



PT DHARMA SATYA
NUSANTARA TBK
(DSNG)

30
JUNE
2021

National ESG Leader

Lowered Export Levy

- The Government has agreed to narrow the CPO price range that is subjected to levy from USD750/mt to USD1,000/mt. With every increase of USD50 on price, the levy increased by USD20, capped at USD175 from previously at USD255.
- With 16.79% export weight from the total revenue, DSNG's revenue in the 2H21E could potentially increase as the export fee portion drop to below 30% of the CPO price.

Rumored Acquisition

- DSNG was previously said to potentially be acquired by PT Triputra Agro Persada Tbk (TAPG). However, there has not been any official statements from both companies.
- If it really did come into action, we believe DSNG would be able to benefit from the digitalization that has been done by TAPG within their operation which will result in cost efficiency.

KEY FINANCIAL HIGHLIGHT

	FY18	FY19	FY20	1Q21
Revenue (IDR bn)	4,761.81	5,736.68	6,698.92	1,636.63
Net Income (IDR bn)	420.50	179.94	476.64	99.76
EPS (IDR)	39.67	16.98	44.97	9.41
PE (X)	10.21	27.09	13.56	12.32
BVS (IDR)	345.88	353.15	585.34	602.58
PBV (X)	1.19	1.30	1.04	0.95
EV/EBITDA (X)	8.76	10.14	8.76	7.60
ROA (%)	4.17	1.54	3.70	3.79
ROE (%)	2.91	4.99	9.76	9.95
DER (%)	178.02	171.90	102.57	92.28
Dividend Yield (%)	2.52	2.52	2.52	2.52



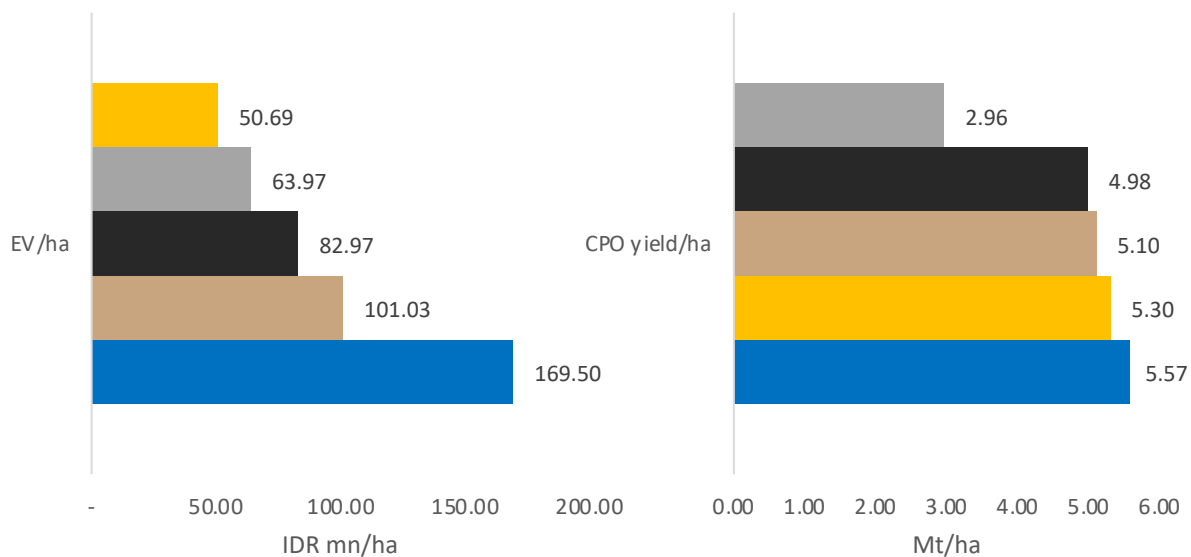
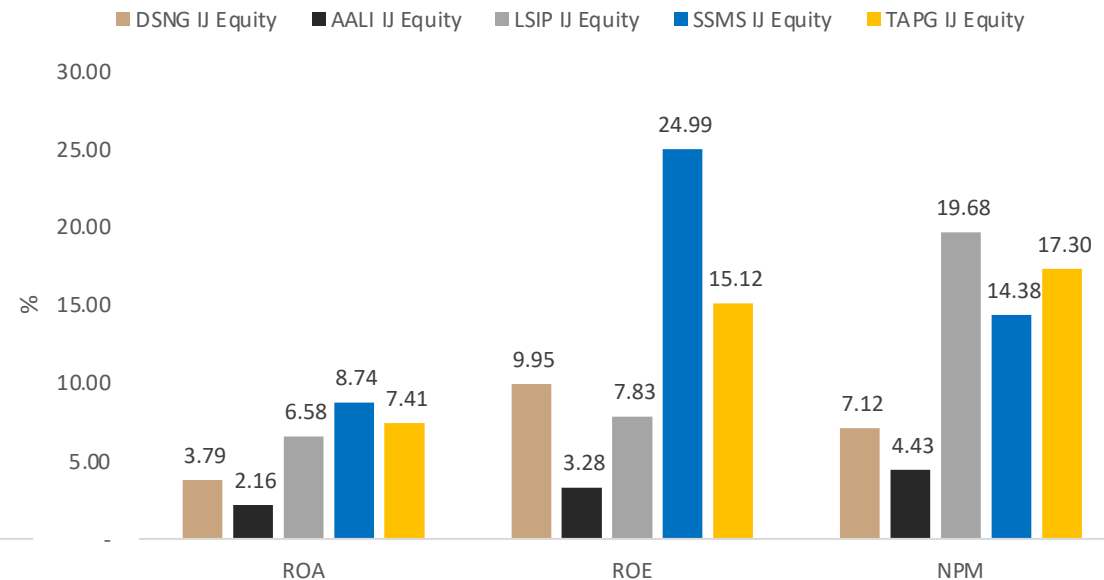
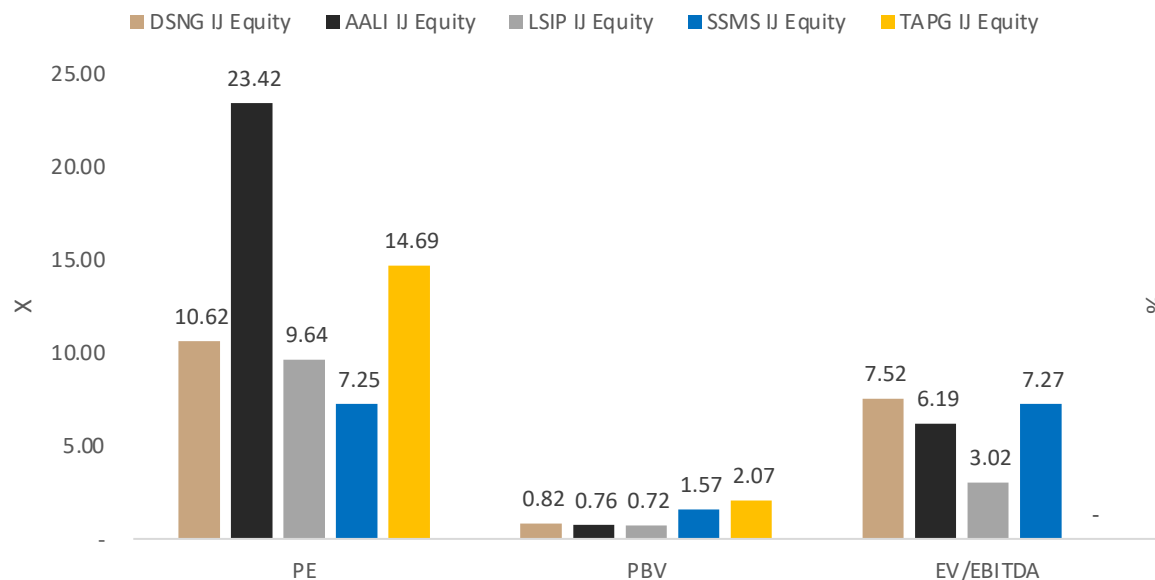
STOCK DATA

Current Price (IDR)	496
52 wk Range (IDR)	332-720
Share Outstanding (Bn)	10.60
Mkt Cap (IDR Tn)	5.26

MAJOR SHAREHOLDER

Triputra Investindo Arya PT	27.56%
KRISHNA KAPITAL INVESTAMA PT	14.63%
Public	57.81%

Industry Comparison

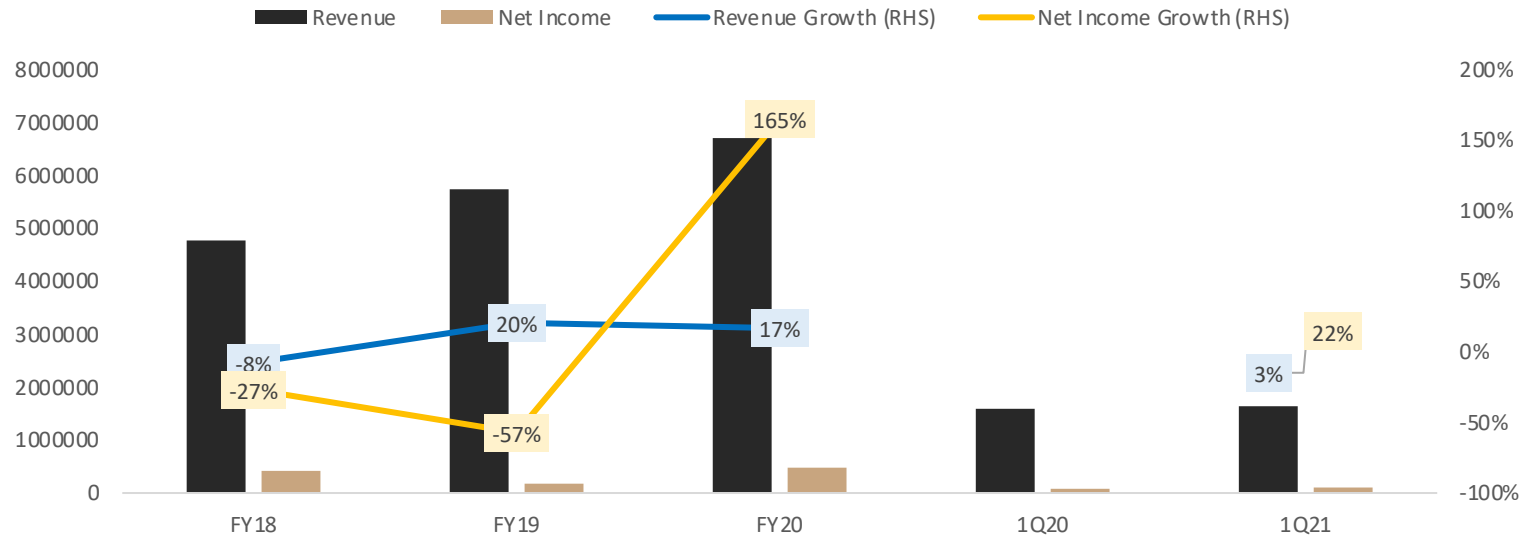


Company	ESG Rank
DSNG IJ Equity	16
TAPG IJ Equity	33
SSMS IJ Equity	37
AALI IJ Equity	52
LSIP IJ Equity	-

Strong Contender

- DSNG is the winner in the Indonesian ESG game with the highest ESG rank at 16, while the other peers are above 30.
- Subsequently, DSNG's PBV is still quite attractive as it remains below 1x compared to peers.
- While, DSNG valuations (EV/ha and EV/EBITDA) are quite high due to higher productivity and ESG value.

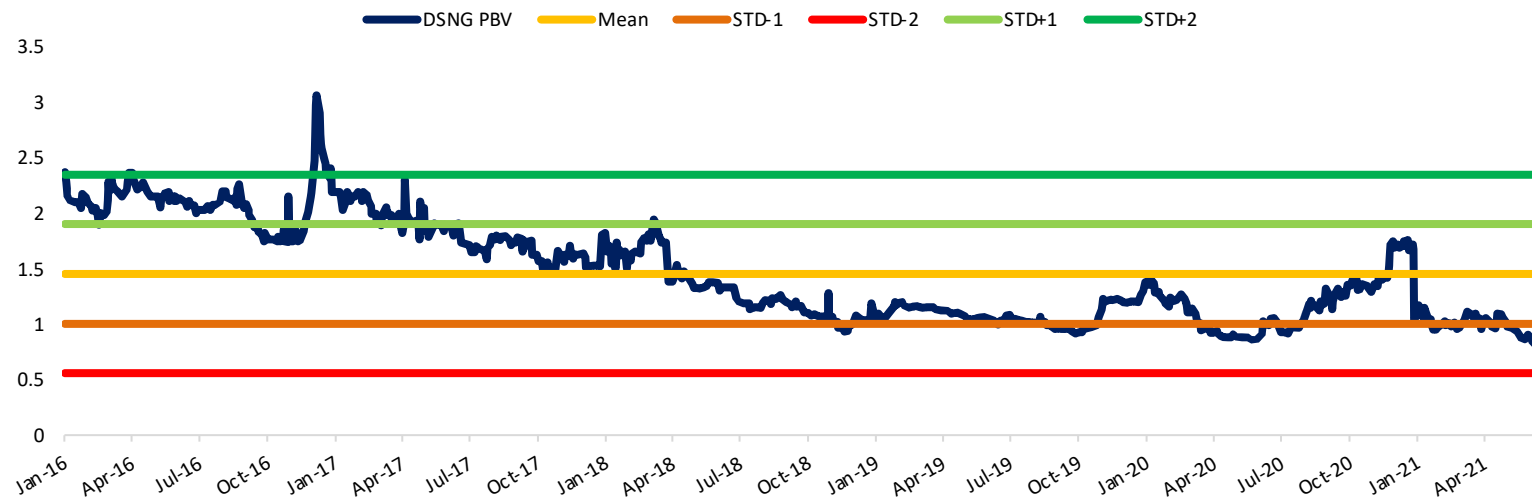
Financial Performance



Quite a Performance

- DSNG 's revenue managed to grow by 3% YoY to IDR1.64 trillion in the 1Q21, supported by a higher CPO ASP at IDR8.7 million/ton, although sales volume dropped by 5% YoY to 135,000 tons.
- Furthermore, net income also booked a significant increase of 22% YoY to IDR99.7 billion in 1Q21.

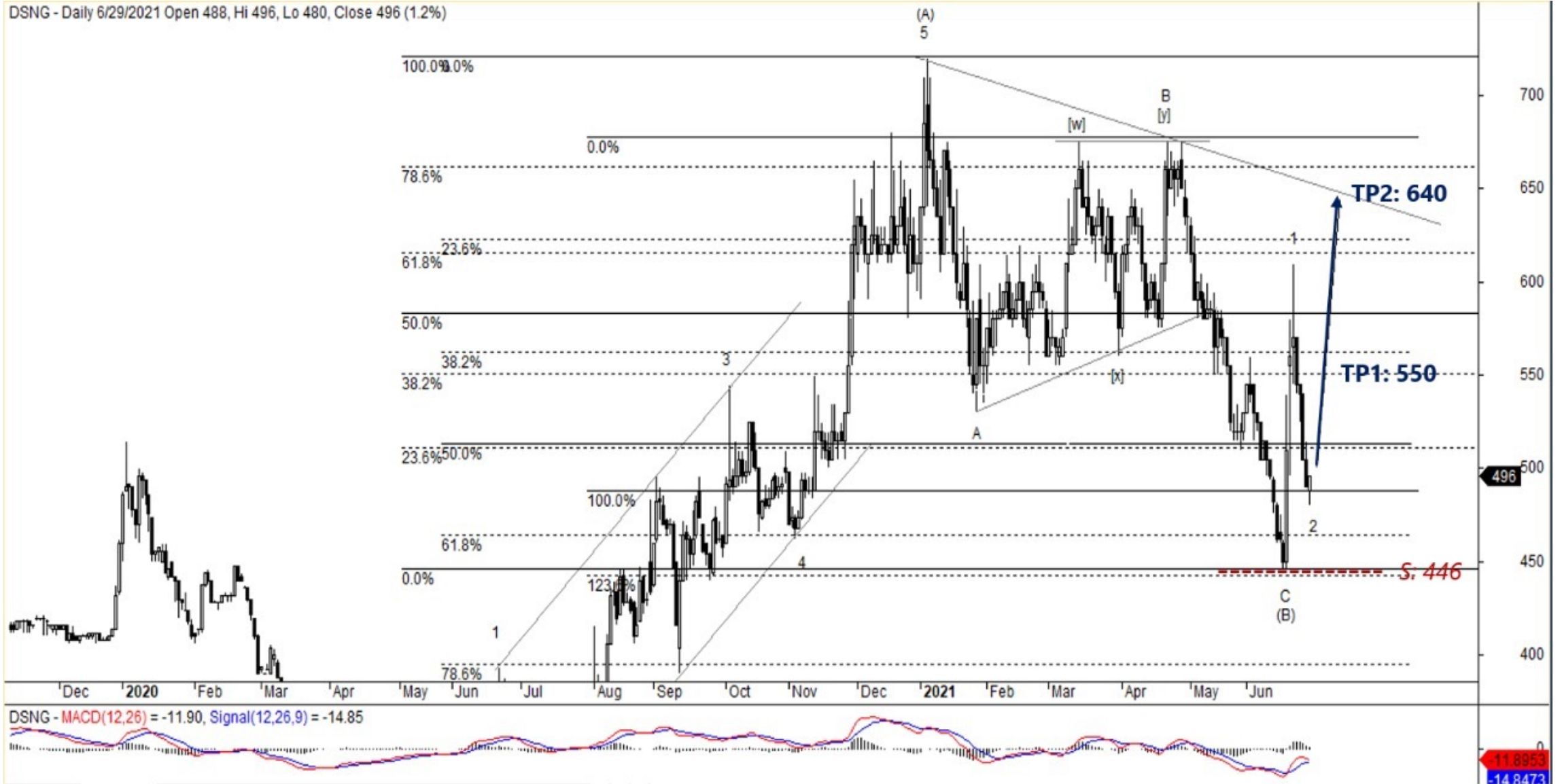
DSNG is currently traded at -1STD on 0.83x PBV (5-year average)



Valuation and Recommendation: NOT RATED

DSNG is currently trading at -1STD at 0.83x PBV; There is potential margin increase with the decrease on export levy as well as from the CPO price uptrend. With the increasing investor's appetite toward ESG stocks, DSNG is one of the most lucrative choice.

Technical Review



As long as DSNGL remains above the support level, we expect DSNGL to be forming wave 2 of wave (C). After wave 2 is formed, DSNGL has the opportunity to strengthen to form wave 3, which will be further confirmed if it breaks the resistance level at 610.

MNC Research Investment Ratings Guidance

BUY : Share price may exceed 10% over the next 12 months

HOLD : Share price may fall within the range of +/- 10% of the next 12 months

SELL : Share price may fall by more than 10% over the next 12 months

Not Rated : Stock is not within regular research coverage

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