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## **PRESS RELEASE**

### **FSC Reports Financial Performance Amidst Challenges**

**Lautoka, Fiji.** The Fiji Sugar Corporation Limited (FSC) today announced its financial results for the year ended 31 May 2024, reporting significant improvements in revenue and profitability despite facing numerous challenges.

Despite a 15% decline in cane production, mainly due to adverse weather conditions, FSC achieved a 12% increase in sales revenue and a 10% increase in its share of proceeds. This positive performance was bolstered by enhanced operational efficiencies, rigorous cost-control measures, and innovative solutions.

"Once again, the Corporation demonstrated its resilience, overcoming major challenges, especially against the backdrop of the chronic neglect and mismanagement that had characterised the operations of the preceding decades and beyond," said Nitya Reddy, Chairman of FSC.

"It is no secret that the industry, in general, and FSC in particular, have been beset by some of the most serious problems in its 150-year-old history, the genesis of which is the spectacularly visionless management and oversight of the last 20 years. It is facing an existential crisis of the magnitude never seen before."

"Every matrix of performance has suffered heavily. Unsustainably low cane production, declining sugar output and revenues, crippling inefficiencies, and dilapidated mill infrastructure caused by adequate preventative maintenance and capital investments have all conspired to create this current crisis. This is a watershed period not just our past but also our future. We are directing all our efforts and resources to rebuild confidence at all levels of the industry, and that is a challenge not to be underestimated."

"The current seriously run-down state of our mills is not a creation of today or yesterday. It is the cumulative result of decades of systemic neglect, grossly inadequate maintenance, reckless, ill-considered wasteful misinvestments, and a pervasive culture of seriously disengaged oversight by those in authority. Those calling for overnight miracles should be mindful of these realities." Reddy claimed.

"We are firmly focused on restoring our manufacturing efficiencies, supported by a vigorous campaign to increase cane production improvements in transport, harvesting and farm mechanisation logistics. We see it as a priority to address the increasing incidence of burnt cane and the elimination of unapproved cane varieties. Together with these initiatives, we

believe that the time has come when we must migrate to a fairer protocol of payment based on sugar quality rather than on weight." Reddy explained.

"There are many structural reforms required, and we cannot afford to be delusional about that any longer. Every sector of the industry must take responsibility for their efficiency and outcomes rather than just relying on FSC."

The Corporation's revenue increased by 12% to \$235.2 million, reflecting a substantial improvement in financial performance. Increased sales and higher prices drove this growth. Additionally, FSC recorded the highest revenue returns in the past 18 years, highlighting the importance of the sugar industry to Fiji's national economy.

**Key financial highlights include:**

- The Corporation's share of proceeds was \$71.15 million compared to \$64.25 million in the previous year.
- Trading profit was \$13.13 million, compared to a profit of \$7.45 million in the previous year.
- Profit from operations was \$2.51 million, compared to a loss of \$4.98 million in the previous year.
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) were positive \$24.97 million compared to positive \$17.87 million in the previous year.
- The operating loss for the year was \$4.24 million, compared to a loss of \$23.0 million in the previous year.
- A total of \$10.05 million was invested in Property Plant and Equipment, compared to \$6.94 million in the previous year.

"We are confident that with the continued support of our stakeholders, we can build a more robust and sustainable future for the sugar industry in Fiji."

FSC remained committed to its strategic pillars of restructuring, revitalising crop production, improving mill performance, and optimising revenue. The Corporation actively sought to enhance operational efficiency, reduce downtime, and explore new market opportunities. These efforts contributed to the positive financial results and positioned FSC for future growth.

Beyond financial performance, FSC continued to prioritise sustainability and community engagement. The Corporation promoted environmentally responsible practices and supported growers to ensure the long-term viability of the sugar industry.

"We recognise the challenges we continue to face, but we are determined to overcome them. By exploring new market opportunities and strengthening our partnerships, we can position FSC for long-term success."

**Nitya Reddy**

**Board Chairman**

**Ends**