RaaS Research as a Service

Ricegrowers Limited (SunRice)

H1 FY25 Result and Outlook

Branded focus paying off

FMCG/Agriculture

23 December 2024

Ricegrowers Limited, trading as SunRice (ASX:SGLLV), has released its H1 FY25 results, delivering RaaS adjusted EBITDA of $67.9m (+10%) and adjusted NPAT of $31.2m (+4%), with EBITDA in-line with RaaS estimates and NPAT below (7%) due to a higher tax rate (28% vs. 22%). Divisionally, an increased brand and efficiency focus was evident across Rice Food, Riviana and CopRice, with EBITDA growth well ahead of revenue growth across these divisions. Lower tendering activity on the back of lower rice prices were evident across International, while abnormally low milling yields contributed to a 7% decline in Corporate EBITDA 7%. Net debt is back at April 2022 levels despite acquisitions and higher capex over the half. At a high level, we expect similar trends over H2 FY25, namely flat revenue, modestly higher EBITDA and a higher tax rate. Given improved visibility for both Australian rice harvests and medium-term revenue goals, and the narrow peer group used for our Sum Of The Parts (SoTP) valuation, we move to a DCF as our preferred valuation methodology. Our DCF is revised to $13.90/share (from $12.00/share), while our SoTP valuation is $12.25/share. Our DCF valuation would still see SGLLV trading at an EV/EBITDA discount of 15% to the selected peer group using FY25 LSEG consensus estimates.

Business model

SunRice has a unique and complementary corporate structure, balancing grower (A-Class shareholders) requirements for a rice crop that delivers them an acceptable paddy price, with the profit/dividend requirements of B-Class shareholders (including coverage of group overheads) delivered by the 'Profit Businesses' of International Rice, Corporate, Riviana Foods, Rice Food and CopRice. SunRice has domestic infrastructure to handle ~1m paddy tonnes across two Australian harvests and multi-region/multi-origin sourcing to supplement harvests while taking advantage of opportunities globally. Growth is focused on acquisitions and organic growth in the branded fast-moving consumer goods (FMCG) space.

Brand benefits evident in the H1 FY25 result

Branded sales represent ~70% of total SGLLV sales, with the benefits of new brands, brand extensions and increased ranging evident in the H1 FY25 result. Across Rice Food, Riviana and CopRice EBITDA growth far outpaced revenue growth, with EBITDA margins for Rice Food +400bps, +330bps for CopRice and +140bps for Riviana. SGLLV added SavourLife and Simply Delish to the portfolio over the half and can be expected to add and extend further brands in pursuit of its 2030 revenue target of $3.0b. The other highlight of the H1 FY25 result was the cash flow generated and debt reduction despite spending $21m in acquisitions and an 80% increase in capex over the half.

DCF valuation $13.90/share or $900m market cap

We move our preferred valuation method for SunRice from Sum of The Parts (SoTP) to discounted cash flow (DCF) for two key reasons, increased earnings visibility out to FY30 and the limited peer comparisons for some of the SGLLV divisions. Our DCF valuation increases to $13.90/share (previously $12.00/share), supported by the group's 2030 revenue target (implying ~8% CAGR revenue growth). Our SoTP valuation as a sense check is $12.25/share. The group's Net Tangible Assets (NTA) were stated at $7.72/share in October 2024.

Historical earnings and RaaS' estimates (in A$m unless otherwise stated)

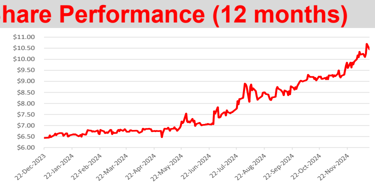
Year end	Revenue*	EBITDA adj.	NPAT adj.	EPS adj.	PER (x)	Dividend yield (%)
04/23a	1,634.4	113.7	54.3	0.91	11.2	4.9
04/24a	1,874.2	141.7	73.9	1.20	8.5	5.9
04/25f	1,890.4	144.0	69.3	1.12	9.2	5.4
04/26f	1,868.4	157.3	79.5	1.27	8.1	5.9

Source: Actual FY23 and FY24, RaaS estimates FY25f and FY26f; EBITDA, NPAT and EPS adjusted for one-time, non-recurring and non-cash items

Share Details

ASX code	SGLLV
Share price (20-Dec)	$10.25
Market capitalisation	$665.2M
Shares on issue	64.9M
Net debt at 31-Oct-24	$202.1M
Free float	~98%

Share Performance (12 months)



Upside Case

- Stability in water availability/pricing
- EPS-accretive acquisitions
- New product and market developments

Downside Case

- A return to drought conditions in the Riverina
- Long-term access to water
- Price competition/private label in key markets

Company Interview & Transcript

SunRice RaaS Interview 20 December 2024

SunRice RaaS Interview Transcript 20 12 2024

Board of Directors

Laurie Arthur	Non-Exec. Chair/Grower
Paul Serra	Chief Exec. Officer
John Bradford	Non-Exec. D-Chair/Grower
Luisa Catanzaro	Non-Exec. Dir/Non-Grower
Andrew Crane	Non-Exec. Dir/Non-Grower
Ian Glasson	Non-Exec. Dir/Non-Grower
Melissa De Bortoli	Non-Exec Dir/Grower
Ian Mason	Non-Exec Dir./Grower
Julian Zanatta	Non-Exec Dir/Grower

Company Contacts

Dimitri Courtelis (CFO) +61 3 8567 1132

Richard Rose (Head of Corporate Development) +61 3 8567 1132

investors@sunrice.com.au

RaaS Contacts

John Burgess +61 410 439 723 john.burgess@raasgroup.com

Finola Burke +61 414 354 712 finola.burke@raasgroup.com

H1 FY25 Result Summary

SGLLV has delivered group revenue and adjusted EBITDA in-line with RaaS estimates, but NPAT is a touch below due to a higher tax rate. Key observations for the H1 FY25 result include:

- Lower medium-grain rice prices driven by higher US production out of drought resulted in a decline in **Rice Pool** revenue (-6%), directionally in-line with forecasts and still covering group overheads;
- **International** revenue declined 1% as long grain global rice prices stabilised off recent highs, resulting is less tender activity. Volumes were aided by increased US export activity across medium grains. Adjusted EBITDA was 5% below H1 FY24, still being affected by FX translation (the Kina to USD has declined ~14% since April 2023) and margin pressures in PNG from higher rice prices;
- **Rice Food** revenue increased 12% on the back of new product innovation and increased exports (mainly rice flour to Japan). EBITDA increased 70%, well above our forecast and aided by manufacturing efficiencies and margin mix;
- **Riviana Foods** revenue increased 5%, mainly on the back of volume growth in the Toscano brand (+20%). EBITDA increased 100% off a low base on the back of margin mix and logistics efficiencies and despite continued pressure from home brands;
- **CopRice** revenue declined 3%, affected by lower stockfeed sales (ample pastures) and some tightening in consumer spending. EBITDA increased 50%, well above forecast and aided by a continued mix shift to higher-margin categories, in particular companion animal products;
- **Corporate EBITDA declined 7%** and below our forecast on the back of lower milling yields, using more inventory and therefore reducing the asset base corporate charges are made against;
- **Interest expense** was lower and as we forecast on the back of lower average debt (back to April 2022 levels) and a levelling of interest costs (stable Bank Bill Swap Rate);
- **Tax rate of 28% against 22% forecast** and in the previous corresponding period (PCP) due to the mix of jurisdictional earnings and the return to full paying tax status in PNG**;**

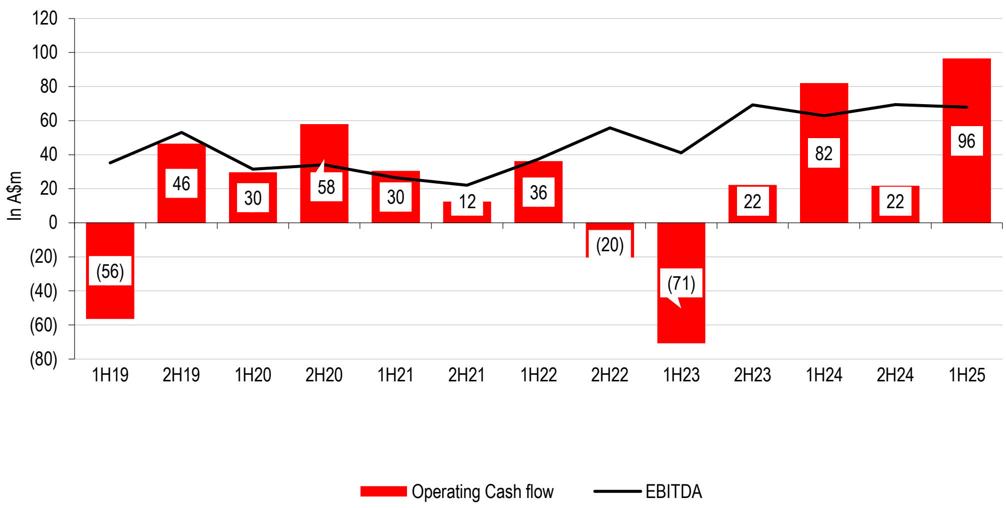
Exhibit 1: SGLLV H1 FY25 result (in A$m unless otherwise stated)

Variable (A$000')	H1 FY24	H1 FY25	% Chg	Comments
Revenue	**915.9**	**910.7**	**(1)**	**+1.0% ex-Rice Pool**
Rice Pool	195.5	183.0	(6)	Lower selling prices
International	420.9	418.8	(1)	Lower tender activity offset by higher US volumes
Rice Food	58.8	65.6	12	Product innovation and brand investment
Riviana Foods	111.2	117.3	5	Toscano the standout
CopRice	129.5	126.0	(3)	Lower equine and stockfeed, first time SavourLife
Other	2.5	1.8		
Gross profit	364.1	373.5	3	
GP margin	39.8%	41.0%		
Operating costs	(302.5)	(305.6)	1	
Underlying EBITDA	**61.6**	**67.9**	**10**	**PCP excludes profit on property sale**
Rice Pool	0.0	0.0		
International	26.4	25.0	(5)	Includes ~A$6.0m in FX losses in both periods
Rice Food	4.6	7.7	69	Branded margin mix
Riviana	1.8	3.6	98	Branded margin mix
CopRice	7.9	11.9	50	Branded margin mix
Corporate	21.2	19.7	(7)	Lower asset charge (use of more inventory and ↓ WACC)
D&A	(14.0)	(15.1)		
EBIT	**47.7**	**52.8**	**11**	
Interest expense	(10.0)	(8.3)		Lower average debt levels
PBT	37.7	44.5	18	
Tax	(9.1)	(12.6)		28% vs. 22% in the PCP
Outside equity	0.6	0.7		
Adj. NPAT	**28.0**	**31.2**	**12**	
Abnormals/adjustments	2.0	(0.0)		
Reported NPAT (B-Class)	30.0	31.2	4	

Source: Company announcements

Operating cash flow was $96.4m in H1 FY25, the highest for at least six years. Net debt as a result declined to $202.1m (from $223.8m in April).

Exhibit 2: SGLLV reported operating cash flow by half year (A$m)



Source: Company financials

SGLLV Earnings Outlook

Outlook comments suggest similar trends are expected in H2 FY25 to those in H1 FY25. At a very high level that implies flat revenue, modestly higher EBITDA and a higher tax rate. Key factors driving these trends include:

- **A harvest profile in-line with group production capacity,** covering allocated group overheads well into FY27, reducing one of the key risks for the business.

  The CY25 crop is shaping up to be below CY24 as guided by SGLLV management to ensure balanced supply and demand.

- **Continuation of milling yield issues into H2 FY25** which we estimate to be a $3m-$4m impact for the Corporate division. Bond yields remain relatively stable which is a key driver for the return metrics of the Corporate division (essentially its WACC on infrastructure and funding costs).

- **The global export market for rice is normalising following the 14-month export ban by India of non-basmati rice which ended late September 2024.** Prices are generally 20% off their peaks during this period (with the exception of Jasmine rice) and 6%-8% off the 2024/25 average.

  This improves sourcing opportunities for international players such as SGLLV while lower global rice prices have the potential to relieve purchasing and margin pressures into key Pacific Island markets. This risk is a lag as existing inventory was likely purchased at higher prices than spot.

- **Mix initiatives still playing out**. Most divisions are benefitting from an increased branded mix, be it through brand extensions and/or product innovation, improving margin mix. CopRice (equine/companion animal vs. stockfeed), and Rice Food (new products and markets) are divisional examples from the H1 FY25 result.

- **H2 FY25 is the seasonally strongest period for SGLLV,** benefitting from a range of festive events across the globe. As a guide the FY24 half year NPATA seasonality was 38/62 across H1/H2.

- **A full 6-months contribution from the SavourLife acquisition** (within CopRice) which contributed for ~two months in H1 FY25 and delivered $2.9m revenue and $0.6m NPAT ($8.7m revenue and $1.8m NPAT if owned over the full six-months).

Key earnings changes are tabled below in Exhibit 3.

Exhibit 3: RaaS SGLLV earnings adjustments (in A$m unless stated)

Variable	FY25f	FY26f	FY27f	FY28f	Comments
Revenue					
Previous	1,855	1,830	1,849	1,905	
Revised	1,890	1,868	1,932	1,995	
% CHG	2	2	5	5	
Adj. EBITDA					
Previous	145.3	151.4	157.6	168.3	
Revised	144.0	157.3	166.0	172.8	
% CHG	(1)	4	5	3	
Adj. EPS ($)					
Previous	1.21	1.30	1.40	1.52	
Revised	1.12	1.27	1.39	1.48	Mainly tax rate
% CHG	(8)	(2)	(1)	(3)	

Source: Company data, RaaS estimates

Global rice market update

According to the latest United States Department of Agriculture (USDA) rice crop report (December 2024[1]) global rice production will reach a record 533.7m tons in 2024/25, 1.2% above the 522.2m tons in 2023/24.

Global domestic and residual use is projected at a record 530.3m tons in 2024/25, up 0.8% on 2023/24, with India accounting for 121m tons alone (23%).

Global stock levels as a result are projected at 182.5m tons, 1.8% above the PCP and the largest since 2021/22, according to the USDA.

2025 global rice trade is forecast to reach 58.5m tons, with larger exports from Argentina, Brazil, India, Paraguay, the United States and Uruguay projected to more than offset reduced shipments from Burma, Cambodia, China, Ecuador, Pakistan, Taiwan, Thailand, Turkey and Vietnam. India's exports are projected to show the largest increase, up 4.5 million tons to a near-record 22.0 million. The stronger-than-expected exports from India are a major factor behind the weaker export forecasts for the other Asian suppliers.

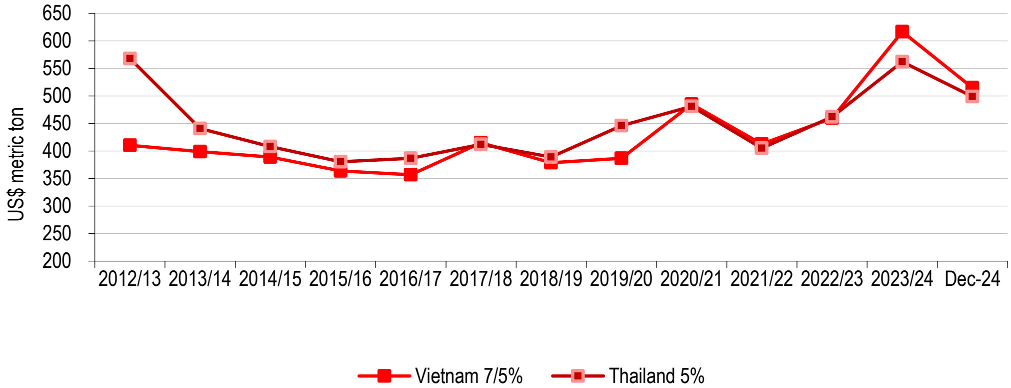
Bans on Indian exports (ex-Basmati) implemented in July 2023 have been progressively lifted from late September 2024. India is the world's largest exporter of rice, leaving Vietnam, Thailand, Pakistan and the US to take up some of the slack during this period.

Prices as a result have reduced over recent months, with:

- Thailand 5% broken prices are down 21% from the peak (June 2024) and 4% lower than the 2024/25 average price.
- Vietnam 5% broken prices are down 22% from the peak (November 2023) and 6% lower than the 2024/24 average price.
- Fragrant Jasmine rice prices are down 18% from the peak (October 2024) and 9% lower than the 2024/25 average price.

1 www.ers.usda.gov/publications/pub-details/?pubid=110609

Exhibit 4: Thailand and Vietnam 5% broken prices (US$)

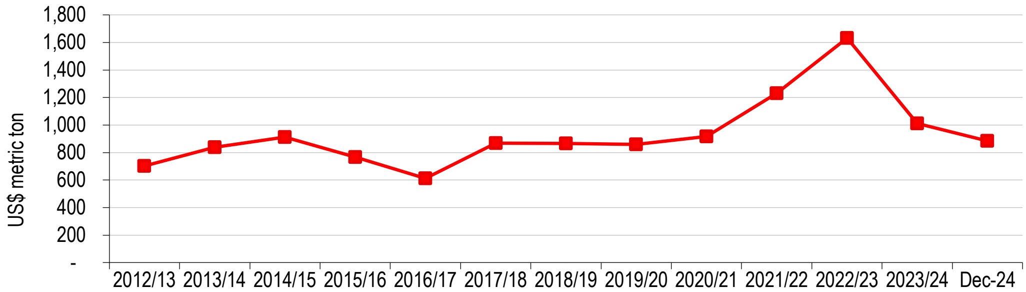


Source: USDA December 2024

Californian medium-grain Number-1 Grade 4% brokens, a proxy for Australian rice, are well off the record highs seen over 2022/23 (~$1,650/ton), but also off recent lows between April and October 2024 of $835/ton, now trading at $885/ton.

This is an issue for the rice pool revenue, resulting paddy price range for Australian rice grower returns, and can be seen in the latest paddy price range set for 2024/2025 at $380-$420 per tonne which is below the 2023/2024 price of $430 per tonne.

Exhibit 5: US medium-grain Number 1 Grade 4% Brokens (US$)



Source: USDA December 2024

Valuation

Discounted Cash Flow

With ample Riverina water storage and a company goal of achieving revenue of $3.0b by 2030 with improved margins (implying CAGR revenue growth of 8.3% off the FY24 base), we have extended our forecast period out to FY30 to reflect this improved earnings visibility. The result is an increase in our DCF from $12.00/share to $13.90/share.

As a result of this improved visibility, we move to a DCF as the primary valuation method and use our Sum Of The Parts (SoTP) valuation as a sense check.

Key assumptions for our DCF include:

- 10.5% discount rate incorporating a beta of 1.0x (down from 1.1x) RFR 4.0% and equity risk premium of 6.5%;
- CAGR EPS growth over the forecast period of 4.3%, below the implied 8.3% revenue growth target;
- Medium-term growth beyond the forecast period of 5.0%;
- Perpetuity growth rate of 2.2%;
- Tax rate of 28%, up from 22%;
- No rice pool shortfall for overhead allocation over the forecast period; and
- No acquisitions are explicitly forecast given the estimates required on size, nature and timing, but are likely for the group to hit revenue targets by 2030).

Exhibit 6: SGLLV base-case DCF valuation (in A$m unless otherwise stated)

Parameters	Outcome
Discount rate /WACC	10.5%
Beta	1.0x
Terminal growth rate assumption	2.2%
Sum of PV ($m)	488.3
PV of terminal value ($m)	613.3
PV of enterprise ($m)	1,101.5
Debt (cash) @ Oct 2024 ($m)	202.1
Net value – shareholder ($m)	899.4
No. of diluted shares on issue (m)	65.0
NPV ($/share)	**13.90**

Source: RaaS estimates

The London Stock Exchange Group (LSEG) derives beta is 0.65x for SGLLV, which would imply a valuation of $20.30/share all else equal. In the table below we provide a sensitivity analysis of our SGLLV DCF valuation at various discount betas and resulting WACC, all else equal.

Exhibit 7: RaaS SGLLV DCF sensitivity to a change in WACC/beta

Beta/WACC	0.8x/9.2%	0.9x/9.9%	1.0x/10.5%	1.1x/11.2%	1.2x/11.8%
Valuation ($)	**17.05**	**15.32**	**13.90**	**12.37**	**11.54**

Source: RaaS estimates

Sum of The Parts

We view SunRice as a cross between an infrastructure business (Corporate), a brand owner (Corporate), a trading business (International), FMCG (International, Rice Food and Riviana) and animal feed (CopRice).

Exhibit 8 presents a Sum-of-The-Parts (SoTP) valuation for SunRice using EBITDA multiples, derived from FY25 LSEG consensus estimates adjusted for rental expense/right-of-use (subtracted from EBITDA), and then applied to RaaS FY25f adjusted SGLLV divisional EBITDA:

- A 9.7x EBITDA multiple for FMCG businesses, in-line with the average of the FMCG businesses in the peer group (BGA);
- An 8.2x EBITDA multiple for the Corporate business, the average of GNC and ELD multiple in recognition that SunRice Corporate provides both infrastructure (GNC) and brands (ELD) to its rice growers;
- An 8.2x multiple for CopRice, in-line with RIC metrics which is essentially 100% animal feed;
- A 6.4x EBITDA multiple for International, which is equal to what we regard as the closest global peer Ebro Foods; and
- Actual October 2024 debt levels, which RaaS believes are reflective of ongoing sustainable debt levels given the near-term stable harvest outlook.

The net result is a SoTP valuation of $12.25/share (virtually unchanged from $12.32/share previously), with relevant peer metrics detailed in Exhibit 9.

Exhibit 8: SGLLV Sum-of-The-Parts valuation – FY25f A$m unless otherwise stated

Division	FY25f adj. EBITDA	Adj. EBITDA multiple (x)	Valuation	Comments
International	52.3	6.4	335	Equal to Ebro Foods
Rice Food	16.8	9.7	163	FMCG peers
Riviana Foods	9.4	9.7	91	FMCG peers
CopRice	19.9	8.1	161	RIC is the key peer
Corporate	41.5	6.5	270	Average of ELD and GNC
Less				
33.8% of Trukai	3.6	6.4	(23)	Same multiple as International
Net debt (Oct-24a)			(202)	Actual as at Oct-2024
VALUATION			**795**	
Shares on issue			65	
EQUITY VALUE			**$12.25**	

Source: LSEG consensus estimates and RaaS estimates

Exhibit 9: Peer group financial comparison – FY25f (in A$m June year-end unless otherwise stated)

Company name	Ticker (ASX unless stated)	Share price (cps)	Mkt. cap.	Revenue	Adj. ## EBITDA	Adj. NPAT	Adj. EPS	Adj. ## EBITDA multiple (x)	FY24 Working capital /Rev (%)	Debt/ EBITDA (x)
Treasury Wines	TWE	$11.39	9,242	3,086	890.3	514.6	0.63	10.4	32	1.9
Select Harvest #	SHV	$4.06	491	335	62.4	29.0	0.24	7.9	25	3.0
PEERS USED										
Elders #	ELD	$7.40	1,655	7,001	291.4	117.6	0.53	5.7	17	1.3
Bega Cheese	BGA	$7.20	1,125	3,521	192.8	108.1	0.69	5.8	19	2.4
Ridley	RIC	$5.47	1,662	3,631	171.8	66.9	0.22	9.7	4	0.9
Select Harvests #	SHV	$2.64	843	1,330	104.4	50.1	0.16	8.1	2	0.5
Lynch Group	LGL	$1.79	219	418	33.4	13.2	0.11	6.5	(3)	0.7
PEER AVERAGE								**7.2**	**14**	**1.5**
FMCG AVERAGE								**9.7**	**18**	**1.4**
SunRice *	SGLLV	$10.25	665	1,890	138.5	69.3	1.11	4.8	27	1.6
Ebro Foods (€) ^	EBRO:SM	15.88	2,442	3,132	379.8	209.8	1.36	6.4	24	1.5

Sources: Company financials, LSEG; Prices 20 December 2024; # Sept year-end; * April year-end; ^ Dec year-end;
Adj. EBITDA adds back RoU/rental expense (Pre-AASB16)

Investment Case Revisited

We believe the investment case for SunRice B-Class shareholders is managing a sweet spot in Riverina rice harvest volumes while growing the footprint of key 'profit businesses' both organically and via acquisition:

- RaaS now forecasts a sustainable **dividend of** $0.55/share, implying a fully franked dividend yield of 5.4%. History would indicate that the company does not cut dividends once set.
- **Continued availability of Riverina rice** supports international export opportunities while at the same time covering the overhead charge for the Rice Pool. That said to maintain this 'goldilocks' level SGLLV has guided growers to reduce CY25 plantings by 30% to maintain the supply/demand balance. Longer term, the cessation of NSW rice vesting from July 2025 should help SGLLV better manage rice crop intake.
- **Global rice markets are generally supportive** for Australian rice demand and general sourcing opportunities for the International division now that the non-basmati Indian export rice bans have been lifted. New opportunities also exist in the UK (Free Trade Agreements).
- **Solid return rates should continue for the Corporate division** (32% of FY24 EBITDA) as relatively stable 10-year bond rates and branded sales drive return requirements from the group's infrastructure (Weighted Average Cost of Capital (WACC)).
- **EPS-accretive acquisitions in the branded FMCG space** may well continue, with the group building a solid brand portfolio across convenience and healthy rice snacks (Rice Food), animal feed (CopRice) and the branded entertainment/special occasion products (Riviana). The size of acquisitions has been progressively increasing, suggesting more material EPS accretion is possible.
- **Management has set a revenue target of $3.0b by 2030, implying CAGR 8.3% revenue growth** from the $1.87b FY24 base. Margins are also targeted to improve**. Recent history suggests this target is achievable.**
- **Newly included in the S&P/ASX Agribusiness Index.** Continued improvements in liquidity could result in inclusion in the ASX300 index. Both open the door to a larger investor base.
- **SGLLV is trading at a material discount to selected ASX peers** on key metrics including EV/EBIT (41%), and EV/EBITDA (34%) using LSEG FY25f consensus forecasts against RaaS FY25f estimates.
- **Our DCF valuation is $13.90/share, while our Sum-of-The-Parts valuation is $12.31/share as a sense check, offering 37% upside potential to the current share price.**

Exhibit : SGLLV Financial Summary

Ricegrowers t/a SunRice					
Profit and Loss (A$m)					
Y/E 30 April	**FY2023**	**FY2024**	**FY2025F**	**FY2026F**	**FY2027F**
	A	**A**	**F**	**F**	**F**
Revenue	1,634.4	1,874.2	1,890.4	1,868.4	1,932.4
adj EBITDA	113.7	141.7	144.0	157.3	166.0
Depn	(25.4)	(25.9)	(26.1)	(26.2)	(26.3)
Amort	(2.9)	(2.9)	(3.0)	(3.0)	(3.0)
EBIT	85.4	112.9	114.9	128.1	136.6
Interest	(14.0)	(18.3)	(16.3)	(14.8)	(13.3)
Tax	(14.9)	(18.5)	(27.6)	(31.7)	(34.5)
Minorities	(2.2)	(2.1)	(1.7)	(2.1)	(2.2)
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0
NPAT pre significant items	**54.3**	**73.9**	**69.3**	**79.5**	**86.6**
Significant items	(1.7)	(10.8)	0.0	0.0	0.0
NPAT (Reported)	**52.6**	**63.1**	**69.3**	**79.5**	**86.6**
Cash flow (A$m)					
Y/E 30 April	**FY2023**	**FY2024**	**FY2025F**	**FY2026F**	**FY2027F**
EBITDA (less rent)	108.8	136.4	138.5	151.7	160.3
Interest paid	(14.0)	(18.3)	(16.3)	(14.8)	(13.3)
Tax Paid	(3.2)	(30.5)	(23.1)	(29.7)	(33.1)
Working capital changes	(146.1)	10.5	(64.5)	7.5	(1.3)
Operating cash flow	**(54.5)**	**98.1**	**34.6**	**114.7**	**112.6**
Mtce capex	(20.1)	(22.8)	(32.0)	(36.6)	(25.0)
Free cash flow	**(74.6)**	**75.2**	**2.6**	**78.1**	**87.6**
Growth capex	0.0	0.0	0.0	0.0	0.0
Acquisitions/Disposals	(0.3)	0.0	21.1	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Cash flow pre financing	**(74.8)**	**75.2**	**23.7**	**78.1**	**87.6**
Equity	0.0	0.0	0.0	0.0	0.0
Debt	124.2	(98.2)	25.0	(50.0)	(30.0)
Dividends paid	(18.5)	(25.9)	(38.5)	(38.9)	(38.9)
Net change in cash	**30.9**	**(48.9)**	**10.2**	**(10.8)**	**18.6**
Balance sheet (A$m)					
Y/E 30 April	**FY2023**	**FY2024**	**FY2025F**	**FY2026F**	**FY2027F**
Cash	74.3	32.8	43.0	32.2	50.8
Accounts receivable	306.4	329.5	334.1	340.2	350.4
Inventory	569.9	675.9	634.2	614.9	633.5
Other current assets	0.6	2.7	2.7	2.7	2.7
Total current assets	*951.3*	*1,040.9*	*1,014.2*	*990.1*	*1,037.4*
PPE	270.1	253.0	264.3	280.3	284.7
Goodwillc& Intangibles	84.9	81.3	92.2	89.2	86.2
Investments	5.7	5.5	5.5	5.5	5.5
Deferred tax asset	14.6	22.1	22.1	22.1	22.1
Other non-current assets	0.5	0.0	0.0	0.0	0.0
Total non current assets	*375.8*	*361.9*	*384.1*	*397.1*	*398.5*
Total Assets	**1,327.1**	**1,402.8**	**1,398.3**	**1,387.1**	**1,435.9**
Accounts payable	238.1	252.6	256.1	260.7	268.6
Short term debt	299.1	146.0	171.0	121.0	91.0
Payable to Ricegrowers	112.5	243.5	138.4	128.0	147.6
Other current liabilities	50.6	43.8	44.3	44.9	45.9
Total current liabilities	*700.2*	*686.0*	*609.9*	*554.6*	*553.1*
Long term debt	66.7	110.5	110.5	110.5	110.5
Other non current liabs	3.5	3.0	41.0	44.5	50.3
Total long term liabilities	*70.2*	*113.6*	*151.6*	*155.1*	*160.9*
Total Liabilities	**770.4**	**799.5**	**761.4**	**709.7**	**713.9**
Net Assets	**556.7**	**603.3**	**636.9**	**677.5**	**721.9**
Share capital	152.5	161.5	161.5	161.5	161.5
Reserves	(11.6)	(5.6)	(5.6)	(5.6)	(5.6)
Retained profits	392.5	420.8	454.4	494.9	539.3
Minorities	23.2	26.7	26.7	26.7	26.7
Total Shareholder funds	**556.6**	**603.3**	**636.9**	**677.4**	**721.9**

Share price (20 December 2024)						A$10.25
Interim (A$m)	**1H23**	**2H23**	**1H24**	**2H24**	**1H25**	**2H25F**
Revenue	758.0	876.5	918.4	960.4	912.5	981.4
EBITDA	39.2	74.5	62.0	79.7	67.9	76.1
EBIT	25.3	60.0	48.0	64.9	52.8	60.8
NPAT (normalised)	16.1	40.3	28.9	47.1	31.9	37.8
Minorities	1.9	0.3	0.6	1.5	0.7	1.0
NPAT (Class B)	**14.3**	**40.0**	**28.3**	**45.6**	**31.2**	**36.8**
EPS (normalised)	0.23	0.64	0.44	0.71	0.48	0.57
EPS (reported)	0.23	0.64	0.44	0.71	0.48	0.57
Dividend (cps)	0.10	0.40	0.15	0.45	0.15	0.40
Imputation	30.0	30.0	30.0	30.0	30.0	30.0
Operating cash flow	(70.6)	22.0	81.9	21.5	96.4	na
Divisions	**1H23**	**2H23**	**1H24**	**2H24**	**1H25**	**2H25F**
EBITDA - Rice Pool	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA - International Rice	12.9	27.0	26.4	30.3	25.0	28.5
EBITDA - Rice Food	4.5	6.5	4.6	9.4	7.7	9.3
EDITDA - Riviana	2.1	4.2	1.8	5.3	3.6	6.0
EBITDA - CopRice	4.0	8.4	7.9	9.3	11.9	8.8
EBITDA - Corporate	15.6	28.4	21.2	25.5	19.7	23.5
TOTAL EBITDA	**39.2**	**74.5**	**62.0**	**79.7**	**67.9**	**76.1**
Costs - Raw materials	(433.7)	(530.5)	(554.3)	(579.1)	(539.0)	(605.4)
Costs - Freight and distributio	(113.3)	(112.6)	(100.0)	(106.3)	(98.9)	(101.1)
Costs - Employee benefits	(89.0)	(89.5)	(98.3)	(98.3)	(106.0)	(99.4)
Other Operating Costs	(82.6)	(72.8)	(104.2)	(96.6)	(100.7)	(96.0)
Margins, Leverage, Returns		**FY2023**	**FY2024**	**FY2025F**	**FY2026F**	**FY2027F**
EBITDA		7.0%	7.6%	7.6%	8.4%	8.6%
EBIT		5.2%	6.0%	6.1%	6.9%	7.1%
NPAT pre significant items		3.3%	3.9%	3.7%	4.3%	4.5%
Net (Debt) Cash		-291.4	-223.8	-238.5	-199.4	-150.7
Net debt/EBITDA (x)	(x)	2.6	1.6	1.7	1.3	0.9
ND/ND+Equity (%)	(%)	34.4%	27.1%	27.2%	22.7%	17.3%
EBIT interest cover (x)	(x)	6.1	6.2	7.0	8.7	10.3
ROA		6.4%	8.3%	8.2%	9.2%	9.7%
ROE		9%	11%	11%	12%	12%
ROIC		10%	13%	13%	15%	16%
NTA (per share)		7.2	7.8	8.0	8.7	9.4
Working capital		638.3	752.8	712.3	694.4	715.3
WC/Sales (%)		**39%**	**40%**	**38%**	**37%**	**37%**
Revenue growth		23%	15%	1%	-1%	3%
EBIT growth pa		30%	32%	2%	11%	7%
Pricing		**FY2023**	**FY2024**	**FY2025F**	**FY2026F**	**FY2027F**
No of shares (y/e)	(m)	62.7	63.9	64.9	64.9	64.9
Weighted Av Dil Shares	(m)	62.7	63.9	64.9	64.9	64.9
EPS Reported	cps	0.84	0.99	1.07	1.22	1.34
EPS Adjusted	cps	0.91	1.20	1.11	1.27	1.38
EPS growth (norm/dil)		10%	32%	-7%	14%	9%
DPS	**cps**	**0.50**	**0.60**	**0.55**	**0.60**	**0.65**
DPS Growth		25%	20%	-8%	9%	8%
Dividend yield		4.9%	5.9%	5.4%	5.9%	6.3%
Dividend imputation		30.0	30.0	30.0	30.0	30.0
PE (x)		11.2	8.5	9.2	8.1	7.4
PE market		16.0	16.0	16.0	16.0	16.0
Premium/(discount)		-30%	-47%	-42%	-50%	-54%
EV/EBITDA		8.2	6.2	6.3	0.0	0.0
FCF/Share	cps	(0.9)	1.5	0.5	1.8	1.7
Price/FCF share		(11.8)	6.7	19.2	5.8	5.9
Free Cash flow Yield		-8.5%	15.0%	5.2%	17.2%	16.9%

Source: Company data for actuals, RaaS estimates (FY2025f-FY2027f)

FINANCIAL SERVICES GUIDE
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Contact Details, BR and RaaS

BR Head Office: Level 1, 160 Edward Street, Brisbane, QLD, 4000 www.brsecuritiesaustralia.com.au

RaaS:. c/- Rhodes Docherty & Co Pty Ltd, Suite 1, Level 1, 828 Pacific Highway, Gordon, NSW, 2072.

P: +61 414 354712

E: finola.burke@raasgroup.com

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