



MEDIA RELEASE

25 June 2020

SunRice Group FY2020 Full Year Financial Results: Guidance confirmed, including fully franked dividend

- **Despite challenging conditions, profitability maintained, guidance confirmed and fully-franked dividend of 33 cents per B Class Share declared, highlighting strength of the SunRice Group's balance sheet and business model**
- **Consolidated revenue for the Group of \$1.13 billion, down 5% year-on-year**
- **Net Profit after Tax (NPAT) of \$22.7 million, down 31% year-on-year**
- **Significant progress against 2022 Growth Strategy in FY2020 despite challenging context, including drought-affected Riverina crop of 2019 (CY19) of 54,000 paddy tonnes (down 91% from 623,000 paddy tonnes the prior year)**
- **Harvesting for the CY20 Riverina rice crop now concluded – at approximately 45,000 paddy tonnes it is the new second-smallest crop on record, replacing the CY19 crop**
- **Investor Conference Call to be held at 11am AEST on Friday 26 June 2020 (details below)**
- **2020 Annual General Meeting to be held at 10.30am on Friday 28 August (details below)**

SunRice today released its Financial Results for the year ended 30 April 2020 (FY2020).

Commenting on the FY2020 Full Year Financial Results, SunRice CEO, Mr Rob Gordon said:

"In what was an extraordinary year, these are strong results," Mr Gordon said.

"Not only did we have the second-smallest Australian rice crop on record, we also faced deteriorating economic conditions in some of our international markets, the impact of successive natural disasters and, in the final two months of FY2020, COVID-19.*

"The fact we have been able to maintain profitability against such challenging headwinds and declare a fully franked dividend in line with guidance highlights the ongoing strength of our business model and balance sheet."

The Financial Results were driven by a combination of several factors that included:

- Ongoing drought conditions in the Riverina, leading to the second-smallest crop on record of 54,000 tonnes in CY19*, down 91% on the CY18 crop of 623,000 tonnes
- Deteriorating conditions in key global markets, particularly across the Pacific
- Flexing of our international sourcing capability to offset the lower Australian crop and ensure the Group met continued growing global demand for SunRice's products
- Continued execution of the 2022 Growth Strategy, delivering significant value during FY2020 with new global supply chains, innovative product offerings across multiple segments and expanded production capabilities
- Response to COVID-19 in the last two months of FY2020 has demonstrated the resilience and agility that exists across our portfolio of businesses, and highlighted the strength of the Group's existing risk management and mitigating strategies
- Despite restructure of SunRice's Riverina operations in line with lower production levels in FY2020, the Rice Pool was unable to absorb all overheads and recorded a loss, impacting overall Group profitability.

*The CY20 rice crop, at 45,000 paddy tonnes, has replaced the CY19 crop of 54,000 paddy tonnes as the second-smallest on record.

Commenting further on the FY2020 Financial Results, Mr Gordon said:

“SunRice responded to the events of FY2020 with a significant coordinated effort – maintaining profitability and the safety of our employees in a demonstration of the agility, resilience and diversification we have built into our business.

“Our international sourcing capability was rapidly flexed in response to the small Australian rice crop – with strategic expansion of our supply chains enabling us to backfill key markets and maintain continuity of supply.

“To successfully meet global demand for our products of in excess of 1 million paddy tonnes of rice with only 5 per cent of this volume available from the CY19 Riverina harvest is a clear demonstration of our strategy in action.

“Unfortunately the continued drought, low water availability and high water prices in the Riverina led to the CY20 crop, harvested at the end of FY2020 and beginning of FY2021, being the new second-smallest on record, at 45,000 paddy tonnes.

“Other highlights of the execution of our 2022 Growth Strategy in FY2020 included the Lap Vo Mill in Vietnam achieving profitability in its first full year of operation, and the further diversification of our supply sources to include South America.

“We continue to invest in the Riverina, with new facilities completed or initiated in FY2020, including a new stabilised bran plant in Leeton, repurposing of the Coleambally Mill into a CopRice ruminant plant, and upgrades to our Leeton Rice Food facilities.

“The Group absorbed restructuring costs related to the reconfiguration of our Riverina operations, and one-off costs related to COVID-19, both of which weighed against overall profitability.

“The Group was also focused throughout FY2020 on continuing to leverage our strong balance sheet to pursue value-accretive merger and acquisition opportunities, particularly in our CopRice and Riviana segments, which will continue into FY2021.

“We are well placed to build on the solid results in FY2020 to ensure the continued strategic growth of the Group and delivery of increased value to both A and B Class Shareholders.”

SunRice Group Financial Highlights

	FY2020	FY2019	Y-o-Y**
Sales revenue (\$bn)	1.13	1.19	(5%)
Group net profit after tax (\$m)	22.7	32.8	(31%)
Paddy price Medium Grain (\$/tonne)	500	411.19	22%
Fully Franked Dividend (c)	33.0	33.0	-

** Y-o-Y: Year-on-Year comparison between financial year ended 30 April 2020 (FY2020) and financial year ended 30 April 2019 (FY2019).

2020 Annual Report

SunRice also today released its 2020 Annual Report, which includes a detailed overview of segment performance across the Group and is available on the SunRice website:

www.sunrice.com.au/annual-reports.

Investor inquiries:

Ben Walsh
Morrow Sodali
0452 077 042 / b.walsh@morrrowsodali.com

Media inquiries:

Julian Luke
Head of Corporate Affairs, SunRice
0414 548 504 / jluke@sunrice.com.au