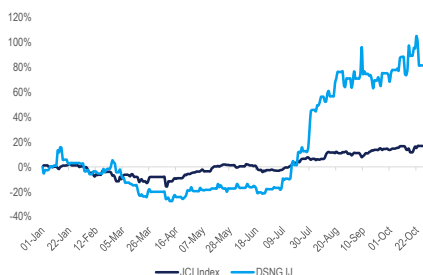


Stock Data

Target price	Rp2,150
Prior TP	Rp2,400
Current price	1,725
Upside/downside	+24.6%
Shares outstanding (mn)	10,600
Market cap (Rp bn)	18,285
Free float	25%
Avg. 6m daily T/O (Rp bn)	44

Price Performance

	3M	6M	12M
Absolute	61.2%	124.0%	51.3%
Relative to JCI	51.6%	100.2%	43.8%
52w low/high (Rp)	690 – 1,950		



Major Shareholders

Triputra Investindo Arya	28.3%
Krishna Kapital Investama	14.6%
Tri Nur Cakrawala	7.4%

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9M25 results came in-line with cons, but missed ours due to weaker volume

- 9M25 core NP came at Rp9tr (+25% yoy), in-line with consensus but below our estimate due to lower-than-expected sales volume and ASP.
- We expect a +22% qoq rebound in 4Q25F core NP driven by higher production, inventory release, and improved ASP.
- We cut FY25–27F core NP estimates by 12–13%, but still expect core NP to grow +18% yoy in FY26F. Reiterate our BUY call.

9M25 results were below our estimates but in-line with consensus

3Q25 revenue fell 16% qoq to Rp2.9tr, bringing 9M25 revenue to Rp8.9tr (+25% yoy), below our-estimate but in line with consensus (at 69%/75%). The shortfall was mainly due to lower sales volume (+5% yoy in 9M25 vs. +8% yoy in our previous estimate), impacted by water deficit issues and pending deliveries. ASP in 9M25 also came in lower at Rp14.4mn/t, or 95% of our previous estimate, affected by contracts secured in the prior quarter during period of price decline. 3Q25 core NP came at Rp409bn (-30% qoq), bringing 9M25 to Rp1.3tr (+63% yoy), below our estimate but in line with consensus (at 64%/69%).

Faster deleveraging and lower capex realization

As of 9M25, total debt stood at Rp4.3tr, lower-than-our previous estimate of Rp4.6tr. Additionally, it indicated an additional Rp200–300bn debt repayment in 4Q25F. In 9M25, DSNG spent Rp400bn in capex for infra maintenance.

Revising down our estimates by 12-13% in FY25-27F

We cut our FY25–27F core NP estimates by 12–13%, mainly due to lower sales volume and ASP. However, we expect 4Q25F core NP could rebound by +22% qoq due to higher production following improved rainfall in Oct–Dec24 and stronger CPO prices in Jul–Oct25. This already factors in higher FFB purchase costs, which track current market prices and partially offset gains. For FY26–27F, we also lowered ASP and sales volume forecasts to reflect more conservative estimates, growing at 4% yoy p.a. supported by better rainfall in 2025. We reduced capex and debt assumptions but applied a more conservative DPR of 30–35% (3–4% yield), as the company aims to preserve more cash amid the current regulatory landscape.

Retain BUY call with a lower TP of Rp2,150/sh; remain our top pick

We maintain our BUY call on DSNG and keep it as our top pick, supported by its strong ESG profile and limited exposure to forestry land issues. We expect earnings improvement in 4Q25F and further recovery in FY26F. The share price correction post-results provide a better entry point, in our view. DSNG currently trades at 8.4x FY26F P/E, a 36% discount to Genting Plantations (GENP MY, NR). We lower our TP to Rp2,150/sh based on an SOTP valuation. Key risks: regulatory changes, CPO price volatility, and volume.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	9,499	10,119	12,144	12,603	12,927
EBITDA	2,379	2,937	3,815	4,174	4,548
Core net profit	840	1,104	1,846	2,172	2,434
Core EPS	79	104	174	205	230
Core EPS growth	-33%	31%	67%	18%	12%
ROE	10%	11%	16%	17%	17%
PER (x)	21.8	16.6	9.9	8.4	7.5
EV/EBITDA	9.9	8.0	5.8	4.9	4.2
Dividend yield			1%	3%	4%

Source: Company, Indo Premier

Share price closing as of: 24 November 2025

9M25 result review

Fig. 1: Financial and operational result in 9M25

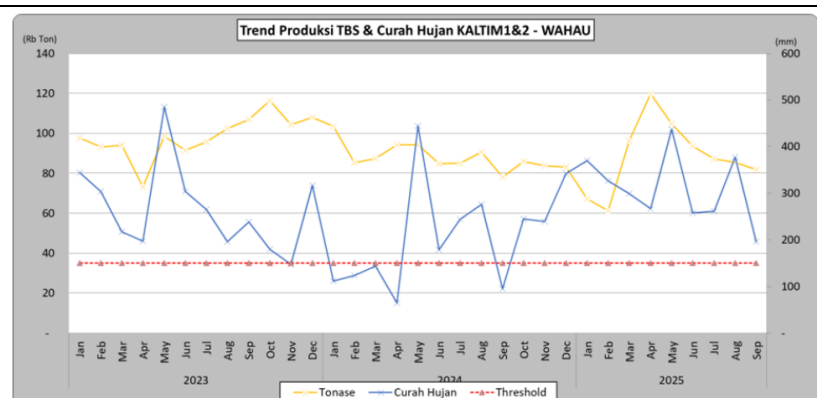
	3Q25	3Q24	Growth yoy	2Q25	Growth qoq	9M25	9M24	Growth yoy	IPC FY25F	% to IPC	Cons FY25F	% to Cons	3-year mean
Revenue	2,864	2,469	16%	3,402	-16%	8,945	7,172	25%	12,977	69%	11,894	75%	69%
Cost of revenue	- 1,986	- 1,661	20%	- 2,241	-11%	- 6,112	- 5,031	21%	- 8,765				
Gross profit	878	807	9%	1,161	-24%	2,833	2,141	32%	4,212				
GPM	30.7%	32.7%		34.1%		31.7%	29.8%		32.5%				
Opex	- 223	- 251	-11%	- 303	-26%	- 735	- 695	6%	- 1,034				
EBIT	655	556	18%	858	-24%	2,098	1,446	45%	3,178	66%	3,058	69%	68%
EBITDA	893	792	13%	1,098	-19%	2,811	2,116	33%	4,133	68%	3,962	71%	69%
EBITDA margin	31.2%	32.1%		32.3%		31.4%	29.5%		31.8%				
Other income/expense (exc. JV and asso income)	- 128	- 49	162%	- 134	-5%	- 382	- 296	29%	- 435				
JV and asso income	19	- 17	-211%	28	-32%	79	28	182%	114				
Pretax income	545	490	11%	752	-27%	1,795	1,178	52%	2,856				
Tax expense	- 147	- 130	13%	- 204	-28%	- 482	- 309	56%	- 762				
Net profit attributable	401	357	12%	548	-27%	1,317	861	53%	2,094				
Core NP	409	353	16%	582	-30%	1,347	824	63%	2,117	64%	1,949	69%	68%
Core NP margin	14.3%	14.3%		17.1%		15.1%	11.5%		16.3%				

Operational		3Q25	3Q24	Growth yoy	2Q25	Growth qoq	9M25	9M24	Growth yoy	IPC FY25F	% to IPC	3-year mean 9M
Plantation performance												
FFB production	th tonne	530.1	508.9	4%	608.5	-13%	1,617.4	1,555.0	4%	2,300.6	70%	72%
FFB production - Nucleus	th tonne	414.8	401.4	3%	480.8	-14%	1,273.7	1,227.9	4%	1,808.5	70%	72%
FFB production - Plasma	th tonne	115.3	107.5	7%	127.7	-10%	343.7	327.1	5%	492.1	70%	72%
FFB yield												
Total FFB yield	t/ha	5.1	4.8	8%	5.8	-12%	15.7	14.6	8%	22.0		
FFB Nucleus yield	t/ha	5.3	4.9	8%	6.0	-12%	16.1	14.9	8%	22.5		
FFB Plasma yield	t/ha	4.7	4.4	9%	5.3	-10%	14.1	13.3	6%	20.3		
Mill performance												
FFB processed	th tonne	627.2	600.2	4%	741.4	-15%	1,960.0	1,833.3	7%	2,791.6	70%	71%
CPO production	th tonne	147.0	144.3	2%	173.4	-15%	458.0	440.8	4%	651.4	70%	71%
PK production	th tonne	26.8	27.7	-3%	33.3	-20%	86.1	83.9	3%	124.2	69%	71%
PKO production	th tonne	8.8	9.3	-6%	10.7	-18%	27.6	28.2	-2%	39.4	70%	71%
OER	%	23%	24%		23%		23%	24%		23%	100%	
KER	%	4%	5%		4%		4%	5%		4%	99%	
Sales performance												
CPO	th tonne	147.1	144.4	2%	177.6	-17%	459.3	436.4	5%	651.4	71%	69%
PK	th tonne	6.8	5.5	24%	7.4	-8%	20.6	16.6	24%	28.9	71%	69%
PKO	th tonne	7.5	7.5	0%	11.0	-32%	26.0	27.5	-5%	39.4	66%	67%
CPO ASP (Rpmm/t)	Rpmm/t	14.2	12.8	10%	14.3	-1%	14.4	12.4	16%	15.2	95%	
PKO ASP (Rpmm/t)	Rpmm/t	28.7	20.0	44%	31.0	-7%	29.3	16.0	83%	29.3	100%	

Source: Company, Indo Premier

Rainfall data

Fig. 2: Rainfall in Wahau ~70% of DSNB area



Source: Company

Forecast changes

Fig. 3: Financial and operational forecast changes

	Previous est.			Current est.			Changes		
	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Financial (in Rpbn, unless stated otherwise)									
Revenue	12,977	13,470	13,847	12,144	12,603	12,927	-6%	-6%	-7%
Cost of revenue	- 8,765	- 8,847	- 8,764	- 8,301	- 8,408	- 8,363	-5%	-5%	-5%
Gross profit	4,212	4,623	5,083	3,844	4,194	4,564	-9%	-9%	-10%
Opex	- 1,034	- 1,081	- 1,123	- 984	- 1,016	- 1,053	-5%	-6%	-6%
EBIT	3,178	3,542	3,961	2,860	3,178	3,511	-10%	-10%	-11%
EBITDA	4,133	4,538	4,997	3,815	4,174	4,548	-8%	-8%	-9%
Other income/expense (exc. JV and asso income)	- 435	- 305	- 257	- 497	- 341	- 314	14%	12%	22%
JV and asso income	114	114	114	105	105	105	-8%	-8%	-8%
Pretax income	2,856	3,350	3,817	2,468	2,942	3,302	-14%	-12%	-13%
Tax expense	- 762	- 890	- 1,018	- 658	- 776	- 874	-14%	-13%	-14%
Net profit attributable	2,094	2,461	2,799	1,816	2,172	2,434	-13%	-12%	-13%
Core NP	2,117	2,461	2,799	1,846	2,172	2,434	-13%	-12%	-13%
Growth yoy									
Revenue	28%	4%	3%	20%	4%	3%			
Gross profit	40%	10%	10%	28%	9%	9%			
EBIT	57%	11%	12%	41%	11%	10%			
EBITDA	41%	10%	10%	30%	9%	9%			
Core NP	92%	16%	14%	67%	18%	12%			
Margin									
GPM	32%	34%	37%	32%	33%	35%			
EBIT margin	24%	26%	29%	24%	25%	27%			
EBITDA margin	32%	34%	36%	31%	33%	35%			
Core NP margin	16%	18%	20%	15%	17%	19%			
Operational - plantations									
Planted area (th ha)	111	111	111	111	107	107	0%	-3%	-4%
Mature	108	108	108	103	103	102	-4%	-4%	-5%
Immature	3	3	3	4	4	4	31%	31%	31%
FFB production volume (th tonne)	2,789	3,001	3,135	2,614	2,728	2,842	-6%	-9%	-9%
Nucleus - 100% production	1,802	1,943	2,023	1,709	1,777	1,844	-5%	-9%	-9%
Plasma - 100% production	495	543	571	465	489	513	-6%	-10%	-10%
Third parties	491	516	541	440	462	485	-10%	-10%	-10%
Extraction rate									
OER	23%	23%	23%	23%	23%	23%	0%	0%	0%
PK extraction rate	4%	4%	4%	4%	4%	4%	-2%	-2%	-2%
PKO extraction rate - from PK	32%	32%	32%	32%	32%	32%	2%	2%	2%
Production volume (th tonne)									
CPO	651	700	731	611	638	664	-6%	-9%	-9%
PK	124	134	139	114	119	124	-8%	-11%	-11%
PKO	39	42	44	37	38	40	-7%	-9%	-10%
Sales volume									
CPO	651	700	731	632	660	688	-3%	-6%	-6%
PK	29	31	32	28	29	31	-3%	-6%	-6%
PKO	39	42	44	34	36	37	-13%	-16%	-16%
ASP (Rp/kg)									
CPO	15,248	15,226	15,226	14,502	14,925	14,925	-5%	-2%	-2%
PK	12,302	11,085	8,554	11,800	11,085	8,554	-4%	0%	0%
PKO	29,335	21,407	19,616	29,140	21,546	19,651	-1%	1%	0%

Source: Company, Indo Premier

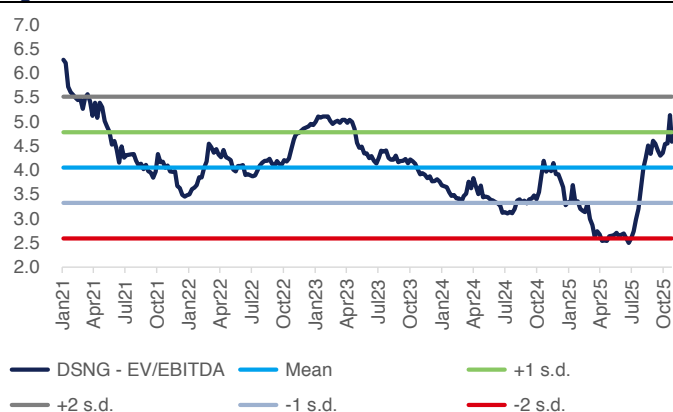
Valuation

Fig. 4: SOP valuation

In Rpbn, unless stated otherwise	FY26F Remarks
Consolidated	
EV/EBITDA Multiple (x)	At +2 s.d. above sector mean since 2021; Premium 6 underpinned by ESG leadership, stronger financials, and improving operations.
EBITDA	4,174
EV	24,417
Market cap	22,090
Debt	3,924
Cash	1,758
Minority	162
JV/Asso - REA Kaltim Plantations	
P/E multiple	7 At sector mean since 2021
Earnings - 100% stake	300
Disc. for limited transparency	15%
Market value	1,681
DSNG's ownership	35%
DSNG's market value from REA Kaltim Plantations	588
SOP valuation	
Total equity value	22,678
# share (bn)	11
Implied price per share	2,139
Rounded TP (Rp/sh)	2,150
Current price	1,725
Upside	24%
Div.yield	3%
Total return	27%

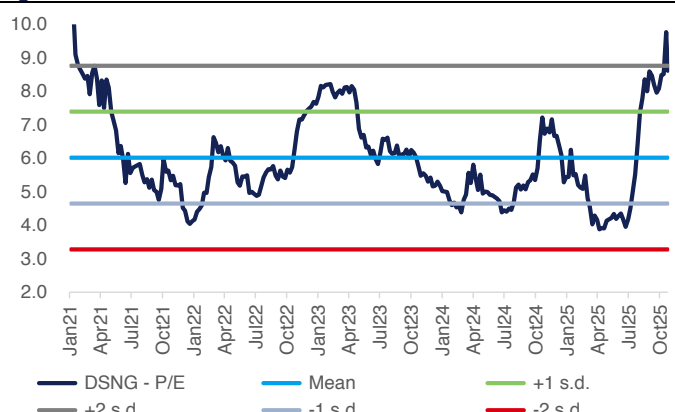
Source: Company, Indo Premier

Fig. 5: EV/EBITDA 12M forward



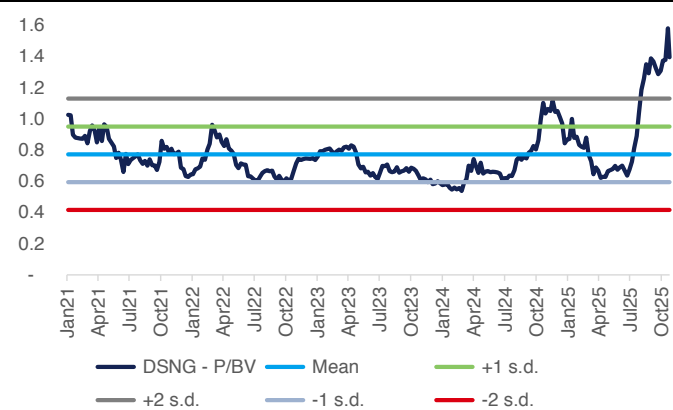
Source: Company, Bloomberg, Indo Premier

Fig. 6: P/E 12M forward



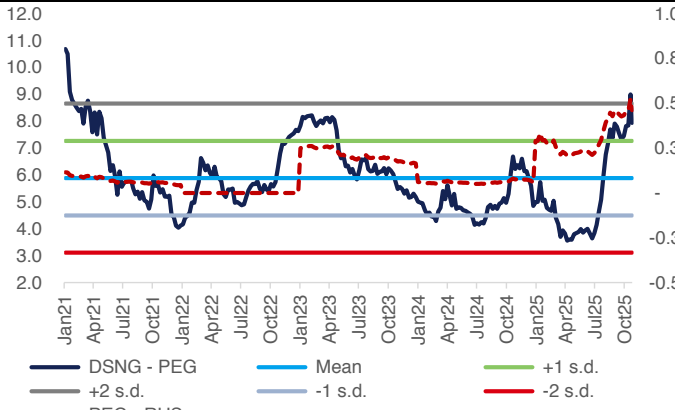
Source: Company, Bloomberg, Indo Premier

Fig. 7: P/BV 12M forward



Source: Company, Bloomberg, Indo Premier

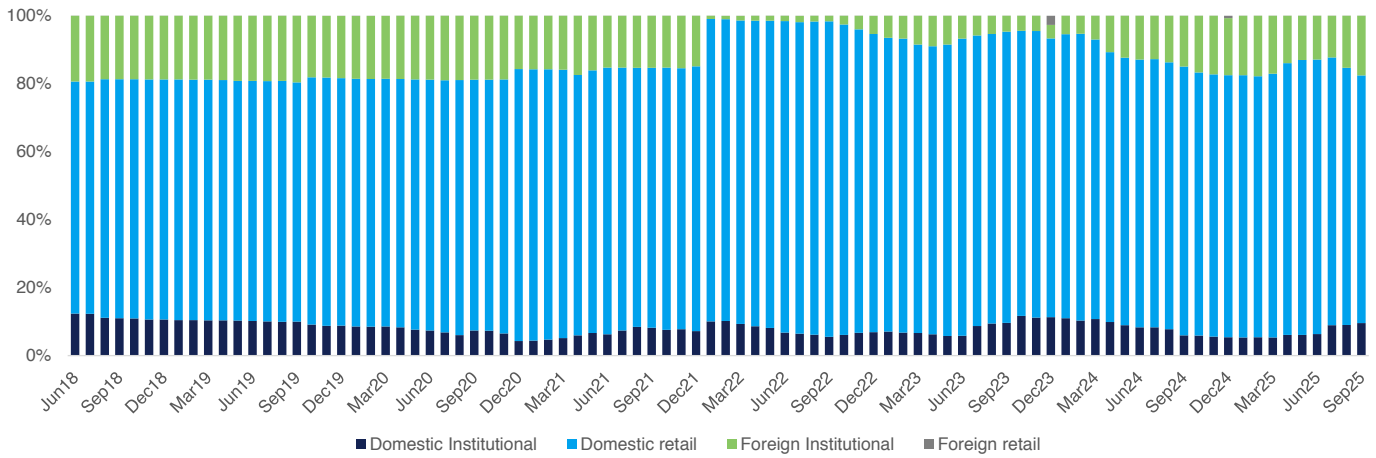
Fig. 8: PEG next year



Source: Company, Bloomberg, Indo Premier

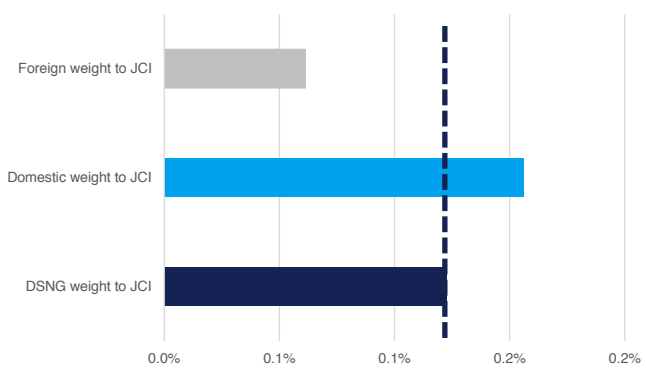
Share ownership

Fig. 9: Share ownership since 2013



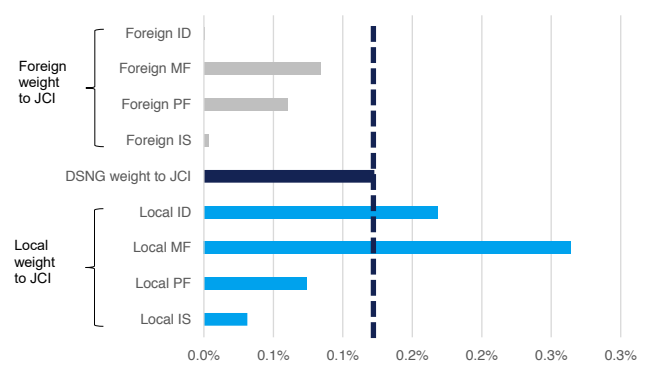
Source: KSEI, Indo Premier

Fig. 10: Share ownership in Sep25



Source: KSEI, Indo Premier

Fig. 11: Share ownership in Sep25



Source: KSEI, Indo Premier

Income Statement (Rp bn)	FY23	FY24	FY25F	FY26F	FY27F
Net revenue	9,499	10,119	12,144	12,603	12,927
Cost of sales	(6,971)	(7,115)	(8,301)	(8,408)	(8,363)
Gross profit	2,527	3,004	3,844	4,194	4,564
Operating expenses	(972)	(981)	(984)	(1,016)	(1,053)
Operating profit	1,556	2,023	2,860	3,178	3,511
EBITDA	2,379	2,937	3,815	4,174	4,548
Net interest	(415)	(529)	(457)	(341)	(314)
Others	(0)	146	65	105	105
Pre-tax income	1,141	1,640	2,468	2,942	3,302
Income tax	(299)	(499)	(658)	(776)	(874)
Minority interest	(2)	1	6	6	6
Net income	840	1,142	1,816	2,172	2,434
Core net profit	840	1,104	1,846	2,172	2,434

Balance Sheet (Rp bn)	FY23	FY24	FY25F	FY26F	FY27F
Cash & equivalents	390	557	349	1,758	3,071
Inventories	1,111	1,225	1,470	1,526	1,565
Other current assets	1,448	1,115	1,190	1,207	1,219
Total current assets	2,949	2,897	3,010	4,491	5,856
Fixed assets	7,467	7,838	7,742	7,617	7,462
Other non-current assets	5,762	6,678	6,725	6,786	6,835
Total non-current assets	13,229	14,515	14,467	14,402	14,297
Total assets	16,178	17,412	17,477	18,894	20,152
Short term bank loans	948	477	131	131	131
Current maturities of LT bank loans	771	598	540	-	-
Bonds payable	3	182	-	-	-
Other current liab.	1,224	1,274	1,360	1,368	1,364
Total current liab.	2,946	2,530	2,030	1,498	1,495
Bonds payable	176	-	-	-	-
Loans from third parties	462	485	487	487	487
LT bank loans	3,178	3,972	2,979	3,306	2,901
Other LT liab.	527	528	528	528	528
Total liabilities	7,289	7,515	6,024	5,820	5,411
Equity	3,154	3,226	3,226	3,226	3,226
Retained earnings	5,562	6,497	8,058	9,686	11,359
Minority interest	174	174	168	162	156
Total SHE + minority int.	8,889	9,897	11,453	13,074	14,742
Total liabilities & equity	16,178	17,412	17,477	18,894	20,152

Source: Company report, Indo Premier

Cash Flow Statement (Rp bn)	FY23	FY24	FY25F	FY26F	FY27F
Net income	840	1,142	1,816	2,172	2,434
Depr. & amortization	797	876	953	969	1,010
Changes in working capital	223	269	(234)	(65)	(55)
Others	-	-	-	-	-
Cash flow from operating	1,860	2,288	2,535	3,077	3,390
Capital expenditure	(1,501)	(1,074)	(800)	(800)	(800)
Others	(398)	(1,088)	(105)	(105)	(105)
Cash flow from investing	(1,899)	(2,162)	(905)	(905)	(905)
Loans	179	177	(1,577)	(212)	(406)
Equity	160	98	(0)	-	-
Dividends	(318)	(233)	(254)	(545)	(760)
Others	48	0	(6)	(6)	(6)
Cash flow from financing	69	42	(1,837)	(763)	(1,172)
Changes in cash	30	167	(208)	1,409	1,313

Key Ratios	FY23	FY24	FY25F	FY26F	FY27F
Gross margin	27%	30%	32%	33%	35%
EBITDA margin	25%	29%	31%	33%	35%
Pre-tax margin	12%	16%	20%	23%	26%
Core net margin	9%	11%	15%	17%	19%
ROA	5%	6%	11%	11%	12%
ROE	10%	11%	16%	17%	17%
ROIC	6%	7%	12%	14%	16%
Net gearing (x)	0.6	0.5	0.3	0.2	0.0
Net debt to EBITDA (x)	2.2	1.8	1.0	0.5	0.1
Interest coverage (x)	5	5	8	12	14

Source: Company, Indo Premier

SECTOR RATINGS

- OVERWEIGHT** : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL** : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT** : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY RATINGS

- BUY** : Expected total return of 10% or more within a 12-month period
- HOLD** : Expected total return between -10% and 10% within a 12-month period
- SELL** : Expected total return of -10% or worse within a 12-month period

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The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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