

# PT Nusantara Sawit Sejahtera Tbk (NSSS)

## Investor Newsletter Volume 5: 4Q23 Results Update

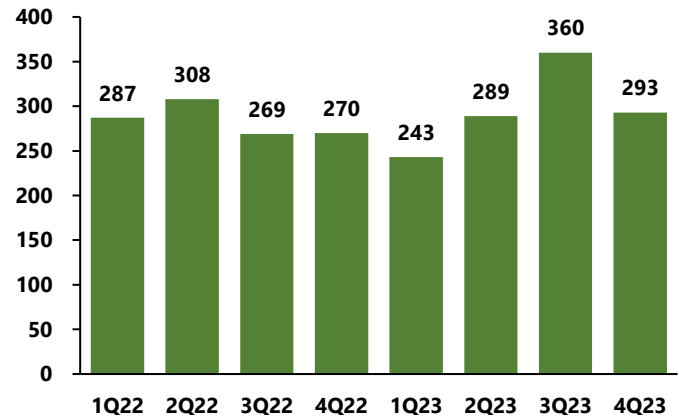
### BUSINESS HIGHLIGHTS

- **4Q23 GPM of 43.5% highest in the past six quarters.** Despite 18.7% fall QoQ in total revenues, NSSS booked gross profit of IDR127bn (GPM: 43.5% highest since 2Q22), supported by -41% QoQ COGS drop in fertilizer (-56% QoQ), plant maintenance (-22% QoQ) and harvesting (-10% QoQ).
- **4Q23 Volumes showed higher FFB (+16.5% QoQ) and CPO Production (+14.0% QoQ).** This positive production is inline with management’s expectation due to excellent plantation management and young age profile of 9.0 years at present.
- **4Q23 Nucleus FFB yield improved to 4.8 tons per ha,** up from 4.2 tons per ha in 4Q22. CPO extraction rate was down slightly from 22% in 4Q22 to 21% in 4Q23 while PK extraction improved from 4.1% to 4.3% over the same period.
- **NSSS successfully initiated its newly constructed second CPO mill in December 2023** supporting higher production volumes going forward; furthermore, the Company is in the process of developing an adjacent special terminal for enhanced delivery efficiency.

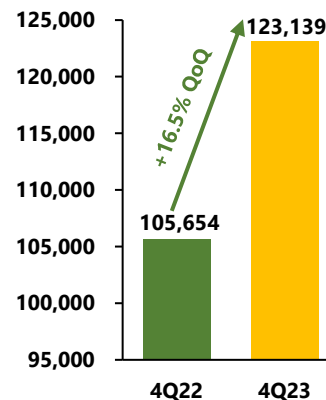
#### 2<sup>nd</sup> CPO mill in operation December 2023



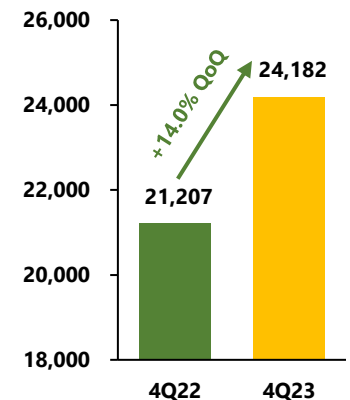
#### Quarterly Revenues (IDRbn)



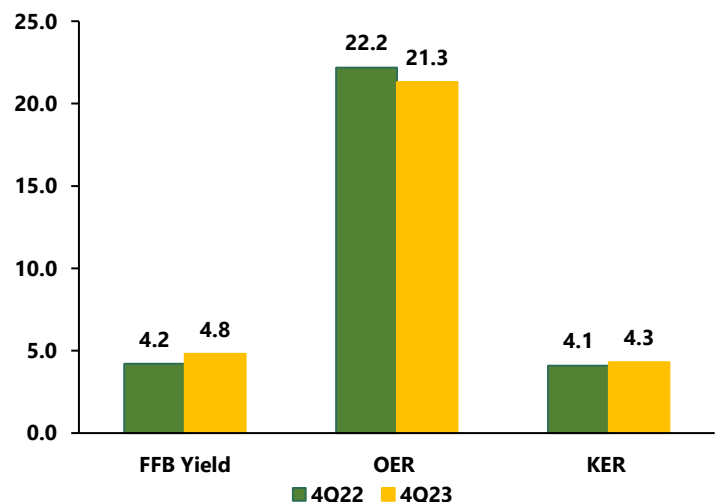
#### FFB Production (tons)



#### CPO Productions (tons)



#### FFB Yield, OER and KER (%)





## FINANCIAL OVERVIEW

- 4Q23 revenues increased **8%** YoY due to stronger CPO sales volume growth of **12%** YoY along with PK sales volume of **21%** YoY. CPO contributed 84% of NSSS' total 4Q23 revenues, followed by PK and FFB, both at 8%.
- EBIT jumped **92%** QoQ and nearly **134%** YoY, helped by **42%** lower QoQ COGS allowing gross profit to rise **65%** QoQ and **111%** YoY. Hence, 4Q23 EBIT margin significantly jumped to 43.5% in 4Q23 (3Q23: 21.5%, 4Q22: 22.4%).
- NSSS' 4Q23 robust cost efficiencies led to EBITDA of IDR119bn (**+10%** QoQ, **+35%** YoY), resulting in EBITDA margin of 41% (4Q22: 32%). Additionally, NSSS' bottom-line reached IDR36bn (**+58%** QoQ, **+540%** YoY, reflecting NPM of 12% (4Q22: 2%).
- On the balance sheet side, 2023 net gearing stood at 175%, a significant improvement from 328% in 2022. This was attributed to NSSS' total equity growth rising **69%** YTD to IDR1.1tn despite maintaining a consistent debt level.

Profit & Loss (IDR bn)	4Q23	3Q23*	4Q22	QoQ (%)	YoY (%)	2023	2022	YoY (%)
<b>Revenues</b>	293	360	270	(18.7)	8.4	1,185	1,134	4.5
<b>Gross Profit</b>	127	77	60	64.8	110.7	303	406	(25.4)
<i>% margin</i>	43.5	21.5	22.4	-	-	25.6	35.8	-
<b>EBITDA</b>	119	109	88	9.5	35.0	333	437	(23.8)
<i>% margin</i>	40.7	30.2	32.7	-	-	28.1	38.6	-
<b>EBIT</b>	107	55	46	92.0	133.8	199	326	(38.8)
<i>% margin</i>	36.4	15.4	16.9	-	-	16.8	28.7	-
<b>Net Profit</b>	36	23	6	58.0	540.3	2	70	(97.0)
<i>% margin</i>	12.3	6.3	2.1	-	-	0.2	6.2	-

Balance Sheet (IDR bn)	Dec'23	Dec'22	YTD (%)
<b>Total Assets</b>	3,672	3,035	21.0
<b>Total Liabilities</b>	2,611	2,405	8.6
<b>Total Equity</b>	1,061	630	68.4

Cash Flow (IDR bn)	Dec'23	Dec'22
<b>Operation</b>	136	47
<b>Investing</b>	(330)	137
<b>Financing</b>	395	(61)
<b>Net Change in Cash</b>	202	124

\*Unaudited

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### OPERATIONAL OVERVIEW

- 4Q23 FFB production increased **16.5%** YoY due to a rise in FFB yield to 4.8 tons/ha vs. 4.2 tons/ha in 4Q22.
- 4Q23 Processed FFB rose **18.7%** YoY translating into higher CPO production of **14.0%** YoY and PK Production of **24.6%** YoY translating to CPO extraction rate of 21.3% and PK of 4.3%.

FFB Production (tons)	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	YoY (%)
Nucleus	123,139	133,960	105,654	(8.1)	16.5	463,843	399,606	16.1
Plasma	1,582	1,615	1,316	(2.0)	20.2	5,846	4,596	27.2
FFB Yield (tons/ha)	4.8	5.2	4.2	-	-	18.1	15.9	-

Mill Performance (tons)								
Processed FFB	113,455	115,068	95,584	(1.4)	18.7	420,807	380,549	10.6
CPO Production	24,182	25,250	21,207	(4.2)	14.0	91,285	82,862	10.2
CPO OER (%)	21.3	21.9	22.2	-	-	21.7	21.8	-
PK Production	4,882	5,350	3,918	(8.7)	24.6	18,926	15,617	21.2
KER (%)	4.3	4.6	4.1	-	-	4.5	4.1	-

Sales Volumes (tons)								
CPO	23,004	27,713	20,503	(17.0)	12.2	92,255	80,466	14.7
PK	4,730	5,487	3,916	(13.8)	20.8	18,760	15,544	20.7
FFB	10,928	19,855	11,044	(45.0)	(1.1)	47,415	22,930	106.8

Avg Selling Price (IDR/kg)								
CPO	10,731	10,565	11,301	1.6	(5.0)	10,796	12,146	(11.1)
PK	4,875	4,750	5,301	2.6	(8.0)	5,007	7,551	(33.7)
FFB	2,072	2,068	1,569	0.2	32.1	1,996	1,719	16.1

### OUTLOOK

- Higher CPO prices** ahead in anticipation of El-Niño to be followed by La-Nina starting April 2024.
- Increased volumes** supported by young plantation age profile of 9.0 years, excellent maintenance program and substantial growth potential on the back of 20,000ha unplanted landbank, including plasma.
- Improved profitability margins** due to higher production volumes following commencement of NSSS' newly operated 2<sup>nd</sup> CPO Mill in Dec 2023.

### PLANTED AREAS (in hectares)

	2023	2022	YoY (%)
<b>Nucleus</b>	<b>26,767</b>	<b>26,384</b>	<b>1.4</b>
Mature	25,592	25,197	1.6
Immature	1,174	1,187	(1.1)
<b>Plasma</b>	<b>1,382</b>	<b>881</b>	<b>56.9</b>
Mature	583	560	4.1
Immature	798	321	149.1
<b>Total Planted</b>	<b>28,148</b>	<b>27,265</b>	<b>3.2</b>

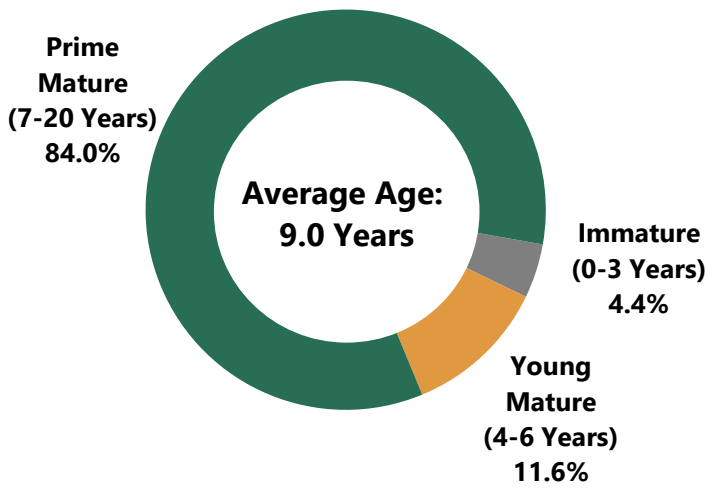
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### ADDITIONAL INFORMATION

Established in 2008 and listed on the IDX in 2023, PT Nusantara Sawit Sejahtera Tbk (NSSS) is comprised of five upstream integrated plantation companies with total planted and unplanted nucleus area of 43,000ha located in Central Kalimantan, Indonesia. Led by a solid and experienced management team, NSSS produces the highest quality palm oil products complying with best practices in the cultivation of palm oil.

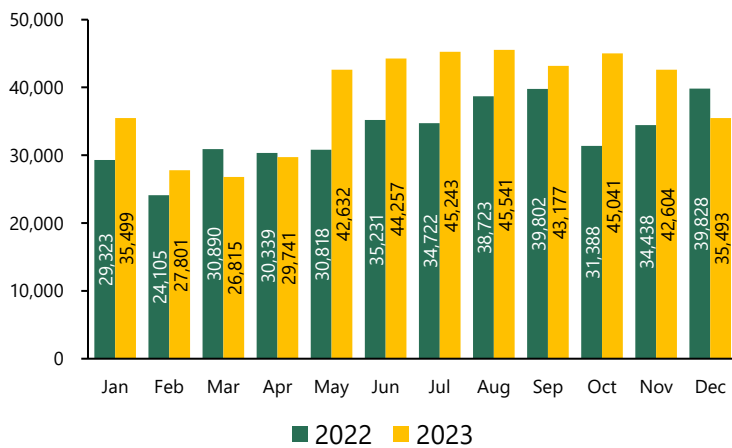
### Age Profile 2023



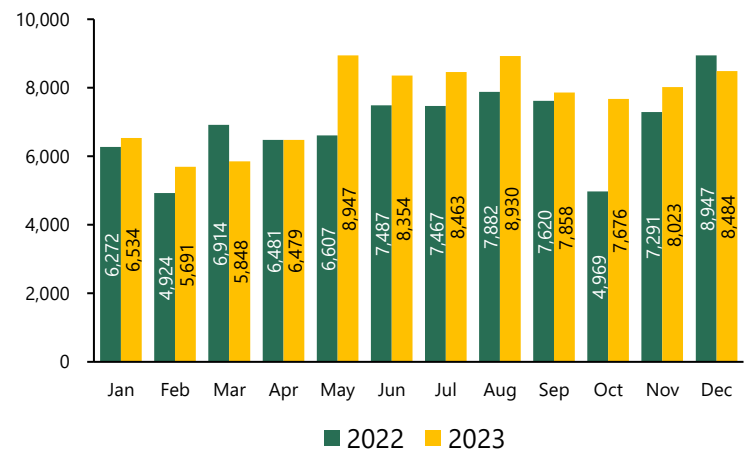
### 2<sup>nd</sup> CPO Mill



### FFB Production (tons)



### CPO Productions (tons)



**For more information:**

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