

13 September 2024

NSX Profit and Dividend Announcement

STL delivers another strong result based on pursuing its strategic goals

Sugar Terminals Limited (STL,NSX:SUG) today announced a net profit after tax result of \$32.5 million, an 11.4% improvement as compared to FY23. Total revenue increased by 9.4% with a solid contribution made by non-sugar activities whilst fully supporting the needs of our raw sugar customers. Return on total assets increased from 7.7% to 8.5%, and the company remained debt free.

“STL’s strong performance in FY24 is the result of our continued focus on driving improved operational performance, prudent capital investment and the ongoing pursuit of strategic objectives that will deliver better value for the entire Raw Sugar Industry. Whilst raw sugar prices remain at historically high levels, significant cost pressures are being felt across the industry and many challenges remain. STL will however remain focussed on operating safely, efficiently and reliably for the benefit of all industry participants” commented STL Chair, Mark Gray.

Dividend announcement

At its Board meeting on 12 September 2024, Directors resolved that a dividend of 4.1 cents per share (\$14.76 million), fully franked, will be paid on 3 October 2024 to shareholders whose names are recorded on the register on 27 September 2024. This represents a 5.1% increase on the dividend paid in the previous corresponding period.

One off rebate of Activity Charges

Additionally, in recognition of STL’s strong FY24 result, materially contributed to by factors such as the reversal of a bad debt provision, higher interest income received and non-sugar shipping volumes, the Board has resolved to provide a one-off rebate on the activity charge of \$1.8 million (\$0.53 cents per tonne) which will be distributed amongst our 6 raw sugar customers based upon volumes received during the FY24 financial year. Whilst this is a goodwill initiative to alleviate cost pressures being felt by our customers and broader industry, the Board acknowledges that it will impact STL’s result for the current financial year.

Financial indicators	FY24	FY23
Net profit after tax	\$32.5 million	\$29.2 million
Return on total assets	8.5%	7.7%
Capital expenditure	\$16.8 million	\$14.1 million
Share price	\$1.080*	\$1.080*
Dividends	\$28.4 million	\$27.4 million
Dividends per share	7.9 cents	7.6 cents

*as at 30 June 2024

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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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Key operational highlights

- received and outloaded 7.17 million tonnes of raw sugar for the year
- continued our focus on cost control in a high inflationary environment
- replaced the 12km conveyer belt at the Lucinda Bulk Sugar Terminal safely and successfully in late 2023 without disruption to any of our customers
- significant ongoing capital investment at all 6 Bulk Sugar Terminals
- successfully project managed the Bundaberg Common User Infrastructure (CUI) within budget despite significant construction industry cost pressures
- commissioned the CUI Project with a 22,000 tonne silica sand shipment in March 2024 with a further loading scheduled in mid September 2024
- significant planning undertaken for future terminal operations

Commentary

Mr Gray commented that “STL’s objective is to provide quality storage and handling services on an efficient cost basis. At the same time, we are conscious of the need to generate sufficient funds for essential re-investment in our vital industry assets, whilst also delivering a competitive dividend to our shareholders. We expect to drive greater productivity and efficiency as we assume full responsibility for terminal operations by no later than 1 July 2026.”

STL’s Annual Report for FY24 is available at www.sugarterminals.com.au.

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