



# Q2 & H1 2017 FINANCIAL RESULTS

2 August 2017



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# Q2 & H1 2017 highlights



## Financial performance

- H1 2017 Revenue of US\$1,036.9m, EBITDA of US\$43.9m, PBT\* of US\$28.4m, Operating Profit of US\$32.9m
- Generated strong FCF<sup>1</sup> of US\$47.6m in H1 2017



## Rubber prices under sustained selling pressure

- Prices fell 18% from US\$1,630/mT in early April to a low of US\$1,350/mT in June, before recovering to US\$1,500/mT by end June.



## Disposal of 35% in SIAT S.A. for €192.56m

- Company agreed to extend the call option exercise date to 15 September 2017 to allow purchaser additional time to finalise financing arrangements
- Purchaser has paid additional Call Option Price of €500,000
- In total €5.5m non-refundable Call Option Price received
- Subject to the Call Option, the SPA shall be executed by 30<sup>th</sup> September 2017

## Discontinuing Operations: Teck Bee Hang Co Ltd (“TBH”)

- Discontinuing operations contributed to a US\$7.7m loss after tax in H1 2017
- In part of Group’s strategic review, TBH has been classified as a disposal group held for sale



## Financing activities

Multicurrency debt issuance programme established on 25 April 2014

- Early redemption of S\$125,000,000 6.5% fixed rate notes on 31 July 2017 completed

\*PBT adjusted for discontinued operations

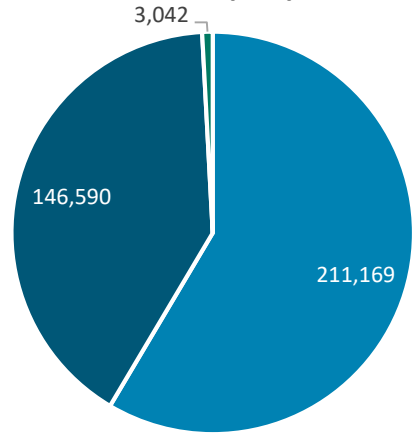
<sup>1</sup>Free cash flow (FCF) is measured by operating cash flow before working capital changes minus capital expenditures  
For H1 2017, the Group’s capital expenditure was mainly on property, plant and equipment and plantation assets

# Key Financials

US\$m	Q2		H1	
	2017	2016	2017	2016
Revenue	527.7	198.6	1,036.9	381.8
Gross profit	32.2	9.1	80.5	21.1
EBITDA	11.5	0.7	43.9	2.5
Operating profit/(loss)	5.6	(1.7)	32.9	(2.1)
Net income/(loss)	3.5	(7.8)	13.1	(14.3)
Sales volume (mT)	272,300	151,609	534,177	301,813
EBITDA after working capital interest (US\$m)	9.9	(1.4)	40.0	(1.6)
Operating profit/(loss) after working capital interest (US\$m)	4.0	(3.7)	29.0	(6.3)
Revenue/mT (US\$)	1,938	1,310	1,941	1,265
Operating profit/(loss)/mT (US\$)	21	(11)	62	(7)
Operating profit/(loss) after working capital interest/mT (US\$)	15	(25)	54	(21)

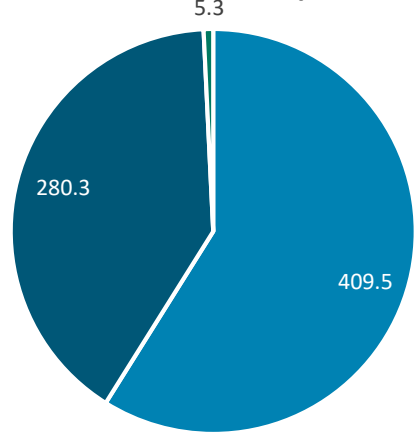
# Q2 2017 segment contributions

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



■ Processing ■ Distribution ■ Plantation

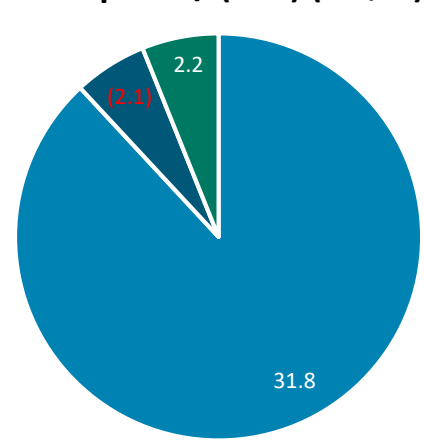
Revenue<sup>1</sup> (US\$m)



■ Processing ■ Distribution ■ Plantation

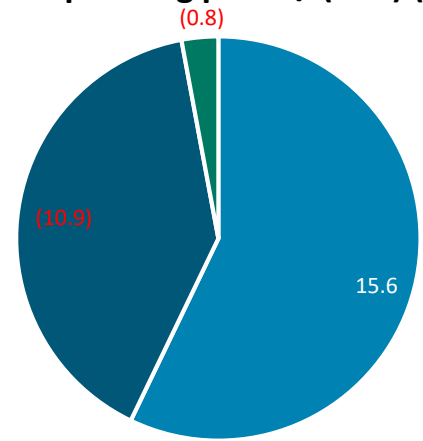
Note (1) Sales volume and revenue include intersegment amounts of 88,501 tonnes and US\$169.9m respectively

Gross profit / (loss) (US\$m)



■ Processing ■ Distribution ■ Plantation

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



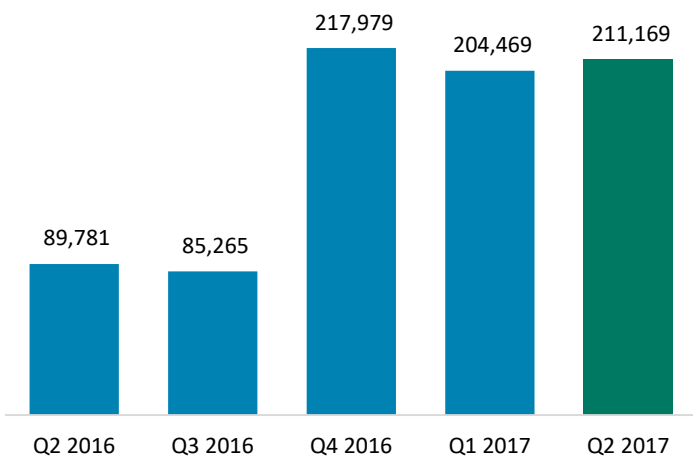
■ Processing ■ Distribution ■ Plantation

Larger volume and revenue contribution from processing vs distribution

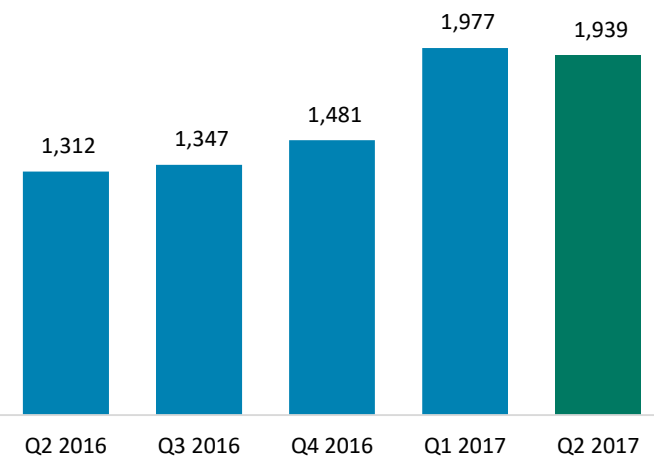
Distribution operating loss driven by volatile market prices

# Operational metrics: Processing

Sales volume (mT)

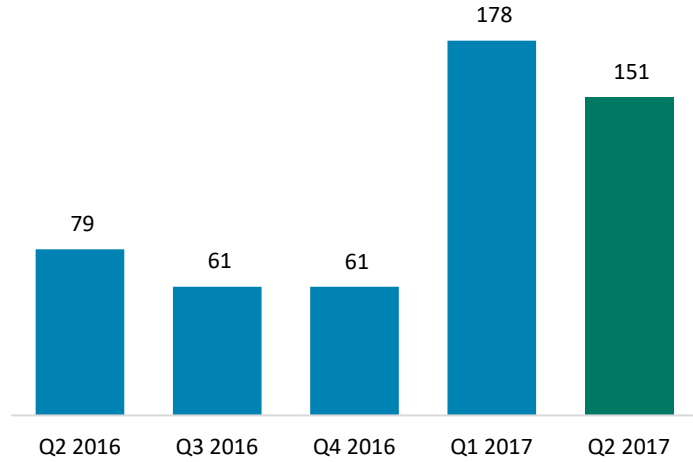


Average revenue/mT (US\$)

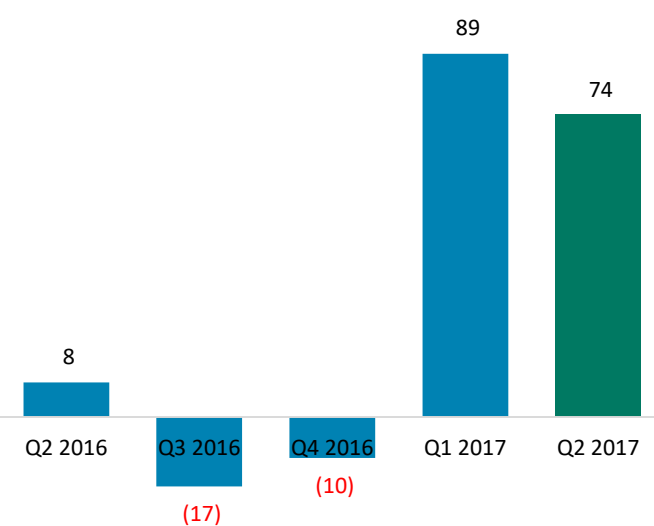


Slight increase in volume affected by raw material availability

Gross profit/mT (US\$)



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

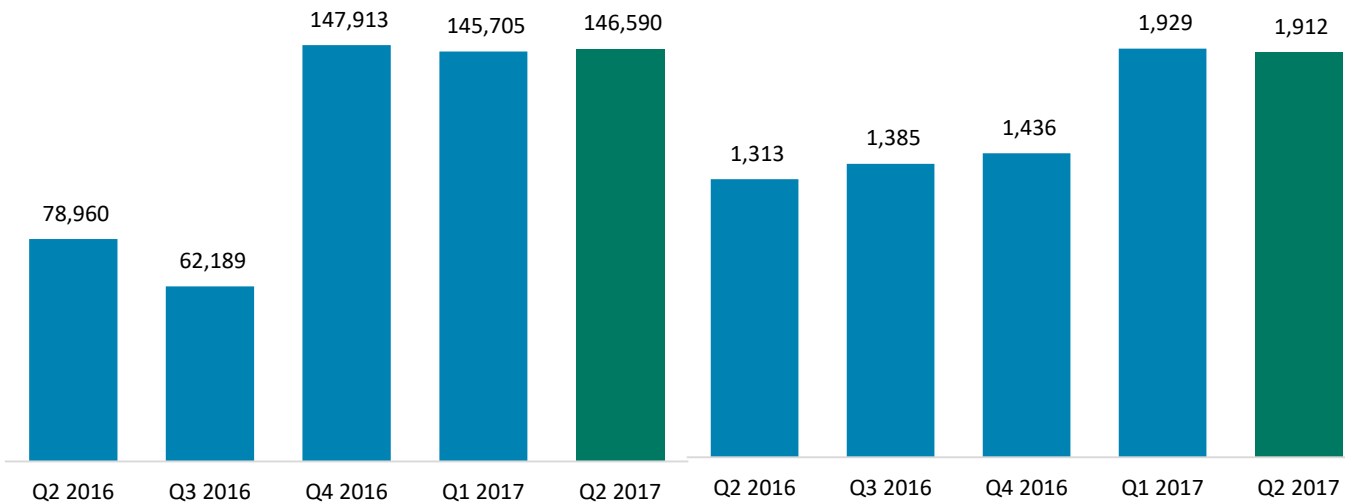


Margins impacted by decrease in rubber prices over Q2

# Operational metrics: Distribution

Sales volume (mT)

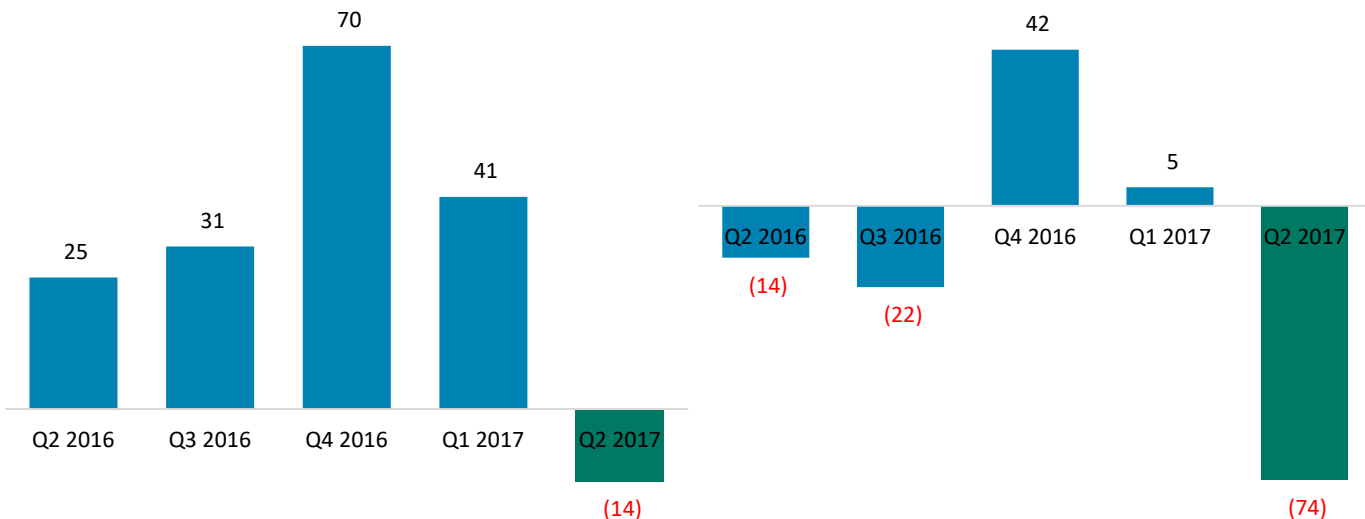
Average revenue/mT (US\$)



Volumes maintained however volatile market strained margins

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

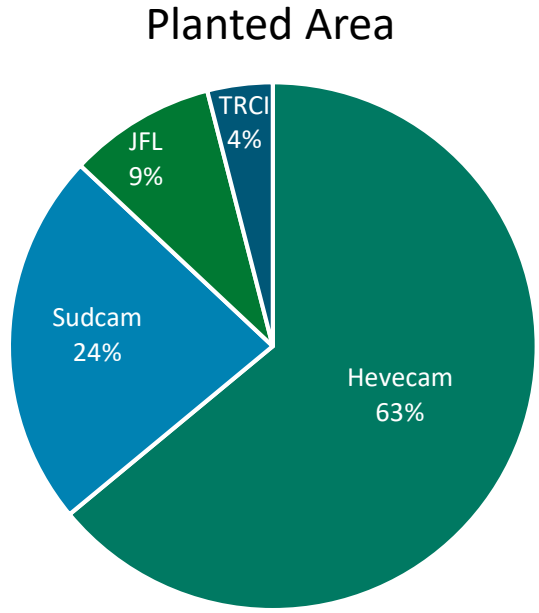
Operating profit/(loss)/mT (US\$)



# Operational Metrics: Plantations

	<b>Cumulative</b>
Land area (freehold and leasehold)	122,857 ha
Plantable area	82,840 ha
Planted area	34,025 ha
-Immature plantation	18,705 ha
-Mature plantation	15,320 ha

<b>Plantation</b>	<b>Planted Area (ha)</b>
Hevecam	21,328
Sudcam	8,128
JFL	3,154
TRCI	1,415
<b>Total planted area</b>	<b>34,025</b>



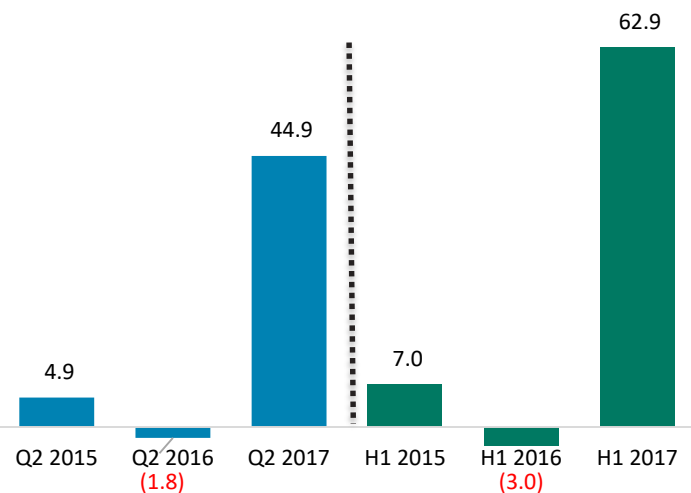
Information as of June 2017.



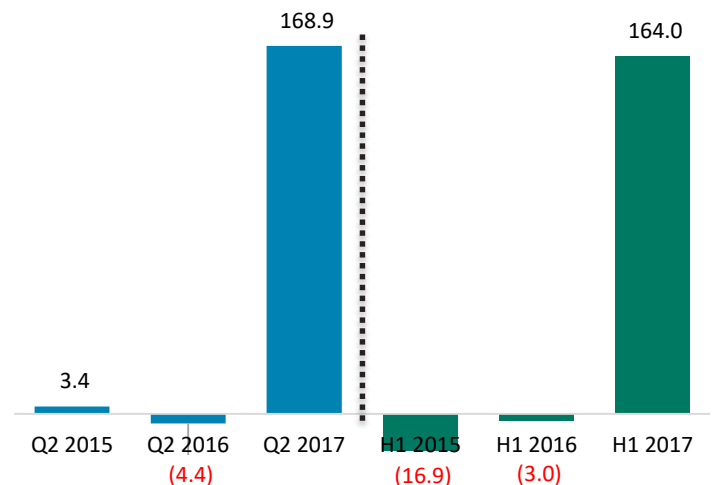
# Cash flow

US\$m	Q2		H1	
	2017	2016	2017	2016
Net cash generated from/(used in) operating activities, before working capital changes	44.9	(1.8)	62.9	(3.0)
Changes in working capital	0.7	4.5	(168.1)	21.1
Net cash generated/ (used in) from operating activities	45.6	2.7	(105.2)	18.1
Investing activities	(15.0)	(1.5)	(20.3)	(3.4)
Financing activities	138.3	(5.6)	289.5	(17.7)
Net increase/(decrease) in cash and cash equivalents	168.9	(4.4)	164.0	(3.0)

## Net cash generated from/ (used in) operating activities, before working capital changes (US\$m)



## Net increase/ (decrease) in cash & cash equivalents (US\$m)



# Balance sheet

US\$m	30-Jun-17	31-Dec-16
<b>Total assets</b>	<b>1,910.5</b>	<b>1,558.4</b>
Working capital cash and bank balances	139.8*	66.6
Inventories	329.8	320.0
Trade receivables	151.5	98.1
<b>Total working capital assets</b>	<b>621.1</b>	<b>484.7</b>
<b>Total liabilities</b>	<b>(1,073.9)</b>	<b>(910.5)</b>
Trade payables	(54.1)	(46.3)
Working capital loans (current)	(367.4)	(234.2)
<b>Total working capital liabilities</b>	<b>(421.5)</b>	<b>(280.5)</b>
Term loans and MTN	(494.8)	(464.0)
<b>Total Equity</b>	<b>836.6</b>	<b>647.8</b>
<b>Net working capital</b>	<b>199.6</b>	<b>204.2</b>

\* Cash and bank balances exclude US\$86.0m reserved for repayment of MTN due on 31 July 2017



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