

PT DHARMA SATYA NUSANTARA TBK (DSNG) INVESTOR NEWSLETTER

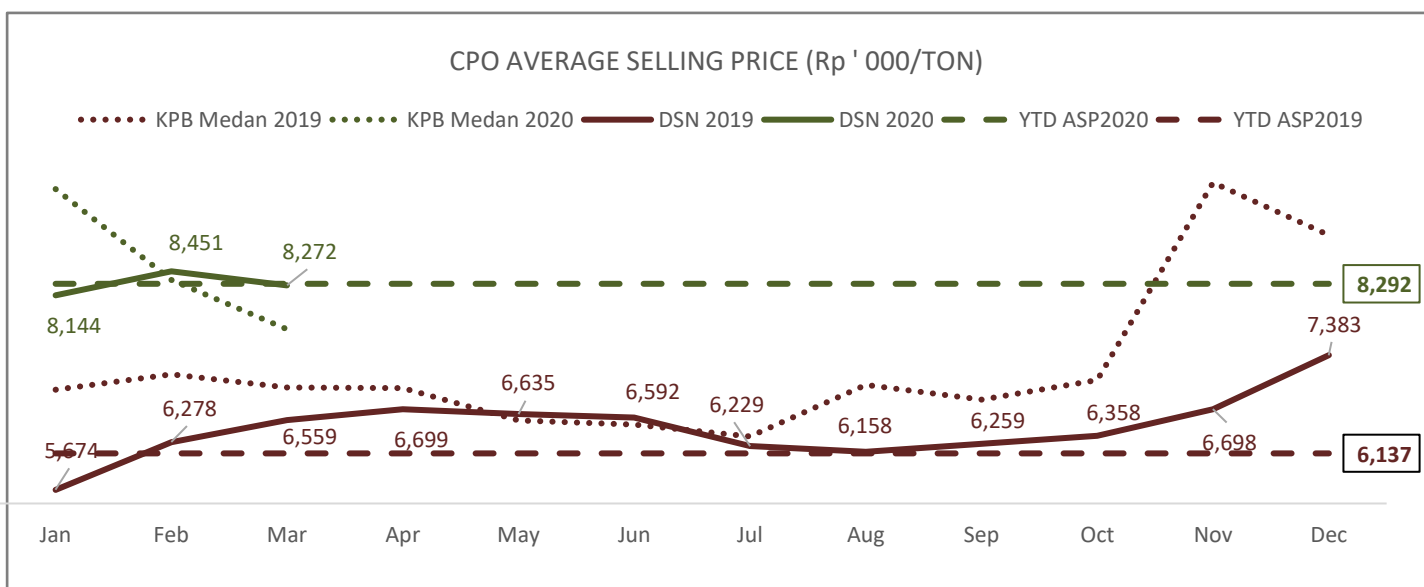
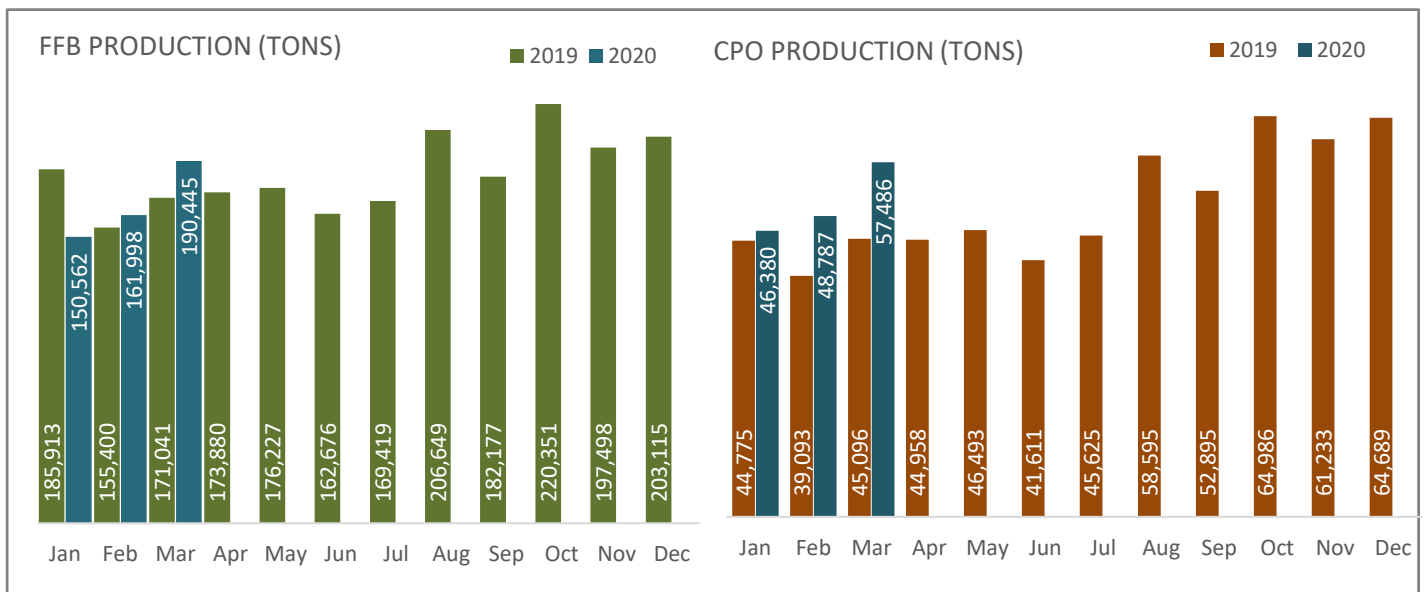


Our FFB production in the first quarter of 2020 reached 503 thousand tons, slightly declined by 2% due to a longer than expected drought in Q4 of 2019 extended into the first couple months in 2020, which has consequently affected the capability of our plantations to produce fruits, particularly the older plantations.

Nevertheless, our CPO production rose by 18% to 153 thousand tons following higher OER of 24.20% against 23.03% last year and topped up with more FFB being processed this quarter. The FFA aggregate level was also improved to 2.54% compared to 1Q2019 of 2.63%.

Against the same period last year, our CPO sales volume in 1Q2020 decreased by 14% due to the absence of high inventory stock as per the beginning of 2019 combined with some shipment delays at the end of March 2020. Meanwhile, our PK and PKO sales volume rose by 56% and 14%, respectively as the production increased.

	3M-20	3M-19	%	FY2019
Plantation Performance				
FFB Production (tons)	503,005	512,354	(1.8)	2,204,345
- FFB Nucleus (tons)	410,470	438,178	(6.3)	1,864,850
- FFB Plasma (tons)	92,535	74,177	24.7	339,495
Mill Performance				
FFB Processed (tons)	630,842	559,880	12.7	2,597,096
CPO Production (tons)	152,653	128,964	18.4	610,050
PK Production (tons)	26,993	20,287	33.1	105,808
PKO Production (tons)	7,790	6,658	17.0	31,462
CPO OER (%)	24,20	23.03	5.1	23.49
FFA (%)	2,54	2.63	(3.6)	2.67
Sales Performance				
CPO (tons)	142,947	165,908	(13.8)	665,993
PK (tons)	9,018	5,796	55.6	31,172
PKO (tons)	8,003	7,001	14.3	32,011
CPO ASP (Rp '000/ton)	8,292	6,137	35.1	6,476



PLANTED AREA

As of March 2020, the Company's total planted area, including nucleus and plasma, were 112,450 hectares with an average age of 10.9 years old.

Planted (ha) (as of March 2020)	Average Age (yrs)	Total Planted (ha)
Nucleus	11.7	84,566
Plasma	8.2	27,884
Total	10.9	112,450

WOOD PRODUCTS BUSINESS

	3M-20	3M-19	%	FY2019
Sales Volume				
Panel (m3)	25,858	22,354	15.7	96,622
Engineered Flooring (m2)	238,988	230,964	3.5	931,668
Average Selling Price (Rp 'millions)				
Panel (per m3)	5.75	6.11	(5.9)	5.92
Engineered Flooring (per m2)	0.38	0.39	(2.5)	0.39
Revenue (Rp millions)				
Panel	148,655	136,622	8.8	571,648
Engineered Flooring	91,061	90,225	0.9	360,685

During the first three months of 2020, our wood product segment achieved higher sales volume, particularly contributed by the increase of 16% in panel products following a higher demand from Japan market.

However, the average selling price of both panel and engineered floorings were lower by 6% and 3%, respectively against the same period last year.

FINANCIAL SUMMARY

In the first quarter of 2020, the Company generated revenue of Rp 1.59 trillion, 16% higher compared to the same period last year as CPO selling price was significantly higher by 35%, from Rp 6.1 million per ton in 1Q2019 to Rp 8.3 million per ton in 1Q2020. Palm oil segment contributed 83% of the Company's total revenue, higher than last year of 82%.

Gross profit and operating profit also increased by 14% and 43%, respectively. The Company posted EBITDA for the period of Rp 436 billion, 37% higher than the same period last year, with EBITDA margin of 27%, as against 23% in 1Q2019.

The Company recorded income of Rp 82 billion in the first quarter of 2020, 25% higher than 1Q19 with a better profit margin of 5.2% than last year of 4.8%.

	In Millions Rupiah	
	March 31, 2020	March 31, 2019
Revenue	1,589,994	1,371,536
- Palm Oil	1,318,217	1,129,738
- Wood Product	271,777	241,798
Gross Profit	411,855	360,466
% margin	25.9	26.3
Operating Profit	294,771	206,072
% margin	18.5	15.0
Profit Before Income Tax	109,489	90,855
% margin	6.9	6.6
EBITDA	435,888	318,095
% margin	27.4	23.2
Total Comprehensive Income	82,276	65,955
% margin	5.2	4.8

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