

19 December 2024

## SunRice Group 1H FY25 Half Year Financial Results: Solid financial performance with growth in profit margins

View this announcement on the SunRice Group investor website [here](#).

- **Group revenue for 1H FY25 of \$912 million, compared to \$919 million in 1H FY24**
- **Solid growth in earnings, with EBITDA of \$67.9 million and NPAT of \$31.9 million, up 7% and 5% respectively on the prior corresponding period**
- **Fully franked interim dividend of 15 cents per B Class Share declared**
- **Estimated range for CY24 pool updated to \$380 - \$420 per tonne for medium grain**
- **Completed acquisitions of SavourLife and Simply Delish in 1H FY25, bolstering the CopRice and Riviana Foods segments respectively**
- **Continued progress against Sustainability Strategy in 1H FY25, including near-term and long-term science-based emissions reduction target being validated by SBTi**
- **The Group expects full year results to show revenue broadly consistent with FY24, moderate growth in EBITDA on the back of improved profit margins and NPAT to be impacted by a higher effective tax rate**
- **Investor webcast call to be held at 9:30am AEDT on Friday 20 December 2024 (details below)**

The SunRice Group today released its Financial Results for the half year period ended 31 October 2024 (1H FY25), with Group CEO and Managing Director, Mr Paul Serra, commenting:

*“The SunRice Group had a solid financial performance in 1H FY25 and largely delivered in line with expectations. We continued to build profit margins and consolidated the revenues achieved over the last 12 months, despite some of the previously foreshadowed headwinds impacting consumer spending and pricing in international rice markets.*

*“We are pleased to declare a fully franked interim dividend of 15 cents per B Class Share and note that the increased liquidity in our B Class Shares over the last six months has qualified Ricegrowers Limited for inclusion in the S&P/ASX Agribusiness Index. Over the first half of FY25, SunRice has delivered a Total Shareholder Return of 48.2%. Over the last five years, SunRice has delivered an outstanding Total Shareholder Return of over 408% compared to the S&P/ASX 300 Accumulation Index of 122%.*

*“These results continue to demonstrate the strength and resilience of our business model, brands and product portfolio, and the focused efforts of our people to realise new opportunities and pursue our growth ambitions while actively managing challenging geopolitical and market conditions.*

*“Looking ahead to the full year, we expect revenue to be broadly consistent with FY24, EBITDA to grow moderately on the back of improved profit margins, and a higher effective tax rate to impact Net Profit After Tax. By remaining focused on driving branded product sales, delivering cost and procurement savings, as well as operational and manufacturing improvement initiatives across the Group, we are confident in our ability to deliver for the second half of FY25.”*

### 1H FY25 Financial Results performance drivers

The Group’s performance in the first half of FY25 was driven by a range of different dynamics. Notably:

- Profit margin growth was achieved in the Rice Food, Riviana Foods and CopRice segments and was supported by improved product mix, the realisation of manufacturing and logistics efficiencies and cost control initiatives, which all contributed to an increase in Group EBITDA and NPAT compared to 1H FY24.
- Volumes grew in some markets and product categories, including Rice Cakes, Rice Flour and Toscano's bakery goods. The ample supply of US rice also enabled substantial growth in US export volumes. However, it contributed to lower pricing in some markets, particularly global tender markets. The Group also faced challenges including cost of living pressures impacting the Food Service sector and consumer spending patterns in Australia, as well as the contraction of the ruminant sector in Australia and New Zealand. Combined, these pricing and demand challenges resulted in the slight drop in Group revenue compared with the prior corresponding period.
- The Group acquired SavourLife during the period, bolstering its participation in branded high growth, higher margin companion animal categories. The Group also acquired the Simply Delish business in 1H FY25, which is expected to enable Riviana Foods to expand its presence in the chilled channel through its own vertically integrated supply chain.

## Interim dividend

The Group today declared a fully franked interim dividend of 15 cents per B Class Share, reflecting a focus on delivering consistency and quality of earnings through the cycle and value to shareholders.

## Our outlook

Similar to 1H FY25, the Group expects full year results to show revenue broadly consistent with FY24, moderate growth in EBITDA on the back of improved profit margins, and NPAT impacted by a higher effective tax rate.

By remaining focused on driving branded product sales, delivering cost and procurement savings, as well as operational and manufacturing improvement initiatives across the Group, including investment in our Riverina operations, we are confident in our ability to deliver for the second half.

Having said this, the headwinds described earlier remain relevant for 2H FY25, particularly the ongoing impacts of Northern Hemisphere rice availability on both volume and price competition; geopolitical tensions in the Middle East affecting shipping and sales opportunities; competition from lower priced offerings; and the conditions in the ruminant and equine markets.

As communicated at the full year, the Group has reviewed its Growth Strategy to identify new opportunities as we look to evolve and build on the momentum created in recent years. We have commenced work on a range of initiatives to lay the foundations as we look to achieve these ambitious growth targets, and the SunRice Group looks forward to updating the market as this work progresses.

Critical to our 2030 Growth Strategy is the implementation of the Group's commitment to sustainability, and specifically our focus on achieving lower emissions rice and a diversified, resilient and increasingly traceable supply chain. The Group is pleased to report the following progress:

- The Science Based Target initiative (SBTi) validated our near-term and long-term science-based emissions reduction target in December 2024. Our commitment is aligned to reaching net-zero by 2050 and includes a Forestry, Land and Agricultural (FLAG) target;
- Further progressing the development of our Net Zero Roadmap, including modelling interventions against our emissions reduction targets. In line with the requirements of the SBTi, we will publish the Group's Net Zero Roadmap in June 2025;
- Supporting the Group's businesses to assess suppliers against our Supplier Sustainability Code, including human rights and deforestation, and drafting a new Code that clearly outlines our expectations of suppliers; and

- Undertaking further social and ethical audits (using the SMETA protocol) of our domestic and international operations, including further embedding our training on the ETI Base Code. Further information on our progress on modern slavery can be found in our FY24 Modern Slavery Statement.

We look forward to sharing further details at the full year.

## **Paddy price and crop outlook**

The CY24 Riverina harvest was another strong crop at approximately 618,000 paddy tonnes. However, several factors continue to weigh on anticipated pool returns, the most significant of which are the prevalence of lower whole grain mill out rates from the CY24 crop observed to date (similar to those experienced in CY18) and recent global tender pricing lows. Together these elements are expected to negatively impact CY24 pool returns in the order of \$70 per tonne when compared to the CY23 crop. Despite these factors, SunRice is effectively managing costs and working to maximise opportunities arising from a weaker AUD against the USD to help minimise their impact on CY24 paddy returns. Accordingly, the CY24 paddy price range has been updated from \$370 - \$430 to \$380 - \$420 per tonne for medium grain.

While the recently planted CY25 crop is smaller than the CY24 crop, pleasingly volumes are in line with our production capacity and should ensure another full milling program in FY26. We remain focused on driving grower returns in the Riverina as we manage the transition to a deregulated market for NSW-grown rice with the end of rice vesting in July 2025. This work includes modelling contracting options and other initiatives to help secure volume in the Riverina aligned to market demand. A number of these options will be explored with growers in the new year in order to seek input before they are finalised.

Next year marks SunRice's 75<sup>th</sup> anniversary, and our relationship with Riverina growers – who originally founded 'Ricegrowers' as a cooperative in 1950 – will be front and centre as we celebrate this milestone and look to the future.

## **Investor webcast call**

The Company will hold a webcast call at **9:30am AEDT on Friday 20 December 2024** to discuss the 1H FY25 Financial Results. Please note that investors are required to register for the webcast call by the following link:

<https://ccmediaframe.com/?id=2bQJS1ZQ>.

Once registered, a unique URL to join the webcast will be emailed to you as a calendar invite. To join the webcast, click on the URL in your calendar invite and you will join the conference instantly.

Investors wishing to join by phone can register by following this link:

<https://s1.c-conf.com/diamondpass/10042049-2fserwww.html>.

Once registered, you will be provided with a dial in number, the **Passcode**, and your unique **PIN**. This information will also be emailed to you as a calendar invite. To join the webcast call, dial the number in the calendar invite and enter the passcode followed by your PIN, and you will join the conference instantly.

The investor presentation has been made available on the ASX website ahead of the webcast call, and also goes into further detail regarding segment performance.

**Authorised by Paul Serra, Group CEO and Managing Director, SunRice Group**

**Investor inquiries:**

Richard Rose  
Head of Corporate Development and Investor Relations  
0410 300 986/ [rrose@sunrice.com.au](mailto:rrose@sunrice.com.au)

**Media inquiries:**

Anthony McFarlane  
Head of Corporate Affairs  
0447 324 674/ [amcfarlane@sunrice.com.au](mailto:amcfarlane@sunrice.com.au)

**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 rice growers who meet the production quotas prescribed by the SunRice constitution. 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 generally have the right to vote at general meetings of SunRice. 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://investors.sunrice.com.au/investors/>