

NSX Profit and Dividend Announcement

STL delivers another solid performance and progresses its strategic objectives

Sugar Terminals Limited (STL, NSX:SUG) today announced a 2.7% improvement in net profit after tax, up from \$27.1 million in FY21 to \$27.9 million in FY22.

“STL has delivered another solid financial result, reflecting careful and consistent stewardship of the business. During the year, STL continued to work on improving operational performance and made good progress on its key strategic objectives. These outcomes are essential to ensure the future sustainability and growth of STL to support our customers and shareholders” announced STL Chairman Mark Gray.

Key results

- Received and outloaded 7.0 million tonnes of raw sugar for the year
- Increased total revenue by 2.8%, while total operating costs increased by only 2.3%, well below the rate of inflation
- Maintained STL’s customer service levels despite the ongoing impacts from COVID-19
- Increased dividends paid to shareholders by 1.4% to 7.3 cents per share (fully franked)
- Increased return on assets from 7.2% to 7.4%
- Implemented a new three-year storage and handling agreement (plus 2 x 1-year options), which has been signed by five of STL’s six raw sugar customers
- Completed the roof replacement of Shed 2 in Townsville, with Shed 1 in Townsville to be completed in September 2022. This will conclude the \$100 million reroofing program that has seen STL rejuvenate 12 sheds across its network and materially extend their operational life
- Commenced works on the common user infrastructure project in Bundaberg with commissioning to occur in FY23, supported by \$17.7 million in Federal Government funding with additional funding committed by STL and also separately by Gladstone Ports Corporation, provided on behalf of the Queensland Government.

Financial indicators	FY22	FY21
Net profit after tax	\$27.9 million	\$27.1 million
Return on total assets	7.4%	7.2%
Capital expenditure	\$18.3 million	\$19.5 million
Share price	\$1.030	\$1.025
Dividends	\$26.3 million	\$25.9 million
Dividends per share	7.3 cents	7.1 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 noted that STL continues to be responsive to industry challenges, especially the declining sugarcane production in some regions and the need to deliver continuous improvement in operational performance.

“STL continues to work with our operations contractor to identify opportunities to improve efficiency and drive costs lower without adversely impacting the safety of people, the environment or our service offering to customers. Anything less would fall short of the high standards necessary to operate STL terminals in the best interests of the sugar industry” he said.

“The results of the 2022 financial year demonstrate that STL has the capability to maintain current levels of service to its customers, deliver steady returns for shareholders and progress its strategic objectives. STL’s focus is to keep our operations competitive and have in place an effective capital program to ensure our assets can support the sugar industry for the long term. At the same time, we continue to examine opportunities to diversify activity where it is clearly aligned with our strategic objectives.”

STL’s Annual Report for FY22 is available at www.sugarterminals.com.au.

Dividend announcement

At its Board meeting today, Directors resolved that a dividend of 3.7 cents per share (\$13.3 million), fully franked, will be paid on 5 October 2022 to shareholders whose names are recorded on the register on 16 September 2022. This represents a 2.8% increase on the dividend from the previous corresponding period.

As highlighted in STL’s interim dividend announcement, STL’s tax payments have been temporarily reduced due to the full expensing provisions implemented by the Federal Government in response to COVID. As a result, STL may be required to partially frank future dividends on a temporary basis.

Enquiries:

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