# ASX Announcement

23 August 2023

# Ricegrowers Ltd (SunRice) 2023 Annual General Meeting

SunRice today held its Annual General Meeting and a separate B Class Meeting, in Leeton, New South Wales.

**Shareholders approve all resolutions at 2023 Annual General Meeting and B Class Meeting**

Shareholders approved all resolutions put to today's Meetings. This included the adoption of the Remuneration Report for the year ended 30 April 2023 and the re-election of Non-executive Director Ian Glasson at the Annual General Meeting. At the B Class Meeting, shareholders approved the Long Term Incentive Award and the One-Off Retention Award for the CEO, Paul Serra.

**FY2023 Full Year Financial Results**

The Financial Year 2023 (FY2023) Financial Results were also presented. The strength of the SunRice Group's business model, ongoing execution of the Growth Strategy and abundance of Australian rice underpinned an outstanding financial performance, with the SunRice Group delivering record Group revenue, the highest ever naturally determined paddy price of $461 per tonne for medium grain Reiziq and a record total fully franked dividend of 50 cents per B Class Share. Group revenue for FY2023 was $1.64 billion, up 23% on the prior year, with Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of $117 million and Net Profit After Tax of $54.8 million up 28% and 12% respectively on FY2022.

The CY22 record paddy price and FY2023 total dividend demonstrate the Group's ongoing focus on delivering value to both A and B Class Shareholders and the complementary nature of the Australian Rice Pool Business and Profit Businesses.

**Riverina rice production**

The abundance of Australian rice, with the CY22 Riverina rice crop of 688,000 tonnes representing the largest crop in five years and 65% larger than in CY21, supported strong sales volumes in key premium domestic and international markets in FY2023. The recently harvested CY23 crop of 500,000 paddy tonnes, which will continue to be processed and marketed throughout Financial Year 2024 (FY2024), should continue to underpin supply to these markets throughout the year. Given increased global supply and competition in key markets, the estimated range for the CY23 pool currently remains at $390 to $450 per tonne for medium grain Reiziq.

Looking ahead to the planting of the CY24 crop in October 2023, based on current favourable seasonal conditions, including water availability, we are expecting a fourth consecutive year of abundant Australian rice production in CY24. The Group is also expecting a large amount of the CY23 crop to be carried over at the end of the financial year. Coupled with the Northern Hemisphere markets returning from drought earlier than expected, particularly in the United States, these factors have the potential to moderate returns for the Australian Rice Pool Business given the finite opportunities for placing Australian medium grain rice into premium markets. The Group is exploring options for managing these complexities whilst maximising returns to growers, and will provide a further update when the CY24 seed circular is issued in the next few weeks.

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**Outlook for Financial Year 2024**

The strong momentum from the second half of FY2023 has continued into the first quarter of Financial Year 2024 (FY2024).

Group revenue growth in the first quarter of FY2024 has been supported by a number of favourable conditions that are anticipated to continue throughout FY2024. These include the positive effects of cycling annualised price increases from FY2023; additional price reviews in FY2024; further international expansion; and a weakening Australian dollar, which is supporting Australian rice exports.

Most of these factors are also driving an improvement in Group profitability in FY2024, further supported by improvements in shipping conditions and costs and the ongoing recovery of CopRice.

However, there are a number of headwinds in FY2024 which the Group continues to monitor and manage, including foreign exchange rate volatility, particularly for our import businesses, surging energy prices, the global interest rate environment, inflationary pressures on consumer spending, and growing conditions offshore.

The SunRice Group remains focused on maintaining a disciplined approach to capital management and balance sheet flexibility, and continues to explore a well-developed pipeline of potential strategic opportunities, including acquisitions as well as divestment of non-core, non-operating assets.

**Comments from the outgoing Group CEO**

Commenting at the Annual General Meeting, outgoing SunRice Group CEO, Mr Rob Gordon, said:

> *"After delivering strong financial results in Financial Year 2022 following two years of extraordinary challenges, I am proud that the SunRice Group produced another impressive financial performance in FY2023, with Group Revenue, naturally determined paddy price and total fully franked dividend exceeding the records set in the previous financial year.*
>
> *"These results demonstrate the flexibility and resilience of our business model and strategy, and our ongoing focus on delivering value for both A and B Class Shareholders. We were also able to deliver this outstanding financial performance despite a number of headwinds, including a high inflationary environment which drove a material increase in key business input costs.*
>
> *"While we continue to face macro-economic pressures, the Group has had a strong start to Financial Year 2024, continuing the momentum from the second half of FY2023.*
>
> *"It has been a pleasure to work with the incoming Group CEO Paul Serra over the past two months to ensure a smooth leadership transition. I wish Paul every success in the role and I look forward to seeing the SunRice Group go from strength to strength under Paul's leadership."*

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

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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/