



Financial Year 2022 Year in review

23 June 2022





Highlights

Return of Australian rice and progress against our Growth Strategy underpins strong result

Significant increase in CY21

Riverina crop enabled the Rice Pool Business to absorb all overheads and deliver the highest naturally determined paddy price in SunRice's history

Strong performances across most profit businesses

supported by improvement in key Pacific markets, accretive contributions of recent acquisitions and continued product innovation and market share gains in the Rice Food segment

Result delivered despite continued headwinds from global supply chain disruptions, rising inflation, COVID-19 related labour shortages and other challenging global conditions

Positive progress against our Sustainability Strategy with achievements against each of our six priority areas during the period

Record dividend distribution of 40 cents per B Class Share[^], inclusive of 5 cents per share special dividend

Balance sheet strength and flexibility maintained to support further strategic investments in line with our Growth Strategy

Group Revenue

\$1.3bn **30%** **Record**

EBITDA

\$91.3m **86%**

Net Profit After Tax

\$48.7m **167%**

Earnings Per Share

77.2c **123%**

Fully franked dividend

40 cents per B Class Share[^]

Record

CY21 Pool Price

\$428 per tonne*

Record

[^] This is the total fully franked dividend for FY2022, inclusive of a 10 cents per B Class Share interim dividend, declared in December 2021, as well as a special dividend of 5 cents per B Class Share and a final dividend of 25 cents per B Class Share, declared on 23 June 2022.

* Per paddy tonne for medium grain Reiziq. This is a record naturally determined pool price.

FY2022 activity



Operations

- CY21 Riverina rice supply increased to 417,000 paddy tonnes from 45,000 paddy tonnes in CY20
- Continued multi-origin, multi-market rice capability to meet global demand of more than 1.1 million paddy tonnes from 11 source countries
- Market share gains in microwave products underpinned by investment in manufacturing capability and in-house innovation
- A range of initiatives implemented across the business to contain costs and increase sales prices and volumes to mitigate external headwinds
- Investing cash outflows of \$54 million, driven by Pryde's EasiFeed acquisition and capital expenditure to maintain core assets

External headwinds

- Ongoing impact of COVID-19 on key international markets and food service sector
- Unprecedented escalation in freight rates and systemic supply chain disruption
- Inflationary pressure on key manufacturing inputs further worsened by conflict in Ukraine
- Labour shortages and absenteeism
- Ongoing effects of favourable pasture conditions in eastern Australia impacting CopRice

Segment snapshot

Total Group EBITDA

\$91.3m

↑ 86%

Rice Pool Business

CY21 pool price (Reiziq)

Revenue

Rice Pool

Increased crop size enabled the business to leverage strong retail demand and increase volumes to premium export markets

\$428 per tonne*

\$246.1m

↑ 114%

Profit Businesses

Segment share of Group EBITDA

EBITDA

International Rice

Expanded volumes and margins in key Pacific markets and international tenders more than offset volumes repatriated to the Rice Pool



\$43.6m

↑ 29%

Rice Food

Strong growth with improved input costs from increased Riverina rice supply coupled with market share gains in a number of products and the ability to manufacture locally during a period of supply chain challenges



\$7.9m

↑ 772%

Riviana

Material uplift underpinned by full-year contribution from KJ&Co Brands acquisition, and progressive recovery of food service offsetting supply chain disruptions, inflationary pressures and restructuring costs



\$14.0m

↑ 35%

CopRice

Despite strong revenue growth from increased volume and newly acquired businesses, earnings were hampered by wet conditions, supply chain disruption and production inefficiencies as new assets were integrated into the portfolio



-\$0.5m

Corporate

Higher levels of brand and asset financing charges to the Rice Pool reflecting increased activity partially offset by a corresponding reduction in brand charges to the International Rice segment, increased labour costs and FY2021 benefiting from non-recurring items



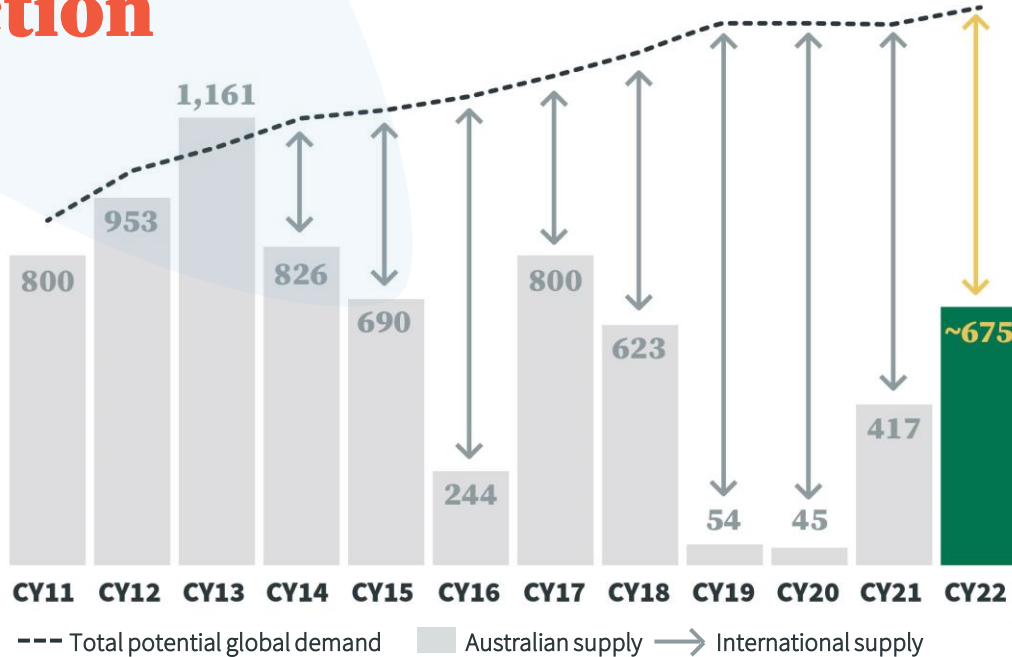
\$26.4m

↑ 1%

* Per paddy tonne for medium grain Reiziq

2024 Growth Strategy in action

Multi-origin, multi-market strategy performing strongly



* Paddy tonnes equivalent assuming average milling yields based on source country. This figure represents total demand based on current supply sources and existing market conditions, and potential opportunities given global rice market dynamics.

Close to 1.5 million paddy tonnes of demand*

11 source countries



Australia



Cambodia



China



Pakistan



Taiwan



Thailand



Vietnam



USA



India



Uruguay



Italy

Our Growth Strategy in action

Rice Pool Business

Australian Rice Pool Business

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

#1 rice brand in Australian and New Zealand grocery

#1 rice brand in Australian food service channels

Profit Businesses

Riviana Foods

Brand-led gourmet food business building on “special occasions” and key consumer trends.

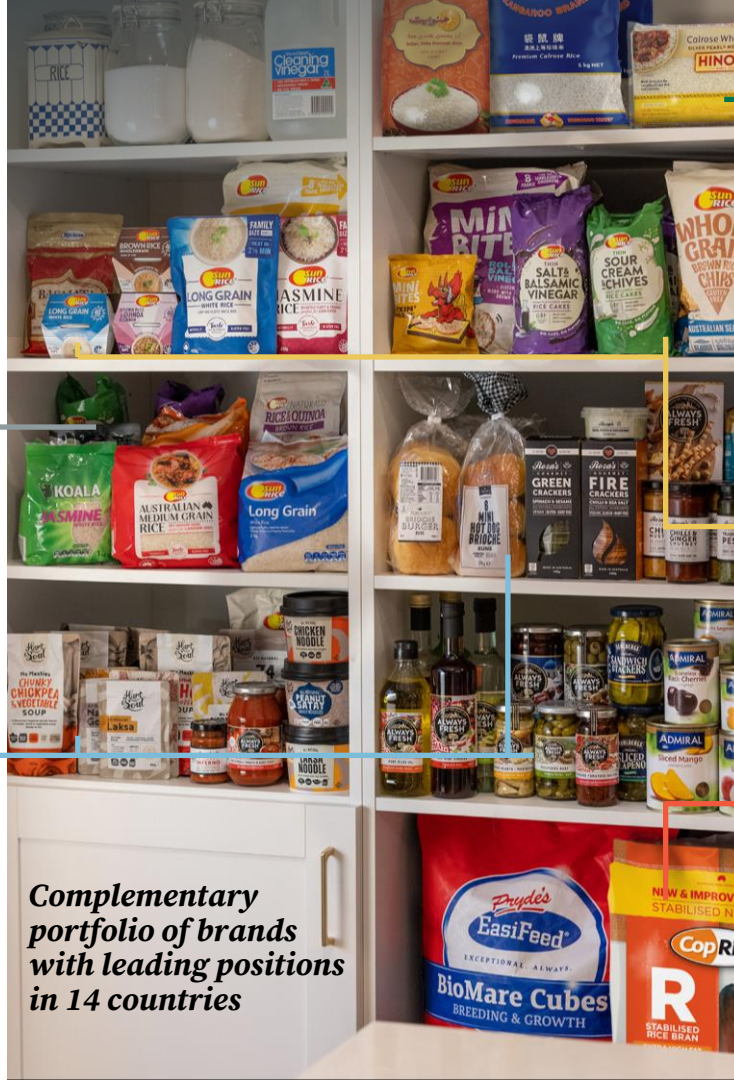
#1 pickled vegetables brand in Australia

#1 pizza base brand in Australia

#1 olives brand in Australia

#1 waffle brand in Australia

Complementary portfolio of brands with leading positions in 14 countries



Profit Businesses

International Rice

A growing global supply chain and distribution network, delivering quality and sustainability.

#1 medium grain rice brand in five Middle Eastern markets

#1 rice brand across six other Pacific Island markets

#1 rice brand across PNG & the Solomon Islands

#1 rice brand in Hawaii, USA

Rice Food

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

#1 rice cakes brand in Australia and New Zealand

#1 microwave rice brand in Australia

CopRice

Innovative animal nutrition that leverages SunRice’s Riverina rice by-products.

#1 equine sports lifestyle brand in Australia

#1 equine breeding brand in Australia

Our Growth Strategy in action

Acquisition of Pryde's EasiFeed for \$38 million completed in January 2022, providing increased presence for CopRice in the high-value branded equine market

Strategic rationale



High-quality branded earnings



Strong expertise and capability in the equine feed market



Potential to leverage existing CopRice assets



Complementary market offerings



Earnings per share accretion



\$7.4m

revenue within first three months of ownership

\$1.3m

NPBT within first 3 months of ownership

\$30.3m

annualised revenue for FY2022*

\$4.1m

annualised profit after tax for FY2022*

* If the acquisition had occurred on 1 May 2021, the contributed revenue and contributed profit after tax for the year ended 30 April 2022 would have been \$30.3 million and \$4.1 million respectively.

Our Growth Strategy in action

Building organic growth

Driving product innovation

Using capabilities and deep insights with consumers, we've met evolving global food trends while leveraging our brands.

Expertise in sourcing rice to match pricing and preferences

Growing global supply chain and multi-origin, multi-price point strategy.

Integrating sustainability into our supply chain

SunRice's Sustainability Strategy directly relates to our Growth Strategy.



Pursuing strategic growth

Further penetrating high value segments

Pryde's EasiFeed was acquired by CopRice in FY2022, providing increased presence in the high-value branded equine market.

Delivering transformative earnings for Riviana

Acquisition of KJ&Co Brands in FY2021 has offered transformative scale for Riviana.

Underpinning new category and geographical reach

Roza's Gourmet acquisition in FY2019 has delivered new reach and markets to Riviana Foods.

Securing a global supply chain

Purchase in FY2019 of a rice processing mill in Vietnam expanded the Group's international rice supply capability.



Strategic acquisitions



FY2022 acquisition
Pryde's EasiFeed, Australia



FY2021 acquisition
KJ&Co Brands, Australia



FY2021 acquisition
Dairy nutrition business, New Zealand



FY2021 acquisition
Riverbank Stockfeeds' dairy and beef assets, Australia



FY2020 acquisition
Feedrite's extrusion assets, Australia



FY2019 acquisition
Roza's Gourmet, Australia



FY2019 acquisition
Lap Vo rice processing mill, Vietnam



FY2017 acquisition
Fehlbergs, Australia



FY2017 Sunfoods
35% minority buy out, United States

Diversified portfolio, with **\$113m** invested across strategic acquisitions*

\$151m

Invested in capital expenditure*

\$915m

in paddy price payments made to A Class shareholders and growers^A

\$121m

in dividends declared to B Class shareholders*

150%

Total Shareholder Return[#], compared to ASX 300 accumulation index TSR of 81%

*FY2017–FY2022 inclusive

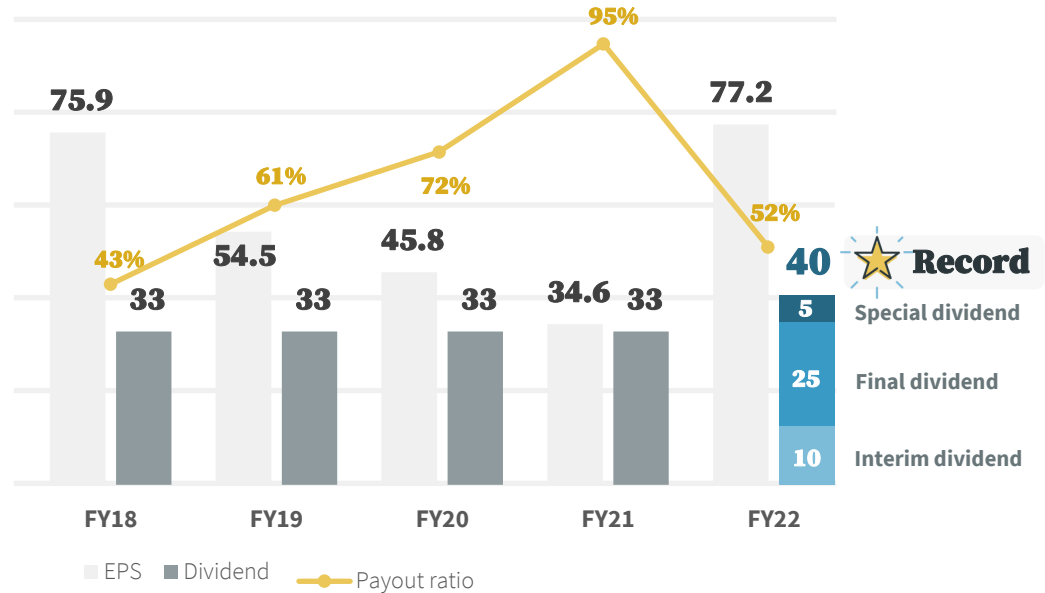
^APaddy payments (all varieties, all regions) from CY16 to CY21 inclusive

[#]Investment period from 1 May 2016 until 29 April 2022. TSR considers movement in share price and dividends paid, and assumes all dividends are reinvested on the dividend payment date. ASX 300 accumulation index data extracted from Bloomberg (AS52T Index)

Consistent dividends through the cycle

The Group has managed the dual impacts of two years of consecutive Australian drought and COVID-19 while continuing to pay consistent dividends

A further special dividend was declared in FY2022, given the strong financial result and balance sheet



Our Sustainability Strategy in action

In FY2021 SunRice identified six priority areas and ambitions – in FY2022 we’ve finalised detailed short and long-term targets

FY2022 Sustainability Highlights

Finalised climate scenario workshops and analysis, and detailed response to the recommendations of the **Task Force on Climate-related Financial Disclosures**

Donated 480,000+ meals to those in need

\$1.04 million donated to community organisations

Completed an Australian Rice Emissions Reduction feasibility study, and **committed to setting a science-based net zero target** via the Science-Based Targets Initiative

22% year-on-year increase in products displaying the Australian Recycling Label (ARL)

Our Sustainability Strategy aims to meaningfully contribute to the SunRice Group’s Growth Strategy and the Sustainable Development Goals (SDGs)



Water productivity

Towards the most water-efficient rice products in the world

Long-term

Support the broader Australian rice industry’s aspirational target of 1.5 tonnes per megalitre for Australian rice by the end of 2027



Climate resilience

Net zero emissions across our value chain

Partner with growers to create a step change in reducing emissions

Adopt TCFD recommendations

Long-term

Net zero by 2050 at the latest



Waste reduction

Toward zero waste from our products and packaging

Long-term

50% reduction in operational waste to landfill by 2024
100% of Australian and New Zealand products feature Australian Recycling Label by 2024
Meet Australian Packaging Covenant Organisation targets by end of 2025



Resilient communities

Our communities consider SunRice a vital part of their ecosystem

Long-term

Donate 600,000 meals and have 2000 hours volunteered by employees from FY2022-24
Contribute to the resilience of the communities where we operate in a measurable way



Respecting human rights

Equity and equality across our operations and supply chain

Long-term

100% of SunRice owned sites with refreshed social and ethical audits by end of 2024



Food security & quality

Secure, nourishing and quality products

Long-term

Maintain SunRice manufacturing site certification to Global Food Safety Initiative recognised standard
Invest in RD&E to improve on-farm productivity, quality and genetic purity
Leverage global sourcing expertise to deliver quality product to local communities



FY2022 YEAR IN REVIEW

FY2022 Financial results



Group financials

	FY2022 \$000's	FY2021 \$000's	% var
Revenue from continuing operations	1,334.4	1,026.2	30%
EBITDA	91.3	49.1	86%
Depreciation, impairment & amortisation	26.2	25.4	
EBIT	65.1	23.7	174%
Net interest	5.5	4.7	
Tax	10.9	0.8	
NPAT	48.7	18.3	167%
Profit attributable to:			
Class B shareholders	47.6	20.8	129%
EPS (Class B)	77.2	34.6	123%



Revenue up 30%

Key drivers included increased Riverina volume, with Rice Pool revenue increasing by 114%, and strong performances from most profit businesses

EBITDA up 86%

Reflects full absorption of divisional overheads by the Rice Pool Business in FY2022. Excluding the Rice Pool, EBITDA from profit businesses was up 29%

NPAT up 167%

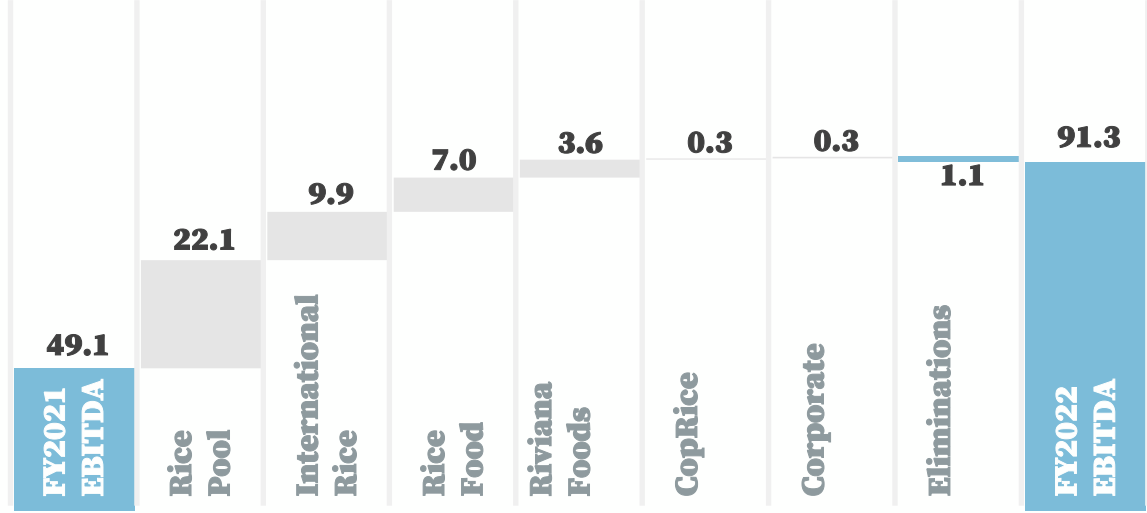
Depreciation, amortisation and impairment increased by 3% and net interest increased by 17%. The effective tax rate increased to 18% (from 4% in the prior corresponding period) as a result of stronger profit contribution from Australia

EPS up 123%

Primarily driven by increased NPAT with B Class Shares on issue increasing to 61.9 million as at 30 April 2022 (compared with 60.8 million as at 30 April 2021)

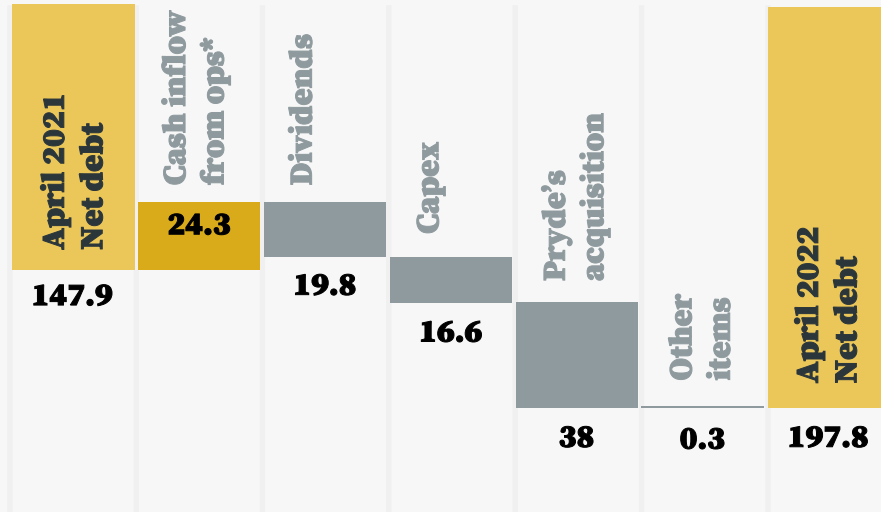
EBITDA movement

The return of Riverina rice and strong performance of key profit businesses drove an 86% increase in FY2022 EBITDA, compared to FY2021



Cashflow movement

Financial discipline exercised by the Group, particularly in managing net working capital requirements as inventories increased in line with Riverina volumes, resulted in generation of a net cash inflow from operating activities in FY2022 of \$24 million, compared to \$39 million in FY2021



* Having largely depleted inventories during the drought years, FY2022 was a period of rebuild. Inventories increased to \$525.0 million as at 30 April 2022 (versus \$375.7 million as at 30 April 2021)

Gearing

Strong balance sheet and flexibility maintained

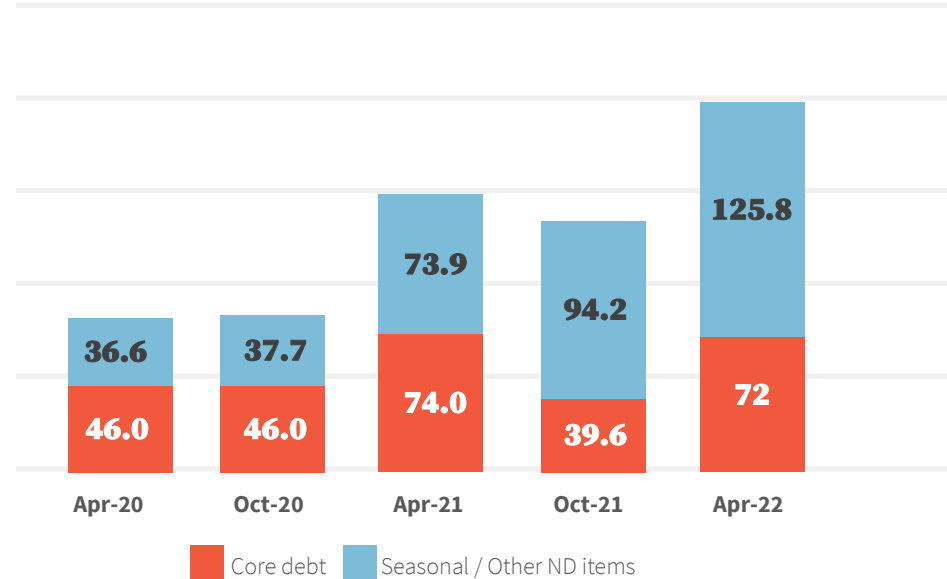
Net debt and gearing higher, primarily due to the progressive rebuild of inventory following the return of Riverina rice and the Pryde's EasiFeed acquisition being financed through cash reserves and financing facilities

Gearing metrics

Net debt / EBITDA **2.2x**

Core debt / EBITDA **0.8x**

Gearing ratio **28%**



Segment performance



Rice Pool Business

Rice Pool

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



- Improved water availability and pricing led to 417,000 paddy tonnes harvested in the Riverina in CY21 (up from 45k in CY20)
- Naturally determined CY21 paddy price of \$428 per tonne – highest in SunRice’s history – and fixed price contracts of up to \$625 per tonne for limited volumes of key varieties
- Increased volumes of Australian rice returned to premium export markets. Volumes in Middle East pleasing with Sunwhite brand trading at premium prices
- Pool was able to absorb all of its overheads
- Record naturally determined paddy price despite margins being affected by significant supply chain disruption and escalating freight costs, as well as overhang of prior year inventory in some markets
- NSW Government renewed rice vesting arrangements until 30 June 2027

	FY2022	FY2021	
Revenue	\$246.1m	\$114.8m	⬆️ 114%
CY21 pool price*	\$428 per tonne	N/A	★ Record
Fixed price contracts^	\$475-625 per tonne	\$750 per tonne	

* Per paddy tonne for medium grain Reiziq
^ Fixed price contracts were also paid in CY21 of \$475 per paddy tonne for medium grain Reiziq, and up to \$625 per paddy tonne for specialty varieties

Profit Business

International Rice

Growing global supply chain, delivering diversification and demonstrating strength of the business model



- Serviced 40+ markets in FY2022
- Despite losing volume as Australian rice returned to key markets, International Rice:
 - Renewed strategic sourcing contracts
 - Returned more extensively to international tender markets
 - Expanded volumes in key Pacific markets and drove sales price increases to recover increasing cost base
- Strong result given COVID-19 impacts and inflationary pressures across a range of inputs due to global shipping disruption and the Ukraine conflict

	FY2022	FY2021	
Revenue	\$620.9m	\$548.5m	↑ 13%
EBITDA	\$43.6m	\$33.7m	↑ 29%
NPBT	\$34.2m	\$22.6m	↑ 52%
EBITDA margin	7%	6%	↑ 1%
NPBT margin	6%	4%	↑ 2%

Profit Business

Rice Food

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



- Revenue uplift driven by:
 - Strong growth in the convenience category and demand for snacking products
 - Innovation and quality improvements and launch of premium Riviana microwave rice offering
 - Increased demand for Rice Cracker Chips in Singapore and Hong Kong
- Significant margin expansion with:
 - Improved cost base from greater availability of Australian rice as an input (which only occurred part way through the period due to processing lead times) partly offset by lower availability of broken rice inputs due to improved Riverina milling yields
- Segment also benefited from local manufacturing capacity with competitors experiencing supply challenges on imports
- However, still faced some supply shortages during the year with delays to raw material inputs and packaging, as well as labour shortages and absenteeism

	FY2022	FY2021	
Revenue	\$106.4m	\$96.1m	↑ 11%
EBITDA	\$7.9m	\$0.9m	↑ 772%
NPBT	\$5.9m	(\$1.9m)	
EBITDA margin	7%	1%	↑ 6%
NPBT margin	6%	N/A	

Profit Business

Riviana Foods

Expanding our strong, cash-generative diverse portfolio



- Strong growth in revenue and profitability driven by:
 - Full-year impact of KJ&Co Brands ownership, contributing \$68.0m in revenue and \$6.0m in NPBT. Acquisition built scale, diversified Riviana’s presence across new categories in Australia and New Zealand, became earnings per share accretive and performed ahead of sales projections
 - Ranging of Roza’s Gourmet products for the first time in mainstream retail via Woolworths
 - Progressive recovery in Food Service, with sales growing 6% on prior year
- Always Fresh and Fehlbergs largely maintained sales and market share in key categories, despite significant supply shortages and reduced promotional programs
- Positive factors partially offset a number of challenges, including local and global supply chain disruptions, inflationary impacts on European sourced products and internal one-off restructuring costs incurred as part of streamlining of local operations to drive efficiencies

	FY2022	FY2021	
Revenue	\$196.5m	\$148.4m	↑ 32%
EBITDA	\$14.0m	\$10.3m	↑ 35%
NPBT	\$12.5m	\$9.2m	↑ 35%
EBITDA margin	7%	7%	
NPBT margin	6%	6%	

Profit Business

CopRice

*Challenging period
but well positioned
for the future*



- Revenue growth across most product categories with:
 - Increased volumes and prices
 - Hamilton mill (New Zealand), which was acquired in FY2021 contributing revenues of \$15.8 million, compared to \$1m in the prior year
 - The acquisition of Pryde’s EasiFeed, which contributed \$7.4m of revenue within the first three months of ownership (and \$1.3m of NPBT)
- Greater availability of Australian rice by-products also had a positive impact on the business, and the performance of the Leeton Bran Stabilisation plant
- Despite these gains, a range of factors continued to impact profitability, including:
 - Wetter than normal conditions in eastern Australia leading to a contraction in the supplementary feed market, driving more aggressive price competition and putting additional pressure on margins
 - COVID-19-related operational delays on supply chains for ingredients
 - Capital works at the Leongatha feed mill, delaying its commissioning, and commercial and operational challenges with integration of the newly acquired assets

FY2022

FY2021

Revenue **\$161.1m** **\$114.5m** ⬆️ 41%

EBITDA **(\$0.5m)** **(\$0.8m)**

NPBT **(\$5.5m)** **(4.5m)**

Profit Business

Corporate*

*Strong portfolio
of physical and
intangible assets*



- With return of Riverina rice and corresponding increase in activity and branded sales in the Australian Rice Pool Business, there were higher levels of brand and asset financing charges during the period, partly offset by a corresponding decrease in brand charges from the International Rice segment
- Despite higher charges, profitability declined, due to:
 - An increase in overheads, including labour and recruitment costs as the Group implemented strategies to attract and retain talent
 - FY2021 having benefited from non-recurring items

* Net Profit Before Tax in this segment is primarily driven by a range of inter-segment charges, such as brand and asset financing charges, and items not allocated to other segments

	FY2022	FY2021	
EBITDA	\$26.4m	\$26.0m	↑ 1%
NPBT	\$12.6m	\$14.6m	↓ 14%
Asset financing and brand charges[^]	\$18.6m	\$14.2m	↑ 31%

[^] Reflects Australian Rice Pool Business charges only. These charges are included in the EBITDA calculation.

Strategy recap

Our 2024 Growth Strategy is designed to cement the SunRice Group's position as one of the world's largest rice food companies, and as a truly global, multi-origin, multi-market food business

Our objectives

To optimise returns for both classes of shareholders by:



Increasing

profits and reducing earnings volatility



Adapting

our product range to take advantage of changing food trends



Securing

a sustainable and reliable global supply chain

How we're responding:

- 1 Cementing a global supply chain in response to increased demand in branded products, ensuring quality and sustainability.**
- 2 Repositioning Australia as the supply source of choice for premium branded rice markets.**
- 3 Utilising our capabilities and deep insights with consumers to meet evolving global food trends while leveraging our brands, especially in healthy eating and snacking:**

- **Diversifying into new markets** to offer high-quality and convenient packaged rice of trusted provenance.
- **Playing a pioneering role** in addressing the obesity and diabetes epidemics with our unique Low GI rice.
- **Leveraging our unique position** to take advantage of the global fascination with sushi.
- **Being recognised as a leader in healthy snacking** through a range of innovative snacks.
- **Operating a strong food ingredients business** with diversified, high-value rice derivatives servicing global food companies.
- **Assuring quality and sustainability** with traceability, no matter where we grow our rice.

- 4 Being recognised for our high performance, delivered by a positive, inclusive and accountable culture.**
- 5 Accelerating the growth and diversity of our strong, cash-generative portfolio, including through further investment in Riviana Foods, CopRice and other segments.**

What success looks like:

Strong financials

An aspirational revenue target of \$2bn, which may take longer to achieve than by 2024, and to maintain double digit returns on capital employed.

Premium branded player

Leverage our reputation for quality and innovation in premium varieties, healthy eating and snacking.

Asian presence

Expand sales in high-growth Asian consumer markets.

Diversified earnings

Expand our CopRice and Riviana Foods segments through strategic growth opportunities.

Food ingredients expansion

Build our tailored food ingredients offering to service commercial customers.

Resilient global supply chain

Secure a multi-varietal and resilient global supply chain with Australian growers at its centre.

Be recognised for our high-performance teams

Build a positive, inclusive and accountable culture where everyone makes a difference.

Be recognised as leaders in environmental, social and ethical business performance

Leverage our credentials to build agility, trust and resilience in our supply



Outlook

The foundations laid since FY2017 under the Group's Growth Strategy have so far delivered positive outcomes through the cycle and should see the business well positioned for FY2023 and the future

- Looking ahead to FY2023, the Group expects top-line revenue to build. While FY2022 finished strongly, FY2023 has started with worsening inflationary pressures on key business inputs and costs, and continuing volatility and disruption to global shipping, placing pressure on earnings
- However, the Group will seek to recover the additional costs incurred progressively throughout the year
- Against that backdrop, the continued resurgence of Australian rice coupled with SunRice's multi-origin multi-market rice capability has the Group well placed to benefit this year from an environment where key markets are under-supplied due to factors including broader disruption from the Ukraine conflict and a number of rice growing regions either in, or entering, drought around the world
- The CY22 Riverina crop just harvested of ~675,000 paddy tonnes should underpin positive contribution to both A and B Class shareholders through strong returns in the Australian Rice Pool Business and favourable inputs in a number of Profit Businesses, further demonstrating the complementary nature of the Group's business model
- Looking ahead to planting for the next Australian Riverina crop, which will be processed and marketed in Financial Year 2024, seasonal conditions, water availability and water pricing remain highly favourable, with water storage levels in the southern Murray-Darling Basin connected system the highest at this point in the season in more than 20 years
- The Group's diversified portfolio and strong balance sheet mean it is currently well placed to take advantage of further expansion opportunities, either organically or through acquisitions
- Continued execution of the SunRice Group's Sustainability Strategy remains a priority for FY2023
- Having completed significant work across the Group to articulate the priority ESG areas and related ambitions and targets, all business units have now developed individual sustainability plans and actions aligned to business plans and the broader Growth Strategy for FY2023

*Making a difference
to places and lives
everywhere through
nourishing and
delicious products.*

