



WILMAR

POOL PERFORMANCE

AND COMPARATIVE OUTCOMES

2019-2023 SEASONS

AS AT 29 MARCH 2024



COMPARE THE RESULTS



We have been publishing quarterly pool performance reports since 2019 so growers can compare our pool results and associated marketing fees with QSL's.

We recently added a comparative outcome analysis to give growers another perspective on how their choices might impact their bottom line.

We've taken a theoretical grower with an average-sized farm and analysed their relative performance outcome using a combination of Target pricing and pooling options.

We then show the real income effect of their choices, depending on which GEI Sugar marketer they used.

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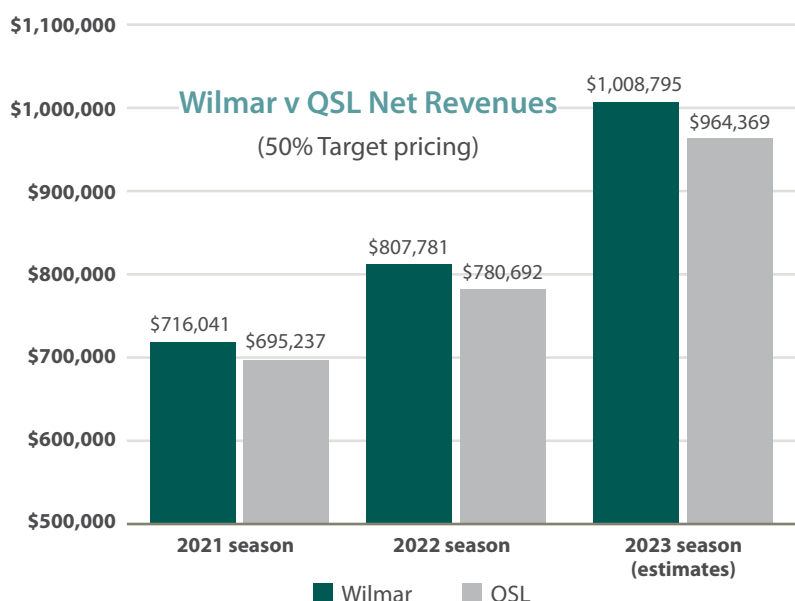


Sugar and Renewables

HOW MARKETER CHOICE AFFECTS YOUR BOTTOM LINE

In addition to providing comparative product performance over time, we now estimate the bottom line impact based on your choice of marketers. To do this we use estimated results for an average sized grower over a three-year timeframe. While season 2021 and 2022 results are final, 2023 season prices are forecast and will change in future publications. Prices are as published by QSL (incl. Loyalty Bonus) and Wilmar.

GRAPH 1



This analysis compares the financial outcome for a theoretical grower (see Assumptions at bottom of page) using different pricing mechanisms and percentages. Using identical assumptions, the relative financial performance of using Wilmar and QSL for pricing GEI exposure is quantifiable.

For the base case (Graph 1, Table 1) where a grower does 50% Target pricing and 50% default the red circle indicates the grower is currently about **\$92,300** worse off over three years. This equates to approximately \$24/t GEI or \$2/t cane.

Graph 1 provides a visual representation of the net revenue for the three years, by year. Table 1, below the graph, aggregates the three-year analysis by pricing mechanism to give an estimated accumulated net return differential.

TABLE 1

Three-year total revenue summary (50% Target pricing)	Wilmar	QSL	Difference ¹
Target pricing	\$1,118,595	\$1,107,781	\$10,814
Managed Pool/Actively Managed Pool	\$0	\$0	\$0
US Quota Pool	\$106,648	\$105,751	\$897
Production Risk Pool	\$1,307,374	\$1,226,767	\$80,607
Total net returns	\$2,532,617	\$2,440,299	\$92,318
Average price per tonne GEI (\$/t IPS)	\$657.99	\$634.01	\$23.98
Average price per tonne cane (\$/t)	\$56.28	\$54.23	\$2.05

TABLE 2

Three-year total revenue summary by marketer	Percentage of GEI Target priced each year		
	70%	50%	0%
Wilmar revenue	\$2,426,266	\$2,532,617	\$2,798,494
QSL revenue	\$2,363,727	\$2,440,299	\$2,631,728
Difference	\$62,539	\$92,318	\$166,767
Average price per tonne GEI (\$/t IPS)	\$16.25	\$23.98	\$43.33
Average price per tonne cane (\$/t)	\$1.39	\$2.05	\$3.71

¹ Where the figure is positive, Wilmar's pool or pricing mechanism has outperformed the QSL equivalent. Where the figure is negative, QSL's pool or pricing mechanism has outperformed the Wilmar equivalent. Figures may not add up due to rounding.

GRAPH 2



Table 2 shows that the more the grower is exposed to the default mechanisms (Harvest Pool/Production Risk Pool + US Quota), the greater the disadvantage.

If the grower used the default pricing mechanisms for 2021, 2022 and 2023, the current estimate is that the grower is **\$166,767** worse off using QSL compared to Wilmar as their GEI marketer.

This result should not discourage growers from using Target pricing to manage their GEI pricing. The certainty and control that Target pricing allows growers is also to be considered when choosing pricing mechanisms.

This outcome may change over time depending on the relative performance of both marketers. While 2021 and 2022 season numbers are final, 2023 season prices will not be final until late 2024.

Assumptions:

- Example grower is 15,000 tonnes of cane and 1,283 tonnes of GEI sugar @ 13.5 CCS. IPS factor of 1.03675 for 2023 season for both marketers. IPS for 2021 & 2022 as published.
- 2021 and 2022 season numbers are final numbers as published by QSL (incl. Loyalty Bonus) and Wilmar.

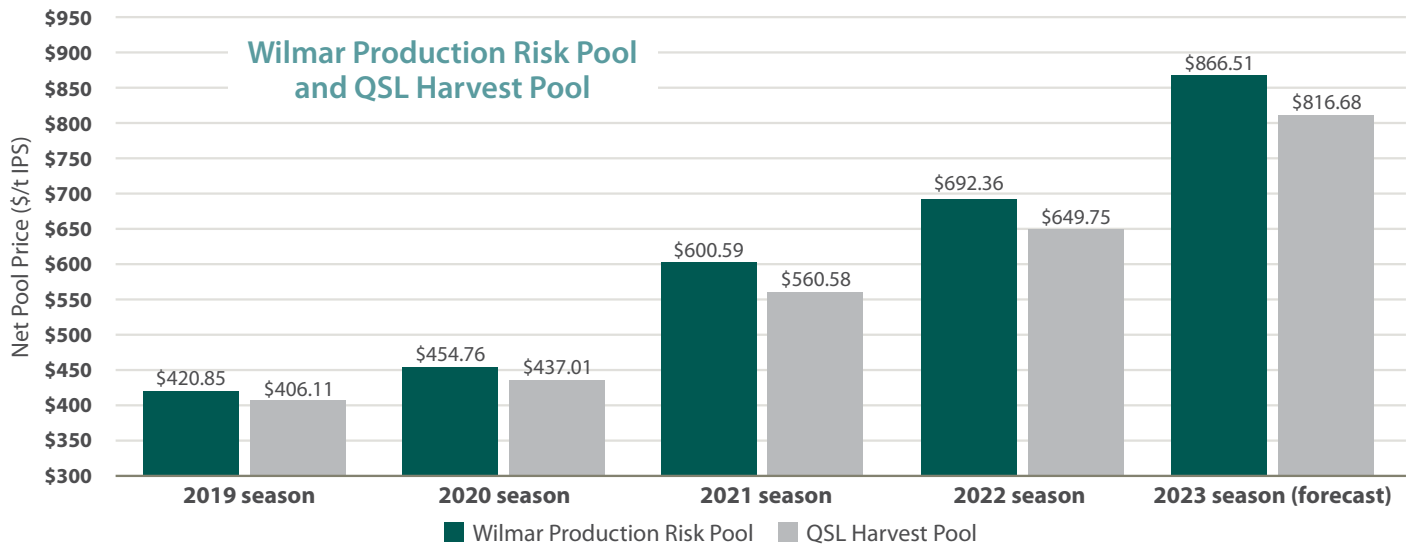
- 2023 season uses estimated March 2024 prices published by QSL (incl. Loyalty Bonus) and Wilmar.
- US Quota % allocation is the same for both marketers.
- Average Target price achieved by the grower is the same for both marketers.

POOL PRICE PERFORMANCE

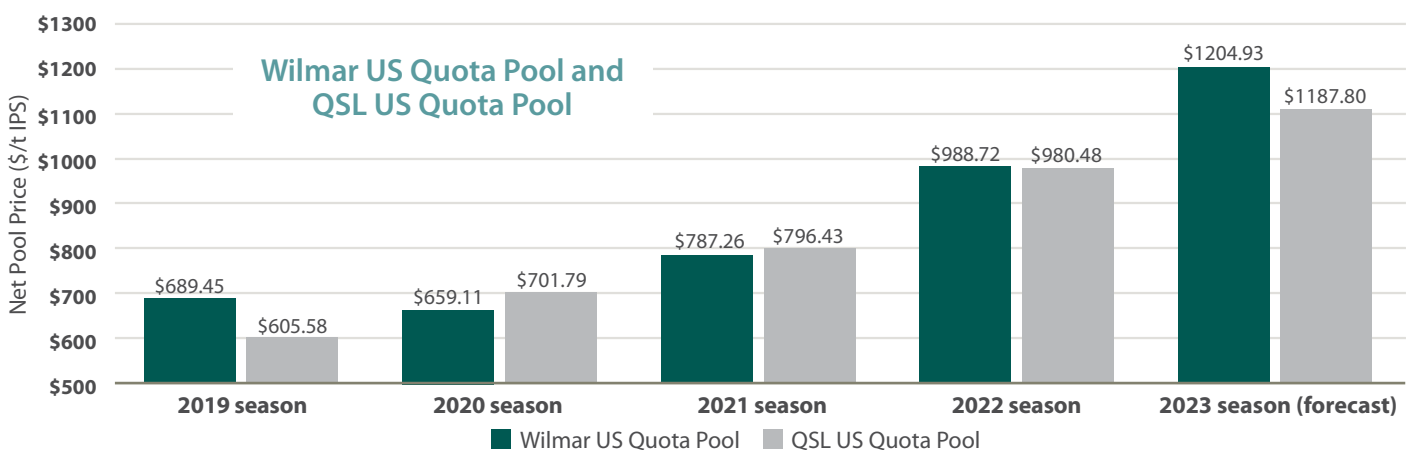
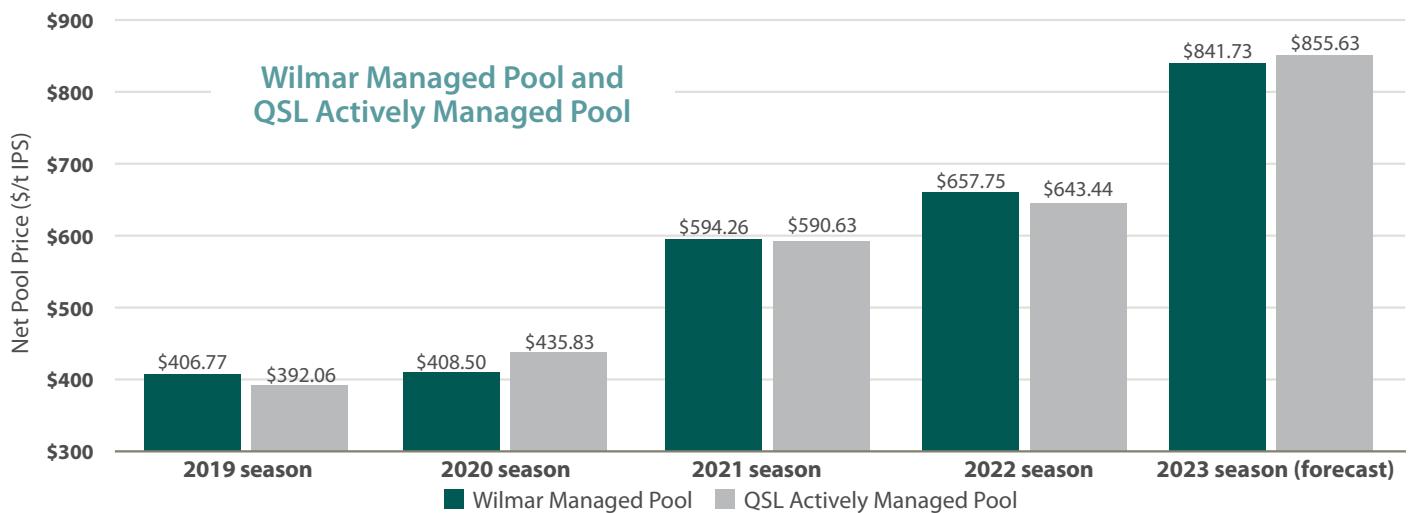
All pool results are shown on a Net Pool Price basis (i.e. after the deduction of all marketing fees and costs) and expressed in \$/tonne IPS. For Wilmar pools, the Net Pool Price includes the relevant Allocation Account Amount and the Default Advances Finance Charge while for the comparable QSL pools, the Net Pool Prices are as published by QSL and include the relevant Shared Pool component. Please note that the 2023 season Net Pool Prices are calculated based on actual pricing

undertaken, as well as the current ICE#11 prices and AUD level for any tonnage where pricing has not yet been undertaken.

As much as possible, the Wilmar and QSL pools are like-for-like comparisons. However, it is important to note that no two pools are absolutely comparable as they might operate over different time periods or according to different price risk management strategies.



Footnote: It is important to remember that the Wilmar and QSL pools may not be managed the same way and may have different risk profiles. For example, during the 2019-2023 period Wilmar has not needed to sell and price any of the Production Risk Pool tonnage in order to manage storage constraints in the terminals. Accordingly, marketing and pricing has only occurred when these activities do not risk selling or pricing more sugar in the pool than could remain after any potential downside risk to the crop.



Footnote: Wilmar's US Quota Pool includes all sales made against the specific Certificates of Quota Eligibility (CQEs) allocated to Wilmar by the US Government and those which Wilmar is entitled to market by virtue of its share of MEI/GEI marketing tonnage. Where Wilmar has purchased US Quota CQEs from other Queensland marketers and then used those CQEs to sell additional tonnage into the US market, the tonnage and net returns resulting from those sales are not allocated to the US Quota Pool but instead to the Production Risk Pool, in accordance with the Pricing and Pooling Agreement (PPA).

WILMAR'S ALLOCATION ACCOUNT AND QSL'S SHARED POOL

Wilmar's monthly pool reports detail the amounts of revenue and charges that make up the Total Allocation Account contribution to final pool results. QSL produce a similar number through the published Shared Pool.

Below is an analysis of the 2023 Production Risk Pool's Allocation Account and the corresponding detail from QSL's published Shared Pool results as at 29 March 2024.

We have aggregated the Allocation Account to similar categories of the Shared Pool, so a relative performance of the physical sales of sugar can be analysed.

The **Premium to #11** represents the value of physical sugar sales over and above the value generated from using hedging mechanisms to lock in sugar sale prices.

The **Storage and Handling** fees are primarily the charges from the bulk sugar terminals to receiving, storing and loading sugar on to export vessels.

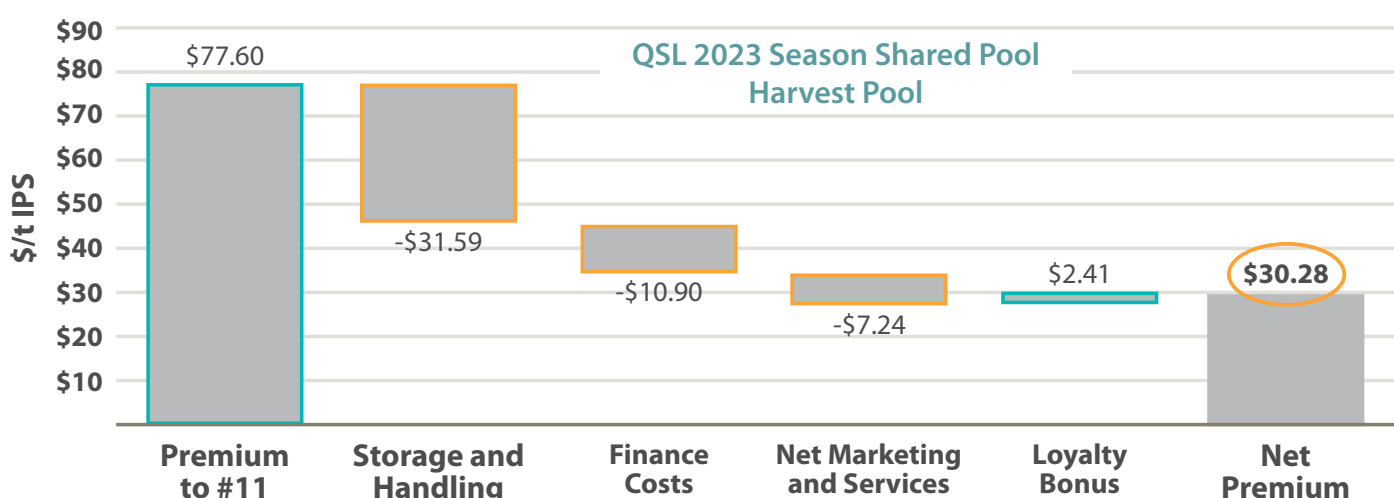
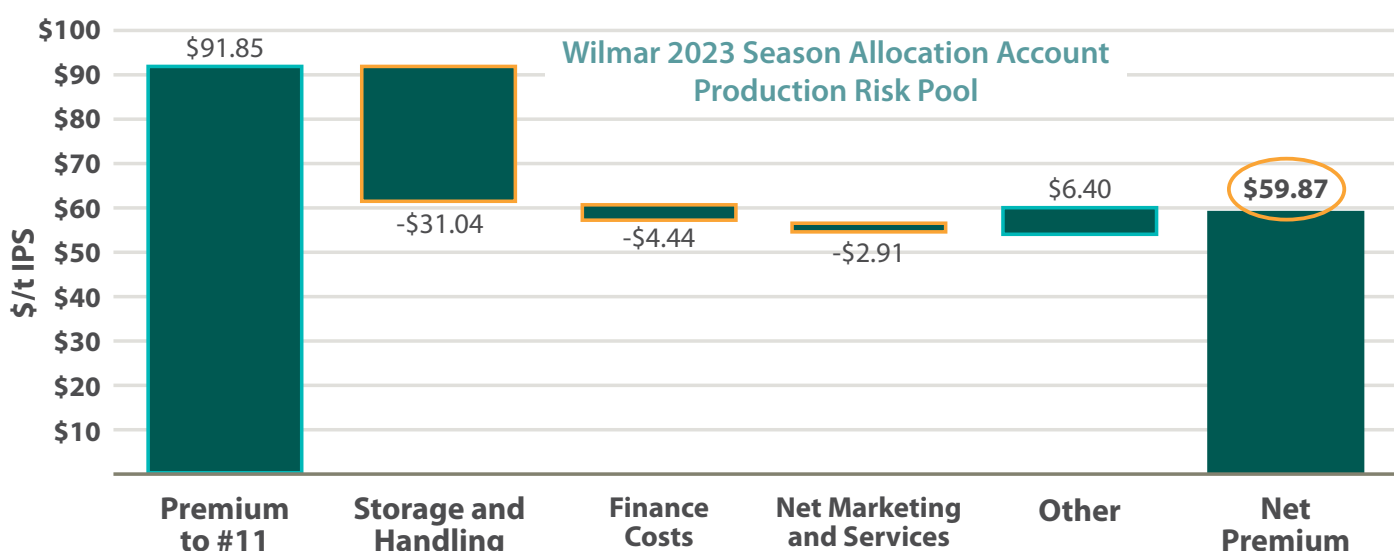
The **Finance Costs** are the funding cost of the grower advances payment schedule prior to receiving funds from the physical sugar sales, as well as any funding costs associated with risk management activities.

The **Marketing and Services Charges** relate to the cost of running a commodities export business including sales and logistics personnel as well as costs incurred to assist growers with managing and pricing GEI Sugar exposure.

Other includes the benefit Wilmar derives from US Quota CQEs (refer footnote p3).

The **Loyalty Bonus** is not published at time of print and estimated at A\$2.50 Actual.

The **Net Premium** is the contribution to the final pool price over and above hedging of the ICE#11 Sugar contract in AUD.



Forecast at 29 March 2024

www.wilmarsugar-anz.com

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