



**PT Dharma Satya Nusantara Tbk**

# **Company Update**

**1H-2024**





## DISCLAIMER

Materials presented herein was prepared by PT Dharma Satya Nusantara Tbk. (“DSNG” or the “Company”) solely for informational purposes and discussion. By receiving this Materials, you agree to keep it confidential, not to reproduce or redistribute to any other person other than for the purpose of this presentation being held.

It is not the Company’s intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company’s financial position or prospects. The information contained in these materials has not been independently verified and is subject to verification, completion and change without notice. The information contained in these materials is current as of the date hereof and are subject to change without notice, and its accuracy is not guaranteed. The Company is not under any obligation to update or keep current the information contained in these materials subsequent to the date hereof. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company, or any of its directors and affiliates or any other person, as to, and no reliance should be placed for any purposes whatsoever on, the fairness, accuracy, completeness or correctness of, or any errors or omissions in, the information contained in these materials. Neither the Company, its directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of these materials or their contents or otherwise arising in connection therewith.

These materials contain historical information of the Company which should not be regarded as an indication of future performance or results. These materials may also contain forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements reflect the Company’s current views with respect to future events and are not a guarantee of future performance or results. Actual results, performance or achievements of the Company may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future and must be read together with such assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of the Company, and the forecast financial performance of the Company is not guaranteed. Therefore, no reliance should be placed on these forward-looking statements.

DSNG

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



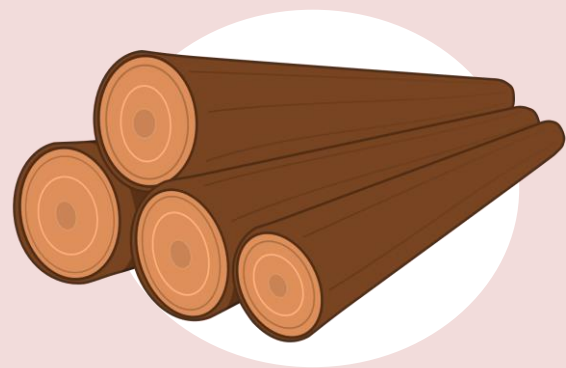
 [dsn.group](https://www.instagram.com/dsn.group)

# DSNG's Business

We produced green-certified Palm Oil, Wood Products, and Renewable Energy Products



## Wood Product



In 1983 DSNG started its wood processing business based on forest concession in Kalimantan. However, since 1991, the Company's wood product processing business was shifted to Java and produces wood panels and engineered floorings; while the forest concession was discontinued.

## Palm Oil



In 1997, DSNG expanded its business into the palm oil industry through its first planting in East Kalimantan. Since then, the Company's palm oil business has grown rapidly, and its operational areas expanded to Central and West Kalimantan. The palm oil business has proven to be the backbone of DSNG by contributing  $\pm 80\%$  of the Company's total revenue.



## Renewable Energy

The Renewable Energy segment is the newest segment of DSNG's business line as a manifestation of the Company's commitment to sustainability practices. Starting from the concept of zero waste, the Company seeks to take advantage of opportunities to monetize palm oil waste and wood products generated from the production process. Thus, in addition to supporting DSNG's commitment to sustainability practices, the utilization of this waste also contributes additional revenue and profit to the Company.



**The products produced by DSN Group have green certifications issued by independent certification bodies that have credibility in their respective fields, both on a national and international scale, such as RSPO, JAS, FSC, and SVLK.**

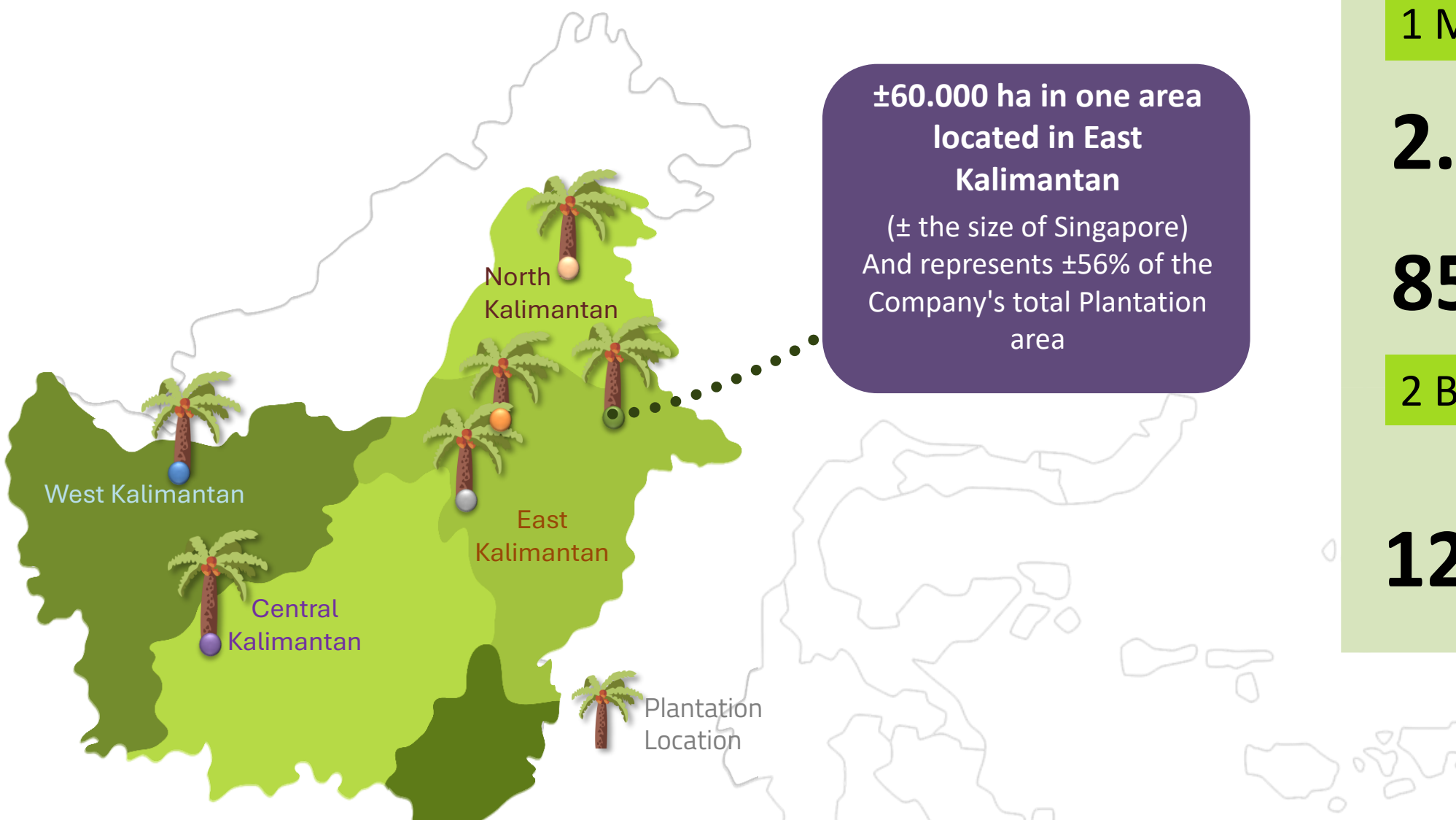
# Palm Oil Segment

Our Plantations located in East Kalimantan, Central Kalimantan, West Kalimantan, and North Kalimantan with a total planted area as of 30 June 2024 is 112.2K Ha.

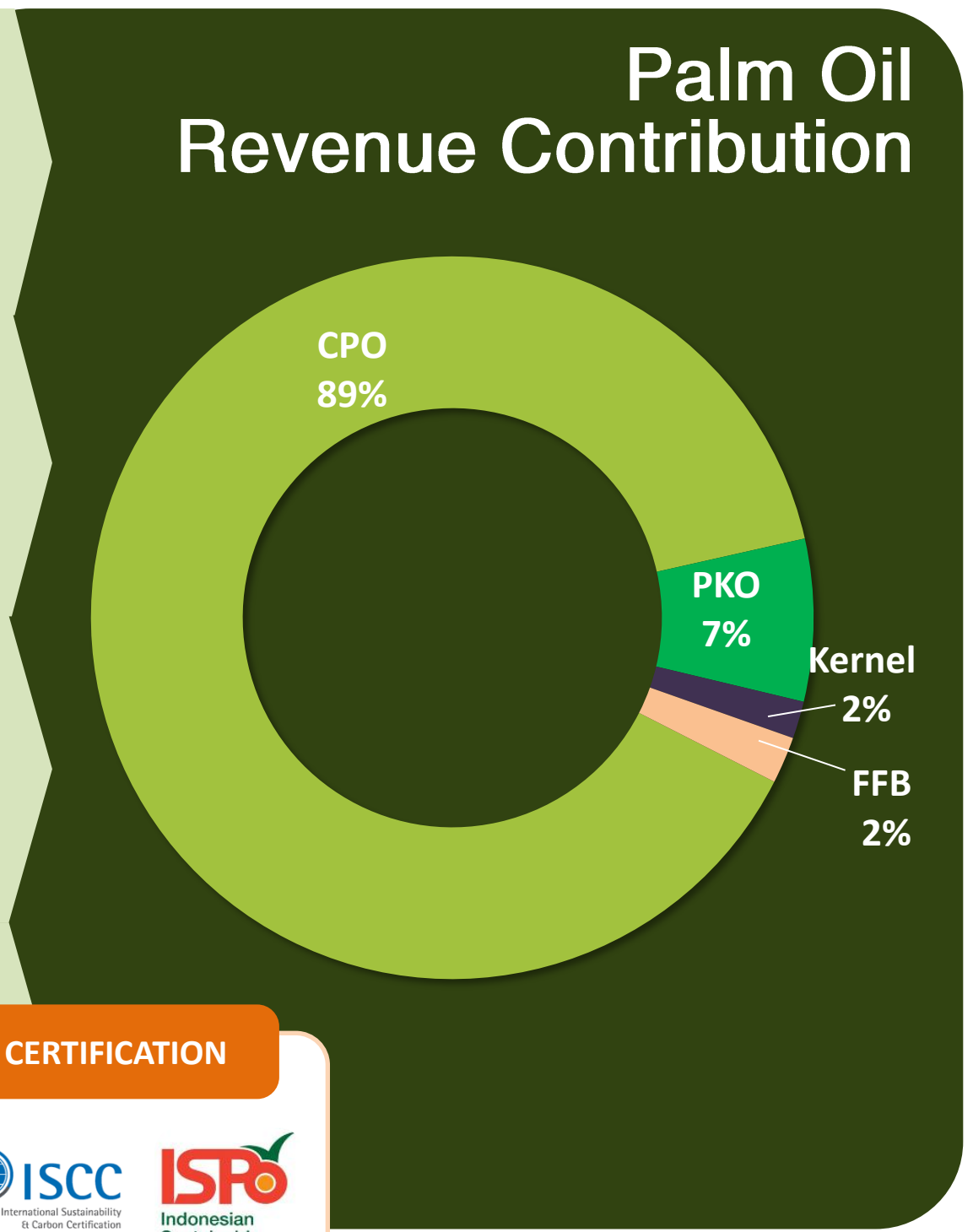
## PLANTATION PROFILE

('000 ha)	Nucleus	Plasma	Total
<b>Planted</b>	<b>84,2</b>	<b>27,9</b>	<b>112,2</b>
<b>Mature Plantation</b>	<b>82,2</b>	<b>24,6</b>	<b>106,8</b>

**Prime Mature 72%**



- 675** ton/hour FFB  
12 Mills CPO
- 400** ton/day PK  
1 Mills PKO
- 2.9** MW Electricity
- 850** m<sup>3</sup>/hour Gas Bio-Methane  
2 Bio-CNG Plant
- 126K** ton Storage

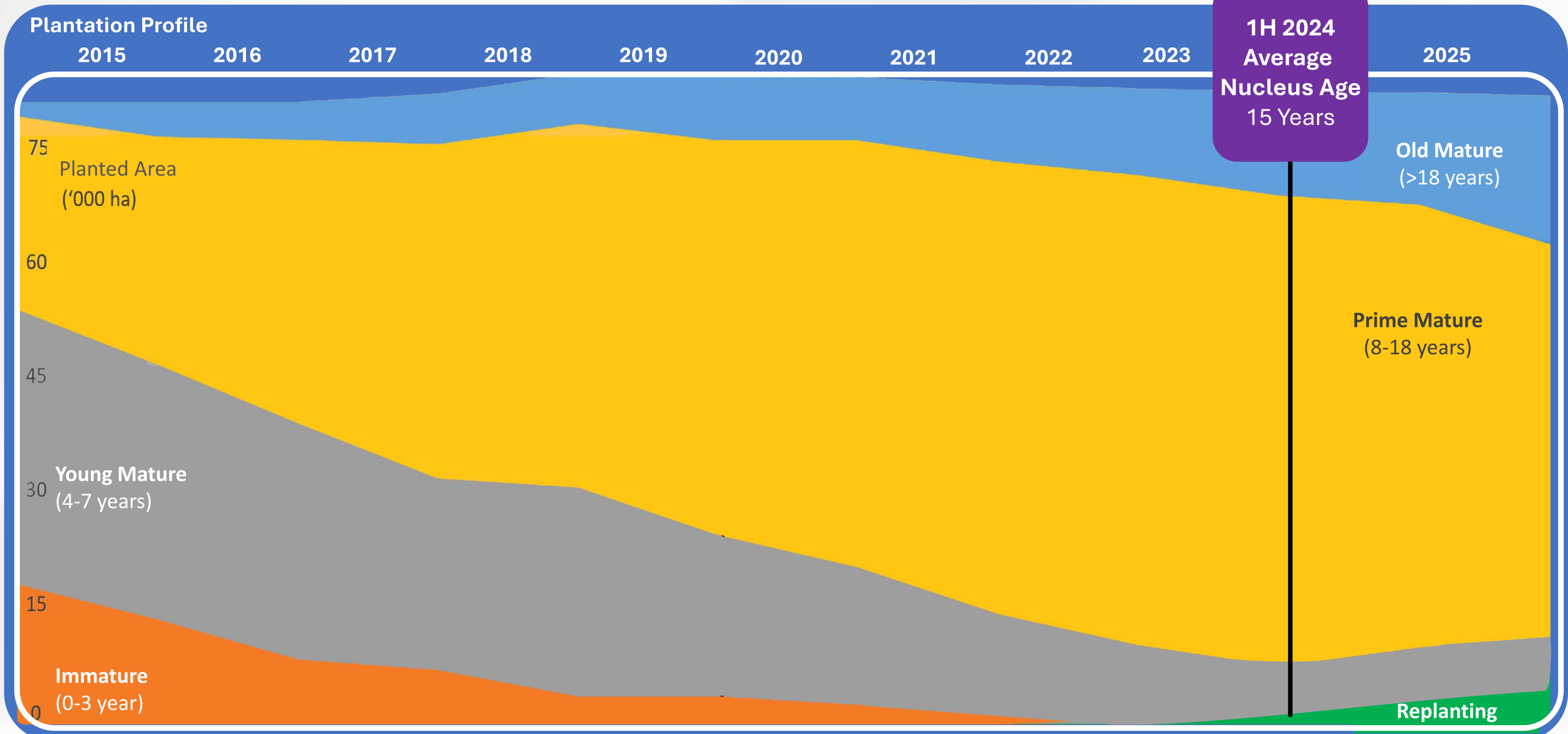


### CERTIFICATION

ISCC International Sustainability & Carbon Certification  
 ISPO Indonesian Sustainable Palm Oil  
 RSPO

# Palm Oil Segment

By the end of 2023, the Company's had felled 673 ha and replanted 500 ha. The replanting program is DSNG's commitment to maintain the productivity growth of oil palm plantations in a sustainable and long-term manner through replanting with superior quality seeds.





# Palm Oil Segment – Productivity Through Technology



In the implementation of plantation operations management, the Company implemented various technology-based initiatives in maintenance, fertilization and harvesting activities to increase productivity and reduce dependence on labor requirements. In addition, technology has also begun to be applied to supporting administrative activities such as harvest report systems and weight bridges to improve accuracy and control to mitigate the possibility of fraud.



**Mechanized Harvesting**  
(Collecting FFB)



**Mechanized Harvesting**  
(Transfer FFB from tractor to truck)



**Electronic Weight Bridge System**



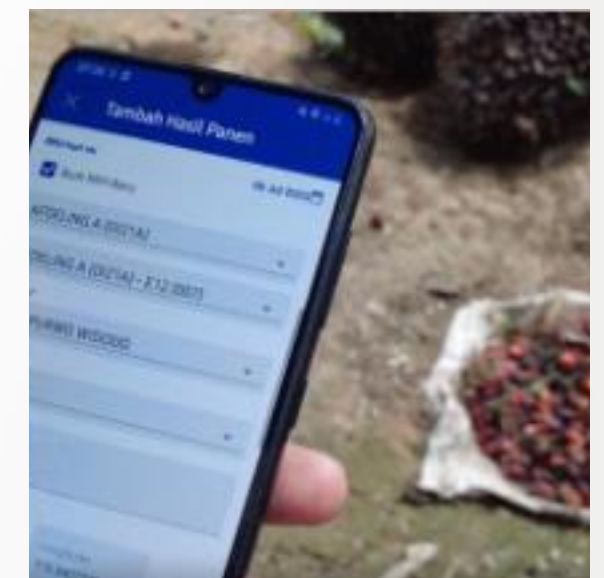
**Mechanization of Pest Spraying**



**Mechanized Fertilization**



**Mechanization of Pest Control**



**Electronic Harvesting Report System**



# Palm Oil Segment - Performance

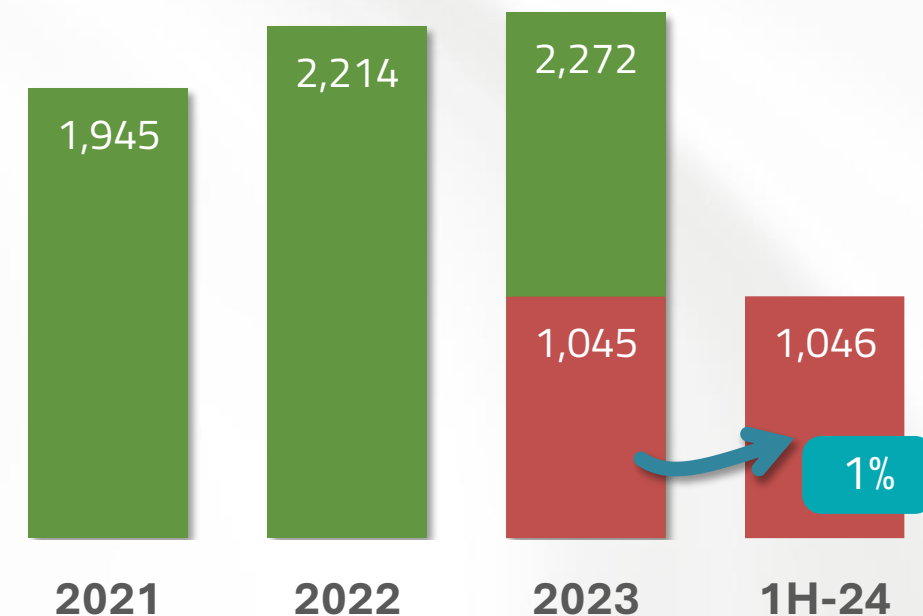


We produced 1 million tons FFB in 1H-2024, similar to 1H-2023, despite some impact from the El Nino occurrence from 2H-2023 to early 2024.

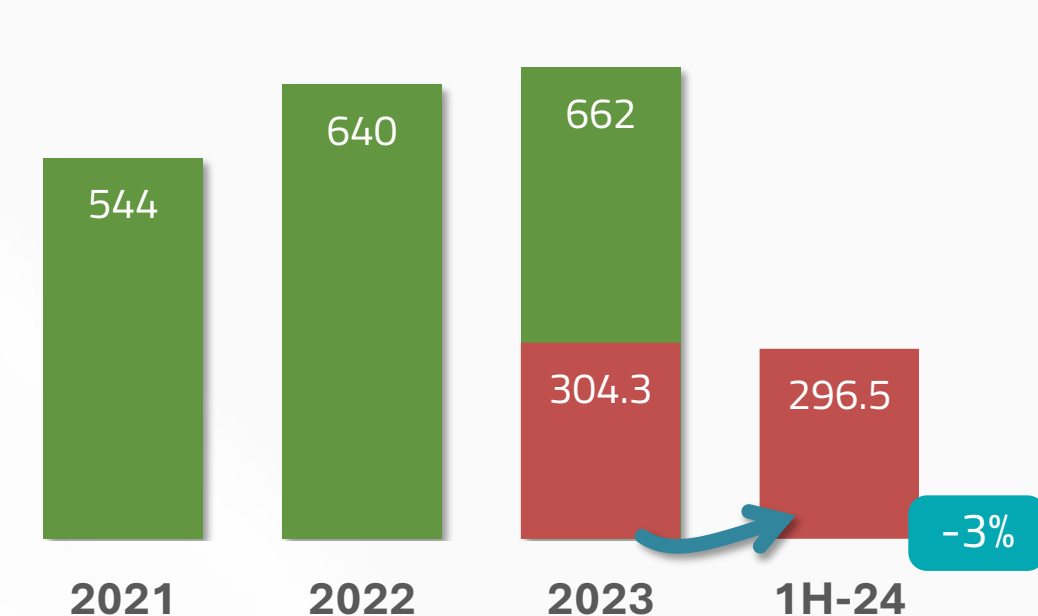
Despite the reduction in external FFB purchases driving lower FFB processing volume by 8%, the CPO production only shorted by 3% YoY due to higher OER. Likewise, both PK and PKO production increased due to higher extraction rates.



## FFB Production

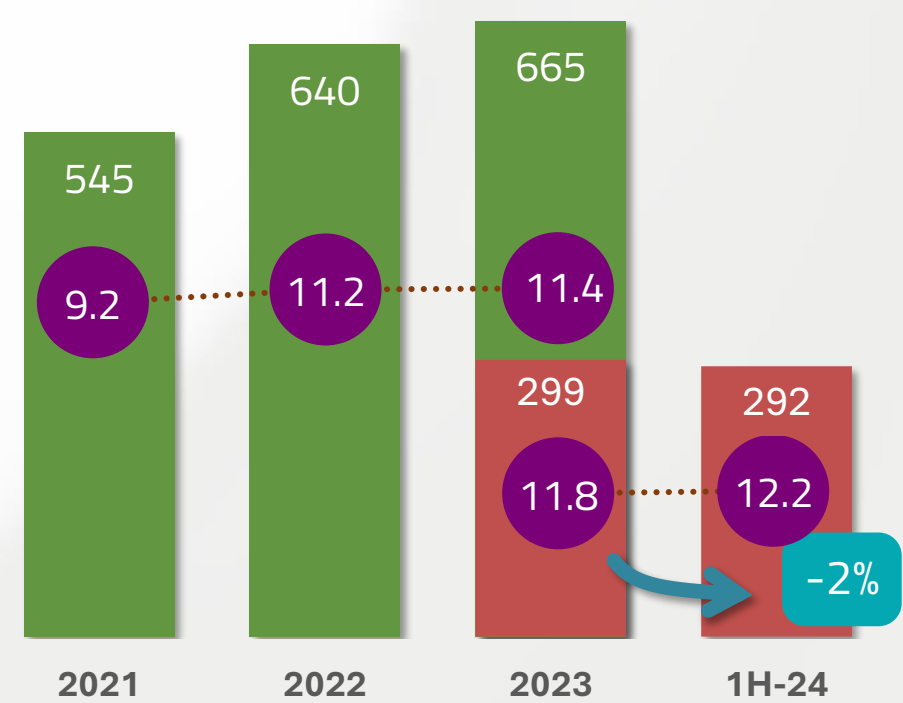


## CPO Production

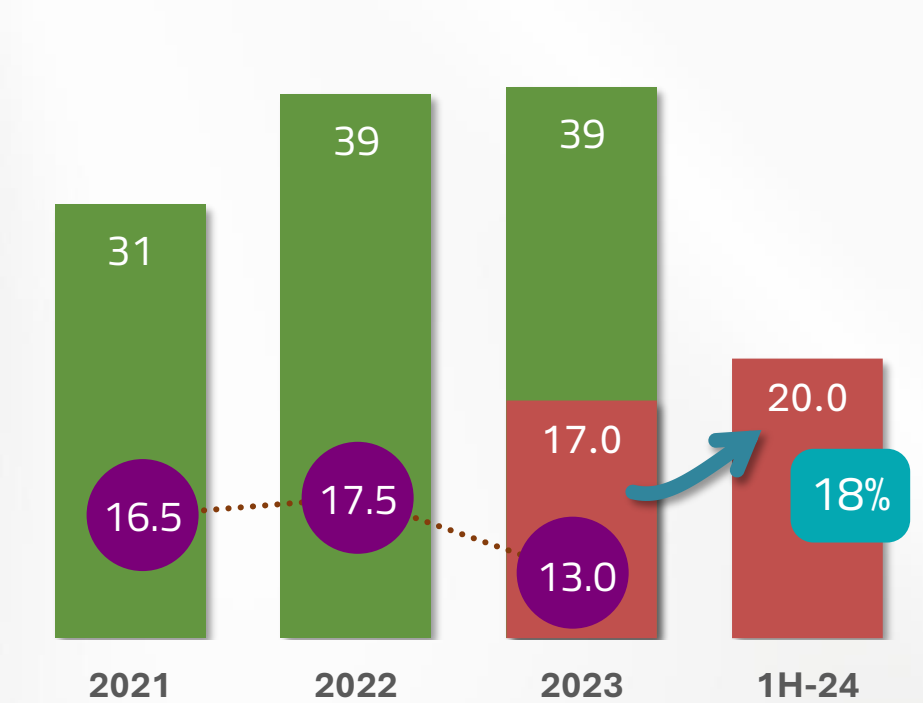


■ Volume FY ('000 ton) ■ Volume 1H ('000 ton) ● ASP (IDR mn/ton)

## CPO Sales



## PKO Sales

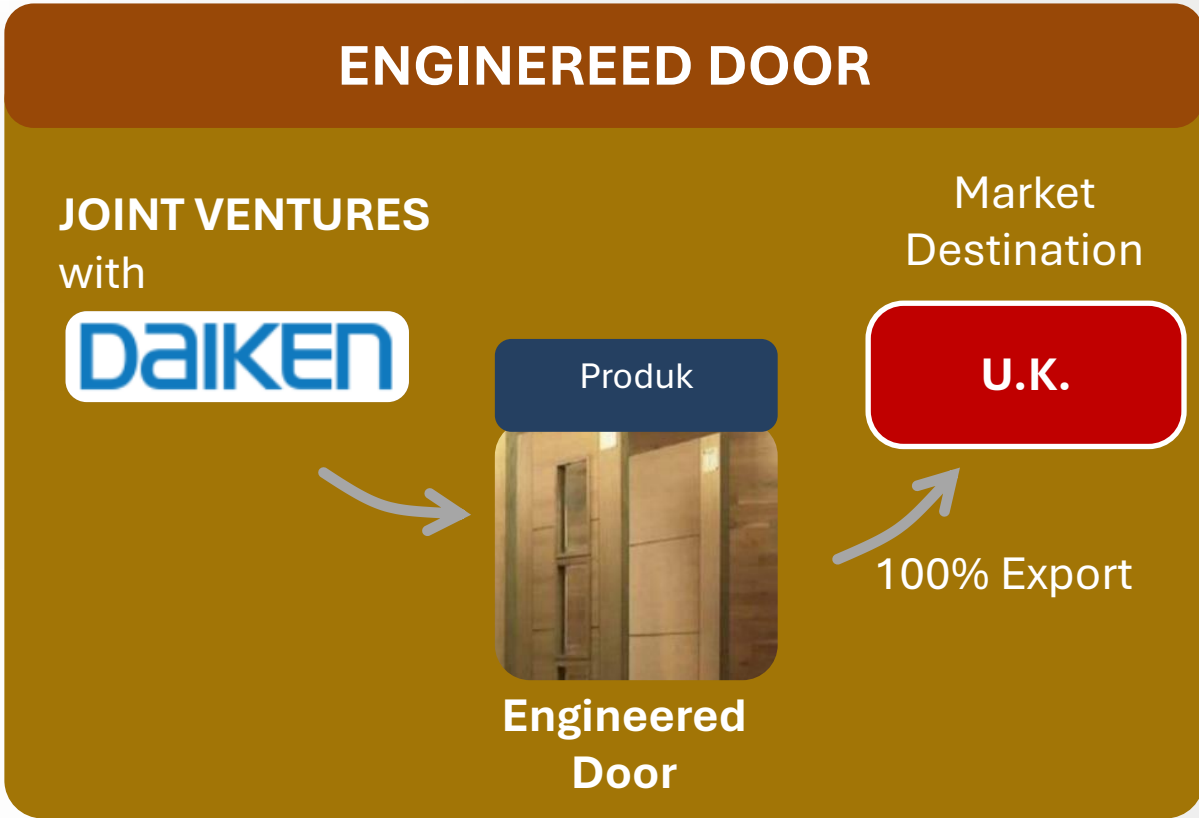
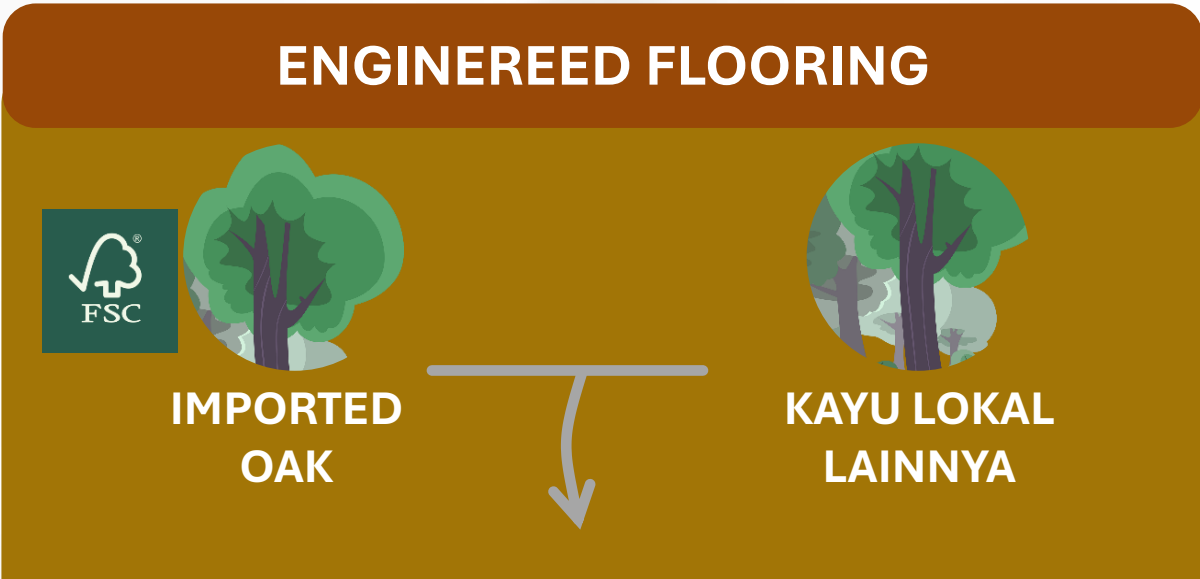
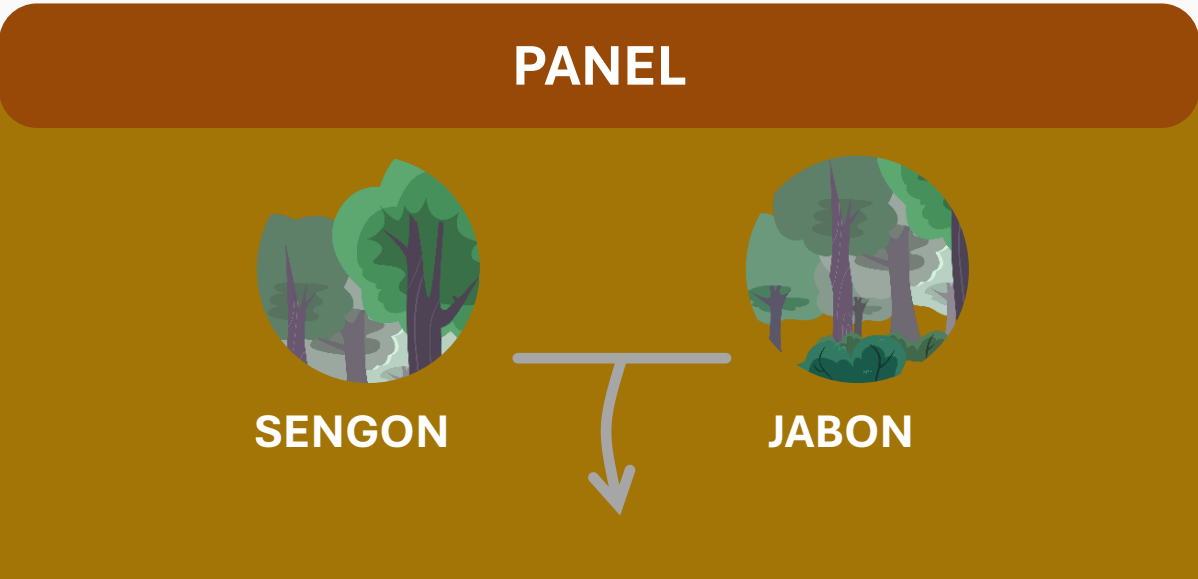


# Wood Product Segment

Wood Products is DSNG's legacy business. All the Company's wood products are certified to various international standards and exported to many countries around the world. Our wood supply chain comes from the domestic market sourced from Agroforestry plantations which are mostly owned by smallholders.



Raw Material



Production Capacity

**PRODUCTION CAPACITY**  
12,000 m3/months

**PRODUCTION CAPACITY**  
150,000 m2/months

Products



Markets

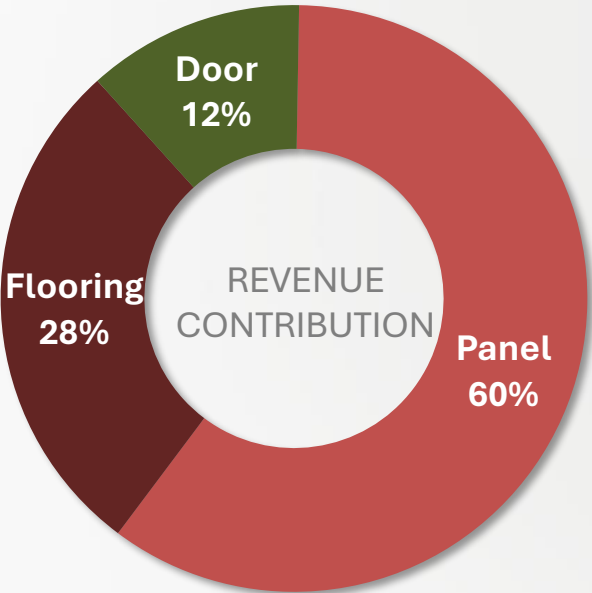
100% Export  
90% Japan | 10% Other countries

Domestic Market

**TEKA Showroom**  
Alam Sutera, Jl. Jalur Sutera Kav. 29B No. 36-37 Tangerang selatan, Banten

Export

- Europe
- Canada
- Asia
- New Zealand
- USA





# Wood Product Segment



During 1H-24, our panel products reflected a 25% higher sales volume YoY by through more market share in Japan. 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.

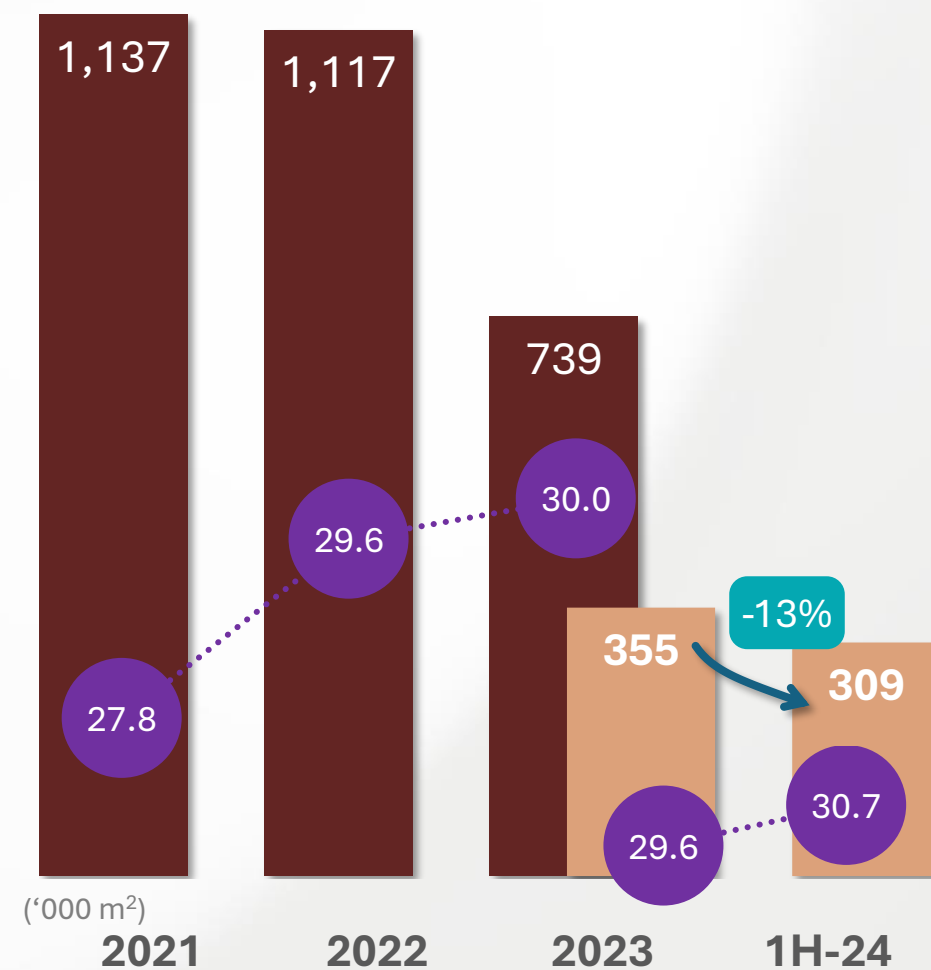
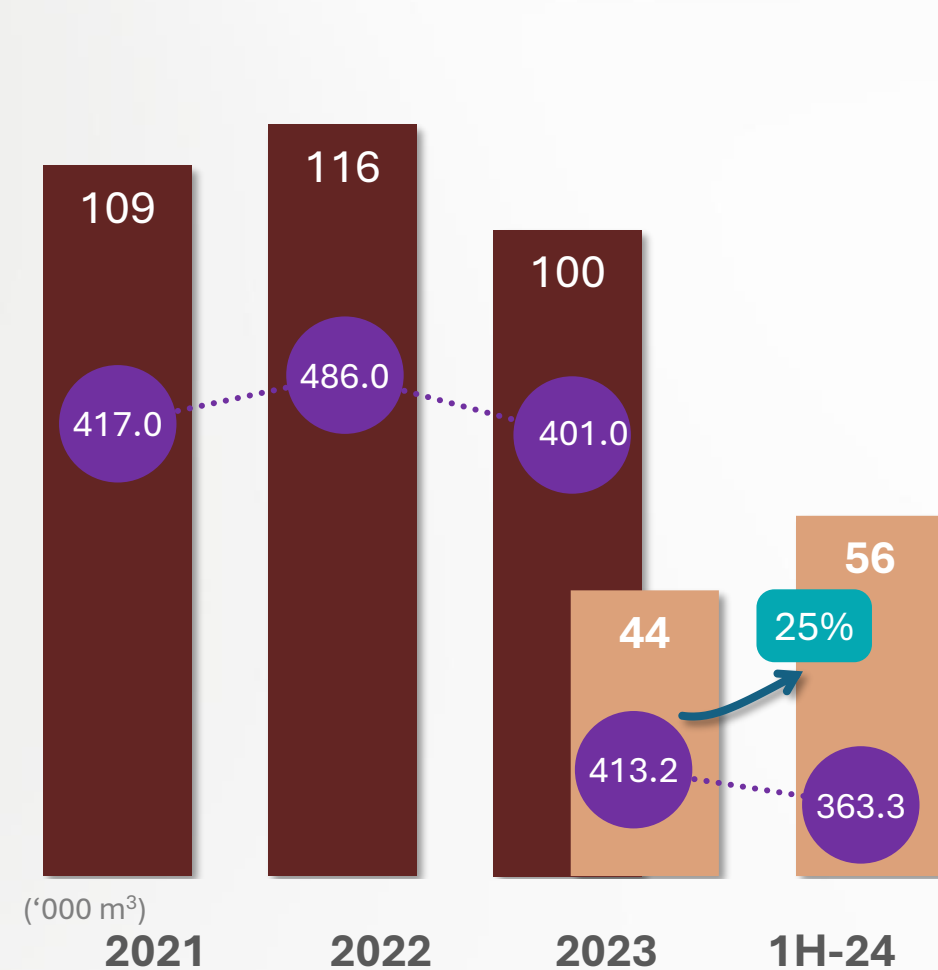
Meanwhile, our Engineered Flooring products did not experience a significant drop in ASP due to the product mix. Still, their sales volume was lower by 13% YoY, reflecting the stagnant markets in the USA and Canada as the USD interest rate and inflation are still hovering high.

## SALES - PANEL

## SALES - FLOORING

■ Volume FY ■ Volume 1H ● ASP (USD/m<sup>3</sup>)

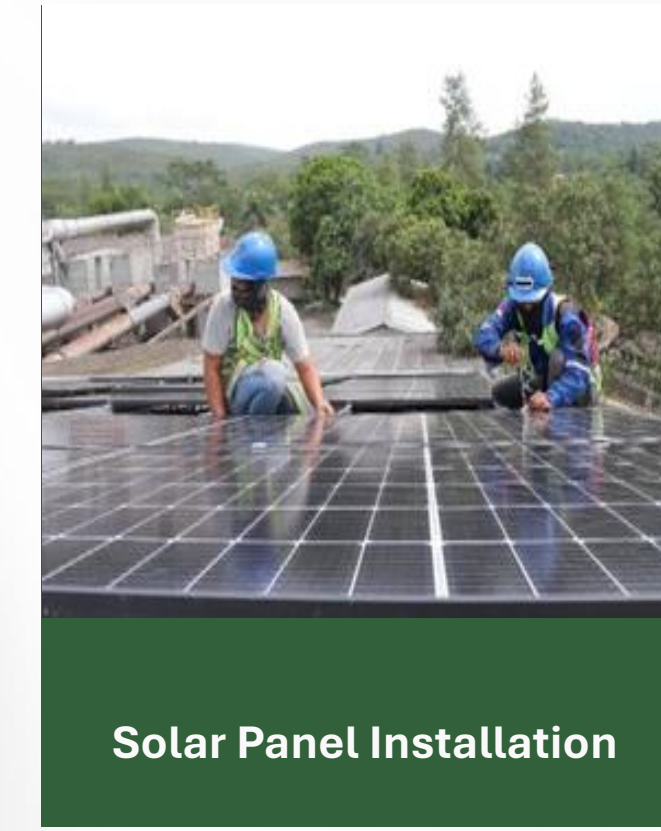
■ Volume FY ■ Volume 1H ● ASP (USD/m<sup>2</sup>)



# Wood Product Segment – Productivity through Technology



The Wood Products segment is a capital-intensive business where efficient production processes play a significant role in producing quality yet low-cost products. For this reason, since the last five years, the Company has implemented the autonomous concept in its production process so that labor and inventory requirements are leaner, the number of defective products and production costs can be reduced. Thus, the Company's products are more competitive in the market.



✓ Environmentally Friendly

✓ Increasing Efficiency & Effectiveness

✓ Reducing Cost





# Renewable Energy Segment



In 2023, DSNG added a new business unit, Renewable Energy. This segment was born from DSNG's commitment to the concept of zero waste and circular economy. Currently, this business unit is contributed by 2 business models, which are Palm Shell Biomass and Wood Pellet Biomass.

## ◀ Joint Venture ▶



### Palm Shell Biomass

	1H-2024	1H-2023	% YoY	FY 2023
Sales Volume (Ton)	62,070	18,897	228.5	40,397
ASP (USD/Ton)	121.00	107.03	13.1	113.35

DSNG utilizes solid waste from palm oil production such as shells as biomass energy feedstock. Palm kernel shell is a popular biomass energy feedstock for Japanese independent power producers to increase the proportion of low to zero carbon power generation.

DSNG monetized this opportunity through the establishment of a JV with Japanese company Erex Co Ltd. by bagging a 15-year long-term sales contract of up to 140,000 tons of PKS per year to EREX.



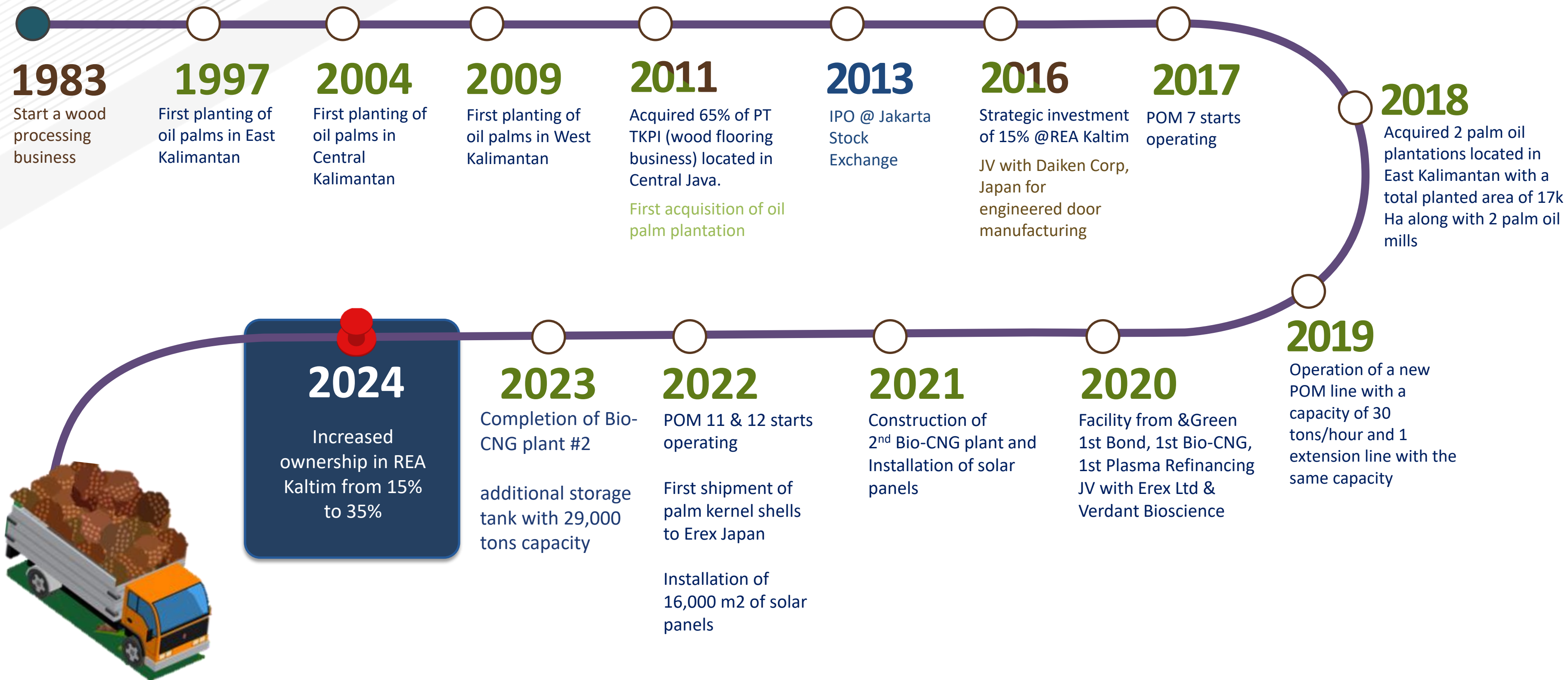
### Wood Pellet Biomass

PT Dharma Energi Investama (DEI), a subsidiary of DSNG, and PT Sumitomo Forestry Indonesia, a subsidiary of Sumitomo Forestry Co. Ltd. officially established PT Biomass Lestari Nusantara.

PT Biomass Lestari Nusantara will establish a wood pellet plant to export biomass fuel. The wood pellet plant in Central Java is under construction, with wood waste feedstock coming from internal and external sources in Central Java.

# MILESTONE DSNG

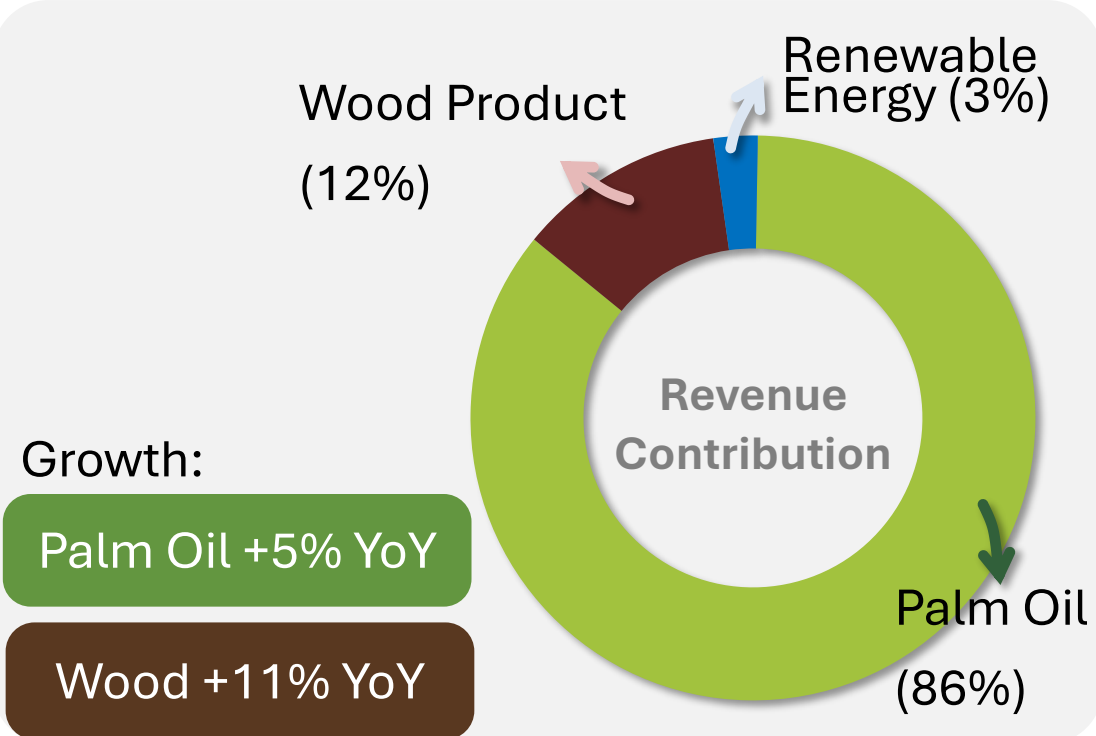
PT Dharma Satya Nusantara Tbk (DSNG) established on 29 September 1980.



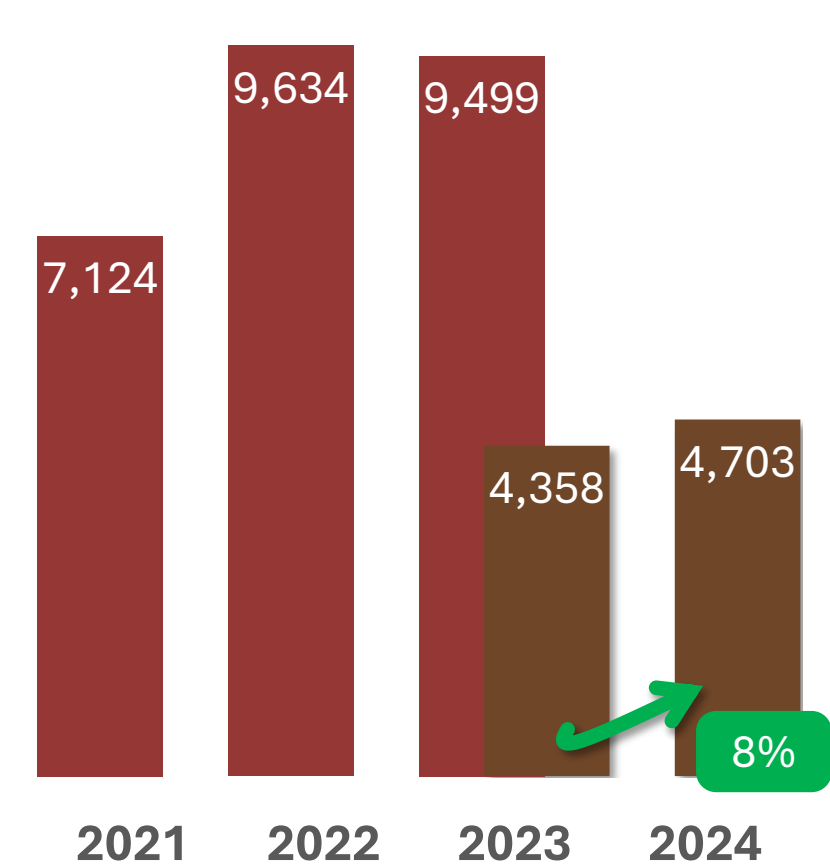


# Consolidated Financial Performance

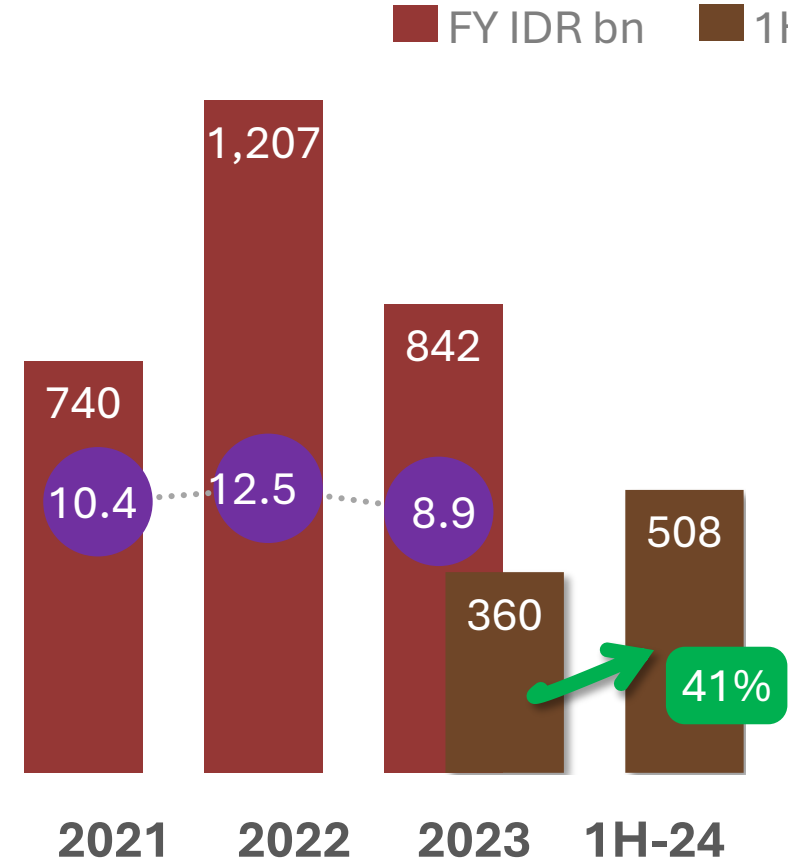
Following higher revenue generation, EBITDA increased significantly by 33% YoY to IDR 1.4 trillion, given a satisfactory EBITDA margin of 29% in 1H-2024 against 24% in 1H-2023.



## REVENUE



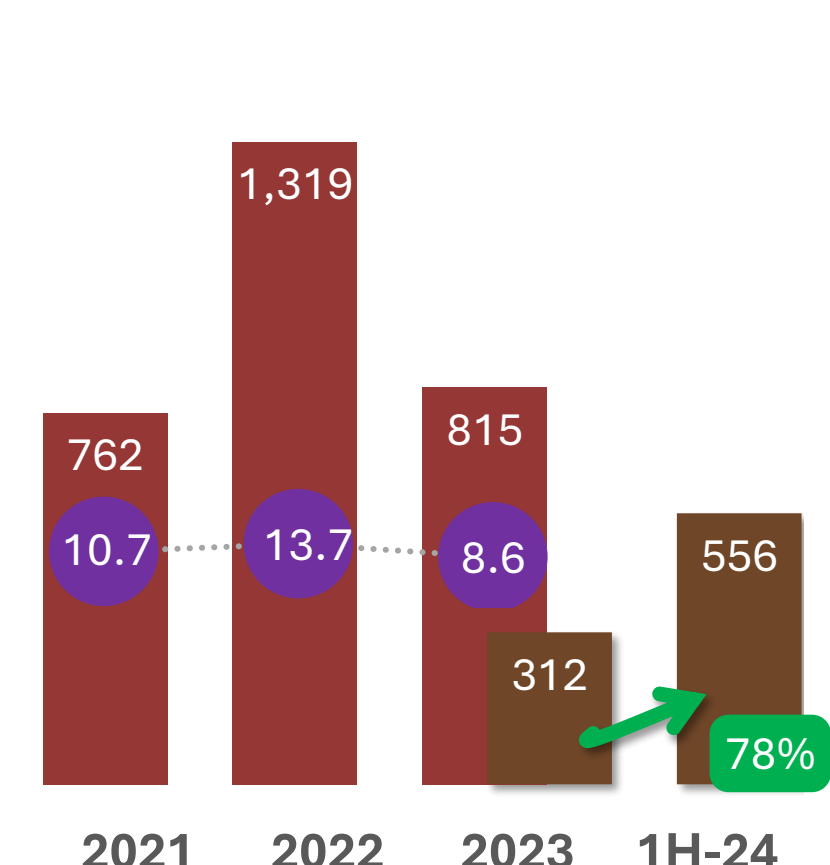
## NET PROFIT



## EBITDA



## CORE PROFIT



# Consolidated Balance Sheet



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





# Various Indexes

Recognition from several independent institutions towards DSNG's performance achievements is reflected in the various awards received by the Company as well as the inclusion of DSNG shares as constituents of several actively traded market indexes.

**1** August'24 – Jan'25

**5** Jun'24

**2** **ISSI**  
Indeks Saham Syariah Indonesia  
11 Jul'24

**3** **JII70**  
Jakarta Islamic Index  
Jun'24 – Nov'24

**4** **IDXSHAGROW**  
IDX Sharia Growth  
Jun'24 – Nov'24

**6** Jun'24 – Nov'24

**7** Jun'24 – Nov'24

Year	Score	Rank
2019	37.3%	46 <sup>th</sup>
2020	75.3%	16 <sup>th</sup>
2021	85.9%	7 <sup>th</sup>
2022	86.4%	12 <sup>th</sup>
2023	90.4%	10 <sup>th</sup>

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

# DSNG's Latest Awards



## Corporate Emission Reduction Transparency Award 2024

On 24 May 2024, DSNG was awarded by Investor Trust and Bumi Global Karbon (GBK) as the 18th Best Corporate Emission Reduction Transparency out of 99 companies being rated, in the category of Green Elite for the emission reduction and Platinum Plus for the transparency.

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

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.





# DSNG Loan & Creditor Profile



## IMPACT LOAN

Stichting **andgreen.fund**

ADVISED BY **SAIL VENTURES**

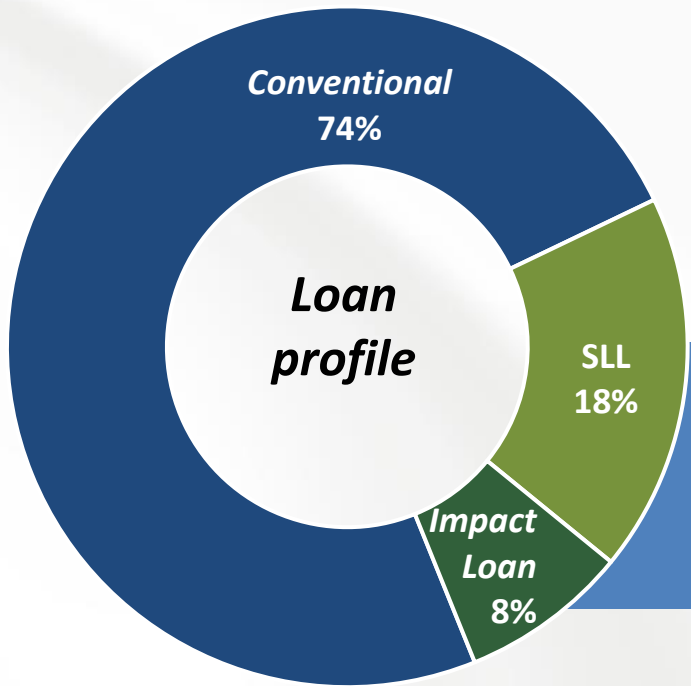
USD 30 MILLION - 10 YEARS

### THE CONTRIBUTORS

 Unilever	 Norway's International Climate & Forest Initiative	 Global Environment Facility
 Mobilising Finance for Forest - FMO	 Ford Foundation	

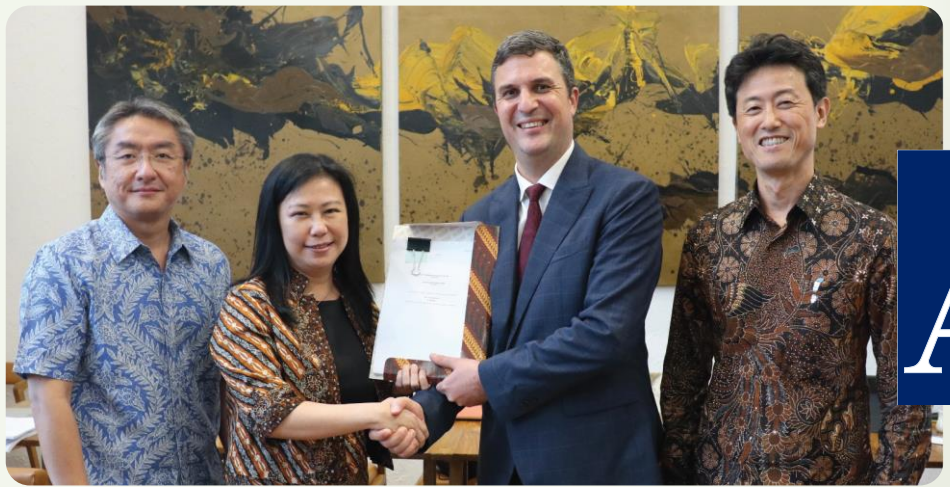
[www.andgreen.fund](http://www.andgreen.fund)

**DSNG is the first Palm Oil Plantation Company to receive &Green investment**



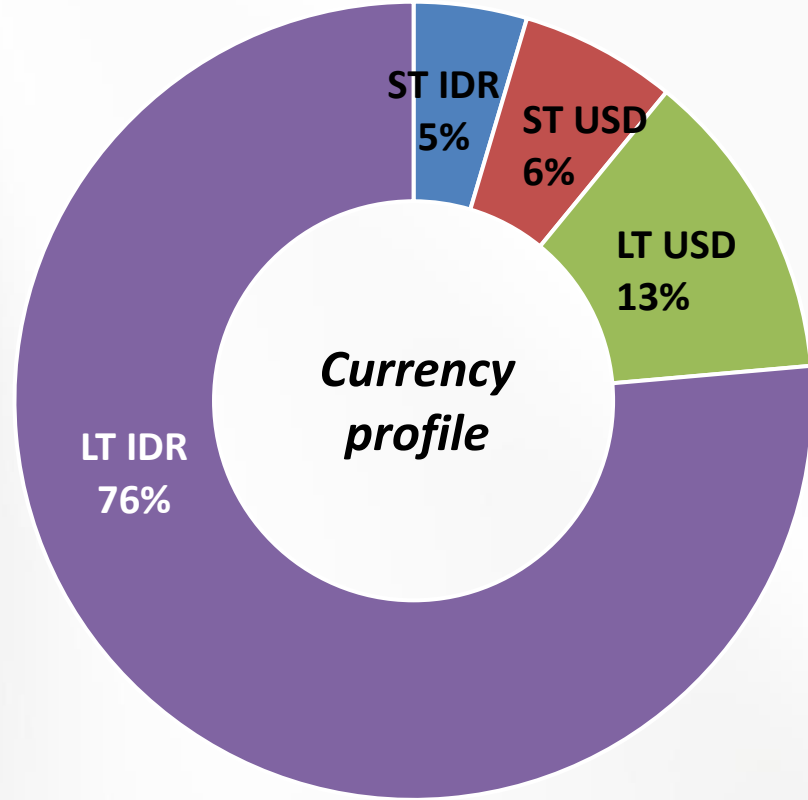
26% or equivalent to IDR 1.568 bn of DSNG's total debt is in the form of SUSTAINABILITY LOAN

## SUSTAINABILITY LINK LOAN



<https://bca.co.id>

<https://bankmandiri.co.id>





# DSNG's Latest Sustainability Programs





# DSNG SUSTAINABILITY PROGRAM



As a form of the Company's serious commitment to sustainability practices, in 2020 DSNG established Sustainability Advisory Board (SAB) consisting of DSNG top management and independent figures who have high credibility in international sustainability practices. The main role of the SAB is to provide direction to management so that it can produce policies and implement sustainability programs that are increasingly better and can be accounted for transparently to all stakeholders.

*"The SAB's main role is to challenge, guide and advise DSNG to achieve what the community expects from a responsible and responsive organization."*



## Chairman DATUK DARREL WEBBER



is the former CEO of RSPO, a global multi-stakeholder initiative, transitioning global agricultural commodities towards sustainable production and consumption.

He is currently the global Managing Director of Global Forest Strategy for Earth Innovation Institute. In this role, he leads a new initiative to promote sustainable jurisdictions in 10 countries.

He has previously served at Shell, New Britain Palm Oil and WWF. He is also on the Board of ISEAL Alliance and a trustee of the Southeast Asia Rainforest Research Partnership (SEARRP).

## Member MICHAEL SCHULP



is a Partner and Managing Director of Sail Ventures, the Dutch investment advisory boutique for &Green ([www.andgreen.fund](http://www.andgreen.fund)).

He is the founder and long-term director of Gold Standard, a carbon project certification scheme established under the auspices of WWF. He works in sustainable energy finance at the UNEP Collaborating Center BASE.

He is also a trained geographer and has a degree in Environmental Management and Policy.

## Member DENYS MUNANG



Chief Sustainability Officer  
PT Dharma Satya Nusantara Tbk

## Member TIMOTHEUS ARIFIN C



Director  
PT Dharma Satya Nusantara Tbk

## Member (since 2024) GITA SYAHRANI



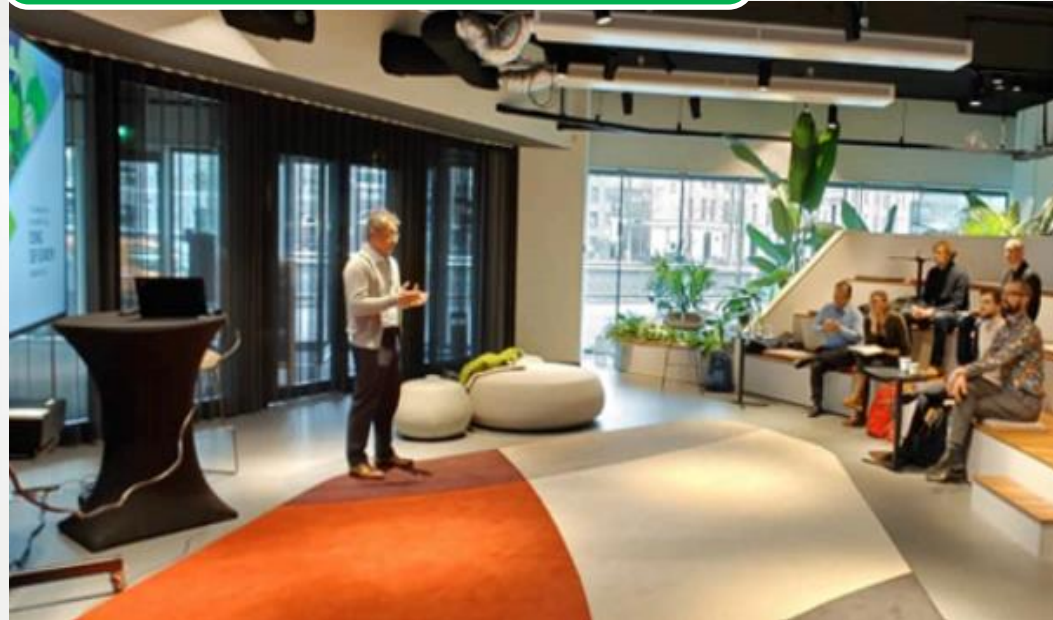
previously served as Executive Director for the Lingkar Temu Kabupaten Lestari Secretariat. Recently, he was awarded a USD3 Million grant from Global Philanthropy Climate Breakthrough.



# DSNG's Commitment to Sustainability



## SEF 2024



DSNG organized an international Stakeholder Engagement Forum (SEF) in Netherlands in February 2024. It was organized collaboratively with Solidaridad Netherlands and MVO (Dutch Vegetable Oil Association) and attended by organizations representing industry, NGO, and the Ministry of Foreign Affairs. The purpose of this meeting was to understand the perspectives of external stakeholder in Europe, especially on global sustainability issues.

## DSNG Collaboration



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).

## DSNG Built Filial School



As one of the supports for sustainable development goals (SDGs) and Indonesia Gold 2045, DSNG establishes collaboration and coordination with the government, and UPT Pendidikan Kecamatan Karangon to establish SDN 001 Karangon, a filial school that was built by a local contractor.



# OPERATIONAL SUMMARY



## Palm Oil

	1H-24	1H-23	YoY Δ%	Q2-24	Q1-24	QoQ Δ%	2023	2022	2021
<b>Planted Land ('000 ha)</b>	112.2	112.8	(0.5)	112.2	112.7	(0.4)	112.7	112.9	112.8
Nucleus	84.2	84.5	(0.4)	84.2	84.8	(0.7)	84.8	84.6	84.5
Plasma	27.9	28.3	(1.4)	27.9	27.9	-	27.9	28.3	28.3
<b>FFB Production ('000 t)</b>	1,046.1	1,046.5	(0.0)	521.5	524.6	(0.6)	2,271.7	2,214.0	1,944.8
Nucleus	826.5	831.5	(0.6)	411.9	414.6	(0.6)	1,796.5	1,758.5	1,568.4
Plasma	219.6	215.1	2.1	109.6	110.0	(0.4)	475.3	455.5	376.3
<b>FFB Yield (t/ha)</b>									
Nucleus	10.0	10.1	(1.0)	5.0	5.4	(7.9)	21.9	21.8	19.7
Plasma	8.9	8.3	7.3	4.5	4.5	(0.4)	19.6	19.1	16.2

## Mills

<b>Production ('000 t)</b>									
FFB Processed	1,233.1	1,345.4	(8.3)	614.0	619.1	(0.8)	2,854.6	2,809.2	2,362.1
Crude Palm Oil (CPO)	296.5	304.3	(2.6)	147.0	149.5	(1.7)	661.9	639.5	544.3
Palm Kernel (PK)	56.2	55.5	1.2	27.9	28.3	(1.5)	122.7	117.6	96.7
Palm Kernel Oil (PKO)	18.9	18.2	3.8	9.2	9.7	(5.5)	40.4	38.0	30.1
<b>Yields (%)</b>									
Palm Oil (OER)	24.0	22.6	6.3	23.9	24.2	(0.9)	23.2	22.8	23.0
Palm Kernel (KER)	4.6	4.1	10.4	4.5	4.6	(0.7)	4.3	4.2	4.1
Free Fatty Acid (FFA)	2.6	3.0	(13.6)	3.8	2.9	30.6	2.9	3.8	3.3

## Sales

<b>Volume ('000 t)</b>									
Crude Palm Oil (CPO)	292.0	298.6	(2.2)	146.2	145.8	0.3	665.0	639.5	544.8
Palm Kernel (PK)	11.1	11.5	(2.8)	5.5	5.6	(0.6)	26.9	27.3	24.4
Palm Kernel Oil (PKO)	20.0	17.0	17.5	11.0	9.0	22.2	39.4	38.9	31.0
<b>ASP (IDR mn/ton)</b>									
Crude Palm Oil (CPO)	12.22	11.83	3.27	12.69	11.74	8.1	11.39	11.18	9.22
Palm Kernel (PK)	6.01	5.40	11.26	6.64	5.38	23.5	5.07	7.35	6.90
Palm Kernel Oil (PKO)	14.52	13.37	8.58	15.64	13.16	18.8	12.97	17.48	16.45

## Wood Product

	1H-24	1H-23	YoY Δ%	Q2-24	Q1-24	QoQ Δ%	2023	2022
<b>Sales Volume ('000)</b>								
Panel (m3)	55.5	44.3	25.3	28.0	27.2	2.9	99.5	115.7
Engineered floors (m2)	308.5	354.6	(13.0)	183.9	200.0	(8.1)	738.5	1,117.0
<b>ASP (IDR mn)</b>								
Panel (USD/m3)	363.25	413.20	(12.1)	388.58	393.76	(1.3)	400.97	485.74
Engineered floors (USD/m2)	30.65	29.62	3.5	30.51	30.09	1.4	29.97	29.60

## Renewable Energy

	1H-24	1H-23	YoY Δ%	Q2-24	Q1-24	QoQ Δ%	2023
<b>Sales Volume ('000)</b>							
Palm Kernel Shell	62,070	18,897	228.5	32,050	30,019	6.8	40,397
<b>ASP (USD/ton)</b>							
Palm Kernel Shell	121.00	107.03	13.1	121.00	121.00	-	113.35

# FINANCIAL SUMMARY



## Consolidated

Profit & Loss (IDR bn)	1H-24	1H-23	YoY Δ%	Q2-24	Q1-24	QoQ Δ%	2023	2022	2021
Revenue	4,703	4,358	7.9	2,473	2,230	10.9	9,499	9,634	7,124
Gross Profit	1,334	1,056	26.3	721	613	17.5	2,527	3,118	2,025
% margin	28.4	24.2		29.1	27.5		26.6	32.4	28.4
Operating Profit	934	633	47.6	502	431	16.4	1,556	2,172	1,393
% margin	19.9	14.5		20.3	19.3		16.4	22.6	19.5
Net Profit	508	360	41.2	242	229	5.6	842	1,207	740
% margin	10.8	8.3		9.8	10.3		8.9	12.5	10.4
EBITDA	1,380	1,036	33.3	708	635	11.6	2,421	3,018	1,941
% margin	29.3	23.8		28.6	28.5		25.5	31.3	27.2
<b>Cash flow (IDR bn)</b>									
Cash flow from operations	1,017	648	56.9	646	371	74.0	1,874	1,538	1,056
Cash flow from investments	(1,422)	(792)	(79.5)	(308)	(1,114)	72.4	(1,674)	(1,297)	(177)
Cash flow from financing	251	320	(21.7)	(273)	523	(152.1)	(212)	(350)	(1,063)
<b>Financial Position</b>									
Total debt	5,985	5,628	6.3	5,985	6,274	5.7	5,577	5,447	5,309
Net debt	5,643	5,141	9.8	5,643	5,957	2.0	5,187	5,078	4,870
Total Asset	17,229	15,978	7.8	17,229	17,026	(18.4)	16,178	15,357	13,712
Total Equity	9,203	8,199	12.2	9,203	9,157	(31.4)	8,889	8,160	7,025
Total debt / equity	0.7x	0.7x		0.7x	0.7x		0.6x	0.7x	0.8x
Total debt / EBITDA	2.2x	2.0x		2.2x	2.6x		2.3x	1.8x	2.7x
Net debt / equity	0.6x	0.6x		0.6x	0.7x		0.6x	0.6x	0.7x
Net debt / EBITDA	2.0x	1.8x		2.0x	2.4x		2.1x	1.7x	2.5x

## Segmented

Palm Oil (IDR bn)	1H-24	1H-23	YoY Δ%	Q2-24	Q1-24	QoQ Δ%	2023	2022	2021
Revenue	4,026	3,853	4.5	2,121	1,905	11.4	8,354	8,117	5,792
Gross Profit	1,214	978	24.1	656	558	17.7	2,332	2,783	1,730
% margin	30.1	25.4		30.9	29.3		27.9	34.3	29.9
Operating Profit	981	643	52.6	543	438	23.9	1,611	2,149	1,342
% margin	24.4	16.7		25.6	23.0		19.3	26.5	23.2
EBITDA	1,346	1,042	29.2	729	617	18.0	2,395	2,869	1,833
% margin	33.4	27.0		34.4	32.4		28.7	35.3	31.7
Profit Before Tax	732	487	50.4	409	323	26.7	1,216	1,639	945
% margin	18.2	12.6		19.3	17.0		14.6	20.2	16.3
<b>Wood Products (IDR bn)</b>									
Revenue	558	505	10.7	289	269	7.6	1,074	1,517	1,332
Gross Profit	79	78	1.4	44	35	25.8	166	335	294
% margin	14.2	15.4		15.2	13.0		15.5	22.1	22.1
Operating Profit	18	16	16.4	12	18	(31.3)	44	148	154
% margin	3.3	3.1		4.2	6.6		4.1	9.8	11.5
EBITDA	61	44	40.1	29	33	(11.9)	118	270	210
% margin	10.9	8.6		10.0	11.9		11.0	17.8	15.7
Profit Before Tax	(4)	18	(124.2)	(6.3)	1.9	(426.0)	23	97	127
% margin	(0.8)	3.6		(2.2)	0.7		2.2	6.4	9.5
<b>Renewable Energy (IDR bn)</b>									
Revenue	119	62	57	9.9	70				
Gross Profit	41	20	20	0.2	30				
% margin	34.3	32.8	35.9		42.2				
Operating Profit	16	8	8	(4.6)	13				
% margin	13.3	12.1	14.0		17.9				
EBITDA	16	8	8	(4.4)	13				
% margin	13.1	12.2	14.1		18.1				
Profit Before Tax	16	8	8	(1.1)	13				
% margin	13.1	12.4	13.8		18.0				

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





**THANK YOU**