

27 August 2020

NSX Profit and Dividend Announcement

STL delivers ongoing cost control and increased shareholder returns

Sugar Terminals Limited (STL, NSX:SUG) today announced a 2.3% underlying improvement in net profit after tax (with a headline increase of 0.2%), after allowing for the one-off sale of a minor portion of land and buildings in 2019.

“In what has been another challenging year for the Queensland sugar industry, the full year results reflect STL’s ongoing commitment to tight cost control, maintaining high service levels and delivering increasing returns to shareholders” announced STL Chairman Mark Gray.

“STL has continued its focus on finding operational efficiencies to reduce costs, whilst taking proactive measures to diversify income and maximize the value generated by STL’s assets” he said.

Key results

- Maintained customer service levels and kept the team safe during the COVID-19 pandemic
- Reduced activity charges to customers, offsetting significant increases in insurance costs
- Increased dividends paid to shareholders by 2.9% to 7.1 cents per share (fully franked)
- Extended raw sugar storage and handling agreements with all customers until 30 June 2022
- Established detailed service requirements and critical performance indicators for all terminal operations as part of a commitment to commercial and operational best practice
- STL’s \$100 million roof replacement program is now 87% complete, with Bundaberg Shed 1 completed during FY20 and Mackay Shed 1 well advanced and due for completion in H1, FY21
- Appointed Mr David Quinn as STL’s new CEO, to lead STL on the next stage of its growth

<i>Financial indicators</i>	<i>FY20</i>	<i>FY19</i>
Net profit after tax	\$26.7 million	\$26.6 million
Return on total assets	7.1%	7.3%
Capital expenditure	\$15.6 million	\$13.4 million
Share price	\$1.01	\$0.95
Dividends	\$25.6 million	\$24.8 million
Dividends per share	7.1 cents	6.9 cents

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, in the face of the ongoing economic challenges facing the Queensland sugar industry, STL is sharply focused on delivering enhanced value by balancing increased returns to shareholders with reduced costs to customers, while maintaining a strategic focus on the future.

“STL’s strategic focus is to achieve strict cost control through commercial and operational best practice and continue to explore opportunities to diversify income – while maintaining raw sugar as our highest priority” he said.

“STL and its operations contractor have agreed a robust performance framework for terminal operations which will deliver significant benefit to the business, both in terms of existing operations and capacity to expand into other commodities” he said.

STL’s Annual Report for FY20 is available at www.sugarterminals.com.au.

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 30 September 2020 to shareholders whose names are recorded on the register on 11 September 2020. This is an increase in dividend of 2.9% compared with the previous corresponding period and continues STL’s approach of a steady increase in dividends in line with profitability.

Enquiries:

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