SUGAR TERMINALS LIMITED ABN 17 084 059 601
NSX Half-year information – 31 December 2023

Lodged with the NSX under Listing Rule 6.10.
This information should be read in conjunction with the 30 June 2023 Annual Report.

Contents

SUGAR TERMINALS LIMITED
Half-year ended 31 December 2023
(Previous corresponding period:
Half-year ended 31 December 2022)

Results for announcement to the market

				$'000
Revenue from ordinary activities *(Appendix 3 item 2.1)*	up	8.7%	to	57,398
Profit/(loss) from ordinary activities after tax attributable to members *(Appendix 3 item 2.2)*	up	8.2%	to	15,901
Net profit/(loss) for the period attributable to members *(Appendix 3 item 2.3)*	up	8.2%	to	15,901

Dividends/distributions *(Appendix 3 items 2.4 & 2.5)*	Record date	Amount per security	Franked amount per security
Final dividend *(prior year)*	21 September 2023	3.9¢	3.9¢
Interim dividend	18 March 2024	4.0¢	4.0¢

Explanation of Revenue and Net Profit *(Appendix 3 item 2.6)*

STL provides sustainable and globally competitive storage and handling solutions for bulk sugar and other commodities. There were no significant changes in the nature of the STL's principal activities during the financial half year.

The profit attributable to STL shareholders for the half-year ending 31 December 2023 was $15.9 million, an 8.2% improvement on the corresponding period (2022: $14.7 million), driven primarily by CPI increase (7%) on availability charges as per the provisions under the Storage and Handling Agreement (SHA). This result is in line with STL's ongoing ambition to achieve stable, reliable and sustainable returns to our investors, whilst maintaining responsible cost control for customers.

STL revenue for the half-year was $57.4 million, 8.7% above last year (2022: $52.8 million). The revenue from bulk sugar handling was $55.9 million (2022: $52 million), represented by revenue for availability charges of $29.7 million (2022: $27.8 million) and from operating and testing charges of $26.2 million (2022: $24.2 million). The operating and testing charges represent a direct recovery from customers of costs incurred without margin or mark up.

Despite the challenges of a high inflationary environment and its impact on the costs of operating the terminals, STL continues to balance returns to shareholders with a clear focus on cost control to customers in conjunction with a longer term strategic focus on the future.

Highlights for the half-year are as follows:

- STL maintained its focus on employee safety and quality of services to customers.
- completed the installation and commissioning of the new 12 kilometre conveyor belt at the Lucinda wharf, undertaken within budget and on time without any disruption to customer shipping requirements.
- despite the challenge of Tropical Cyclone Jasper during the period, there was no material damage sustained to STL's assets, or disruption to services

- construction of the Common User Infrastructure (CUI) conveyor system at the Port of Bundaberg was completed in October 2023. Final costs for the project are expected to be within budget despite challenging conditions in the construction environment. The project is a joint partnership with Gladstone Ports Corporation and includes $17.7 million of federal government funding. This facility will enable STL to better utilise the assets at the Port of Bundaberg without compromising our priority to the local raw sugar industry. STL is currently in discussion with a customer to undertake a commissioning shipment in March 2024.

STL has in place a SHA with five out of its six raw sugar customers and is applying the terms and conditions of the agreement to all six customers. The agreement expires on 30 June 2025 and includes options to extend for two further twelve month terms if all parties are in agreement. Queensland Sugar Limited (QSL) has not yet signed the agreement however QSL continues to utilise STL's storage and handling services and to pay most of the charges applying to those services with the exception of sampling and testing charges from certain mills for the past two seasons. In order to resolve this matter STL is in the process of escalating the issue and seeking an expert determination.

STL currently has in place an operating agreement with Queensland Sugar Limited (QSL) as its operations contractor of the six bulk sugar terminals. Last year, STL announced its decision to insource operations of the six bulk sugar terminals and therefore terminate the operating agreement. Under the terms of the operating agreement there is a 3 year notice period with the agreement terminating on 30 June 2026. Insourcing will simplify the operating structure and provide benefits to the sugar industry through the removal of duplication, reducing costs and driving efficiencies. STL will be engaging with QSL on suitable transition arrangements prior to handover.

Supplementary Appendix 3 Information

NTA Backing *(Appendix 3 item 3)*

	2023	2022
Net tangible asset backing per ordinary share	93.9¢	93.4¢

Controlled entities acquired or disposed of *(Appendix 3 item 4)*

No entities were acquired or disposed of during the period.

Additional dividend/distributions information *(Appendix 3 item 5)*

Details of dividends/distributions declared or paid during or subsequent to the half-year ended 31 December 2023 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security	Foreign sourced dividend amount per security
21 September 2023	6 October 2023	Final	3.9¢	$14,040,000	3.9¢	-
18 March 2024	5 April 2024	Interim	4.0¢	$14,400,000	4.0¢	-

Dividend reinvestment plans *(Appendix 3 item 6)*

The company does not have any dividend reinvestment plans in operation.

Supplementary Appendix 3 Form Information (continued)

Associates and Joint Venture entities *(Appendix 3 item 7)*
The company does not have any associates or joint venture entities.

Foreign Accounting standards *(Appendix 3 item 8)*
The company does not have any interest in any foreign entities.

Audit Alert *(Appendix 3 item 9)*
The accounts are not subject to an audit dispute or qualification.

Ratios *(Appendix 3 form, item 8)*

		2023	2022
8.1	**Profit before abnormals and tax / sales** Operating profit (loss) before abnormal items and tax as a percentage of sales revenue	39.9%	40.1%
8.2	**Profit after tax / equity interests** Operating profit (loss) after tax attributable to members as a percentage of equity at the end of the period	4.7%	4.3%

Issued and Listed Securities *(Appendix 3 form, item 18)*

		Number Issued	Number Listed
18.3	Ordinary Securities	360,000,000	229,348,203