



**PT DHARMA  
SATYA  
NUSANTARA TBK**  
RESULT UPDATE  
**1H-2021**



DSNG

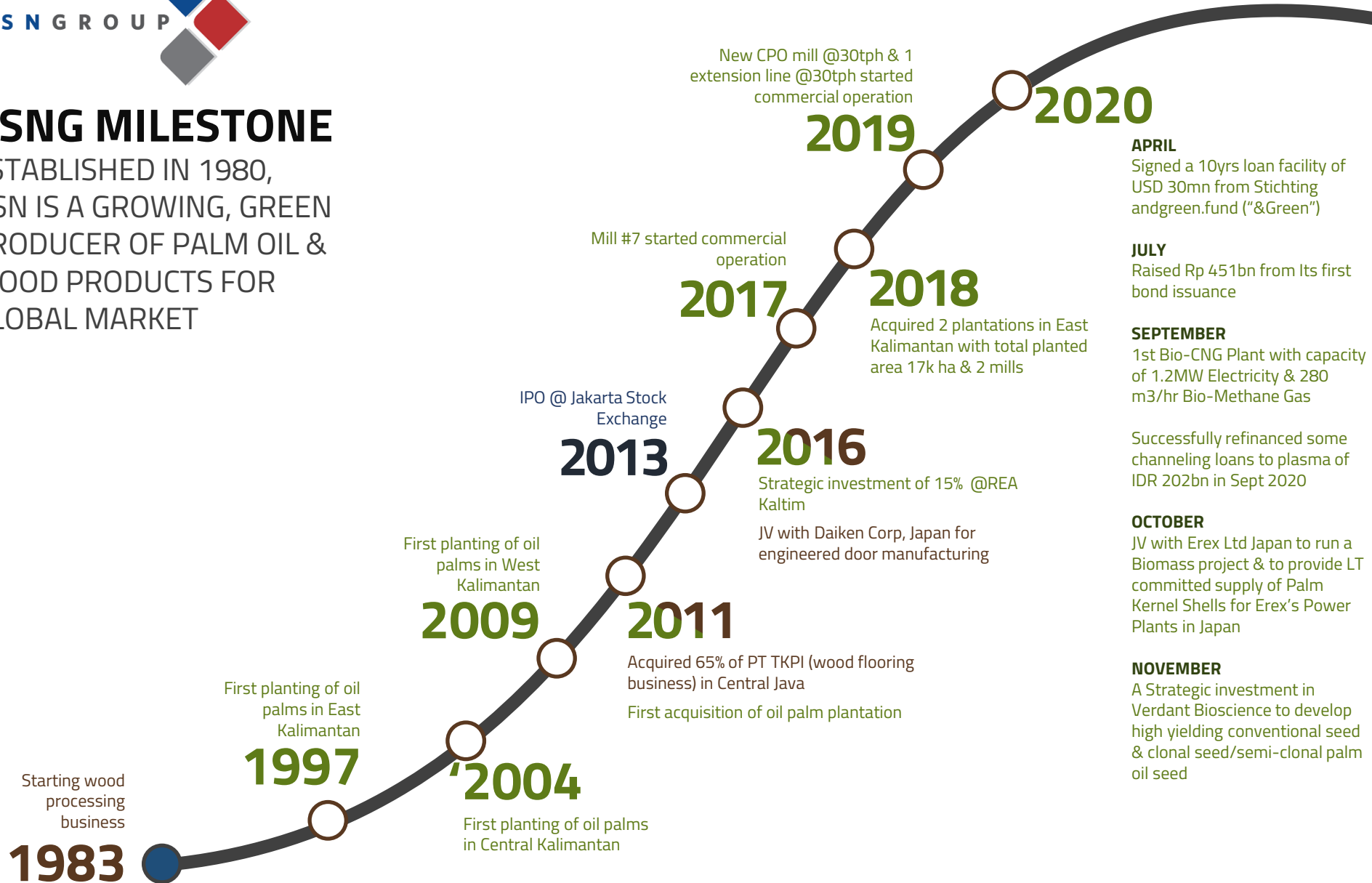
[www.dsn.co.id](http://www.dsn.co.id)

 [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



# 1H 2021

## Groundbreaking of 2<sup>nd</sup> Bio-CNG Plant in March

with capacity :

⚡ 1.7MW Electricity

🏠 540m<sup>3</sup> Biomethane Gas

## DSNG to develop solar power plant in Wood Plant

In June 2021, DSNG has appointed a solar panel service provider to develop a solar power plant utilizing the Norwegian technology

## DSNG to Support Vaccination Program

In June 2021, DSNG presented some medical equipment to the Cakung Sub-district Health Center



# 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
<b>Total Planted</b>	<b>84.6</b>	<b>28.0</b>	<b>112.6</b>
<b>Total Immature</b>	<b>5.1</b>	<b>1.8</b>	<b>6.9</b>



**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** m<sup>3</sup>/hr Bio-MethaneGas

..... + 1.7MW 570m<sup>3</sup>/hr

1 Bio-CNG Plant

+1

+5 in the pipeline for the next 2 years

**90K** Tons Capacity

45 Storage Tanks

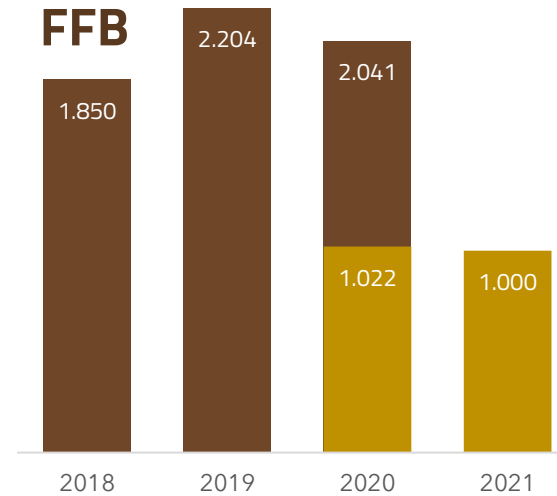
3 Locations



# 1H-2021 OPERATIONAL PERFORMANCE

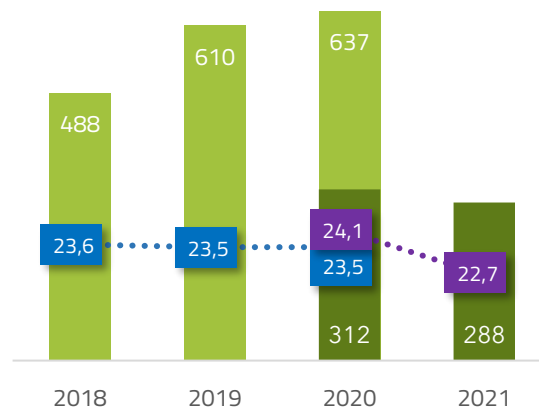
## Production

The lagging impact of 2019 El Nino was inevitably still disturbing the 1H21 FFB production, particularly for the severely-affected region like East Kalimantan, where our largest plantation is located at, as witnessed by a 7 % drop in its 1H21 FFB production against 1H20

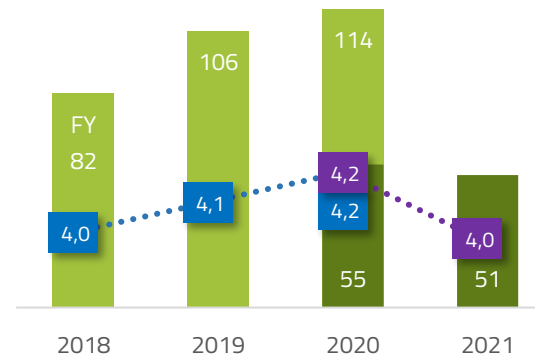


● FY extraction rate (%)   
 ● 1H extraction rate (%)   
 ● FY Production ('000 ton)   
 ● 1H Production ('000 ton)

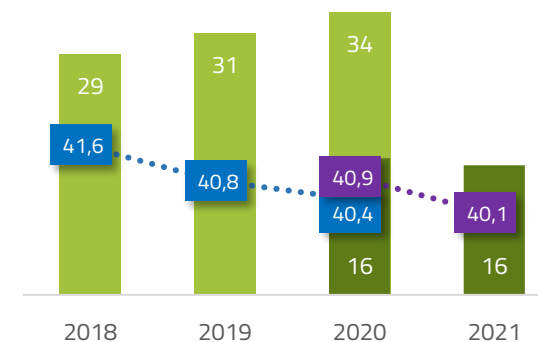
### CPO



### PK



### PKO



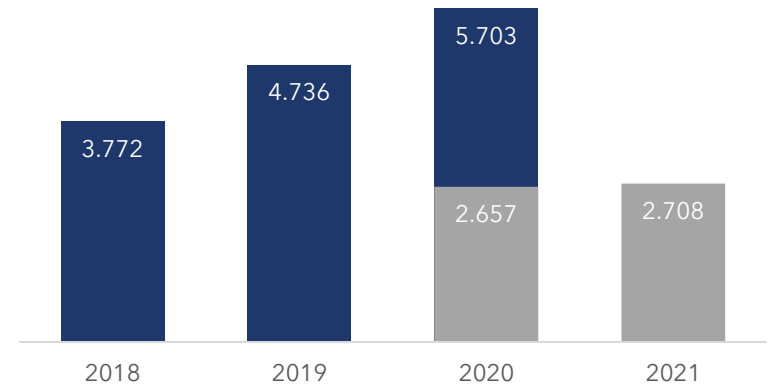


# 1H-2021 FINANCIAL PERFORMANCE



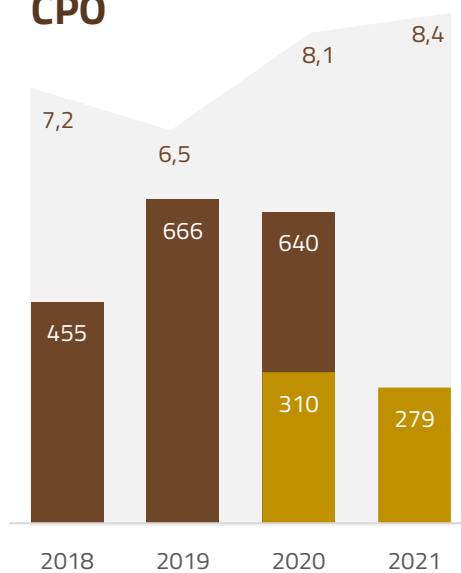
## Palm Oil Revenue

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

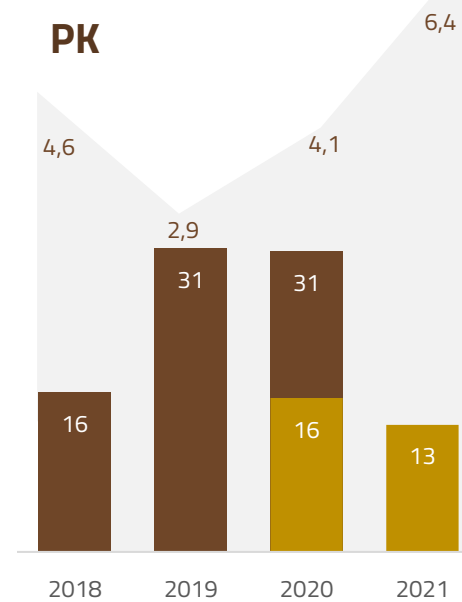


● FY (Rp bn)   
 ● 1H (Rp bn)   
 ▲ ASP (Rp mn/ton)  
● FY ('000 ton)   
 ● 1H ('000 ton)

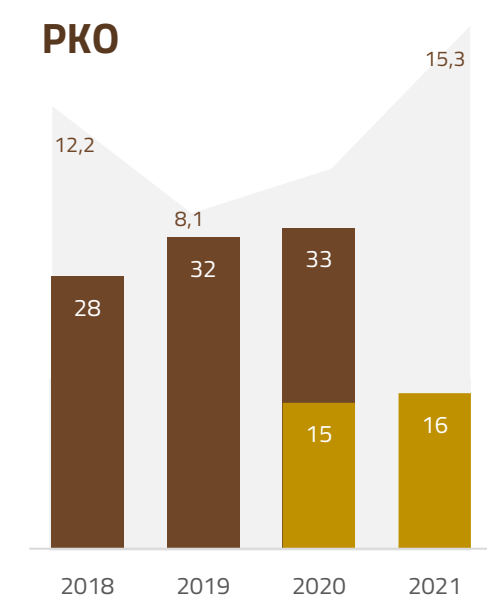
### Sales Volume CPO



### PK



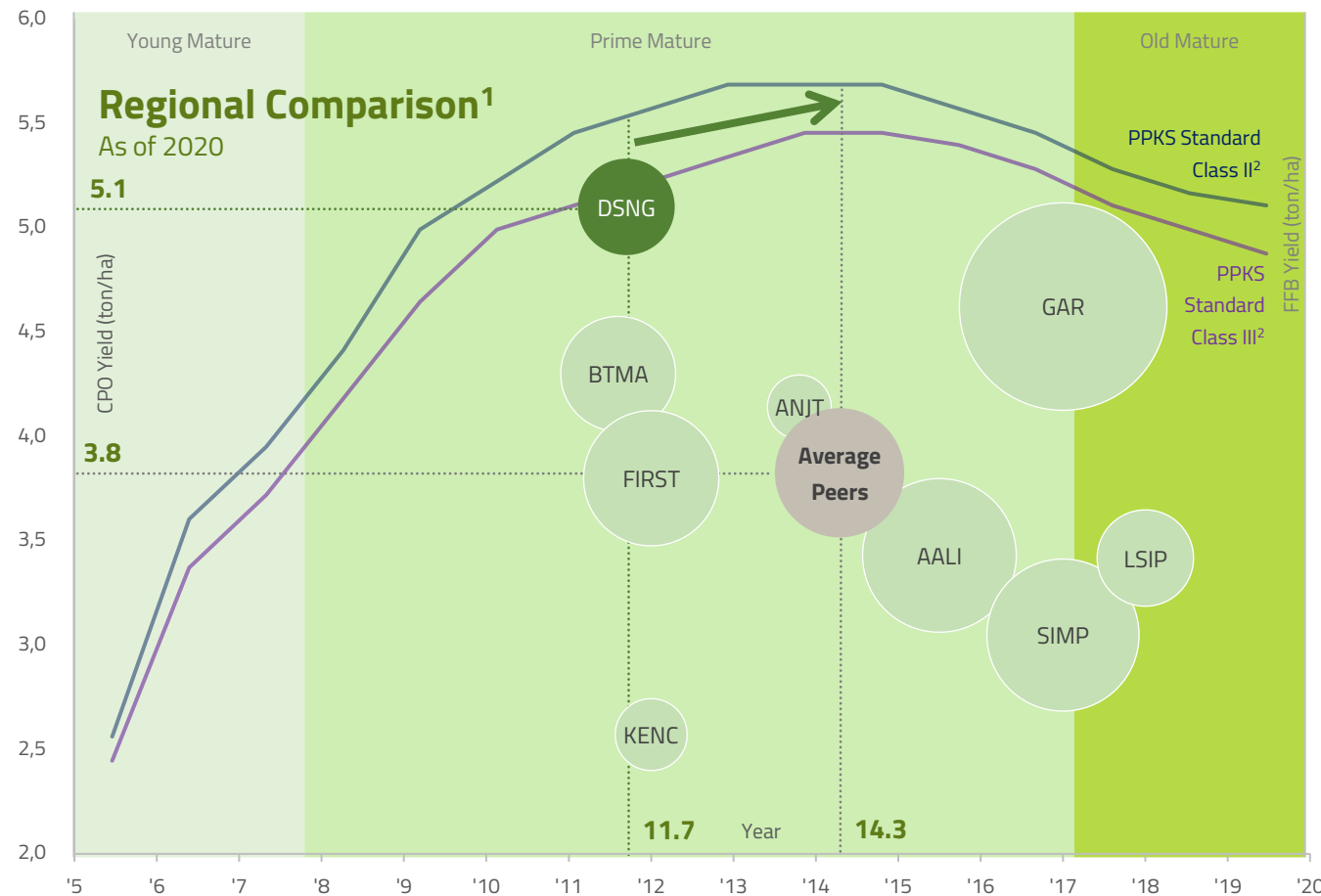
### PKO





# COMPETITIVE ADVANTAGES

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

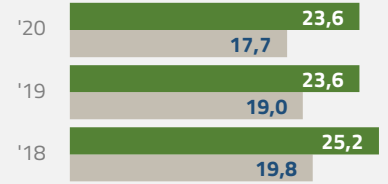


<sup>1</sup>Peers are Indonesia-based plantations, listed in IDX & SGX

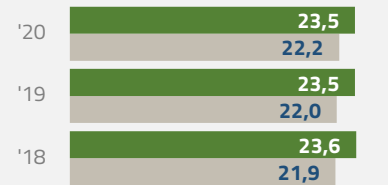
<sup>2</sup>Class II & III indicate level of production standards based on age made by PPKS (Pusat Penelitian Kelapa Sawit) – a palm oil research and laboratory center in Indonesia

## 3yrs Performance<sup>1</sup>

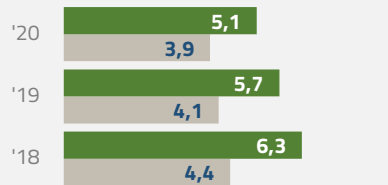
### FFB Yield (ton/ha)



### 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
<b>CPO Sales ('000 ton)</b>	640.4	666.0	454.9
<b>Cash Cost (IDR bn)</b>			
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

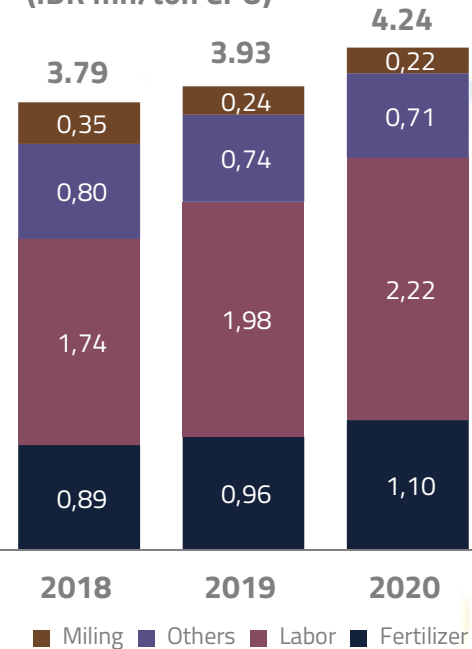
Fertilizer	12.3%	15.1%	14.4%
Labor	24.9%	31.7%	28.7%
Others	8.0%	11.7%	13.1%
FFB Purchased	50.8%	35.3%	31.1%
CPO Purchased	0.0%	0.8%	5.3%
Milling	3.9%	5.4%	7.4%

### 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

Avg IDR/USD Rate                      14,105      13,901      14,481

**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

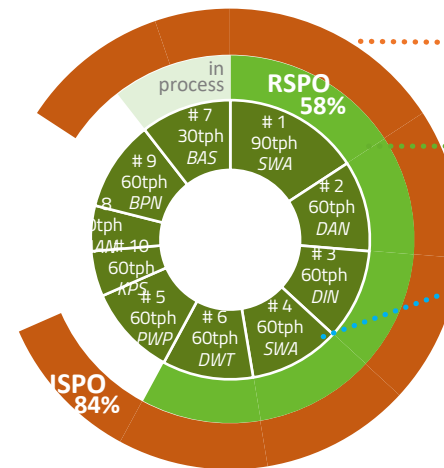
GREEN CERTIFICATION



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





# 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**

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 under construction (groundbreaking in Q1-2021)

5 BioCNG Plants in the pipeline for the next 2 years

DSNG has appointed a solar panel service provider to develop a solar power plant utilizing the Norwegian technology in Wood Plant

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

# COMMITMENT TO SUSTAINABILITY

## ACKNOWLEDGMENT FROM 3<sup>RD</sup> PARTIES ON OUR SUSTAINABILITY PRACTICES

3<sup>rd</sup> 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 : December 20 – November 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 16<sup>th</sup> out of 100 nominations with a total scoring of 75.3%, significantly increased from last year position of 46<sup>th</sup> 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
<b>Dharma Satya Nusantara Tbk</b>	<b>16</b>	<b>75.3%</b>	<b>+38.7</b>			<b>Indonesia</b>	<b>155.6 KHa</b>	<b>\$270.3M</b>	<b>7</b>
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 :  
**16<sup>th</sup> Worldwide**

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

DSNG GROUP



# WOOD PRODUCTS

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



## Worldwide Market



## Comply with International Environmental Standards

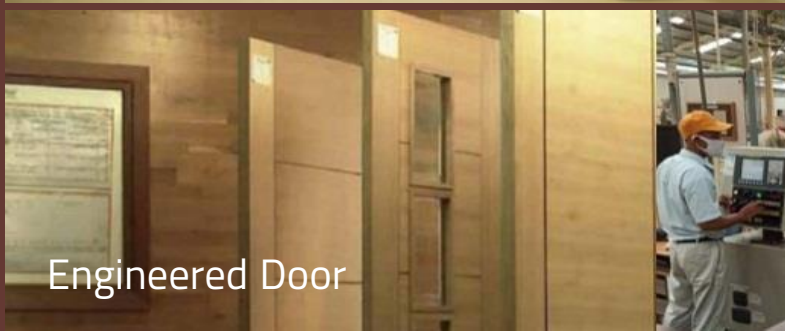
We comply with numerous international environmental standards, and seek to ensure that all logs and sawn timber purchased for our operations are sourced from sustainable forest resources



Engineered Flooring



Panel



Engineered Door

### OPERATIONAL

	1H-21	1H-20	YoY Δ%	Q2-21	Q1-21	QoQ Δ%	2020	2019	YoY Δ%
<b>Sales Volume ('000)</b>									
Panel (m3)	52.0	47.8	8.7	25.7	26.3	102.0	86.2	96.6	0.0
Engineered floors (m2)	524.2	402.1	30.4	269.2	255.0	94.7	986.6	931.7	(0.0)
<b>ASP (IDR mn)</b>									
Panel (/m3)	5.9	6.0	(1.6)	6.0	5.7	(2.3)	5.8	5.9	1.0
Engineered floors (/m2)	0.4	0.4	1.0	0.4	0.4	(2.4)	0.4	0.4	(2.5)

### FINANCIAL

	1H-21	1H-20	YoY Δ%	Q2-21	Q1-21	YoY Δ%	2020	2019	YoY Δ%
Revenue	589	493	19.3	304	285	93.8	996	1,001	(0.5)
Gross Profit	118	85	38.4	63	55	86.7	158	173	(9.0)
% margin	20.0	17.3		20.8	19.2		15.9	17.3	
Operating Profit	82	19	335.2	52	30	57.3	29	64	(54.4)
% margin	14.0	3.8		17.2	10.5		2.9	6.4	
EBITDA	91	59	54.7	50	42	84.0	109	107	1.0
% margin	15.5	12.0		16.3	14.6		10.9	10.7	
Profit Before Tax	59	9	(531.8)	47	12	26.0	5	52	(91.3)
% margin	10.0	1.9		15.4	4.3		0.5	5.2	

## OPERATIONAL SUMMARY

### Palm Oil Products

	1H-21	1H-20	YoY Δ%	Q2-21	Q1-21	QoQ Δ%	2020	2019	YoY Δ%
<b>Planted Land ('000 ha)</b>	112.6	112.6	0.0	112.6	112.6	0.0	112.6	112.4	0.0
Nucleus	84.5	84.5	0.0	84.5	84.5	0.0	84.5	84.6	84.4
Plasma	28.0	28.0	0.0	28.0	28.0	0.0	28.0	27.9	24.0
<b>FFB Production ('000 t)</b>	1,000.2	1,021.6	(2.1)	514.9	485.3	94.2	2,041.1	2,204.3	(0.0)
Nucleus	806.3	833.4	(3.3)	412.0	394.3	95.7	1,675.9	1,864.9	(0.0)
Plasma	193.9	188.2	3.0	102.9	91.0	88.4	365.2	339.5	0.0
<b>FFB Yield (t/ha)</b>									
Nucleus	10.1	10.4	(2.5)	5.2	5.0	95.5	21.1	23.6	25.2
Plasma	8.4	8.1	3.1	4.4	3.9	88.2	15.7	14.8	16.3

### Mills

#### Production ('000 t)

FFB Processed	1,271.1	1,295.8	(1.9)	629.1	642.0	102.0	2,711.4	2,597.1	4.4
Crude Palm Oil (CPO)	287.9	312.1	(7.8)	144.2	143.7	99.7	636.9	610.0	4.4
Palm Kernel (PK)	50.6	54.7	(7.5)	25.2	25.4	100.7	114.3	105.8	8.0
Palm Kernel Oil (PKO)	15.6	16.4	(5.0)	8.5	7.1	83.5	34.0	31.5	8.2
<b>Yields (%)</b>									
Palm Oil (OER)	22.7	24.1	(6.0)	22.9	22.4	(1.2)	23.5	23.5	0.0
Palm Kernel (KER)	4.0	4.2	(5.2)	4.0	4.0	0.0	4.2	4.1	3.5
Free Fatty Acid (FFA)	3.19	2.58	23.6	4.01	3.26	(20.4)	2.76	2.67	3.4

### Sales

#### Volume ('000 t)

Crude Palm Oil (CPO)	278.8	310.4	(10.2)	143.6	135.2	94.2	640.4	666.0	(3.8)
Palm Kernel (PK)	13.1	15.8	(17.4)	6.1	6.9	113.5	30.9	31.2	(0.8)
Palm Kernel Oil (PKO)	16.0	15.0	6.6	8.0	8.0	100.0	33.0	32.0	3.1

#### ASP (IDR mn/ton)

Crude Palm Oil (CPO)	8.43	7.80	8.0	8.18	8.70	3.1	8.14	6.48	25.7
Palm Kernel (PK)	6.45	3.94	63.7	6.63	6.29	(2.8)	4.06	2.93	38.6
Palm Kernel Oil (PKO)	15.27	9.44	61.8	16.00	14.54	(4.6)	9.77	8.10	20.6

### Wood Products

	1H-21	1H-20	YoY Δ%	Q2-21	Q1-21	QoQ Δ%	2020	2019	YoY Δ%
<b>Sales Volume ('000)</b>									
Panel (m3)	52.0	47.8	8.7	25.7	26.3	102.0	86.2	96.6	0.0
Engineered floors (m2)	524.2	402.1	30.4	269.2	255.0	94.7	986.6	931.7	(0.0)
<b>ASP (IDR mn)</b>									
Panel (/m3)	5.9	6.0	(1.6)	6.0	5.7	(2.3)	5.8	5.9	1.0
Engineered floors (/m2)	0.4	0.4	1.0	0.4	0.4	(2.4)	0.4	0.4	(2.5)



# FINANCIAL SUMMARY

## Consolidated

<b>Profit &amp; Loss</b>	<b>1H-21</b>	<b>1H-20</b>	<b>YoY Δ%</b>	<b>Q2-21</b>	<b>Q1-21</b>	<b>QoQ Δ%</b>	<b>2020</b>	<b>2019</b>	<b>YoY Δ%</b>
Revenue	3,297	3,150	4.7	1,661	1,637	98.6	6,699	5,737	16.8
Gross Profit	795	732	8.7	401	394	98.2	1,752	1,461	19.9
<i>% margin</i>	24.1	23.2		24.2	24.1		26.1	25.5	
Operat. Profit	547	354	54.5	235	311	132.4	995	757	31.5
<i>% margin</i>	16.6	11.2		14.2	19.0		14.9	13.2	
Net Profit	213	180	18.6	114	99	87.2	478	178	168.4
<i>% margin</i>	6.5	5.7		6.9	6.1		7.1	3.1	
EBITDA	809	690	17.1	396	412	103.9	1,650	1,313	25.7
<i>% margin</i>	24.5	21.9		23.9	25.2		24.6	22.9	
<b>Cashflow Statement</b>									
Cash from Operation	418	509	(18.0)	222	195	87.7	1,094	587	86.4
Cash from Investing	(329)	(418)	21.2	(173)	(156)	(90.1)	(642)	(740)	13.2
Cash from Financing	(331)	(38)	(780.6)	(156)	(175)	112.0	50	(201)	125.0
<b>Financial Position</b>									
Total debt	6,327	6,208	1.9	6,327	6,299		6,391	6,415	(0.4)
Net debt	5,754	5,920	(2.8)	5,754	5,676		5,632	6,144	(8.3)
Total Asset	14,052	11,710	20.0	14,052	14,092		14,151	11,621	21.8
Total Equity	6,314	3,856	63.7	6,314	6,330		6,231	3,732	67.0
Debt/equity	1.0x	1.6x		1.0x	1.0x		1.0x	1.7x	
Net debt/equity	0.9x	1.5x		0.9x	0.9x		0.9x	1.6x	
Net debt/EBITDA	3.3x	4.1x		3.3x	3.5x		3.4x	4.7x	

## Segmented

<b>Palm Oil</b>	<b>1H-21</b>	<b>1H-20</b>	<b>YoY Δ%</b>	<b>Q2-21</b>	<b>Q1-21</b>	<b>YoY Δ%</b>	<b>2020</b>	<b>2019</b>	<b>YoY Δ%</b>
Revenue	2,708	2,657	1.9	1,357	1,352	99.6	5,703	4,736	20.4
Gross Profit	678	646	4.8	338	339	100.3	1,594	1,287	23.8
<i>% margin</i>	25.0	24.3		24.9	25.1		27.9	27.2	
Operating Profit	512	378	35.4	212	300	141.7	1,057	783	35.1
<i>% margin</i>	18.9	14.2		15.6	22.2		18.5	16.5	
EBITDA	764	674	13.4	375	389	103.6	1,633	1,294	26.1
<i>% margin</i>	28.2	25.4		27.7	28.8		28.6	27.3	
Profit Before Tax	274	285	(4.0)	123	151	122.9	783	317	147.2
<i>% margin</i>	10.1	10.7		9.0	11.2		13.7	6.7	
<b>Wood</b> <th><b>1H-21</b></th> <th><b>1H-20</b></th> <th><b>YoY Δ%</b></th> <th><b>Q2-21</b></th> <th><b>Q1-21</b></th> <th><b>YoY Δ%</b></th> <th><b>2020</b></th> <th><b>2019</b></th> <th><b>YoY Δ%</b></th>	<b>1H-21</b>	<b>1H-20</b>	<b>YoY Δ%</b>	<b>Q2-21</b>	<b>Q1-21</b>	<b>YoY Δ%</b>	<b>2020</b>	<b>2019</b>	<b>YoY Δ%</b>
Revenue	589	493	19.3	304	285	93.8	996	1,001	(0.5)
Gross Profit	118	85	38.4	63	55	86.7	158	173	(9.0)
<i>% margin</i>	20.0	17.3		20.8	19.2		15.9	17.3	
Operating Profit	82	19	335.2	52	30	57.3	29	64	(54.4)
<i>% margin</i>	14.0	3.8		17.2	10.5		2.9	6.4	
EBITDA	91	59	54.7	50	42	84.0	109	107	1.0
<i>% margin</i>	15.5	12.0		16.3	14.6		10.9	10.7	
Profit Before Tax	59	9	(531.8)	47	12	26.0	5	52	(91.3)
<i>% margin</i>	10.0	1.9		15.4	4.3		0.5	5.2	

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



## HEAD OFFICE

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