



ASX Small & Mid-Cap Conference

Tuesday, September 8, 2020

SunRice (ASX:SGL/SGLLV)

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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 Active Growers. The right to vote is based on one member, one vote and 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 have the right to vote at general meetings of SunRice and may only vote on proposals involving a variation to their class rights or if required for the purposes of the ASX Listing Rules. 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 group with diverse products and markets

Over 1 billion in revenue.
2000 employees.
50 countries.
30 brands.
1100 products.
70 years as a business.

Broad range of products include gourmet entertainment foods, table rice, snacks, ready-to-go meals, rice ingredients and livestock and companion animal products.



Unique and complementary corporate structure

In line with our evolution as a company, SunRice's structure protects the interests of our investors, who have the right to receive Dividends; and our Active Growers, who have control of the company.

This separation is achieved through the division of SunRice into two broad business groups – the proceeds of SunRice's **Profit Businesses** benefit our B Class shareholders and the proceeds of the **Rice Pool Business** are paid out to A Class shareholders and growers following the sale of their rice.

While separate, the two business groups complement each other, strengthening the alignment between our investors and growers.

Our objective is to optimise returns for both classes of shareholders through the complementary Rice Pool and Profit Businesses, which have mutually beneficial links and purposes



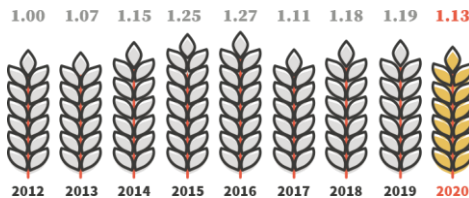
History of Performance

The model 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.

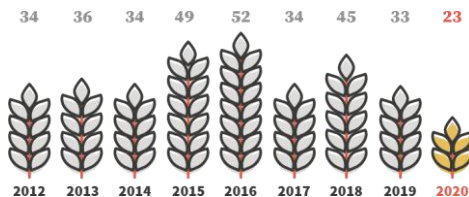
Group revenue (\$bn)

\$1 Billion+ in turnover



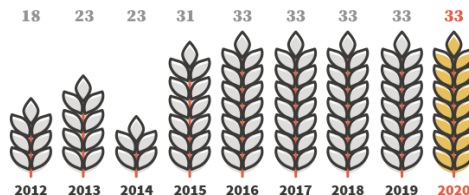
Net Profit After Tax (\$m)

Resilience Demonstrated



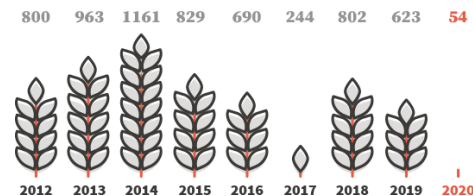
Dividends (¢)

Record Dividends



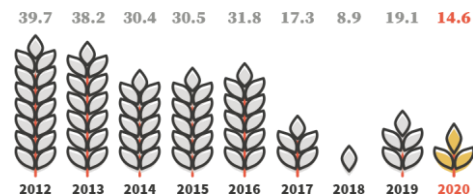
AU Crop ('000 Tonnes)

Variability



Gearing (%)

Low Debt

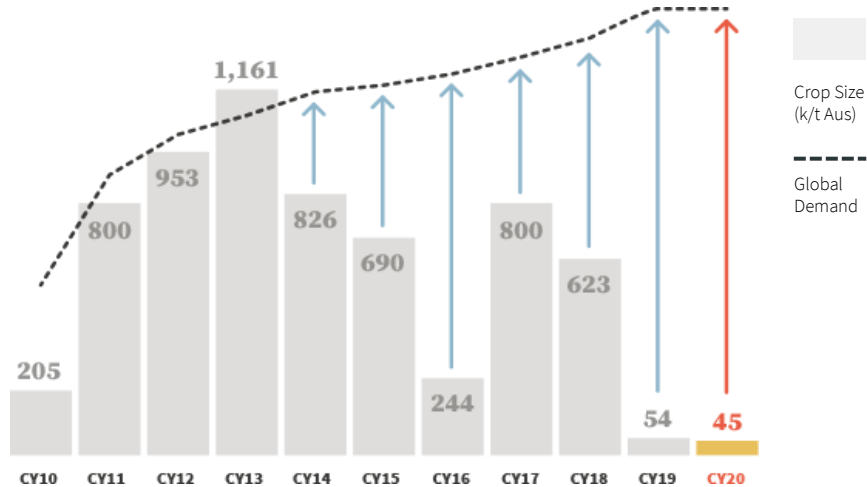


All years above refer to Financial Years ending 30 April.

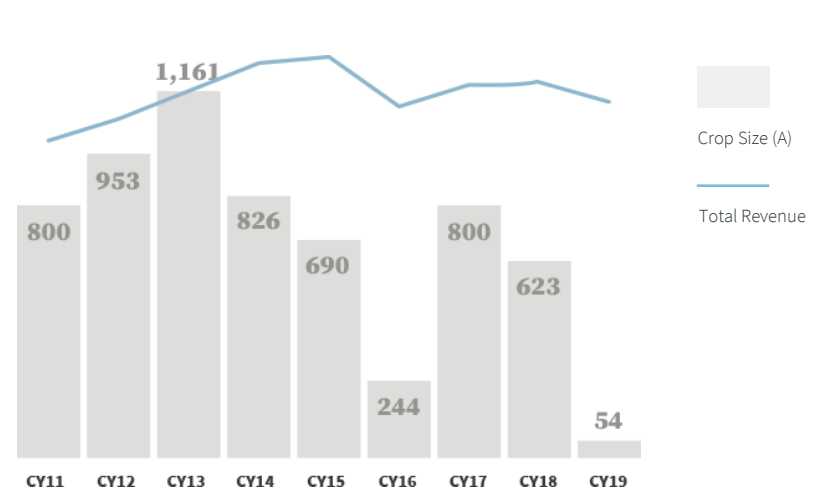
With 'AU Crop' graph, '2020' correlates with 'crop year 19' or 'CY19'.

Australian rice production versus global demand, and SunRice revenue

Riverina supply vs. global demand for SunRice products (paddy tonne equivalent)



Australian rice production versus SunRice revenue



CY = 'Crop Year'; 'CY20' refers to rice crop harvested in 2020, but processed and marketed in FY2021.

Supply source countries of origin

For Financial Year 2021 we are sourcing rice from 12 countries and are forecast to supply more than 1 million paddy tonnes of rice to our customers around the world.

Financial Year 2021

1 million+ paddy tonnes

Source countries



Australia



Cambodia



China



Vietnam



Myanmar



India



Pakistan



Taiwan



Thailand



Uruguay



USA



Italy

Results Snapshot



SunRice's FY2020 Financial Results demonstrate the Group's continued focus on earnings diversification and resilience, as well as the agility developed in our people, supply chains and operations – **key highlights for the business include:**

Reiziq is a medium grain rice variety developed by SunRice to be grown in the temperate climate of the Riverina of New South Wales.

Consolidated Group Revenue

\$1.13bn

(5%) year-on-year

Net Profit after Tax (NPAT)

\$22.7m

(31%) year-on-year

Fully franked dividend

33c per B Class share

No Change

C19 paddy price

\$500 per tonne – fixed contract (Reiziq)

\$1,350 per tonne – prices up to (Organic varieties)

Profit Businesses

International Rice

A growing global supply chain, delivering quality and sustainability.

Business Overview

- Primarily purchases, processes and markets rice to supply international branded markets, tender markets or other processors

-
- #1** rice brand in PNG and the Solomon Islands
-
- #1** Japonica rice brand in the Middle East
-
- #1** rice brand across 10 Pacific Island markets



Profit Businesses

Rice Food

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

Business Overview

- Manufacturing, marketing and distribution of value-added rice-based products
- Rice cakes, snacks, rice flour, microwave rice and ready-to-go meals

-
- #1** microwave rice brand in Australia
-
- #1** rice cakes brand in Australia and New Zealand



Profit Businesses

Riviana

Expanding our strong,
cash-generative diverse
portfolio.

Business Overview

- Specialty gourmet food distributor of both imported and locally manufactured goods to retail customers and food service channels

#1 olives brand in Australia

#1 pickled vegetables
brand in Australia



Profit Businesses

CopRice

Expanding our strong,
cash-generative
diverse portfolio.

Business Overview

- Manufacture, distribution and sales of stockfeed and companion animal products

**2019 Australian Independent Rural
Retailers National Supplier of the Year**

A leading supplier of third party
pet food products to grocery
and pet speciality stores



Profit Businesses

Corporate

**strong portfolio of physical
and intangible assets**

Business Overview

- 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



Rice Pool Business

Rice Pool

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

Business Overview

- Deals with the receival, milling, marketing and selling of Riverina Rice
- Paddy Price (in 'normal' year) is calculated by aggregating all revenue from sale of Riverina rice and deducting relevant costs; fixed price contracts were offered in FY2020 to incentivise a minimum level of production and maintain baseline operations

#1 rice brand in Australia
& New Zealand grocery

#1 rice brand in Australian
food service channels

Connection with profit businesses (B Class shareholders) include:

- Contributes to Group NPBT through payments to Corporate for use of brands and assets
- Shares overheads with SunRice business



Outlook for FY2021

With such a small volume available to be milled in FY2021, Riverina overheads will be severely under recovered.

Continuing to monitor a range of factors that have the potential to impact Group revenue and margins in the short-term.

- The small Riverina crops harvested in 2019 and 2020, which are currently being processed, are expected to lead to a significant under-recovery of the Australian Rice Pool segment in FY2021
- It is anticipated that the under-recovery of the Australian Rice Pool segment in FY2021 would be similar in size to that of FY2017
- We will be reliant on our international sourcing and our subsidiaries on meeting global demand, overhead recovery and profit delivery for the business
- With the ongoing volatility due to COVID-19, we will consider if we are able to provide reliable guidance to the market at the Half Year in December 2020
- If the Australian crop returns, we are well placed to accelerate growth, and the recovery of the Riverina would be an important part of our long-term success



Thank You

