



## A Continuation of Solid Performance

After solid Q1 results to kick off 2024, PT Dharma Satya Nusantara Tbk continued its strong performance in Q2-2024 with a total revenue of IDR 4.7 trillion for 1H-24, reflecting an increase of 8% YoY.

All business segments showed increasing revenue, although the most significant contribution still came from the palm oil segment. The palm oil revenue amounted to IDR 4 trillion, an increase of 4% YoY, mainly supported by higher ASP. Meanwhile, the wood products segment also booked an increase in revenue by 11% YoY to IDR 0.6 trillion despite a stagnant global market. Further, the Renewable Energy segment generated a revenue contribution of almost 300% YoY to IDR 0.1 trillion, following higher export volumes and ASP.

In addition to higher CPO ASP, lower fertilizer costs in 1H-2024 also positively contributed to the higher profitability of the palm oil segment. Last year, fertilizer costs skyrocketed due to geopolitical tension in Ukraine. Moreover, higher OER achievement this year and fewer FFB external purchases also increased profitability.

Following higher revenue generation, EBITDA increased significantly by 33% YoY to IDR 1.4 trillion, given a satisfactory EBITDA margin of 29% in 1H-2024 against 24% in 1H-2023.

*In Million Rupiah*

Profit and Loss	1H-2024	1H-2023	%	FY 2023
Revenue	4,703,274	4,357,554	7.9	9,498,749
- Palm Oil	4,025,822	3,852,953	4.5	8,354,365
- Wood Product	558,395	504,601	10.7	1,074,024
- Renewable Energy	119,057	-	-	70,360
Cost of Revenue	(3,369,705)	(3,301,638)	2.1	(6,971,281)
Gross Profit	1,333,569	1,055,916	26.3	2,527,468
-Margin %	28.4%	24.2%	-	26.6%
Profit Before Tax	687,857	479,847	43.3	1,140,643
-Margin %	14.6%	11.0%	-	12.0%
EBITDA	1,379,943	1,035,603	33.3	2,421,068
-Margin %	29.3%	23.8%	-	25.5%
Profit	508,198	360,015	41.2	841,665
-Margin %	10.8%	8.3%	-	8.9%
Core Profit	555,772	312,011	78.1	814,874
-Margin %	11.8%	7.2%	-	8.6%

Furthermore, the Company's profits increased significantly by more than 40% YoY to IDR 508 billion, representing a profit margin of 11%, against 8% in 1H-2023, despite a meaningful negative swing in the foreign exchange of around IDR 122 billion, from a gain of IDR 62 billion in 2023 to a loss of IDR 61 billion in 2024. This forex swing was incurred following the accounting standard requirement to translate foreign currency-denominated assets and liabilities using the prevailing Rupiah rate at the reporting date. During 1H-24, the Rupiah depreciated by 7% against the USD, resulting in the equivalent Rupiah value of our USD loan balance increasing, even though the actual USD loan balance declined by 12% during that period. Excluding this non-cash forex, we arrived at the core profit, which grew 78% yoy.

As of 30 June 2024, our USD-denominated loan balance represented 20% of the total loans, with a total principal repayment for 1H-24 of only around 25% of the USD-denominated income generated by our wood products and renewable energy segments for the same period, resulting in natural hedging.

As we incurred no substantial capex during Q2-24, total assets, and liabilities in Q2-2024 grew very little against Q1-2024, mainly correlating to forex translation

*In Million Rupiah*

Financial Position	30-Jun-24	FY 2023	%
Total Asset	17,228,850	16,178,278	6.5
Total Liabilities	8,026,264	7,288,850	10.1
Equity	9,202,586	8,889,428	3.5

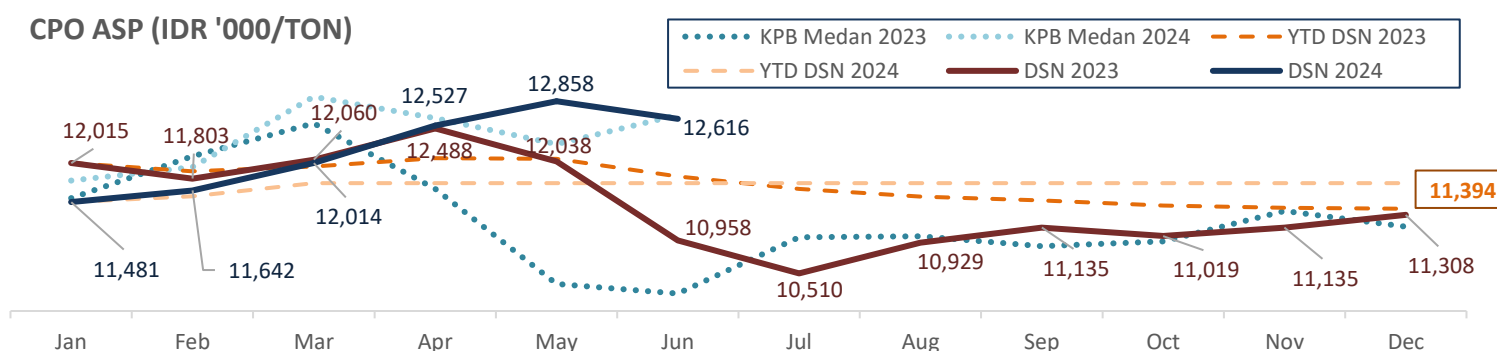
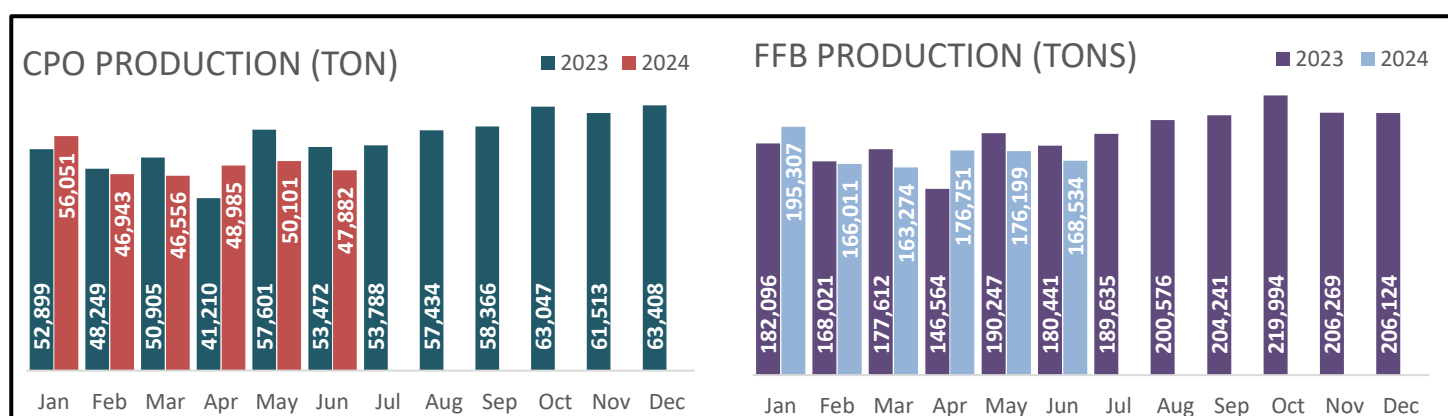


## PALM OIL

	1H-2024	1H-2023	%YoY	Q1-2024	Q2-2024	%QoQ	FY 2023
<b>Plantation Performance</b>							
FFB Production (tons)	1,046,075	1,044,981	0.1	524,592	521,484	(0.6)	2,271,821
Nucleus (tons)	826,506	830,356	(0.5)	414,574	411,932	(0.6)	1,796,532
Plasma (tons)	219,569	214,625	2.3	110,018	109,552	(0.4)	475,289
<b>Mill Performance</b>							
FFB Processed (tons)	1,233,092	1,345,418	(8.3)	619,102	613,990	(0.8)	2,854,559
CPO Production (tons)	296,518	304,335	(2.6)	149,550	146,968	(1.7)	661,892
PK Production (tons)	56,204	55,524	1.2	28,311	27,893	(1.5)	122,732
PKO Production (tons)	18,941	18,250	3.8	9,738	9,203	(5.5)	40,356
CPO OER (%)	24.05	22.62	6.3	24.16	23.94	(0.9)	23.19
FFA (%)	2.86	3.07	(6.9)	2.87	2.85	(0.7)	2.96
<b>Sales Performance</b>							
CPO (tons)	292,032	298,563	(2.2)	145,800	146,232	0.3	665,041
PK (tons)	11,126	11,451	(2.8)	5,581	5,545	(0.6)	26,915
PKO (tons)	20,006	17,020	17.5	9,003	11,003	22.2	39,379
CPO ASP (Rp 'million/ton)	12.22	11.83	3.2	11.74	12.69	8.1	11.39
PKO ASP (Rp 'million/ton)	14.52	13.38	8.6	13.16	15.64	18.8	12.97

FFB production in Q2-2024 was only down by less than 1% against Q1-2024 despite fewer working days following the festive season Eid Mubarak in April 2024. Cumulatively, we recorded production of 1 million tons in 1H-2024, similar to 1H-2023, despite some impact from the El Nino occurrence from 2H-2023 to early 2024.

Despite the reduction in external FFB purchases driving lower FFB processing volume by 8%, the CPO production only shorted by 2.6% YoY due to higher OER from 22.62% to 24.05%. Likewise, both PK and PKO production increased due to higher extraction rates. We maintained the FFA level below 3, resulting in super premium CPO.



## OIL PALMS – PLANTED AREA

The total combined nucleus and plasma planted area as of 1H-2024 declined slightly compared to the end of 2023, from 112.7k ha to 112.2k ha following our replanting program. However, the mature planted areas of the nucleus plantations increased from 81.5k ha to 82.2k ha following additional mature areas from our West Kalimantan Plantation.

Planted ('000 ha)	Average Age (yrs)	Planted Hectare	
		Mature ('000 ha)	Total Planted ('000 ha)
Nucleus	15.0	82.2	84.2
Plasma	12.1	24.6	27.9
<b>Total</b>	<b>14.7</b>	<b>106.8</b>	<b>112.2</b>

## WOOD PRODUCTS

During 1H-24, our panel products could still seize more market share in Japan, reflected by a 25% higher sales volume YoY, although at the expense of a lower ASP of 12%. However, the Japanese market is still challenging, as its yen currency has depreciated since the beginning of 2023, causing lower purchasing power for the Japanese market.

Meanwhile, our Engineered Flooring products did not experience a significant drop in ASP due to the product mix. Still, their sales volume was lower by 13% YoY, reflecting the stagnant markets in the USA and Canada as the USD interest rate and inflation are still hovering high.



	1H-2024	1H-2023	%YoY	Q1-2024	Q2-2024	%QoQ	FY 2023
<b>Sales Volume</b>							
Panel ('000 m3)	55.5	44.4	25.1	27.8	27.7	(0.1)	99.5
Engineered Flooring ('000 m2)	308.5	354.6	(13.0)	147.1	161.4	9.8	738.5
<b>Average Selling Price (ASP)</b>							
Panel (USD/m3)	363.25	413.20	(12.1)	367.54	358.95	(2.3)	400.97
Engineered Flooring (USD/m2)	30.65	29.62	3.5	28.92	32.23	11.5	29.97

## RENEWABLE ENERGY

During 1H-2024, the RE segment exported around 62 thousand tons of Palm Kernel Shells (PKS) with a 13% YoY higher ASP. As a result, this segment contributed a revenue of IDR 119 billion with a profit margin of more than 10%.



	1H-2024	1H-2023	%YoY	Q1-2024	Q2-2024	%QoQ	FY 2023
<b>Sales Volume</b>							
Palm Kernel Shell (ton)	62,070	18,897	228.5	30,019	32,050	6.8	40,397
<b>Average Selling Price (ASP)</b>							
Palm Kernel Shell (USD/ton)	121.00	107.03	13.1	121.00	121.00	-	113.35



## LATEST UPDATES

### DSNG Collaboration with LPHD

On 22 April 2024, DSNG signed a long-term collaboration with the Lemmanis Village Forest Management Institution (“Lembaga Pengelolaan Hutan Desa Lemmanis”/LPHD Lemmanis) to manage 6.9 thousand ha village forest in Sepakat Jaya village, Ketapang Regency, West Kalimantan, for 25 years until 2049, relating to RSPO’s Remediation and Compensation Plan (RaCP).

CFES (Community Forest Ecosystem Services) will assist the Company in providing technical and financing support for LPHD Lemmanis to implement the Social Forestry Work Plan (Rencana Kerja Pehutanan Sosial/RKPS), covering the improvement of Health and Education services in the form of free medical treatment and scholarships for students from the primary to university.



### Corporate Emission Reduction Transparency Award 2024



On 24 May 2024, DSNG received an award from Investor Trust and Bumi Global Karbon (GBK), recognizing the Company’s efforts in Emission Reduction and Transparency. DSNG won the highest award under two categories: the Green Elite award for the verified emission reduction efforts and the Platinum Plus award for the verified transparency category.

The Company follows GRI (Global Reporting Initiative) and TCFD (Taskforce on Climate-Related Financial Disclosure) as the standard for sustainability reporting, including ESG and climate risk.

### DSNG as the Constituents of Tempo-IDN Financial Index 52 (Indeks52)

DSNG has been selected for two consecutive years to become one of the Tempo-IDN Financial Index 52 (Indeks52) constituents for the category of High Dividend. The awarding ceremony was held on Friday, 26 July 2024, in Balikpapan. The inclusion of DSNG in this Index demonstrates the growing financial performance of the Company throughout the past five years until June 2024.



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