

### Moving valuation to FY25f consensus

We update our Sum of The Parts (SoTP) valuation for Ricegrowers Limited, trading as SunRice (ASX:SGLLV), as we move from FY24 estimates/consensus data to FY25. The result is a modest reduction in valuation from \$12.67/share to \$12.32/share, mainly due to higher EPS growth forecasts for the likes of (ASX:GNC), (ASX:BGA) and (ASX:ELD), lowering the effective multiple applied to the relevant SGLLV divisional EBITDA. A deeper dive into the recent EPS growth history of the RaaS selected peer group suggests only four peers (including SGLLV) have not had or forecast to have an EPS decline between FY23a-FY26f, with these four also topping the Cumulative Average Growth Rate (CAGR) over the same timeframe. Three peers are forecast to deliver negative CAGR over the same period [(ASX:GNC), (ASX:ELD) and (ASX:LGL)]. At its recent AGM, SGLLV – as part of its 2030 Growth Strategy – has set a revenue target of \$3b, which implies CAGR revenue growth of 8.2% from a base of \$1.87b in FY24. Improved profit margins are also expected. Given the FY23a-FY26f growth rates and current balance sheet strength this target looks achievable to us. We take the opportunity to provide an update of the current rice market dynamics, with little change over the past six months leading to a relative stable price environment.

### 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.

### CAGR EPS growth observations – FY23a–FY26f

In moving our consensus valuation year from FY24 to FY25, we look back on selected RaaS peer EPS growth trends over the past four years (FY23a-FY26f inclusive). Only four stocks including SGLLV [the others (ASX:TWE), (ASX:RIC) and (SB:EBRO)] have not or are not forecast to have a down year during this period. Three stocks have/are forecast to deliver negative CAGR over this period [(ASX:GNC), (ASX:ELD) and (ASX:LGL)] while the best CAGR growth rates across the peer group range between 8% and 12%, with SGLLV sitting within this range at 9%. Significant EPS growth is forecast for most peers in FY25 off an implied low base in FY24, including (ASX:BGA) (+82%), (ASX:GNC) (+68%) and (ASX:ELD) (+46%).

### SoTP valuation \$12.32/share or \$797m market cap

Our preferred valuation method for SunRice is a Sum of The Parts (SoTP) using adjusted consensus peer EBITDA multiples. There are a number of listed peers with consensus data for comparison across the spread of SunRice businesses. Our SoTP valuation has reduced to \$12.32/share (from \$12.67/share) as we switch to FY25 consensus numbers/RaaS estimates from FY24. Our discounted cash flow (DCF) calculation as a sense check is \$12.00/share (previously \$10.90/share), supported by the group's 2030 revenue target (implying ~8% CAGR revenue growth). The group's Net Tangible Assets (NTA) were stated at \$7.75/share in April 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	9.6	5.7
04/24a	1,874.2	141.7	73.9	1.20	7.3	6.8
04/25f	1,855.0	145.3	75.2	1.21	7.3	6.3
04/26f	1,830.0	151.4	81.4	1.30	6.7	6.3

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

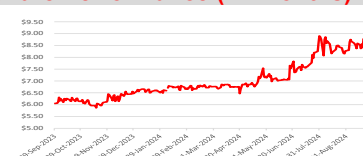
### FMCG/Agriculture

30 September 2024

#### Share Details

ASX code	SGLLV
Share price (27 Sept)	\$8.78
Market capitalisation	\$568.5M
Shares on issue	64.7M
Net debt at 30-Apr-24	\$223.8M
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

#### 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

## Peer Group CAGR EPS FY23a-FY26f

In moving estimates and consensus forecasts used for valuation from FY24a to FY25f for selected peers we have taken the opportunity to look at the recent history (FY23a-FY26f) of EPS growth, incorporating two years actual and two years forecast. Key points of note include:

- Only four stocks including SGLLV [the others (ASX:TWE), (ASX:RIC) and (SB:EBRO)] have not or are not forecast to have a down EPS year during this period;
- These four stocks also delivered the highest CAGR of the peer group over the period at between +9% and +12%;
- Three stocks have/are forecast to deliver negative CAGR over this period [(ASX:GNC), (ASX:ELD) and (ASX:LGL)];
- Significant EPS growth is forecast for most of the peers in FY25 off an implied low base in FY24, including (ASX: LGL) (264%), (ASX:BGA) (+82%), (ASX:GNC) (+68%) and (ASX:ELD) (+46%); and
- The higher earnings growth of the four stocks above lower the implied multiples for FY25 applied to the relevant divisions of SGLLV to derive our SoTP valuation.

Exhibit 1 below summarises the EPS growth between FY23a and FY26f, and the implied CAGR over the period.

**Exhibit 1: SGLLV and peer group EPS growth – FY23-FY26f (% growth on pcp)**

Company	FY23a	FY24a	FY25f	FY26f	CAGR (%)
EBRO Foods (EBRO)	53	5	2	5	12
Treasury Wines (TWE)	17	1	18	15	10
<b>SunRice (SGLLV)</b>	<b>10</b>	<b>32</b>	<b>1</b>	<b>8</b>	<b>9</b>
Ridley (RIC)	17	2	16	10	9
Bega (BGA)	(38)	1	82	31	8
Lynch Group (LGL)	(37)	(74)	264	50	(2)
Elders (ELD)	(32)	(35)	46	10	(7)
Graincorp (GNC)	(33)	(71)	68	(4)	(20)

Source: LSEG consensus estimates and RaaS estimates (SGLLV)

At its recent AGM<sup>1</sup>, SGLLV – as part of its 2030 Growth Strategy – has set a revenue target of \$3b (by 2030), which implies CAGR revenue growth of 8.2% from a base of \$1.87b in FY24, with improved profit margins.

In the context of FY23a-FY26f EPS growth rates (9% for SGLLV) and the current balance sheet strength of SGLLV this target looks achievable to us.

## FY25 SGLLV Earnings Outlook

Management is aiming for a 'repeatable' result in FY25 relative to the strong result delivered in FY24, with RaaS forecasting 1% adjusted EPS growth in FY25. Key supporting factors including:

- **Ample carryover rice volumes and harvest profile**, covering allocated group overheads well into FY27, reducing one of the key risks for the business.

With so much carry forward stock SGLLV management has strongly advised growers to reduce the CY25 crop by 30% to ensure a balanced supply and demand.

<sup>1</sup> 3 September 2024

- **Stable 10-year bond yields**, which is a key driver for the return requirements of the Corporate division (essentially its WACC and infrastructure use respectively) in the provision of assets and services and funding costs, supportive of stable corporate earnings (~32% of group EBITDA).
- **The global supply/demand equation for rice remains stable**, with the price of Thailand/Vietnam rice relatively stable over the past 15 months following a spike in FY23, notwithstanding some challenges around price pass through in some economically challenged regions, particularly across the Pacific Islands (46% of international rice revenue in FY24).

Any loosening of the ban on non-Basmati Indian rice exports is likely to improve sourcing opportunities for international while lowering global rice prices and resulting margin pressure.

- **Mix initiatives still playing out**. With branded sales now 70% of total revenue, most divisions still have initiatives in place to increase the branded mix and as a result margin opportunity. CopRice (equine/companion animal vs. stockfeed), Rice Food (new products) and new brands in international are divisional examples.

### Global rice market update

According to the latest United States Department of Agriculture (USDA) rice crop report (September 2024<sup>2</sup>) global rice production will reach a record 527.3m tons in 2024/25, 1.3% above the 520.6m tons in 2023/24.

Global domestic and residual use is projected at a record 527.5m tons in 2024/25, up 0.6% on 2023/24.

Global stock levels as a result are projected at 172.2m tons, according to the USDA, the fourth consecutive year of decline.

The global export market (and SGLLV's International division) 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 of the slack.

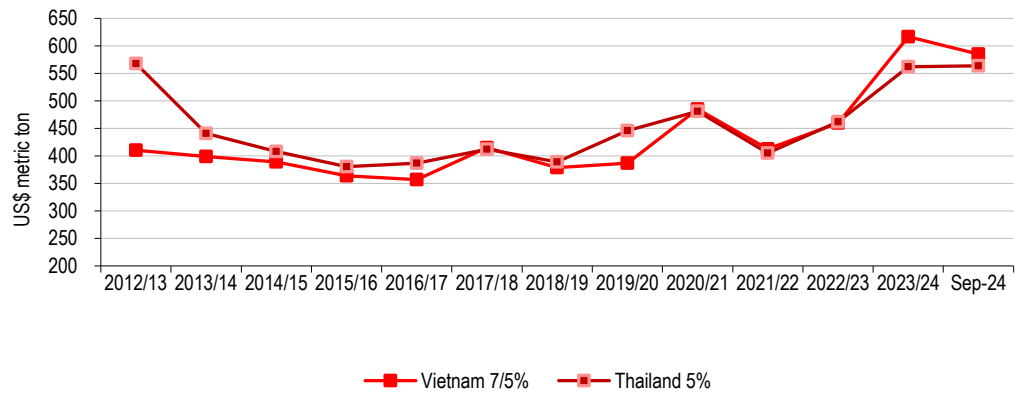
Prices as a result have increased across most grades, but have been relatively stable over the past 15 months, with:

- **Thailand 5% broken prices are up 22% 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 27% 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.

---

1 [www.ers.usda.gov/publications/pub-details/?pubid=110027](http://www.ers.usda.gov/publications/pub-details/?pubid=110027)

**Exhibit 2: Thailand and Vietnam 5% broken prices (US\$)**



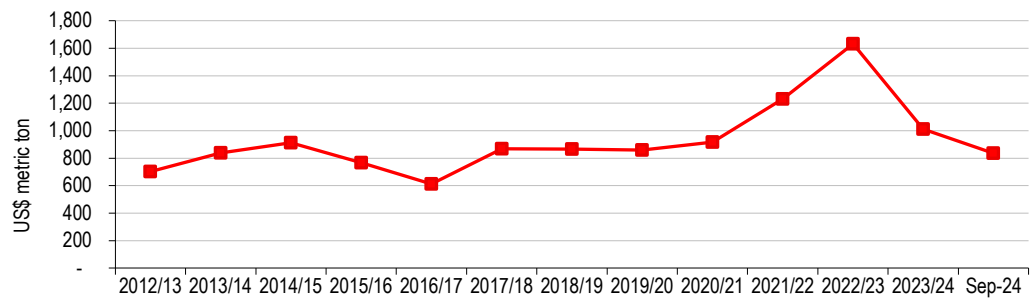
Source: USDA September 2024

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

- **Californian medium-grain Number-1 Grade 4% broken**, a proxy for Australian rice, well off the record highs (~\$1,650/ton) seen over 2022/23, has been trading at \$835/ton since April 2024 as 2023/24 US rice production increases, coming off years of extreme drought.

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 \$370-\$430 per tonne which is below the 2023/2024 price of \$430 per tonne.

**Exhibit 3: US medium-rain Number 1 Grade 4% Broken (US\$)**



Source: USDA September 2024

## 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).

Exhibit 4 presents a Sum-of-The-Parts (SoTP) valuation for SunRice using EBITDA multiples, derived from FY25 LSEG consensus estimates (previously FY24) adjusted for rental expense/right-of-use (subtracted from EBITDA), and then applied to RaaS FY25f adjusted SGLLV divisional EBITDA:

- A 9.5x EBITDA multiple for FMCG businesses, in-line with the average of the FMCG businesses in the peer group (BGA);
- A 7.2x 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 7.8x multiple for CopRice, in-line with RIC metrics which is essentially 100% animal feed;
- A 6.6x EBITDA multiple for International, which is equal to what we regard as the closest global peer Ebro Foods; and
- Actual April 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 \$12.32/share, with relevant peer metrics detailed in Exhibit 5.

<b>Exhibit 4: SGLLV Sum-of-The-Parts valuation – FY25f A\$m unless otherwise stated</b>				
Division	FY25f adj. EBITDA	Adj. EBITDA multiple (x)	Valuation	Comments
International	55.1	6.6	364	Equal to Ebro Foods
Rice Food	14.4	9.5	137	FMCG peers
Riviana Foods	8.1	9.5	77	FMCG peers
CopRice	18.2	7.8	142	RIC is the key peer
Corporate	45.5	7.2	328	Average of ELD and GNC
<b>Less</b>				
33.8% of Trukai	3.9	6.6	-26	Same multiple as International
Net debt (Oct-23a)			-224	Actual as at Apr-2024
<b>VALUATION</b>			<b>797</b>	
Shares on issue			65	
<b>EQUITY VALUE</b>			<b>\$12.32</b>	<b>40% upside potential</b>

Source: LSEG consensus estimates and RaaS estimates

Exhibit 5: 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	\$11.97	9,712	3,082	891.3	517.6	0.64	10.9	32	1.9
Select Harvest #	SHV	\$3.68	445	280	58.5	23.9	0.20	7.6	25	3.2
<b>PEERS USED</b>										
Elders #	ELD	\$9.01	2,015	6,686	297.4	123.6	0.55	6.8	17	1.3
Bega Cheese	BGA	\$8.56	1,338	3,295	189.2	106.4	0.68	7.1	19	2.4
Ridley	RIC	\$5.35	1,626	3,632	171.8	66.9	0.22	9.5	4	0.9
Select Harvests #	SHV	\$2.56	818	1,330	104.4	50.7	0.16	7.8	2	0.5
Lynch Group	LGL	\$1.66	203	418	38.2	21.0	0.17	5.3	(3)	0.6
<b>PEER AVERAGE</b>								<b>7.3</b>	<b>14</b>	<b>1.6</b>
<b>FMCG AVERAGE</b>								<b>9.5</b>	<b>18</b>	<b>1.4</b>
SunRice *	SGLLV	\$8.78	568	1,855	139.8	75.2	1.21	4.1	27	1.6
Ebro Foods (€) ^	EBRO:SM	15.84	2,436	3,139	370.6	205.5	1.34	6.6	24	1.5

Sources: Company financials, LSEG; Prices 27 September 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 over the next three years 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 6.5%. 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 over coming years with overall global stock levels the lowest in four years according to the USDA. New opportunities also exist in the UK (Free Trade Agreement), while a change in the current ban on Indian exports should also improve sourcing opportunities.
- **Solid return rates should continue for the Corporate division** (32% of FY24 EBITDA) as stable 10-year bond rates and branded sales drive higher return requirements from the group’s infrastructure due to an increased 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 have 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.**
- **SGLLV is trading at a material discount to selected ASX peers** on key metrics including EV/adjusted EBIT, EV/EBIT and PER using LSEG FY25f consensus forecasts against RaaS FY25f divisional estimates.
- **Our Sum-of-The-Parts valuation is \$12.32/share, offering 40% upside potential to the current share price.**

**Exhibit 6: SGLLV Financial Summary**

Ricegrowers t/a SunRice						Share price (27 September 2024)						A\$ 8.78
Profit and Loss (A\$m)						Interim (A\$m)						
Y/E 30 April	FY2023	FY2024	FY2025F	FY2026F	FY2027F	1H23	2H23	1H24	2H24	1H25F	2H25F	
	A	A	F	F	F							
Revenue	1,634.4	1,874.2	1,855.0	1,830.0	1,848.9	Revenue	758.0	876.5	918.4	960.4	898.4	960.1
adj EBITDA	113.7	141.7	145.3	151.4	157.6	EBITDA	39.2	74.5	62.0	79.7	67.3	78.0
Depn	(25.4)	(25.9)	(26.1)	(26.2)	(26.3)	EBIT	25.3	60.0	48.0	64.9	53.0	63.2
Amort	(2.9)	(2.9)	(3.0)	(3.0)	(3.0)	NPAT (normalised)	16.1	40.3	28.9	47.1	34.6	42.6
EBIT	85.4	112.9	116.2	122.2	128.3	Minorities	1.9	0.3	0.6	1.5	0.8	1.1
Interest	(14.0)	(18.3)	(17.3)	(15.3)	(13.3)	NPAT (Class B)	14.3	40.0	28.3	45.6	33.8	41.5
Tax	(14.9)	(18.5)	(21.8)	(23.5)	(25.3)	EPS (normalised)	0.23	0.64	0.44	0.71	0.52	0.64
Minorities	(2.2)	(2.1)	(1.9)	(2.0)	(2.2)	EPS (reported)	0.23	0.64	0.44	0.71	0.52	0.64
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Dividend (cps)	0.10	0.40	0.15	0.45	0.15	0.40
NPAT pre significant items	54.3	73.9	75.2	81.4	87.5	Imputation	30.0	30.0	30.0	30.0	30.0	30.0
Significant items	(1.7)	(10.8)	0.0	0.0	0.0	Operating cash flow	(70.6)	22.0	81.9	21.5	na	na
NPAT (Reported)	52.6	63.1	75.2	81.4	87.5	Divisions	1H23	2H23	1H24	2H24	1H25F	2H25F
Cash flow (A\$m)						EBITDA - Rice Pool	0.0	0.0	0.0	0.0	0.0	0.0
Y/E 30 April	FY2023	FY2024	FY2025F	FY2026F	FY2027F	EBITDA - International Rice	12.9	27.0	26.4	30.3	27.0	29.2
EBITDA (less rent)	108.8	136.4	139.8	145.9	151.9	EBITDA - Rice Food	4.5	6.5	4.6	9.4	5.0	9.6
Interest paid	(14.0)	(18.3)	(17.3)	(15.3)	(13.3)	EDITDA - Riviana	2.1	4.2	1.8	5.3	3.0	5.3
Tax Paid	(3.2)	(30.5)	(20.1)	(22.6)	(24.4)	EBITDA - CopRice	4.0	8.4	7.9	9.3	8.8	10.2
Working capital changes	(146.1)	10.5	(62.5)	13.4	(8.5)	EBITDA - Corporate	15.6	28.4	21.2	25.5	23.5	23.6
Operating cash flow	(54.5)	98.1	39.9	121.3	105.7	TOTAL EBITDA	39.2	74.5	62.0	79.7	67.3	78.0
Mtce capex	(20.1)	(22.8)	(29.0)	(25.4)	(26.7)	Costs - Raw materials	(433.7)	(530.5)	(554.3)	(579.1)	(548.0)	(585.7)
Free cash flow	(74.6)	75.2	10.9	95.9	79.0	Costs - Freight and distributio	(113.3)	(112.6)	(100.0)	(106.3)	(95.0)	(95.0)
Growth capex	0.0	0.0	0.0	0.0	0.0	Costs - Employee benefits	(89.0)	(89.5)	(98.3)	(98.3)	(100.0)	(102.5)
Acquisitions/Disposals	(0.3)	0.0	0.0	0.0	0.0	Other Operating Costs	(82.6)	(72.8)	(104.2)	(96.6)	(88.3)	(92.3)
Other	0.0	0.0	0.0	0.0	0.0	Margins, Leverage, Returns		FY2023	FY2024	FY2025F	FY2026F	FY2027F
Cash flow pre financing	(74.8)	75.2	10.9	95.9	79.0	EBITDA		7.0%	7.6%	7.8%	8.3%	8.5%
Equity	0.0	0.0	0.0	0.0	0.0	EBIT		5.2%	6.0%	6.3%	6.7%	6.9%
Debt	124.2	(98.2)	25.0	(50.0)	(30.0)	NPAT pre significant items		3.3%	3.9%	4.1%	4.4%	4.7%
Dividends paid	(18.5)	(25.9)	(38.5)	(35.6)	(35.6)	Net (Debt) Cash		-291.4	-223.8	-251.3	-191.0	-147.6
Net change in cash	30.9	(48.9)	(2.5)	10.3	13.4	Net debt/EBITDA (x)	(x)	2.6	1.6	1.7	1.3	0.9
Balance sheet (A\$m)						ND/ND+Equity (%)	(%)	34.4%	27.1%	28.1%	21.7%	16.6%
Y/E 30 April	FY2023	FY2024	FY2025F	FY2026F	FY2027F	EBIT interest cover (x)	(x)	6.1	6.2	6.7	8.0	9.6
Cash	74.3	32.8	30.3	40.6	54.0	ROA		6.4%	8.3%	8.4%	9.0%	9.4%
Accounts receivable	306.4	329.5	333.2	336.2	340.4	ROE		9%	11%	12%	12%	12%
Inventory	569.9	675.9	632.4	607.8	615.4	ROIC		10%	13%	14%	14%	15%
Other current assets	0.6	2.7	2.7	2.7	2.7	NTA (per share)		7.2	7.8	8.3	9.1	9.9
Total current assets	951.3	1,040.9	998.6	987.4	1,012.5	Working capital		638.3	752.8	710.2	686.4	694.9
PPE	270.1	253.0	261.3	266.1	272.2	WC/Sales (%)		39%	40%	38%	38%	38%
Goodwill& Intangibles	84.9	81.3	78.3	75.3	72.3	Revenue growth		23%	15%	-1%	-1%	1%
Investments	5.7	5.5	5.5	5.5	5.5	EBIT growth pa		30%	32%	3%	5%	5%
Deferred tax asset	14.6	22.1	22.1	22.1	22.1	Pricing		FY2023	FY2024	FY2025F	FY2026F	FY2027F
Other non-current assets	0.5	0.0	0.0	0.0	0.0	No of shares (y/e)	(m)	62.7	63.9	64.7	64.7	64.7
Total non current assets	375.8	361.9	367.2	369.0	372.1	Weighted Av Dil Shares	(m)	62.7	63.9	64.7	64.7	64.7
Total Assets	1,327.1	1,402.8	1,365.8	1,356.5	1,384.7	EPS Reported	cps	0.84	0.99	1.16	1.26	1.35
Accounts payable	238.1	252.6	255.4	257.7	260.9	EPS Adjusted	cps	0.91	1.20	1.21	1.30	1.40
Short term debt	299.1	146.0	171.0	121.0	91.0	EPS growth (norm/dil)		10%	32%	1%	8%	7%
Payable to Ricegrowers	112.5	243.5	138.4	128.0	128.0	DPS	cps	0.50	0.60	0.55	0.55	0.55
Other current liabilities	50.6	43.8	44.2	44.5	44.9	DPS Growth		25%	20%	-8%	0%	0%
Total current liabilities	700.2	686.0	609.0	551.2	524.9	Dividend yield		5.7%	6.8%	6.3%	6.3%	6.3%
Long term debt	66.7	110.5	110.5	110.5	110.5	Dividend imputation		30.0	30.0	30.0	30.0	30.0
Other non current liabs	3.5	3.0	3.3	5.9	8.6	PE (x)		9.6	7.3	7.3	6.7	6.3
Total long term liabilities	70.2	113.6	113.9	116.5	119.2	PE market		16.0	16.0	16.0	16.0	16.0
Total Liabilities	770.4	799.5	722.9	667.7	644.0	Premium/(discount)		-40%	-54%	-55%	-58%	-61%
Net Assets	556.7	603.3	643.0	688.8	740.6	EV/EBITDA		7.4	5.5	5.6	0.0	0.0
Share capital	152.5	161.5	161.5	161.5	161.5	FCF/Share	cps	(0.9)	1.5	0.6	1.9	1.6
Reserves	(11.6)	(5.6)	(5.6)	(5.6)	(5.6)	Price/FCF share		(10.1)	5.7	14.2	4.7	5.4
Retained profits	392.5	420.8	460.4	506.3	558.2	Free Cash flow Yield		-9.9%	17.5%	7.0%	21.4%	18.6%
Minorities	23.2	26.7	26.7	26.7	26.7							
Total Shareholder funds	556.6	603.3	643.0	688.8	740.7							

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

# FINANCIAL SERVICES GUIDE

RaaS Research Group Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number  
1248415, of

BR SECURITIES AUSTRALIA PTY LTD; ABN 92 168 734 530; AFSL 456663  
Effective Date: 26<sup>th</sup> March 2024

## About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License (“AFSL”) number 456663. RaaS Research Group Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS’s services and includes such things as who we are, our services, how we transact with you, how we are paid, and complaint processes

Contact Details, BR and RaaS

BR Head Office: Level 1, 160 Edward Street, Brisbane, QLD, 4000 [www.brsecuritiesaustralia.com.au](http://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](mailto:finola.burke@raasgroup.com)

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

**What Financial Services are we authorised to provide?** RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
- Securities

The distribution of this FSG by RaaS is authorized by BR.

## Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities.

## How are we paid?

RaaS earns fees for producing research reports about companies we like, and/or producing a financial model as well. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report. Sometimes we write reports using our own initiative.

## Associations and Relationships

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS’s representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

## Complaints

If you have a complaint about our service, you should contact your representative and tell them about your complaint. The representative will follow BR’s internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren’t satisfied with an outcome, you may contact AFCA, see below.

BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

## Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives



#### **DISCLAIMERS and DISCLOSURES**

This report has been prepared and issued by RaaS Research Group Pty Ltd on behalf of Ricegrowers Ltd. RaaS Research Group has been paid a fee, in the form of a monthly retainer, by Ricegrowers to prepare this report. RaaS Research Group does not engage in capital raisings, nor does it engage in share broking or provide investor relations services. RaaS Research Group's only source of income is the fees it is paid for its research services.. RaaS Research Group's principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report. This research is issued in Australia by RaaS Research Group and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Research Group at the time of publication. RaaS Research Group provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Research Group in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Research Group has no obligation to update the opinion unless RaaS Research Group is currently contracted to provide such an updated opinion. RaaS Research Group does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Research Group does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Research Group shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Research Group limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable.

Copyright 2024 RaaS Research Group Pty Ltd (A.B.N. 99 614 783 363). All rights reserved.