ASX Announcement

28 April 2023

SunRice Group Investor Presentation and Update on Trading Conditions

In accordance with the Listing Rules, the SunRice Group provides the **enclosed** investor presentation and update on trading conditions.

Authorised by Kate Cooper, General Counsel and Company Secretary, SunRice Group

Investor inquiries:

Richard Rose

Head of Corporate Development
(03) 8567 1132 / rrose@sunrice.com.au

Media inquiries:

Anthony McFarlane

Head of Corporate Affairs
(02) 9268 2633 / amcfarlane@sunrice.com.au

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/



A global food company

April 2023

Important notice and disclaimer

This presentation is for information purposes only. This information is given in summary form and does not purport to be complete. It should be read in conjunction with the most recent financial report, prior disclosures to the ASX and the Information Memorandum dated March 2019. The content of this presentation is provided as at the date of this presentation (unless otherwise stated). Reliance should not be placed on information or opinions contained in this presentation as advice to investors or potential investors and, subject to any legal obligation to do so Ricegrowers Limited (trading as SunRice) does not have any obligation to correct or update content.

This presentation does not purport to contain all information necessary to an investment decision, is not intended as investment or financial advice, is not a recommendation, offer or invitation by any person or to any person to sell or purchase securities in SunRice in any jurisdiction, and must not be relied upon as such. Any decision to buy or sell securities or other products should be made only after seeking appropriate financial advice.

This presentation is of a general nature and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor.

Any investment decision should be made solely on the basis of your own enquiries. Before making an investment in SunRice, you should consider whether such an investment is appropriate to your particular investment objectives, financial situation or needs and obtain independent advice from a qualified financial adviser.

The distribution of this presentation including in jurisdictions outside Australia, may be restricted by law.

Any person who receives this presentation must seek advice on and observe any such restrictions.

To the maximum extent permitted by law, SunRice, its related corporations, directors, officers, employees or agents disclaim liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement and whether that liability is direct, indirect or consequential) for any loss arising from this presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this (whether foreseeable or not).

All amounts are in Australian Dollars, unless otherwise stated. Certain statements in this presentation (including those that contain terms such as "believe", "estimate", "plan", "project", "target", "anticipate", "expect", "intend", "likely", "may", "will", "could" or "should") relate to the future, including forward looking statements relating to SunRice's financial position and strategy. Whilst the forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed, these forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of SunRice to be materially different from the future results, performance or achievements expressed or implied by such statements. No representation or warranty, express or implied, is made as to the fairness, accuracy, reliability, completeness or correctness of information contained in this presentation, including the accuracy, likelihood of achievement or reasonableness, fairness, accuracy, reliability, completeness or correctness of any forward-looking statements. There can be no assurance or guarantee that these forward-looking statements will be realised.

This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of SunRice is available on our website: https://investors.sunrice.com.au/investors/.

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 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://investors.sunrice.com.au/investors/

A diversified global food company

SunRice is one of the largest rice food companies in the world and one of Australia's leading branded food exporters.

Operations in **10 countries,** supplying **1500+ products** across **35 major brands** in **50+ countries.**

Supported by **2200 employees** globally, with **44% of Senior Management roles held by women.**

More than **70 years** in business.

Our purpose

To make a difference to places and lives everywhere through nourishing and delicious products.

Our vision

With roots in Australia's food bowl, we transform nature's goodness into healthy, enjoyable and nutritious foods that meet the needs of discerning consumers around the world.



Our values

- **Integrity**
- **Dynamic**
- **Collaborative**
- **Innovative**
- **Community**

Our behaviours

Customer focused

Intellectually curious

Decisive

Good communicators

Strategic focus

Our Growth Strategy is designed to cement the SunRice Group's position as one of the world's largest rice food companies, and as a truly global, multi-origin, multi-market food business

Our objectives

To optimise returns for both classes of shareholders by:

Securing
a sustainable and reliable global supply chain

Adapting
our product range to take advantage of changing food trends

Increasing
profits and reducing earnings volatility

How we're responding:

1. **Cementing a global supply chain in response to increased demand in branded products, ensuring quality and sustainability.**
2. **Repositioning Australia as the supply source of choice for premium branded rice markets.**
3. **Utilising our capabilities and deep insights with consumers to meet evolving global food trends while leveraging our brands, especially in healthy eating and snacking:**
   - **Diversifying into new markets** to offer high-quality and convenient packaged rice of trusted provenance.
   - **Playing a pioneering role** in addressing the obesity and diabetes epidemics with our unique Low GI rice.
   - **Leveraging our unique position** to take advantage of the global fascination with sushi.
   - **Being recognised as a leader in healthy snacking** through a range of innovative snacks.
   - **Operating a strong food ingredients business** with diversified, high-value rice derivatives servicing global food companies.
   - **Assuring quality and sustainability** with traceability, no matter where we grow our rice.
4. **Being recognised for our high performance, delivered by a positive, inclusive and accountable culture.**
5. **Accelerating the growth and diversity of our strong, cash-generative portfolio, including through further investment in Riviana Foods, CopRice and other segments.**

What success looks like:

Strong financials
Reach our aspirational revenue target of $2bn and maintain double digit Return on Capital Employed.

Premium branded player
Leverage our reputation for quality and innovation in premium varietals, healthy eating and snacking.

Asian presence
Expand sales in high-growth Asian consumer markets.

Diversified earnings
Expand our CopRice and Riviana Foods segments through strategic growth opportunities.

Food ingredients expansion
Build our tailored food ingredients offering to service commercial customers.

Resilient global supply chain
Secure a multi-varietal and resilient global supply chain with Australian growers at its centre.

Be recognised for our high-performance teams
Build a positive, inclusive and accountable culture where everyone makes a difference.

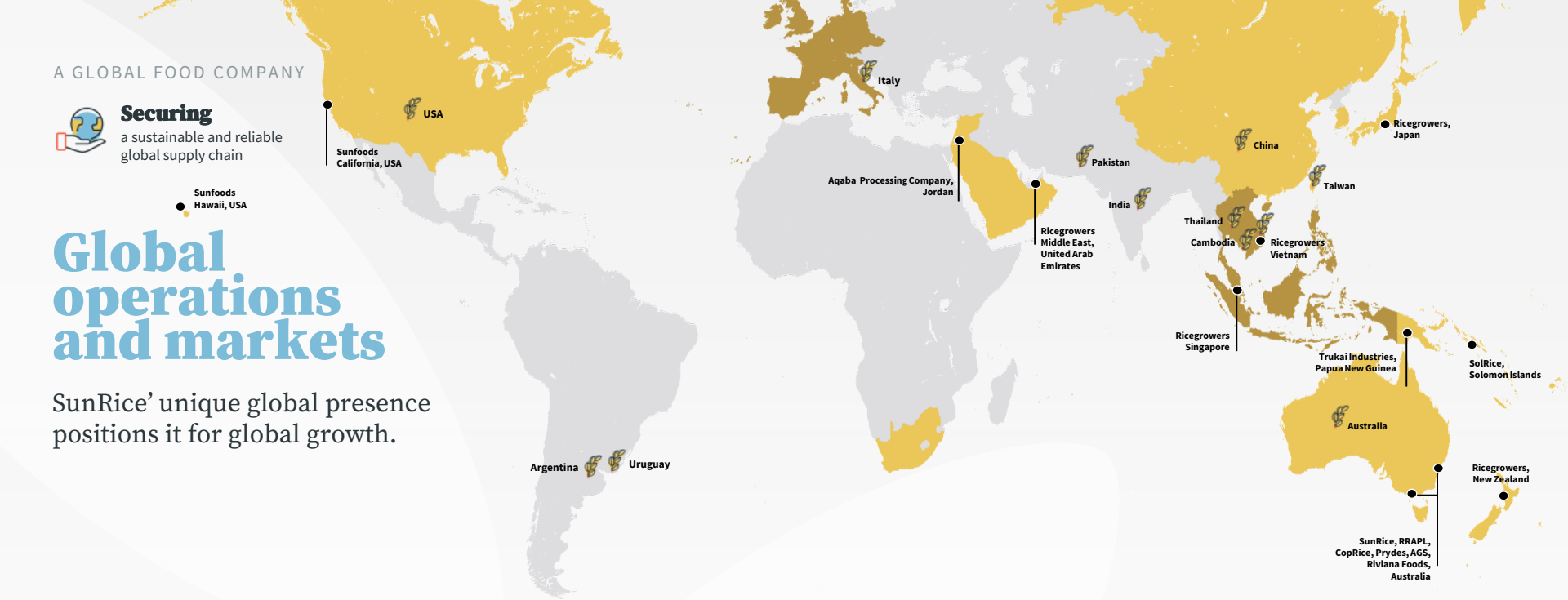
Be recognised as leaders in environmental, social and ethical business performance
Leverage our credentials to build agility, trust and resilience in our supply chain, consumers and communities)



Securing
a sustainable and reliable global supply chain

Global operations and markets

SunRice' unique global presence positions it for global growth.



Global Markets

SunRice places branded products in 50+ countries, with significant markets in the Pacific, the Middle East and expanding markets across Europe and Asia.

Operational Presence

The Group has operational presence in Australia, USA, Singapore, UAE, New Zealand, Solomon Islands, Japan, Jordan, Vietnam and Papua New Guinea.

Sourcing Capability

More than 1 million paddy tonnes of rice is sourced annually from 12 countries including Australia to meet global demand.

- Rice supply sources
- Global offices and assets
- Existing markets
- Target markets and/or new offerings in existing markets

Adapting
our product range to take advantage of changing food trends

Brands & Products

SunRice Group products help to nourish families and support food service industries in more than 50 countries around the world.

With ~35 major brands, as well as leading positions in 14 countries, we continue to grow in key markets.

Our business segments, product mix and markets are directly aligned to our Growth Strategy.

Rice Pool Business

Australian Rice Pool

Supplying premium branded Australian rice, built on provenance and our heritage.

#1
rice brand in Australian and NZ grocery

#1
rice brand in Australian food service channels

Profit Businesses

Riviana Foods

Brand-led gourmet food business building on "special occasions" and key consumer trends.

#1
pickled vegetables brand in Australia and olives brand in Australia

#1
pizza base brand in Australia and waffle brand in Australia



International Rice

A growing global supply chain and distribution network, delivering quality and sustainability.

#1, 2
medium grain rice brand in five Middle Eastern markets

#1
rice brand across PNG, the Solomon Islands, Hawaii USA and across six other Pacific Island markets

Rice Foods

Innovation in healthy snacking and food ingredients aligned to global food trends.

#1
rice cakes brand in Australia and New Zealand

#1
microwave rice brand in Australia

CopRice

Innovative animal nutrition, companion animal and distribution.

#1
equine sports lifestyle brand in Australia

#1
equine breeding brand in Australia

Increasing
profits and reducing
earnings volatility

History of Performance

SunRice has diverse industry and market exposure, with leading brands in core categories.

A history of innovation and business transformation have established solid foundations for SunRice, and created strong growth opportunities ahead.

Consistent dividends through the cycle with record dividend declared in FY22.

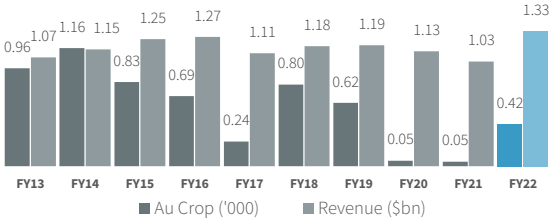
All years refer to Financial Years ending 30 April.
With 'AU Crop' graph, 'FY22' correlates with 'crop year 21' or 'CY21'.

1. Group's Return on Capital Employed (ROCE – calculated as Profit Before Income Tax and Interest divided by Net Assets excluding Cash and Borrowings)

2. FY22 dividend includes 5cps special dividend. Dividend yield and Price Earnings ratio based on volume weighted average price during period

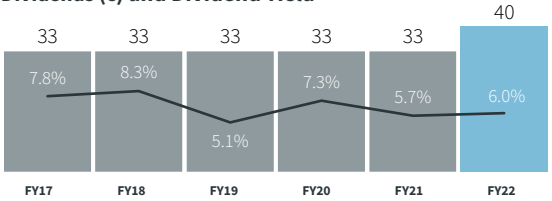
$1 Billion+ in turnover

AU Crop and Group revenue



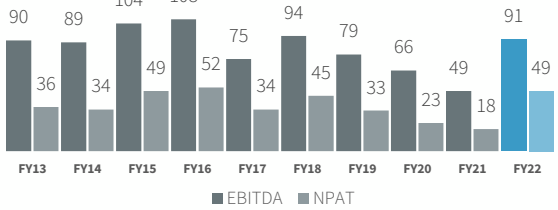
Consistently strong dividends

Dividends (c) and Dividend Yield[2]



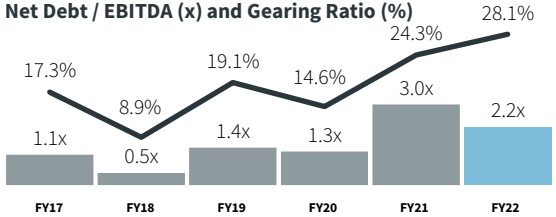
Resilience demonstrated

Group EBITDA & NPAT ($m)



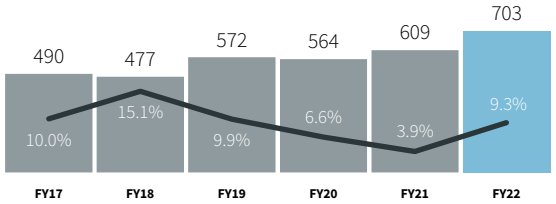
Balance sheet flexibility

Net Debt / EBITDA (x) and Gearing Ratio (%)



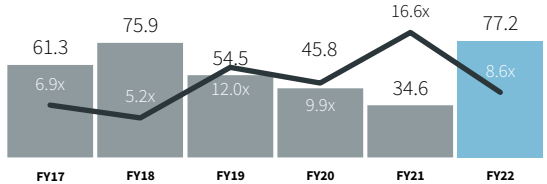
Efficient use of capital

Capital Employed ($m) and ROCE[1]



Strong earnings

Diluted Earnings per B Class Share (cents) and Price Earnings ratio[2]



Growth Strategy in action

SunRice has invested over $110 million in acquisitions since FY19

Building organic growth

Driving product innovation
Using capabilities and deep insights with consumers, we've met evolving global food trends while leveraging our brands.

Expertise in sourcing rice to match pricing and preferences
Growing global supply chain and multi-origin, multi-price point strategy.

Integrating sustainability into our supply chain
SunRice's Sustainability Strategy directly relates to our Growth Strategy.







Pursuing strategic growth

Further penetrating high value segments
Pryde's EasiFeed was acquired by CopRice in FY2022, providing increased presence in the high-value branded equine market.

Delivering transformative earnings for Riviana
Acquisition of KJ&Co Brands in FY2021 has offered transformative scale for Riviana.

Underpinning new category and geographical reach
Roza's Gourmet acquisition in FY2019 has delivered new reach and markets to Riviana Foods.

Securing a global supply chain
Purchase in FY2019 of a rice processing mill in Vietnam expanded the Group's international rice supply capability.









Strategic acquisitions

FY2023 acquisition
Australian Waffle Co, Australia

FY2022 acquisition
Pryde's EasiFeed, Australia

FY2021 acquisition
KJ&Co Brands, Australia

FY2021 acquisition
Dairy nutrition business, New Zealand

FY2021 acquisition
Riverbank Stockfeeds' dairy and beef assets, Australia

FY2020 acquisition
Feedrite's extrusion business, Australia

FY2019 acquisition
Roza's Gourmet, Australia

FY2017 acquisition
Fehlbergs, Australia

FY2019 acquisition
Lap Vo rice processing mill, Vietnam

Sustainability Strategy in action

Aligned to the UN SDGs

SunRice has identified six priority areas and ambitions with detailed short and long-term targets

Our Sustainability Strategy aims to meaningfully contribute to the SunRice Growth Strategy and the United Nations (UN) Sustainable Development Goals (SDGs)





Supporting the industry towards the most water efficient rice paddies globally

Long-term

In conjunction with the Australian Rice industry 1.5 tonnes per megalitre for Australian rice by the end of 2027



Net zero emissions across our value chain

Partner with growers to create a step change in reducing emissions

Adopt TCFD recommendations

Long-term

Net zero by 2050 at the latest



Toward zero waste from our products and packaging

Long-term

50% reduction in operational waste to landfill by 2024

100% of Australian and New Zealand products feature Australian Recycling Label by 2024

Meet Australian Packaging Covenant Organisation targets by end of 2025



Our communities consider SunRice a vital part of their ecosystem

Long-term

Donate 600,000 meals and have 2000 hours volunteered by employees from FY2022-24

Contribute to the resilience of the communities where we operate in a measurable way



Equity and equality across our operations and supply chain

Long-term

100% of SunRice owned sites with refreshed social and ethical audits by end of 2024



Secure, nourishing and quality products

Long-term

Maintain SunRice manufacturing site certification to Global Food Safety Initiative recognised standard

Invest in RD&E to improve on-farm productivity, quality and genetic purity

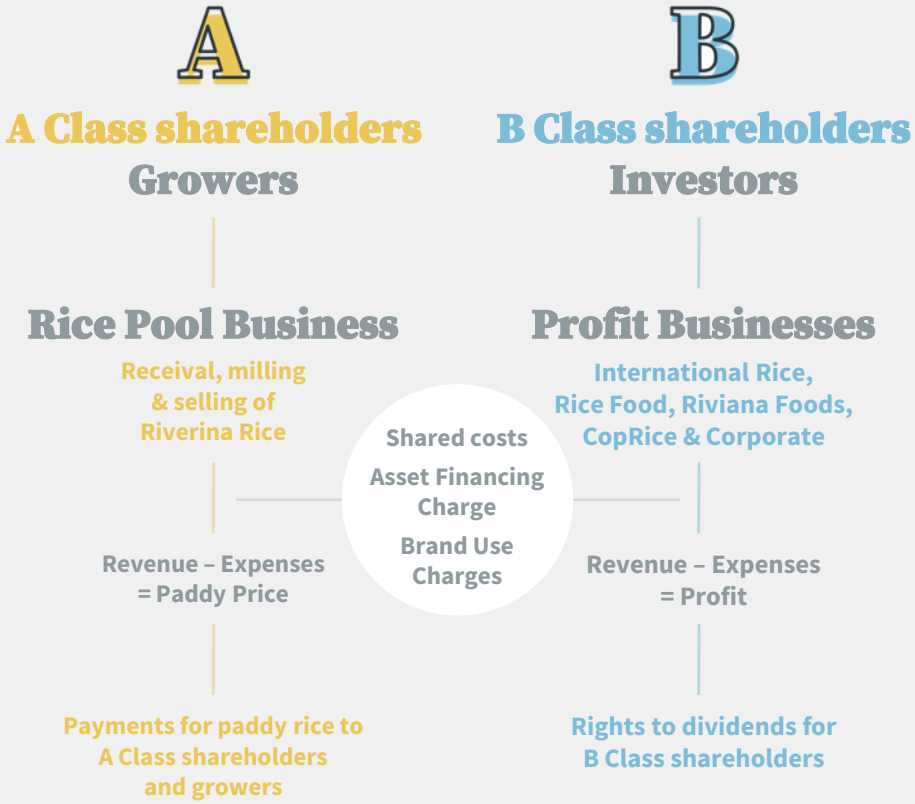
Leverage global sourcing expertise to deliver quality product to local communities

Unique and complementary corporate structure

SunRice's structure protects the interests of our B Class shareholders or investors, who have the right to receive dividends declared through our **Profit Businesses**; and our A Class shareholders who meet the production quotas prescribed by the SunRice Constitution, and who are paid for their paddy through the **Rice Pool Business** and have control of the company.

While separate, the two business groups have mutually beneficial links and purposes. They complement each other, strengthening the alignment between our investors and growers.

Our objective is to optimise returns for both classes of shareholders.



For more details of the non-standard elements of SunRice's structure see: https://investors.sunrice.com.au/investors/

Segments

FY22 Segment snapshot

The Rice Pool contributes directly to the Profit Businesses through the supply of rice and by-products to various divisions and payments in relation to brand and asset financing charges and contributes indirectly through the absorption of overheads

B Class shareholders benefit directly from the Profit businesses through dividends

Total Group EBITDA

$91.3m

Rice Pool Business

		CY21 pool price (Reiziq)	Revenue
Rice Pool	Deals with receival, milling, marketing and selling of Riverina Rice.	$428 per tonne*	$246.1m

Profit Businesses

		Segment share of Group EBITDA	EBITDA
International Rice	Primarily purchases, processes and markets rice to supply international branded markets, tender markets or other processors.		$43.6m
Rice Food	Manufacturing, marketing and distribution of value-added rice-based products. Rice cakes, snacks, rice flour, microwave rice and ready-to-go meals.		$7.9m
Riviana	Specialty gourmet distributor of both imported and locally manufactured goods to retail customers and food channels		$14.0m
CopRice	Innovative animal nutrition that leverages SunRice's Riverina rice by-products. Leading supplier of high value branded equine market. Leading supplier of third party pet food products to grocery and pet specialty stores.		-$0.5m
Corporate	Captures the income and costs of holding and financing assets that are used by both the Rice Pool Business (A Class shareholders) and Profit Businesses (B Class shareholders). Holds rice receival and storage facilities across the Riverina as well as rice milling and packing facilities across Australia. Holds ~30 SunRice brands.		$26.4m

* Per paddy tonne for medium grain Reiziq

Rice Pool Business

Rice Pool

Supplying premium branded Australian rice, built on provenance and our heritage



Overview

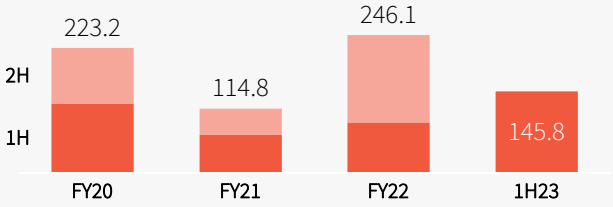
- SunRice's Rice Pool Business' core activities are the receival, milling, marketing and distribution of Riverina Rice to customers across multiple channels. This includes supplying SunRice's Australian markets and exporting Riverina Rice to global markets across the Middle East, Asia Pacific, the U.S. and Europe. The Rice Pool Business can also supply SunRice's global subsidiaries, which can purchase rice at a commercial price from the Rice Pool Business to sell in their local markets.
- Riverina Rice is recognised for its quality, taste and texture and these characteristics together with its Australian-grown provenance provide important support for the high reputation of SunRice brands.
- Proceeds from the Rice Pool Business are aligned to Growers and A Class Shareholders only.

Performance Update

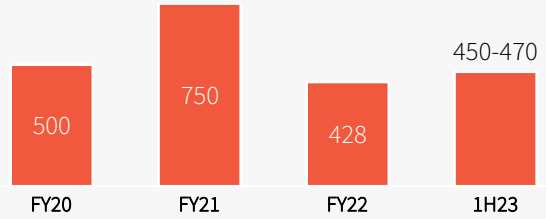
- In H1 FY2023 the Group benefited from another strong harvest year with CY22 Riverina rice production increasing by 65% to ~688,000 paddy tonnes
- The harvest provided the basis for higher sales volumes in premium markets both domestically and internationally.
- Sales price increases across the segment contributed to revenue gains and followed current trends in world rice prices.
- The CY22 rice pool range is $450-470 per tonne for medium grain Reiziq.

1. Price per tonne for medium grain Reiziq.

Revenue ($m)



Paddy Price ($ per tonne[1])



Profit Business

International Rice

Growing global supply chain, delivering diversification and demonstrating strength of the business model



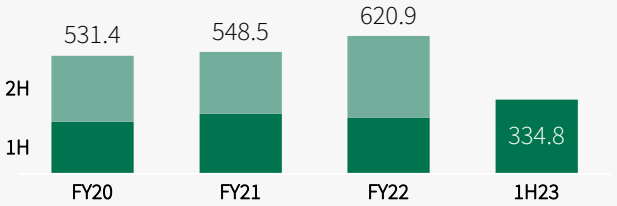
Overview

- SunRice's International Rice segment includes Trukai Industries, Ricegrowers Middle East, SolRice, SunFoods, Ricegrowers Vietnam and the Group's global sourcing activities, which are mainly conducted by Ricegrowers Singapore.
- The segment is primarily focused on the procurement, manufacturing, marketing and distribution of rice through intermediaries to consumers, food service and processing customers in world markets, where there is growing demand for SunRice's great tasting branded products.

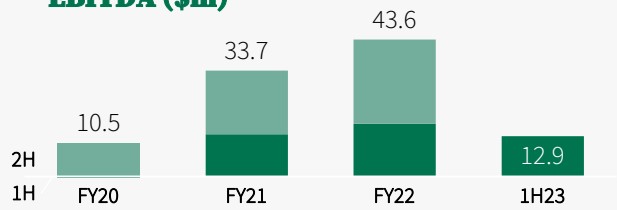
Performance Update

- In 1H FY2023, International Rice achieved a 32% increase in revenue with strong sales in premium markets, particularly in key Pacific markets and the Middle East
- Profit margins were constrained by the delay in being able to pass on price increases arising from increased international rice prices, global supply chain disruptions and general inflation.

Revenue ($m)



EBITDA ($m)



Profit Business

Rice Food

Innovation in healthier snacking and food ingredients aligned to global food trends



Overview

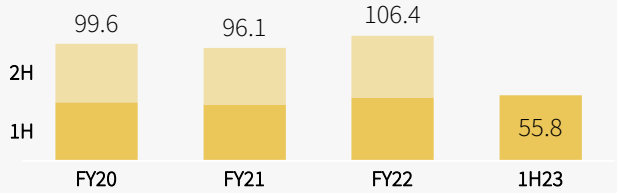
Rice Food manufactures, markets and distributes value-added rice-based products, including snacks and ingredients domestically and globally. Products includes:

- Snacks – including rice cakes, mini cakes and chips;
- Microwave ready rice – including rice packs
- Private label – manufacturing and contract packing private label snacks and microwave products
- Rice flour – To domestic and global customers for use as an ingredient in food manufacturing.

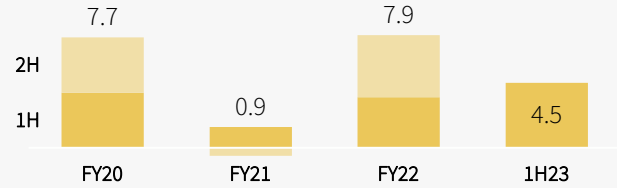
Performance Update

- In 1H FY2023 Revenue increased 4% as price increases were achieved on sales, in particular those of locally produced rice flour and microwave products.
- The segment maintained its increased profitability driven by a reduction in source materials associated with these products, notably due to the returning availability of lower cost broken rice used in rice flour.
- The segment's performance was further supported by competitors experiencing supply shortages on imported products.

Revenue ($m)



EBITDA ($m)



Profit Business

Riviana Foods

Expanding our strong, cash-generative diverse portfolio



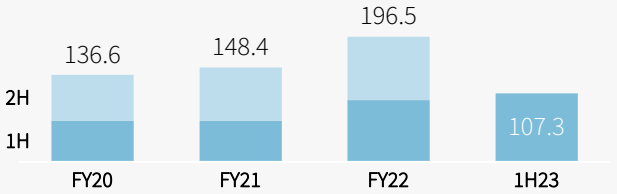
Overview

- Riviana Foods is a gourmet food distribution, sales and marketing company. Riviana Foods' head office is located in Melbourne, with sales and distribution facilities located throughout Australia.
- In its grocery business, important brands include Riviana, Always Fresh, Roza's Gourmet, Fehlbergs, Toscano, Hart & Soul, Admiral, Captain and House of Riz. It has the largest share of olives and pickled vegetables in the retail channel in Australia.
- Riviana Foods also has a strong presence in the food service sector and an extensive portfolio of brands including Riviana, Menu Master, Mahatma, Garden Supreme, Bare Bakers, 4 Seasons, and Ocean Supreme & Regal Sea.

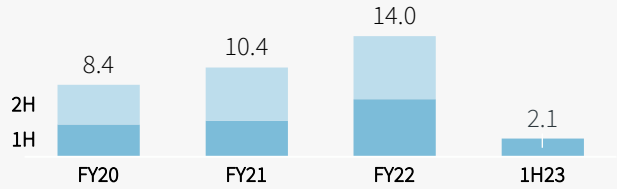
Performance Update

- Whilst Riviana achieved a 10% growth in revenues in 1H FY2023, increased cost of products constrained profitability.
- Good volume growth was achieved in a number of product categories, in particular bakery, which was supported by successful promotional and instore activities and additional ranging in major retailers.
- The segment also continued to benefit from the acquisition of KJ&Co and the ongoing recovery of the Australian Food Services sector.

Revenue ($m)



EBITDA ($m)



Profit Business

CopRice

Challenging period but well positioned for the future



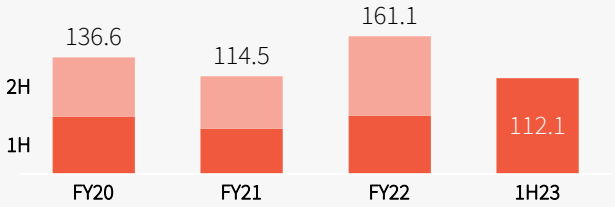
Overview

- CopRice is the animal food division of SunRice and is a leading supplier of animal nutrition products to the companion animal and livestock sectors. CopRice has been supplying quality animal feeds for over 30 years through its Australian plants located in Leeton, Tongala, Wangaratta, Leongatha, Gunnedah and Cobden.
- The CopRice business was originally established in response to the availability of rice by-products such as rice pollard, a quality feed high in energy and protein. Today, rice is just one of the many ingredients in CopRice's products.

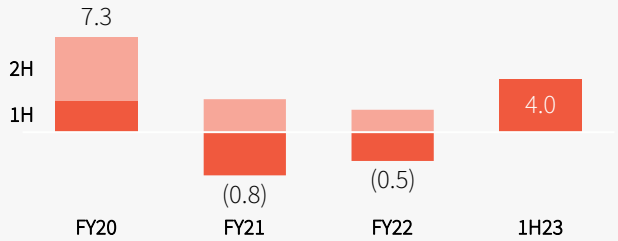
Performance Update

- CopRice recovered strongly during 1H FY2023, with revenues up 64%, in part supported by the acquisition of Pryde's late in FY2022.
- Despite wetter than normal conditions in eastern Australia limiting the demand for supplementary feed products, CopRice volumes grew in the majority of product categories with gains in market share and growth in new regions, supported in part by the availability of rice by-products from the larger CY22 crop.

Revenue ($m)



EBITDA ($m)



Profit Business

Corporate

Strong portfolio of physical and intangible assets

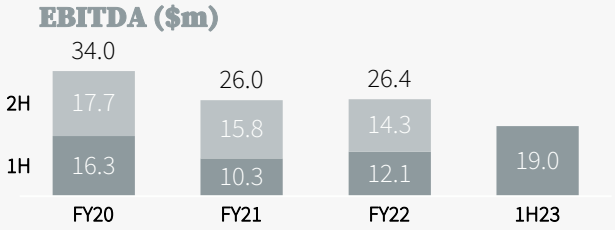


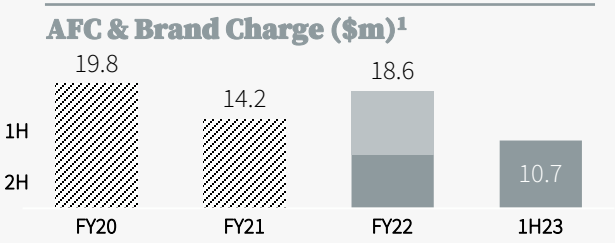
Overview

- The Corporate segment of SunRice captures the cost of holding and financing assets that are utilised by both the Rice Pool Business and the Profit Businesses. This includes charges for the use of SunRice brands and access to milling and storage assets.
- **The main assets held in Corporate include:**
  - Paddy storage, milling, packing and finished product storage and warehousing assets in the Riverina, utilised by the Rice Pool Business; and
  - Approximately 30 major brands used by the Rice Pool and Profit Businesses around the world, including SunRice, Sunwhite, Trukai, Roots, Always Fresh and CopRice.

Performance Update

- Higher levels of Brand and Asset Financing Charges were received from the Australian Rice Pool Business during 1H FY2023, driven by the larger CY22 Riverina rice harvest and the corresponding increase in branded sales in the Australian Rice Pool Business





1. Due to the small rice production in FY20 and FY21, the charges were only partly absorbed and not absorbed by the Rice Pool business, respectively and therefore impacted the contribution to the profit of the group in that respective year.



Recap of company highlights

Established presence as a global food group with a leading portfolio of brands and sales across more than 50 countries

Multi-market, multi-origin sourcing strategy to complement Australian rice supply

Significant investment in strategic acquisitions to strengthen the brand and operational profile and diversify the earnings of the Group

Consistently strong dividends through the cycle despite the dual impacts in recent years of Australian drought and COVID-19 and a record dividend in FY22

Strong balance sheet with Net Debt of 2.2x FY22 EBITDA and Core Debt of 0.8x FY22 EBITDA

142% total shareholder return, compared to ASX300 Accumulation Index TSR of 81%#

#Investment period from 1 May 2016 until 31 March 2023, TSR considers movement in share price and dividends paid, and assumes all dividends are invested on the dividend payment date. ASX 300 accumulation index extracted from Bloomberg (AS52T Index).

Update on trading conditions

The Group's performance remains strong as we approach year end

- As forecast in the half year results announced in December, the strong revenue growth achieved in 1H FY2023 has continued into the second half of the year, supporting improved profitability.
- The Group is starting to benefit from improvements in the global supply chain and reduced freight costs.
- We expect to continue to experience headwinds from rising inflation, foreign exchange, labour shortages and other challenging global economic conditions. However, the Group will continue to seek to recover the additional costs incurred to maintain margins.
- The Group's diversified portfolio and strong balance sheet mean it is currently well placed to take advantage of further expansion opportunities, both organically and through acquisitions.

A GLOBAL FOOD COMPANY



Making a difference to places and lives everywhere through nourishing and delicious products.

SunRice Group