

VFB happening
24 maart 2018



The Connection to the world of
Sustainable Tropical Agriculture

- **SIPEF group – Company profile**
- **SIPEF group – Palm oil in the world**
- **SIPEF group – Expansion**
- **SIPEF group – Financial performance**

The Connection to the world of Sustainable Tropical Agriculture

Agriculture

- 1st segment of the supply chain - commodities

Tropical

- Recent industrialised countries

Sustainable

- Audited certifications

Connection

- Publicly quoted

The Connection to the world of Sustainable Tropical Agriculture

Continuous production

- Continuous crops

Diversified in product

- **Palm oil** : basic commodity for food (and recently energy)
- **Rubber** : cyclic business - tire industry

Diversified in origin

- **Indonesia** : leading producing country within Asian market
- **PNG** : export oriented with strong agronomical basics

SIPEF group

Company profile



	Palm	Rubber	Tea	Bananas	Other	Total	% Group share
Indonesia	55 686	6 425	1 752			63 863	82%
PNG	13 621					13 621	17%
Ivory coast				690	42	732	1%
	69 307	6 425	1 752	690	42	78 216	100%
%	89%	8%	2%	1%	0%	100%	
Group share	64 153	5 398	1 581	690	42	71 865	

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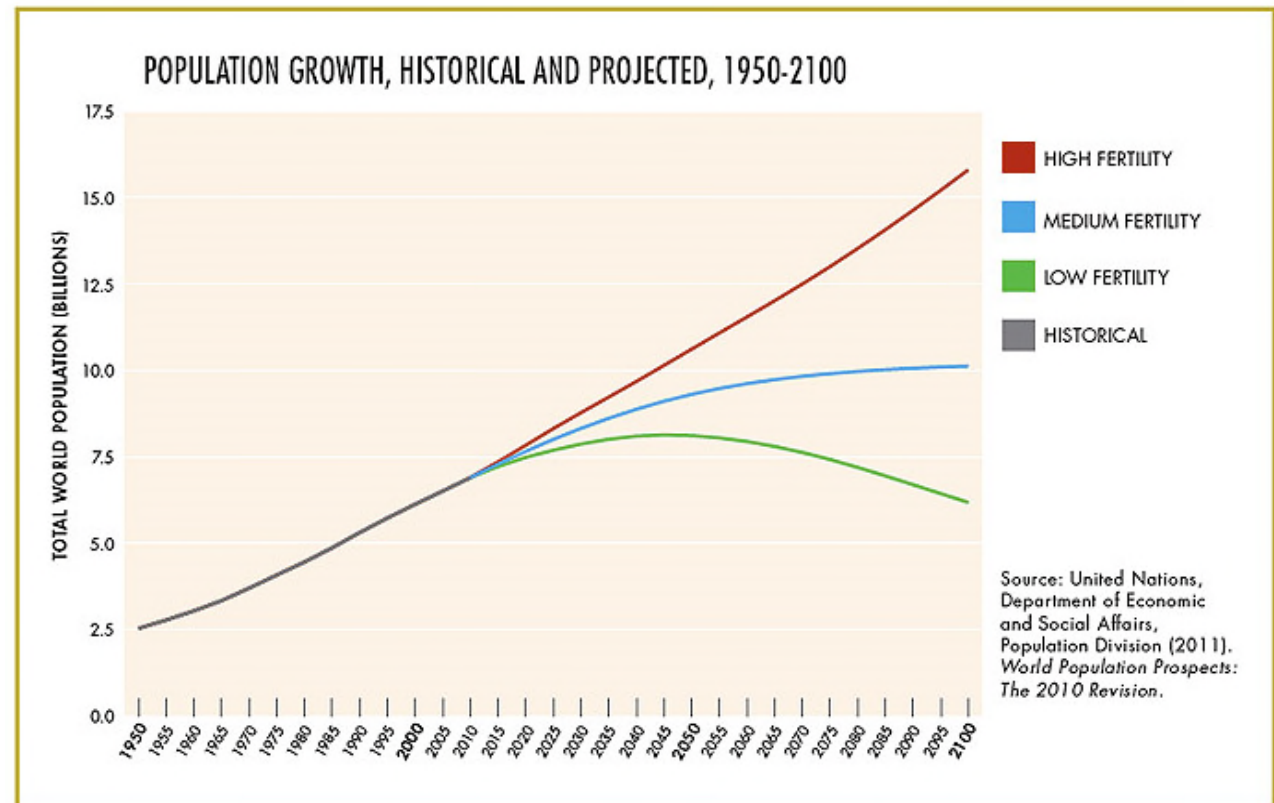
Palm oil in the world

Population growth



- In the coming 40 years, mankind will have to produce more food than in the previous 10 000 years put together

- Population growth will have a huge impact on future food demands
- Rising middle class is causing diet changes in developing countries
- Agricultural land is increasingly becoming scarcer

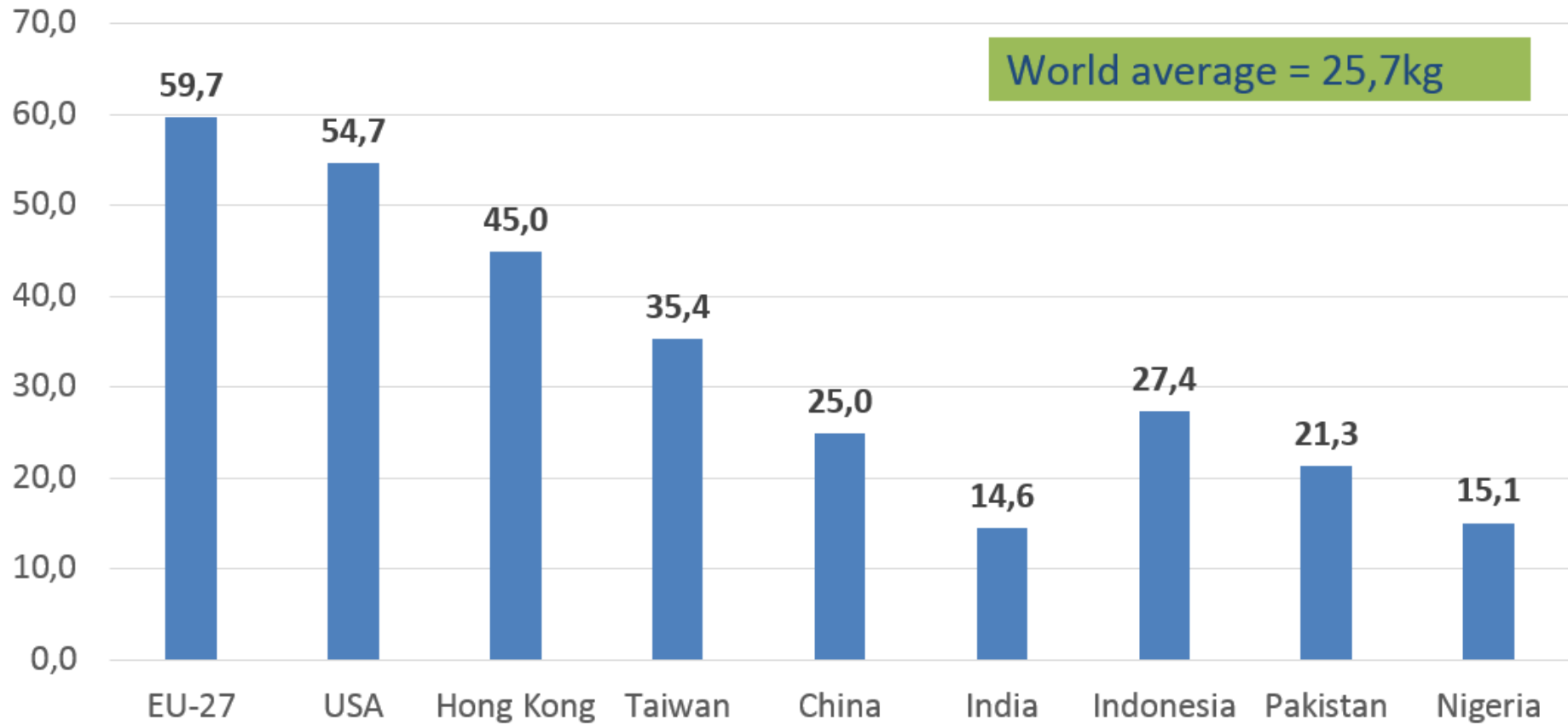


Palm oil in the world

Oil and fat consumption



Oil and fat per capita consumption (in Kg)



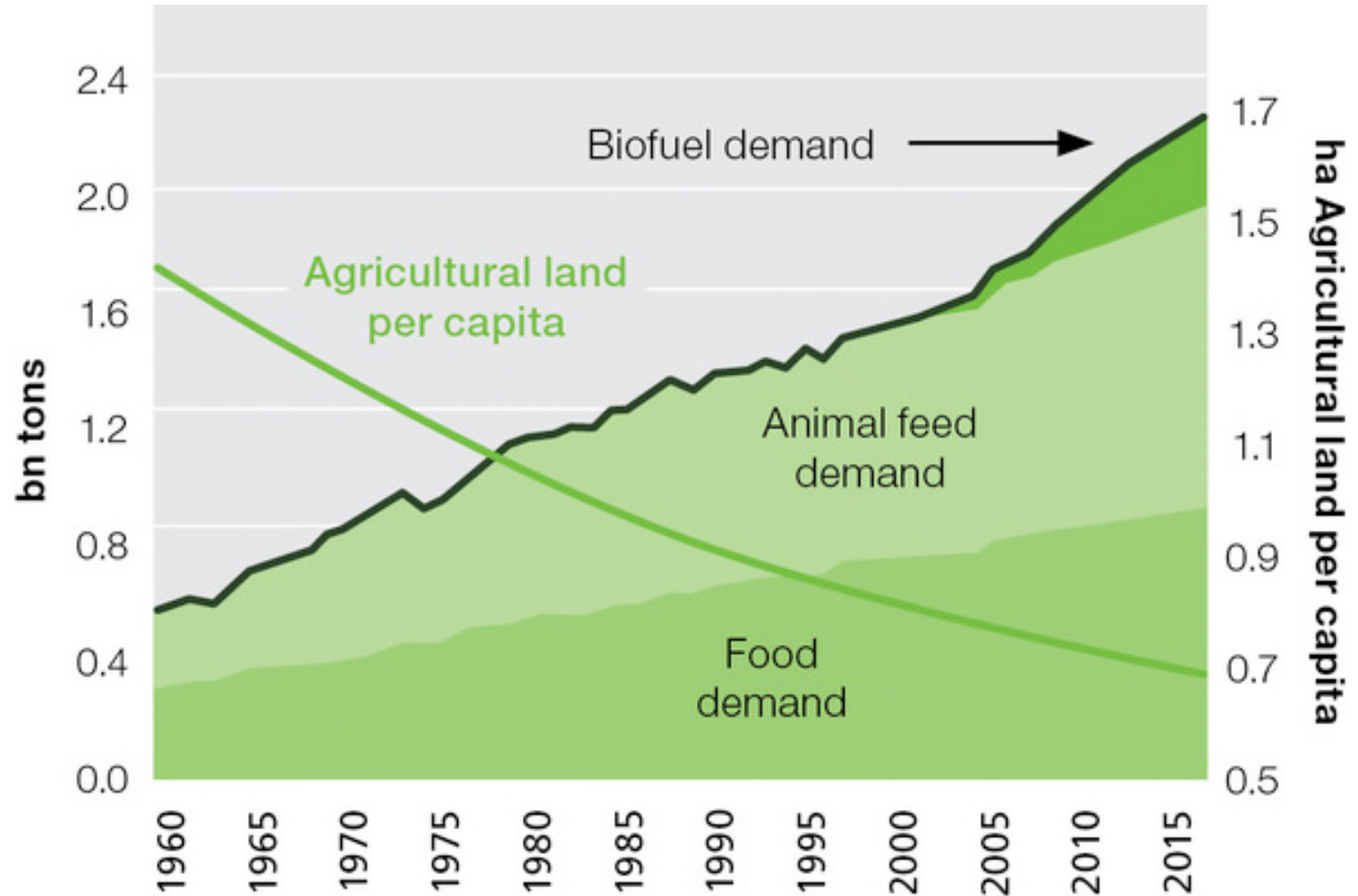
Source: Oil World 2012; Foreign affairs 2011

Palm oil in the world

Land input



- Increased demand for meat/fat/processed foods
- Increased demand for biofuel
- Decreasing Agricultural land per capita
- Disposable income growth in developing countries

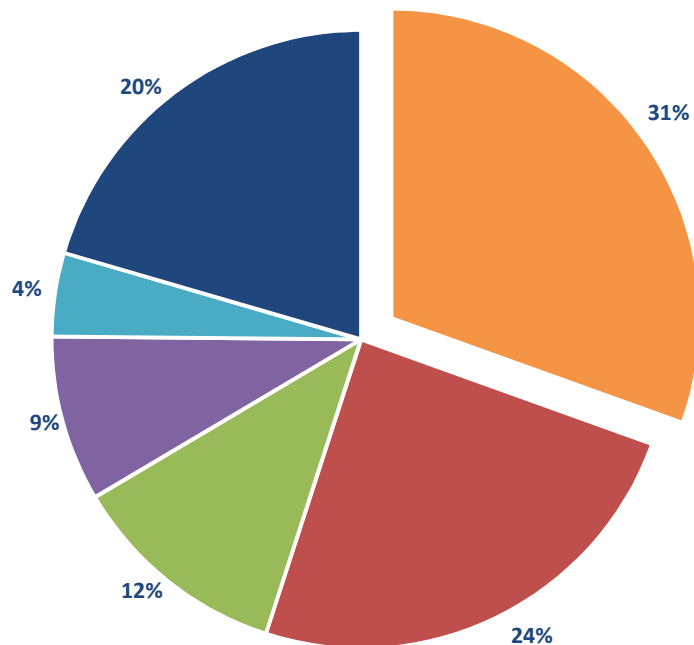


Palm oil in the world

Vegetable oils

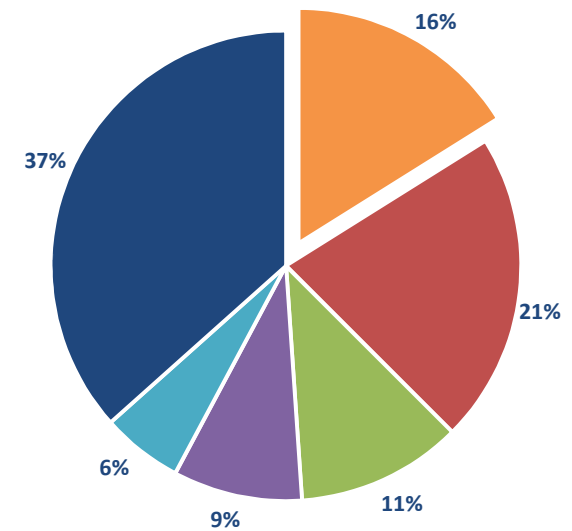


2017: 220,0 million tonnes



- Palm oil
- Rape oil
- Palm kernel and coconut oil
- Soya oil
- Sunflower oil
- Other oils/animals fats

1994/95: 93,1 million tonnes



- Palm oil
- Rape oil
- Palm kernel and coconut oil
- Soya oil
- Sunflower oil
- Other oils/animal fats

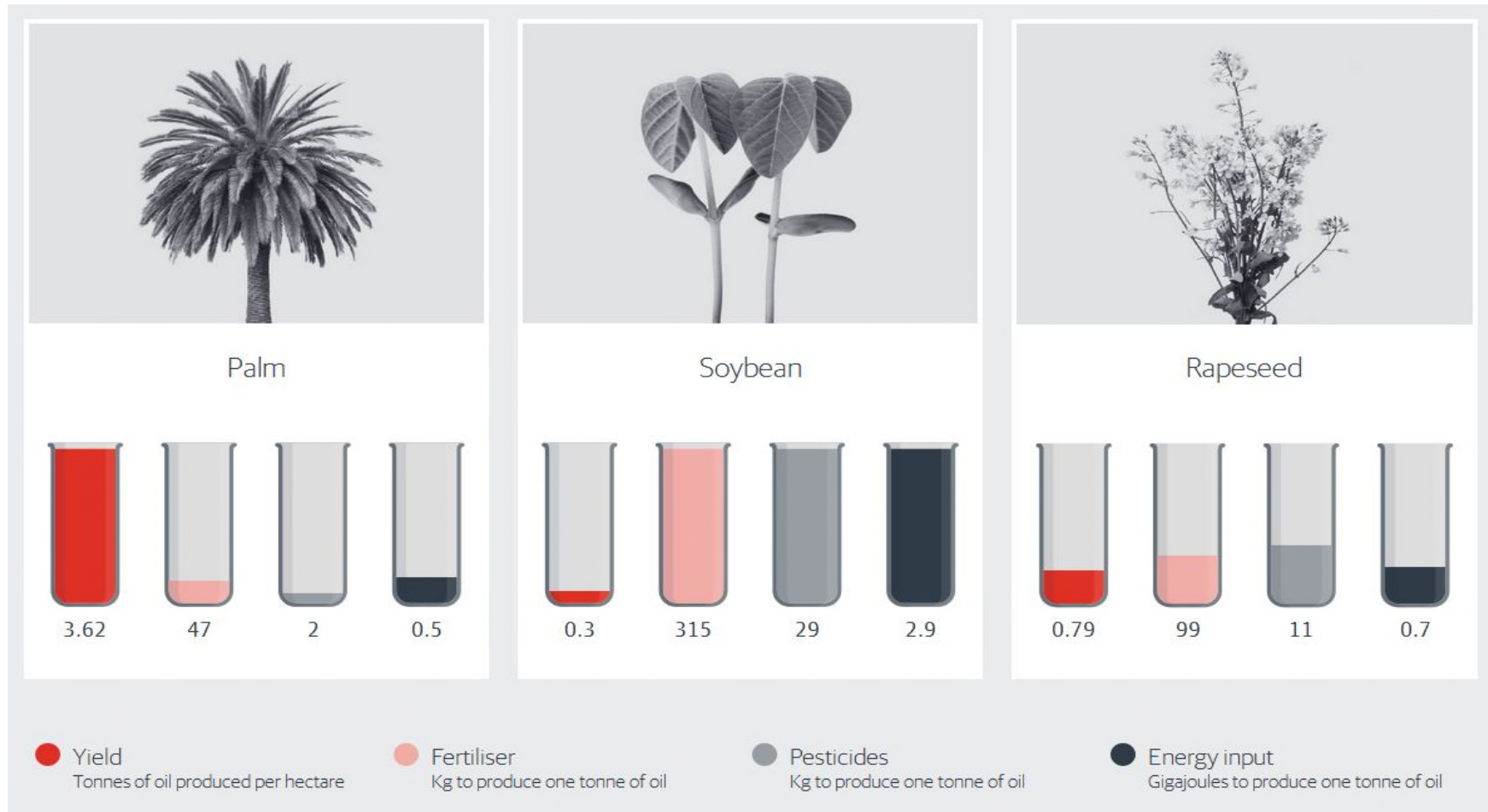
Source: oilworld.de, December 2017

Palm oil in the world

Comparison to other oils



Resources used per vegetable oil:

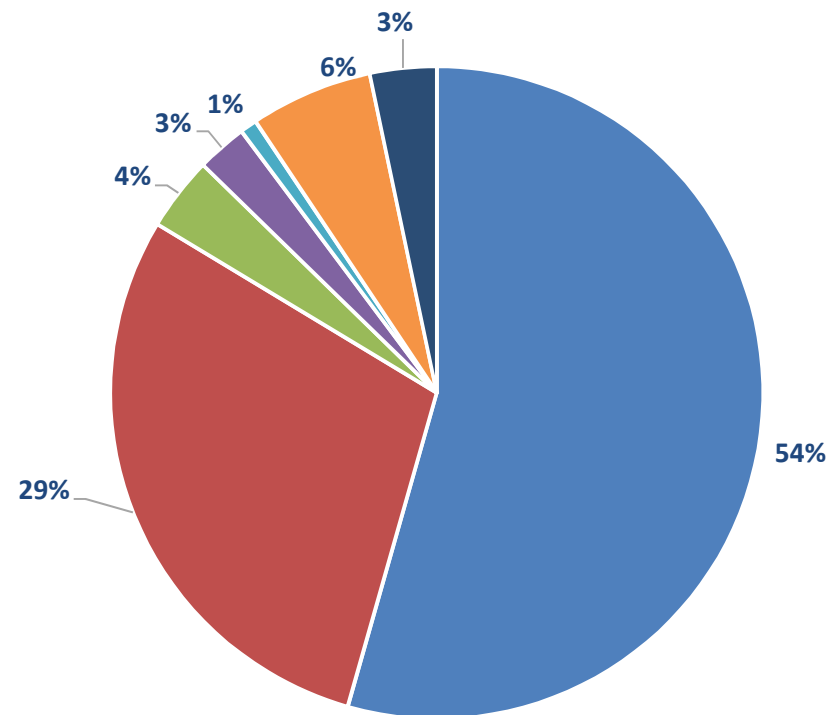


Palm oil in the world

Palm oil production



2017 Palm oil production
(Total of 67,1 Mn Tonnes)



■ Indonesia ■ Malaysia ■ Thailand ■ Africa ■ Oceania ■ Middle & South America ■ Oth. Countries

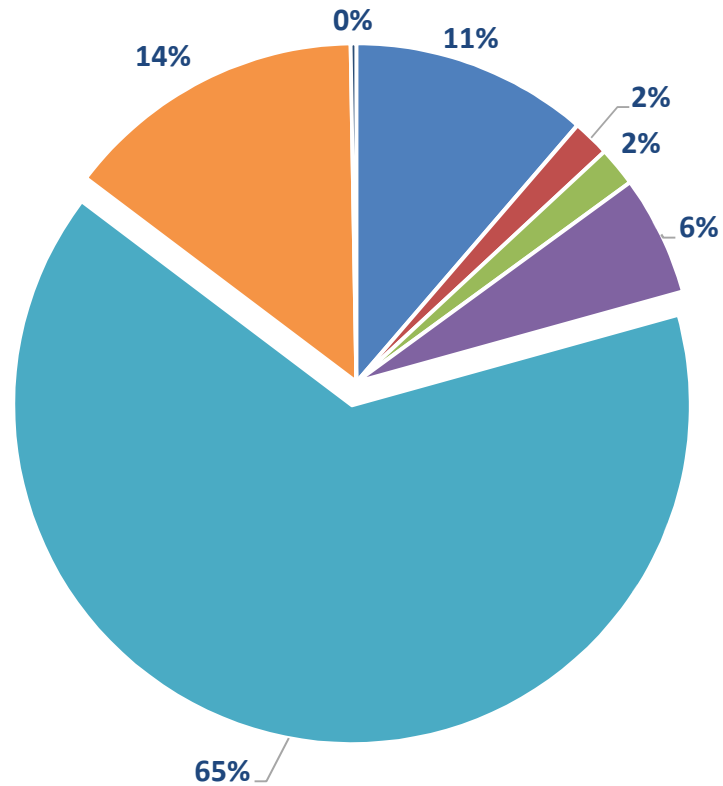
Source: oilworld.de, December 2017

Palm oil in the world

Palm oil consumption



2014/15 World consumption



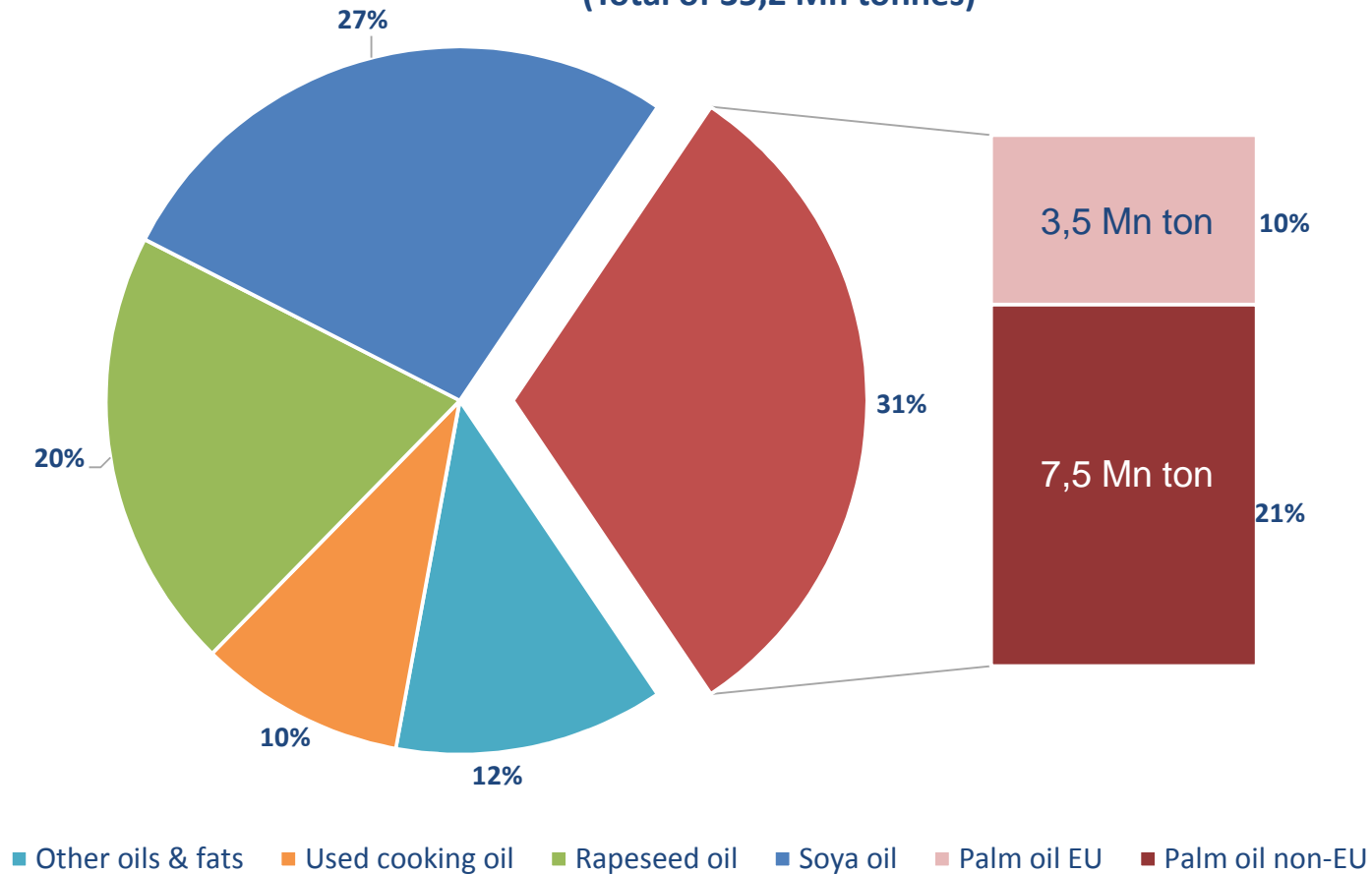
■ Europe ■ Russia ■ North America ■ South America ■ Asia and the middle east ■ Africa ■ Oceania

Source: oilworld.de, May 2015

Palm oil in the world Biodiesel



Biodiesel 2017
(Total of 35,2 Mn tonnes)



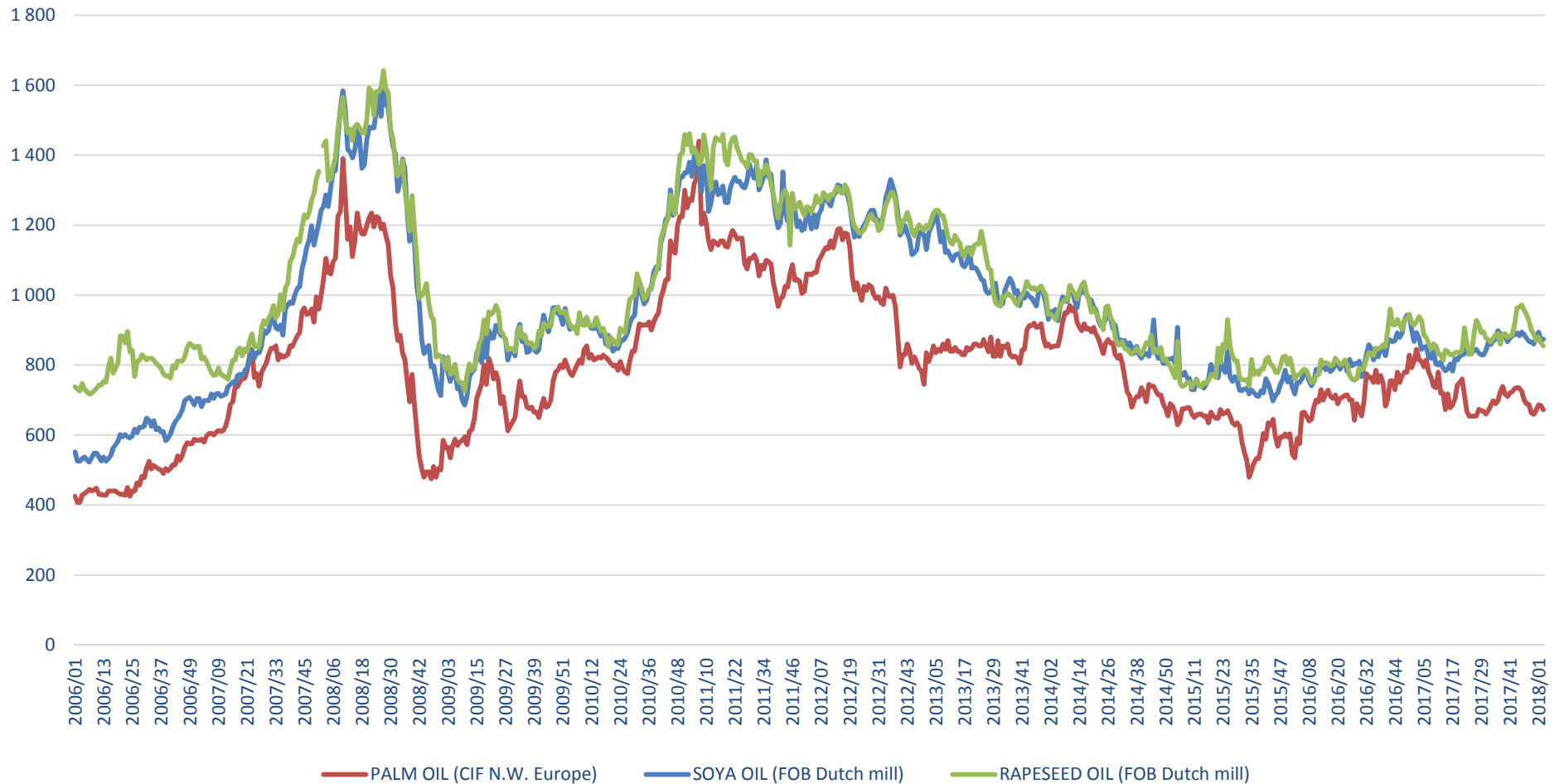
Source: oilworld.de, December 2017

SIPEF group

Vegetable oil prices



Palm Oil and its main competitors (weekly prices)



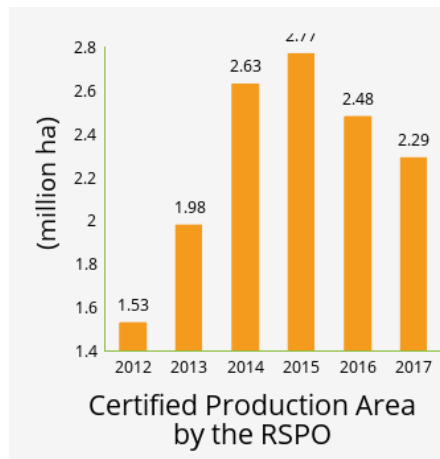
Palm oil in the world

Sustainable palm oil



Less than 2 million tons is 'segregated' (100% traceable)
SIPEF = 100% certified and > 350.000 tons 'segregated'

2,29 Million Ha RSPO certified production area



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SIPEF group

Strategy and expansion



SIPEF group= 100.000 Ha planted (group' share)

Focus on core-business

- Palmoil – Rubber – Bananas – Tea
- Indonesia – Papua New Guinea

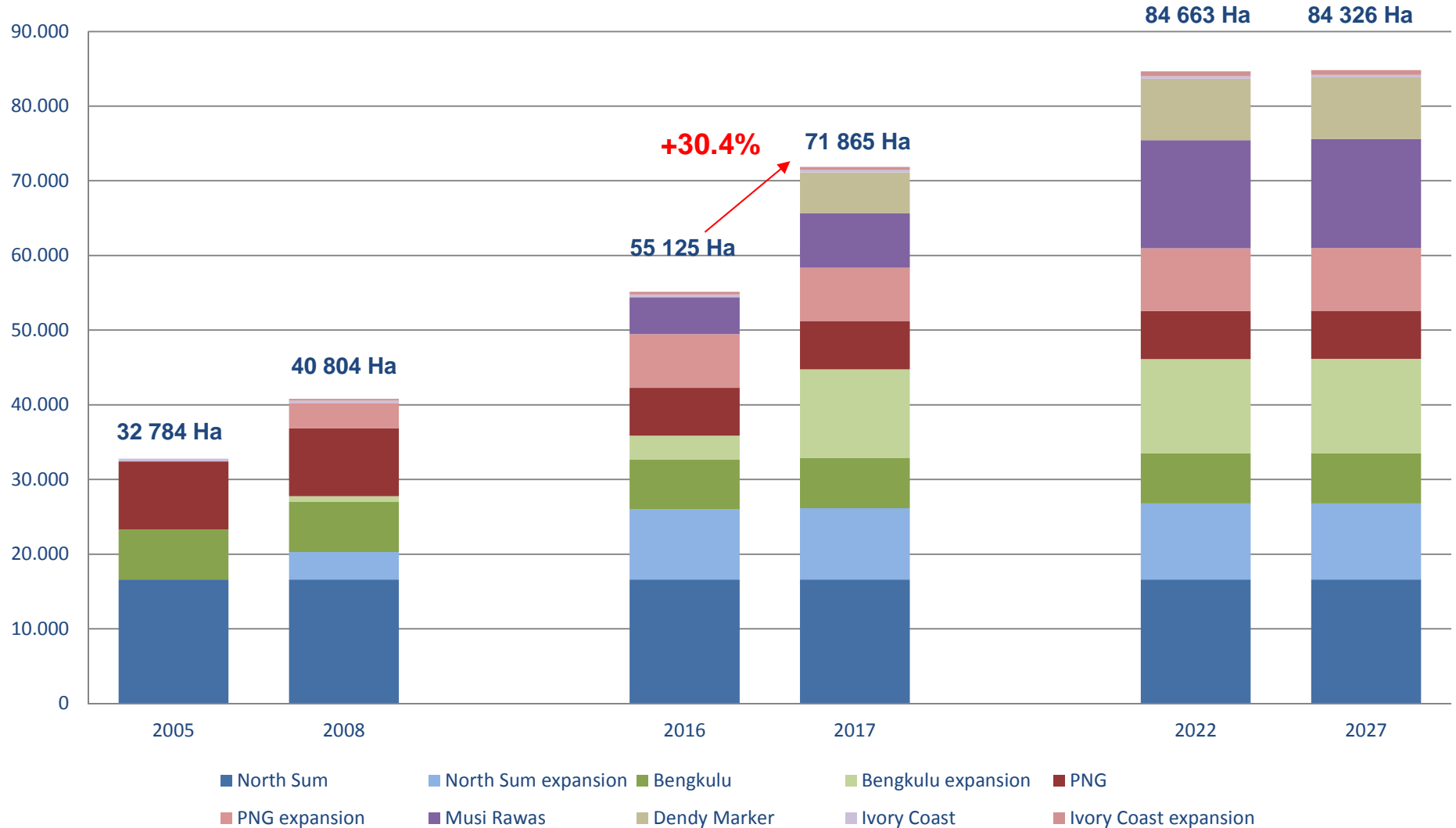
Focus on 'Sustainable Agriculture' (RSPO)

Expansion of existing activities

Acquisition of new investments

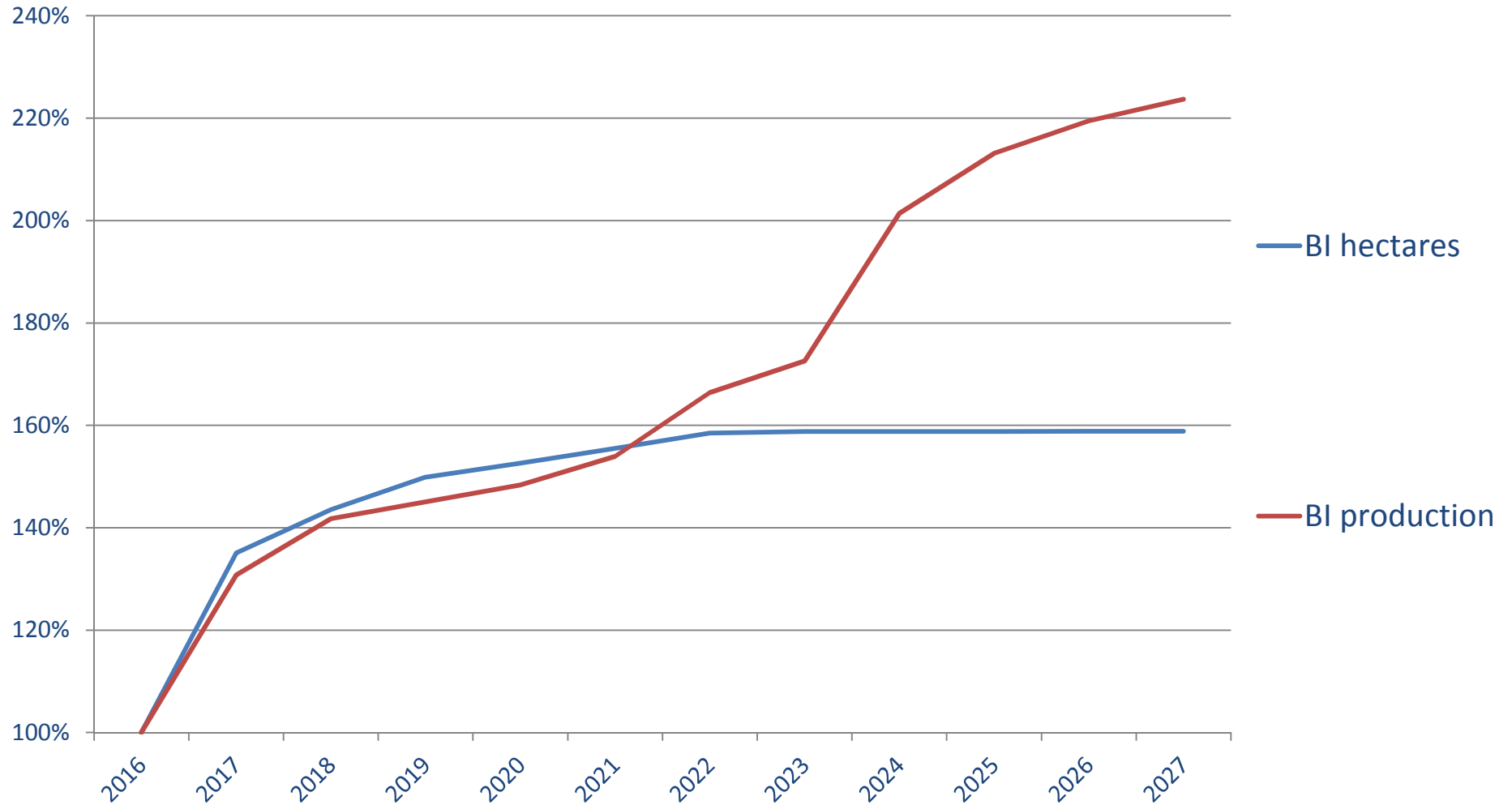
Balanced leverage

Expansion Increase in Ha (Beneficial interest)



Expansion

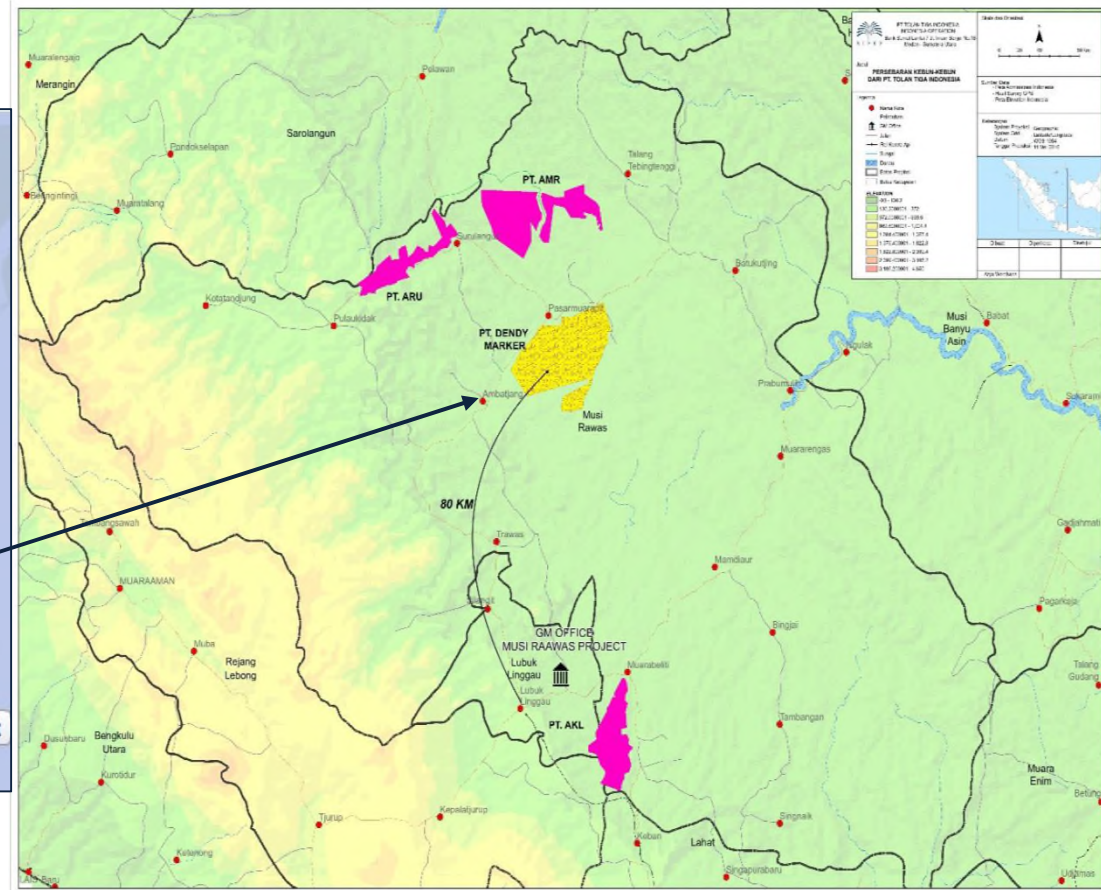
Increase in CPO production (Beneficial interest)



SIPEF group South Sumatra expansion

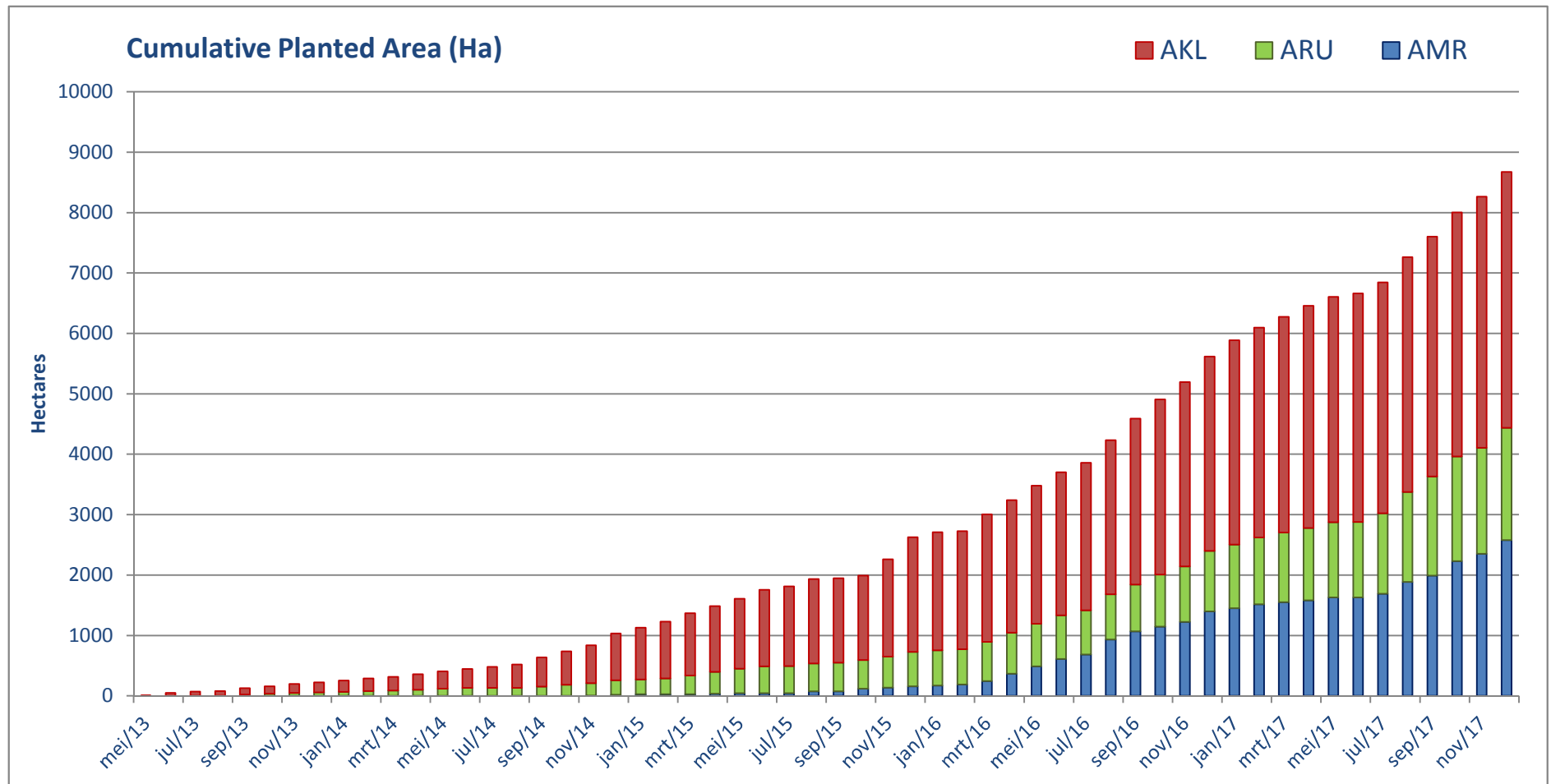


South Sumatra



Expansion

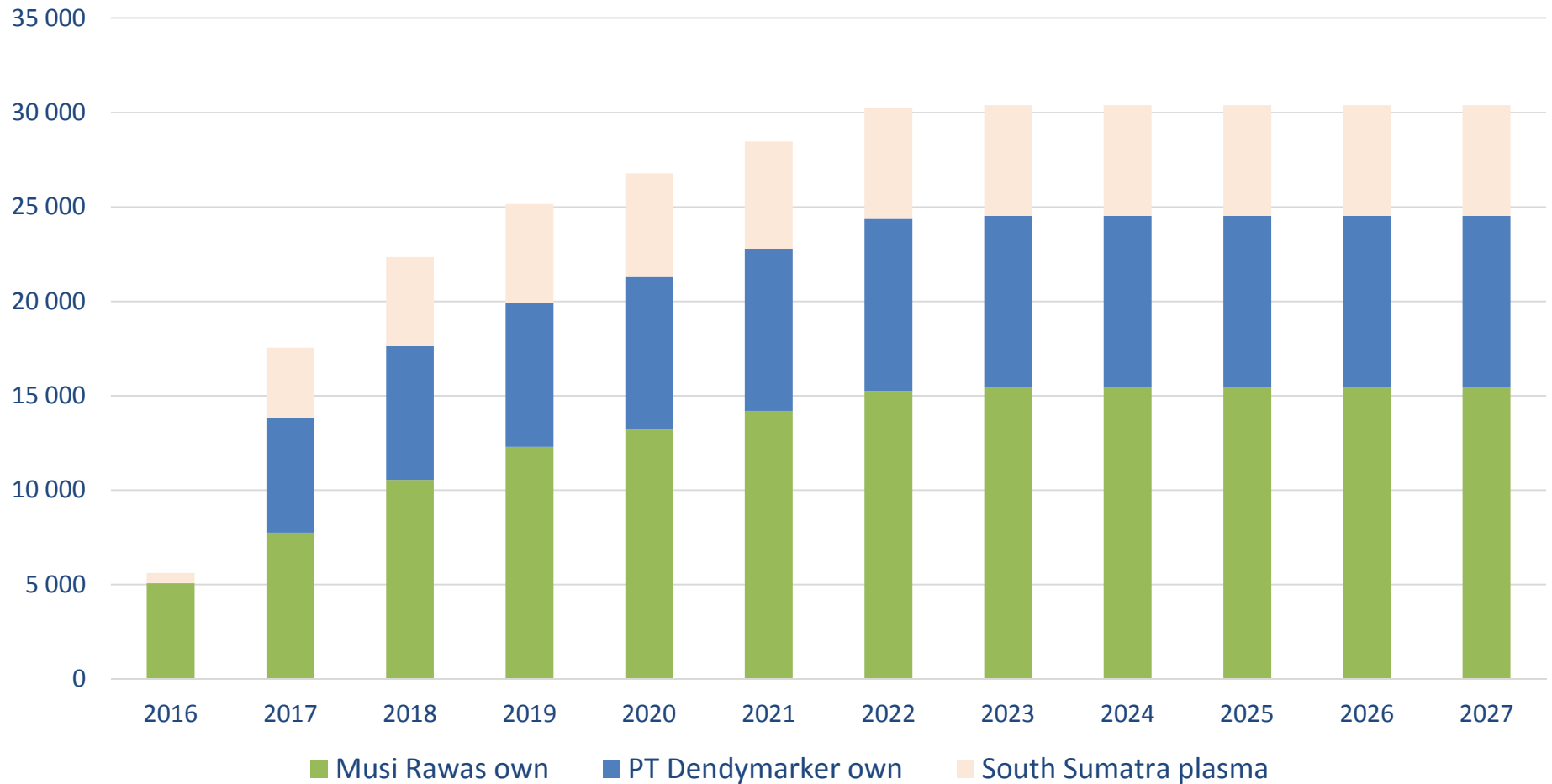
Musi Rawas planted area up to December 2017



Expansion South Sumatra – planted hectares



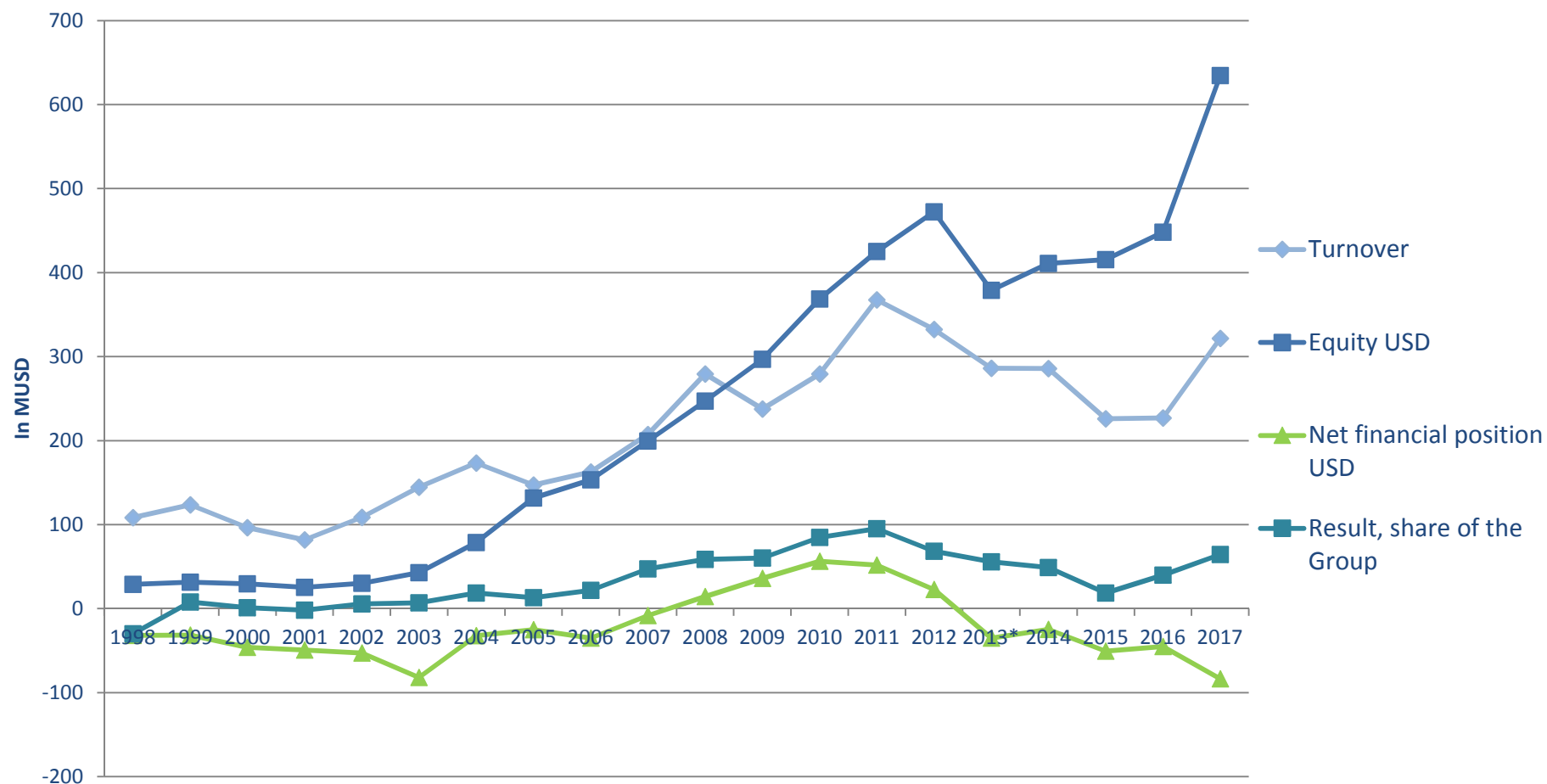
South Sumatra expansion



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SIPEF group

Historical evolution NFP, equity and turnover



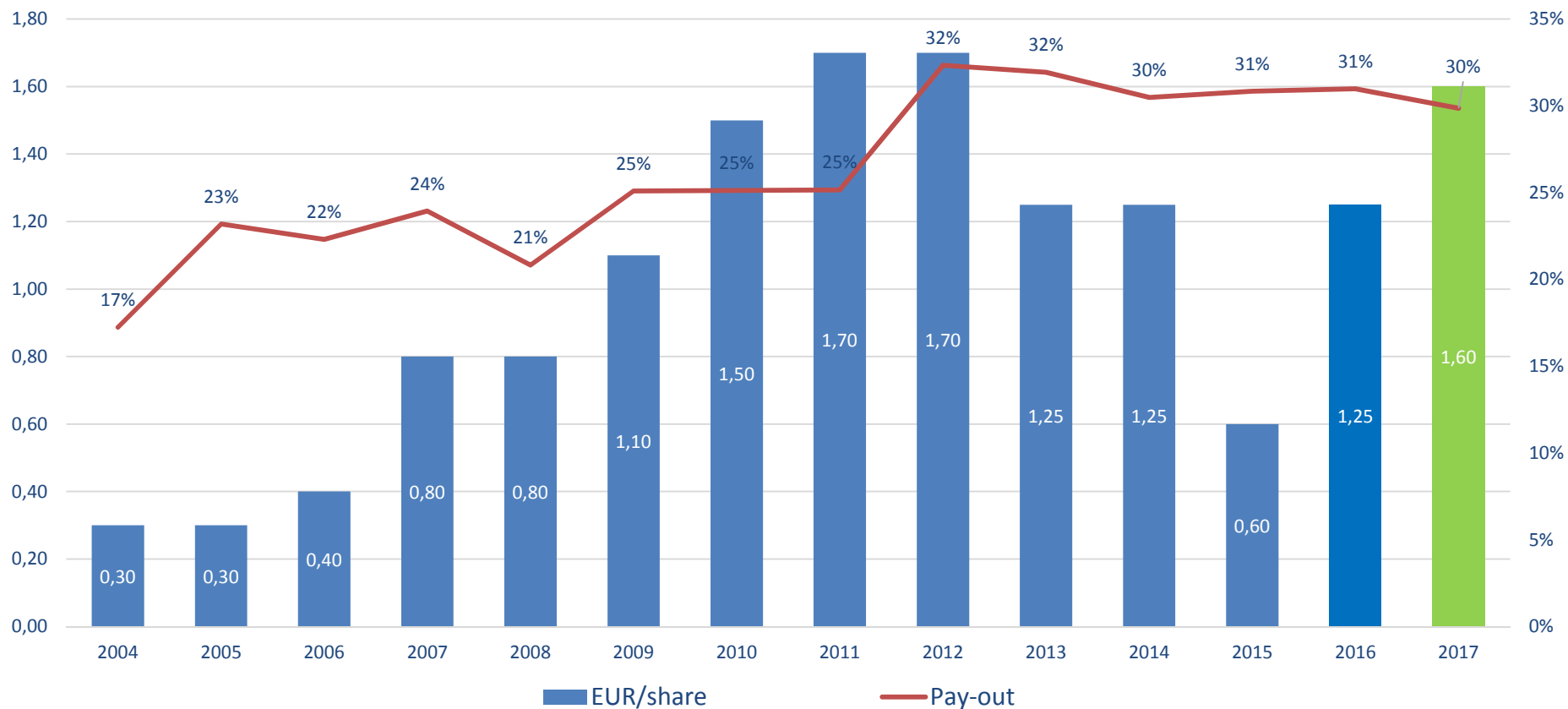
2013* Restatement for IAS41R

SIPEF group

Dividend history



Dividend History Sipef



- We expect a 9% rise in palm oil production;
- Prices will remain steady;
- 41% of palm oil production for 2018 sold at USD 741 CIF Rotterdam;
- Capex primarily expansion in South Sumatra and replacement capex;
- Sale of BDM-ASCO:
 - Selling price set at EUR 35 million for 100%;
 - Capital gain of approximately USD 7 million;
 - Gross proceeds of KUSD 20 783 for further reduction of debt position.



RSPO

Promoting The Growth And
Use Of Sustainable Palm Oil

Source : <http://www.rspo.org/> and SIPEF NV