ASX Announcement

14 December 2023

SunRice Group FY2024 Half Year Financial Results: Delivering strong revenue and earnings growth

Financial Highlights:

- **Group revenue for 1H FY2024 was $919 million, up 21% on the previous corresponding period**
- **Delivered strong growth in earnings, with EBITDA of $63.3 million and NPAT of $30.6 million, up 48% and 56% respectively on the previous corresponding period**
- **Declared fully franked interim dividend of 15 cents per B Class Share**
- **Progressed Sustainability Strategy, including collaboration with Deakin University to measure greenhouse gas emissions from sowing and irrigation practices**
- **The Group expects to continue to grow both revenue and profit in 2H FY2024.**

The SunRice Group today released its Financial Results for the half year period ended 31 October 2023 with Group CEO, Mr Paul Serra, commenting:

> *"The SunRice Group has delivered another strong financial performance in 1H FY2024, with improvements in both revenue and profitability, as a result of our continued focus on our growth strategy.*
>
> *Ultimately, these figures reflect our team's hard work, dedication and the successful implementation of a number of growth initiatives.*
>
> *The revenue and profitability growth achieved in 1H FY2024 is expected to continue into the second half of the year, despite the impact of inflationary pressures continuing in the near term."*

The 1H FY2024 Financial Results were driven by a range of factors:

- The Group's successful implementation of growth initiatives, including product innovation, further international market expansion and the award of overseas government tenders.
- A weakening Australian dollar, supporting revenue from Australian rice exports but weighing on the profitability of our import businesses (magnified by the rapid devaluation of the PNG Kina during 1H FY2024).
- Cost saving initiatives and improvements in shipping conditions and costs as supply chains continue to normalise post COVID-19.
- Sales price increases to help partially offset inflationary pressures on costs.
- The continued recovery of CopRice, delivering volume growth, market share gains and margin improvements.
- The strong performance of the Australian Rice Pool Business and its flow-on impact on the level of Brand and Asset Financing charges supporting the profitability of the Corporate segment.

Interim Dividend

In light of the strong performance achieved in 1H FY2024 and the favourable outlook for the second half, the Group today declared a fully franked interim dividend of 15 cents per B Class Share.

The Outlook for our Profit Businesses

The SunRice Group is expecting continued growth in both revenue and profitability in the second half of the year. The contribution of 2H FY2024 to the full year result is however expected to be proportionately lower than that of 2H FY2023 to the prior full year's result.

The delivery of the 2H FY2024 result will be dependent on the Group's ability to navigate a number of headwinds that affected 1H FY2024 and are anticipated to continue into 2H FY2024, the most significant of which include:

- High interest rates and inflation impacting consumer spending;
- A weak Australian dollar and a rapidly devaluating PNG Kina; and
- The recovery from drought conditions in the Northern Hemisphere.

The recent conflict in the Middle East is also creating uncertainty in a region in which the Group has some of its largest markets. At this stage, the Group has not been directly impacted by conditions in these markets.

The Outlook for the Australian Rice Pool

The lower end of the Paddy Price range for the CY23 crop was increased in November, with an updated range of $410 - $450 per tonne.

The SunRice Group expects a fourth consecutive year of abundant Australian rice production, with the CY24 crop currently anticipated to be larger than the CY23 crop.

The expected drier conditions in Australia and ongoing water reform initiatives in the Murray Darling Basin have the propensity to affect the volume of Australian rice produced beyond CY25. However, the Group is expecting a sufficient volume of the CY23 crop to be carried over at the end of the financial year, complemented by a strong CY24 crop. The positive benefits of carryover volumes will be managed with a mid-term lens and the Group expects to have ample volumes of Australian rice to sell into premium markets over this time.

Investor conference call

The Company will hold a conference call at **9.30am AEDT on Friday 15 December 2023** to discuss the 1H FY2024 results. Please note that investors are required to register for the call by following this link:

https://s1.c-conf.com/diamondpass/10034580-26lhbz.html

Once registered, you will be provided with the dial in number, the **Passcode**, and your unique **PIN**. This information will also be emailed to you as a calendar invite.

To join the conference call, simply dial the number in the calendar invite and enter the passcode followed by your PIN, and you will join the conference instantly.

An Investor Presentation has been made available on the ASX ahead of the call, and also goes into further detail regarding segment performance.

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Authorised by Paul Serra, Group CEO, SunRice Group

Investor inquiries:

Richard Rose

Head of Corporate Development and Investor Relations
0410 300 986 / rrose@sunrice.com.au

Media inquiries:

Anthony McFarlane

Head of Corporate Affairs
0447 324 674 / 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/