

1H21 CORE PROFIT SOARED BY 305%

DSNG booked a net profit of Rp 213 billion for the first semester of 2021, an increase of 19% against the first half of 2020, driven mainly by an increase in CPO average selling price and an improvement in the performance of its wood product business.

Included in 1H21 net profit of Rp 213 billion was an unrealized currency exchange loss of Rp 46 billion, whereas 1H20 net profit recorded an unrealized currency exchange gain of Rp 116 billion.

This unrealized currency exchange loss/gain incurs because of the accounting translation at the end of period on balances of foreign currency-denominated assets and liabilities for a reporting purpose only.

And considering this unrealized currency exchange loss/gain is a non-cash item and not related to core performance, if this non-cash item is adjusted-back, then our core profit becomes Rp 260 billion, or an increase of 305% from last year core profit of Rp 64 billion.

During the first six months of 2021, DSNG recorded a total revenue of Rp 3.3 trillion, 5% higher against the same period last year. The palm oil business segment contributed Rp 2.7 trillion or around 82% from total revenue.

Compared to last year, palm oil's revenue increased by 2%, although CPO sales volume in this semester declined by 10% to 279 thousand tons because of lower Fresh Fruit Bunches (FFB) production at 1 million tons or lower by 2.1%, with a total FFB processed of 1.27 million tons, or 1.9% lower than the first semester of 2020.

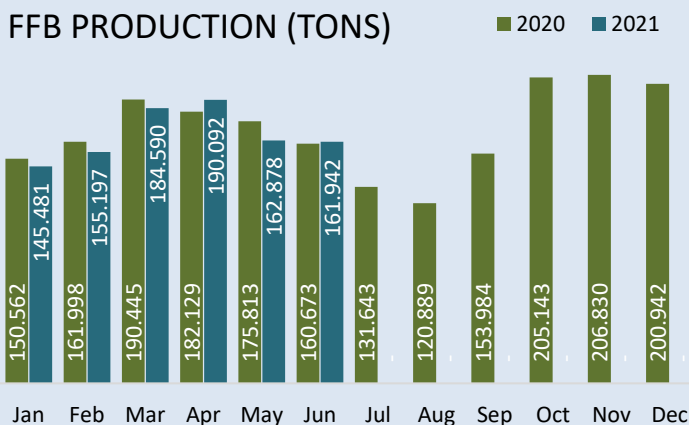
Profit and Loss	1H-2021	1H-2020	%	12M-2020
Revenue	3,297,276	3,150,104	4.7	6,698,918
- Palm Oil	2,708,469	2,656,744	1.9	5,703,114
- Wood Product	588,807	493,360	19.3	995,804
Cost of Revenue	(2,501,869)	(2,418,597)	3.4	(4,947,242)
Gross Profit	795,407	731,507	8.7	1,751,676
- Margin (%)	24.1	23.2		26.1%
Operating Profit	546,586	353,836	54.5	995,056
- Margin (%)	16.6	11.2		14.9%
Profit Before Tax	284,519	252,211	12.8	695,296
EBITDA	808,589	690,284	17.1	1,650,410
- Margin (%)	24.5	21.9		24.6%
Profit	213,160	179,665	18.6	478,171
- Margin (%)	6.5	5.7		7.1%
Core Profit	259,621	64,101	305.0	337,308

Financial Position	30 June 2021	31 Dec 2020	%
Total Assets	14,051,806	14,151,383	(0.7)
Total Liabilities	7,737,630	7,920,634	(2.3)
Equity	6,314,176	6,230,749	1.3

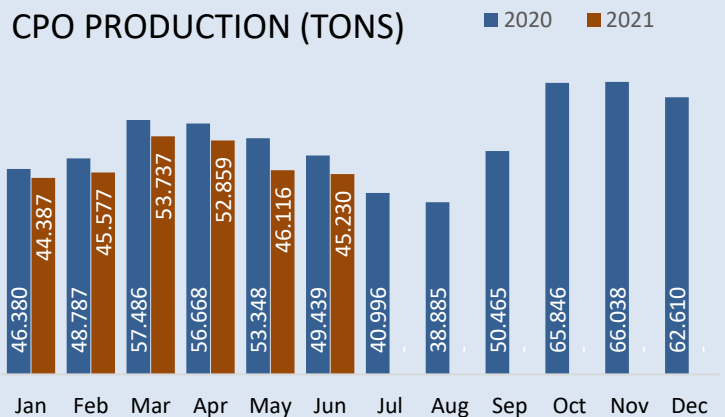
During 4th quarter 2019 to 1st quarter 2020, the East Kalimantan region, where our largest plantation is located, was the worst hit region by El Nino and its lagging adverse impact has been inevitably still disturbing our FFB production during 2021.

In addition, the emergence of the La Nina event since the beginning of 2021 which brought an excessive rainfall that hampered the FFB harvest evacuation has affected the Oil Extraction Rate performance (OER) and Free Fatty Acid (FFA) levels and has consequently lower CPO production to 288 thousand tons during the first half of this year by 8% compared to the first semester of last year.

FFB PRODUCTION (TONS)



CPO PRODUCTION (TONS)



	1H-2021	1H-2020	%	Q1-2021	Q2-2021	QoQ%	FY2020
Plantation Performance							
FFB Production (tons)	1,000,180	1,021,620	(2.1)	485.268	514.912	6.1	2,041,052
- FFB Nucleus (tons)	806,258	833,377	(3.3)	394.287	411.971	4.5	1,675,893
- FFB Plasma (tons)	193,922	188,243	(3.0)	90.981	102.941	13.1	365,159
Mill Performance							
FFB Processed (tons)	1,271,084	1,295,755	(1.9)	641.965	629.119	(2.0)	2,711,357
CPO Production(tons)	287,905	312,109	(7.8)	143.701	144.204	0.4	636,947
PK Production (tons)	50,617	54,748	(7.5)	25.402	25.215	(0.7)	114,290
PKO Production (tons)	15,621	16,443	(5.0)	7.109	8.513	19.8	34,049
CPO OER (%)	22.65	24.09	(6.0)	22.38	22.92	2.4	23.49
FFA (%)	3.19	2.58	(23.6)	3.28	3.12	(4.9)	2.76
Sales Performance							
CPO (tons)	278,756	310,439	(10.2)	135.201	143.555	6.2	640,416
PK (tons)	13,058	15,813	(17.4)	6.941	6.117	(11.9)	30,917
PKO (tons)	16,003	15,007	6.6	8.002	8.001	0.0	33,013
CPO ASP (Rp '000/Ton)	8,430	7,804	8.0	8,695	8,180	(5.9)	8,141
PKO ASP (Rp '000/Ton)	15,272	9,438	61.8	14,543	16,002	10.0	9,770

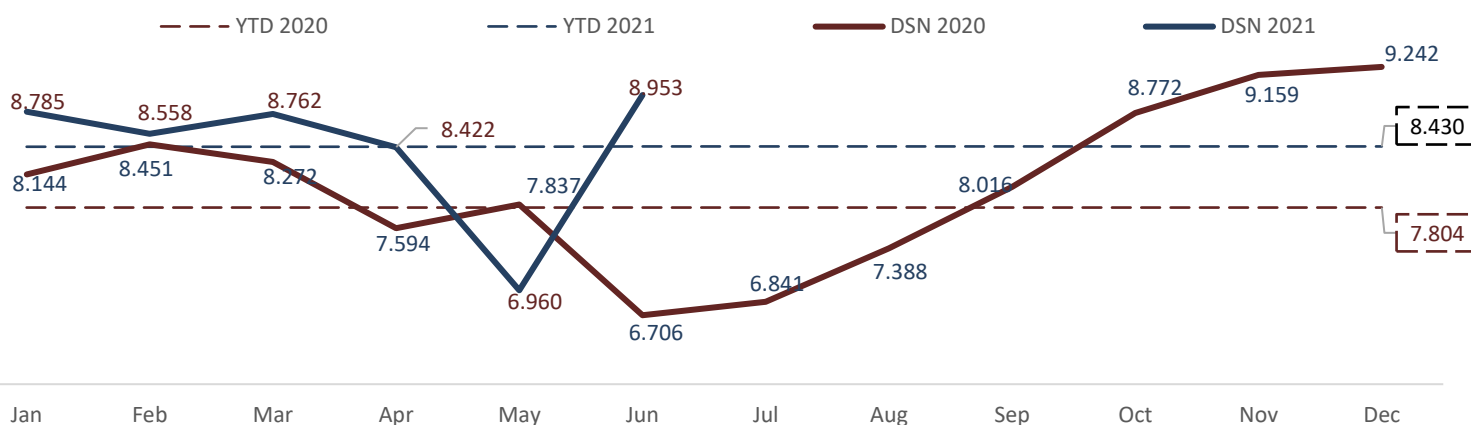
The average selling price of DSNG's CPO during the first 6 months of this year reached Rp 8.4 million per ton, an 8% increase against the same period last year.

In the first semester of 2021, DSNG recorded an operating profit of Rp 547 billion, an increase of 55% compared to the

same period last year, with an operating profit margin of 17%, improved from a margin of 11% last year.

DSNG recorded EBITDA of Rp 809 billion for six months of 2021, an increase of 17% compared to the previous year, with an EBITDA margin of 26%, better than six months last year of 22%.

CPO AVERAGE SELLING PRICE (Rp '000/TONS)



PLANTED AREA

As of the first half of 2021, the Company's total planted area, including nucleus and plasma, reached 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 Hectrage	
		Mature ('000 ha)	Total Planted ('000 ha)
Nucleus	12.7	79.5	84.6
Plasma	9.1	23.2	28.0
Total	11.9	102.7	112.6

WOOD PRODUCTS

Visible Demand Recovery in Q2-2021

Wood products business segment also generated a positive contribution this year, both from panels and engineered flooring, as the economy in the exporting countries begins to improve, particularly in the United States, Canada and Japan, despite the Covid-19 pandemic still continues.

The revenue from wood product business segment in the first semester of 2021 were recorded at Rp 589 billion, an increase of 20% compared to the same period last year. The increase was driven by an improved sales volume of panel products by 9% to 52,000 m³, as well as engineered flooring sales volume by 30% higher to 524,200 m².

The demand for our wood products has been convincingly recovered in the first half of 2021 from the weak global demand following the Covid-19 pandemic. The major driver is triggered by the recovered demand of our engineered flooring from United States and Canada markets which contributed more than 60% of total our engineered flooring sales. Compared to 1H-2020, Sales volume of engineered flooring in 1H-2021 has increased significantly by 30% to 524 thousand m² with relatively unchanged ASP.

Similarly, our panel product has also enjoyed a stronger demand in 1H-2021 from the recovery of Japan market, resulting sales volume increased by 9% to 52 thousand tons, with a similar ASP level.

	1H-2021	1H-2020	%	Q1-2021	Q2-2021	%QoQ	FY2020
Sales Volume							
Panel ('000 m ³)	52.0	47.8	8.8	26.3	25.7	(2.0)	86.2
Engineered flooring ('000 m ²)	524.2	402.1	30.4	255.0	269.2	5.6	986.6
Average Selling Price (ASP)							
Panel (Rp mio /m ³)	5.88	5.98	(1.6)	5.75	6.02	4.8	5.69
Engineered flooring (Rp mio /m ²)	0.40	0.39	1.0	0.39	0.41	5.2	0.39

DSNG UPDATES

DSNG Included in the Kompas 100 and Pefindo i-Grade Index



In the second semester of this year, DSNG stock has been chosen amongst 100 stocks to be included in the KOMPAS100 Index for the period from August 1, 2021 to January 31, 2022. KOMPAS100 Index is a stock price index created by Indonesia Stock Exchange (IDX) in cooperation with the Kompas Daily.

Also, DSNG stock is now part of the Pefindo i-Grade Index for the period of July 2021 – November 2021. Pefindo i-Grade Index is a

stock price index consists of 30 Listing Company in Indonesia Stock Exchange and receive Investment Grade Rating by PT Pemeringkat Efek Indonesia (Pefindo).

Lastly in relation to its ESG practices, DSNG stock has been included for the second period in the SRI-KEHATI Index for the period July 2021-November 2021.

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