



Sugar Terminals Limited

2018 Half-Year Results

8 March 2018

Highlights



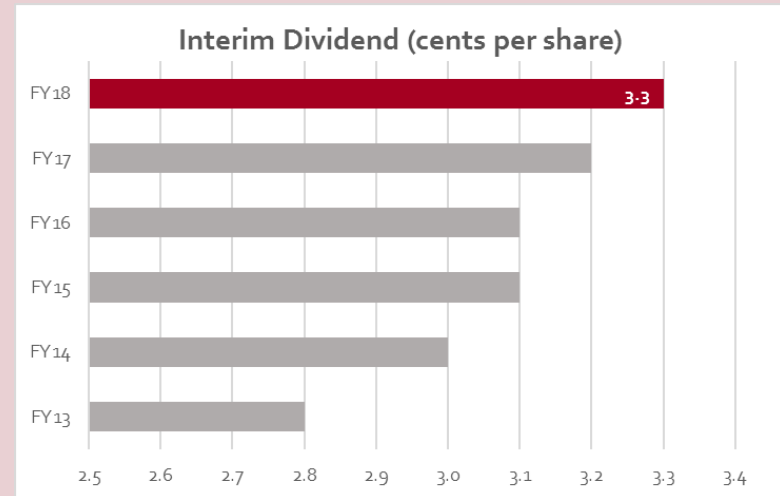
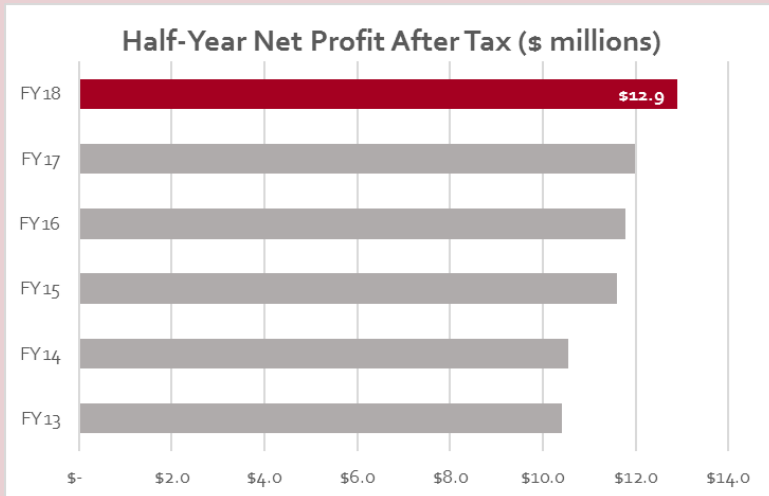
- Successful transition to the new business model – providing storage and handling services in a competitive multi-user environment
- Achieved solid financial performance (H1 Profit up 7.6%)
- Maintained an excellent safety performance
- Appointed new Independent Director - Ms Leanne Muller
- Co-located STL and QSL Operations into a new, stand-alone support office
- Established strategic plan with purpose and values for the company
- Established timetable for longer term agreements with customers



Financial performance



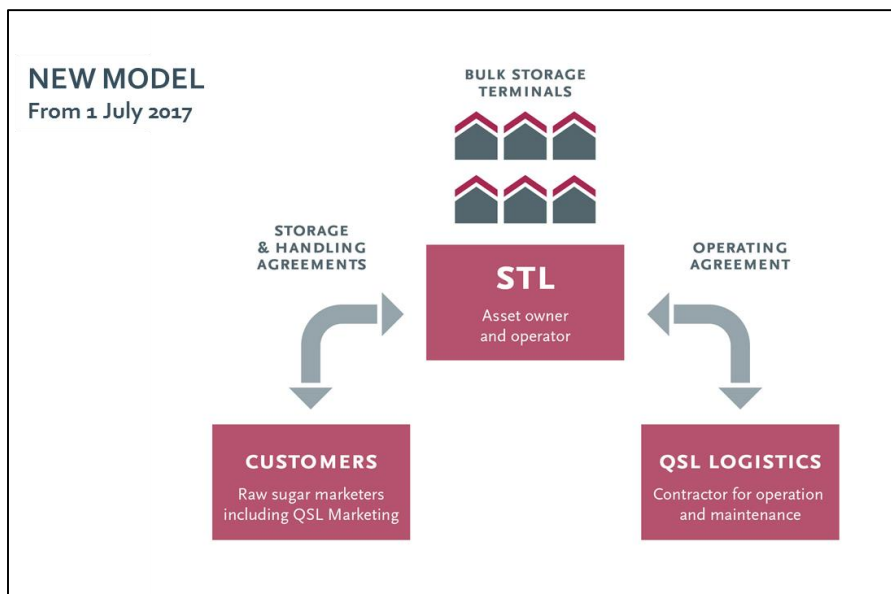
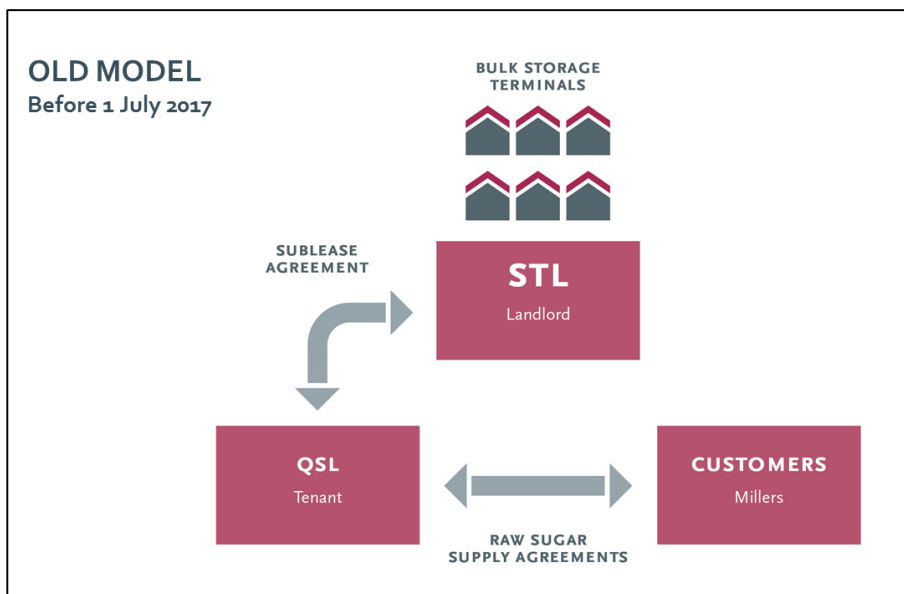
- H1 profit has increased to \$12.9 million, up 7.6% on prior year
- Revenue and costs have changed markedly from prior years – reflecting the impact of the new business model
- Interim dividend declared on 15 February 2018 of 3.3 cents per share, up 3.1% on prior year, payable on 29 March 2018.



New Model - Overview



- STL transitioned on 1 July 2017 from a landlord ('Old Model') to an infrastructure owner & provider of storage & handling services ('New Model')
- Revenue increased to \$47.6 million (2016: \$25.3 million) reflecting that STL now invoices marketers directly for storage & handling services (in prior years revenue was rent charged to QSL)
- Costs increase to \$29.0 million (2016: \$8.0 million) reflecting that STL is now responsible for operating the terminals (in prior years these costs were not incurred by STL)



Purpose & Values



- Strategic plan established with clear purpose & values for STL
- The Purpose and Values will influence the strategy of the business and the focus of its team

Purpose:

To be a sustainable, globally competitive provider of storage and handling solutions for bulk sugar and other commodities.

Values:

Safe / Sustainable / Service Orientated / Innovative / Independent



Investor Relations



- STL continues to engage widely with investors and key stakeholders eg inspection of Bundaberg Terminal in December 2017 - more than 30 local stakeholders attended. More of these inspections planned.
- The level of G Class inactive growers is under review and any inactive G Class shareholders are reminded to divest their shares as per the STL constitution
- Ms Leanne Muller was appointed as an independent non-executive Director in December 2017 - bringing 30 years' experience in senior corporate financial management and professional advisory services



Looking ahead



Our priorities for 2018:

- Finalise the longer term storage & handling agreements with customers
- Continue to achieve stable, reliable and sustainable returns for our investors
- Improve the value that STL provides to the sugar industry
- Engage more regularly with investors on the value and returns of STL

