



## ASX ANNOUNCEMENT

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 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 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.*

*“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. The Annual Report will be mailed to those shareholders who elect to receive a hard copy of this document. The Annual Report is available on the SunRice website: [www.sunrice.com.au/annual-reports](http://www.sunrice.com.au/annual-reports). The 2020 Annual Report includes a detailed overview of segment performance across the Group.

### SunRice AGM

SunRice's results will be presented at the Ricegrowers Limited AGM, to be held at 10.30am (registration opens at 9.30am on Friday 28 August 2020 at the Jerilderie Civic Hall, Jerilderie, and virtually. Further details on the arrangements for the AGM will be sent to shareholders.

### Investor Conference Call

The Company will hold a conference call at **11am AEST on Friday 26 June 2019** to discuss the FY2020 results. Please note that investors are now required to register for the call by ([clicking here](#)).

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

To join the conference, 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.

**Authorised by Rob Gordon, CEO, SunRice Group**

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**About SunRice's structure**

*The structure of Ricegrowers Limited (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/>.*