



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

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*In millions of Rp*

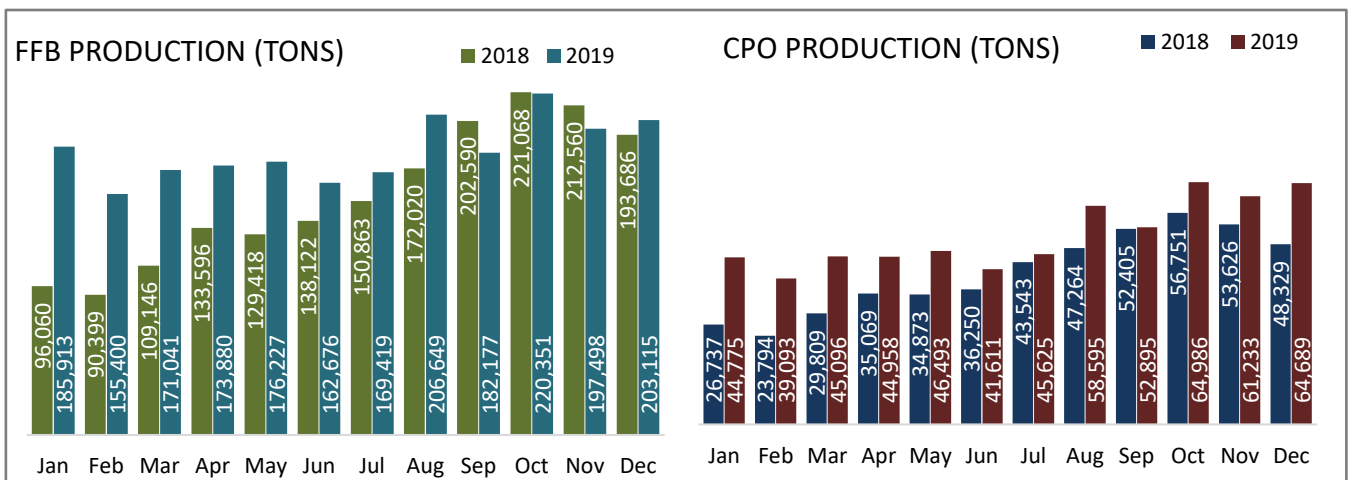
The Company has managed to book a profit of Rp 178 billion in 2019 amid a bleak CPO price environment throughout the year. The total profit decreased by 58% compared to 2018 profit of Rp 427 billion. The Company's CPO ASP in 2019 was recorded at Rp 6.5 million per ton, 10% lower compared to the ASP in 2018 of Rp 7.2 million per ton.

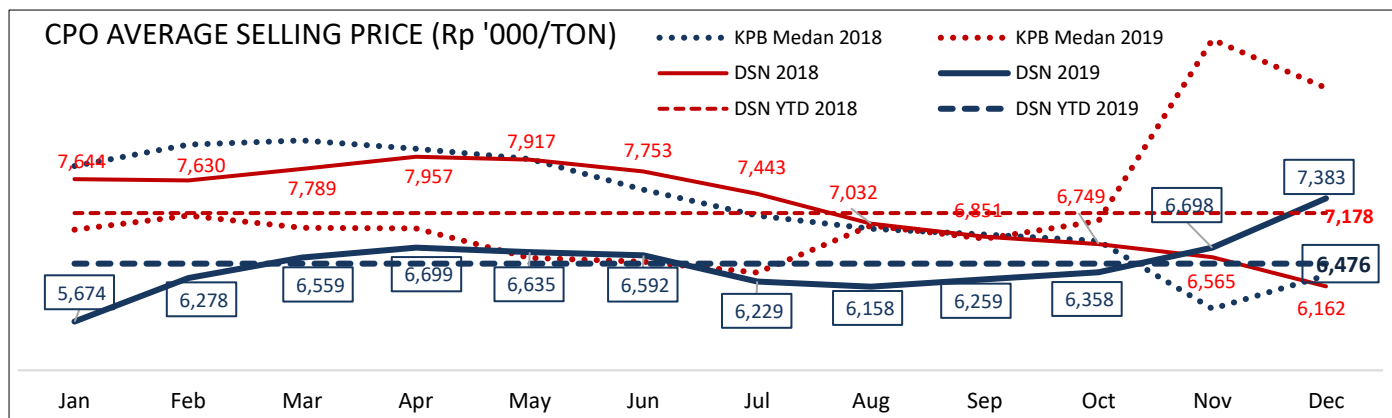
The increase in CPO sales volume by 46% from 2018 has boosted our financial performance in 2019. This increase of volume was driven by the additional CPO production from two plantation companies which was acquired at the end of 2018 as well as the increasing area of mature plantations. In 2019, the Company posted total revenue of Rp 5.74 trillion, an increase of 21% compared to 2018.

The revenue from the palm oil segment was recorded at Rp 4.74 trillion, an increase of 26% against last year and contributing around 83% of total revenue. The remaining 17% contribution came from the wood product segment with revenue of Rp 1 trillion, slightly increase than 2018. This year, the Company generated an EBITDA of Rp 1.31 trillion, with an EBITDA margin of 23%, against 2018 of Rp 1.33 trillion, with an EBITDA margin of 28%.

	FY2019	FY 2018
Revenue	5,736,684	4,761,805
Cost of Revenue	(4,275,989)	(3,218,587)
Gross Profit	1,460,695	1,543,218
<i>% margin</i>	25,5%	32,4%
Operating Profit	756,554	931,863
<i>% margin</i>	13,2%	19,6%
Profit Before Income Tax	280,084	611,264
<i>% margin</i>	4,9%	12,8%
EBITDA	1,312,656	1,334,671
<i>% margin</i>	22,9%	28,0%
Profit	178,164	427,245
<i>% margin</i>	3,1%	9,0%
Total Assets	11,620,821	11,738,892
Total Liabilities	7,889,229	8,079,927
Total Equities	3,731,592	3,658,962

	FY2019	FY2018	YoY(%)	Q1-2019	Q2-2019	Q3-2019	Q4-2019	QoQ
<b>Plantation Performance</b>								
FFB Production (tons)	2,204,345	1,849,528	19.2	512,354	512,782	558,244	620,964	11.2
- FFB Nucleus (tons)	1,864,850	1,587,667	17.5	438,178	433,886	471,027	521,759	10.8
- FFB Plasma (tons)	339,495	261,861	29.6	74,177	78,896	87,217	99,205	13.7
<b>Mill Performance</b>								
FFB Processed (tons)	2,597,096	2,070,609	25.4	559,880	580,015	652,051	805,151	25.3
CPO Production(tons)	610,050	488,449	24.9	128,964	133,062	157,116	190,908	21.5
PK Production (tons)	105,808	82,061	28.9	20,287	22,499	28,660	34,361	19.9
PKO Production (tons)	31,462	29,370	7.1	6,658	7,431	7,834	9,539	21.8
CPO OER (%)	23.49	23.59	(0.4)	23.03	22.94	24.10	23.71	(1.6)
FFA (%)	2.67	2.77	(3.7)	2.63	2.53	2.66	2.80	5.4
<b>Sales Performance</b>								
CPO (tons)	665,993	454,889	46.4	165,908	135,274	162,972	201,839	23.8
PK (tons)	31,172	16,373	90.4	5,796	5,762	9,092	10,522	15.7
PKO (tons)	32,011	28,004	14.3	7,001	5,004	10,005	10,001	0.0
CPO ASP (Rp '000/Ton)	6,476	7,178	(9.8)	6,137	6,646	6,215	6,851	10.2





### PLANTED AREA

As of December 2019, the Company's total planted area, reached 112,450 hectares, with an average age (nucleus and plasma) of about 9.9 years old. Out of this, 101,799 hectares were mature estates.

Planted (ha) (as of Dec 19)	Average Age (yrs)	Total Planted (ha)
Nucleus	10.7	84,566
Plasma	7.2	27,884
<b>Total</b>	<b>9.9</b>	<b>112,450</b>

### WOOD PRODUCTS BUSINESS

During 2019, wood panel products demonstrated a significant improvement in performance with both sales volume and revenue increased by 15% and 13%, respectively. Meanwhile, our engineered flooring sales revenue decreased by 21% following lower sales volume and average selling price. Engineered flooring

sales volume declined by 15% compared to last year due to the decreasing demands from the export markets, particularly USA. Overall, our wood product business still generated positive contribution to the Company's profit

	FY-2019	FY-2018	YoY(%)	Q1-2019	Q2-2019	Q3-2019	Q4-2019	QoQ
<b>Sales Volume</b>								
Panel (m3)	96,622	83,751	15.4	22,354	22,547	25,913	25,808	(0.4)
Engineered flooring (m2)	931,668	1,093,848	(14.8)	230,964	200,747	241,625	258,332	6.9
<b>Average Selling Price (ASP)</b>								
Panel (Rp million /m3)	5.92	6.06	(2.3)	6.11	6.13	5.73	5.75	0.4
Engineered flooring (Rp 'million/m2)	0.39	0.42	(7.2)	0.39	0.39	0.39	0.38	(2.2)
<b>Revenue</b>								
Panel (Rp million)	571,648	507,381	12.7	136,622	138,314	148,377	148,335	0.0
Engineered flooring (Rp 'million)	360,685	456,506	(21.0)	90,225	79,190	93,478	97,792	4.6

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