



# H1 2015 FINANCIAL RESULTS

5 AUGUST 2015



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# H1 2015 Highlights

- **Strong financial performance, despite highly volatile market prices**
  - Market prices moved 20% during the half year
  - Record revenue of US\$507m, record adjusted EBITDA of US\$26m
- **Secured long term financing facilities**
  - Up to US\$413m financing to replace temporary facilities from Anson acquisition
  - Reset capital structure with appropriate mix of term debt and working capital facilities
- **Rounded off Halcyon Agri's transformation from natural rubber producer to integrated supply chain manager**
  - Completed acquisition of Centrotrade
  - Final consideration payment made for New Continent Enterprises
  - Integration well progressed
- **Completed migration to SGX mainboard**

# Key financials

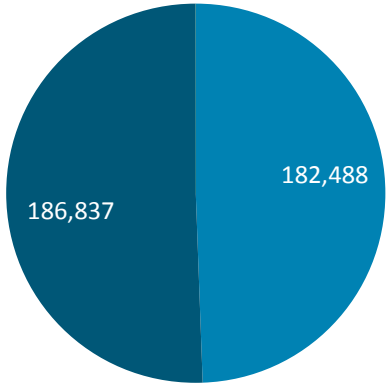
Operating profit per tonne 40% higher in 1H 2015, despite revenue per tonne being 24% lower

US\$m	Q2		H1	
	2015	2014	2015	2014
Revenue	298.3	37.2	506.7	78.0
Gross profit	20.8	3.4	34.9	6.3
EBITDA <sup>1</sup>	14.6	1.5	26.3	2.8
Operating profit <sup>1</sup>	12.3	1.1	21.6	1.8
Net income <sup>1</sup>	4.5	0.6	7.3	1.1
Sales volume (mT)	192,813	19,336	326,979	38,497
EBITDA <sup>1</sup> after working capital interest (US\$m)	12.9	1.3	23.5	2.4
Operating profit <sup>1</sup> after working capital interest (US\$m)	10.6	0.9	18.8	1.4
Revenue/mT (US\$)	1,547	1,924	1,550	2,025
Operating profit <sup>1</sup> /mT (US\$)	64	57	66	47
Operating profit after working capital interest <sup>1</sup> /mT (US\$)	55	45	57	36

Note (1) Adjusted to exclude non-recurring items

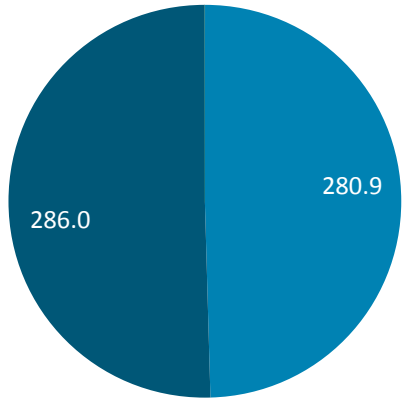
# H1 2015 segment contributions

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



■ Processing ■ Distribution ■ Plantations

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



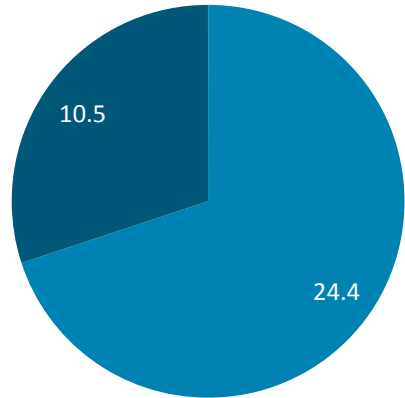
■ Processing ■ Distribution ■ Plantations

Volume and revenue split roughly equal between processing and distribution

Distribution contribution to operating profit increased to 27%

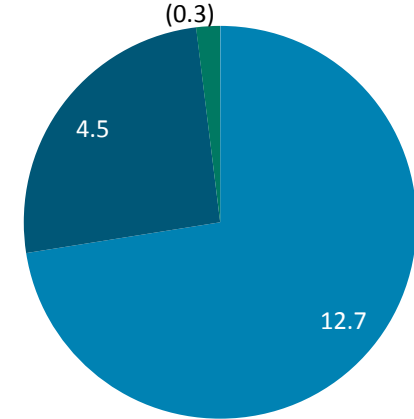
Note (1) Sales volume and revenue include intersegment amounts of 42,346 tonnes and US\$62.0m respectively

Gross profit (US\$m)



■ Processing ■ Distribution ■ Plantations

Operating profit (US\$m)



■ Processing ■ Distribution ■ Plantations

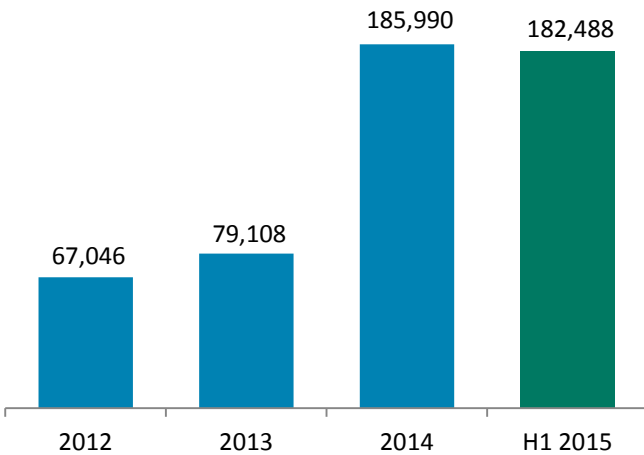
# Operational metrics: Plantations

	<b>Cumulative</b>
Land area prepared for planting	2,605 ha
Natural rubber planted area	700 ha
Natural rubber trees planted	350,000
Oil palm planted area	449.6 ha
Oil palms planted	60,252

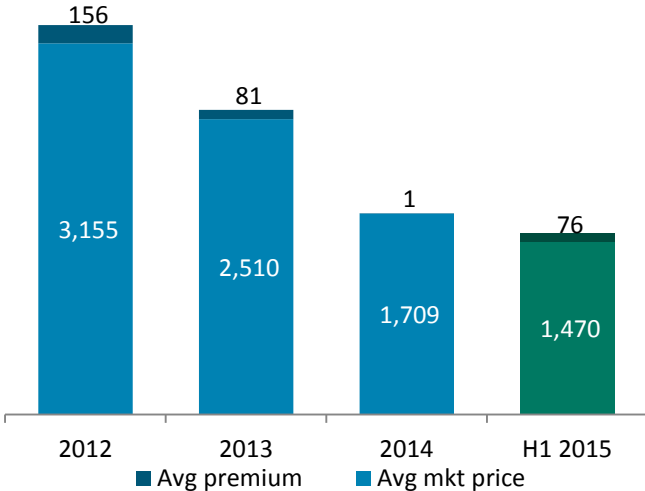
- 95% of land cleared and terraced on Lebir Estate; further 760 ha to be planted by the end of 2015
- 100ha of oil palm scheduled for first harvest in 2015
- Construction of permanent worker housing, stores and offices, roads and bridges progressing well
- Land preparation at Ulu Nenggeri Estate in progress; first 250 ha to be planted by the end of the 2015
- Total capital expenditure of US\$1.6m and operating expenses of US\$0.3m in 1H 2015

# Operational metrics: Processing

Sales volume (mT)

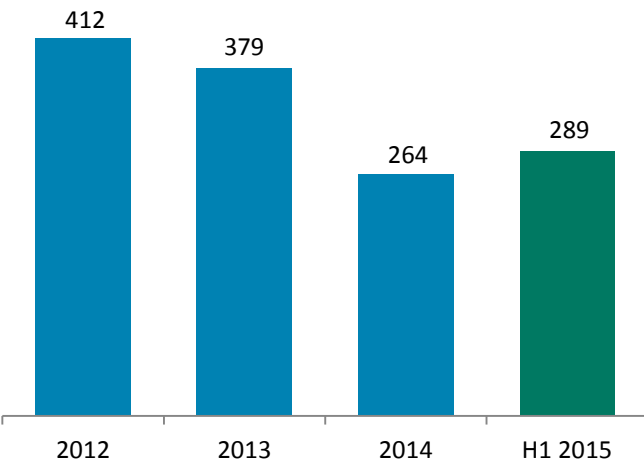


Market price/mT & premium/mT (US\$)

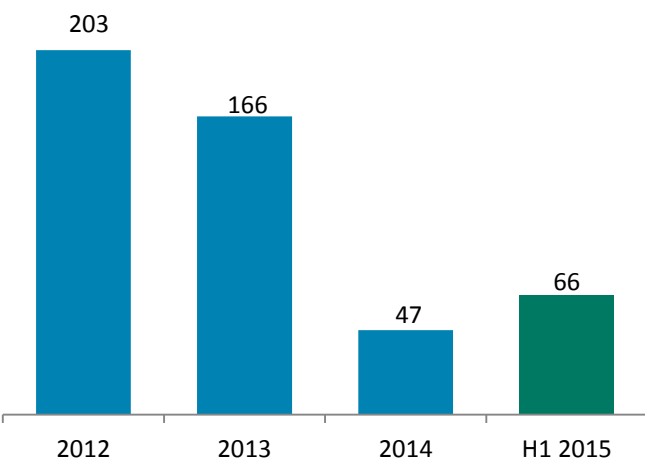


Volumes higher, however margins affected by exceptional volatility in market prices

Gross material profit/mT (US\$)



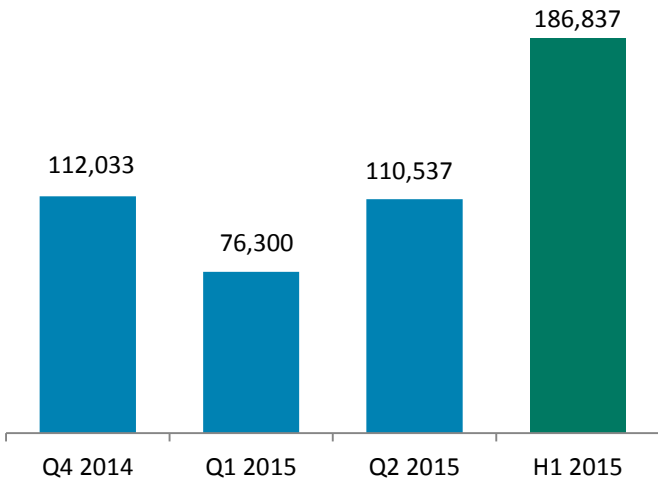
Operating profit<sup>1</sup>/mT (US\$)



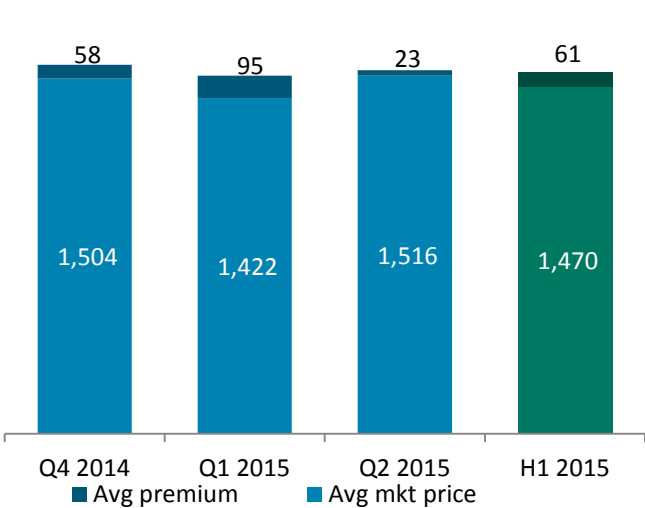
Note (1) Adjusted to exclude non-recurring items

# Operational metrics: Distribution

Sales volume (mT)

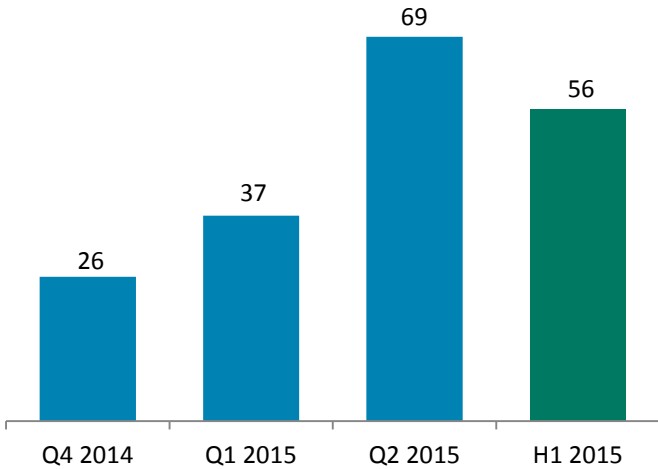


Market price/mT & premium/mT (US\$)

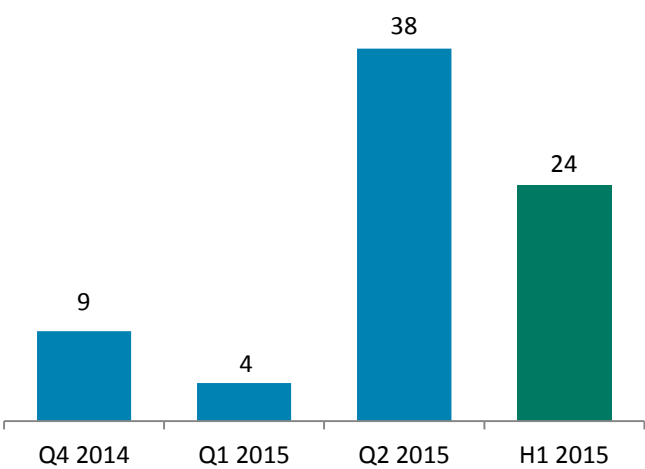


Significant step up in profit contribution from distribution

Gross profit/mT (US\$)



Operating profit/mT (US\$)





# Cash flow

US\$m	Q2		H1	
	2015	2014	2015	2014
Net cash from/(used in) operating activities, before working capital changes	4.9	(0.9)	7.0	1.6
Changes in working capital	(2.5)	(4.2)	(30.4)	(10.4)
Net cash generated from/(used in) operating activities	2.4	(5.1)	(23.4)	(8.8)
Investing activities	(11.9)	(2.8)	(22.4)	(34.5)
Financing activities	12.8	16.2	28.9	21.8
Net increase/(decrease) in cash and cash equivalents	3.3	8.3	(16.9)	(21.6)

# Balance sheet

US\$m	30-Jun-15	31-Dec-14
<b>Total assets</b>	<b>683.5</b>	<b>641.0</b>
Working capital cash and bank balances	56.1	62.5
Inventories	135.6	88.1
Trade receivables	76.3	65.0
<b>Total working capital assets</b>	<b>268.0</b>	<b>215.6</b>
Cash reserved for strategic purposes	0.0	15.0
<b>Total liabilities</b>	<b>(537.9)</b>	<b>(480.6)</b>
Trade payables	(11.7)	(27.0)
Working capital loans (current)	(165.3)	(55.4)
<b>Total working capital liabilities</b>	<b>(177.0)</b>	<b>(82.4)</b>
Term loans and MTN	(310.3)	(341.4)
<b>Total Equity</b>	<b>145.7</b>	<b>160.5</b>
<b>Net working capital</b>	<b>91.0</b>	<b>133.2</b>

# Outlook

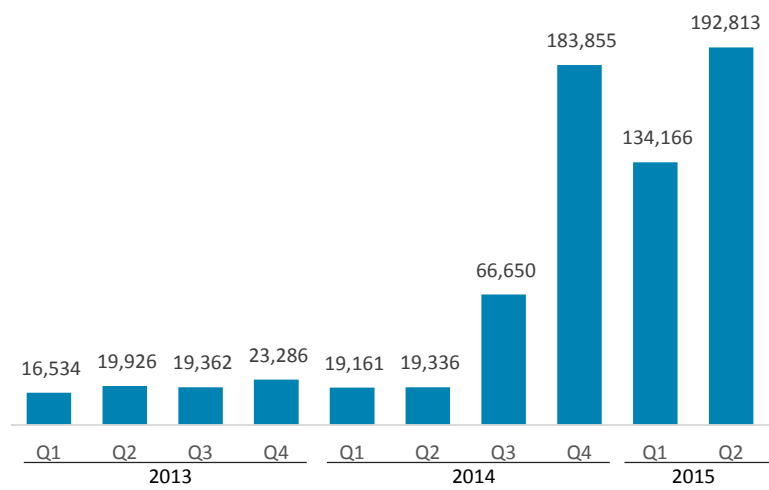
- **Demand fundamentals remain intact**
  - Increasing emerging market mobility will drive demand growth over the long term
  - Economic events and sentiment affect new car sales in different markets from time to time
- **Market prices expected to remain volatile**
- **Benefits of integrated model to increase over time**
  - Margin benefits of scale & breadth of activities
  - Increased operational and cost efficiencies

# APPENDIX

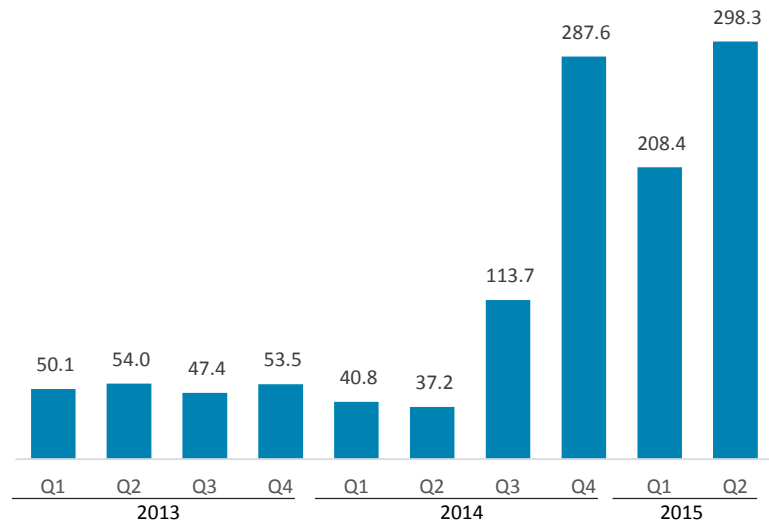


# Quarterly financials

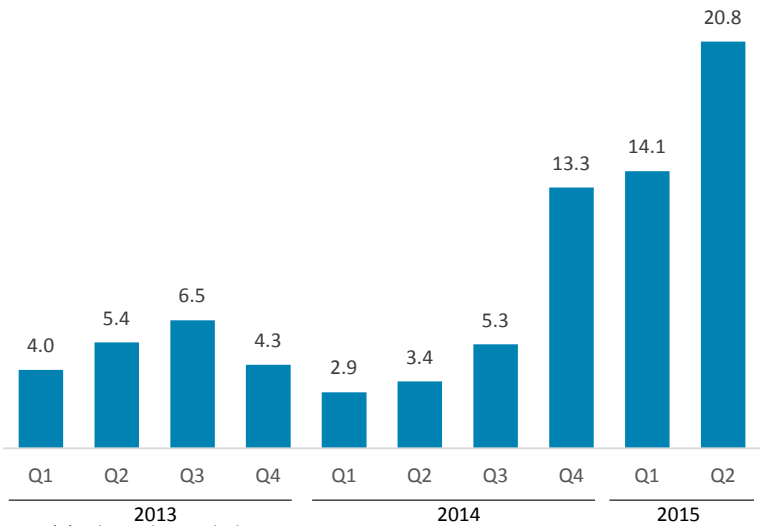
Sales volume (mT)



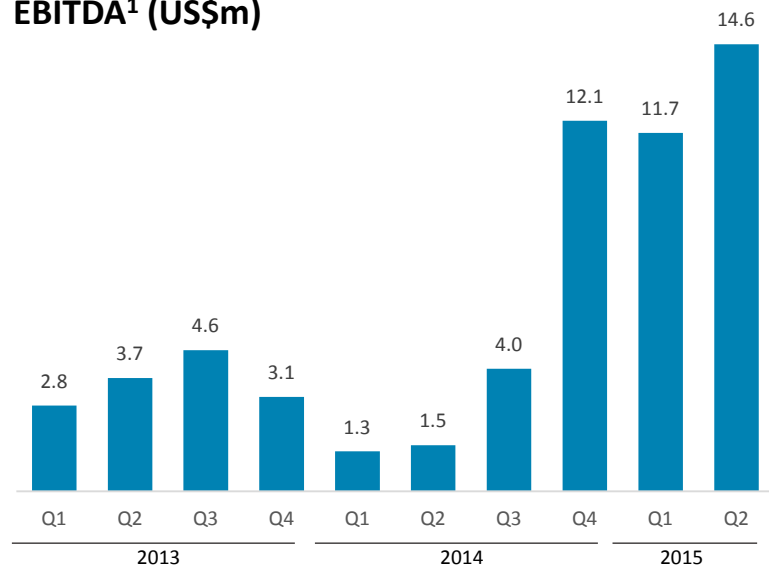
Revenue (US\$m)



Gross profit (US\$m)



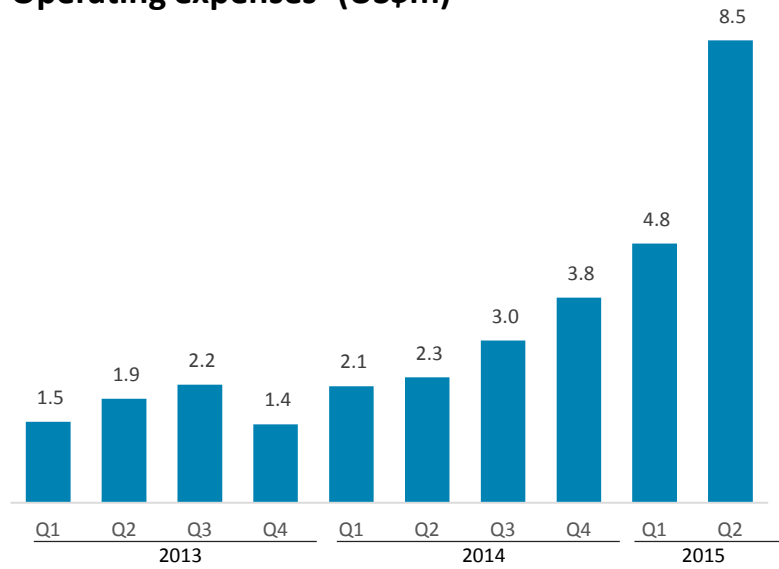
EBITDA<sup>1</sup> (US\$m)



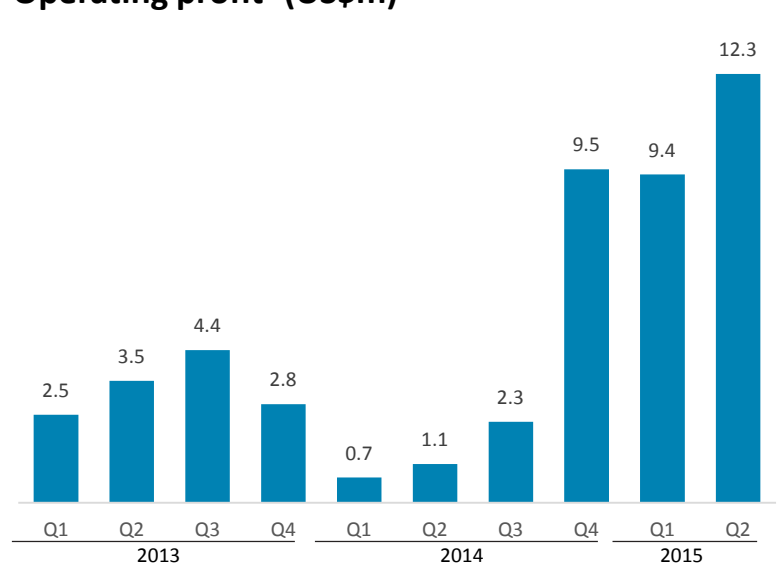
Note (1) Adjusted to exclude non-recurring items

# Quarterly financials

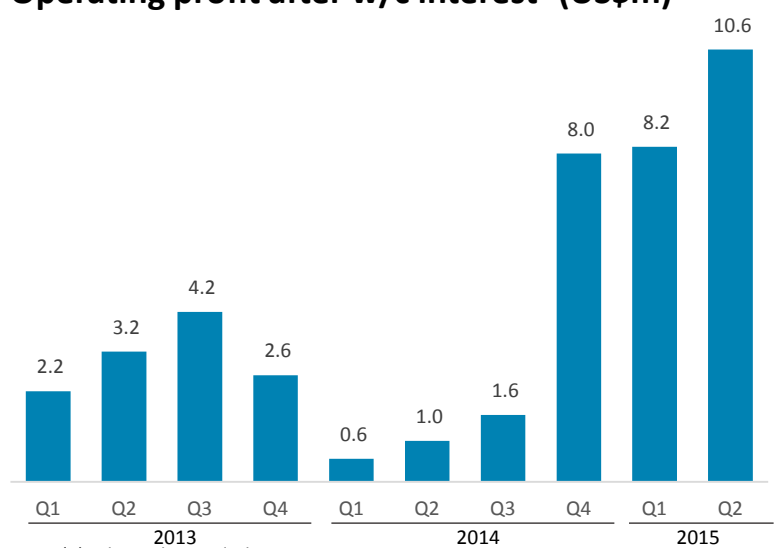
Operating expenses<sup>1</sup> (US\$m)



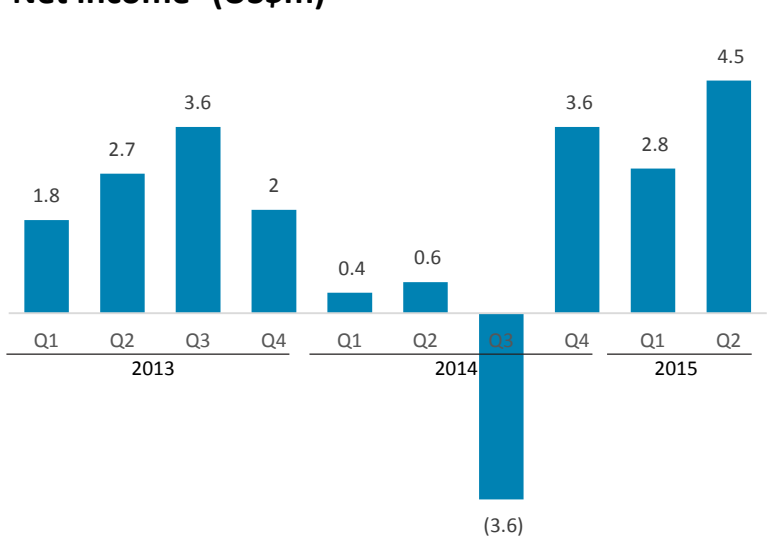
Operating profit<sup>1</sup> (US\$m)



Operating profit after w/c interest<sup>1</sup> (US\$m)



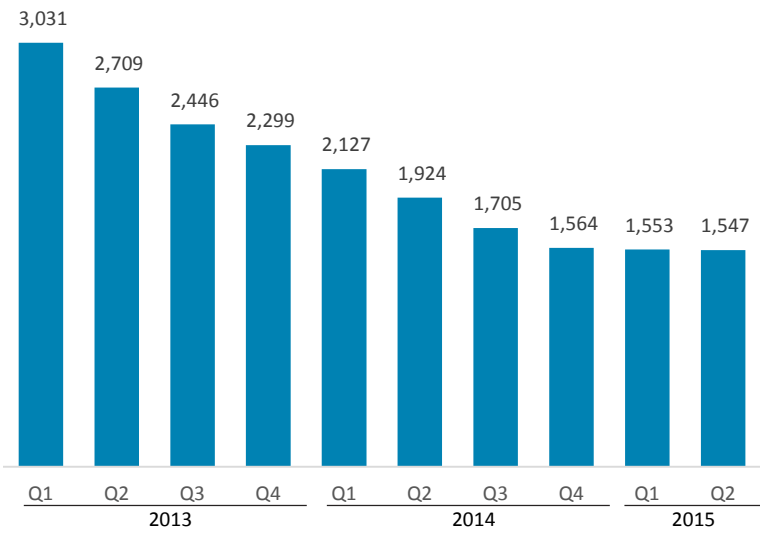
Net income<sup>1</sup> (US\$m)



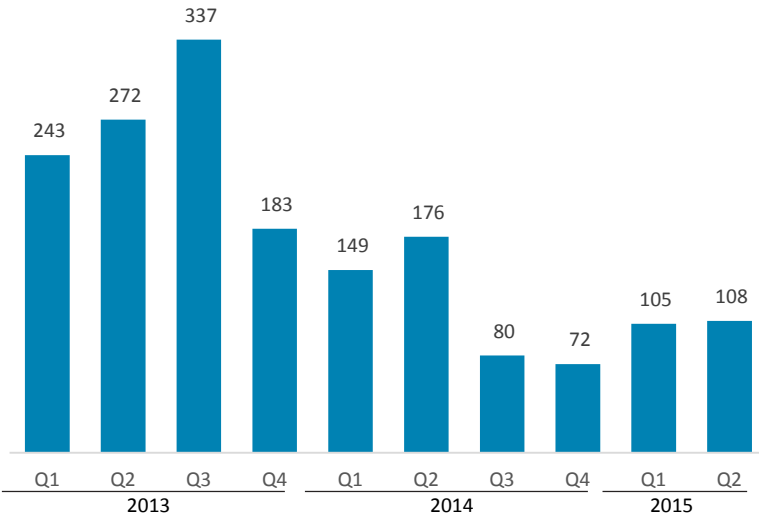
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# Quarterly financials

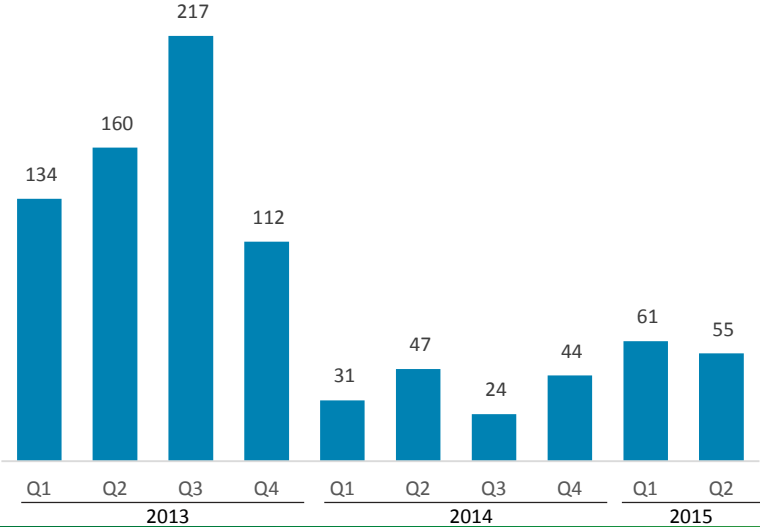
Revenue/mT (US\$)



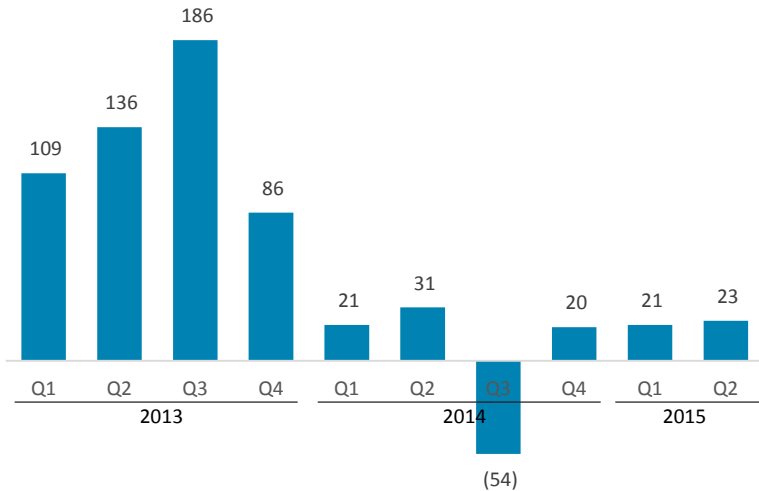
Gross profit/mT (US\$)



Operating profit after w/c interest<sup>1</sup>/mT (US\$)



Net income<sup>1</sup>/mT (US\$)

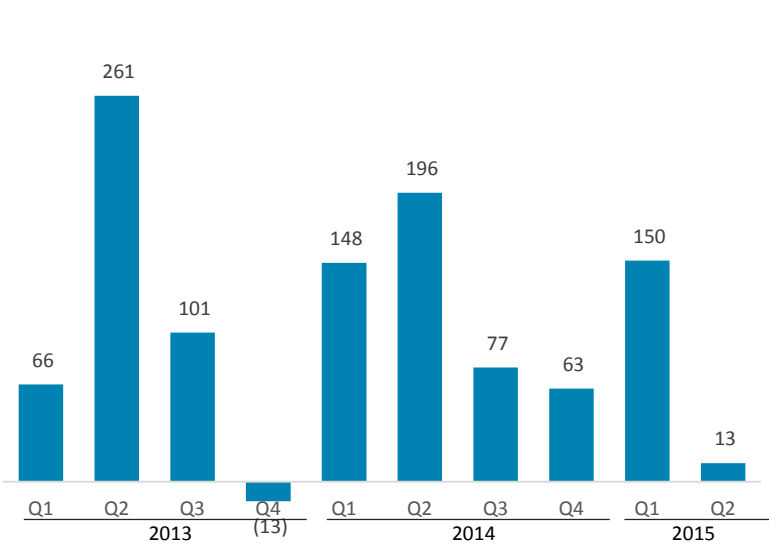


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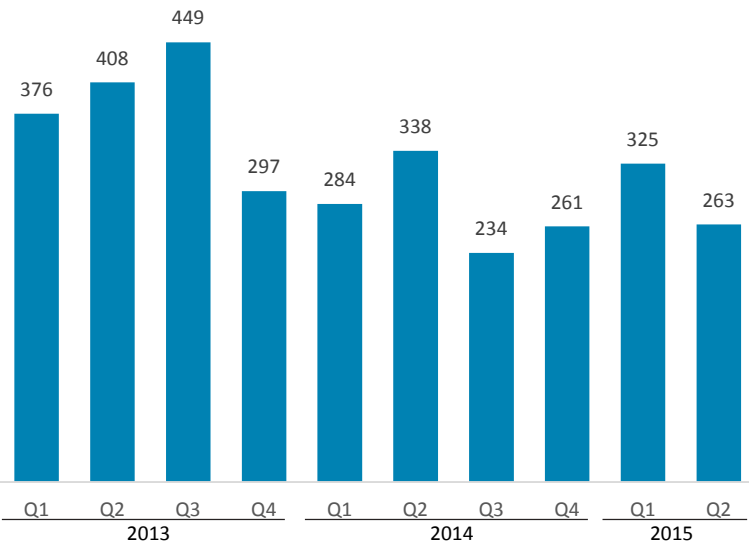


# Quarterly processing metrics

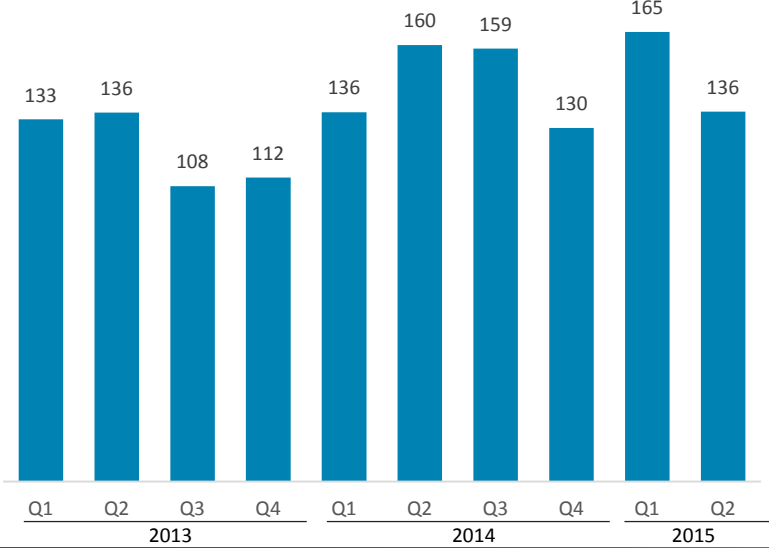
Revenue/mT premium (US\$)



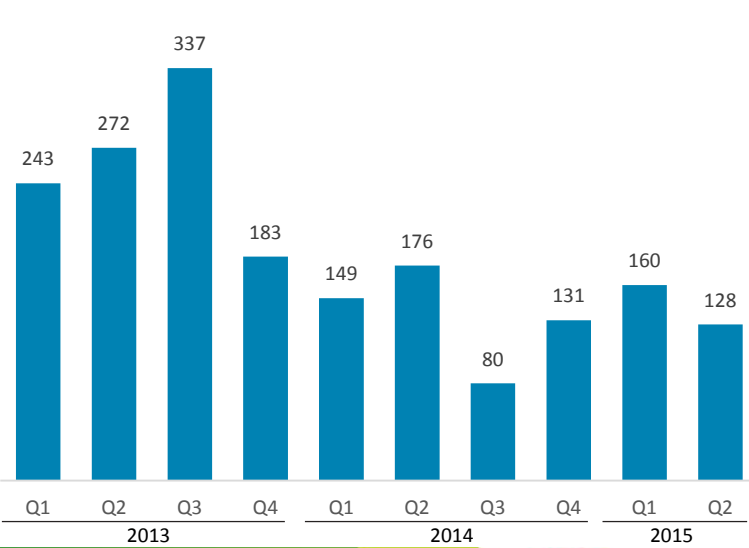
Gross material profit/mT (US\$)



Processing cost/mT (US\$)



Gross profit/mT (US\$)







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