



Q4 and Full year 2018 Results Presentation

28 February 2019

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Throughout the presentation, HRC, SINRIO and Corrie MacColl will be used to abbreviate our Global Tyre Majors, PRC Tyre Majors and Global Non-Tyre & Specialty Tyre segment respectively.



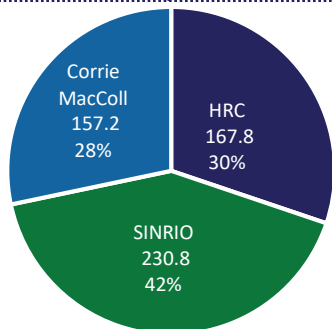


Q4 2018 Financial Highlights

Q4 2018 Group performance overview

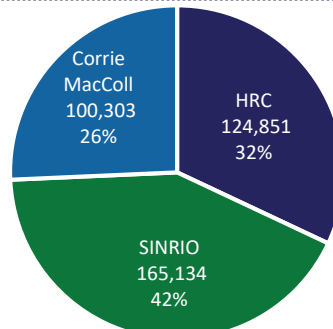
Revenue (US\$m)¹

Q4 2018	FY 2018
US\$538.3m	US\$2,141.0m



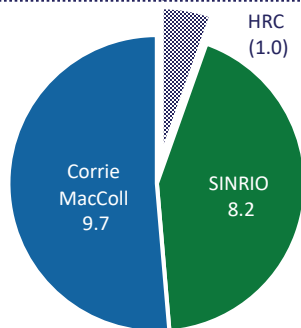
Sales Volume (mT)¹

Q4 2018	FY 2018
377,239 mT	1,432,335 mT



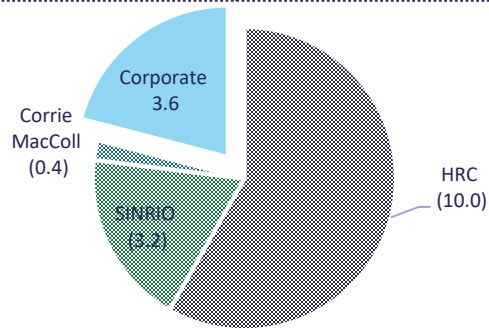
Gross Profit (US\$m)

Q4 2018	FY 2018
US\$16.9m	US\$118.4m



Op. (Loss)/Profit (US\$m)²

Q4 2018	FY 2018
(US\$10.1m)	US\$4.5m



Balance sheet overview

US\$ in millions	Dec-18	Sep-18	Jun-18	Mar-18
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<u>Assets partially funded by debt</u>				
WC employed	539.4	513.8	536.0	550.4
Working capital loans	520.4	507.4	515.1	422.1
% WC efficiency	96.5%	98.8%	96.1%	76.7%
Operational long term assets	938.7	923.6	861.3	785.6
Term loans	391.6	394.2	394.0	402.2
% Fixed asset gearing	41.7%	42.7%	45.7%	51.2%

<u>Assets fully funded by equity</u>				
Cash and cash equivalents	122.9	122.5	132.3	168.4
Non-core assets	46.8	93.2	149.3	148.6
Total equity³	735.9	751.4	769.9	828.8
NAV per share (US cents)	46.1	47.1	48.3	52.0
NAV per share (SG cents) ²	63.0	64.4	65.8	68.3

Note 1: Please refer announcement for the definition of working capital employed, operational long term assets, cash and cash equivalents and non-core assets.

Note 2: Translated at the closing exchange rates for each respective period.

Note 3: Inclusive of perpetual securities of US\$148.7m.

¹ Includes intersegment revenue and volume of US\$17.5 million and 13,048 MT respectively.

² Included within Corporate is management fee income of US\$7.2m, in which US\$4.9m is allocated to HRC and US\$2.3m is absorbed by SINRIO.

Q4 2018 Group performance overview (Contd.)

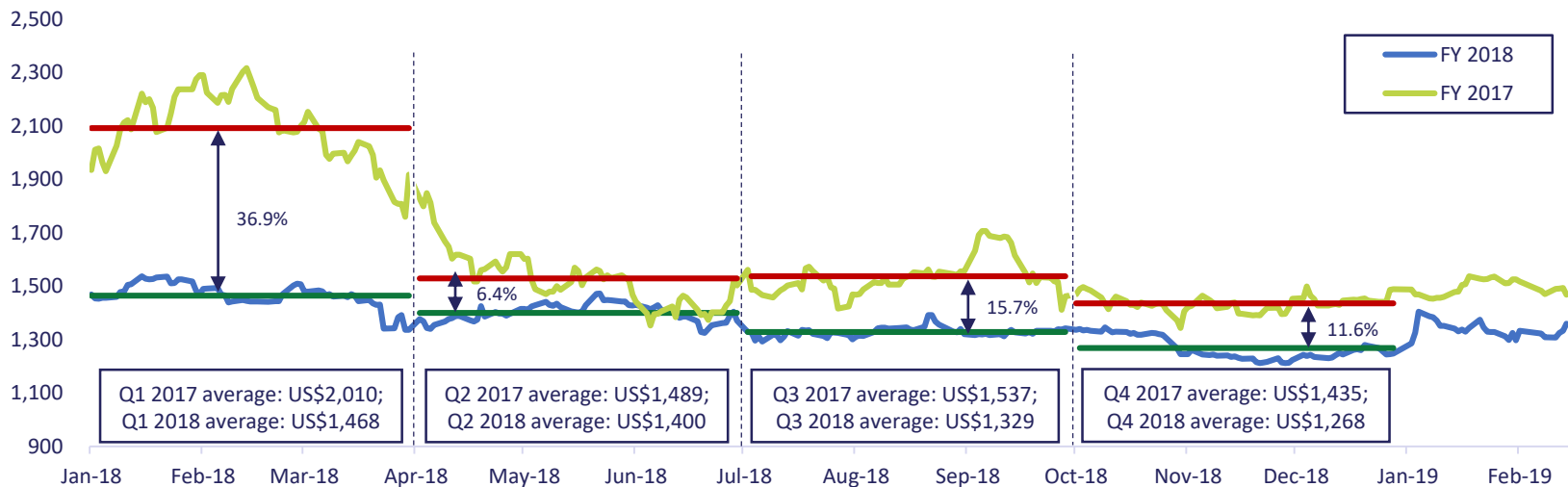
Headline Financials

US\$ in millions	Q4 2018	FY 2018
Revenue	538.3	2,141.0
Gross profit	16.9	118.4
Operating (loss)/profit	(10.1)	4.5
EBITDA	(0.1)	36.2
Loss before tax	(13.5)	(17.0)

Headline Commentary

- Market prices dropped to new lows in Q4 2018 due to overall macroeconomic environment especially concerns surrounding the trade disputes between US and China.
- The low rubber prices has resulted in margin compression due to raw materials sourcing challenges. We were required to pay more in order to secure the raw materials so as to fulfil the delivery committed volume to customers.
- Meanwhile, Corrie MacColl's results had deteriorated in the current quarter due to reduced margins, adverse movement of forex as well as the accruals of major expenses in year end.

Market Prices Movement (SGX SICOM TSR20 First Position – in US\$ per mT)



Income Statement Highlights

US\$m	Q4 ended 31 December			Full year ended 31 December		
	2018	2017 (Restated)	▲ %	2018	2017 (Restated)	▲ %
Revenue	538.3	512.4	5%	2,141.0	2,158.4	-1%
Gross profit	16.9	29.3	-42%	118.4	150.6	-21%
Operating (loss)/profit	(10.1)	17.6	n.m.	4.5	59.2	-92%
Operating (loss)/profit after working capital interest	(11.3)	15.5	n.m.	(9.1)	50.5	n.m.
EBITDA	(0.1)	25.2	n.m.	36.2	86.4	-58%
EBITDA after working capital interest	(1.3)	23.1	n.m.	22.6	77.7	-71%
Net (loss)/income	(8.7)	13.4	n.m.	(13.4)	34.5	n.m.
Sales volume (mT)	377,239	326,665	15%	1,432,335	1,227,027	17%
Average selling price (US\$)	1,427	1,569	-9%	1,495	1,759	-15%
Gross profit per mT (US\$)	45	90	-50%	83	123	-33%
Operating (loss)/profit per mT (US\$)	(27)	54	n.m.	3	48	-94%
Operating (loss)/profit after working capital interest per mT (US\$)	(30)	47	n.m.	(6)	41	n.m.
EBITDA per mT (US\$)	(0)	77	n.m.	25	70	-64%
EBITDA after working capital interest per mT (US\$)	(3)	71	n.m.	16	63	-75%

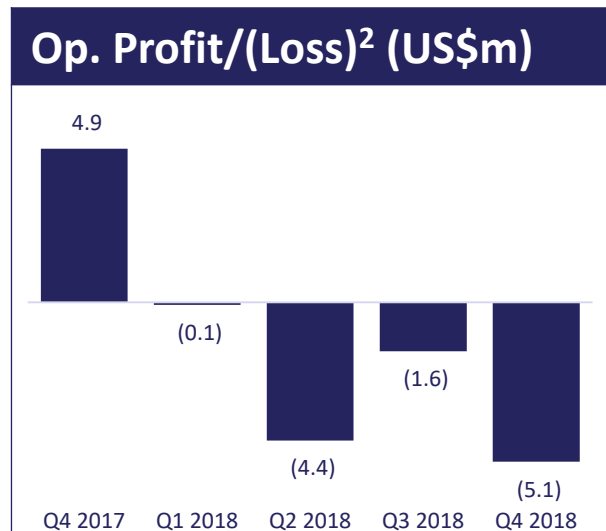
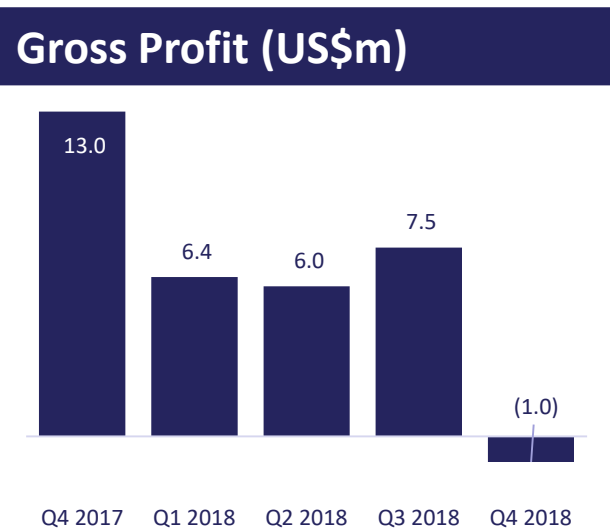
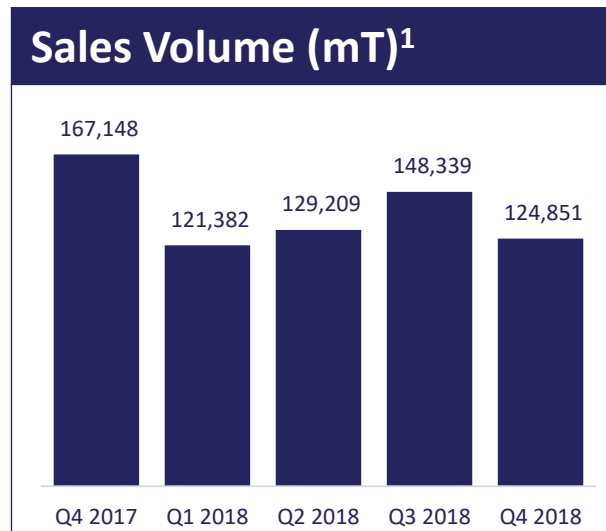
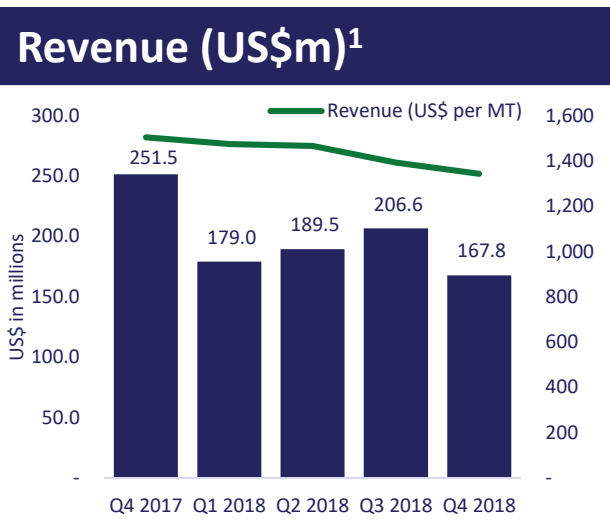
Note: Please refer announcement for details of the restatement of Q4 2017 and FY 2017 financials.

n.m.: Not meaningful



Segmental Performance

Halcyon Rubber Company (HRC)



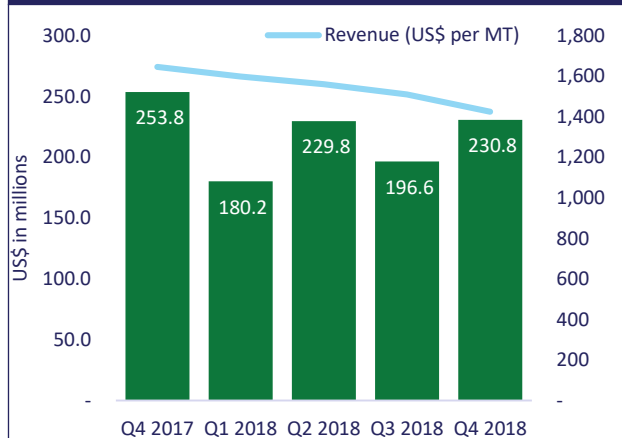
- The continued deterioration of market prices in Q4 2018 have led to further margin compression due to raw materials sourcing challenges. We were obliged to pay more in order to secure the raw material supplies needed to ensure delivery of committed volume to customers.
- The losses are further compounded by the recovery of IDR against USD during Q4 2018, which has resulted in higher USD operating costs.

¹ Includes intersegment figures

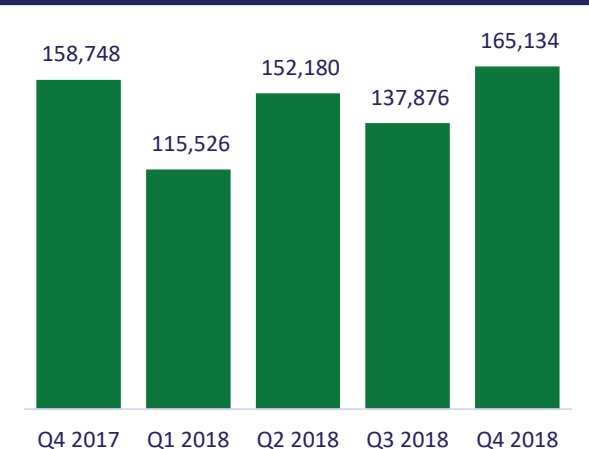
² Adjusted for management fees

SINRIO

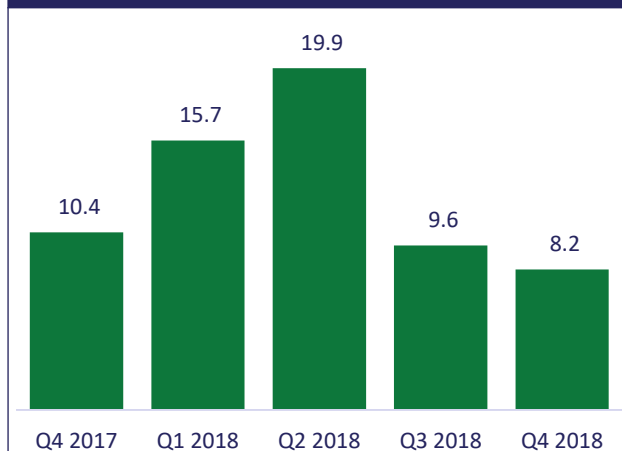
Revenue (US\$m)¹



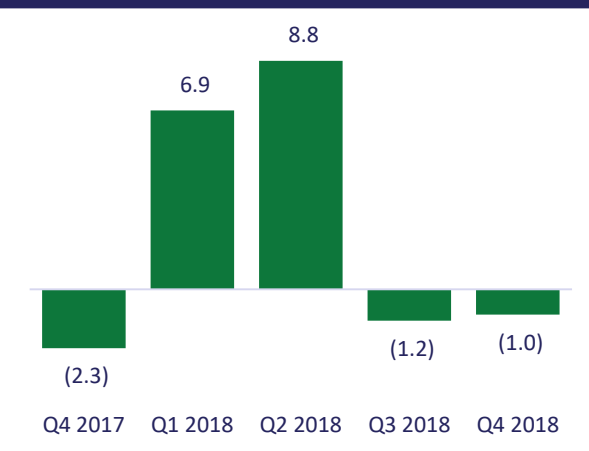
Sales Volume (mT)¹



Gross Profit (US\$m)



Op. Profit/(Loss)² (US\$m)



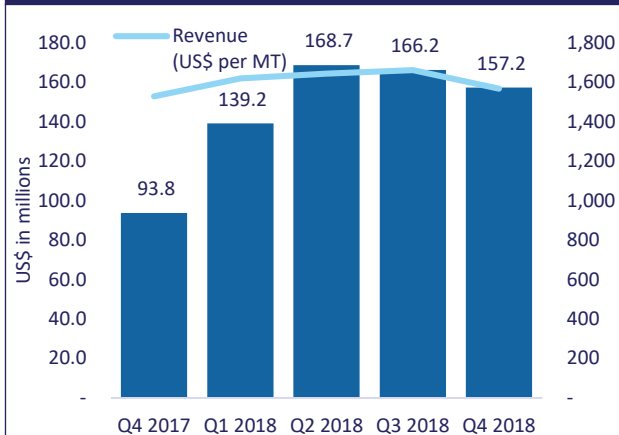
- The increase in the sales volume is due to stronger demand from in-land sourced rubber in China. However, this has been offset by the reduction in the average selling prices.
- Weaker prices had a direct impact on the gross and operating margins of the segment.

¹ Includes intersegment figures

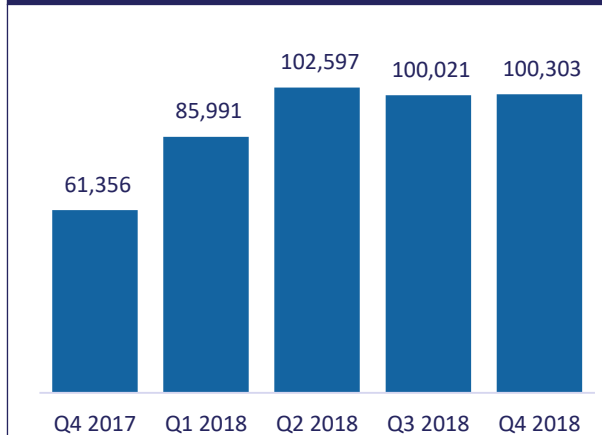
² Adjusted for management fees

Corrie MacColl

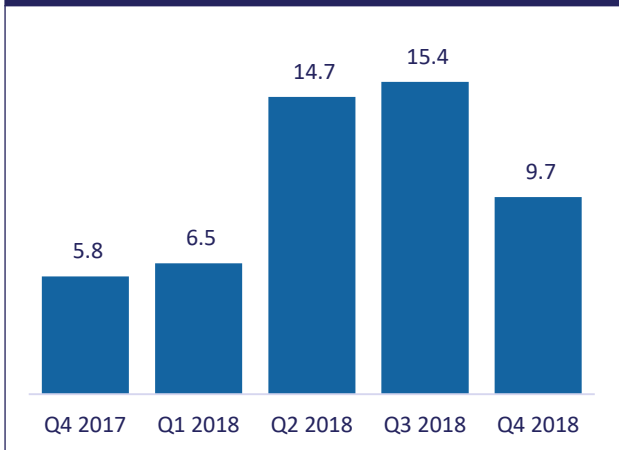
Revenue (US\$m)¹



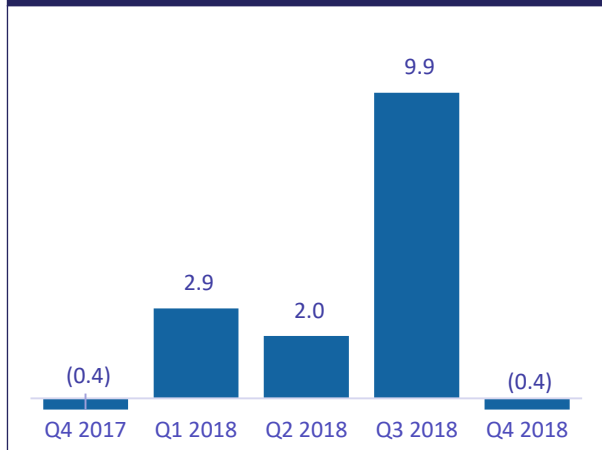
Sales Volume (mT)¹



Gross Profit (US\$m)



Op. Profit/(Loss)² (US\$m)



- Sales volume remained above 100,000 mT for the third consecutive quarter.
- Gross profits lower in Q4 vs Q3 due to decrease in price.
- Operating profits were adversely impacted by the unfavourable movement of Euro against USD.
- Additional accruals of retirement benefits in Cameroonian operations in line with our increase our headcount for the plantation.

¹ Includes intersegment figures

² Adjusted for management fees



Cash Flows

Cash Flows

US\$m	Q4 ended 31 Dec		Full year ended 31 Dec	
	2018	2017	2018	2017
Operating cash flows before working capital changes	3.4	(8.4)	41.4	58.4
Changes in working capital	26.6	42.8	(67.2)	(84.6)
Payment of taxes and net interests of working capital loans	(10.5)	(7.6)	(27.1)	(16.5)
Cash flow generated from/(used in) operating activities	19.5	26.8	(52.9)	(42.7)
Cash flow (used in)/generated from investing activities	(23.2)	150.1	(201.2)	113.4
Cash flow generated from/(used in) financing activities	5.9	(132.7)	228.4	11.2
Net changes in cash and cash equivalents	2.2	44.2	(25.8)	81.9



Thank you