

27 June 2024

SunRice Group FY24 Full Year Financial Results: Record revenue and strong profit delivered

The SunRice Group delivered a net profit after tax of \$68.2 million for FY24, up 24% on FY23:

- Record Group revenue of \$1.88 billion, up 15% on FY23;
- EBITDA of \$143.9 million, up 23% on FY23;
- Record fully franked total dividend of 60 cents per B Class Share, including 40 cent final dividend (for a baseline payout ratio of 56% when combined with the 15 cent interim dividend declared in December 2023) and 5 cent special dividend, both fully franked;
- Naturally determined CY23 paddy price of \$430 per tonne for medium grain rice; and
- Core debt repaid in full.

The SunRice Group delivered an exceptional set of results for FY24. The company continues to invest in brands, innovation, infrastructure and efficiencies, while undertaking a Growth Strategy refresh as it looks to lay the foundations to realise further potential ahead.

Investor webcast to be held at 9:30am AEST on Friday, 28 June 2024 (details below).

The SunRice Group today released its financial results for the period ended 30 April 2024 (FY24) with Group CEO, Mr Paul Serra, commenting:

"As I close my first year with the SunRice Group, I have been privileged to have been part of a year in which the Group delivered yet another strong performance across key metrics. These exceptional results demonstrate the strength of our brands and our talented team, as well as our operational excellence in navigating a volatile business environment to deliver further growth globally.

"FY24's performance was underpinned by the ongoing successful implementation of our Group's Growth Strategy; the connection between our brands and supply chain; and our discipline and agility in navigating challenging conditions and turning opportunities into advantages. Together, these factors supported our international market expansion, with more than half of our Group revenue realised outside of Australia in FY24, and approximately 70% of the Group's sales relating to branded products.

"During FY24, we made further progress on our sustainability framework, including submitting our emissions reduction targets for validation to the Science Based Target initiative (SBTi); and drafting a Net Zero Roadmap to meet the Group's commitment to Net Zero by 2050.

"We also commenced a review of our Growth Strategy to identify new opportunities as we look to evolve and build on our momentum achieved to date. Significant work on this review has already been undertaken, with multiple work streams scoping both domestic and international growth opportunities that are aligned with our core strengths and brands.

"As an ambitious and resilient global branded food business, the SunRice Group is well positioned to continue to grow and expand. We are investing in our brands and remain focused on ensuring our innovation and diversification pipeline for our products caters to both existing and new customer needs across the globe. We are investing in manufacturing to improve infrastructure; and we are adapting to and anticipating climatic cycles through investment and resourcing in domestic and international farming practices to increase both yield and water productivity to assist with decarbonising rice.

“As we enter FY25, our Growth Strategy refresh as well as the insights provided as part of our recent double materiality review and stakeholder engagement project give us pause to consider a bold future as we look to lay the foundations to realise further potential ahead.”

FY24 performance drivers

The Group's FY24 performance was driven by a range of factors, including volume and value growth:

Revenue:

- The Group's strong portfolio of brands, product mix and operating plant efficiencies all combined to underpin volume growth during FY24. These factors supported both the Australian Rice Pool Business and International Rice segment and allowed the Group to expand its branded product offering in the Middle East, support growth into Europe and the United Kingdom, and to participate in additional government tenders, primarily in Japan.
- The strength of the Group's brands was further demonstrated in the revenue growth achieved in FY24, with sales pricing strategies implemented to help absorb inflationary impacts.
- The inflationary environment however resulted in some market share erosion to lower price offerings in some categories. Product innovation and a broader, diverse and stronger portfolio of brands resulting from acquisitions in previous years helped to mitigate these impacts.

Profitability:

- Revenue growth translated into improved profitability across all trading businesses.
- The Group undertook cost saving initiatives through operational and manufacturing efficiencies across its various businesses, and CopRice's strategic actions from the current and prior years continued to deliver margin improvements.
- SunRice's extensive supply chain network enabled sourcing at competitive prices. Strategic sourcing options also gave the Group the ability to react efficiently to changes in supply and demand dynamics.
- Excellence in supply chain and logistics allowed capitalisation on improvements in global freight conditions, although supply chain disruption in the Pacific and the Middle East partly offset these gains.
- The stronger USD throughout the period put pressure on the margins of the Group's import businesses, particularly Riviana and Trukai in PNG.

Final and special dividend

A total fully franked dividend of 60 cents per B Class Share was declared for FY24, comprising:

- Interim dividend of 15 cents per B Class Share declared on 14 December 2023;
- Final dividend of 40 cents per B Class Share declared on 27 June 2024; and
- Special dividend of 5 cents per B Class Share declared on 27 June 2024.

Based on the closing B Class Share price at 30 April 2024 of \$6.51, the total fully franked dividend of 60 cents per B Class Share represents a yield of 9.2% and a payout ratio of 62% (56% when excluding the special dividend).

Given the Group's strong balance sheet, the repayment of all Core Debt during FY24 and the result delivered for FY24, the Board determined to suspend the Dividend Reinvestment Plan (in accordance with clause 2.14 of the DRP Policy).

Outlook

Following a strong year of growth in FY24, the SunRice Group will seek to repeat the exceptional performance at both the top and bottom line in FY25. Against this backdrop, the Group is managing

significant headwinds, including a softening in sales prices, increasing competition from lower price offerings, unfavourable foreign exchange on imports and dynamics such as cost pressures in global non-medium grain rice supply, energy and labour.

The Group will continue to focus on branded product sales. However, implementing effective pricing strategies and competing with lower price offerings across the Group's business portfolio in FY25 will be challenging, particularly in markets where consumers are facing increasing cost of living pressures, impacting discretionary spending and driving more trading down to lower priced products.

In addition to finalising the refreshed Growth Strategy, the business will remain focused on implementing its sustainability strategy, driving cost and procurement savings, as well as other operational and manufacturing improvement initiatives in FY25.

Discipline in capital management continues to be exercised to utilise the strong balance sheet to seize further opportunities to consolidate market-leading positions, pursue further innovation and diversify earnings.

Paddy price and crop outlook

The 2024 (CY24) Riverina harvest was another large crop at approximately 618,000 paddy tonnes. A number of factors continue to weigh on anticipated returns, including increased rice supply from Northern Hemisphere markets returning from drought conditions, the disruption to the global shipping industry (particularly in the Red Sea), and the prevalence of lower quality scores from the CY24 crop to date. As a result, the CY24 paddy price range remains unchanged at \$370 to \$430 per tonne for medium grain.

With successively large crops in CY23 and CY24, we have full carryover levels and, based on current water availability, expect a further substantial crop in CY25.

Annual General Meeting

SunRice's Annual General Meeting and B Class Meeting (Meetings) will be held on Tuesday 3 September 2024. If applicable, the closing date for nominations of Grower Directors is Wednesday, 17 July 2024. Full details will be available in the Notices of Meetings.

Investor webcast call

The Company will hold a webcast call at **9:30am AEST on Friday, 28 June 2024** to discuss the FY24 Results. Please note that investors are required to register for the webcast by following this link: <https://s1.conf.com/diamondpass/10038961-h6f06g.html>. Once registered, a unique URL to join the webcast will be emailed to you as a calendar invite. To join the webcast, simply click on the URL in your calendar invite and you will join the conference instantly.

Please note the investor presentation will be made available on the ASX website ahead of the webcast call and includes further detail regarding segment performance.

Authorised by Paul Serra, SunRice Group CEO

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About SunRice's structure

The structure of SunRice contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares. A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on ASX and may only be held by rice growers who meet the production quotas prescribed by the SunRice constitution. No person may hold more than 5 A Class Shares. In practical terms the voting rights held by A Class Shareholders give those shareholders the right to control the election of directors and any changes to SunRice's constitution. B Class Shares are quoted on ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not generally have the right to vote at general meetings of SunRice. This means B Class Shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue. +For more details of the non-standard elements of SunRice's structure see: <https://corporate.sunrice.com.au/investors/>