



55% Jump in profit despite CPO production drop

DSNG booked FY 2021 profit of Rp 740 billion, rose by 55% against last year, driven mainly by significantly improved performance in our wood product business and combined with higher CPO selling price despite 15% drop in CPO sales volume.

Our wood product segment demonstrated a solid performance with the revenue soaring by 34% to Rp 1.3 trillion in 2021, due to increases in sales volume and average selling price. Our wood product business has benefited the market recovery in Japan, USA, and Canada. This strong wood product performance ultimately increased the contribution of wood product revenue to 19% of total revenue in 2021 compared to 15% in 2020 and drove a significant jump of 2,659% in the profit before tax for this segment from Rp 4.6 billion last year to Rp 126.9 billion in 2021

Our palm oil segment generated revenue of Rp 5.8 trillion in FY 2021, increased by 2% against last year. Despite CPO production dropped by 14.5%, this segment still contributed profit before tax of Rp 945 billion in 2021, a 21% increase in comparison to Rp 783 billion in 2020, due to a 13% higher average selling price of Rp 9.2 million per ton.

Consolidated-wise, our profitability increased substantially, as reflected in Gross Profit, Operating Profit, Profit After Tax, and EBITDA, which grew by 16%, 40%, 55%, and 18%, respectively, against 2020. Furthermore, our Core Profit which adjusts the unrealized FX gain/loss from Profit After Tax, indicates that our core operational performance increased by 126% in 2021.

On the top of higher selling prices, the increase in our profit is also the result of our ongoing cost reduction initiatives, particularly the implementation of technology and automation into production processes, both in the wood product and palm oil segments. In addition, deleveraging will be continuous effort to reduce the cost of financing.

In Rp million

| Profit and Loss | FY-2021 | FY-2020 | % |
|-------------------|-------------|-------------|-------|
| Revenue | 7,124,495 | 6,698,918 | 6.4 |
| - Palm Oil | 5,792,180 | 5,703,114 | 1.6 |
| - Wood Product | 1,332,315 | 995,804 | 33.8 |
| Cost of Revenue | (5,099,969) | (4,947,242) | 3.1 |
| Gross Profit | 2,024,526 | 1,751,676 | 15.6 |
| - Margin (%) | 28.4 | 26.1 | |
| Operating Profit | 1,392,616 | 995,056 | 40.0 |
| - Margin (%) | 19.5 | 14.9 | |
| Profit Before Tax | 965,884 | 695,296 | 38.9 |
| EBITDA | 1,940,721 | 1,650,410 | 17.6 |
| - Margin (%) | 27.2 | 24.6 | |
| Profit | 739,649 | 478,171 | 54.7 |
| - Margin (%) | 10.4 | 7.1 | |
| Core Profit* | 761,820 | 337,308 | 125.9 |

*calculated from Profit and adjusted to the unrealized FX gain/loss, net of tax effect.

In Rp million

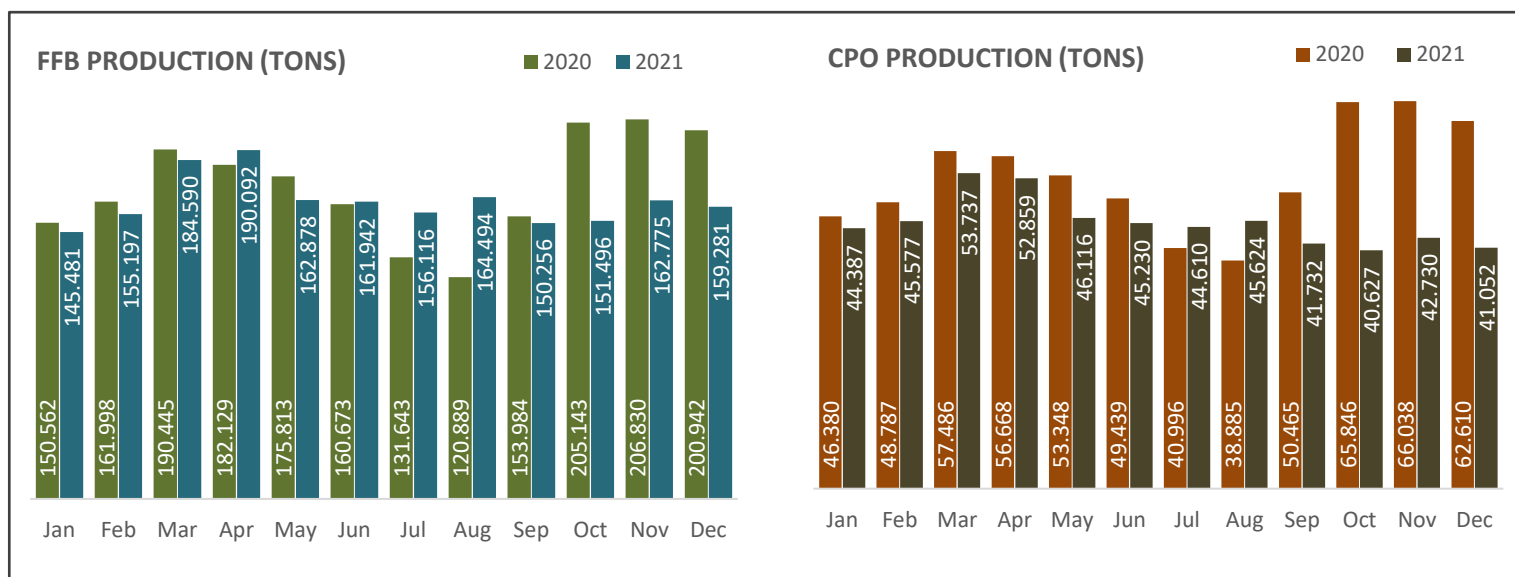
| Financial Position | 31 Dec 2021 | 31 Dec 2020 | % |
|--------------------|-------------|-------------|--------|
| Total Assets | 13,712,160 | 14,151,383 | (3.1) |
| Total Liabilities | 6,686,697 | 7,920,634 | (15.6) |
| Equity | 7,025,463 | 6,230,749 | 12.8 |

Total Asset & Liabilities

As of 31 December 2021, our total asset declined by 3.1% to Rp 13.71 trillion, as our receivable balance from plasma plantation declined following bank refinancing. Around Rp 491 billion of this refinancing proceeds was utilized for some loan early repayments out.

Since our bank loan has been reduced by Rp 1.1 trillion from scheduled and early repayments to Rp 5.3 trillion, our total liabilities declined by 16% to Rp 6.7 trillion. Consequently, our ratios become healthier. The current ratio increased from 1.14x in 2020 to 1.25x in 2021. DER in 2021 was 0.76x, significantly lower from 1.03x in 2020, and the Debt to EBITDA ratio in 2021 is now 2.74x compared to 3.87x in 2020.

Our equity as of 31 December 2021 was Rp 7.02 trillion, an increase of around Rp 795 billion, which mainly contributed from our profit after tax.



Our 2021 FFB production turned out to be lower than last year's production of 1.9 million tons. This is because the phasing out of 2019 El Nino's lagged impact did not happen as expected. Moreover, several floods in Q2 and Q4 2021 had contributed to some disruptions in the harvesting process, OER, FFA, and, ultimately, CPO production.

As a result, we recorded CPO production of 544 thousand tons in 2021, 15% lower YoY, followed by lower CPO sales volume of 545 thousand tons, 15% lower against 2020 sales volume.

The production drop spread out across Indonesia and Malaysia, resulting in supply shortage and thus, driving CPO price surge throughout 2021. Correspondingly, we posted a CPO average selling price of Rp 9.2 million per ton, or 13% higher than Rp 8.1 million per ton in 2020.

Meanwhile, PKO average selling price also rose even higher by 68% to Rp 16.5 million per ton, against 2020 of Rp 9.8 million per ton.

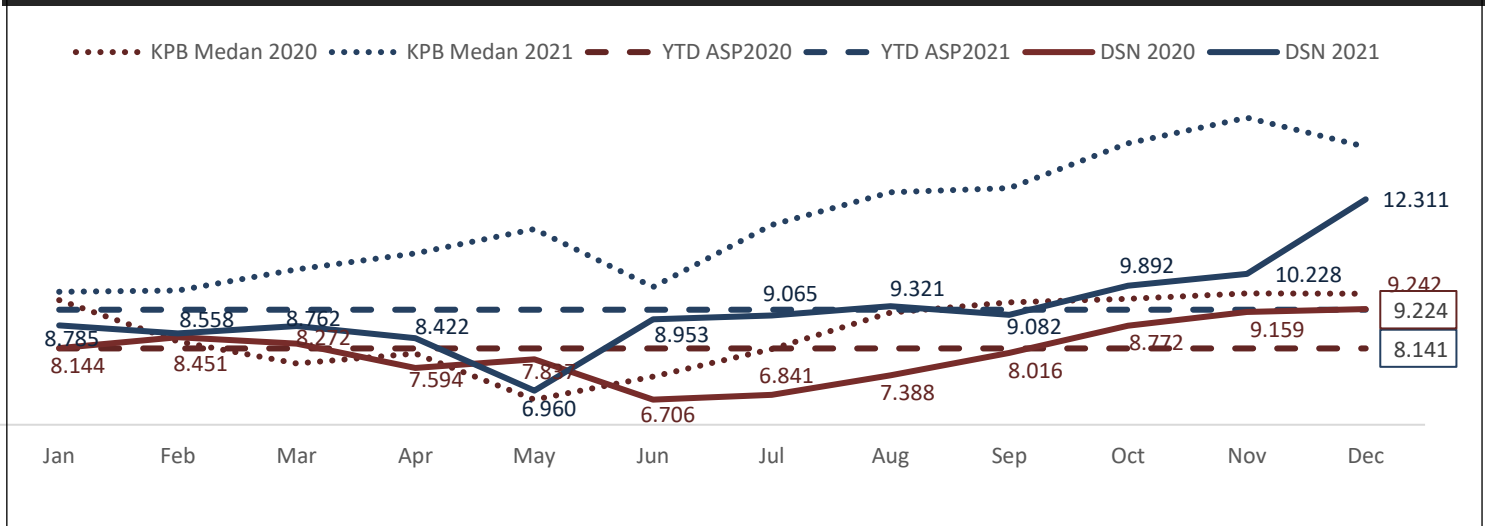
| | FY-2021 | FY-2020 | %YoY | Q1-2021 | Q2-2021 | Q3-2021 | Q4-2021 | %QoQ |
|-------------------------------|-----------|-----------|--------|---------|---------|---------|---------|--------|
| Plantation Performance | | | | | | | | |
| FFB Production (tons) | 1,944,598 | 2,041,052 | (4.7) | 485,268 | 514,912 | 470,865 | 473,553 | 0.6 |
| - FFB Nucleus (tons) | 1,568,439 | 1,675,893 | (6.4) | 394,287 | 411,971 | 378,719 | 383,461 | 1.3 |
| - FFB Plasma (tons) | 376,159 | 365,159 | 3.0 | 90,981 | 102,941 | 92,146 | 90,091 | (2.2) |
| Mill Performance | | | | | | | | |
| FFB Processed (tons) | 2,362,086 | 2,711,357 | (12.9) | 641,965 | 629,119 | 567,972 | 523,030 | (7.9) |
| CPO Production (tons) | 544,280 | 636,947 | (14.5) | 143,701 | 144,204 | 131,966 | 124,409 | (5.7) |
| PK Production (tons) | 96,732 | 114,290 | (15.4) | 25,402 | 25,215 | 23,554 | 22,561 | (4.2) |
| PKO Production (tons) | 30,103 | 34,049 | (11.6) | 7,109 | 8,513 | 7,358 | 7,124 | (3.2) |
| CPO OER (%) | 23.04 | 23.49 | (1.9) | 22,38 | 22,92 | 23.23 | 23.79 | 2.4 |
| FFA (%) | 3.26 | 2.76 | 18.1 | 3,28 | 3,12 | 3.15 | 3.54 | 12.5 |
| Sales Performance | | | | | | | | |
| CPO (tons) | 544,815 | 640,416 | (14.9) | 135,201 | 143,555 | 133,779 | 132,280 | (1.1) |
| PK (tons) | 24,395 | 30,917 | (21.1) | 6,941 | 6,117 | 6,186 | 5,151 | (16.7) |
| PKO (tons) | 31,005 | 33,013 | (6.1) | 8,002 | 8,001 | 7,002 | 8,001 | 14.3 |
| CPO ASP (Rp 'million/Ton) | 9.22 | 8.14 | 13.3 | 8.70 | 8.18 | 9.17 | 10.96 | 19.5 |
| PKO ASP (Rp 'million/Ton) | 16.45 | 9.77 | 68.4 | 14.54 | 16.00 | 13.90 | 21.02 | 51.2 |

PLANTED AREA

The Company's total planted area, including nucleus and plasma, reached 112.6 thousand hectares, with mature areas of 102.7 thousand hectares and an average age of 11.9 years.

| Planted ('000 ha) | Average Age (yrs) | Planted Hectare | |
|-------------------|-------------------|------------------|-------------------------|
| | | 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 |

CPO AVERAGE SELLING PRICE (Rp '000/TONS)



WOOD PRODUCTS

In 2021, our wood product continued to demonstrate a positive operational performance, both sales volume and average selling price. Panel sales volume surged by 27% to 109 thousand m³ following the increasing demand from Japan, its primary market. Parallely, our engineered flooring segment also reported a higher sales volume to 1,137 thousand m² or a 15% increase than 2020 following the recovered demand from USA

and Canadian, our primary markets for engineered flooring products.

The average selling price was higher for panel and engineered flooring by 5% and 7%, respectively. Compared to the previous quarter, the average selling price for panel and engineered flooring in the 4th quarter has improved by 5% and 2%, respectively.

| | FY-2021 | FY-2020 | % YoY | Q1-2021 | Q2-2021 | Q3-2021 | Q4-2021 | %QoQ |
|---|---------|---------|-------|---------|---------|---------|---------|-------|
| Sales Volume | | | | | | | | |
| Panel ('000 m ³) | 109.4 | 86.2 | 26.8 | 26.3 | 25.7 | 27.8 | 29.6 | 6.6 |
| Engineered flooring ('000 m ²) | 1,137.2 | 986.6 | 15.3 | 255.0 | 269.2 | 319.3 | 293.7 | (8.0) |
| Average Selling Price (ASP) | | | | | | | | |
| Panel (Rp mio /m ³) | 6.11 | 5.69 | 5.2 | 5.75 | 6.02 | 6.17 | 6.46 | 4.7 |
| Engineered flooring (Rp mio /m ²) | 0.42 | 0.39 | 6.8 | 0.39 | 0.41 | 0.43 | 0.44 | 1.9 |

DSNG UPDATES



DSNG Commissioned 2 Newly-constructed Palm Oil Mills

On 17 January 2022, DSNG has commissioned two newly-constructed palm oil mills (POMs), i.e., the 11th POM located in Muara Wahau, East Kutai, East Kalimantan, with a capacity of 60 tons FFB per hour, and the 12th POM located in Nangabulik, Central Kalimantan with a capacity of 45 tons FFB per hour. When two new POMs are fully operational, our POM capacity in 2022 will reach 615 tons FFB per hour.

DISCLAIMER: The views expressed here contain information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. Any forward looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by PT Dharma Satya Nusantara Tbk. Nothing in this release should be construed as either an offer to buy or sell or a solicitation of an offer to buy or sell shares in any jurisdiction.