



# PT DHARMA SATYA NUSANTARA TBK (DSNG.IJ) INVESTOR NEWSLETTER

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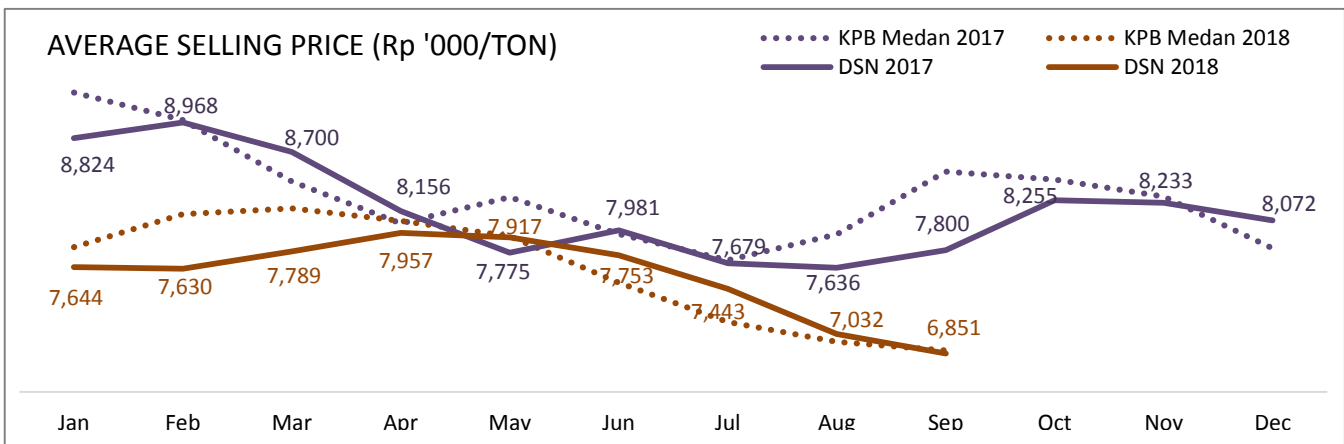
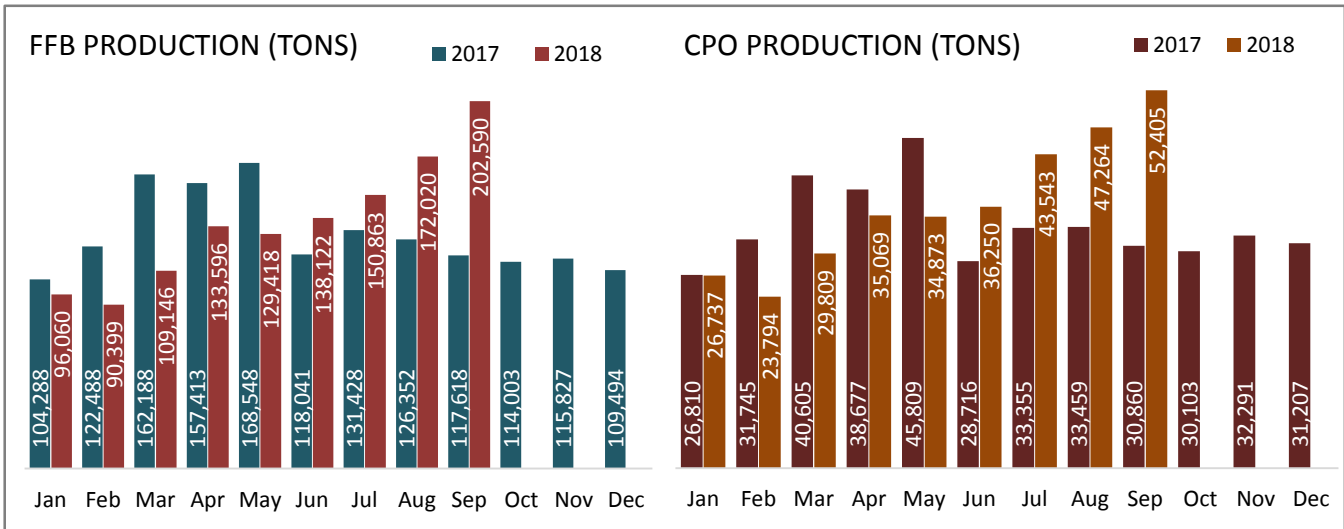
Started with a slow pace in the first half of 2018—where our FFB production was behind 16% than last year—our Q3 2018 production was significantly high and has resulted in total FFB production of 1.2 million tons for nine months until September 2018 ahead the same period last year by 1.1%.

In line with FFB production, our mill productivity also showed a significant improvement in the third quarter of 2018 with CPO production increased by 35% compared to the previous quarter

while CPO OER increased to 23.7%. Our blended average FFA level also improved to 2.7% in the first nine months of 2018.

Our year to date CPO sales volume until September 2018 was 303 thousand tons, 13% lower compared to same period last year, despite our sales volume in the third quarter was 10% higher compared to the second quarter. Our realized year to date ASP for CPO during 2018 was Rp 7.5 million per ton, 7% lower compared to the same period last year of Rp 8.1 million per ton.

	9M-2018	9M-2017	YoY%	Q1-2018	Q2-2018	Q3-2018	QoQ%	FY2017
<b>Plantation Performance</b>								
FFB Production (ton)	1,222,213	1,208,363	1.1	295,605	401,136	525,472	31.0	1,547,686
- FFB Nucleus (ton)	1,044,276	1,079,422	(3.3)	259,588	340,912	443,776	30.2	1,381,803
- FFB Plasma (ton)	177,937	128,941	38.0	36,017	60,224	81,696	35.7	165,884
<b>Mill Performance</b>								
FFB Processed (ton)	1,391,377	1,357,951	2.5	337,692	449,068	604,617	34.6	1,753,986
CPO Production(ton)	329,743	310,037	6.4	80,340	106,192	143,212	34.9	403,638
PK Production (ton)	55,691	48,989	13.7	13,598	17,933	24,160	34.7	65,092
PKO Production (ton)	20,965	18,589	12.8	5,365	7,053	8,548	21.2	24,284
CPO OER (%)	23.70	22.83	3.8	23.84	23.65	23.66	0.1	23.01
FFA (%)	2.73	3.04	(10.8)	2.79	2.71	2.71	(0.2)	2.96
<b>Sales Performance</b>								
CPO (ton)	303,041	347,115	(12.7)	81,899	105,279	115,863	10.1	457,973
PK (ton)	8,662	7,327	18.2	2,711	2,420	3,532	45.9	10,067
PKO (ton)	18,001	19,002	(5.3)	5,001	5,000	8,000	60.0	27,002



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## PLANTED AREA

As of September 2018, the company's total planted area, including nucleus and plasma, reached 90,288 hectares, with average age of 9.6 years.

Planted (as of June 2018) (ha)	Average Age (yr)	Planted Hectareage	
		Mature (ha)	Total Planted (ha)
Nucleus	10.5	63,903	69,369
Plasma	6.3	15,198	20,920
<b>Total</b>	<b>9.6</b>	<b>79,101</b>	<b>90,288</b>

## WOOD PRODUCTS BUSINESS

During nine months of 2018, the performance of wood panel business has showed a promising improvement. Panel sales volume and average selling price both increased by 19% and 15% respectively. Meanwhile our engineered flooring sales volume decreased by 15%, although the average selling price was 8% higher than the same period last year.

	9M-2018	9M-2017	% YoY	Q1-2018	Q2-2018	Q3-2018	QoQ%	FY2017
<b>Sales Volume</b>								
Panel (m3)	61,045	50,838	20.1	19,181	20,070	21,794	6.2	70,985
Engineered flooring (M2)	806,457	952,604	(15.3)	269,693	254,269	282,494	11.1	1,249,734
<b>Average Selling Price (ASP)</b>								
Panel (Rp million /m3)	5.92	5.21	14.5	5.64	5.98	6.26	4.6	5.25
Engineered flooring (Rp 'million /m2)	0.41	0.38	7.5	0.41	0.41	0.43	4.5	0.39

## FINANCIAL SUMMARY

Up to the third quarter of 2018 the Company has generated revenue of Rp3.3 trillion, 13% lower compared to the same period last year due to both lower CPO sales volume and ASP. To date, palm oil segment contributed around 79% of the Company's revenue.

In terms of value, our profitability amount was lower than the same period last year, but we have managed to maintain the operating margin level at 21%.

The Company posted EBITDA of Rp 909 billion for the period, 19% lower compared to the same period last year, with EBITDA margin of 27%.

	In Million Rupiah	
	Sept. 30, 2018	Sept. 30, 2017 *
Revenue	3,338,063	3,843,790
Gross Profit	1,004,094	1,279,361
% margin	30.1	33.3
Operating Profit	696,259	772,176
% margin	20.9	20.1
Profit Before Income Tax	432,576	575,436
% margin	13.0	15.0
EBITDA	908,910	1,126,320
% margin	27.2	29.3
Profit	280,931	349,732
% margin	8.4	9.1

\* As restated

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