Navigating Growth Amid Global Uncertainty

In Million Rupiah

Profit and Loss	3M-2026	3M-2025	%	FY 2025
Revenue	**2,886,350**	**2,678,809**	7.7	**12,314,712**
- Palm Oil	2,611,002	2,350,009	11.1	10,846,146
- Wood Product	235,147	284,896	(17.5)	1,242,325
- Renewable Energy	40,201	43,904	(8.4)	226,241
Cost of Revenue	**(2,076,841)**	**(1,884,851)**	10.2	**(8,464,728)**
Gross Profit	**809,509**	**793,958**	2.0	**3,849,984**
-Margin %	*28.0%*	*29.6%*	-	*31.3%*
Profit Before Tax	**571,873**	**497,983**	14.8	**2,499,545**
-Margin %	*19.8%*	*18.6%*	-	*20.3%*
EBITDA	**863,085**	**861,228**	0.2	**4,077,998**
-Margin %	*29.9%*	*32.1%*	-	*33.1%*
Profit	**421,350**	**366,958**	14.8	**1,828,798**
-Margin %	*14.6%*	*13.7%*	-	*14.9%*
Core Profit*	**427,095**	**386,335**	10.6	**1,850,417**
-Margin %	*14.8%*	*14.4%*	-	*15.0%*

**calculated from net profit & adjusted for unrealized foreign exchange gains/losses, net of tax effects.*

PT Dharma Satya Nusantara Tbk (DSNG) opened 2026 with a solid performance, posting Rp 2.9 trillion in revenue for 1Q26, up 7.7% YoY. The growth was largely underpinned by the palm oil segment, which contributed around 90% of consolidated revenue, supported by higher Fresh Fruit Bunch (FFB) production and improved Oil Extraction Rate (OER).

However, performance across non-core segments remained subdued. The Wood Products segment (±8% of revenue) contracted 17.5% YoY, primarily due to a sharp decline in engineered flooring sales volume. This outcome highlights the continued exposure to the ongoing uncertainty surrounding tariff structures and administrative processes in the United States—one of its key export markets.

Similarly, the Renewable Energy segment saw revenue decline by 8.4% YoY, contributing below 1.5% of total revenue. Export volumes of Palm Kernel Shells (PKS) remained under pressure amid softer demand from Japan's biomass market.

During the first quarter, cost of revenue increased by 10.2% YoY, broadly in line with higher sales volumes in the palm oil segment. However, gross profit grew by only 2.0% YoY, reflecting margin pressure primarily driven by a 3% YoY decline in CPO ASP, alongside the weaker performance of the Wood Products and Renewable Energy segments.

Despite this, net profit rose by 14.8% YoY, primarily supported by a significant reduction in interest expenses following the Company's ongoing deleveraging strategy. Profitability improved, with net profit margin expanding to 14.6%, compared to 13.7% in the same period last year. The core profit margin showed a similar trajectory, indicating that earnings growth was largely operational in nature, with minimal impact from unrealized foreign exchange movements.

Financial Position	31-Mar-26	31-Dec-25	%
Total Asset	17,758,416	17,617,196	0.8
Total Liabilities	5,694,196	5,974,326	(4.7)
Equity	12,064,220	11,642,870	3.6

From a balance sheet perspective, total assets edged up by 0.8% to Rp 17.8 trillion, while total liabilities declined by 4.7%, underscoring continued prudent financial management. The Company maintained a healthy capital structure, with a net debt-to-equity ratio of 0.27x, and only 14% of outstanding debt denominated in USD, limiting exposure to currency risk. Meanwhile, equity increased by 3.6% YoY, further strengthening the Company's financial position and supporting its long-term growth trajectory.

PALM OIL

	3M-2026	3M-2025	%YoY	FY-2025
Plantation Performance				
FFB Production (tons)	491,992	478,835	2.7	2,189,347
Nucleus (tons)	384,984	378,100	1.8	1,721,049
Plasma (tons)	107,008	100,734	6.2	468,298
Mill Performance				
FFB Processed (tons)	602,601	591,444	1.9	2,706,560
CPO Production (tons)	140,545	137,611	2.1	631,046
PK Production (tons)	26,772	26,008	2.9	119,405
PKO Production (tons)	8,520	8,064	5.7	37,805
CPO OER (%)	23.32	23.27	0.2	23.32
FFA (%)	3.06	3.05	0.4	3.01
Sales Performance				
CPO (tons)	159,427	134,644	18.4	628,737
PK (tons)	6,679	6,438	3.7	29,416
PKO (tons)	5,501	7,506	(26.7)	38,522
CPO ASP (Rp 'million/ton)	14.47	14.91	(3.0)	14.47
PKO ASP (Rp 'million/ton)	28.43	27.35	4.0	28.95

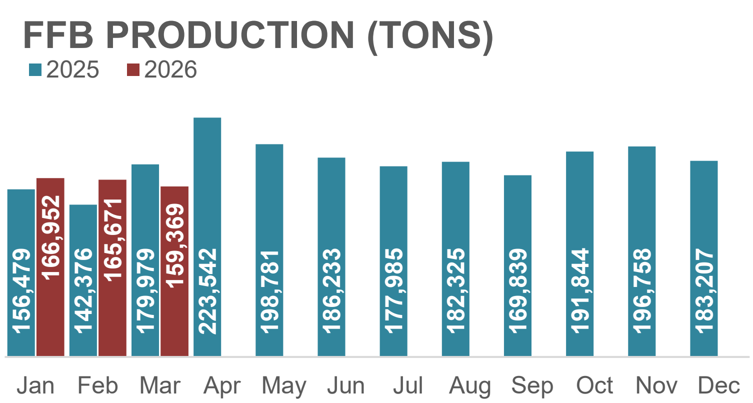
Fresh Fruit Bunch (FFB) production in 1Q26 increased by 2.7% YoY to 492 thousand tons, supported by improving weather conditions and steady gains in plantation productivity. Growth was recorded across both nucleus and plasma estates, which rose by 1.8% and 6.2% YoY, respectively highlighting continued operational consistency and strengthening smallholder contribution.

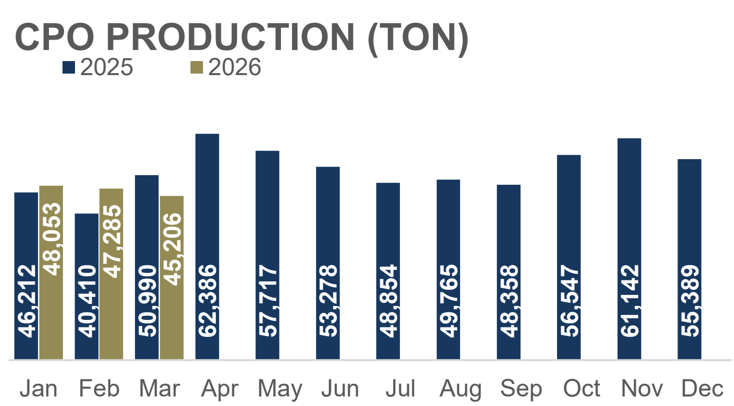
Mill performance tracked the positive upstream trend, with FFB processed rising by 1.9% YoY. In turn, Crude Palm Oil (CPO) production increased by 2.1% YoY to 140,545 tons, while Palm Kernel (PK) and Palm Kernel Oil (PKO) output grew by 2.9% and 5.7% YoY. From a quality standpoint, Oil Extraction Rate (OER) remained stable at 23.32%, indicating consistent processing efficiency.

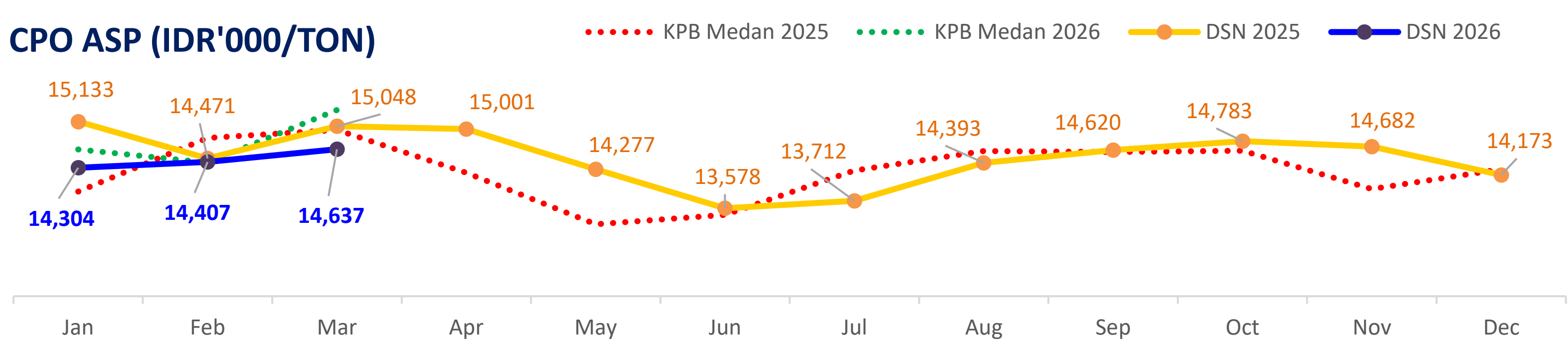
Meanwhile, Free Fatty Acid (FFA) levels edged up slightly to 3.06%, but remained within a manageable range, suggesting no significant deterioration in fruit quality or handling.

On the commercial side, CPO sales volume rose strongly by 18.4% YoY to 159,427 tons, while PKO sales declined by 27% YoY. This divergence primarily reflects shipment timing differences rather than underlying demand trends. From a pricing perspective, CPO ASP softened by 3% YoY, partially offsetting the benefit of higher volumes, while PKO ASP increased by 4% YoY, providing some support to overall pricing.

Overall, the Palm Oil segment continued to demonstrate resilient operational performance, with steady production growth, stable extraction rates, and disciplined execution across both upstream and downstream operations—reinforcing its role as the Company's primary earnings driver.







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PALM OIL – PLANTED AREA

	Average Age (yrs)	Planted Hectarage Immature ('000 ha)	Mature ('000 ha)	Total Planted ('000 ha)
Nucleus	15	5.0	77.9	82.8
Plasma	13	0.6	24.4	29.1
Total	**15**	**5.5**	**102.3**	**111.9**

DSN Group maintains a well-balanced plantation profile, with a mix of immature and mature estates that support both current production stability and future growth potential. The relatively young average plantation age reflects ongoing replanting and disciplined development efforts, positioning the Company to sustain yield improvements and enhance long-term productivity. This balanced age profile also provides better visibility on future output growth, while maintaining operational efficiency across its estates.

WOOD PRODUCT

	3M-2026	3M-2025	%YoY	FY-2025
Sales Volume				
Panel ('000 m3)	25.6	28.9	(11.5)	124.3
Engineered Flooring ('000 m2)	55.6	151.2	(63.2)	633.0
Average Selling Price (ASP)				
Panel (USD/m3)	371.06	358.93	3.4	359.94
Engineered Flooring (USD/m2)	34.27	32.07	6.8	33.05

The wood products market showed no meaningful signs of recovery during the quarter. Panel sales volume declined by 11.5% YoY, while engineered flooring fell more sharply by 63.2% YoY, reflecting significantly weaker demand. The steeper contraction in engineered flooring was partly due to its relatively high exposure to the US market, where uncertainty surrounding tariff policies under the Trump administration has weighed on buyer sentiment, leading to delayed purchasing decisions and softer order flows.

RENEWABLE ENERGY

	3M-2026	3M-2025	%YoY	FY-2025
Sales Volume				
Palm Kernel Shell (ton)	10,100	11,994	(15.8)	89,265
Wood Pellet (ton)	10,785	10,461	3.1	36,602
Average Selling Price (ASP)				
Palm Kernel Shell (USD/ton)	105.00	106.04	(1.0)	105.04
Wood Pellet (USD/ton)	122.31	135.00	(9.4)	118.16

Despite relatively stable pricing, Palm Kernel Shell (PKS) export volumes declined by 15.8% YoY, reflecting weaker demand. Japan remained the primary export market for Indonesian PKS; however, demand softened following the government's move to reassess biomass subsidies for power generation, leading to more cautious procurement by buyers.

Meanwhile, wood pellet export volume, primarily to the Korean market, grew modestly by 3% YoY. However, ASP declined by 9.4% YoY, as exports have yet to reach the Japanese market, where pricing is typically higher due to more stringent quality standards.

DSNG Latest Update

DSN Group Named Among TIME Asia Pacific's Best Companies of 2026

DSN Group has been recognized as one of TIME and Statista's Best Companies in Asia Pacific for 2026, reflecting strong performance across key dimensions, including employee satisfaction, financial performance, and commitment to environmental, social, and governance (ESG) principles. Beyond recognition, this achievement underscores the Company's ongoing focus on building a resilient and sustainable business, while continuing to enhance operational excellence and stakeholder value over the long term.