



DSNG Q1-2022 profit jumped by 110% YoY

DSNG posted a Q1-2022 profit of Rp 209 billion, which jumped by 110% compared to last year, following higher CPO prices and better performance of the wood products segment.

Our revenue reached Rp 1.64 trillion, slightly higher than the same period last year, where the contribution from the palm oil segment decreased from 83% to 75% due to the decline in sales volumes of CPO and PKO. The palm oil segment generated an 8% lower revenue of Rp 1.24 trillion YoY as CPO sales volume declined by 28% to 97 thousand tons, but offset by a 20% higher CPO ASP of Rp 10.6 million per ton.

The gap between our CPO ASP in Q1-2022 and the spot price at KPB Medan was primarily driven by two factors. First, there is a time lag between the time of contract dealing and the actual delivery. Each contract is typically priced with reference to the spot price at KPB Medan, and this contracted price is booked as the realized ASP once delivered. Since our actual delivery experienced a delay of about 2 months due to a shortage of CPO production, the time lag has created a mismatch between the realized ASP and the current upward price trend at KPB Medan. Second, our CPO sales in Q1-2022 still included some undelivered volumes from the 2021 sales contract with a fixed price arrangement.

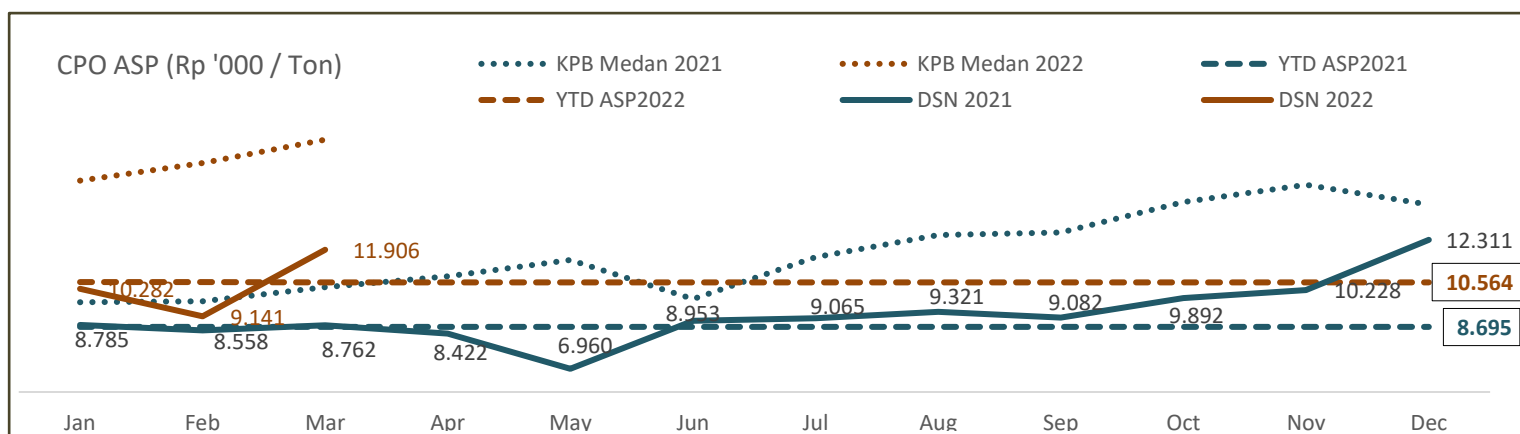
Profitability-wise, we generated higher EBITDA and net profit margins in Q1-2022. We recorded an EBITDA of Rp 477 billion with a margin of 29%, higher by 16% from Q1-2021. In addition, our net profit jumped by 110% to Rp 208.6 billion due to lower financing costs and forex loss. Meanwhile, our core profit in 1Q-2022 increased by 41% to Rp 215 billion against the same period last year of Rp 152 billion.

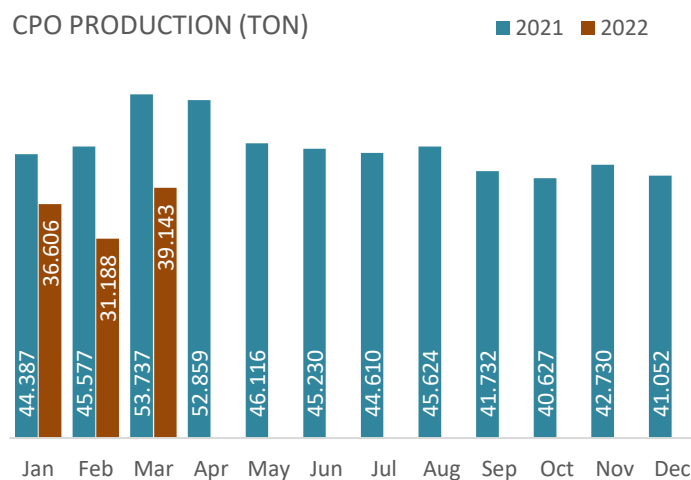
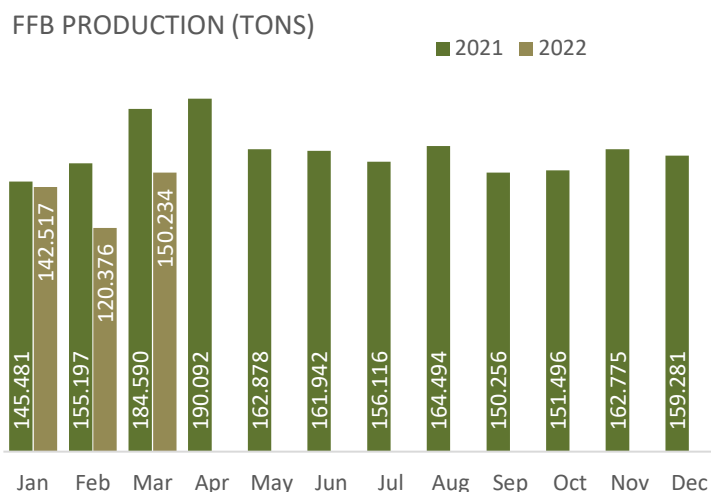
In million of Rupiah

Profit and Loss	3M-2022	3M-2021	%	FY2021
Revenue	1,644,637	1,636,631	0.5	7,124,495
- Palm Oil	1,239,526	1,351,721	(8.3)	5,792,180
- Wood Product	405,111	284,910	42.2	1,332,315
Cost of Revenue	(1,183,197)	(1,242,533)	(4.8)	(5,099,969)
Gross Profit	461,440	394,098	17.1	2,024,526
- Margin (%)	28.1	24.1		28.4
Operating Profit	374,036	311,382	20.1	1,392,616
- Margin (%)	22.7	19.0		19.5
Profit Before Tax	274,713	143,566	91.3	965,884
- Margin (%)	16.7	8.8		13.6
EBITDA	476,957	412,097	15.7	1,940,721
- Margin (%)	29.0	25.2		27.2
Profit	208,566	99,279	110.1	739,649
- Margin (%)	12.7	6.1		10.4
Core Profit	215,049	152,486	41.0	761,820

Financial Position	31 Mar 2022	31 Dec 2021	%
Total Assets	14,174,588	13,712,160	3.4
Total Liabilities	6,940,559	6,686,697	3.8
Equity	7,234,029	7,025,463	3.0

	3M-2022	3M2021	%	FY2021
Plantation Performance				
FFB Production (tons)	413,127	485,268	(14.9)	1,944,598
- FFB Nucleus (tons)	326,146	394,287	(17.3)	1,568,439
- FFB Plasma (tons)	86,981	90,981	(4.4)	376,159
Mill Performance				
FFB Processed (tons)	452,813	641,965	(29.5)	2,362,086
CPO Production(tons)	106,937	143,701	(25.6)	544,280
PK Production (tons)	19,546	25,402	(23.1)	96,732
PKO Production (tons)	6,279	7,109	(11.7)	30,103
CPO OER (%)	23.62	22.38	5.5	23.04
FFA (%)	3.84	3.26	11.4	3.26
Sales Performance				
CPO (tons)	97,461	135,201	(27.9)	544,815
PK (tons)	4,494	6,941	(35.3)	24,395
PKO (tons)	5,001	8,002	(37.5)	31,005
CPO ASP (Rp 'mio/Ton)	10.56	8.70	21.5	9.22
PKO ASP (Rp 'mio/Ton)	24.84	14.54	70.8	16.45





Total FFB processed in 1Q-2022 was lower by 30%, following lower FFB production by 15% and lower external purchase by 67%. Nevertheless, as OER improved from 22.38% to 23.62%

in 1Q-2022, our CPO production reached 107 thousand tons, declined by 26%, with an FFA level above 3% because of evacuation challenges from high rainfall in East Kalimantan.

PLANTED AREA

As of end of March 2022, the company's total planted area, including nucleus and plasma, were 112.8 thousand hectares, with mature areas of 104.4 thousand hectares and average age of 12.8 years.

Planted ('000 ha)	Average Age (yrs)	Planted Hectareage	
		Mature ('000 ha)	Total Planted ('000 ha)
Nucleus	13.7	80.5	84.5
Plasma	10.0	23.9	28.3
Total	12.8	104.4	112.8

WOOD PRODUCTS

WP Sales Continued to Record a Significant Growth

Our wood segment continued to show substantial growth in the production volume and average selling price for both panel and engineered flooring. Its revenue grew by 42% to Rp 405 billion, increasing its contribution from 17% to 25% of the consolidated revenue.

We recorded 10% and 30% sales volume increases for the panel and engineered flooring, respectively.

	3M-2022	3M-2021	%	FY-2021
Sales Volume				
Panel ('000 m3)	29.0	26.3	10.4	109.4
Engineered flooring ('000 m2)	332.7	255.0	30.5	1,137.2
Average Selling Price (ASP)				
Panel (Rp mio /m3)	7.16	5.75	24.5	6.11
Engineered flooring (Rp mio /m2)	0.44	0.39	13.7	0.42

In addition, the average selling prices also rose by 25% and 14% for the panel and engineered flooring, respectively.

As a result, the wood product segment generated an EBITDA of Rp 67 billion, higher by 60%, with profit before tax increased by 318% to Rp 51 Billion.

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