd	1	94.4%	+4.5			Malaysia	211.4 KHa	\$6,391.1M	92
Olam International Ltd	=14	77.1%	+3.8			Singapore	202.7 KHa	\$3,161.5M	48
Dharma Satya Nusantara Tbk	16	75.3%	+38.7			Indonesia	155.6 KHa	\$270.3M	7
Goodhope Asia Holdings Ltd	17	75.1%	+10.3			Singapore	130.2 KHa	Private co.	29
M.P. Evans Group plc	18	75.0%	+10.8			United Kingdom	70.5 KHa	\$374.8M	5

2020 Ranking :
16th Worldwide

<https://www.spott.org/palm-oil/>

DSNG GROUP



WOOD PRODUCTS

DSNG ALSO MANUFACTURE WOOD PRODUCTS, WHICH IS THE LEGACY BUSINESS OF DSNG



Comply with International Environmental Standards

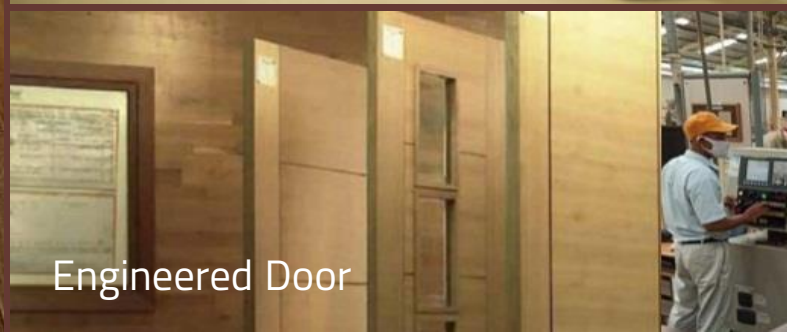
We comply with numerous international environmental standards, and seek to ensure that all logs and sawn timber purchased for our operations are sourced from sustainable forest resources



Engineered Flooring



Panel



Engineered Door

	Q1-21	Q1-20	YoY Δ%	Q4-20	QoQ Δ%	2020	2019	2018
OPERATIONAL								
Sales Volume ('000)								
Panel (m3)	26.3	25.9	1.5	22.2	18.4	86.2	96.6	83.8
Engineered floors (m2)	255.0	239.0	6.7	326.1	(21.8)	986.6	931.7	1,093.8
ASP (IDR mn)								
Panel (/m3)	5.7	5.7	(0.0)	5.7	1.0	5.8	5.9	6.1
Engineered floors (/m2)	0.4	0.4	1.0	0.4	(2.5)	0.4	0.4	0.4
FINANCIAL								
Revenue	285	272	4.8	287	(0.7)	996	1,001	990
Gross Profit	55	51	7.2	50	10.4	158	173	207
% margin	19.2	18.8		17.3		15.9	17.3	20.9
Operating Profit	30	42	(29.3)	8	287.3	29	64	100
% margin	10.5	15.6		2.7		2.9	6.4	10.1
EBITDA	42	61	(31.6)	33	25.2	109	107	134
% margin	14.6	22.4		11.6		10.9	10.7	13.5
Profit Before Tax	12	(24)	150.3	16	(25.8)	5	52	49
% margin	4.3	(8.9)		5.7		0.5	5.2	5.0

OPERATIONAL SUMMARY

Palm Oil Products

	Q1-21	Q1-20	YoY Δ%	Q4-20	QoQ Δ%	2020	2019	2018
Planted Land ('000 ha)	112.6	112.4	0.1	112.6	0.0	112.6	112.4	108.4
Nucleus	84.5	84.6	(0.0)	84.5	0.0	84.5	84.6	84.4
Plasma	28.0	27.9	0.5	28.0	0.0	28.0	27.9	24.0
FFB Production ('000 t)	485.3	503.0	(3.5)	612.9	(20.8)	2,041.1	2,204.3	1,849.5
Nucleus	394.3	410.5	(3.9)	506.7	(22.2)	1,675.9	1,864.9	1,587.7
Plasma	91.0	92.5	(1.7)	106.2	(14.3)	365.2	339.5	261.9
FFB Yield (t/ha)								
Nucleus	5.0	5.1	(3.5)	6.4	(21.9)	21.1	23.6	25.2
Plasma	3.9	4.0	(1.6)	4.6	(14.3)	15.7	14.8	16.3

Mills

	Q1-21	Q1-20	YoY Δ%	Q4-20	QoQ Δ%	2020	2019	2018
Production ('000 t)								
FFB Processed	642.0	630.8	1.8	857.1	(25.1)	2,711.4	2,597.1	2,070.6
Crude Palm Oil (CPO)	143.7	152.7	(5.9)	194.5	(26.1)	636.9	610.0	488.4
Palm Kernel (PK)	25.4	27.0	(5.9)	35.8	(29.0)	114.3	105.8	82.1
Palm Kernel Oil (PKO)	7.1	7.8	(8.8)	10.8	(34.4)	34.0	31.5	29.4
Yields (%)								
Palm Oil (OER)	22.4	24.2	(7.5)	22.7	(1.4)	23.5	23.5	23.6
Palm Kernel (KER)	4.0	4.3	(7.5)	4.2	(5.2)	4.2	4.1	4.0
Free Fatty Acid (FFA)	3.26	2.54	28.7	3.04	7.3	2.76	2.67	2.77

Sales

	Q1-21	Q1-20	YoY Δ%	Q4-20	QoQ Δ%	2020	2019	2018
Volume ('000 t)								
Crude Palm Oil (CPO)	135.2	142.9	(5.4)	207.0	(34.7)	640.4	666.0	454.9
Palm Kernel (PK)	6.9	9.0	####	8.0	(13.0)	30.9	31.2	16.4
Palm Kernel Oil (PKO)	8.0	8.0	(0.0)	10.0	(20.0)	33.0	32.0	28.0
ASP (IDR mn/ton)								
Crude Palm Oil (CPO)	8.70	8.29	4.9	9.06	(4.1)	8.14	6.48	7.18
Palm Kernel (PK)	6.29	4.20	49.5	4.67	34.7	4.06	2.93	4.55
Palm Kernel Oil (PKO)	14.54	9.82	48.1	11.16	30.3	9.77	8.10	12.20

Wood Products

	Q1-21	Q1-20	YoY Δ%	Q4-20	QoQ Δ%	2020	2019	2018
Sales Volume ('000)								
Panel (m3)	26.3	25.9	1.5	22.2	18.4	86.2	96.6	83.8
Engineered floors (m2)	255.0	239.0	6.7	326.1	(21.8)	986.6	931.7	1,093.8
ASP (IDR mn)								
Panel (/m3)	5.7	5.7	(0.0)	5.7	1.0	5.8	5.9	6.1
Engineered floors (/m2)	0.4	0.4	1.0	0.4	(2.5)	0.4	0.4	0.4



FINANCIAL SUMMARY

Consolidated

Profit & Loss	Q1-21	Q1-20	YoY Δ%	Q4-20	QoQ Δ%	2020	2019	2018
Revenue	1,637	1,590	2.9	2,318	(29.4)	6,699	5,737	4,762
Gross Profit	394	412	(4.3)	768	(48.7)	1,752	1,461	1,543
<i>% margin</i>	24.1	25.9		33.1		26.1	25.5	32.4
Operat. Profit	311	297	4.8	465	(33.1)	995	757	932
<i>% margin</i>	19.0	18.7		20.1		14.9	13.2	19.6
Net Profit	99	82	20.7	316	(68.6)	478	178	427
<i>% margin</i>	6.1	5.2		13.6		7.1	3.1	9.0
EBITDA	412	438	(6.0)	703	(41.4)	1,650	1,313	1,334
<i>% margin</i>	25.2	27.6		30.3		24.6	22.9	28.0
Cashflow Statement								
Cash from Operation	195	269	(27.3)	1,094	(82.2)	1,094	587	298
Cash from Investing	(156)	(217)	28.0	(642)	75.7	(642)	(740)	(1,385)
Cash from Financing	(175)	147	(218.7)	50	(448.3)	50	(201)	1,261
Financial Position								
Total debt	6,299	6,570	(4.1)	6,391	(1.4)	6,391	6,415	6,514
Net debt	5,676	6,184	(8.2)	5,632	0.8	5,632	6,144	5,920
Total Asset	14,092	12,007	17.4	14,151	(0.4)	14,151	11,621	11,739
Total Equity	6,330	3,811	66.1	6,231	1.6	6,231	3,732	3,659
Debt/equity	1.0x	1.7x		1.0x		1.0x	1.7x	1.8x
Net debt/equity	0.9x	1.6x		0.9x		0.9x	1.6x	1.6x
Net debt/EBITDA	3.5x	4.3x		3.4x		3.4x	4.7x	4.4x

Segmented

Palm Oil	Q1-21	Q1-20	YoY Δ%	Q4-20	YoY Δ%	2020	2019	2018
Revenue	1,352	1,318	2.5	2,031	(33.4)	5,703	4,736	3,772
Gross Profit	339	361	(5.9)	718	(52.7)	1,594	1,287	1,336
<i>% margin</i>	25.1	27.4		35.4		27.9	27.2	35.4
Operating Profit	300	272	10.6	492	(38.9)	1,057	783	943
<i>% margin</i>	22.2	20.6		24.2		18.5	16.5	25.0
EBITDA	389	394	(1.3)	704	(44.7)	1,633	1,294	1,310
<i>% margin</i>	28.8	29.9		34.7		28.6	27.3	34.7
Profit Before Tax	151	151	0.1	475	(68.3)	783	317	666
<i>% margin</i>	11.2	11.4		23.4		13.7	6.7	17.7
Wood								
Revenue	285	272	4.8	287	(0.7)	996	1,001	990
Gross Profit	55	51	7.2	50	10.4	158	173	207
<i>% margin</i>	19.2	18.8		17.3		15.9	17.3	20.9
Operating Profit	30	42	(29.3)	8	287.3	29	64	100
<i>% margin</i>	10.5	15.6		2.7		2.9	6.4	10.1
EBITDA	42	61	(31.6)	33	25.2	109	107	134
<i>% margin</i>	14.6	22.4		11.6		10.9	10.7	13.5
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<i>% margin</i>	4.3	(8.9)		5.7		0.5	5.2	5.0

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



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