



# 2016 FULL YEAR FINANCIAL RESULTS

27 February 2017



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# FY 2016 highlights

## **Financial performance**

- Revenue of US\$1.0 billion
- Profit Before Tax of US\$75.3m

## **Corporate activities**

- Sinochem International Corporation (“SIC”) became the majority shareholder
- Acquisition of GMG Global Ltd and SIC natural rubber business completed
- Syndicated financing facility replaced with 5- year term loan from China Construction Bank, expects financing cost savings in 2017

## **Large- scale operations**

- 90% increase in production capacity to 1.4m mT/ annum, produce in 6 geographical origins
- Distribution capacity of 2m mT/ annum
- 84,000 ha of plantable land in Malaysia, Cameroon and Ivory Coast

## **Volatile market with strong recovery**

- Natural rubber price fluctuated 106% in 2016
- Price hits 3- year high of US\$2,149/mT in the fourth quarter

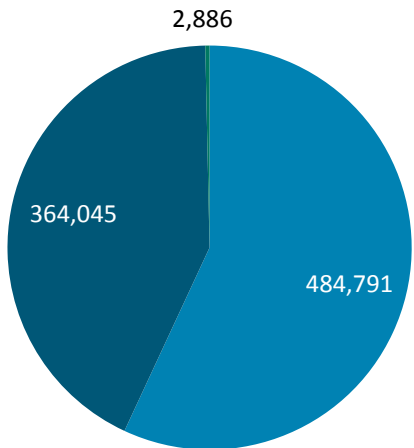
# Key financials

US\$m	Q4		Full year	
	2016	2015	2016	2015
Revenue	441.4	213.4	1,010.3	994.7
Gross profit	22.7	8.2	50.9	62.2
Operating profit <sup>1</sup>	106.7	5.3	100.4	33.6
Net income/(loss)	98.2	(1.6)	71.9	4.7
Sales volume (mT)	306,227	156,988	739,210	667,800
Revenue/mT (US\$)	1,441	1,359	1,367	1,490
Gross profit/ mT (US\$)	74	52	69	93

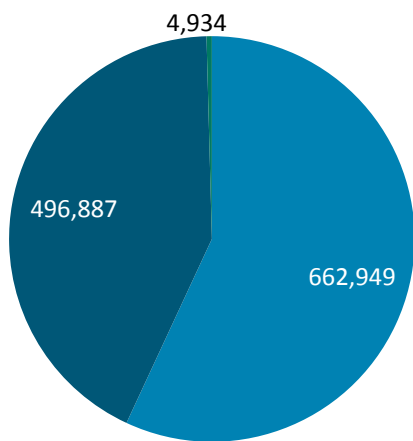
Note (1) Operating profit includes net bargain purchase gain on acquisition of subsidiaries of US\$117m

# FY 2016 segment contributions

Sales volume<sup>1</sup> (mT)



Revenue<sup>1</sup> (US\$m)



■ Processing ■ Distribution ■ Plantations

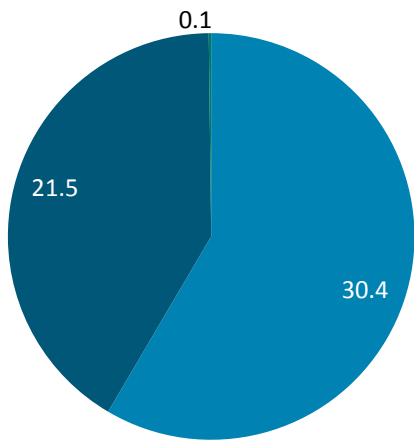
■ Processing ■ Distribution ■ Plantations

Note (1) Sales volume and revenue include intersegment amounts of 112,512 tonnes and US\$163.2m respectively

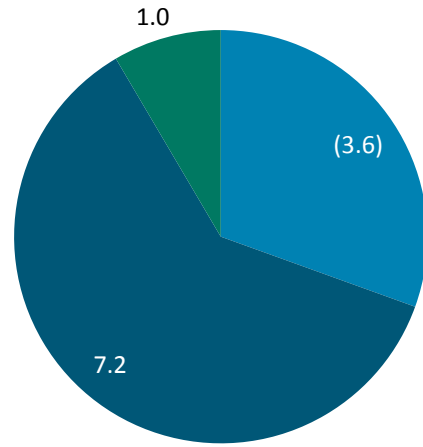
Processing contributed roughly two thirds of sales and revenue

Processing operating loss due to margin compression, effects of export restrictions (AETS) and higher opex for the acquired factories

Gross profit (US\$m)



Operating profit (US\$m)



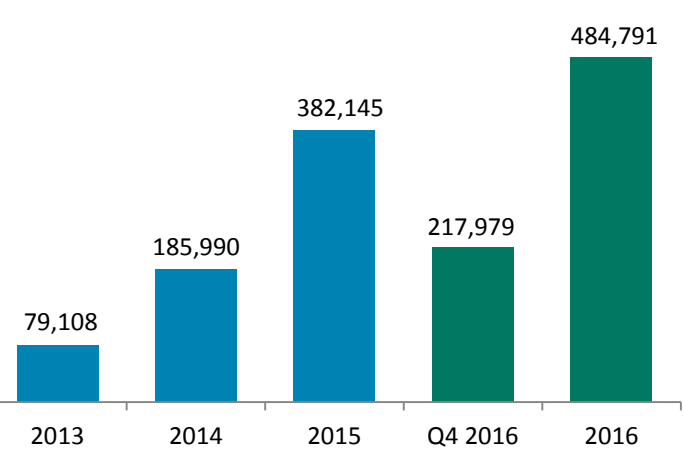
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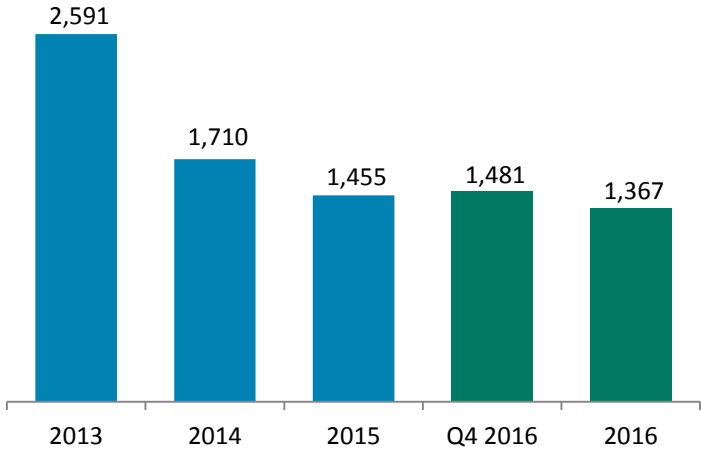
Distribution contributed US\$7.2m operating profit

# Operational metrics: Processing

Sales volume (mT)



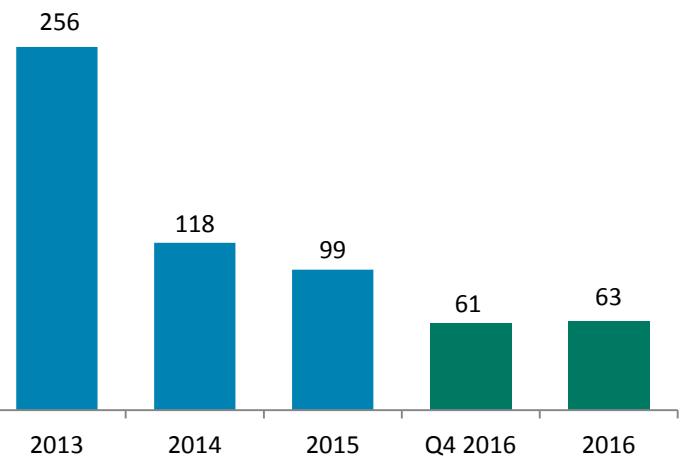
Average revenue/mT (US\$)



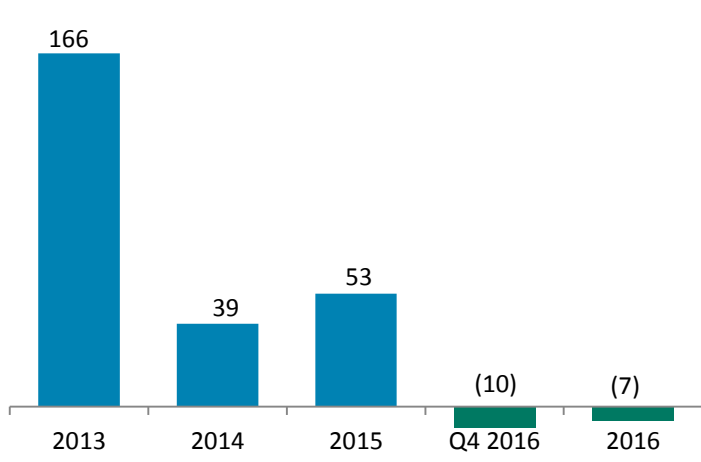
Challenging pricing pressured margins

Sales volume hindered by AETS in first half of 2016

Gross profit/mT (US\$)



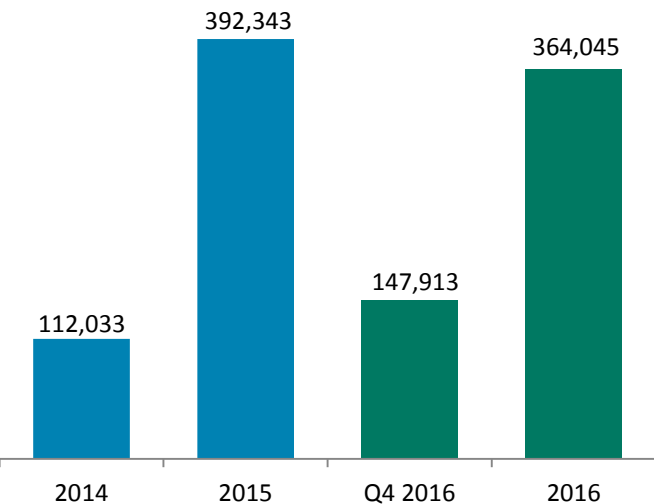
Operating profit/(loss)/mT (US\$)



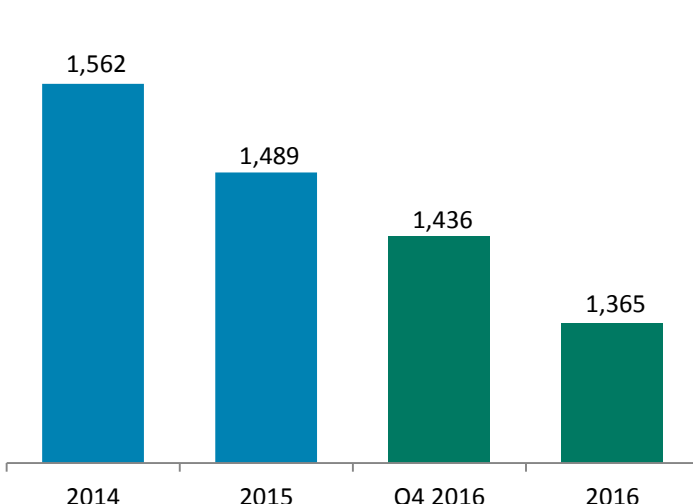
Production from 6 origins

# Operational metrics: Distribution

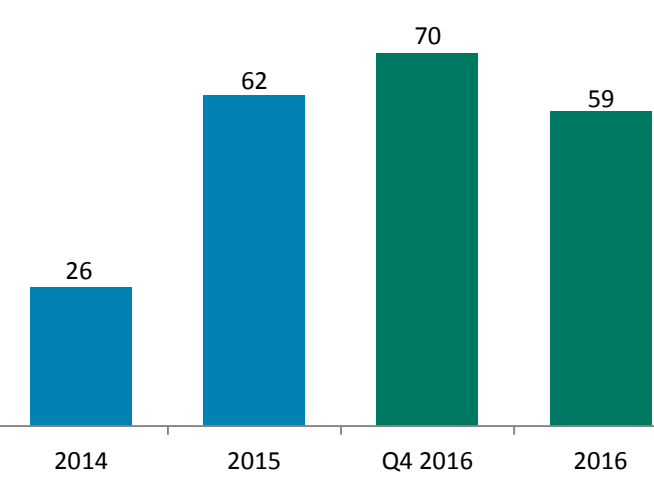
Sales volume (mT)



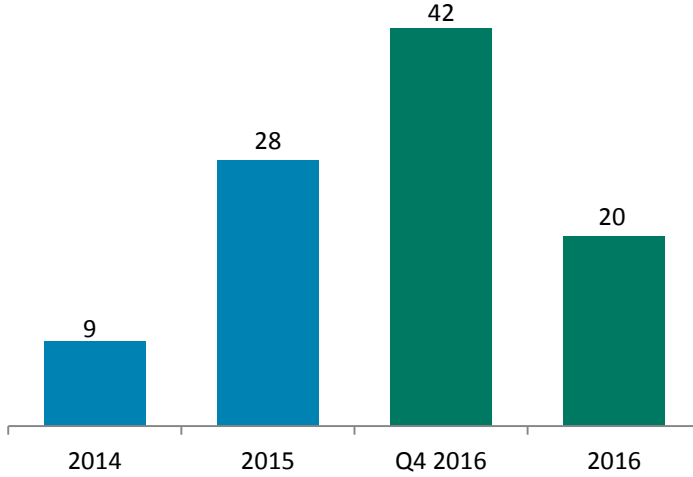
Average revenue/mT (US\$)



Gross profit/mT (US\$)



Operating profit/mT (US\$)



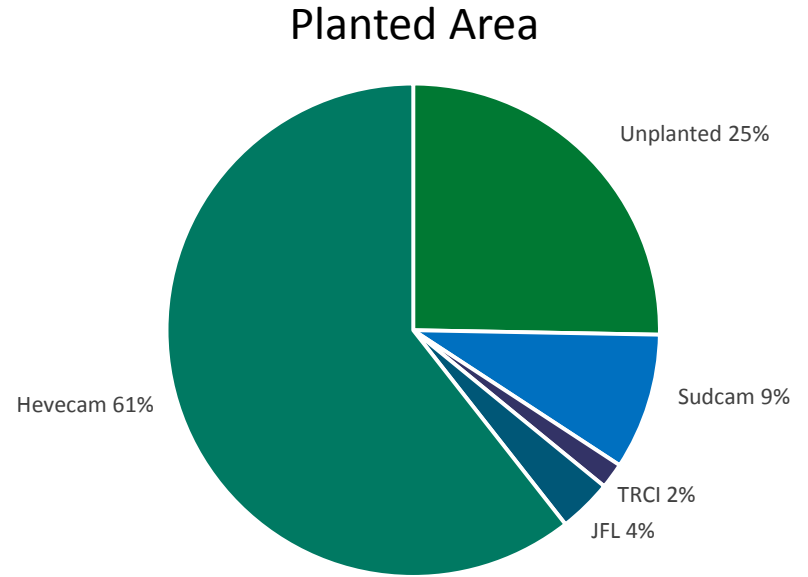
Emphasis on margin and maintain a cautious approach towards distribution opportunities

Extended existing distribution reach into PRC

# Operational metrics: Plantations

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	<b>Cumulative</b>
Concession	122,856 ha
Plantable area	84,090 ha
Immature plantation	18,294 ha
Mature plantation	14,848 ha





# Cash flow

US\$m	Q4		Full year	
	2016	2015	2016	2015
Net cash (used in)/generated from operating activities, before working capital changes	(14.2)	(4.2)	(12.5)	15.3
Changes in working capital	(62.8)	8.1	(37.1)	3.5
Net cash (used in)/generated from operating activities	(77.0)	3.9	(49.6)	18.8
Investing activities	42.8	(1.8)	37.8	(27.2)
Financing activities	50.2	11.3	7.4	8.4
Net increase/(decrease) in cash and cash equivalents	16.0	13.3	(4.4)	0.0

Note: Numbers may not add up due to rounding

# Balance sheet

US\$m	31-Dec-16	31-Dec-15
<b>Total assets</b>	<b>1,558.4</b>	<b>658.0</b>
Working capital cash and bank balances	66.6	70.5
Inventories	320.0	102.9
Trade receivables	98.1	65.0
<b>Total working capital assets</b>	<b>484.7</b>	<b>238.4</b>
<b>Total liabilities</b>	<b>(910.5)</b>	<b>(532.9)</b>
Trade payables	(46.3)	(11.2)
Working capital loans (current)	(234.2)	(166.9)
<b>Total working capital liabilities</b>	<b>(280.5)</b>	<b>(178.1)</b>
Term loans and MTN	(464.0)	(256.3)
<b>Total Equity</b>	<b>647.8</b>	<b>125.1</b>
<b>Net working capital</b>	<b>204.2</b>	<b>60.3</b>

Note: Numbers may not add up due to rounding

# Scale, Scope & Reach



ORIGINATE

**84,000**<sub>ha</sub>  
Plantable

Africa & Malaysia  
plantations

Global procurement  
reach



PRODUCE

**1.4 million**<sub>mT</sub>



**6** origins

**33** Production  
Facilities



DISTRIBUTE

Sales presence &  
logistics assets in



**39**

Cities worldwide



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