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NSX Half Year Profit and Dividend Announcement

STL delivers $13.3 million H1 FY20 profit

Sugar Terminals Limited (STL, NSX:SUG) today announced a Net Profit after Tax of $13.3 million for the half year to 31 December 2019 (H1), a 1.2% improvement on H1 FY19 and in line with expectations.

STL Chairman Mark Gray said the half year results reflected steady performance in the context of a challenging period for the Queensland sugar industry.

Highlights

- Received 3.4 million tonnes of raw sugar in the six months to 31 December 2019, with a peak storage of 2.3 million tonnes (a 7% increase on last year)
- Revenue increased by 3.0% to $49.1 million
- Interim dividend increased by 2.9% to 3.6 cents per share
- Completed the roof replacement program at the Bundaberg terminal at a total committed outlay of $13.7M
- Shed 1 roof replacement at the Mackay terminal has now commenced, with a total committed outlay of $12.3M
- Working with QSL Operations to implement commercial and operational best practice and expand other income opportunities. STL and QSL Operations expect to implement the improved arrangements during 2020.

Financial indicators	***H1 FY20***	***H1 FY19***
Net profit after tax	$13.3 million	$13.2 million
Return on assets (1)	7.32%	7.31%
Share price	$1.025	$0.92
Interim dividend per share	3.6 cents	3.5 cents

(1) H1 NPAT, annualised, as a percentage of total assets as at 31 December

Commentary

Mr Gray commented that STL's result delivers on its ongoing ambition to achieve reliable and sustainable returns to its shareholders, whilst maintaining responsible cost control for customers.

Our purpose is to be a sustainable, globally competitive provider of storage and handling solutions for bulk sugar and other commodities.

"This is STL's third year under the new operating model and we have made solid progress in improving cost outcomes to customers while increasing our strategic focus in areas of commercial and operational best practice and income diversification," he said.

"The full year costs for operating the terminals are forecast to be lower than last year, reflecting an ongoing commitment to reduce costs whilst maintaining our service levels."

Dividend announcement

At its Board meeting today, Directors resolved that a dividend of 3.6 cents per share ($12.960 million), fully franked on tax paid at 30%, will be paid on 31 March 2020 to shareholders whose names are recorded on the register on 17 March 2020. This is an increase in dividend of 2.9% compared with the previous corresponding period and continues the Board's approach of a steady increase in dividends in line with profitability.

Enquiries:

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