

29 August 2019

## NSX Profit and Dividend Announcement

# STL delivers modest profit growth in a difficult period for the sugar industry

Sugar Terminals Limited (STL, NSX:SUG) today announced a 1.3% underlying improvement in net profit after tax (with a headline increase of 3.4% due to a one-off sale of a minor portion of land and buildings).

The full year results reflect STL's commitment to responsible cost control and improving operational efficiency according to STL Chairman Mark Gray.

"Queensland's sugar industry has had a tough year with subsidised raw sugar production in India suppressing global prices. Against this background, STL has sought to play its part by keeping costs as low as possible. Operating expenses in fiscal year 2019 were lower than in the previous year despite the terminals handling 8% more raw sugar volume" he said.

### Key results

- Implemented a new STL safety, health and environmental management system, with the terminals operating with an improved TRIFR of 2.5 (compared to 7.5 in the previous year)
- Reduced activity charges to customers by 0.4% on volumes that were 8% higher
- STL's facilities stored 18% more raw sugar (on average) across fiscal year 2019 than in 2018
- Increased dividends paid to shareholders by 6.2% to \$24.8 million (fully franked)
- Mr Tony Bartolo appointed to the Board on 24 October 2018 to represent G Class shareholders

| <b>Financial indicators</b>         | <b>FY19</b>    | <b>FY18</b>    |
|-------------------------------------|----------------|----------------|
| Net profit after tax                | \$26.6 million | \$25.7 million |
| Return on total assets <sup>1</sup> | 7.3%           | 7.1%           |
| Capital expenditure                 | \$13.4 million | \$14.1 million |
| Share price                         | \$0.95         | \$0.92         |
| Dividends                           | \$24.8 million | \$23.4 million |
| Dividends per share                 | 6.9 cents      | 6.5 cents      |

<sup>1</sup>Full year NPAT as a percentage of total assets as at 30 June

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

SUGAR TERMINALS.COM.AU



## **Commentary**

Mr Gray said that the focus is to continue to deliver value by balancing returns to shareholders with reducing costs to customers and maintaining a strategic focus on the future.

“STL and its operations contractor, QSL Operations, have agreed a strategic partnership to implement enhanced commercial practices at the terminals and pursue opportunities to expand other income” he said.

Mr Gray emphasized that raw sugar will always be the highest priority for the terminals, however there is increased recognition of the need to diversify income by increasing the storage and handling of other products.

“This growth in other products will reduce the cost burden on the industry whilst at the same time providing our shareholders with an opportunity to improve their returns” he said.

STL’s Annual Report for FY19 is available at [www.sugarterminals.com.au](http://www.sugarterminals.com.au).

## **Dividend announcement**

At its Board meeting today, Directors resolved that a dividend of 3.5 cents per share (\$12.6 million), fully franked on tax paid at 30%, will be paid on 30 September 2019 to shareholders whose names are recorded on the register on 13 September 2019.

## **Enquiries:**

Peter Bolton | Chief Financial Officer and Company Secretary | Ph: (07) 3221 7017