



Q2 2016 FINANCIAL RESULTS

12 AUGUST 2016



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Q2 & H1 2016 highlights

Rubber prices continue to be volatile

- After hitting a low of US\$1,042/mT in Q1 2016, the market price of natural rubber rallied 52% to a peak of US\$1,588/mT in late April, only to give up some of the gains throughout May, closing the quarter at US\$1,359/mT
- Significant price swings adversely impacting the market

Financial performance

- Q2 2016 revenue of US\$198.6m, adjusted EBITDA US\$3.1m, adjusted net loss of US\$5.3m
- H1 2016 revenue of US\$381.8m, adjusted EBITDA US\$6.7m, adjusted net loss of US\$10.0m

Transactions with Sinochem International

- MGO on Halcyon Agri in progress; to close on 22 August 2016
- GMG VGO and NR assets acquisition to follow thereafter

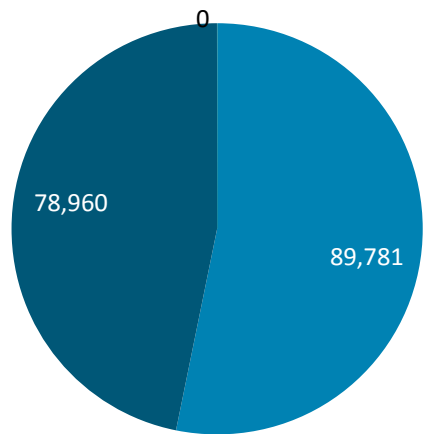
Key financials

US\$m	Q2		H1	
	2016	2015	2016	2015
Revenue	198.6	298.3	381.8	506.7
Gross profit	9.1	20.8	21.1	34.9
EBITDA ¹	3.1	14.6	6.7	26.3
Operating profit ¹	0.8	12.3	2.1	21.6
Net(loss)/income ¹	(5.3)	4.5	(10.0)	7.3
Sales volume (mT)	151,609	192,813	301,813	326,979
EBITDA ¹ after working capital interest (US\$m)	1.0	12.9	2.5	23.4
Operating (loss)/profit ¹ after working capital interest (US\$m)	(1.3)	10.6	(2.1)	18.8
Revenue/mT (US\$)	1,310	1,547	1,265	1,550
Operating profit ¹ /mT (US\$)	5	64	7	66
Operating (loss)/profit after working capital interest ¹ /mT (US\$)	(9)	55	(7)	57

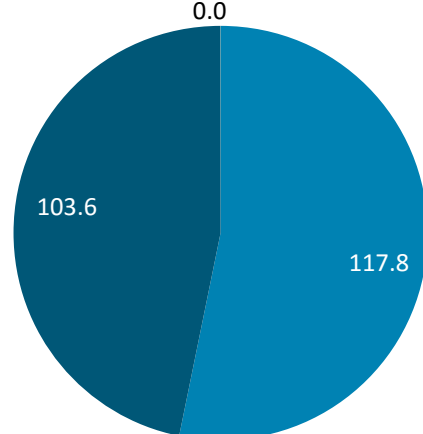
Note (1) Adjusted to exclude non-recurring expense items

Q2 2016 segment contributions

Sales volume¹ (mT)



Revenue¹ (US\$m)

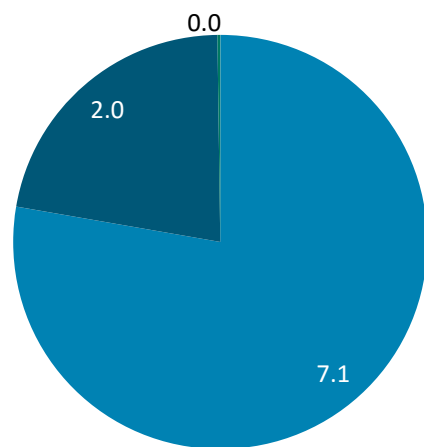


Larger volume & revenue contribution from processing vs distribution

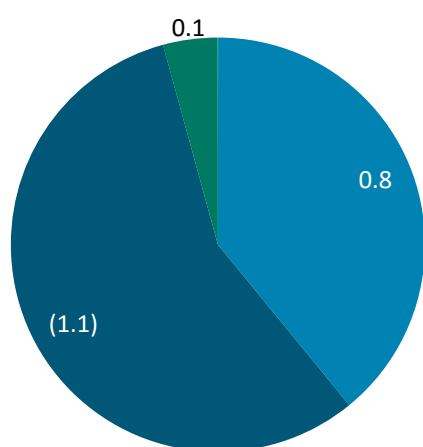
Processing returned to profit at operating level, however distribution recorded a narrow loss

Note (1) Sales volume and revenue include intersegment amounts of 17,131 tonnes and US\$25.1m respectively

Gross profit (US\$m)



Operating profit (US\$m)

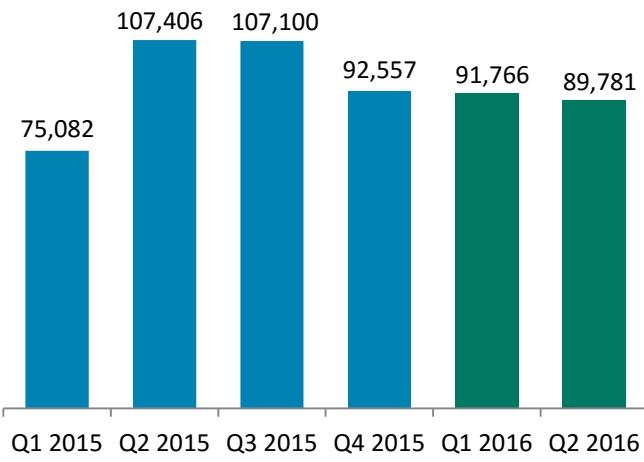


■ Processing ■ Distribution ■ Plantations

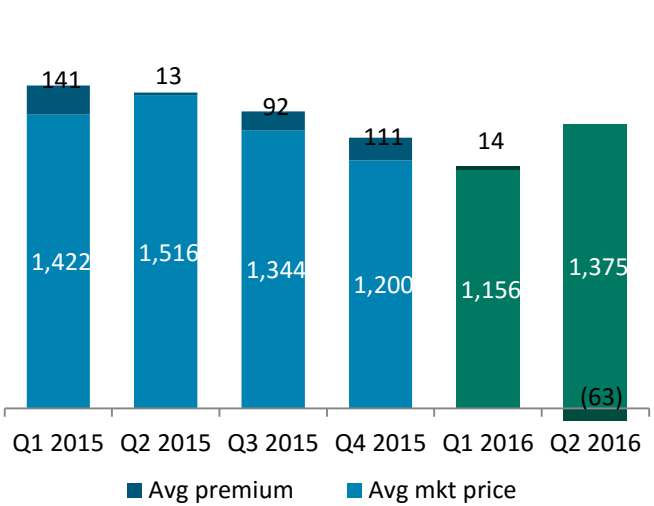
■ Processing ■ Distribution ■ Plantations

Operational metrics: Processing

Sales volume (mT)



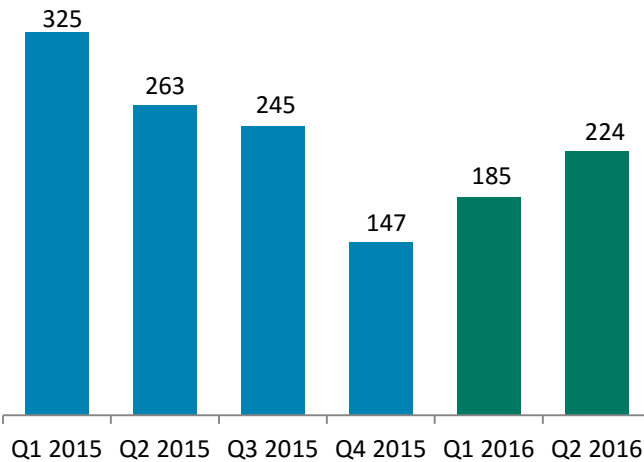
Market price/mT & premium/mT (US\$)



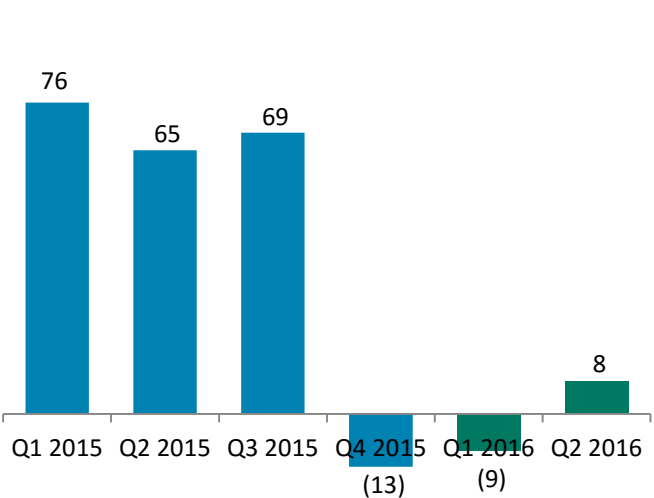
Volumes maintained; would have been higher but for export restrictions

Average market price skewed by 30% spike in April, which reversed in May. Limited sales during this period results in discount, however GMP improved over the prior quarter

Gross material profit/mT (US\$)

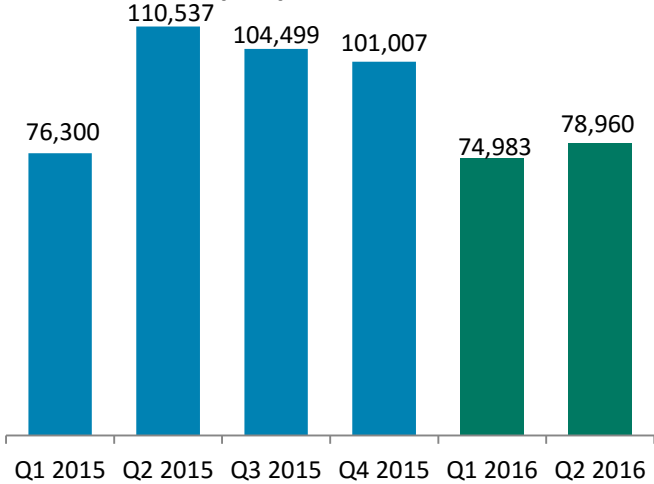


Operating profit/mT (US\$)

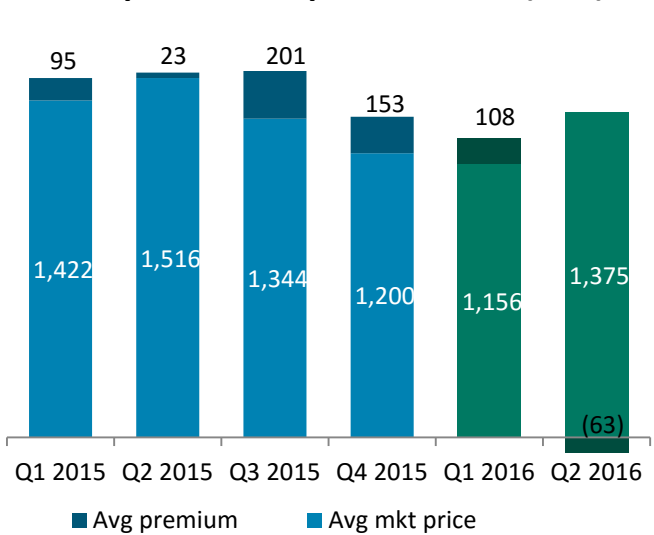


Operational metrics: Distribution

Sales volume (mT)

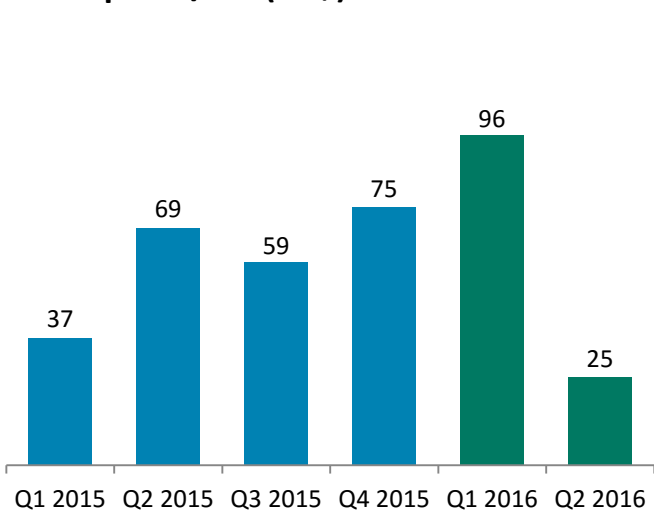


Market price/mT & premium/mT (US\$)

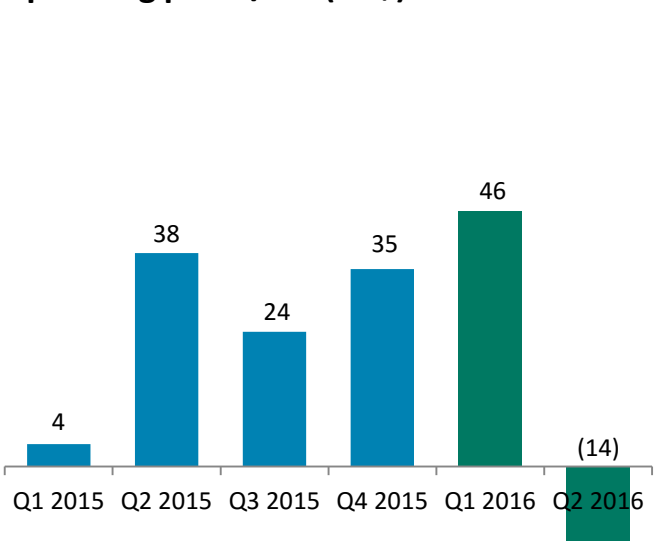


Volumes maintained, however profitability adversely impacted by customers deferring purchases during artificial spike in market prices

Gross profit/mT (US\$)



Operating profit/mT (US\$)



Operational metrics: Plantations

	Cumulative
Natural rubber planted area	1,571 ha
Additional land prepared for rubber planting	250 ha
Natural rubber trees planted	785,500
Oil palm planted area	502 ha
Oil palms planted	68,286

- Lebir Estate fully planted to rubber and oil palm
- 30% of plantable land cleared, terraced and planted on Ulu Nenghiri Estate
- Total capital expenditure of US\$1.3m and operating expenses of US\$0.3m in 1H 2016

Cash flow

US\$m	Q2		H1	
	2016	2015	2016	2015
Net cash (used in)/from operating activities, before working capital changes	(1.8)	4.9	(3.0)	7.0
Changes in working capital	4.5	(2.5)	21.1	(30.4)
Net cash generated from/(used in) operating activities	2.7	2.4	18.1	(23.4)
Investing activities	(1.5)	(11.9)	(3.4)	(22.4)
Financing activities	(5.6)	12.8	(17.7)	28.9
Net (decrease)/increase in cash and cash equivalents	(4.4)	3.4	(3.0)	(16.9)

Balance sheet

US\$m	30-Jun-16	31-Dec-15
Total assets	634.5	658.0
Working capital cash and bank balances	66.7	70.5
Inventories	99.8	102.9
Trade receivables	59.2	65.0
Total working capital assets	225.7	238.4
Total liabilities	(516.2)	(532.9)
Trade payables	(5.7)	(11.2)
Working capital loans (current)	(172.9)	(166.9)
Total working capital liabilities	(178.6)	(178.1)
Term loans and MTN	(250.5)	(256.3)
Total Equity	118.3	125.1
Net working capital	47.1	60.3

Transaction with Sinochem International

Current transaction schedule	Date
Closing date for Sinochem International Mandatory General Offer for Halcyon Agri	22 August 2016
Expected launch of Halcyon Agri Voluntary General Offer for GMG Global	23 August 2016
Opening of VGO	14 to 21 Days after 23 August
Closing of the VGO	28 Days after opening



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