

PT Nusantara Sawit Sejahtera Tbk (NSSS)

Investor Newsletter Volume 6: 1Q24 Results Update

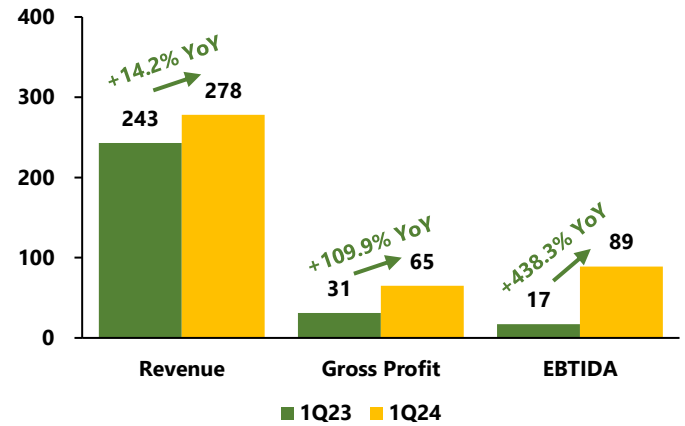
BUSINESS HIGHLIGHTS

- 1Q24 revenue +14% YoY on strong volumes.** CPO sales volumes increase +18.9% YoY, along with PK +25.7%. On the cost side, a drop in fertilizer cost (-18% YoY) and plant maintenance expense (-41% YoY) resulted in NSSS gross profit soaring to IDR65bn (+109.9% YoY). EBITDA also jumped +438% YoY to IDR89bn in 1Q24.
- Increased 1Q24 FFB volumes (+12.6% YoY) and CPO production (+23.3% YoY).** This positive production trend is supported by the newly constructed mill as well as excellent plantation management and young age profile of 9.3 years.
- 1Q24 nucleus FFB yield improved to 3.9 tons per ha,** up from 3.5 tons per ha in 1Q23. CPO extraction rate rose slightly from 21.5% in 1Q23 to 21.6% in 1Q24 while PK extraction was higher from 4.4% to 4.7% over the same period.
- NSSS currently in the process of constructing its second special terminal** to support efficient delivery system which could consequently lower transportation costs.

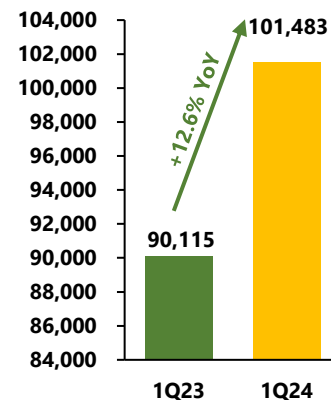
2nd special terminal will be operated in 2Q24



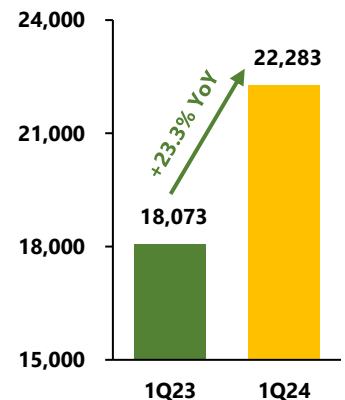
Revenues, Gross Profit and EBITDA (IDRbn)



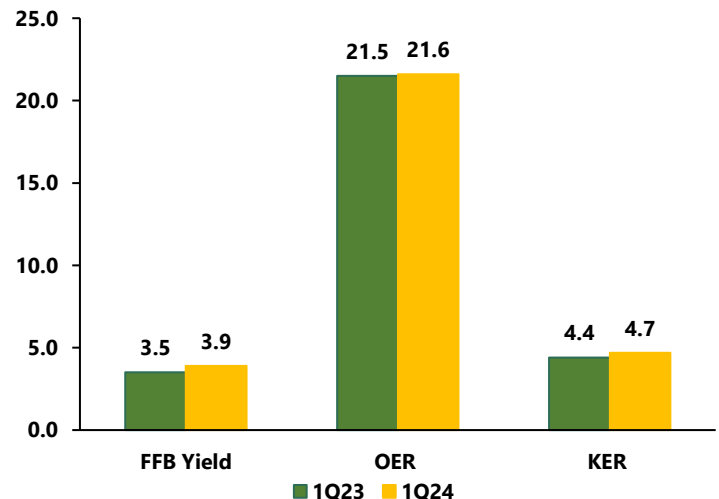
FFB Production (tons)



CPO Production (tons)



FFB Yield, OER and KER (%)





FINANCIAL OVERVIEW

- 1Q24 revenues increased **14%** YoY due to stronger CPO sales volume, which rose **19%** YoY along with PK sales volume which surged **26%** YoY. CPO contributed 91% of NSSS' total 4Q23 revenues, followed by PK contributing 9%.
- 1Q24 EBIT experienced a turnaround from a loss of IDR3bn in 1Q23 to IDR52bn, due to substantial **60%** lower YoY operating expenses. Hence, EBIT margin significantly jumped to 23.5% in 1Q24 (1Q23: 12.8%).
- NSSS' 1Q24 robust cost efficiencies led to EBITDA of IDR89bn (**+438.3%** YoY), resulting in EBITDA margin of 32.1% (1Q23: 6.8%). Additionally, NSSS' bottom-line reached IDR6bn, a sharp reversal from a net loss of IDR61bn in 1Q23.
- On the balance sheet aspect, 1Q24 net gearing stood at 171%, an improvement from 196% in 1Q23. This was attributed to NSSS' total debt level which dropped to **2.4%** YTD to IDR2.1tn.

Profit & Loss (IDRbn)	1Q24	4Q23	1Q23	QoQ (%)	YoY (%)	2023	2022	YoY (%)
Revenues	278	293	243	(5.0)	14.2	1,185	1,134	4.5
Gross Profit	65	127	31	(48.6)	109.9	303	406	(25.4)
% margin	23.5	43.5	12.8			25.6	35.8	
EBITDA	89	119	17	(25.2)	438.3	333	437	(23.8)
% margin	32.1	40.7	6.8			28.1	38.6	
EBIT	52	107	(3)	(51.4)	n.a.	199	326	(38.8)
% margin	18.6	36.4	n.a.			16.8	28.7	
Net Profit	6	36	(61)	(84.1)	n.a.	2	70	(97.0)
% margin	2.1	12.3	n.a.			0.2	6.2	

Balance Sheet (IDRbn)	Mar'24	Dec'23	YTD (%)
Total Assets	3,651	3,672	(0.6)
Total Liabilities	2,585	2,611	(1.0)
Total Equity	1,067	1,061	0.5

Cash Flow (IDRbn)	Mar'24	Dec'23
Operation	59	(5)
Investing	(22)	(308)
Financing	(40)	432
Net Change in Cash	(4)	40

OPERATIONAL OVERVIEW

- 1Q24 FFB production increased **12.6%** YoY due to a rise in FFB yield to 3.9 tons/ha vs. 3.5 tons/ha in 1Q23.
- 1Q24 Processed FFB rose **22.9%** YoY translating to higher CPO production of **18.9%** YoY and PK Production of **30.7%** YoY reflecting CPO extraction rate of 21.6% and PK of 4.7%.

FFB Production (tons)	1Q24	4Q23	1Q23	QoQ (%)	YoY (%)	2023	2022	YoY (%)
Nucleus	101,483	123,139	90,115	(17.6)	12.6	463,843	399,606	16.1
Plasma	1,598	1,582	1,035	1.0	54.4	5,846	4,596	27.2
FFB Yield (tons/ha)	3.9	4.8	3.5	-	-	18.1	15.9	-

Mill Performance (tons)								
Processed FFB	103,168	113,455	83,963	(9.1)	22.9	420,807	380,549	10.6
CPO Production	22,283	24,182	18,073	(7.9)	23.3	91,285	82,862	10.2
CPO OER (%)	21.6	21.3	21.5	-	-	21.7	21.8	-
PK Production	4,832	4,882	3,697	(1.0)	30.7	18,926	15,617	21.2
KER (%)	4.7	4.3	4.4	-	-	4.5	4.1	-

Sales Volumes (tons)								
CPO	22,005	23,004	18,502	(4.3)	18.9	92,255	80,466	14.7
PK	4,630	4,730	3,683	(2.1)	25.7	18,760	15,544	20.7
FFB	-	10,928	6,971	-	-	47,415	22,930	106.8

Avg Selling Price (IDR/kg)								
CPO	11,444	10,731	11,366	6.6	0.7	10,796	12,146	(11.1)
PK	5,647	4,875	5,440	15.8	3.8	5,007	7,551	(33.7)
FFB	-	2,072	1,867	-	-	1,996	1,719	16.1

OUTLOOK

- Higher CPO prices** ahead on El-Niño in March, April and May, to be followed by La-Nina starting June 2024.
- Increased volumes** supported by young plantation age profile of 9.3 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 NSSS' newly operated 2nd CPO mill as well as the establishment of a special terminal in 2Q24.

PLANTED AREAS (in hectares)

	3M24	3M23	YoY (%)
New Planting	95	37	159.9
Nucleus	26,863	26,421	1.7
Mature	26,057	25,594	1.8
Immature	806	828	(2.6)
Plasma	1,404	1,061	32.4
Mature	669	583	14.7
Immature	735	477	54.0
Total Planted	28,267	27,482	2.9

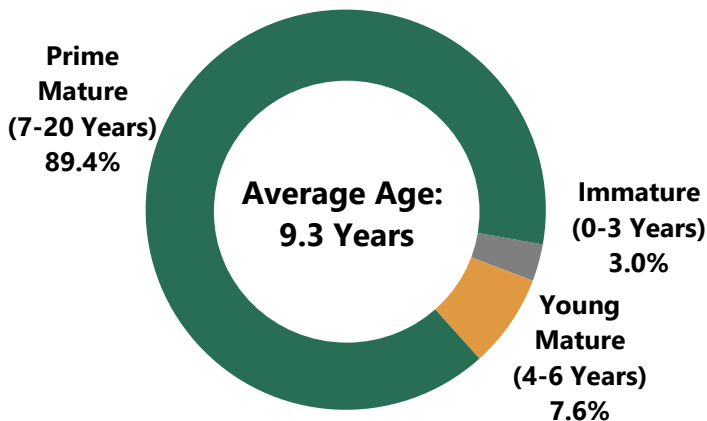
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ADDITIONAL INFORMATION

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.

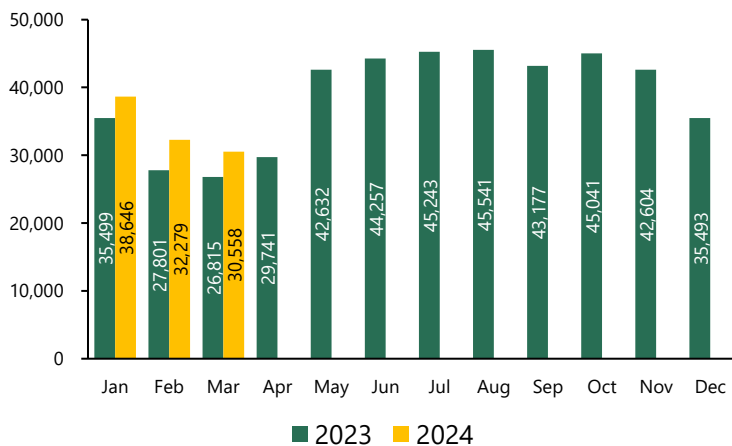
Age Profile 3M24



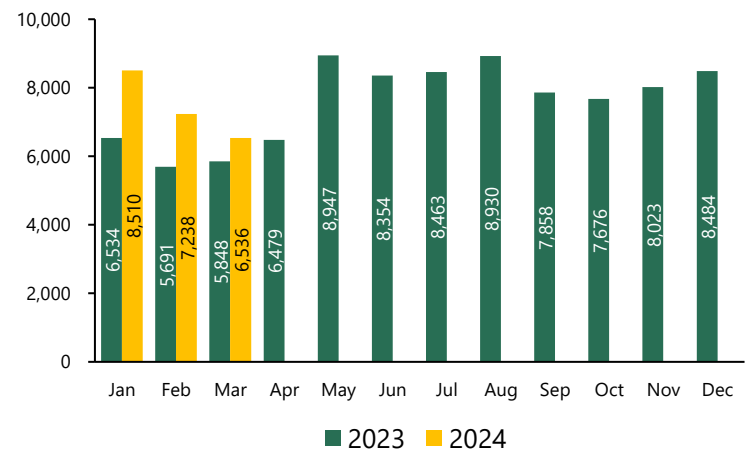
2nd CPO Mill



FFB Production (tons)



CPO Productions (tons)



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