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NSX Profit and Dividend Announcement

STL continues to deliver for customers, shareholders and the broader sugar industry

Sugar Terminals Limited (STL, NSX:SUG) today announced a 4.6% improvement in net profit after tax, up from $27.9 million in FY22 to $29.2 million in FY23.

“STL’s strong performance in FY23 is the result of a consistent and carefully considered strategy aimed at delivering sustainable, globally competitive storage and handling solutions that continue to benefit our customers and shareholders over the long term. The Board is very conscious of the vital role STL plays in the Queensland sugar industry and the need to provide stability, reliability and efficiency for all industry participants” announced STL Chair, Mark Gray.

Key results

- Received and outloaded 7.2 million tonnes of raw sugar for the year
- Increased total revenue by 3.8%, while total operating costs increased by only 3.5%, well below the rate of inflation
- Maintained a clear focus on cost control in a high inflationary environment, despite historically high world sugar prices, whilst continuing to deliver on our customers service expectations
- Increased dividends paid to shareholders by 4.1% to 7.6 cents per share (fully franked)
- Increased return on total assets slightly from 7.4% to 7.7%
- Completed the $100 million shed reroofing program that has seen STL upgrade 12 sheds across its network and materially extend their operational life
- Commenced procurement of the replacement 12km conveyer belt for the Lucinda Bulk Sugar Terminal which is scheduled for installation in late 2023
- STL continued to project manage the construction and delivery of the common user infrastructure at the Port of Bundaberg. With a construction cost in excess of $20M, the project remains on budget with commissioning now well underway and importantly, with no impact to our sugar customers

Financial indicators	***FY23***	***FY22***
Net profit after tax	$29.2 million	$27.9 million
Return on total assets	7.7%	7.4%
Capital expenditure	$14.1 million	$18.3 million
Share price	$1.080*	$1.03*
Dividends	$27.4 million	$26.3 million
Dividends per share	7.6 cents	7.3 cents

*as at 30 June 2023 *as at 30 June 2022

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

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Commentary

Mr Gray noted that economic uncertainty here in Australia and internationally has increased complexity for all industries. STL continues to have an unwavering focus on cost control, particularly in this time of high inflation, whilst continuing to invest in upgrading terminal assets for the benefit of the entire sugar industry.

“Through STL’s diligence, multi-year work programs have been delivered on time and on budget without the need for debt financing. As the custodian of industry assets, STL continues to improve long term capital planning processes to deliver better performance of these assets. This prudent and active management by STL has also delivered high quality services for our customers and enabled stable and consistent returns for our shareholders,” he said.

“Financially, STL produced another solid performance in FY23 on the back of a challenging and prolonged crushing season, strong global sugar pricing and significant input cost pressures. We remain acutely conscious of the need to ensure an equitable balance between competitive costs for customers and reasonable returns for shareholders. In addition, we place a high priority on improving asset utilisation and extending the working life of the terminal facilities through prudent and well-planned investments.”

STL’s Annual Report for FY23 is available at www.sugarterminals.com.au.

Dividend announcement

At its Board meeting today, Directors resolved that a dividend of 3.9 cents per share ($14.04 million), fully franked, will be paid on 6 October 2023 to shareholders whose names are recorded on the register on 21 September 2023. This represents a 5.4% increase on the dividend from the previous corresponding period.

Enquiries:

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