

## 3Q22 Profit Doubled YoY

DSNG recorded a profit of Rp 898 billion for 9M22, significantly increased by 112% against the same period last year, mainly driven by the increase in CPO average selling price and solid performance of the wood product business.

The revenue of the palm oil segment in the 3Q rose by 32% to Rp 5.4 trillion due to higher CPO and PKO selling prices by 28% and 32%, respectively, coupled with the higher sales volume against last year.

Our FFB production during the Q3-22 increased by 26% against Q2-22, resulting in the 9M22 FFB production higher by 6% YoY. The significant increase starting June 2022 indicates the wearing out of the 24-month lagged effect of El Nino on our largest plantations in East Kalimantan.

With an improved OER of 23.04% against last year of 22.83%, our CPO production for 9M22 rose by 5%. Furthermore, the Q3-2022 CPO sales volume almost doubled the Q2-2022 volume, leading the 9M22 CPO sales volume to increase by 3% YoY, with an ASP of Rp 11.1 million per ton against Rp 8.7 million per ton last year.

Our wood product segment also performed strongly this year by contributing higher revenue of Rp 1.2 trillion, which rose by 24% following the increasing demand from exporting countries, such as Japan, the USA, and Canada.

Moreover, DSNG posted a 9M22 EBITDA of Rp 2.1 trillion, increased 61% YoY, with EBITDA margin of 32% against 26% last year. And our core profit for the 9M22 also rose by 116% to Rp 970 billion.

Profit and Loss	9M-2022	9M-2021	%	FY2021
Revenue	6,585,788	5,052,627	30.3	7,124,495
- Palm Oil	5,398,674	4,096,641	31.8	5,792,180
- Wood Product	1,187,114	955,986	24.2	1,332,315
Cost of Revenue	(4,444,339)	(3,745,505)	18.7	(5,099,969)
Gross Profit	2,141,449	1,307,122	63.8	2,024,526
- Margin (%)	32.5	25.9		28.4
Operating Profit	1,557,758	900,096	73.1	1,392,616
- Margin (%)	23.7	17.8		19.5
Profit Before Tax	1,192,472	572,842	108.2	965,884
EBITDA	2,088,345	1,301,093	60.5	1,940,721
- Margin (%)	31.7	25.8		27.2
Profit	897,637	424,246	111.6	739,649
- Margin (%)	13.6	8.4		10.4
Core Profit*	970,472	448,889	116.2	761,820

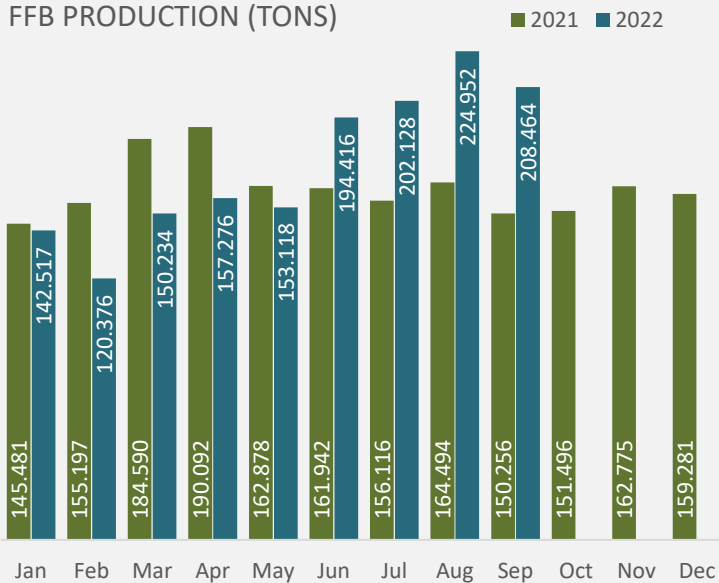
Financial Position	30 Sept 2022	31 Dec 2021	%
Total Assets	14,650,042	13,712,160	6.8
Total Liabilities	6,938,939	6,686,697	3.8
Equity	7,711,103	7,025,463	9.8

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

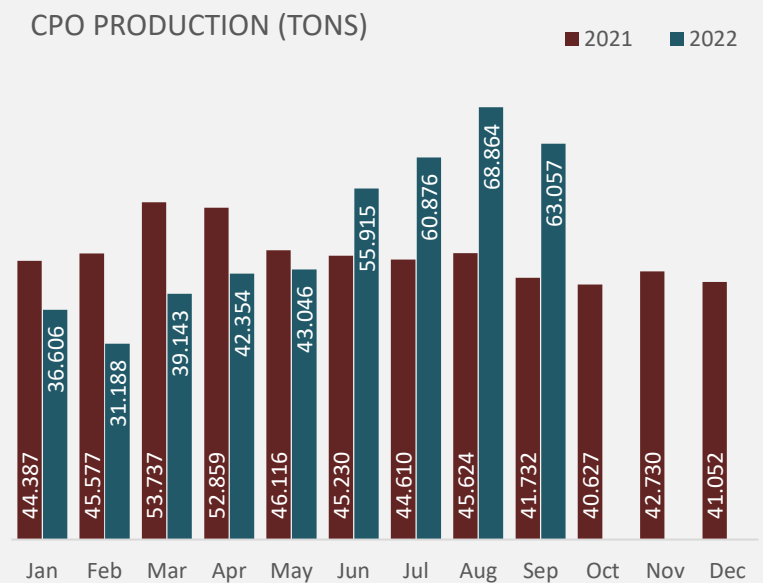
Our total assets in the 3Q22 reached Rp 14.7 trillion, with total liabilities and equity of Rp 6.9 trillion and Rp 7.7 trillion, respectively. The increase in total assets by 7% YoY was mainly driven by the addition of inventory in the forms of CPO and fertilizer.

	9M-2022	9M-2021	%	Q1-2022	Q2-2022	Q3-2022	QoQ%	FY2021
<b>Plantation Performance</b>								
FFB Production (tons)	1,553,481	1,471,045	5.6	413,127	504,810	635,544	25.9	1,944,598
- FFB Nucleus (tons)	1,230,989	1,184,977	3.9	326,146	396,043	508,800	28.5	1,568,439
- FFB Plasma (tons)	322,493	286,068	12.7	86,981	108,767	126,744	16.5	376,159
<b>Mill Performance</b>								
FFB Processed (tons)	1,914,155	1,839,056	4.1	452,813	615,313	846,029	37.5	2,362,086
CPO Production(tons)	441,048	419,871	5.0	106,937	141,314	192,797	36.4	544,280
PK Production (tons)	81,342	74,171	9.7	19,546	26,450	35,346	33.6	96,732
PKO Production (tons)	25,645	22,979	11.6	6,279	7,941	11,425	43.9	30,103
CPO OER (%)	23.04	22.83	0.9	23.62	22.97	22.79	(0.8)	23.04
FFA (%)	3.82	3.18	20.2	3.84	3.89	3.75	(3.6)	3.26
<b>Sales Performance</b>								
CPO (tons)	425,192	412,536	3.1	97,461	114,844	212,887	85.4	544,815
PK (tons)	18,114	19,244	(5.9)	4,494	5,415	8,204	51.5	24,395
PKO (tons)	23,704	23,004	3.0	5,001	8,001	10,703	33.8	31,005
CPO ASP (Rp 'mio/Ton)	11.07	8.67	27.7	10.56	12.82	10.36	(19.2)	9.22
PKO ASP (Rp 'mio/Ton)	19,62	14.86	32.1	24.84	26.15	12.31	(52.9)	16.45

## FFB PRODUCTION (TONS)



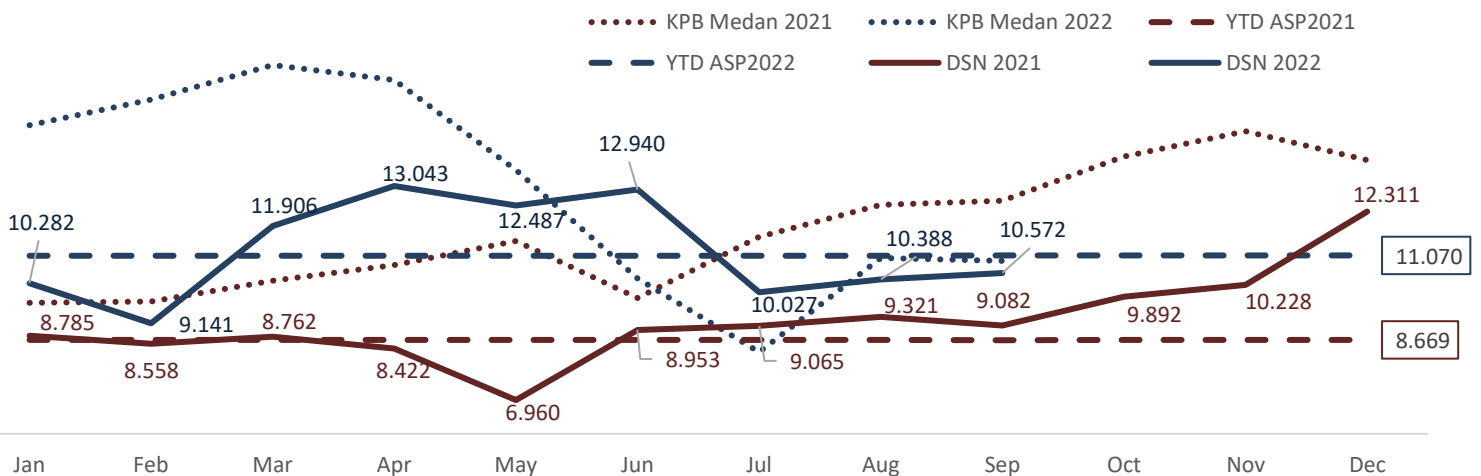
## CPO PRODUCTION (TONS)



Our FFB production has improved significantly since June 2022, resulting in a strong output in Q3-22, despite the production in September temporarily taking a step backward from the August

production due to heavy rainfall. Nevertheless, we are of the opinion that our production will continue to improve towards the end of the year.

## CPO AVERAGE SELLING PRICE (Rp '000/TONS)



## PLANTED AREA

As of 30 September 2022, the Company's total planted area, including nucleus and plasma, reached 112.8 thousand hectares, with mature areas of 104.4 thousand hectares and an average age of 12.8 years.

Planted ('000 ha)	Average Age (yrs)	Planted Hectare	
		Mature ('000 ha)	Total Planted ('000 ha)
Nucleus	13.7	80.5	84.5
Plasma	10.0	23.9	28.3
<b>Total</b>	<b>12.8</b>	<b>104.4</b>	<b>112.8</b>

## WOOD PRODUCTS

### Wood Product Results Remain Solid



Throughout 9M22, the wood product segment consistently demonstrated a positive operational and financial performance, boosted by strong market demands from Japan, America, and Canada. As a result, this segment generated revenue of Rp 1.2 trillion or higher by 24% against 9M21, following higher sales volume and ASP.

Panel sales volume rose 10% against last year to 88 thousand m3, with ASP increasing 23%. Meanwhile, our engineered flooring segment also reported a higher sales volume of 931 thousand m2 or a 10% increase than last year, with ASP higher by 6%.

	9M-2022	9M-2021	%	Q1-2022	Q2-2022	Q3-2022	%QoQ	FY2021
<b>Sales Volume</b>								
Panel ('000 m3)	87.5	79.7	9.7	29.0	26.8	31.7	18.1	109.4
Engineered flooring ('000 m2)	930.7	843.5	10.3	332.7	304.8	293.1	(3.8)	1,137.2
<b>Average Selling Price (ASP)</b>								
Panel (Rp mio /m3)	7.38	5.98	23.4	7.16	7.53	7.47	(0.8)	6.11
Engineered flooring (Rp mio /m2)	0.44	0.41	6.4	0.44	0.43	0.45	4.8	0.42

## DSNG ESG UPDATES

### DSNG Supported the Sustainability Practice of Smallholder Partners in Muara Wahau

Further to its commitment to support the sustainability practices of smallholder partners surrounding its plantations area, DSNG Group supplied Personal Protective Equipment (PPE) to 6 cooperatives partners in the Muara Wahau and Kongbeng sub-districts, East Kalimantan on 19 October 2022. One of those six cooperatives, KSU Makarti Desa Sido Mulyom, has been awarded ISPO and RSPO certifications since July 2022, while the remaining five are in the audit process.

DSNG expects the donation of PPE to trigger farmers' awareness to maintain safety and health, reduce workplace accidents, and increase productivity in community estates. Furthermore, the adoption of PPE is part of the sustainable value chain to be implemented by DSN Group suppliers.



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