



2015 FULL YEAR FINANCIAL RESULTS

26 FEBRUARY 2016



Important notice

This presentation has been prepared by Halcyon Agri Corporation Limited (“Company”) for informational purposes, and may contain projections and forward-looking statements that reflect the Company’s current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company’s assumptions are correct.

The information is current only as of its date and shall not, under any circumstances, create any implication that the information contained therein is correct as of any time subsequent to the date thereof or that there has been no change in the financial condition or affairs of the Company since such date. Opinions expressed herein reflect the judgement of the Company as of the date of this presentation and may be subject to change. This presentation may be updated from time to time and there is no undertaking by the Company to post any such amendments or supplements on this presentation.

The Company will not be responsible for any consequences resulting from the use of this presentation as well as the reliance upon any opinion or statement contained herein or for any omission.

FY 2015 highlights

Volatile market environment throughout 2015

- Natural rubber price fluctuated 45% in the year
- Low for 2015 of US\$1,143/mT in Q4

Financial performance

- Revenue of US\$994m, adjusted EBITDA US\$49m
- Solid performance on operating metrics
- Low natural rubber prices affected raw material supplies

Strategy & integration on track

- Strength of supply chain model showing positive results
- Integration complete
- Harvesting opportunities for value creation

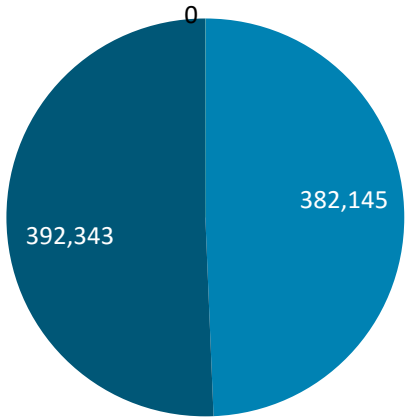
Key financials

US\$m	Q4		Full year	
	2015	2014	2015	2014
Revenue	213.4	287.6	994.7	479.2
Gross profit	8.2	13.3	62.2	24.9
EBITDA ¹	9.9	12.1	49.1	18.9
Operating profit ¹	7.6	9.5	40.0	13.7
Net income ¹	0.7	3.6	11.2	1.1
Sales volume (mT)	156,988	183,855	667,800	289,002
EBITDA ¹ after working capital interest (US\$m)	8.8	10.4	43.3	16.0
Operating profit ¹ after working capital interest (US\$m)	6.5	7.8	34.1	10.8
Revenue/mT (US\$)	1,359	1,564	1,490	1,658
Operating profit ¹ /mT (US\$)	48	52	60	47
Operating profit after working capital interest ¹ /mT (US\$)	41	42	51	37

Note (1) Adjusted to exclude non-recurring expense items and fair value gain on investment properties, net of tax

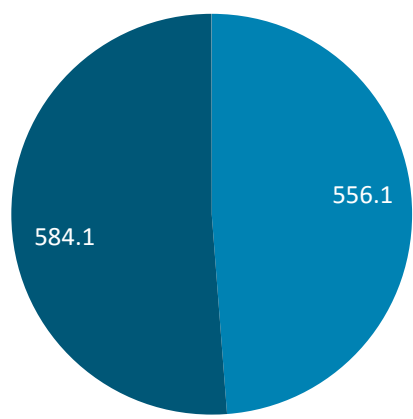
FY 2015 segment contributions

Sales volume¹ (mT)



■ Processing ■ Distribution ■ Plantations

Revenue¹ (US\$m)



■ Processing ■ Distribution ■ Plantations

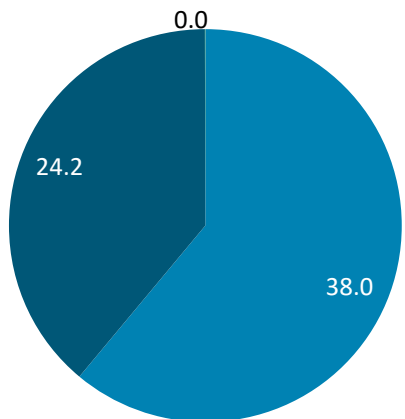
Volume and revenue split roughly equal between processing and distribution

Processing contributed approximately 57% of operating profit, distribution contributed 31%

Contribution from Plantations due to biological gains

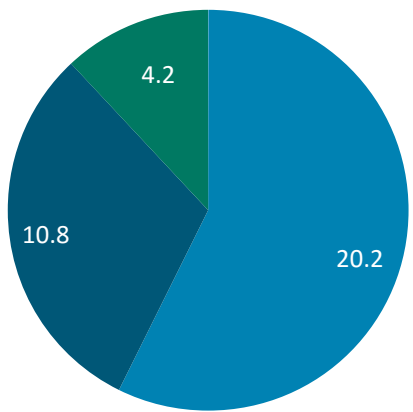
Note (1) Sales volume and revenue include intersegment amounts of 106,688 tonnes and US\$149.2m respectively

Gross profit (US\$m)



■ Processing ■ Distribution ■ Plantations

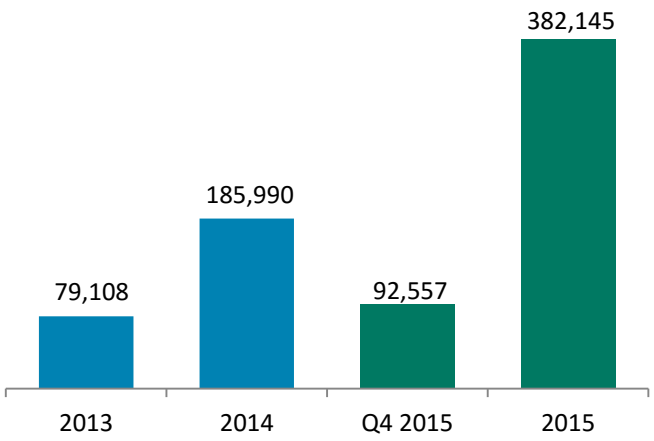
Operating profit (US\$m)



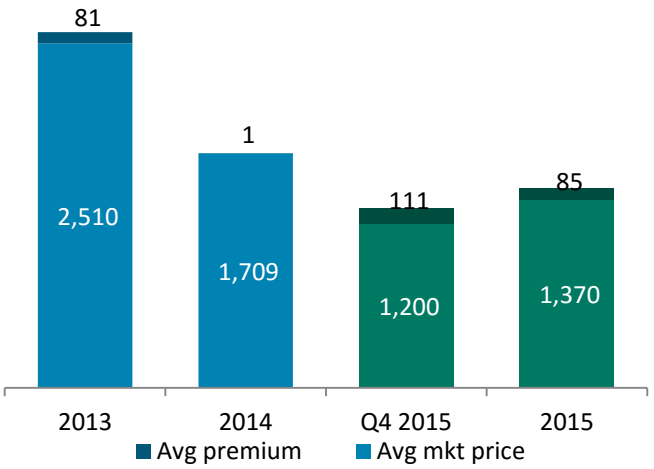
■ Processing ■ Distribution ■ Plantations

Operational metrics: Processing

Sales volume (mT)



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

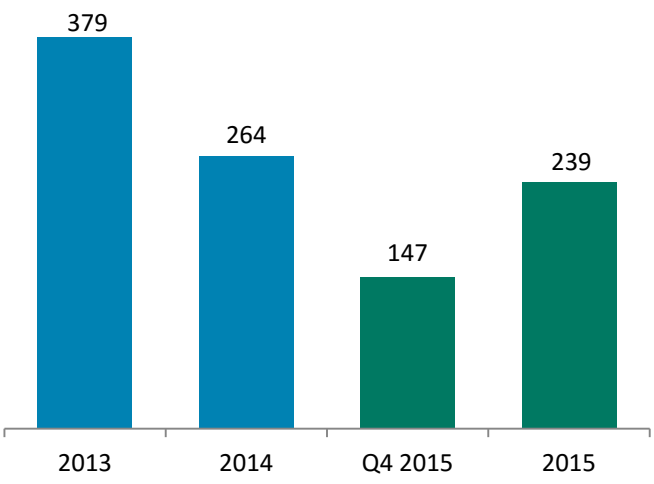


Challenging market price pressured margins in Q4

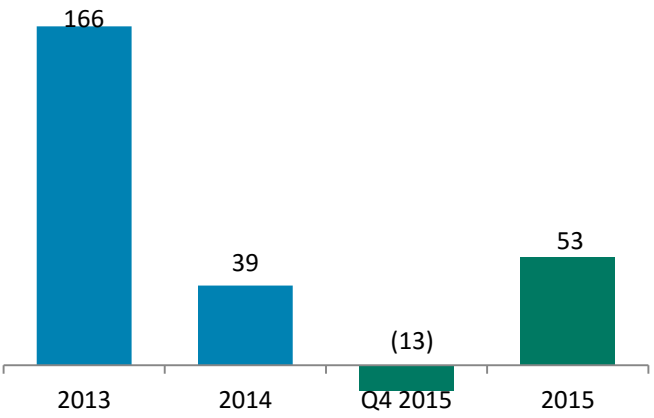
Focus on quality systems

Implementation of HEVEAPRO

Gross material profit/mT (US\$)

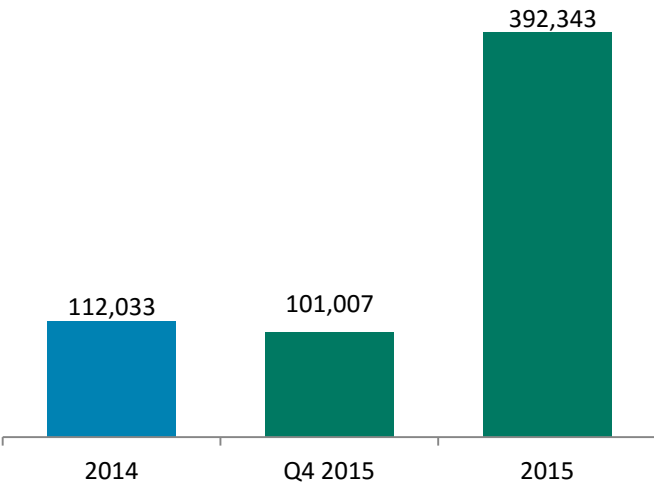


Operating profit/mT (US\$)

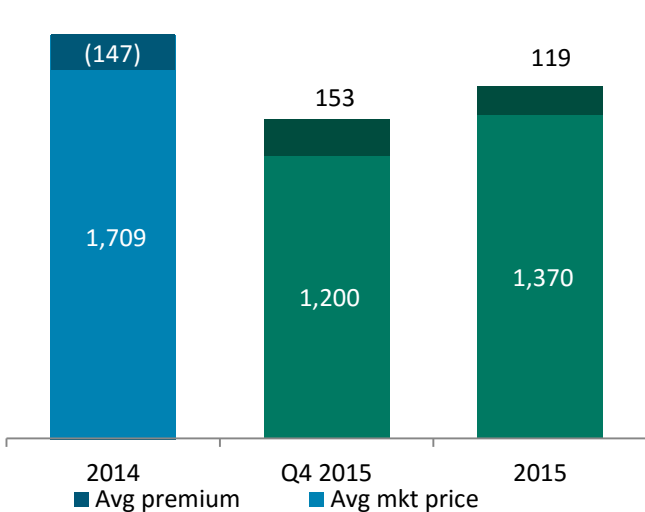


Operational metrics: Distribution

Sales volume (mT)



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

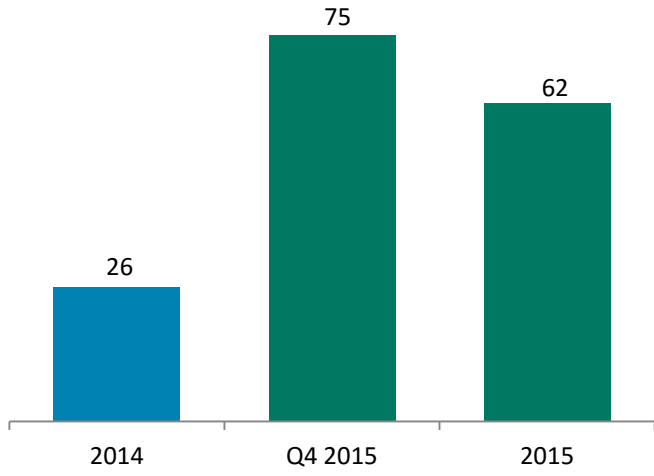


Distribution business a strong contributor

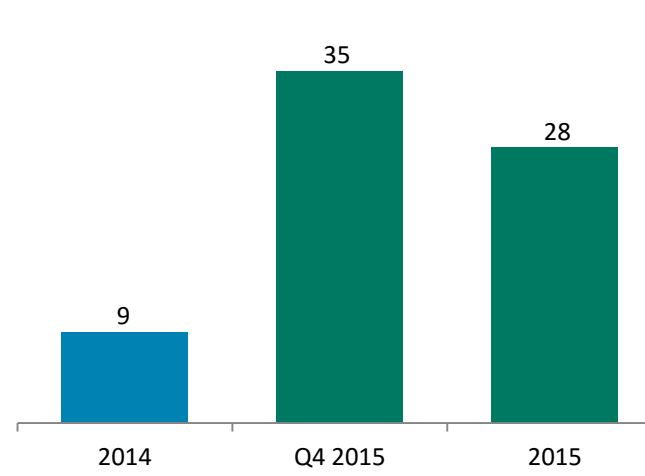
Reorganised in 2015 along functional lines:

- HEVEAPRO
- Industrial Distribution & Latex
- Opportunistic Sales
- Risk, Liquidity & Hedging

Gross profit/mT (US\$)



Operating profit/mT (US\$)



Operational metrics: Plantations

	Cumulative
Land area prepared for planting	2,605 ha
Natural rubber planted area	1,281 ha
Natural rubber trees planted	609,000
Oil palm planted area	566 ha
Oil palms planted	66,546

- Lebir Estate fully developed. Development underway on Ulu Nengirri Estate
- Palm planting completed; first FFB harvest in Q4 2015; providing a source of operational cash flow to support planting activity over time
- Infrastructure construction well progressed
- Development of first 279 planted hectares at Ulu Nenggiri completed
- Capital expenditure of US\$3.9m and operating expenses of US\$0.7m in FY2015
- Biological gains of US\$4.9m in FY15

Cash flow

US\$m	Q4		FY	
	2015	2014	2015	2014
Net cash (used in)/generated from operating activities, before working capital changes	(4.2)	3.6	15.3	(9.5)
Changes in working capital	8.1	6.2	3.6	13.7
Net cash generated from operating activities	3.9	9.9	18.8	4.1
Investing activities	(1.8)	(34.4)	(27.2)	(351.4)
Financing activities	11.3	(15.7)	8.4	379.7
Net increase/(decrease) in cash and cash equivalents	13.3	(40.2)	(0)	32.4

Balance sheet

US\$m	31-Dec-15	31-Dec-14
Total assets	660.1	641.0
Working capital cash and bank balances	70.5	62.5
Inventories	102.9	88.1
Trade receivables	65.0	65.0
Total working capital assets	238.4	215.6
Cash reserved for strategic purposes	0.0	15.0
Total liabilities	(533.4)	(480.5)
Trade payables	(11.2)	(27.0)
Working capital loans (current)	(166.9)	(55.4)
Total working capital liabilities	(178.1)	(82.4)
Term loans and MTN	(256.3)	(329.0)
Total Equity	126.7	160.5
Net working capital	60.3	133.2

Halcyon Agri strategic positioning

Natural Rubber Supply Chain Management

3 Core Business Strategies



ORIGINATE

9,845 ha land in Malaysia

Procurement reach into all other major origins worldwide

- Plantation development & production expertise
- Expert clonal selection
- **Opportunities to expand direct raw material access**



PRODUCE

750,000 tonnes annual processing capacity

2 regional manufacturing platforms

- Processing hubs in key locations in Sumatra, Kalimantan & Malaysia
- Centres of excellence in processing technology, CSR and quality management
- **Opportunities to expand within platforms or by adding platforms**



DISTRIBUTE

1m tonnes annual sales capability

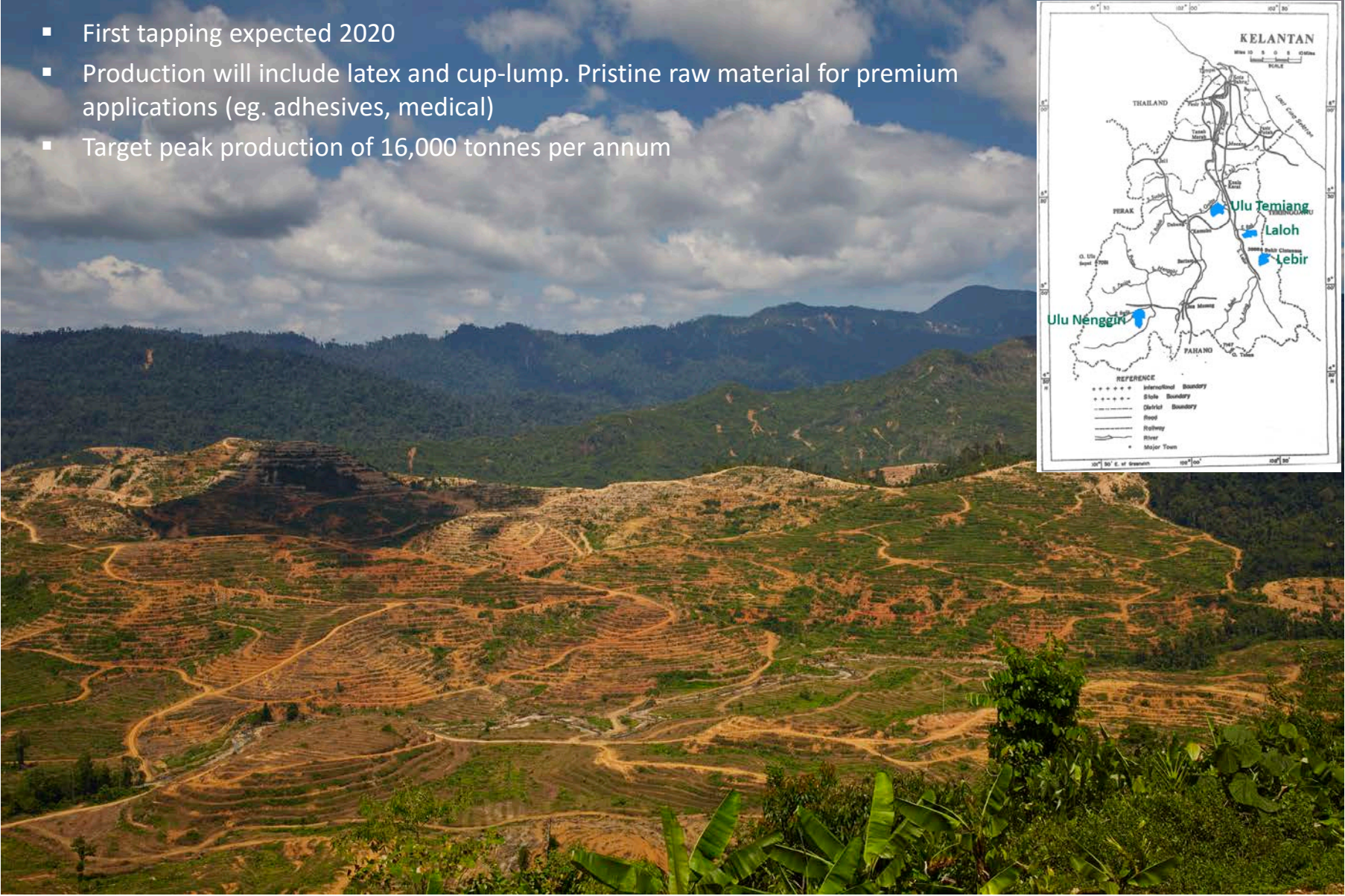
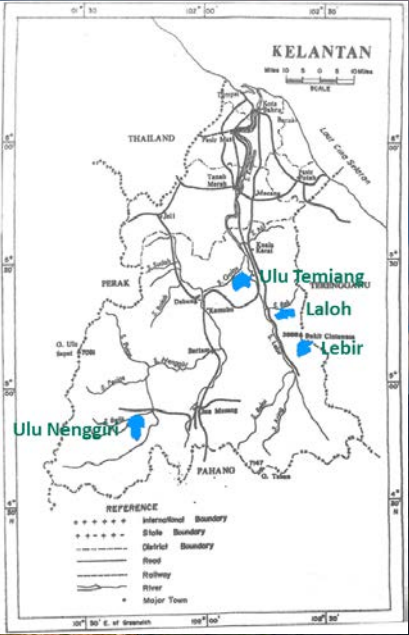
3 sales & marketing platforms

Global network of logistics assets

- Hevea Global, New Continent Enterprises, Centro Trade
- **Opportunities to add platforms**

Origination: Developing natural rubber plantations

- First tapping expected 2020
- Production will include latex and cup-lump. Pristine raw material for premium applications (eg. adhesives, medical)
- Target peak production of 16,000 tonnes per annum



Production: Scale producer with 748,000 mT capacity



- Largest natural rubber producer in Palembang, Indonesia's largest rubber exporting city

Indonesia

Factory	Location	Code	Licensed Capacity
PT Hevea MK I	Palembang, South Sumatra	SDR	55,000
PT Hevea MK II	Palembang, South Sumatra	SEA	55,000
PT Hok Tong I Palembang	Palembang, South Sumatra	SCX	65,000
PT Hok Tong II Palembang	Palembang, South Sumatra	SGO	100,000
PT Remco Palembang	Palembang, South Sumatra	SDQ	50,000
PT Sunan Rubber Palembang	Palembang, South Sumatra	SCY	60,000
PT Hevea GE	Jambi, Central Sumatra	SGB	50,000
PT Remco Jambi	Jambi, Central Sumatra	SBG	36,000
PT Hok Tong Jambi	Jambi, Central Sumatra	SCL	25,000
PT Hok Tong Pontianak	Pontianak, West Kalimantan	KAZ	28,000
PT Rubber Hock Lie Sunggal	Medan, North Sumatra	SDH	19,000
PT Rubber Hock Lie Rantau Prapat	Rantau Prapat, North Sumatra	SCM	25,000
Total			568,000

Malaysia

Factory	Location	Code	Capacity
Hevea KB I	Ipoh, Perak	HL	90,000
Hevea KB II	Ipoh, Perak	HL	90,000
Total			180,000

Distribution: Global distribution network



- Sales offices in key locations in South East Asia, China, Europe and the United States
- Full service logistics capability; logistics assets across Europe, US, Africa and Asia

● Offices
● Logistics Assets
● Agents





2015 FULL YEAR FINANCIAL RESULTS

26 FEBRUARY 2016

