

# GrainCorp Limited AGM – FY22



16 February 2023



# Disclaimer



This presentation includes both information that is historical in character and information that consists of forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. The forward looking statements are subject to risks, stakeholder engagement, uncertainties and assumptions which could cause actual results, timing, or events to differ materially from the expectations described in such forward looking statements. Those risks and uncertainties include factors and risks specific to the industry in which GrainCorp operates, any applicable legal requirements, as well as matters such as general economic conditions.

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Numbers throughout the presentation may not add up due to rounding.



# Acknowledgement of Country



GrainCorp acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia and embraces the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

# GrainCorp Board of Directors



**Peter Richards**  
Chairman



**Robert Spurway**  
Managing Director & CEO



**Nicki Anderson**  
Non-executive Director



**Kathy Grigg**  
Non-executive Director



**Dan Mangelsdorf**  
Non-executive Director



**Clive Stiff**  
Non-executive Director

# Procedural matters





- 1. Chairman's Address**
- 2. Managing Director & CEO's Presentation**
- 3. Business of the Annual General Meeting**
  - Resolutions
  - Shareholder questions
  - Poll voting
- 4. Meeting closed**

# Chairman's Address

Peter Richards





# Managing Director & CEO's Presentation

Robert Spurway





# Record earnings in FY22

An outstanding operational and financial result



EBITDA<sup>1</sup>

**\$703m**

↑ from \$331m

NPAT<sup>2</sup>

**\$380m**

↑ from \$139m

Return on invested capital (ROIC)<sup>3</sup>

**27.9%**

↑ from 11.1%



Total grain handled<sup>4,5</sup>

**41.1mmt**

↑ from 34.4mmt

Oilseed crush volumes<sup>5</sup>

**471kmt**

↑ from 459kmt

Core cash / (debt)

**\$177m**

↑ from (\$1m) core debt

1. EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation

2. NPAT = Net Profit After Tax.






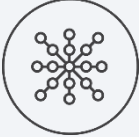




3. ROIC is a non-IFRS measure and is defined as Group Underlying Net Profit After Tax less interest expense (after tax) associated with core debt / average net debt (excluding commodity inventory) + average total equity. ROIC is inclusive of UMG Investment. ROIC exclusive of UMG investment was 31.3%

4. 'Total grain handled' comprises GrainCorp carry-in + receivals + domestic outload + exports + GrainCorp carry-out.

5. mmt = million metric tonnes. kmt = thousand metric tonnes

# Strategic priorities driving higher return on invested capital



 <p><b>Our vision</b></p>	<p>Our vision is to lead sustainable and innovative agriculture through another century of growth.</p>	
 <p><b>Our purpose</b></p>	<p>Proudly connect with customers and rural communities to deliver value through innovation and expertise.</p>	
 <p><b>Strategic priorities</b></p>	<p><b>Strengthen the core</b></p> <ul style="list-style-type: none"> <li>Lift returns </li> <li>Drive existing assets </li> <li>Leverage capabilities </li> </ul>	<p><b>Targeted growth opportunities</b></p> <ul style="list-style-type: none"> <li>Alternative Protein </li> <li>Digital and AgTech </li> <li>Animal Nutrition </li> <li>Grower services </li> </ul>

# Delivering on our strategic initiatives



## Strengthening the core

**ECA<sup>1</sup> network investment** – capacity upgrade, new mobile fleet

**Asset utilisation** – port throughput; oilseed and foods volumes

**International expansion** – Fraser Grains Terminal, Vancouver

**Building capabilities** – analytics, value chain optimisation

**Customer experience** – data and insights, process digitisation

## Targeted growth opportunities

**Animal nutrition** – sustainable feed, FutureFeed

**Alternative protein** – industry research collaboration

**Agri-energy** – opportunities for renewable fuel feedstocks

**Digital and AgTech** – GrainCorp Ventures - Zetifi

**Grower services** – collaboration with Loam Bio

1. ECA: East Coast Australia



# Our sustainability progress



## Our Environment



ISCC-EU accredited supply chain

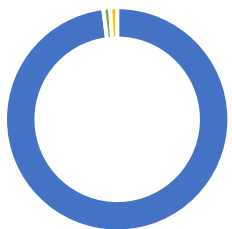
**1.4mmt**

of ISCC certified seed handled

**-6.1%**

Energy usage per tonne crushed at Numurkah

Mapped Scope 3 emissions



Scope 1: 1%

Scope 2: 1%

Scope 3: 98%



## Our Integrity



**Zero**

product recalls

Board Sustainability Committee established

Sustainability Management Committee and 8 working groups to drive progress on material topics



## Our People



Average **23**

Learning events completed per employee

**>100**

Community groups supported via Community Fund

'Innovate' Reconciliation Action Plan (RAP) in development



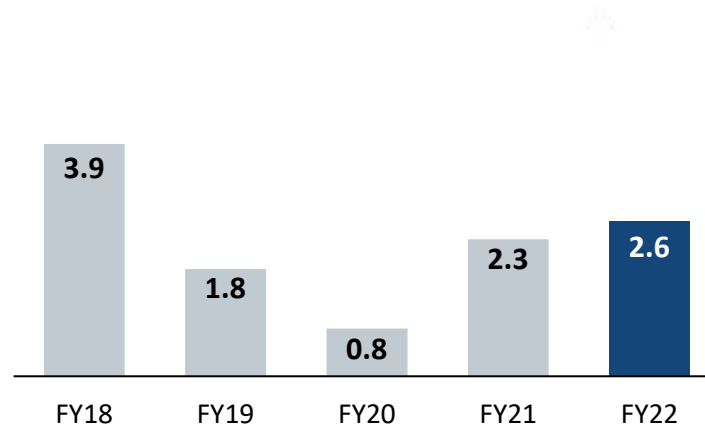
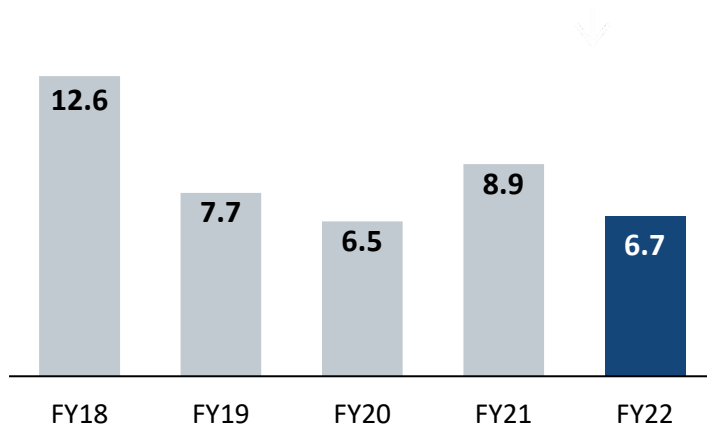
# Commitment to Zero Harm

Focus on the safety of our people

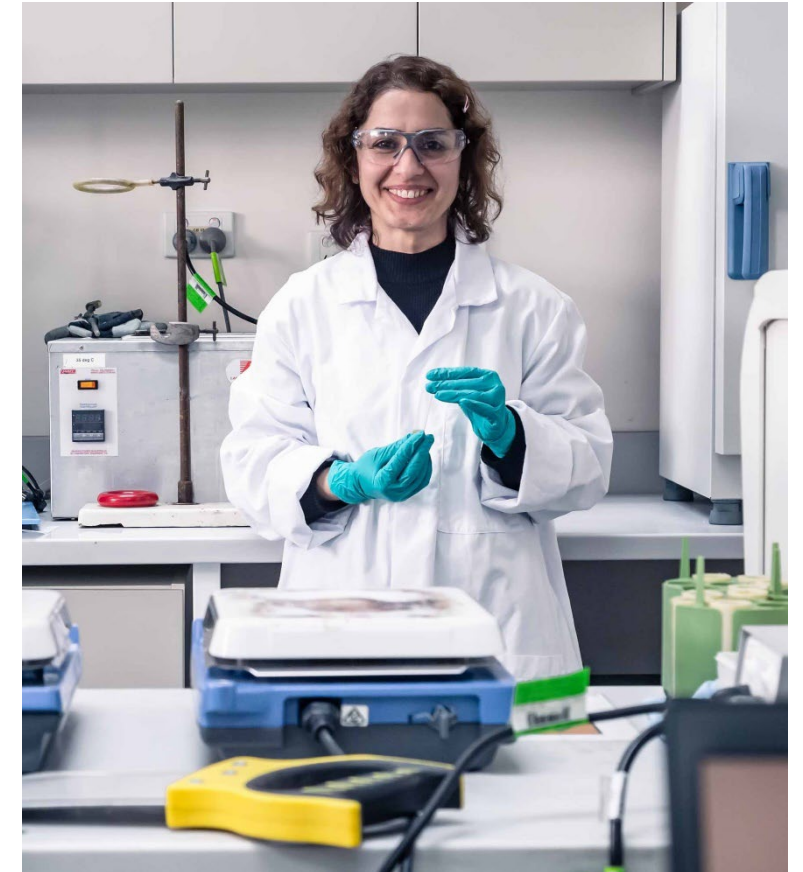


Recordable injury frequency rate (RIFR)<sup>1</sup>

Lost time injury frequency rate (LTIFR)<sup>2</sup>



- Improvement to RIFR, supported by rollout of Behavioural Safety Program and 'Safe Spine/Safe Mind' to operational leaders
- Harm prevention is a key priority, with initiatives focused on continuous improvement
- Programs include enhanced Safety, Health & Environment (SHE) site inductions, the Sentis Behavioural Safety program, and health and wellbeing programs including 'Stop for Safety Day', 'R U OK Day', 'Fit4Life', 'Wellbeing 360'



Saeedeh Taheri, Product Development Technologist  
GrainCorp Foods, West Footscray, VIC

1. Number of recordable injuries per million hours worked  
2. Number of lost time injuries per million hours worked

# Harvest update – 2022/23

## ECA grain production well above average despite disrupted harvest



- Positive ECA winter cropping conditions supported above-average grain production in 2022/23. ABARES forecasts (from 6-Dec-22):
  - Total ECA winter crop: **26.9 mmt** (FY22: 31.2mmt).  
*10-year average: 20.9mmt<sup>1</sup>*
  - ECA summer (sorghum) crop: **2.6mmt** (FY22: 2.7mmt).  
*10-year average: 1.6mmt<sup>1</sup>*
- Harvest was interrupted by rain events, with flooding creating challenges for many growers.
- 11.9mmt<sup>2</sup> of grain received by GrainCorp year-to-date<sup>3</sup> (Feb-22: 14.0mmt<sup>4</sup>).
- 3.0mmt of grain exports year-to-date<sup>3</sup> (Feb-22: 3.3mmt<sup>5</sup>).
- Supply chain disruptions have led to the export program running slightly behind last year; however, expecting 8.5-9.5mmt of grain exports in FY23 (FY22: 9.2mmt).
- Next ABARES update 7 March 2023.



Photo by: Hayden Hewson, Mulwala, VIC

1. Based on ABARES' (Australian Bureau of Agricultural and Resource Economics and Sciences) December 2022 Australian Crop Production Report: 2013/14 – 2022/23
2. Grain received up-country and direct-to-port
3. Since 1 October 2022
4. Total year-to-date grain intake as at AGM on 17 February 2022
5. Total year-to-date grain exports as at AGM on 17 February 2022

# Outlook

Another strong financial result expected in FY23

## FY23 guidance

- EBITDA of \$470 – 530 million
- NPAT of \$180 – 220 million

### Agribusiness:

- Outlook reflects another large east coast Australian (ECA) winter crop, robust demand for Australian grain and oilseeds and strong operational performance.
- While the northern hemisphere has recovered from drought conditions, good global demand remains for Australian grain.
- Feeds, Fats and Oils (FFO) benefiting from strong global demand for renewable fuel feedstocks.

### Processing:

- Oilseeds business continuing to drive crush utilisation higher, and benefiting from strong global demand for vegetable oils. Expecting improved earnings in FY23, compared to FY22.

1. 'Total grain handled' comprises GrainCorp carry-in + receivals + domestic outload + exports + GrainCorp carry-out.

## Assumptions / variables

FY23 guidance is subject to:

- 2H23 grain volumes, including sorghum receivals
- Timing and volume of grain exports
- Supply chain margins
- Oilseed crush margins
- New season opportunities in Q423

### Grain volume assumptions (mmt) – FY23

Carry-in (at 1 Oct 2022)	4.9
Receivals	13.5 – 14.5
Domestic outload	5.5 – 6.5
Exports	8.5 – 9.5
Carry-out (at 30 Sep 2023)	3.5 – 4.0
<b>Total grain handled<sup>1</sup></b>	<b>35.9 – 39.4</b>



# Business of the AGM

Peter Richards







## For consideration

**Item 1:** Consideration of Financial Statements and Reports

## Ordinary resolutions

**Item 2:** Adoption of the Remuneration Report

**Item 3:** Re-election of Ms Kathy Grigg

**Item 4:** FY23 Grant of Performance Rights to the Managing Director and CEO

# Item 1: Consideration of Financial Statements and Reports



To receive and consider the financial report (which includes the financial statements and the Directors' Report and Auditor's Report) for GrainCorp for the financial year ended 30 September 2022.

**Note:** No resolution is required for this item of business and, accordingly, no vote will be held on this item.

## Item 2: Adoption of the Remuneration Report



To consider and, if thought appropriate, pass the following as an ordinary resolution:

***“That the Remuneration Report (which forms part of the Directors’ Report) of the Company for the financial year ended 30 September 2022 set out on pages 38 to 51 (inclusive) of the 2022 Annual Report be adopted.”***

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company. A voting exclusion statement applies to this item of business.

# Proxy and direct votes



## Item 2: Adoption of the Remuneration Report

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 2	140,171,796	332,077	5,125,046	145,628,919
% vote	96.3%	0.2%	3.5%	65.1% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution



## Item 3: Re-election of Ms Kathy Grigg

To consider and, if thought appropriate, pass the following as an ordinary resolution:

***“That, for the purposes of ASX Listing Rules 14.4 and 14.5, article 11.3(a) of the Constitution of the Company and for all other purposes, Ms Kathy Grigg, retiring by rotation at the meeting, and being eligible for re-election and offering herself for re-election, be re-elected as a Director of the Company.”***



# Proxy and direct votes



## Item 3: Re-election of Ms Kathy Grigg

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 2	143,326,796	341,743	3,470,796	147,139,335
% vote	97.4%	0.2%	2.4%	65.8% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

## Item 4: FY23 Grant of Performance Rights to the Managing Director and CEO



To consider and, if thought appropriate, pass the following as an ordinary resolution:

***“That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval be given to grant 140,624 performance rights under the GrainCorp Limited Long Term Incentive Plan to the Managing Director and CEO of the Company, Mr Robert Spurway, in respect of the FY23 Long Term Incentive grant in the manner and on the terms and conditions set out in the Explanatory Notes to this Notice of Meeting.”***

**Note:** A voting exclusion applies to this item of business. Please refer to ‘Voting Exclusions’ in the Explanatory Notes in the Notice of Meeting.

# Proxy and direct votes



## Item 4: FY23 Grant of Performance Rights to the Managing Director and CEO

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 4	142,907,351	318,569	3,517,620	146,743,540
% vote	97.4%	0.2%	2.4%	65.6% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

# Poll voting





**Meeting closed**



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