



# 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

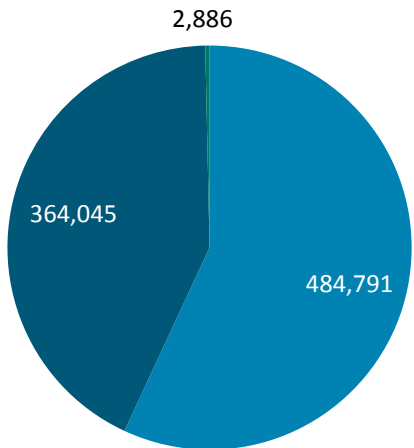
# Key financials

| 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      |

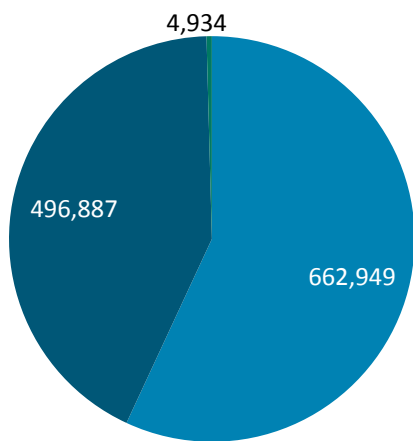
Note (1) Operating profit includes net bargain purchase gain on acquisition of subsidiaries of US\$117m

# FY 2016 segment contributions

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



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

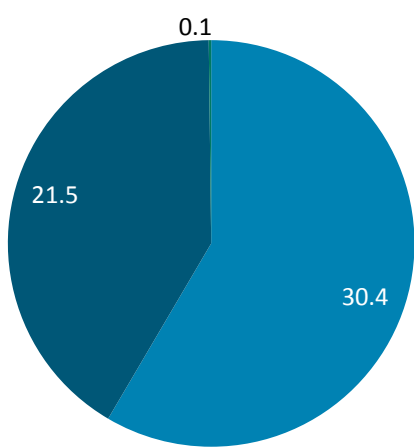


■ Processing ■ Distribution ■ Plantations

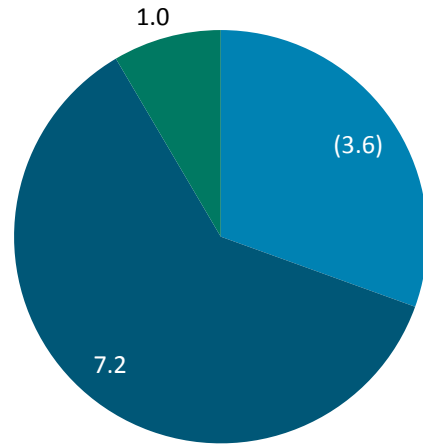
■ Processing ■ Distribution ■ Plantations

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

Gross profit (US\$m)



Operating profit (US\$m)



■ Processing ■ Distribution ■ Plantations

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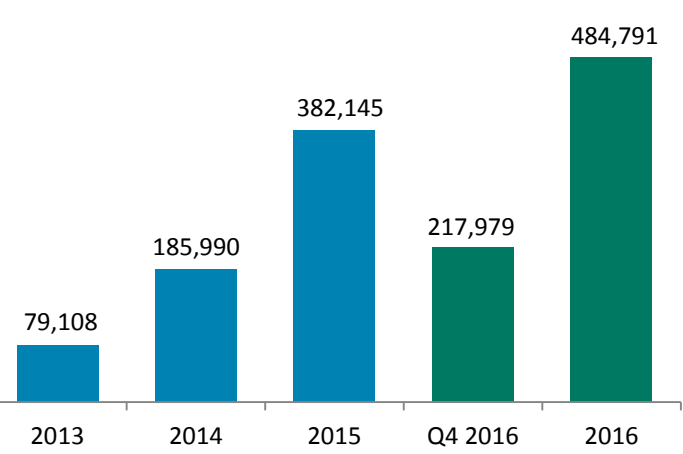
**Processing contributed roughly two thirds of sales and revenue**

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

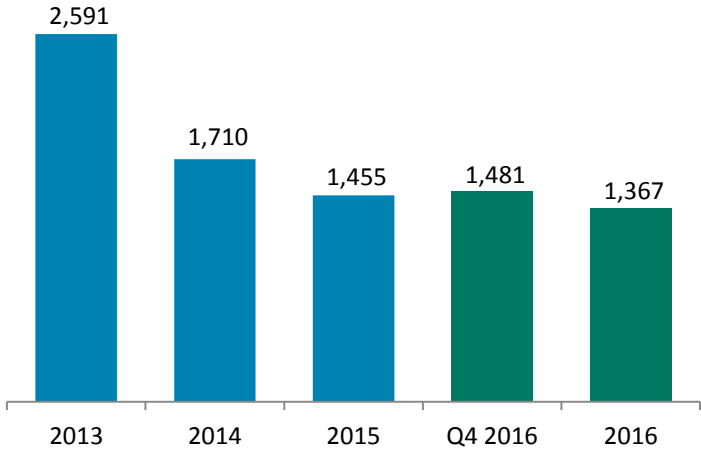
**Distribution contributed US\$7.2m operating profit**

# Operational metrics: Processing

Sales volume (mT)



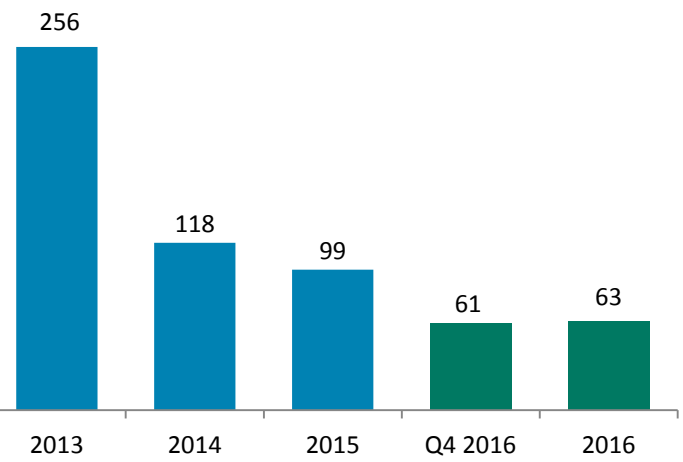
Average revenue/mT (US\$)



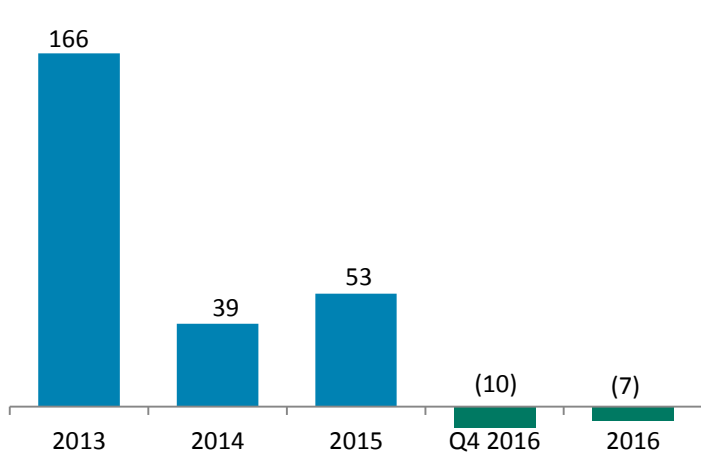
Challenging pricing pressured margins

Sales volume hindered by AETS in first half of 2016

Gross profit/mT (US\$)



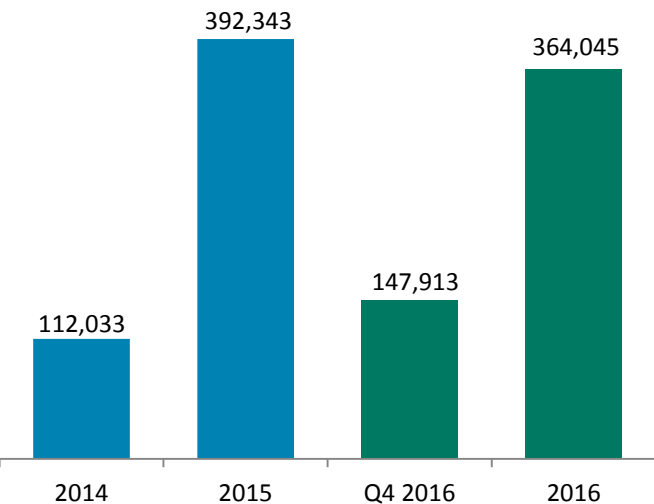
Operating profit/(loss)/mT (US\$)



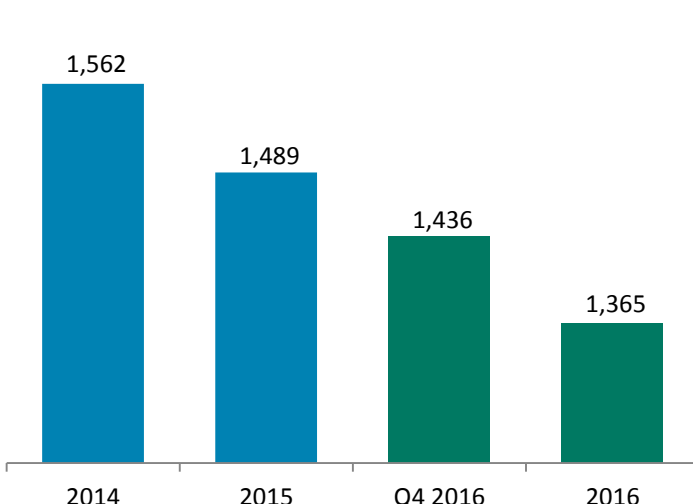
Production from 6 origins

# Operational metrics: Distribution

**Sales volume (mT)**

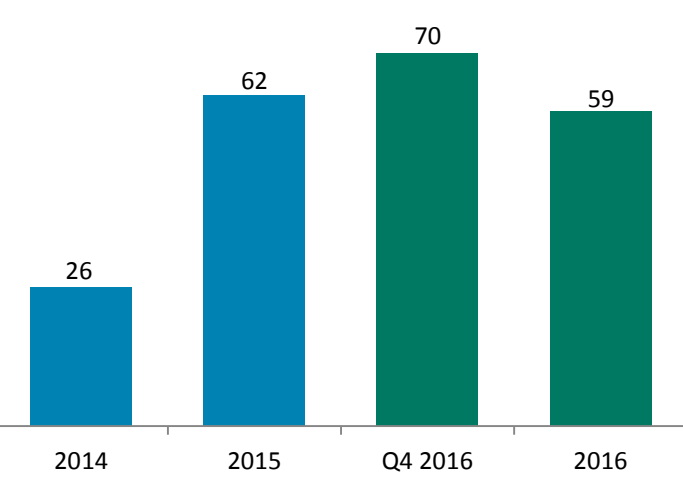


**Average revenue/mT (US\$)**

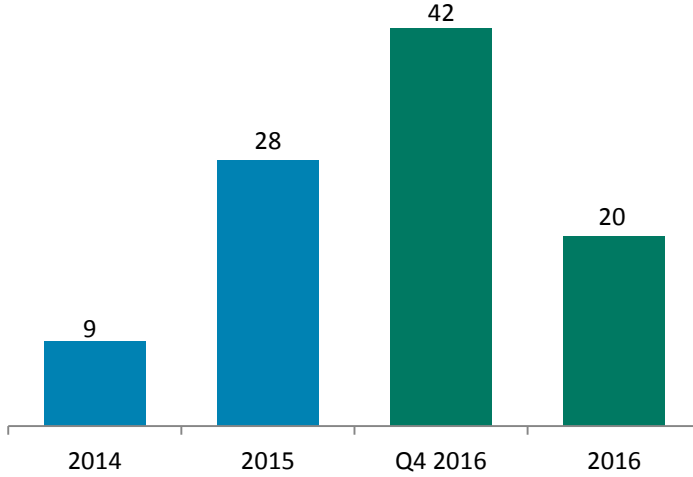


**Emphasis on margin and maintain a cautious approach towards distribution opportunities**

**Gross profit/mT (US\$)**



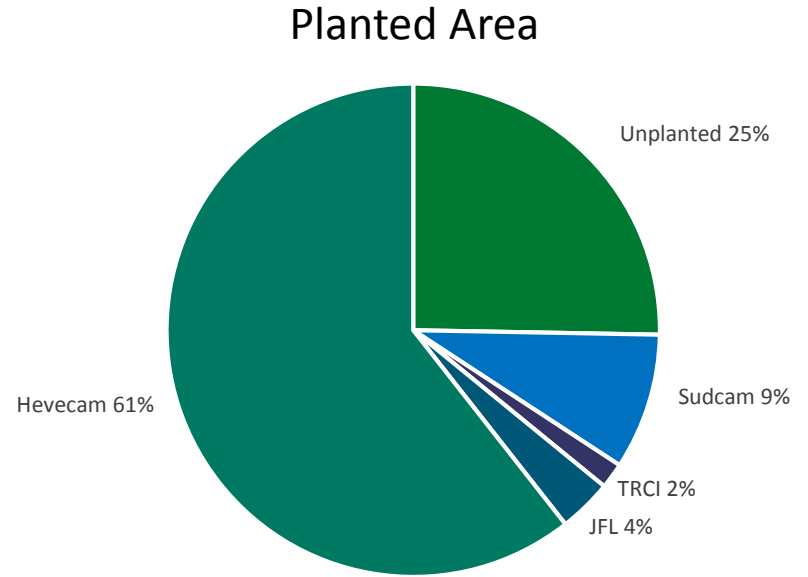
**Operating profit/mT (US\$)**



**Extended existing distribution reach into PRC**

# Operational metrics: Plantations

|                                  | <b>Cumulative</b> |
|----------------------------------|-------------------|
| Land area (freehold & leasehold) | 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**ha

Plantable

Africa & Malaysia  
plantations

Global procurement  
reach



PRODUCE

**1.4 million**mT



**6** origins

**32** Production  
Facilities



DISTRIBUTE

Sales presence &  
logistics assets in



**39**

Cities worldwide



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