

Ricegrowers Limited (SunRice)

H1 FY24 Result

Earnings visibility improves into FY26

Ricegrowers Limited, trading as SunRice (ASX:SGLLV), has released its H1 FY24 results, delivering RaaS adjusted EBITDA of \$69m (+68%) and adjusted NPAT of \$33.3m (+107%), both well above RaaS estimates of \$57.6m and \$25m respectively. Divisionally the key surprise was International, delivering adjusted EBITDA of \$33m, 125% above the PCP and 57% above RaaS estimates on the back of increases scale and reach, price increases and lower freight costs. Operating cash flow was the strongest since H2 FY18 despite a high tax payment as working capital improved from lower receivables and inventory reductions. Net debt as a result declined \$50m on the April 2023 level to \$240m. The company is guiding for 'continued growth in both revenue and profitability in the second half of the year' with seasonality 'proportionally lower' than that reported in FY23. Importantly, the H1 dividend was raised \$0.05/share to \$0.15/share and given growth forecasts for H2 we do not see a reduction in the \$0.40/share dividend paid in H2 FY23, implying an FY24 yield of at least 8.5% fully franked. Our Sum of The Parts valuation has increased from \$8.85/share to \$11.45/share on the back of changes in peer multiples and a move to FY24f 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 FMCG space.

Momentum set to continue albeit at a slower rate

Management has guided to continued growth in revenue and profitability in H2 FY24, albeit with seasonality 'proportionally lower' than that reported in FY23. Our numbers imply an EBITDA split of 48/52 in FY24 against an FY23 split of 36/64, and H2 FY24 EBITDA growth of just 2%. Increased scale and reach (International), higher bond-yields and branded sales (Corporate assets), and continued legacy business recovery at CopRice are all key drivers. Medium term, ample Riverina rice supply into FY26 from a combination of the recent harvest, upcoming harvests (aided by existing water supply) and the ability to carry forward stock provides further opportunities while covering allocated overheads. Stable bond yields and upside from a number of current headwinds provides further comfort for medium-term earnings visibility.

SoTP valuation \$11.45/share or \$735m market cap

Our preferred valuation method for SunRice is Sum of The Parts using adjusted consensus peer EBITDA multiples for FY24f. There are a number of listed peers with consensus data for comparison across the spread of SunRice businesses. Our SoTP valuation has increased from \$8.85/share to \$11.45/share due to the use of FY24 divisional estimates and higher multiples across the peer group, particularly GNC and ELD, which boosts our Corporate valuation. Our DCF as a sense check is \$10.90/share but is somewhat limited given long-term rice harvest visibility. The groups NTA was stated at \$7.61/share in October 2023.

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

Year end	Revenue	EBITDA adj.	NPAT adj.	EPS adj.	PER (x)	Dividend yield (%)
04/22a	1,331.1	90.2	47.1	0.81	8.0	6.2
04/23a	1,634.4	115.1	55.7	0.93	6.9	7.7
04/24f	1,845.3	144.2	71.9	1.18	5.5	8.5
04/25f	1,854.4	149.9	78.6	1.26	5.1	8.5

Source: Actual FY22 and FY23, RaaS estimates FY24f and FY25f; EBITDA, NPAT and EPS adjusted for one-time, non-recurring and non-cash items

FMCG/Agriculture

20 December 2023

Share Details

ASX code	SGLLV
Share price (19-Dec)	\$6.47
Market capitalisation	\$412.0M
Shares on issue	64.4M
Net debt at 31-Oct-23	\$240.0M
Free float	~98%

Share Performance (12 months)



Upside Case

- Stability in water availability and pricing
- EPS-accretive acquisitions
- New product launches and new market opportunities across the portfolio

Downside Case

- A return to drought conditions in the Riverina
- Customers claiming a share of cost reductions
- Long-term viability of Australian rice production

Company Interview

[SunRice RaaS Interview 20 December 2023](#)

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

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H1 FY24 Result Summary

- Continued availability of Riverina rice and strong sales into the Middle East and Asia resulted in +34% increase in **Rice Pool** revenue, fully covering allocated overheads;
- International** revenue increased 26%, also on the back of the continued availability of Riverina rice, sourcing opportunities in a complex rice market (drought, export bans, currency), and generally higher sell prices. Adjusted EBITDA was 126% above H1 FY23 on the back of lower freight costs and higher prices. Trukai EBITDA was above H1 FY23 when adjusted for FX losses (we have assumed all the \$6.6m in FX losses are Trukai given the recent ~10% depreciation of the Kina against the USD);
- Rice Food** revenue increased 5%, mainly on the back of price increases. EBITDA increased 1%, impacted by price competition from supermarket private labels;
- Riviana Foods** revenue increased 4% on the back of price increases. EBITDA declined 14% off a low base on the back of higher marketing spend (which should benefit H2 FY24), competition and some non-recurring costs;
- CopRice** delivered revenue growth of 16%, on the back of continued market-share and efficiency gains for the legacy business. EBITDA increased 95% to \$7.9m due to margin mix, lower costs and resulting operating leverage;
- Corporate EBITDA increased 36%** as higher 10-year bond yields result in further adjustments to the WACC requirements for the division's assets, and higher branded sales boosted brand license fees;
- Interest expense** increased materially on the back of higher average debt (inventory rebuild) and higher interest costs (a higher BBSW). Much of this increase was recouped in Corporate.

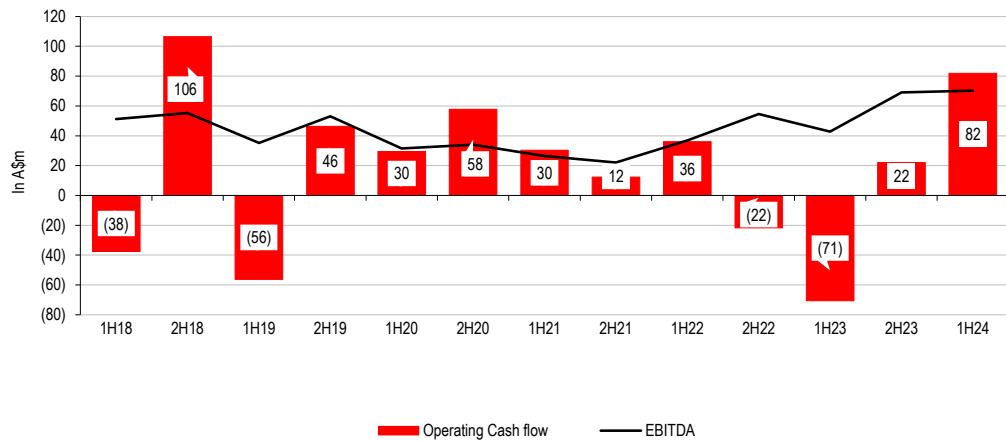
Exhibit 1: SGLLV H1 FY24 result (in A\$m unless otherwise stated)

Variable (A\$000')	H1 FY23	H1 FY24	% Chg	Comments
Revenue	755.8	915.9	21	
Rice Pool	145.8	195.5	34	Higher selling prices aided by lower AUD
International	334.8	420.9	26	Higher rice prices globally and increases scale/reach
Rice Food	55.8	58.8	5	
Riviana Foods	107.3	111.2	4	
CopRice	112.1	129.5	16	Price increases and market share gains
Gross profit	324.3	364.5	12	
GP margin %	42.9%	39.8%		
Operating costs	(283.3)	(296.0)	4	
Underlying EBITDA	41.0	68.6	67	\$63m reported
Rice Pool	0.0	0.0		
International	14.6	33.0	126	
Trukai (PNG)	7.0	10.0	42	Assumes 100% of \$6.6m FX loss is Trukai
Balance	7.5	23.0	205	Rice prices and lower freight costs
Rice Food	4.5	4.6	1	
Riviana	2.1	1.8	(14)	Lower than forecast, FX impacting COGS
CopRice	4.0	7.9	95	Legacy business continues to improve
Corporate	15.6	21.2	36	Higher WACC (bond yields), excludes property sale
D&A	(13.9)	(14.0)		
EBIT	27.1	54.6	101	
Interest expense	(4.9)	(10.0)		Higher interest rates and working capital
PBT	22.2	44.6	101	
Tax	(4.3)	(9.1)		
Outside equity	1.9	2.6		Adjusted for assumed Trukai FX loss
Adj. NPAT	16.1	32.9	105	
Abnormals/adjustments	1.6	(3.0)		FX losses and property profits tax adjusted
Reported NPAT (B-Class)	17.7	30.0	69	

Source: Company announcements and RaaS estimates

Importantly, operating cash flow was the strongest since H2 FY18 at \$82m as inventory from the harvest rebuild over the past three years stabilises. Net debt as a result declined \$50m over the past six months, with no material increase expected going forward.

Exhibit 2: SGLLV reported operating cash flow by half year (\$Am)



Source: Company financials

H2 FY24 & FY25 Outlook

Key considerations for H2 FY24 and FY25 include:

- **The size of the CY24 harvest for sale in FY25/FY26 is likely to be higher than the 'Goldilocks' ~500k Paddy Tons of CY23.** Water availability across the Riverina and current rice prices are also supportive of a similar size harvest in CY25, for sale in FY26/FY27.

The ability to carry forward stock adds to the medium-term security of rice supply and therefore coverage of overheads well into FY27 and allows the group to explore opportunities around the UK free trade agreement and other country tenders with confidence.

- **Freight-induced earnings declines in H2 FY23** across the International and Riviana divisions will provide support for these divisions in H2 FY24, particularly Riviana.
- **Stable 10-year bond yields**, which is a key driver for the return requirements of the Corporate division (essentially its WACC) in the provision of assets and services, and associated funding costs.

H2 FY23 saw a 'catch-up' in WACC charges for the year as bond yields rose rapidly and as a result incorporated some of the H1 FY23 catch-up in H2. This is the main reason RaaS H2 Corporate FY24 EBITDA estimates are below H2 FY23.

- **The global supply/demand equation for rice.** Higher rice prices are generally positive for the Rice Pool and International division notwithstanding some challenges around price pass through and competition from alternate grains. There is some weakness in premium US medium-grain number 1 grade (the most equivalent to Australian rice) with the US CY23 crop just harvested ~37% higher than CY22 on the back of abundant rain and snow filling catchments.

This could limit the Paddy Price and require International to source new markets for some current US volume, while facing additional competition from US exports (mainly in the Middle East).

- **The working capital position and impact on debt levels heading into FY25.** Assuming a slightly higher harvest in CY24 we expect modest increases in working capital in FY24 and FY25 and debt levels to remain in a range of \$200m-\$230m in FY25.

- **The proposed Trukai acquisition** has yet to receive regulatory approval and as a result we have elected to back out the assumed acquisition from our numbers. This has reduced EPS by 3%-4% and we will await approval before reincorporating.

With the Kina/USD only recently depreciating (July-October 2023) further FX losses (which we treat abnormal) are likely in H2 FY24, while Trukai could see some margin pressure at the COGS line.

- **Dividend.** SGLLV has a history of not reducing dividends once instated, so we view the \$0.40/share final dividend declared in FY23 as at least repeatable in FY24. Adding the FY24 interim dividend of \$0.15/share we now estimate \$0.55/share in dividends for FY24 or a fully franked yield of 8.6%.

A summary of group earnings changes considering the above is tabled below.

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

Variable	FY24f	FY25f	FY26f	Comments
Revenue				
Previous	1,761	1,805	1,709	Mainly International
Revised	1,845	1,854	1,797	
% CHG	5	3	5	
Adj. EBITDA				
Previous	137.9	142.6	129.2	All divisions contribute
Revised	144.2	149.9	146.5	
% CHG	5	5	13	
Adj. EPS				
Previous	1.14	1.21	1.23	
Revised	1.18	1.26	1.23	
% CHG	3	4	0	

Source: RaaS estimates

Implied H2 FY24 earnings by division is tabled below, with our assumptions now implying 48%/52% earnings split (FY23 36%/64%) and just 2% EBITDA growth, impacted predominantly by the cycling of a large WACC adjustment in the Corporate division in H2 FY23.

Exhibit 4: SGLLV H2 FY24 RaaS estimates (in A\$m unless otherwise stated)

Variable (A\$000')	H2 FY23	H2 FY24f	% Chg	Comments
Revenue	878.7	929.4	6	Growth but lower than H1
Rice Pool	189.5	158.8	(16)	
International	400.2	463.5	16	
Rice Food	57.2	60.4	6	
Riviana Foods	107.7	114.6	6	
CopRice	124.0	132.1	7	
Gross profit	349.2	360.2	3	
GP margin %	39.7%	38.7%		
Operating costs	(275.2)	(284.6)	3	
Underlying EBITDA	74.0	75.6	2	Growth but lower than H1
Rice Pool	0.0	0.0		
International	26.7	29.6	11	Continued cost recovery
Trukai (PNG)	3.9	4.3		Well below adjusted H1 FY24
Balance	22.8	25.3		Could prove conservative given H1
Rice Food	6.5	6.7	3	Competition remains strong
Riviana	4.2	5.2	24	Benefits from marketing and cost recovery
CopRice	8.4	9.0	7	Turnaround continues
Corporate	28.4	25.1	(12)	H2 FY23 included some 'catch-up' in WACC recovery
D&A	(14.4)	(14.2)		Lower than previous forecast
EBIT	59.5	61.4	3	
Interest expense	(9.1)	(10.3)		
PBT	50.4	51.1	1	
Tax	(10.6)	(12.0)		
Outside equity	0.3	0.2		
Adj. NPAT	39.5	38.9	(1)	
Abnormals	(4.9)	(2.8)		Mainly FX losses
Reported NPAT (B-Class)	34.6	36.1	4	

Source: Company announcements and RaaS estimates

Global rice pricing

Global rice production will reach a record 517.8m tons in 2023/24 according to the USDA' November Rice Crop report, up 0.8% on 2022/23.

Global domestic and residual use is projected at a record 525.2m tons in 2023/24, up 0.5% on 2022/23. The major driver is an extension in India's free food grain plan for fiscal year 2024 (April-March). More than 813m residents are eligible for this plan under the National Food Security Act.

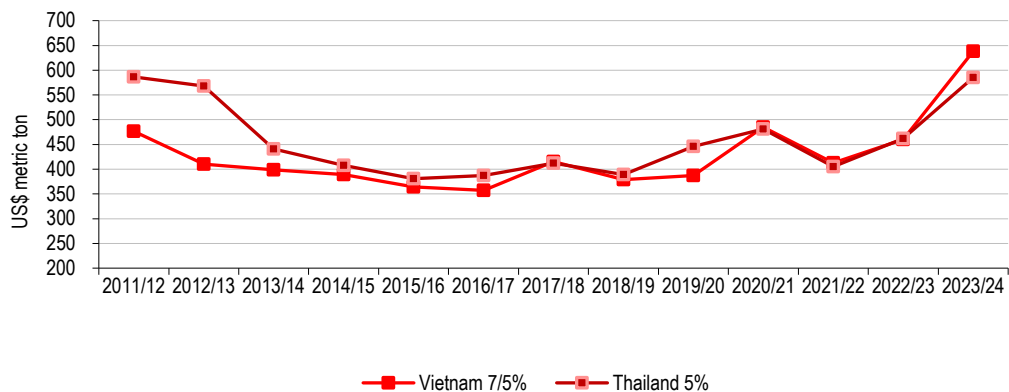
Global stock levels as a result have declined to a six-year low of 167.4m tons, according to the USDA.

The global export market has been disrupted by the ban on Indian exports (ex-Basmati) since July 20, 2023. India is the world's largest exporter of rice, leaving Vietnam, Thailand, Pakistan and the US to take up some slack.

Prices as a result have increased across most grades over the past six months, in particular:

- **Thailand 5% broken prices are up 20% on the average 2022/23 price**, primarily in response to India's export restrictions on regular milled white rice.
- **Vietnam 5% broken prices are up 40% on the average 2022/23 price**, the highest since 2008 and aided by tight supply, rising costs and increased demand, again in response to Indian restrictions.

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

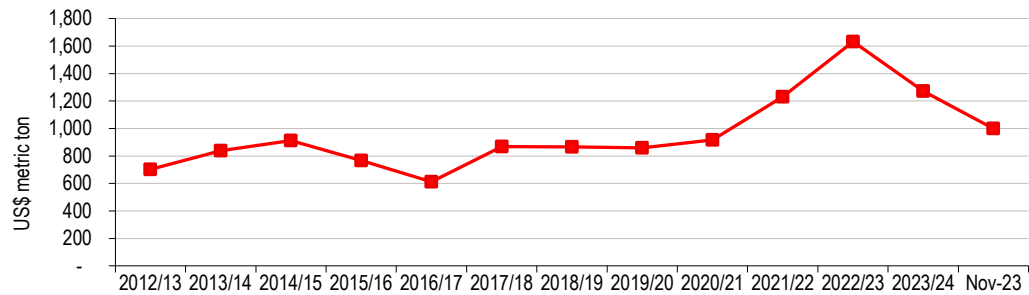


Source: USDA November 2023 Rice Crop report

US medium grain rice prices have been the exception, with:

- **Californian medium-grain Number-1 Grade 4% broken**s, a proxy for Australian rice, well off the record highs (~\$1,650/ton) seen over 2022/23, down to \$1,000/ton in November 2023 as US rice production is forecast to increase 37%, with growth in medium grain closer to 110% coming off years of extreme drought.
- **US long-grained milled rice, Number 2 grade 4%-broken** kernels (Iraq specifications), has been trading at US\$760/ton since February 2023, which remains around the 2008 highs.

Exhibit 6: US medium Grain Number 1 Grade 4% Broken (US\$)



Source: USDA

Peer Comparisons

Our assessed peer group for SGLLV has most of the following characteristics:

- Exposure to an agricultural cycle;
- Base product is essentially a commodity;
- An owner of market-leading FMCG brands sold into major supermarkets;
- Material infrastructure ownership; and
- Australian listed.

Key domestic and international peers that satisfy some or all of these requirements are listed in the peer comparison table below.

Exhibit 7: Peer group financial comparison – FY24 (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)	FY23 Working capital /Rev (%)	Debt/ EBITDA (x)
Treasury Wines	TWE	\$10.62	7,666	2,669	754.9	433.1	0.60	10.2	36	1.8
Select Harvest #	SHV	\$3.03	366	250	24.6	3.0	0.02	14.9	31	7.7
PEERS USED										
Elders #	ELD	\$7.38	1,651	6,366	300.4	122.1	0.55	5.5	14	1.2
Costa Group ^	CGC	\$7.66	1,197	3,236	174.6	100.4	0.64	6.9	19	2.7
Bega Cheese	BGA	\$3.11	1,445	1,460	186.9	30.0	0.06	7.7	2	1.9
Ridley	RIC	\$3.51	1,067	3,388	140.0	40.3	0.13	7.6	7	1.5
Select Harvests #	SHV	\$2.60	831	1,283	90.7	45.5	0.14	9.2	3	0.3
Lynch Group	LGL	\$1.70	208	400	34.9	16.6	0.14	5.9	(3)	0.5
PEER AVERAGE								7.1	13	2.2
FMCG AVERAGE								7.7	15	1.7
SunRice *	SGLLV	\$6.47	412	1,634	111.2	55.7	0.93	3.7	28	1.8
Ebro Foods (€) ^	EBRO:SM	15.22	2,341	3,097	355.0	190.0	1.24	6.6	28	1.6

Sources: Company financials, Refinitiv Eikon; Prices 15 December 2023; # Sept year-end; * April year-end; ^ Dec year-end; ## Adj. EBITDA adds back RoU/rental expense (Pre-AASB16)

Looking at SGLLV relative to the domestic peer group, we would highlight the following:

- Trading at a 48% discount to peers on an EBITDA multiple (subtracting rent paid), 32% discount on an EV/EBITDA multiple, and 68% PER multiple discount using FY24 consensus data;
- Working capital to revenue for SGLLV at the higher end of peers;

- Debt to EBITDA is at the higher end of peers due to the working capital requirements of recent harvests;
- Capex to revenue and capex to core PP&E depreciation at the lower end of peers despite significant PP&E (low-maintenance assets); and
- The highest yield in the sector at 8.5% against a peer average of 3.0%.

Valuation

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).

We have previously used TWE as a peer but have taken it out of calculations due to market capitalisation, while we continue to exclude SHV metrics due to the distortion of arguably bottom-of-cycle metrics.

The table below presents a Sum of The Parts (SoTP) valuation for SunRice using EBITDA multiples, derived from FY24 consensus estimates adjusted for rental expense/RoU (subtracted from EBITDA), and then applied to RaaS FY24(f) adjusted SGLLV divisional EBITDA:

- A 7.7x EBITDA multiple for FMCG businesses, in-line with the average of the FMCG businesses in the peer group (BGA and CGC). The CGC multiple could be considered a takeover premium;
- A 6.2x 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;
- A 9.2x multiple for CopRice, in-line with RIC metrics which is essentially 100% animal feed; and
- A 7.1x EBITDA multiple for International, which is the average of the peer group. It should be noted the tax rate of this business is forecast to be well below peer averages.
- Actual October 2023 debt levels, which RaaS believes are reflective of ongoing sustainable debt levels given the harvest outlook.

The net result is an increase in our SoTP valuation from \$8.85/share to \$11.45/share. The main driver is a higher multiple for the Corporate division as both GNC and ELD earnings normalise (downward) but share prices hold and/or increase. Most multiples have increased in recent months.

Exhibit 8: SGLLV Sum of The Parts valuation – FY24 A\$m unless otherwise stated

Division	FY24 adj. EBITDA	Adj. EBITDA multiple (x)	Valuation	Comments
International	61.5	7.1	437	Peer Average
Rice Food	11.1	7.7	85	CGC/BGA average
Riviana Foods *	6.8	7.7	52	CGC/BGA average
CopRice	16.1	9.2	148	RIC
Corporate	44.7	6.2	277	ELD/GNC average
Less				
33.8% of Trukai	4.3	7.1	-31	Subtracting 33.8% outside interest
Net debt (Oct-23)			-240	
VALUATION			729	
Shares on issue			64	

EQUITY VALUE **\$11.45** **Up from \$8.85**

Source: Company announcements and RaaS estimates

Investment Case Revisited

The investment case for SunRice B-Class shareholders is managing a sweet spot in Riverina rice harvest volumes over the next three years, recouping significant freight costs, and growing the footprint of key 'profit businesses' both organically and via acquisition:

- RaaS now forecast a sustainable **dividend of \$0.55/share**, implying a fully franked dividend yield of 8.6%. History says that the company does not cut dividends once set.
- **Continued availability of Riverina rice** opens up international export opportunities while at the same time covering the overhead charge for the Rice Pool. A likely CY24 harvest (for sale in FY25) of >500k Paddy Tons together with the 500k Paddy Ton harvest in CY23 is seen as a 'Goldilocks' level, and with significant water storage capacity in the Riverina and the ability to carry forward stock, supply looks strong into at least FY27.
- **Global rice markets remain supportive** for Australian rice demand and general sourcing opportunities for International over coming years with overall global stock levels forecast to be the lowest in six years. New opportunities also exist in the UK (Free Trade Agreement) and Japan.
- **Cost recovery opportunities** remain for freight and distribution in H2 FY24, particularly for the International and Riviana divisions. Riviana would also benefit from a higher AUD (COGS).
- **Improved return rates should continue for the Corporate division** (31% of FY24f EBITDA) as higher 10-year bond rates drive higher return requirements from the group's infrastructure due to an increased WACC.
- **EPS-accretive acquisitions in the branded FMCG space** are likely to 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, promising more material EPS accretion.
- **SGLLV is trading at a material discount to selected ASX peers** on key metrics including EV/adjusted EBIT, EV/EBIT, and PER using FY24f consensus forecasts against RaaS FY24 divisional estimates.
- **Our Sum of The Parts valuation is \$11.45/share, offering 77% upside.**

Exhibit 9: SGLLV Financial Summary

Ricegrowers t/a SunRice						Share price (19 December 2023)						A\$ 6.47
Profit and Loss (A\$m)						Interim (A\$m)						
Y/E 30 April	FY2021	FY2022	FY2023	FY2024	FY2025	1H22	2H22	1H23	2H23	1H24	2H24F	
A	A	A	F	F								
Revenue	1,022.2	1,331.1	1,634.4	1,845.3	1,854.4	Revenue	563.3	767.7	758.0	876.5	918.8	930.0
EBITDA	47.5	90.2	115.1	144.2	149.9	EBITDA	36.4	53.7	40.9	74.2	68.6	75.6
Depn	(23.2)	(23.5)	(25.4)	(25.1)	(25.3)	EBIT	23.6	40.4	27.0	59.7	54.6	61.4
Amort	(1.7)	(2.7)	(2.9)	(3.0)	(3.0)	NPAT (normalised)	16.3	32.0	17.8	40.0	35.5	39.2
EBIT	22.6	64.0	86.7	116.0	121.6	Minorities	(0.1)	1.3	1.9	0.3	2.6	0.2
Interest	(4.8)	(4.8)	(14.0)	(20.3)	(17.8)	NPAT (Class B)	16.4	30.7	16.0	39.7	32.9	39.0
Tax	(0.8)	(10.9)	(14.9)	(21.1)	(22.8)	EPS (normalised)	0.27	0.50	0.25	0.63	0.52	0.61
Minorities	2.5	(1.2)	(2.2)	(2.8)	(2.3)	EPS (reported)	0.27	0.50	0.25	0.63	0.52	0.61
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Dividend (cps)	0.10	0.30	0.10	0.40	0.15	0.40
NPAT pre significant it	19.5	47.1	55.7	71.9	78.6	Imputation	30.0	30.0	30.0	30.0	30.0	30.0
Significant items	1.3	0.4	(3.2)	(5.7)	0.0	Operating cash flow						
NPAT (Reported)	20.8	47.6	52.5	66.1	78.6	Free Cash flow						
Cash flow (A\$m)						Divisions						
Y/E 30 April	FY2021	FY2022	FY2023	FY2024	FY2025	1H22	2H22	1H23	2H23	1H24	2H24F	
EBITDA (less rent)	43.3	86.3	110.2	139.2	144.7	EBITDA - Rice Pool	0.0	0.0	0.0	0.0	0.0	0.0
Interest paid	(4.8)	(4.8)	(14.0)	(20.3)	(17.8)	EBITDA - International Rice	16.3	25.7	14.6	26.7	33.0	29.6
Tax Paid	(5.6)	(6.1)	(3.2)	(25.0)	(21.9)	EBITDA - Rice Food	3.5	4.4	4.5	6.5	4.6	6.7
Working capital changes	5.6	(57.1)	(146.1)	14.7	(27.4)	EDITDA - Riviana	6.7	7.3	2.1	4.2	1.8	5.2
Operating cash flow	38.5	18.2	(53.1)	108.6	77.6	EBITDA - CopRice	(2.2)	1.7	4.0	8.4	7.9	9.0
Mtce capex	(17.6)	(16.5)	(20.1)	(21.1)	(22.1)	EBITDA - Corporate	12.1	14.7	15.6	28.4	21.2	25.1
Free cash flow	20.9	1.7	(73.2)	87.5	55.4	TOTAL EBITDA	36.4	53.7	40.9	74.2	68.6	75.6
Growth capex	0.0	0.0	0.0	0.0	0.0	Costs - Raw materials	(339.3)	(484.1)	(433.7)	(530.5)	(554.3)	(569.9)
Acquisitions/Disposals	(66.2)	(37.5)	(0.3)	0.0	0.0	Costs - Freight and distributio	(54.4)	(92.5)	(113.3)	(112.6)	(100.0)	(102.0)
Other	0.0	0.0	0.0	0.0	0.0	Costs - Employee benefits	(73.4)	(75.3)	(89.0)	(89.5)	(98.3)	(98.0)
Cash flow pre financin	(45.3)	(35.8)	(73.4)	87.5	55.4	Other Operating Costs	(61.5)	(67.9)	(81.0)	(73.1)	(97.6)	(84.6)
Equity	0.0	0.0	0.0	0.0	0.0	Margins, Leverage, Returns		FY2021	FY2022	FY2023	FY2024	FY2025
Debt	58.0	56.3	124.2	(70.0)	(10.0)	EBITDA		4.6%	6.8%	7.0%	7.8%	8.1%
Dividends paid	(14.5)	(19.8)	(18.5)	(28.1)	(28.7)	EBIT		2.2%	4.8%	5.3%	6.3%	6.6%
Net cash flow for year	(1.8)	0.6	32.3	(10.7)	16.8	NPAT pre significant items		1.9%	3.5%	3.4%	3.9%	4.2%
Balance sheet (A\$m)						Net Debt (Cash)		-147.9	-197.8	-291.4	-230.8	-204.1
Y/E 30 April	FY2021	FY2022	FY2023	FY2024	FY2025	Net debt/EBITDA (x)	(x)	3.1	2.2	2.5	1.6	1.4
Cash	23.5	42.6	74.3	64.9	81.6	ND/ND+Equity (%)	(%)	24.3%	28.1%	34.4%	28.0%	24.1%
Accounts receivable	175.8	260.0	306.4	351.7	354.6	EBIT interest cover (x)	(x)	4.7	13.3	6.2	5.7	6.8
Inventory	375.7	525.0	569.9	626.2	631.4	ROA		2.6%	6.0%	6.9%	8.5%	8.5%
Other current assets	4.3	3.5	0.6	0.6	0.6	ROE		5%	10%	10%	11%	13%
Total current assets	579.4	831.1	951.3	1,043.5	1,068.3	ROIC		5%	15%	17%	20%	23%
PPE	262.3	267.6	270.1	271.1	273.1	NTA (per share)		7.2	7.4	8.0	8.6	9.4
Goodwill & Intangibles	58.5	85.7	84.9	81.9	78.9	Working capital		407.6	567.3	638.3	704.7	710.5
Investments	5.4	5.6	5.7	5.7	5.7	WC/Sales (%)		40%	43%	39%	38%	38%
Deferred tax asset	15.9	8.5	14.6	14.6	14.6	Revenue growth		-8%	30%	23%	13%	0%
Other non-current assets	0.3	0.3	0.5	0.0	0.0	EBIT growth pa		-55%	183%	35%	34%	5%
Total non current assets	342.4	367.7	375.8	373.2	372.2	Pricing		FY2021	FY2022	FY2023	FY2024	FY2025
Total Assets	921.8	1,198.8	1,327.1	1,416.7	1,440.5	No of shares (y/e)	(m)	60.0	61.8	62.7	63.7	64.6
Accounts payable	143.9	217.7	238.1	273.2	275.5	Weighted Av Dil Shares	(m)	60.0	61.8	62.7	63.7	64.6
Short term debt	85.0	125.1	299.1	229.1	219.1	EPS Reported	cps	0.34	0.76	0.82	1.02	1.20
Payable to Ricegrowers	112.5	200.1	112.5	193.6	172.0	EPS Adjusted	cps	0.35	0.81	0.93	1.18	1.26
Other current liabilities	28.0	30.0	50.6	55.1	55.4	EPS growth (norm/dil)		-27%	128%	16%	26%	7%
Total current liabilities	369.4	572.8	700.2	751.0	722.0	DPS	cps	0.33	0.40	0.50	0.55	0.55
Long term debt	86.5	115.3	66.7	66.7	66.7	DPS Growth		0%	21%	25%	10%	0%
Other non current liabs	4.9	5.3	3.5	5.0	8.7	Dividend yield		5.1%	6.2%	7.7%	8.5%	8.5%
Total long term liabilities	91.4	120.6	70.2	71.7	75.4	Dividend imputation		30.0	30.0	30.0	30.0	30.0
Total Liabilities	460.8	693.4	770.4	822.7	797.4	PE (x)		18.3	8.0	6.9	5.5	5.1
Net Assets	461.1	505.3	556.7	594.0	643.1	PE market		16.0	16.0	16.0	16.0	16.0
Share capital	134.6	142.5	152.5	158.7	164.8	Premium/(discount)		14%	-50%	-57%	-66%	-68%
Reserves	(5.5)	(21.4)	(11.6)	(11.6)	(11.6)	EV/EBITDA		11.3	6.6	6.1	4.5	4.2
Retained profits	315.1	364.8	392.5	423.6	466.7	FCF/Share	cps	0.6	0.3	(0.8)	1.7	1.2
Minorities	16.9	19.4	23.2	23.2	23.2	Price/FCF share		10.1	21.9	(7.6)	3.8	5.4
Total Shareholder func	461.1	505.3	556.6	593.9	643.2	Free Cash flow Yield		9.9%	4.6%	-13.1%	26.4%	18.6%

Source: Company data for actuals, RaaS estimates

FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

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Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

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- how we transact with you
- how we are paid, and
- complaint processes

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