



RGA Annual Conference
Rob Gordon - CEO

3 August 2017

In 2012, we pursued a Strategy that moved from marketing the Australian rice crop to servicing market demand for branded rice products.

The 2012 Strategy



Differentiate & Build Value in Domestic Consumer Markets



Build Presence in High Growth Consumer Markets



Target the more premium commodity tenders



Double CopRice at existing returns



Establish Secure + Sustainable Supply



Operational Excellence through efficiency and Innovation

Benefits of this Strategy

1 Move from bulk to branded

- Less volatile pricing
- Higher profits and returns

2 Premiumisation

- Less volatile pricing
- Highly profitable
- Increase shares in flat or competitive consumer markets

3 Sales Diversification

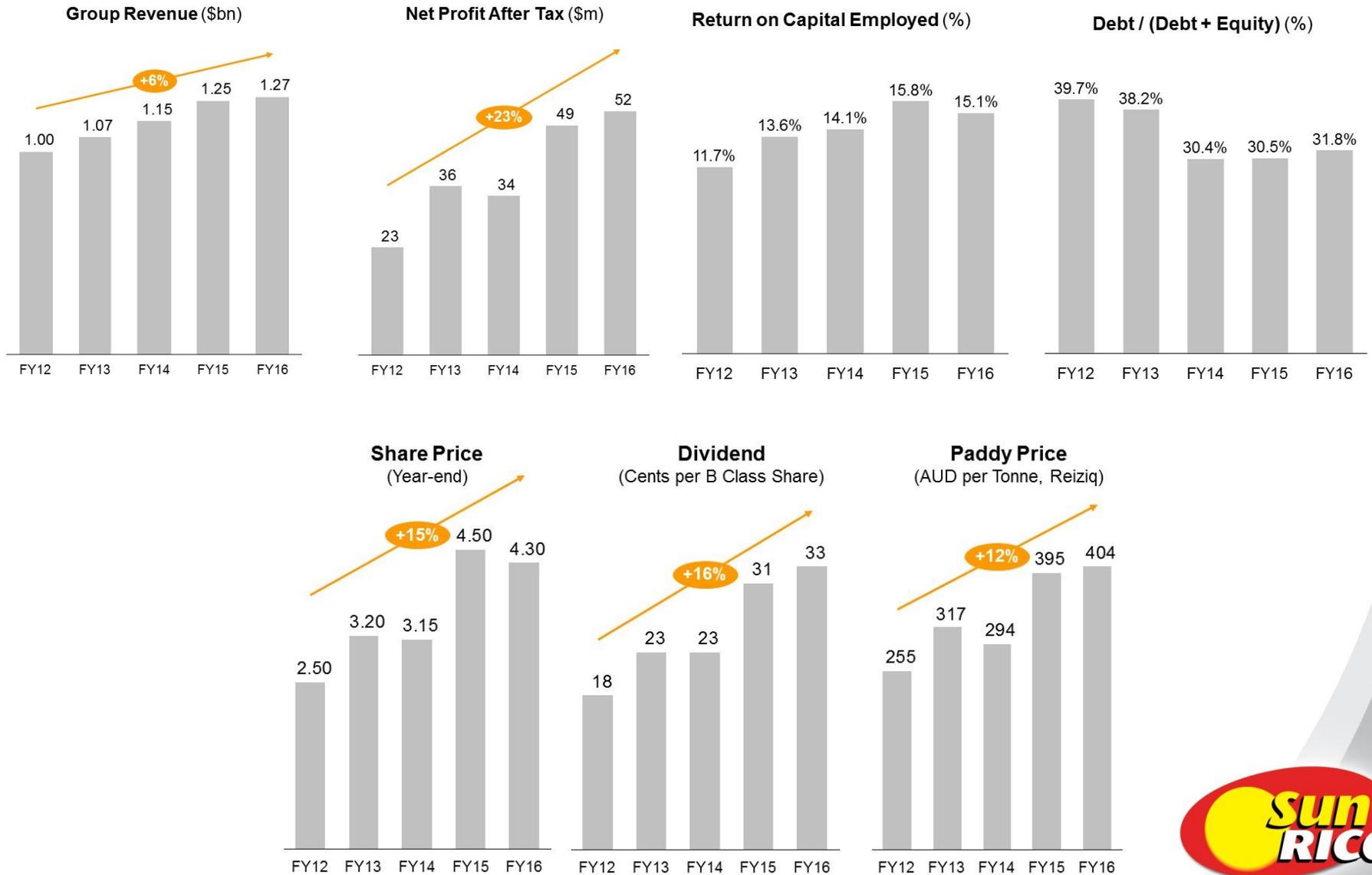
- Built a new sales pillar in the Middle East
- Invested in CopRice and Riviana
- Built a profitable traded rice portfolio

4 Supply Diversification

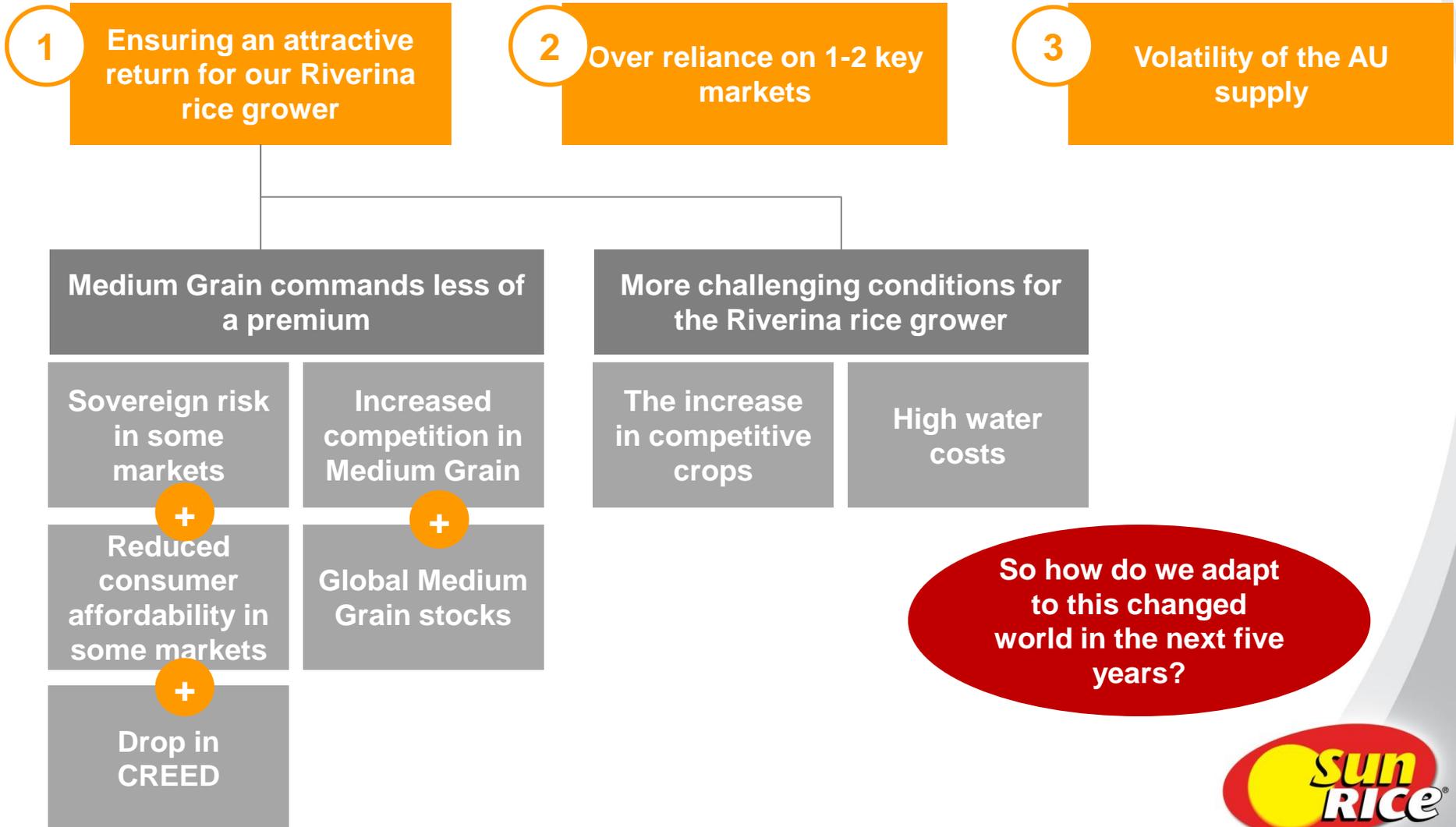
- Built experience in offshore agronomics and supply chains



This translated into a very healthy financial performance, marked by strong sales and profit growth in addition to significant increases in shareholder returns

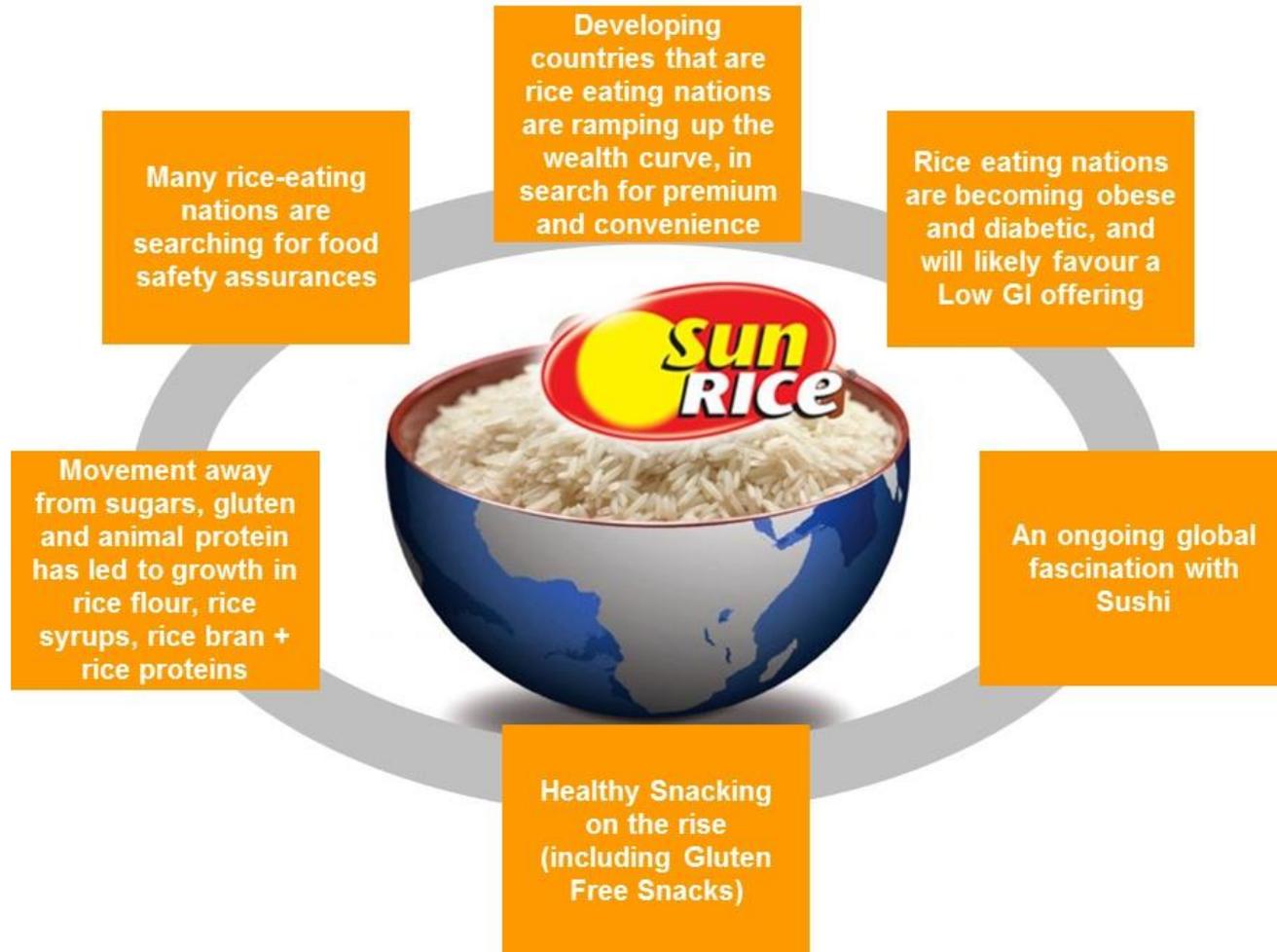


What's been a challenge?



Fortunately, being an Australian-owned branded rice player today is exciting given that the world is changing in our favour

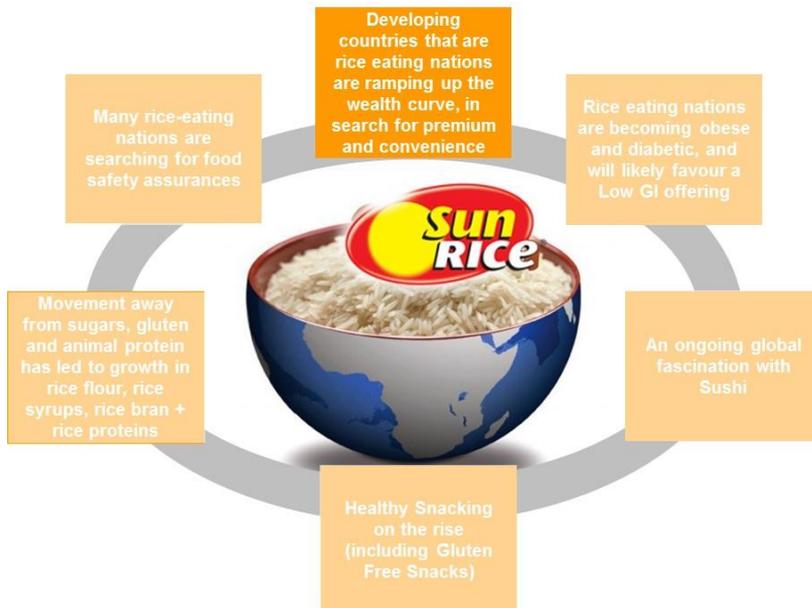
Food trends that affect SunRice



Our opportunity to grow and diversify, whilst playing to our core capability is an exciting path for the company – 1/6

Food trend

Developing countries that are rice eating nations are ramping up the wealth curve, in search for premium and convenience



SunRice intent

Diversify into new markets

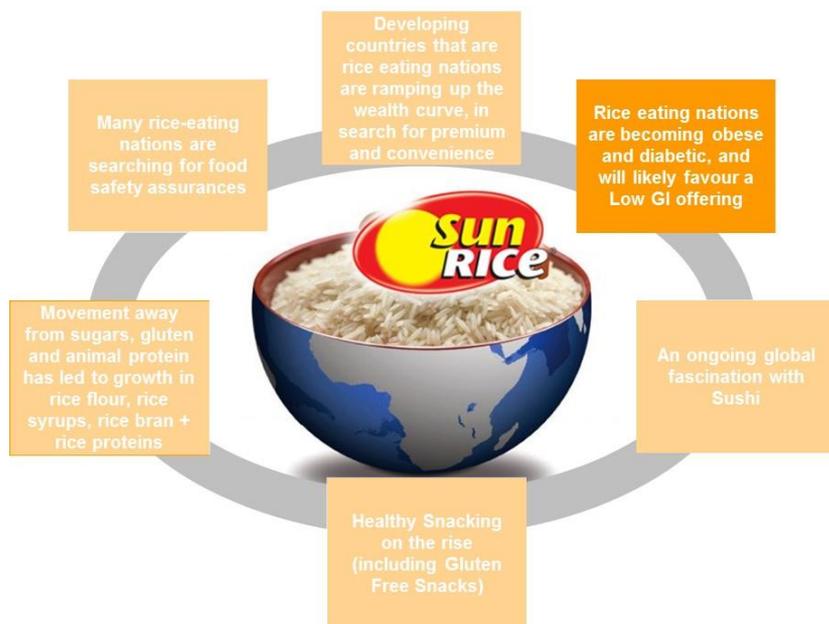
- New markets poised for significant growth in Packaged Rice
- Many of these are in Asia, as consumers migrate from traditional markets into modern trade



Our opportunity to grow and diversify, whilst playing to our core capability is an exciting path for the company – 2/6

Food trend

Rice eating nations are becoming obese and diabetic, and will likely favour a Low GI offering



SunRice intent

Aggressive expansion of our Low GI Rice especially into Asia

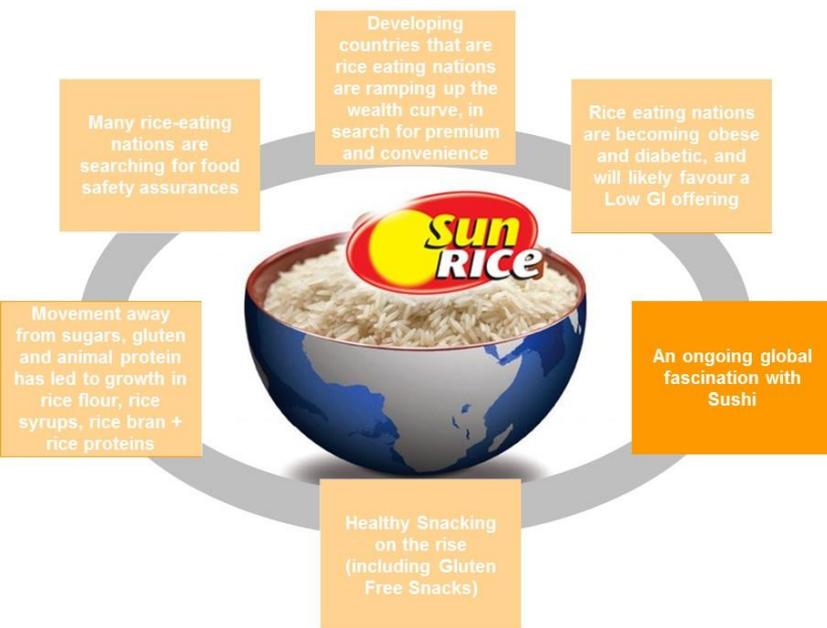
- We have a real head start in Low GI – let's take it to the world
- Largest concentration of diabetics live in Asia, and they are natural rice consumers
- High returns for the Riverina grower



Our opportunity to grow and diversify, whilst playing to our core capability is an exciting path for the company – 3/6

Food trend

An ongoing global fascination with Sushi



SunRice intent

Aggressive expansion of Short Grains to consumers in new and existing markets

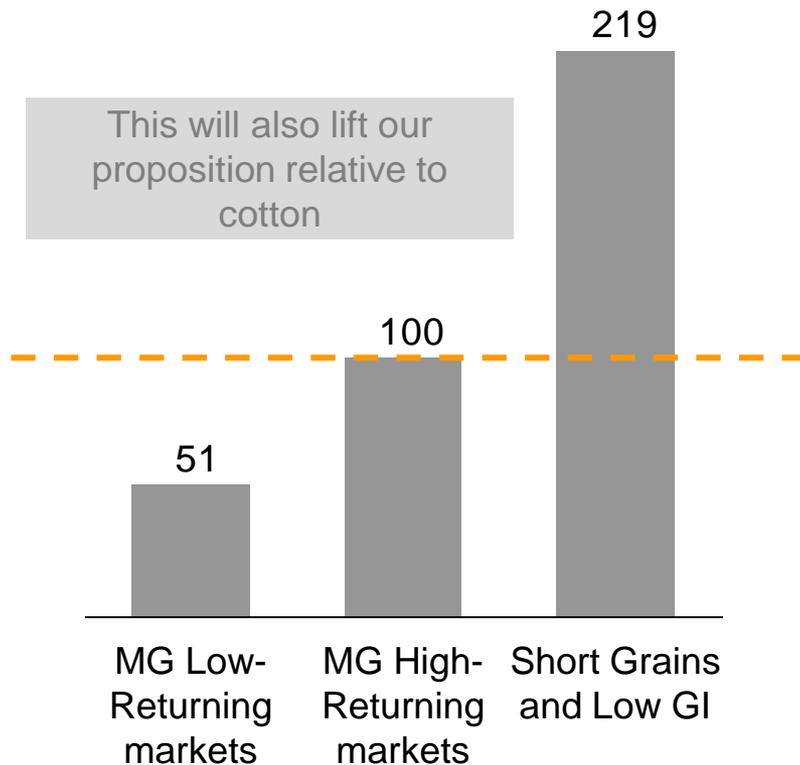
- Not many places in the world can grow sushi rice - the Riverina can grow some of the best varieties
- We have interest from customers in Japan, Pan-Asia, Europe, and the US
- High returns for the Riverina grower



Sidebar: A look at Low GI and Sushi returns show that they offer an attractive proposition to the Riverina grower

Indexed – a comparison of paddy returns

Medium Grain to High-returning markets =
Indexed at 100



- The Riverina should be positioned as the premium Medium Grain source for premium Medium Grain markets
- The Riverina is well positioned to grow high-returning varieties that are growing in demand and have less global competition
- We should not abandon our lower returning markets, but serve them from lower cost supply sources

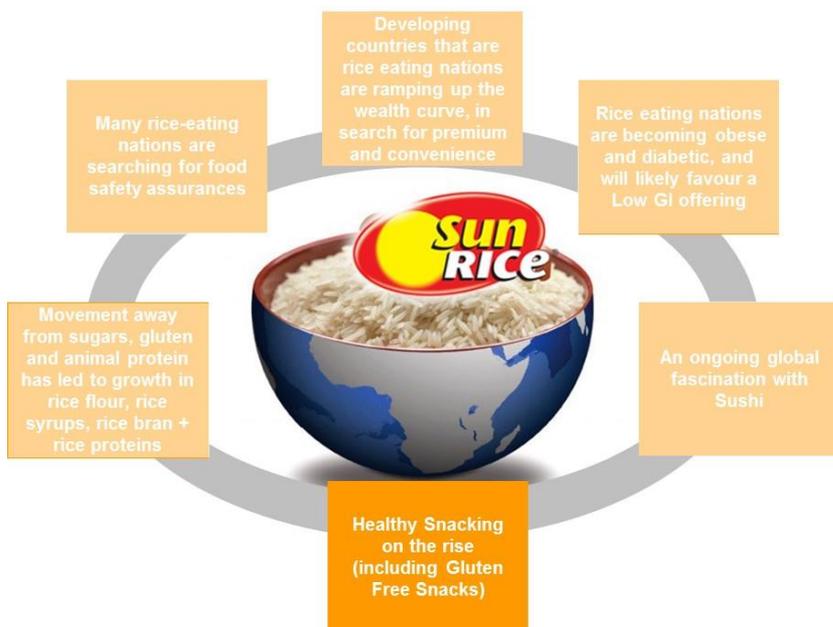
We need a more permanent offshore supply to serve these lower-returning markets

**Sun
RICE®**

Our opportunity to grow and diversify, whilst playing to our core capability is an exciting path for the company – 4/6

Food trend

Healthy Snacking on the rise
(including Gluten Free Snacks)



SunRice intent

Diversify the portfolio by building our high-value Rice-based Snacks into a sales pillar

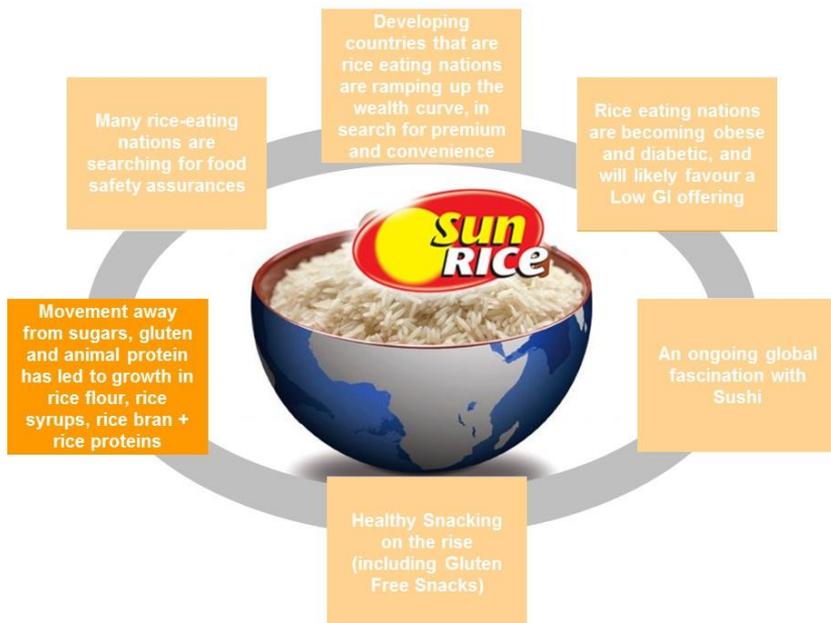
- Healthy Snacking is a fast growing category in ANZ, our existing offshore markets and also in new Asian markets
- Our play in this space has been rewarded with strong topline growth both here and offshore, in addition to strong consumer reinforcement (eg. Received Product of the Year for both Rice Chips and Minis).
- We need an efficient facility to support a larger scale and profitable effort.



Our opportunity to grow and diversify, whilst playing to our core capability is an exciting path for the company – 5/6

Food trend

Movement away from sugars, gluten and animal protein has led to growth in rice flour, rice syrups, rice bran + rice proteins



SunRice intent

Diversify the portfolio by building a high-value Rice-derived Ingredients business

- Our **existing Food Ingredients** play has primarily centred on supplying rice and rice flour to ANZ Food Manufacturers and a by-products play into the Animal Feeds/Care sector
- As Food Manufacturers increase their needs for gluten-free foods and plant-derived protein, there is considerable **opportunity to offer rice-derived solutions**, that command a **high return for the Riverina grower**
- There is a **sizeable opportunity** to **expand** our Food Ingredients capability into a **regional** offer, especially with technology partnerships and bolt-on processing facilities

Our opportunity to grow and diversify, whilst playing to our core capability is an exciting path for the company – 6/6

Food trend

Many rice-eating nations are searching for food safety assurances



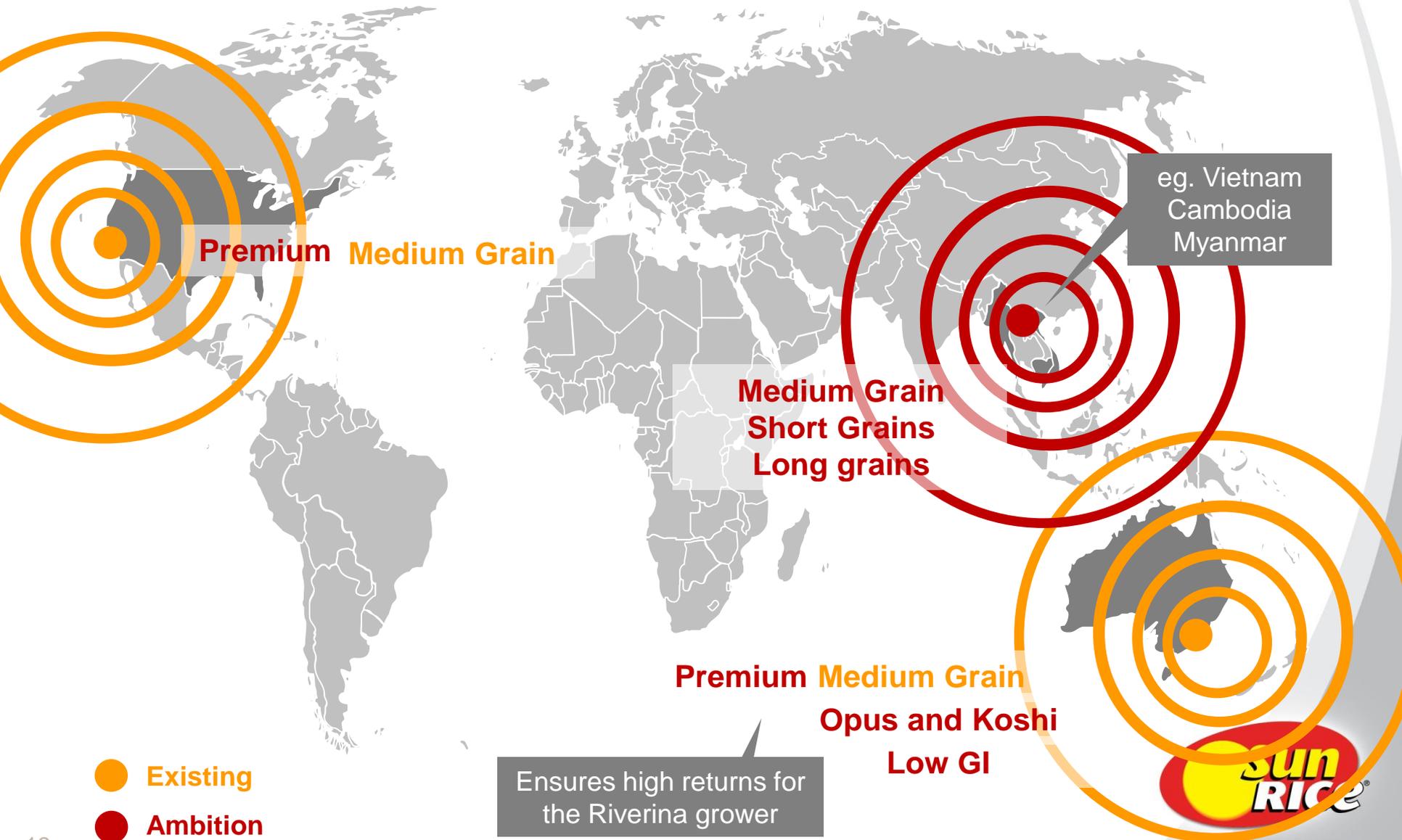
SunRice intent

Emphasise and invest in our commitment to quality

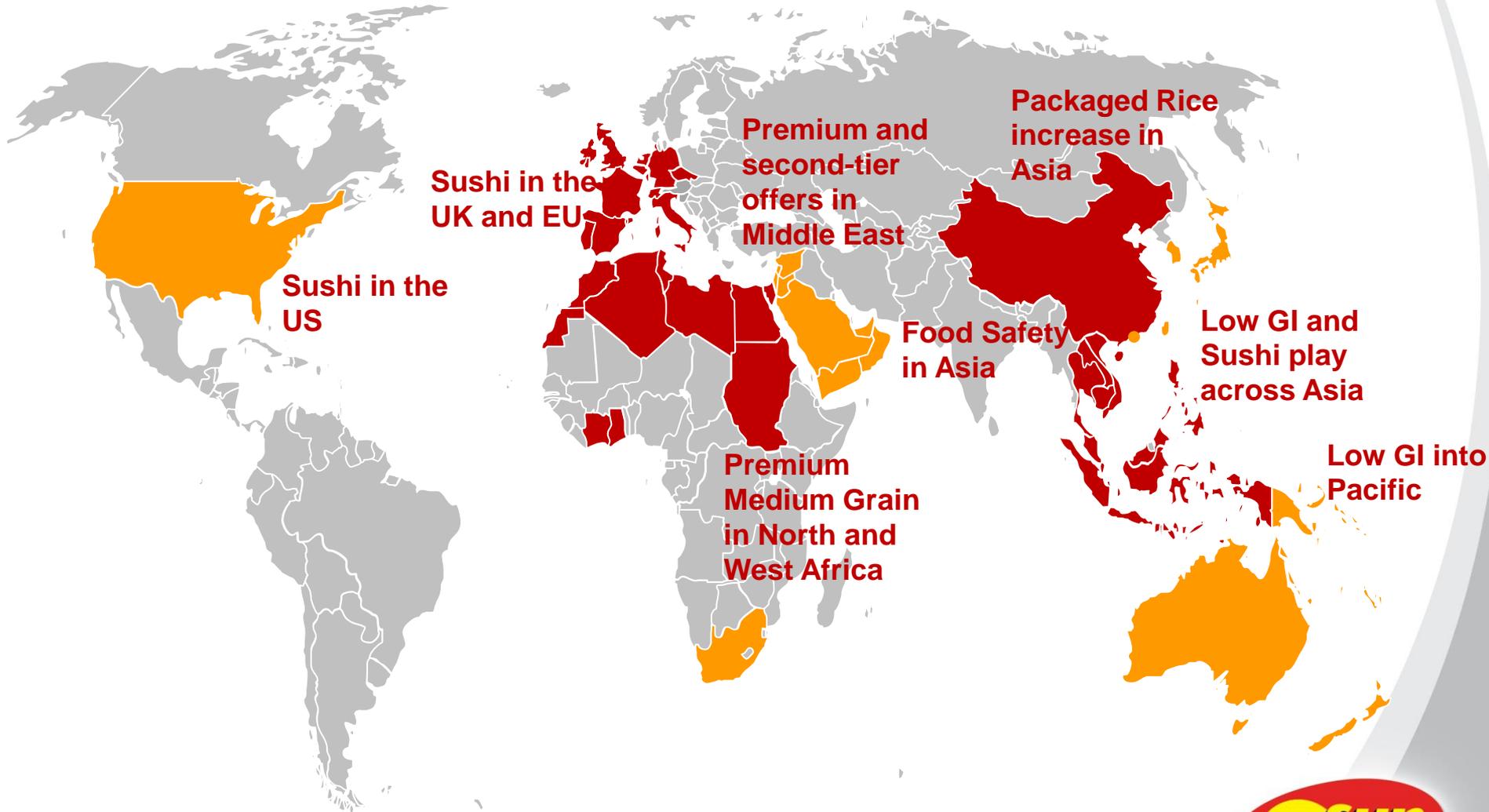
- The clean and green rice offering of AU rice will appeal to our offshore customers, especially in Asia
- Investments will be made to further ensure and communicate the traceability of our AU rice
- Any offshore supply chain will bear our stamp of quality and traceability, with a commitment to strict agronomic, operational and sustainability standards



With respect to supply, our dual-source (largely) Medium Grain play should move to a multi-varietal and globally-sourced play, notably with the development of a solid supply source in Asia



With respect to our market focus, we need to continue with our established markets, but also use our multi-varietal offering to dream bigger

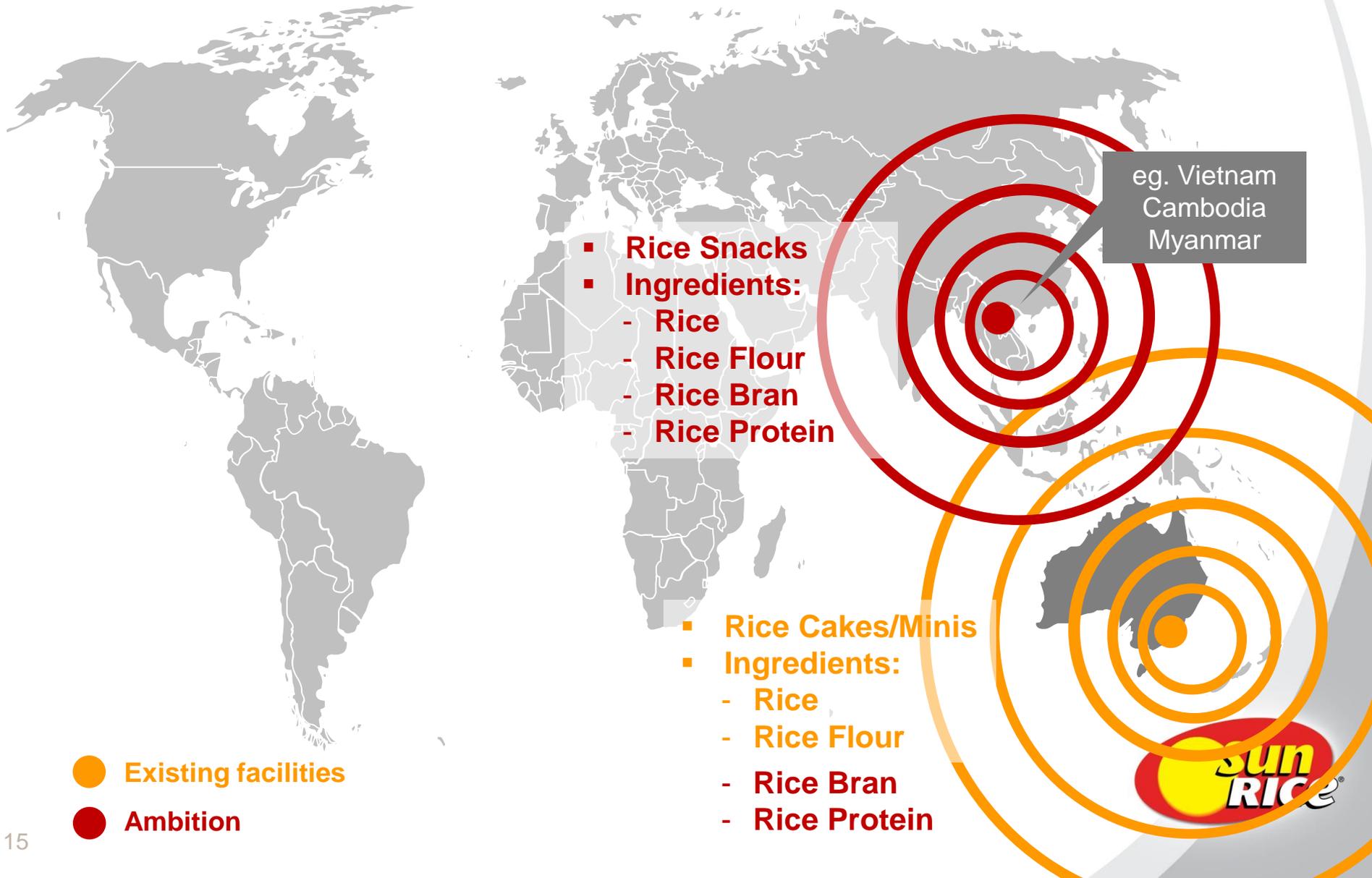


● Existing Markets

● Target markets and/or new varietal offerings in existing markets



We can use this multi-origin and multi-destination capability to aggressively push out a broader portfolio. This would move us from our current Mini Bites, Rice and Flour play in Australia, to a dual supply base in a large number of value-added rice products that would allow us to compete in the region



What would the Strategy do for SunRice?

Look after the Australian grower

- Emphasise high returning varieties
- R&D investments to improve returns
- Efficiency and cost improvements

High paddy prices >\$400/T

Strong financials

- Grow at 11% CAGR to reach \$2bn sales by 2021*
- Diversified portfolio
- Ensure our share price reflects the true value of our company (eg. A listed company but owned by our Australian farmers)

Resilient, profitable and growth oriented portfolio

Look after the B-Class shareholder

- Stable + high-profit traded portfolio
- Growth outlook strong for high-value Snacks and Rice-derivatives
- Riviana and CopRice positioned for profit

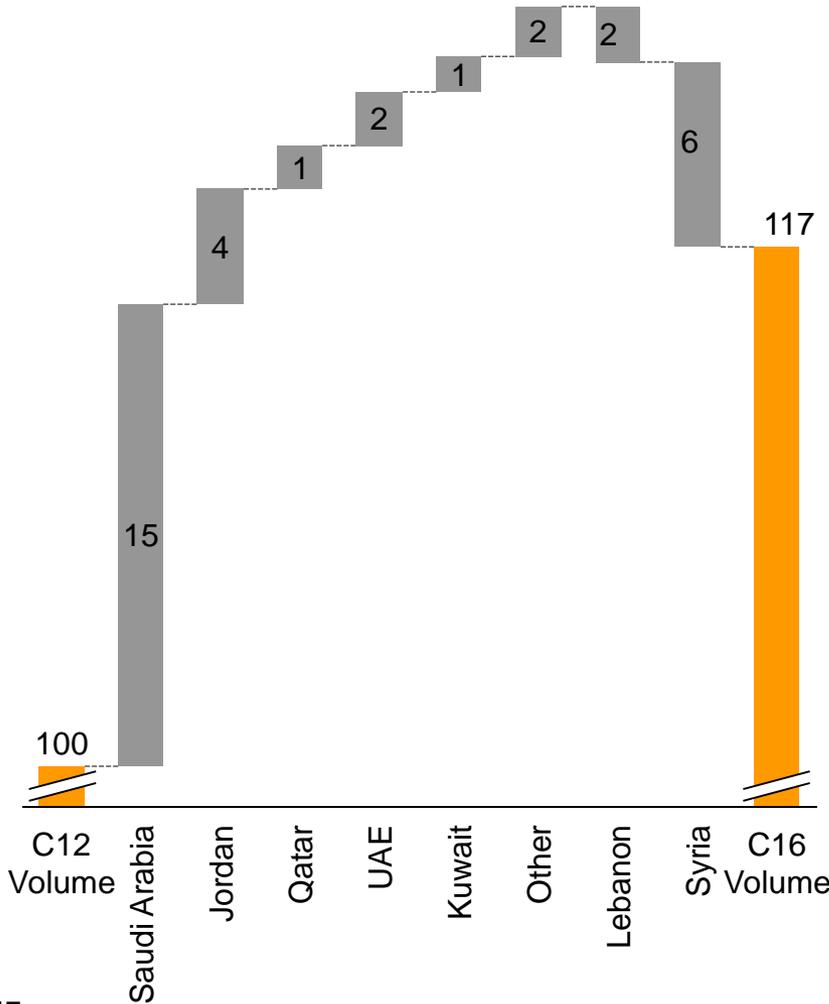
High growth and high profit

Example: Middle East success story from SunRice's C12 Strategy (see following page)

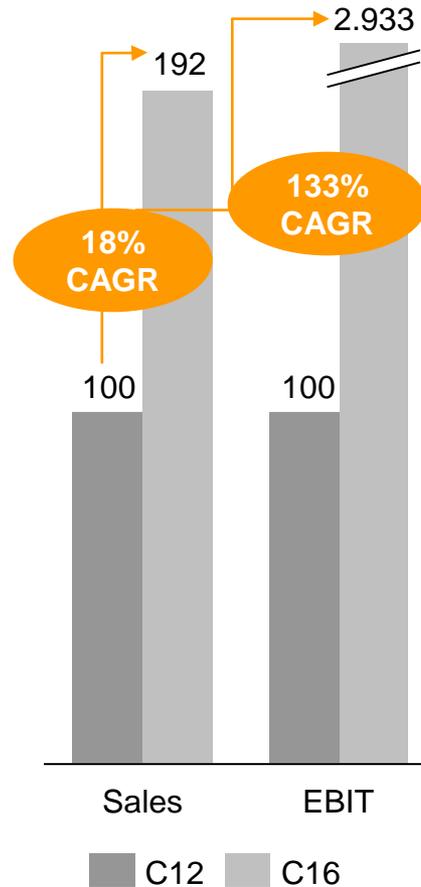


Our previous strategy saw the significant growth of our branded presence in the Middle East business - which has grown to the point where it has become a pillar for the business

Total Middle East Volume C12 – C16
Indexed to C12 Middle East Volume = 100



Middle East Sales and EBIT C12 – C15
Indexed to C12 Performance = 100



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High growth and high profit

Acknowledged Australian success story in agriculture

- Be a regional benchmark in quality assured agriculture – standing for premium quality, traceability and sustainability
- Remain the leader in premium rice

Regional benchmark in paddock to plate

