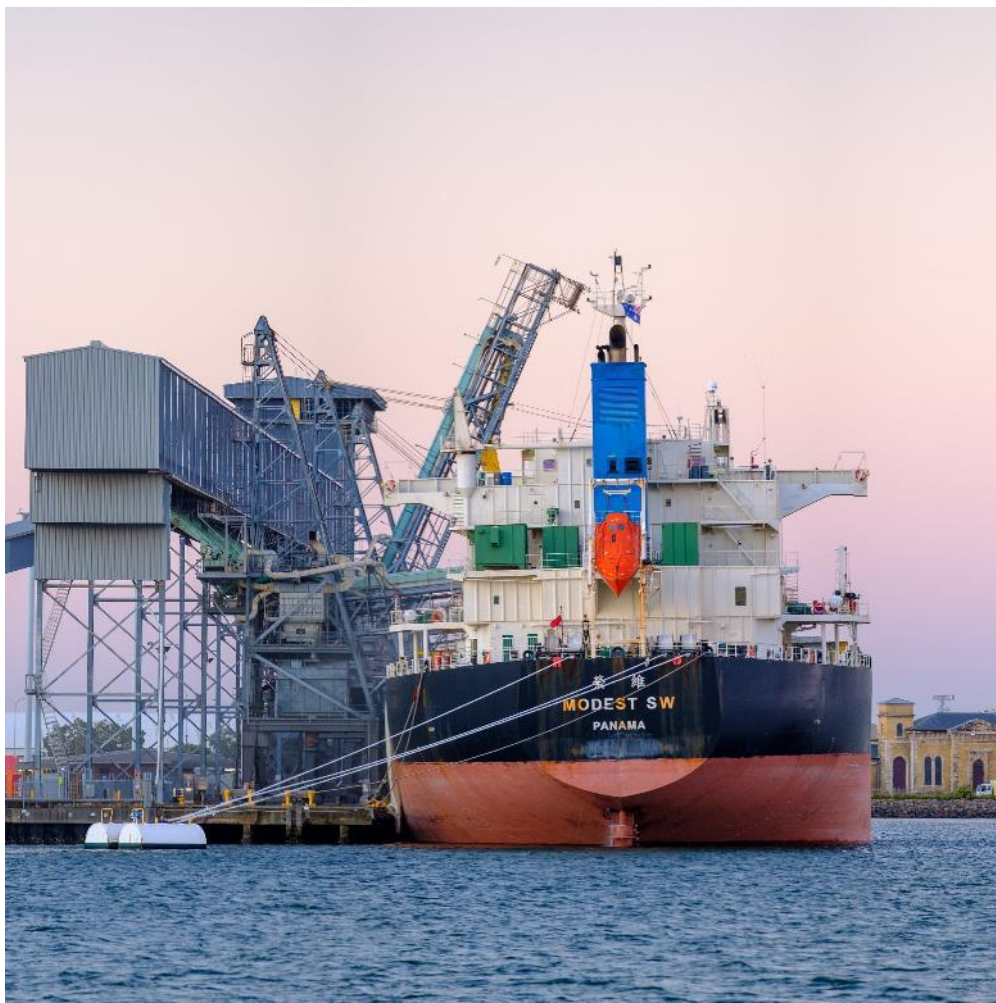


# FY23 Results

For the year ended 30 September 2023

This release has been authorised by The Board of GrainCorp Limited

16 November 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.

While GrainCorp believes that the expectations reflected in the forward looking statements in this presentation are reasonable, neither GrainCorp nor its directors or any other person named in the presentation can assure you that such expectations will prove to be correct or that implied results will be achieved. These forward looking statements do not constitute any representation as to future performance and should not be relied upon as financial advice of any nature. Any forward looking statement contained in this document is qualified by this cautionary statement.

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

# Agenda



## Speakers

**Robert Spurway**

Managing Director and CEO

**Ian Morrison**

Chief Financial Officer



## Contents

- FY23 highlights
- Strategy and growth
- FY23 financial performance
- Balance sheet
- Outlook and conclusion
- Appendices



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.

# FY23 highlights

Excellent all-round performance



EBITDA<sup>1</sup>

**\$565m**

(FY22: \$703m)

Net profit after tax

**\$250m**

(FY22: \$380m)

Return on invested capital  
(ROIC)<sup>2,3</sup>

**18.6%**

(FY22: 27.9%)



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

**37.4mmt**

(FY22: 41.1mmt)

Oilseed crush volumes<sup>5</sup>

**496kmt**

(FY22: 471kmt)

Core cash<sup>6</sup>

**\$349m**

(FY22: \$177m core cash)

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

2. ROIC is a non-IFRS measure and is defined as Group net profit after tax less interest expense (after tax) associated with core debt / average net debt (excluding commodity inventory funding) + average total equity

3. ROIC includes UMG fair value gain / (loss) of \$46m. ROIC excluding UMG fair value adjustment was 17.6% (FY22: 31.3%)

4. Composition of 'total grain handled' shown on Slide 35

5. mmt refers to million metric tonnes. kmt refers to thousand metric tonnes

6. Core cash / (debt) refers to net debt less commodity inventory

# Outstanding FY23 performance

Strong financial results and balance sheet



## Outstanding FY23 performance

- FY23 EBITDA of \$565m
- Grain handled of >37mmt
- Record oilseed crush volumes
- Lifted average EBITDA 'through-the-cycle' to \$310m in May 2023<sup>1</sup>



## Continued strategy execution

- Investment in core business delivering results
- Announced acquisition in Animal Nutrition
- Progressing assessment of additional crush capacity
- Broadened portfolio of digital and AgTech investments



## Driving shareholder value

- Exceptionally strong balance sheet; \$349m core cash
- \$127m of gross proceeds received from sale of UMG stake in November 2023
- FY23 final dividend declared<sup>2</sup>: 30cps, fully franked
- Buy-back of up to \$50m announced

**Delivering on our commitment to drive shareholder value**

1. Average EBITDA through-the-cycle is an estimate based on a multi-year crop cycle incorporating both below-average and above-average crop years. The previous TTC EBITDA of \$240m (announced March 2021) represented a single year with average grain metrics and average market conditions. See slide 32 for more detail.

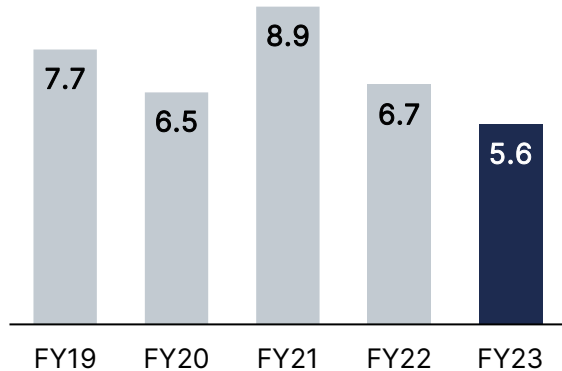
2. Comprises 14cps ordinary dividend + 16cps special dividend declared

# Health and safety

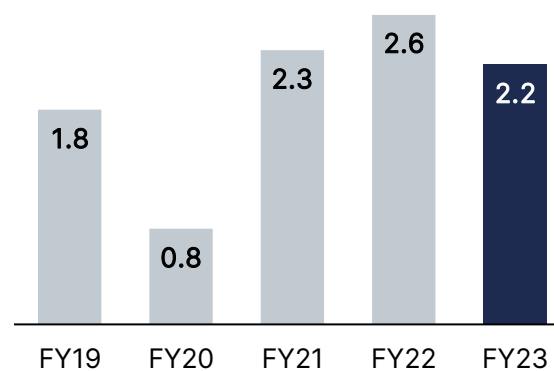
The safety of our people is our highest priority

- Colleague fatally injured at Moree site in April 2023
  - Work ongoing with the site team, the Moree community and relevant authorities
- Developments in FY23:
  - Continued growth of our health and wellbeing program (THRIVE)
  - Simplified and improved our safety, health and environment (SHE) management system
  - Implemented initiatives targeting physical and psychological safety
- Improvement in FY23 RIFR and LTIFR compared to FY22

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



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



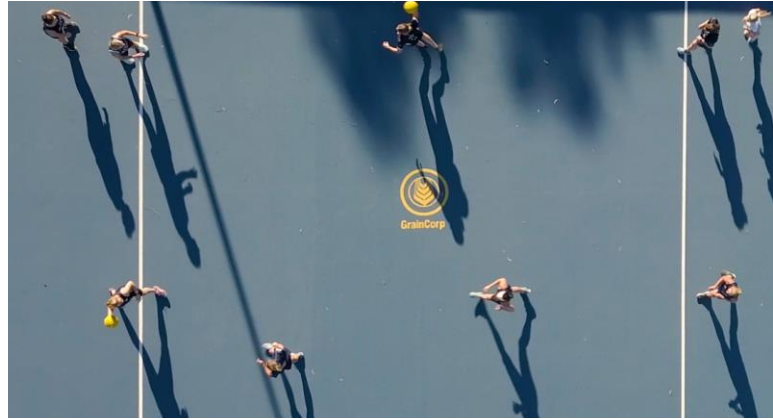
1. Number of recordable injuries per million hours worked

2. Number of lost time injuries per million hours worked



# Commitment to sustainability

ESG is fundamental to GrainCorp's long-term performance and sustainability



## Our environment

- Decreased emissions by 11% per tonne of production across our processing sites
- Committed to setting SBTi target for Scope 1, 2 and 3 emissions reduction
- Completed a pilot study on sustainable practices within Australian agriculture in partnership with growers and a key customer
- Committed to eliminating grain tarpaulins from landfill by 2027

## Our people

- GrainCorp Community Foundation supported over 140 community groups. Initiatives included sport and recreation, health and safety, diversity and inclusion, education, and sustainability
- More than 375 participants in employee leadership programs
- Gender pay gap further closed, currently 8.3% compared to 22.8% national average pay gap<sup>1</sup>

## Our integrity

- Received conditional endorsement from Reconciliation Australia endorsed for our Innovate Reconciliation Action Plan (RAP)<sup>2</sup>
- Refreshed our materiality assessment, which included increased prioritisation of *Sustainable agriculture and nature* as a material topic
- Raised the ambition of existing palm and soy position statements by committing to no deforestation across primary deforestation linked commodities by end of 2025












1. Per Workplace Gender Equality Agency (2022)

2. Reconciliation Action Plan (RAP) conditional endorsement received at the beginning of FY24

# Strategy and growth



# Executing on strategy; delivering returns and growth

 <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>Strengthen the core</p>	<p>Targeted growth opportunities</p>
	<p>Lift returns </p> <p>Drive existing assets </p> <p>Leverage capabilities </p>	<p>Agri-energy </p> <p>Animal Nutrition </p> <p>Grower Services </p> <p>Digital and AgTech </p> <p>Alternative Protein </p>

# Strengthening the core

Disciplined investment in our core business

## Drive existing assets



- Sustained increase in oilseed crush volumes: 8% CAGR FY19-23
- Record financial contribution from non-grain commodities (bulk materials) handled in FY23
- Renewable feedstock exports CAGR of 6% since FY19; FY23 highest volumes in 5 years

## Leveraging capabilities



- Commencement of business and systems transformation to reduce complexity and improve efficiency
- Nutrition and Energy integration to drive efficiency and customer experience
- Investment in digital and analytics capabilities generating returns

## Lift returns



- Foods NZ – commenced strategic review of underperforming asset
- GrainsConnect Canada – recapitalisation for earnings recovery
- Strong focus on cost management

**Average EBITDA through-the-cycle of \$310m (previously \$240m) announced in May 2023**

# Evaluating new oilseed crush plant

## Good progress on feasibility study

- Attractive growth opportunity:
  - Build on GrainCorp’s position as a leading Australian supplier of renewable fuel feedstocks
  - Create additional local source of ongoing demand for Australian oilseeds
  - Improve Australia’s energy security and supporting a pathway to reducing emissions
  
- Progress to date:
  - Identified Western Australia as preferred state for crush facility; favourable canola seed dynamics
  - Completed concept design with equipment vendors; crush capacity of 750kmt-1mmt targeted
  - IFM Investors & GrainCorp announced renewable fuels initiative to help decarbonise the aviation sector
  
- FY24 priorities:
  - Continue engagement with upstream and downstream partners
  - Further feasibility work to strengthen investment case

### GrainCorp’s existing integrated portfolio of feedstocks

#### Used Cooking Oil (UCO)

Leading Australian UCO up-cycler; over 22m litres upcycled per annum.

#### Canola oil

Australia’s largest canola seed crusher, with 500kmt current capacity across two sites in VIC and WA.

#### Tallow

A leading Australasian supplier of tallow for use in renewable fuels and animal feed.



GrainCorp oilseed crush plant, Numurkah, Victoria

# Acquisition of Performance Feeds and Nutrition Services Associates

## Enhancing GrainCorp's capabilities in Animal Nutrition

- Acquisition of XF Australia announced in November 2023 for total cash consideration of \$35m<sup>1</sup>
- Consistent with our strategy of executing targeted growth opportunities
- The benefits of this integration will include:
  - Enhanced geographical footprint of the Animal Nutrition business
  - Addition of deep industry knowledge to an already experienced team
  - Ongoing earnings diversification and countercyclicality
- XF Australia generated EBITDA of \$7.6m for the 12 months to 30 June 2023
- Acquisition funded by existing cash reserves
- Completion subject to customary conditions including consideration by the ACCC

### XF Australia trades under two well-known brands:

#### Performance Feeds

Manufactures a range of liquid and loose lick nutrition supplements to boost production and performance, and optimise the all-round health of sheep, beef and dairy cattle.

#### Nutrition Services Associates (NSA)

A feedlot performance and nutritional consulting business providing both independent advice and trace mineral premix production services.



1. XF Australia Pty Ltd trades as Performance Feeds and Nutrition Services Australia (NSA)

# GrainCorp Ventures

Executing on our strategy in Digital and AgTech



## About GrainCorp Ventures

- Launched in May-22, GrainCorp Ventures is GrainCorp's \$30m corporate venture capital fund
- Committed to supporting innovative start-ups seeking to shape the future of Australian agriculture and food production
- Seeks to actively identify and invest in early-stage start-ups across AgTech, animal nutrition and food innovation

## FY23 Initiatives

- Expanded the portfolio to include Zetifi, ZoomAgri and Loam, alongside previous investments in FutureFeed and Hone
- Continued working closely with portfolio companies to support scale-up in the Australian market
- Focused on start-ups that drive and enhance the future of sustainable agriculture and food production

## Our Investments



# Delivering on our strategy

A stronger core business supporting investment in growth opportunities

- ✓ Driving existing assets to maximise returns

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- ✓ Simplifying and optimising our business for efficiency and customer experience

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- ✓ Identifying and acting on opportunities to lift returns across the portfolio

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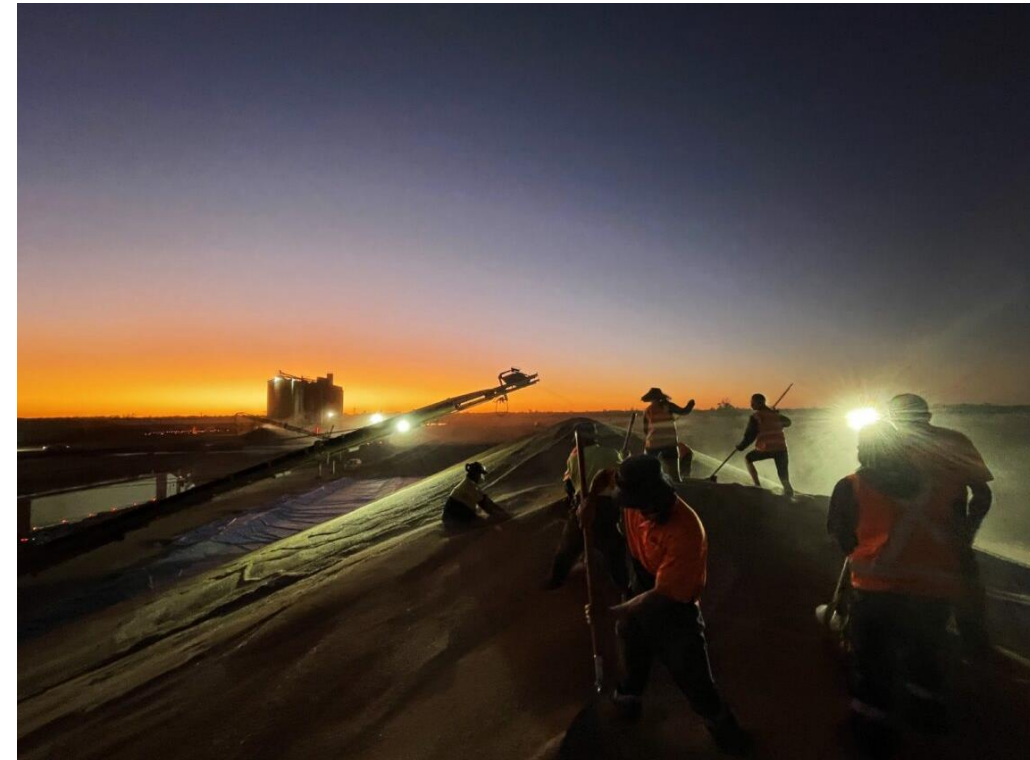
- ✓ Leveraging capabilities for growth and investing in our future

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- ✓ Demonstrating growth progress in Animal Nutrition and Agri-energy

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- ✓ Confidence in our ability to generate attractive earnings through-the-cycle



# FY23 financial performance

# FY23 financial performance

A strong result, following record high achieved in FY22

\$m	FY23	FY22
Business segment EBITDA		
Agribusiness	401	624
Processing	153	127
Corporate (excluding UMG <sup>1</sup> )	(34)	(24)
UMG <sup>2</sup>	46	(24)
<b>Total EBITDA</b>	<b>565</b>	<b>703</b>
Depreciation & Amortisation	(117)	(117)
Impairment	(19)	-
Net Interest <sup>3</sup>	(59)	(36)
Tax	(121)	(170)
<b>NPAT</b>	<b>250</b>	<b>380</b>

- Agribusiness reported an excellent result, driven by positive cropping conditions, operating efficiencies and strong demand for feeds, fats and oils
- Processing reported a record result, underpinned by record oilseed crush volumes and strong crush margins
- Corporate costs higher than prior year due to investments in growth and transformation
- Impairment against Foods NZ business as a result of challenging market conditions
- Increase in net interest primarily due to rise in interest rates on commodity inventory funding<sup>3</sup>

1. United Malt Group (ASX: UMG)

2. Comprises movement in UMG share price + dividends received. FY23 comprises change in share price from \$3.13 at 30 Sep 2022 to \$4.94 at 30 Sep 2023. NB: UMG was acquired by Malteries Soufflet via scheme of arrangement during October 2023 for consideration of \$5.00 per UMG share. GrainCorp's consideration (valued at \$127m before tax, was received by GrainCorp on 15 November 2023)

3. The interest cost on commodity inventory is considered a cost of goods sold and is passed through to customers within the cost of the commodity



# Agribusiness

Excellent all-round performance, leveraging GrainCorp's leading ECA footprint and capabilities

## East Coast Australia (ECA)

- Positive cropping conditions resulted in ECA winter grain production of 29.5mmt in 2022-23
- Large carry-in of 4.9mmt supported total supply
- End-to-end supply chain margins still above historical averages despite recent decline
- Improved in-loading and out-loading capabilities across our network; FY23 grower truck turnaround times improved to 43 min average, a reduction of 7.5% across the network
- FY23 NPS improved from +2 in 2022 to +22
- Extension to existing rail arrangement through to November 2029
- Result includes \$70.0 million payment (by GrainCorp) under Crop Production Contract (CPC) (FY22: \$70.0 million)<sup>6</sup>
- Increase in bulk material volumes - improving utilisation of port assets

1. 'ECA production' represents the total ECA winter + ECA sorghum production, per the definition from Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). FY23 production of 32.0mmt is based on ABARES' Sept 2023 estimate for ECA winter (29.5mmt) and ECA sorghum (2.5mmt) production for the 2022/23 season
2. Receivals comprise total tonnes received up-country and direct-to-port
3. Exports comprise bulk and container exports of grain and oilseeds
4. 'Total grain handled' comprises GrainCorp carry-in + receivals + imports + domestic outload + exports + GrainCorp carry-out
5. Bulk materials handled (or 'non-grain') comprises in-bound receivals of fertiliser, woodchips, cottonseed, cement, and other non-grain materials
6. FY23 impact: -\$82m (comprising -\$70m payout, -\$6m annual premium and -\$6m fair value movement)

## Agribusiness

\$m	FY23	FY22
Revenue	7,803	7,559
EBITDA	401	624
EBIT	314	538
Capex & investments	51	70
Depreciation & Amortisation	87	86

## Key ECA metrics

mmt	FY23	FY22
ECA production <sup>1</sup>	32.0	33.9
Carry-in	4.9	4.3
Receivals <sup>2</sup>	13.9	16.3
<b>Total supply</b>	<b>18.8</b>	<b>20.6</b>
Domestic outload	6.4	6.4
Exports <sup>3</sup>	8.3	9.2
Carry-out	3.9	4.9
<b>Total grain handled<sup>4</sup></b>	<b>37.4</b>	<b>41.1</b>
Contracted grain sales – ECA	5.3	6.1
Bulk materials handled <sup>5</sup>	3.3	2.5

# Agribusiness

Strong International and record FFO contributions supporting overall Agribusiness result

## International<sup>1</sup>

- Multi-origination strategy and execution from Western Australia underpinning earnings
- Global demand for Australian grain driven by historically high levels of Australian production and uncertainty around northern hemisphere supply
- Year-on-year improvement in International contracted grain sales
- Volume and margin environment in Canada challenging; performance of GCC impacted

## Feeds, Fats & Oils (FFO)

- Record FFO result in FY23 driven by good performance across all segments
- Feeds business performed well, supported by large national herd size and high demand for supplementary animal feed
- Exceptional result for Fats and Oils (Agri-energy) business, driven by strong execution and demand for renewable fuel feedstocks
- Strong UCO sales volumes and prices driven by domestic and overseas demand

### Key International metrics

mmt	FY23	FY22
Contracted grain sales - ECA	5.3	6.1
Contracted grain sales - International	3.7	3.5
<b>Contracted grain sales</b>	<b>9.0</b>	<b>9.6</b>

### Key FFO metrics

	FY23	FY22
FFO sales volumes (mmt)	0.8	0.7
Auscol collection volumes (kmt)	20.1	20.1

1. 'International' represents grain originated from all areas outside of East Coast Australia

# Processing

Outstanding oilseed performance with improved efficiencies and record volumes

## Oilseeds

- Record annual oilseed crush volumes with continued operational improvements being delivered - 5.3% growth yoy and 7.5% CAGR since FY19
  - Operational efficiencies driven by use of advanced analytics
- Strong crush margins, driven by:
  - Elevated domestic supply of canola seed – third highest year of Australian canola production on record
  - Investment in processing plants to drive more efficient asset performance
  - High demand for renewable fuel feedstocks
  - Supply constraints in other key oilseed growing regions

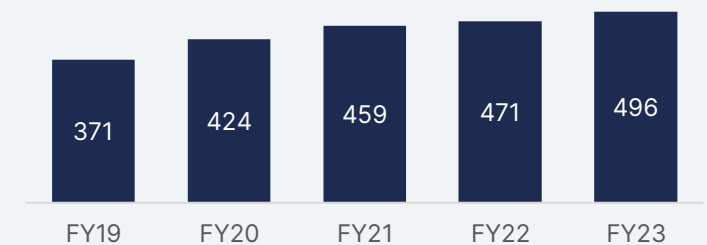
## Foods

- Lower foods sales volumes due to softening market conditions
- Decline in New Zealand market conditions and asset performance led to an impairment charge at the East Tamaki site (\$19m)

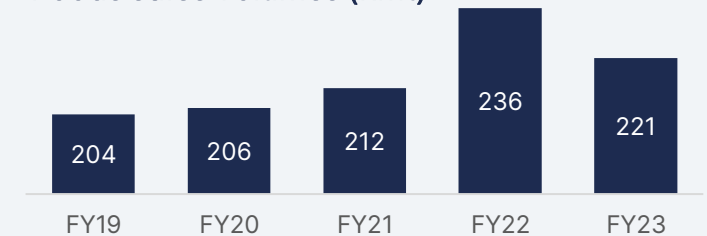
### Processing

\$m	FY23	FY22
Revenue	1,076	1,025
EBITDA	153	127
EBIT	108	101
Capex & investments	15	11
Depreciation & amortisation	26	26

### Oilseed crush volumes (kmt)



### Foods sales volumes (kmt)



# Corporate

Focus on targeted investments in capabilities to support earnings growth

## Corporate

- Continued investment in enabling capabilities to support strategic growth, ESG, major productivity programs and M&A
- Feasibility costs in evaluating new oilseed crush plant
- Modernising systems to increase agility and reduce complexity
- Creating a platform for scalable growth; supporting organic and inorganic growth opportunities

## UMG

- 8.5% stake in UMG was liquidated through the Malteries Soufflet Scheme of Arrangement
- Gross proceeds of \$127m received by GrainCorp on 15 November 2023; \$104m proceeds net of tax
- Fair value gain of \$31m included in FY23 guidance range of \$500-560m provided in May 2023; total UMG fair value gain of \$46m in FY23<sup>1</sup>

## Corporate

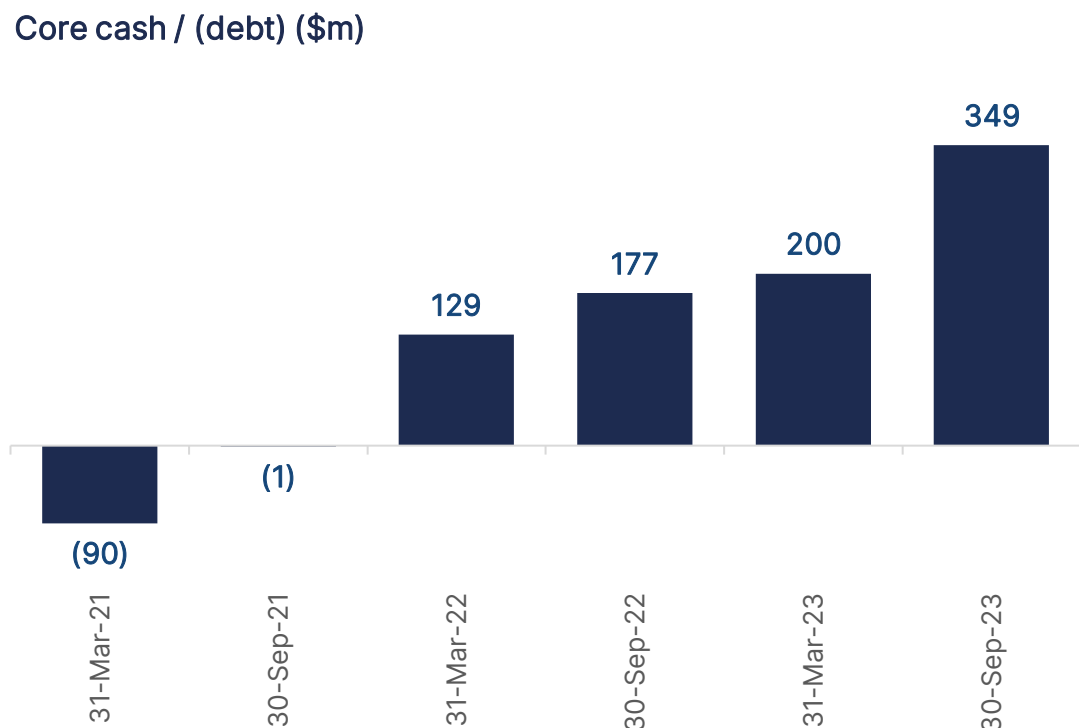
\$m	FY23	FY22
<b>Underlying Corporate</b>	(24)	(21)
Growth and transformation projects	(10)	(3)
<b>Total Corporate</b>	(34)	(24)
UMG	46	(24)

1. Fair value gain reflects appreciation in UMG share price during the year to \$4.94 at 30 September 2023 (\$3.13 at 30 September 2022).

# Balance sheet

# Balance sheet strength

Strong cash generation to end year at \$349m core cash



## Debt and liquidity profile

Components	30 Sep 2023	30 Sep 2022
Term debt	150	150
Inventory and working capital financing	832	713
Cash	(609)	(322)
<b>Net debt</b>	<b>373</b>	<b>540</b>
Commodity inventory	(722)	(717)
<b>Core cash / (debt)<sup>1</sup></b>	<b>349</b>	<b>177</b>
Core cash / (debt) gearing	28%	14%
Retained UMG stake	(126) <sup>2</sup>	(80)

## Debt facilities - overview

Facility type (\$m)	Facility <sup>3</sup>	30 Sep 2023 (utilised)	Expiry
Working capital	545	50	Nov 2023
Commodity inventory funding	990	782	Nov 2023
Term debt	150	150	Mar 2025
<b>Total – all borrowings</b>	<b>1,685</b>	<b>982</b>	

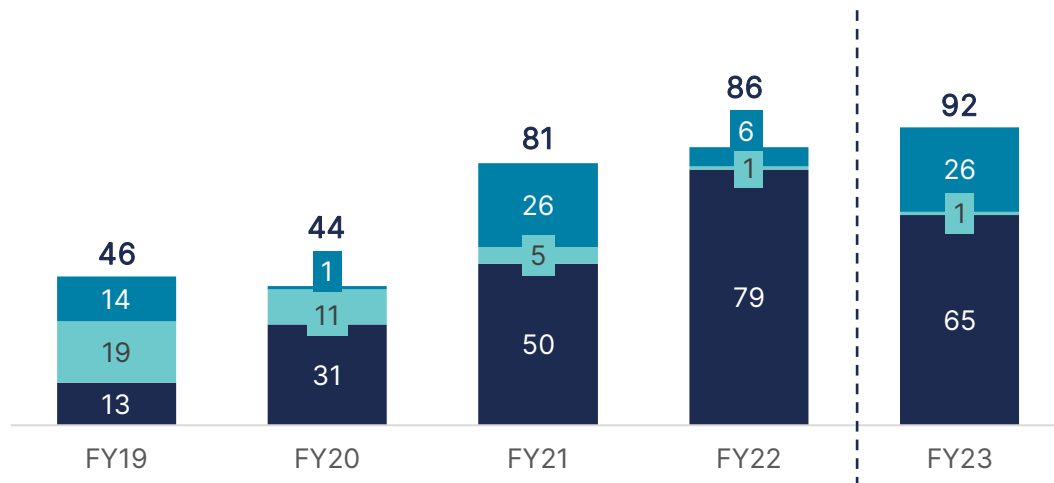
1. Refer to Appendix for a detailed breakdown of core cash / (debt) movements in FY23
2. Reflects valuation based on UMG's closing share price on 30 September 2023 (\$4.94)
3. Facility limits as at 30 September 2023

# Continued capital allocation discipline

Focused investments across asset base to drive earnings efficiencies

Capex and investments (\$m)<sup>1,2</sup>

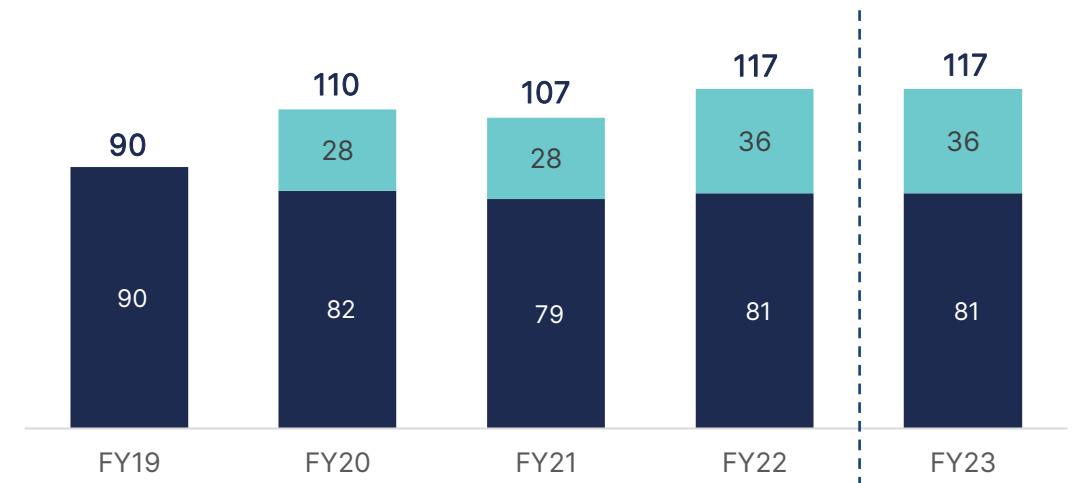
■ Sustaining ■ Growth ■ Investments



- Investment capex driven by equity injection into GCC (\$14m) and venture capital investments (\$12m)
- Sustaining capex in FY23 above target range (\$40-50m) due to ECA investments supporting short-term earnings (e.g. site expansion, mobile fleet, tarpaulins)

Depreciation & Amortisation (D&A) (\$m)<sup>1,3,4</sup>

■ D&A ■ AASB-16 depreciation



- FY23 D&A in line with FY22
- High D&A relative to capex is supportive of strong future generation of cashflows

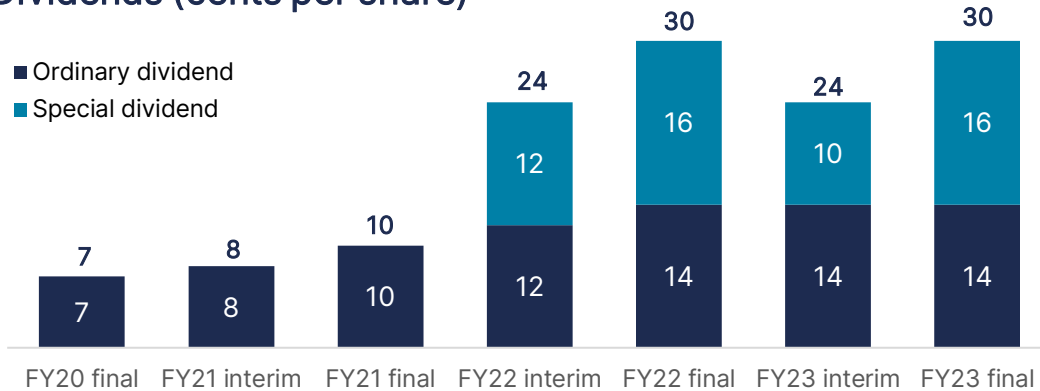
1. Excludes Australian Bulk Liquid Terminals (2019)  
 2. Excludes \$23m GCC debt to equity conversion in FY23  
 3. AASB-16 lease standard introduced in FY20  
 4. Excludes impairments

# Delivering strong returns

Consistent dividend profile through-the-cycle

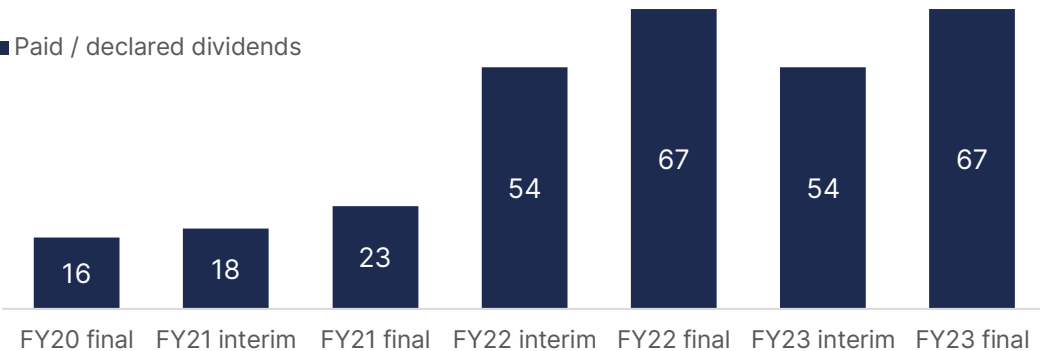
## Dividends (cents per share)

■ Ordinary dividend  
■ Special dividend



## Dividends (\$ millions)

■ Paid / declared dividends



- FY23 final dividend: total 30cps, fully franked
- Total FY23 dividends of 54cps, fully franked
- Stability of ordinary dividend reflects the ongoing confidence in through-the-cycle earnings and disciplined capital deployment
- Total dividends since demerger: \$299m
- Share buy-back of up to \$50 million announced for FY24
- Capital management will continue to be assessed against growth opportunities



# Outlook and conclusion

# FY24 outlook

GrainCorp is well positioned for the season ahead

- ABARES' September 2023 forecasts ECA winter crop of 20.8mmt
- Dry northern conditions offsetting favourable conditions in southern regions
- Harvest in QLD and Northern NSW well progressed; Southern NSW and Victorian harvests underway
- Harvest earlier than prior year has seen year-to-date receipts of 3.0mmt
- Year-to-date exports of 0.4mmt
- Processing volumes to remain strong; margins to moderate
- Further guidance to be provided at the AGM in February 2024



## Conclusion

Outstanding FY23 performance

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Strong balance sheet with significant flexibility

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Acquisition to support Animal Nutrition growth

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Continued assessment of new crush plant capacity

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Confidence in through-the-cycle earnings guidance of \$310m

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Track record of strong returns to shareholders



# Appendices

# Our network of assets

GrainCorp is a leading Australian agribusiness and processing company, with integrated operations across four continents and a proud history of delivering for customers for more than 100 years

## 7

Ports across ECA

## 500+

Oilseed crush capacity (kmt)

## >160

Receival sites throughout ECA

## 290

Oil refining, bleaching and deodorising (RBD) capacity (kmt)

## 12

Marketing offices globally

## 4

Grain elevators and one port in western Canada\* ^



GrainCorp has the largest regional accumulation, storage and handling network on the east coast of Australia.

➔ See our network map [grains.graincorp.com.au/locations](https://grains.graincorp.com.au/locations)

\* Through GrainsConnect Canada, a 50-50 JV between GrainCorp and Zen-Noh

^ Fraser Grain Terminal owned through 50-50 JV between GrainsConnect Canada and Parrish & Heimbecker

# How we operate

We partner with growers to maximise the value of their crops, connecting them to domestic and global marketplaces through our end-to-end supply chain and infrastructure assets.

We develop innovative solutions to create high quality and sustainable products across Human Nutrition, Animal Nutrition and Agri-energy for domestic and international customers.



## International

- Global network of offices, originating grain, pulses and oilseeds from different regions.
- Delivering to 350+ customers in 50+ countries.
- Includes GrainsConnect Canada joint venture and Saxon Agriculture



## East Coast Australia (ECA)

- Largest grain storage and handling network on ECA
- >160 regional receival sites and seven bulk ports, connected by road and rail infrastructure
- Import/export of other bulk materials, e.g. cement, woodchips and fertiliser

## Human Nutrition

- One of Australia's largest refiners of edible fats and oils
- Products include blended and single oils, infant nutrition, bakery products, margarines and spreads and frying shortening
- One of Australia's largest importers of vegetable oils

## Animal Nutrition

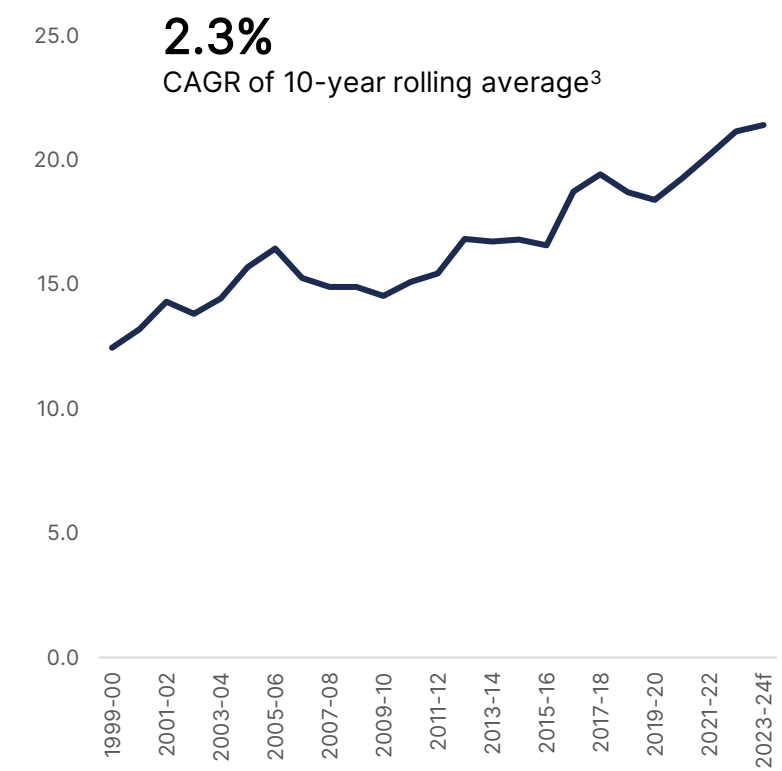
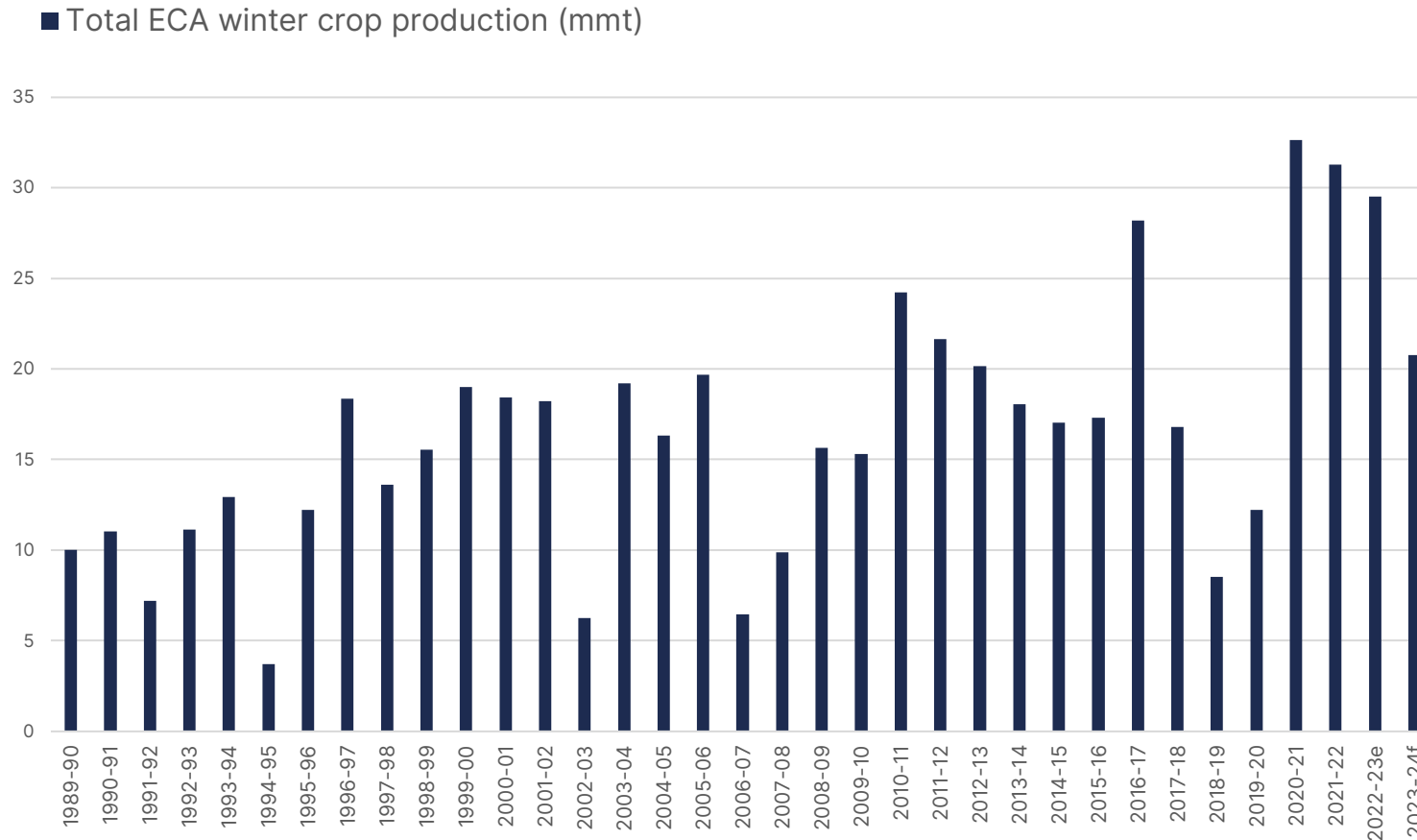
- One of Australia's largest canola meal producers, a by-product of canola seed crushing
- Supplier of vegetable oil and molasses-based feed supplements to enhance farm productivity
- Presence in Australia and NZ

## Agri-energy

- One of Australia's largest collectors of Used Cooking Oil (UCO)
- Australia's largest exporter of tallow and UCO
- Access to the broadest network of liquid tank storage across Australia and New Zealand

# Long-term ECA winter grain production

Average ECA grain production continues to improve



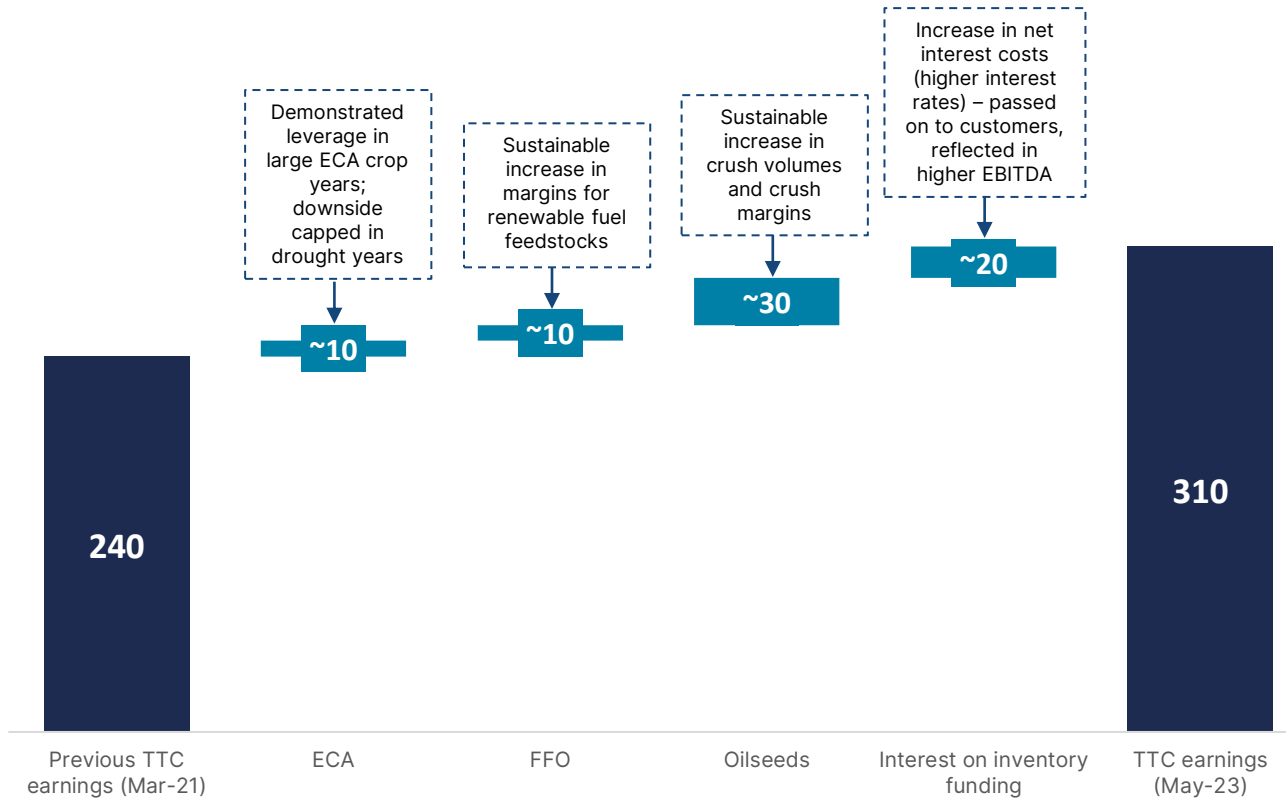
**ABARES September 2023 ECA crop production forecast 0.8mmt higher than June 2023 forecast**

1. 2022-23e is the estimate for 2022-23 ECA winter crop production, taken from ABARES' September 2023 crop report
2. 2023-24f is the forecast for 2023-24 ECA winter crop production, taken from ABARES' September 2023 crop report
3. CAGR based on 10-year rolling average from 1999-00 to 2023-24f

# Significant operating leverage

Lifted average earnings through-the-cycle from \$240m to \$310m in May 2023

Average EBITDA through-the-cycle (\$m)

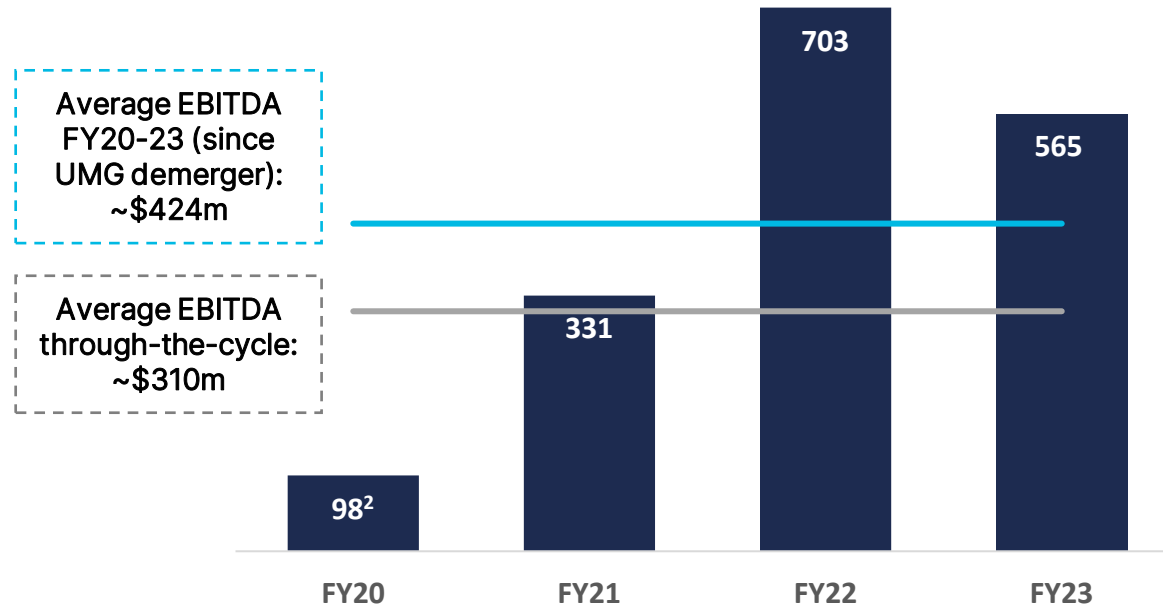


- Average EBITDA guidance through-the-cycle was increased from \$240m to \$310m in May 2023
- Sustained improvements to oilseeds volumes and margins, combined with ECA operating leverage driving average earnings
- GrainCorp has significant operating leverage in large ECA crop years, as demonstrated in FY21-23
- Operating initiatives and the Crop Production Contract have been effective at supporting earnings in small ECA crop years



# Significant operating leverage in large ECA crop years

EBITDA (\$m)<sup>1</sup>

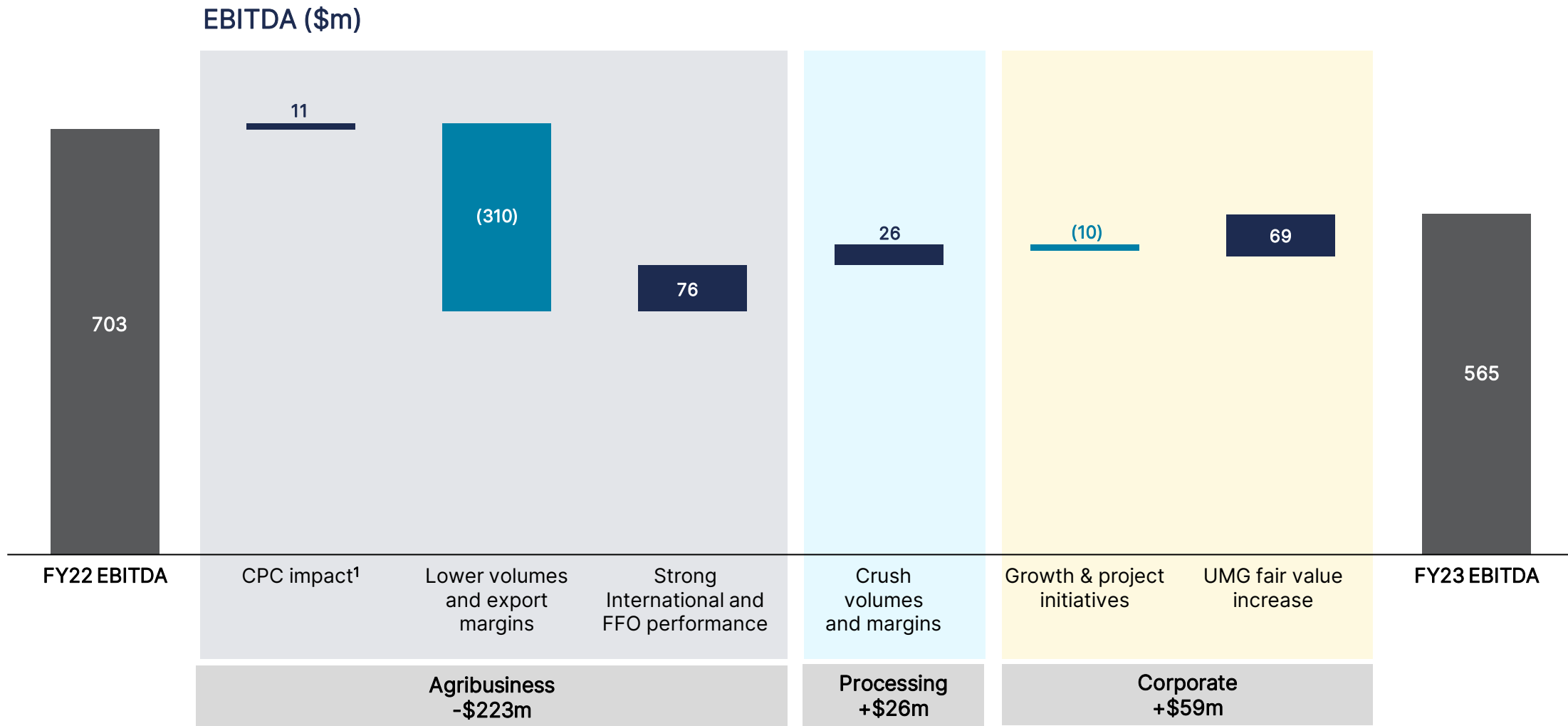


ECA production (mmt) <sup>4</sup>	12.6	34.3	33.9	32.0
Tonnes handled (mmt) <sup>5</sup>	14.2	34.4	41.1	37.4

- GrainCorp has significant operating leverage in large ECA crop years, as demonstrated in FY21-23
- Operating initiatives and the Crop Production Contract have been effective at supporting earnings in small ECA crop years, as demonstrated in FY20, a severe drought year
- Sustained improvements to oilseeds volumes and margins, combined with ECA operating leverage, is driving average earnings of \$310 million through-the-cycle.

1. FY20-23 represents period post demerger of malt business and introduction of Crop Production Contract  
 2. Includes proforma adjustment – removal of earnings from Australian Bulk Liquid Terminals  
 3. ECA production represents total ECA winter + ECA sorghum production (source: ABARES)  
 4. 'Tonnes handled' comprises GrainCorp carry-in + receivals + imports + domestic outload + exports + GrainCorp carry-out

# Earnings bridge: FY22 to FY23



1. CPC: FY23 impact -\$82m (comprising -\$70m payout, -\$6m annual premium and -\$6m fair value movement). FY22 impact -\$93m (comprising -\$70m payout, -\$6m annual premium and -\$17m fair value movement)

# ECA tonnes handled

Total grain handled has a high correlation to ECA contribution margin

mmt	FY19	FY20	FY21	FY22	FY23
<b>ABARES – total ECA winter + sorghum production<sup>1</sup></b>	<b>9.7</b>	<b>12.6</b>	<b>34.3</b>	<b>33.9</b>	<b>32.0</b>
Carry-in	2.3	1.5	0.7	4.3	4.9
Receivals <sup>2</sup>	3.1	4.2	16.5	16.3	13.9
Imports (trans-shipments)	2.3	1.4	0.0	0.0	0.0
Domestic outload	5.8	5.1	5.0	6.4	6.4
Exports <sup>3</sup>	0.3	1.3	7.9	9.2	8.3
Carry-out	1.5	0.7	4.3	4.9	3.9
<b>Total grain handled<sup>4</sup></b>	<b>15.3</b>	<b>14.2</b>	<b>34.4</b>	<b>41.1</b>	<b>37.4</b>
Bulk materials (non-grain) handled <sup>5</sup>	2.9	2.1	2.7	2.5	3.3

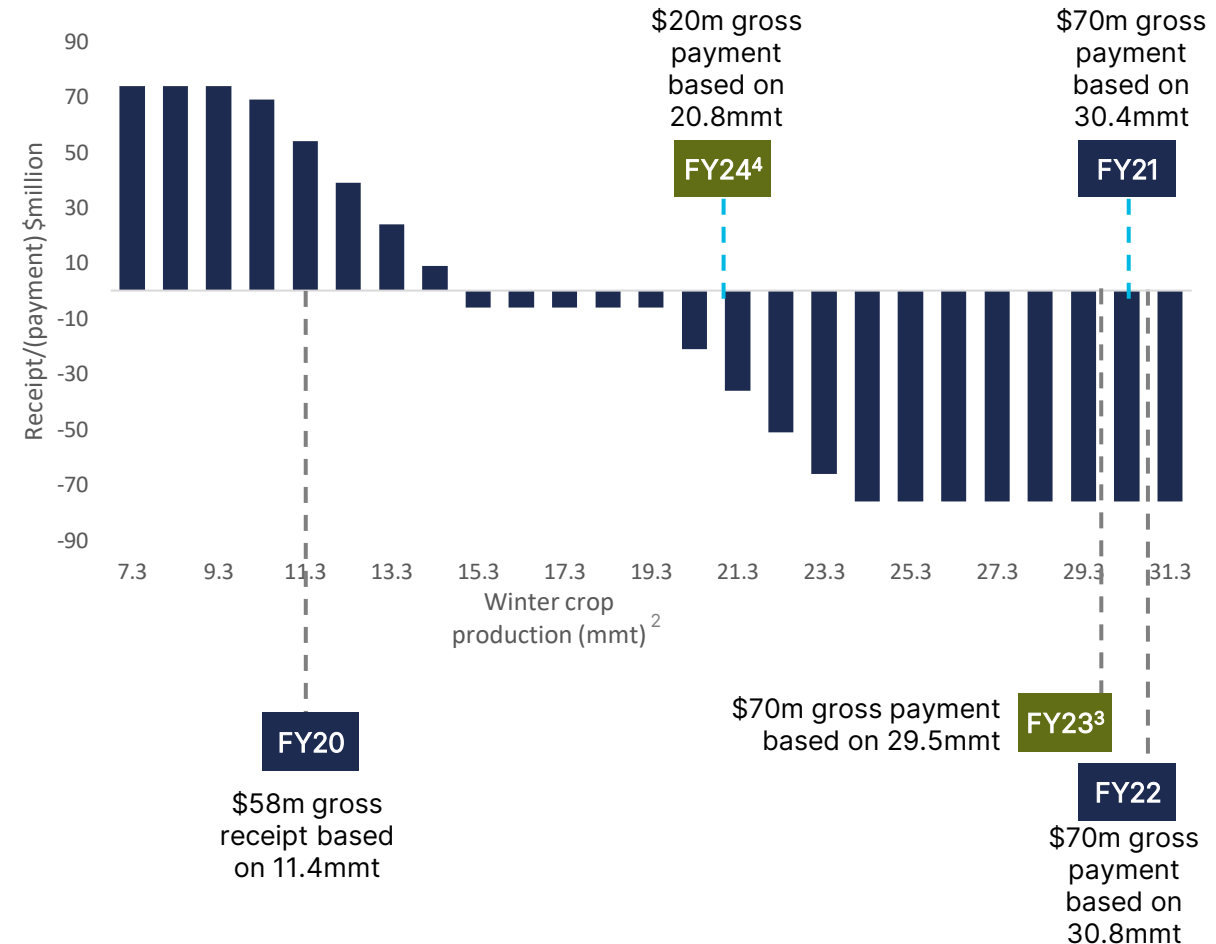
1. ECA production represents the total ECA winter + ECA sorghum production, per the definition from Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). FY23 production of 32.0mmt is based on ABARES' September 2023 estimate for ECA winter (29.5mmt) and ECA sorghum (2.5mmt) production for the 2022/23 season.
2. Receivals comprise total tonnes received up-country and direct-to-port.
3. Exports comprise bulk and container exports of grain and oilseeds.
4. 'Total grain handled' comprises GrainCorp carry-in + receivals + imports + domestic outload + exports + GrainCorp carry-out.
5. Bulk materials (non-grain) comprises inbound receivals of sand, cement, sugar, woodchips, fertiliser and other materials

# Crop production contract

## Smoothing GrainCorp's cash flows through-the-cycle

- 10-year contract (started FY20) with White Rock Insurance
- Production payments based on ABARES' "total ECA winter crop production"<sup>2</sup> estimate, disclosed in quarterly *Australian Crop Report*
- Maximum annual production payments (excluding \$6m annual premium):
  - GrainCorp payment \$70m
  - GrainCorp receipt \$80m
- Aggregate net limit \$270m over the length of the contract; current net position of \$152m paid to insurer
- Production payment schedule:
  - February crop report: determines initial production payment
  - March: 90% of production payment is made/received
  - June crop report: determines final production payment amount
  - August: balance of production payment is made/received – with 'true-up' based on June update

Crop Production Contract – production payment profile<sup>1</sup>



1. CPC payment profile includes the annual premium of ~\$6m.

2. 'Total ECA winter crop production' = ABARES' winter crop production for the Australian states of Queensland, New South Wales and Victoria for all commodities.

3. FY23 based on September 2023 ABARES estimate of 2022/23 ECA winter harvest.

4. FY24 estimate based on September 2023 ABARES estimate of 2023/24 ECA winter harvest.

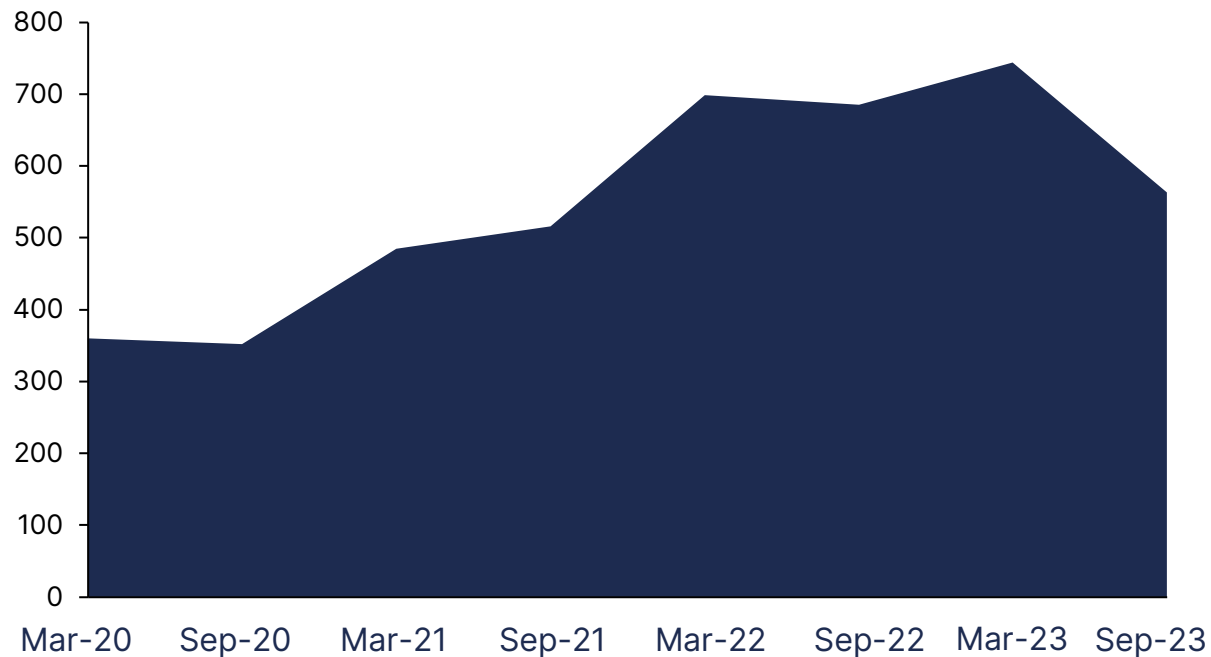
# Cash flow

(\$m)	30 September 2023	30 September 2022
Statutory EBITDA	565	703
Net Interest	(59)	(36)
Income taxes paid	(203)	(47)
Changes in working capital and other related items	121	(169)
<b>Net operating cash flow excl inventory funding &amp; commodity inventory</b>	<b>424</b>	<b>451</b>
Proceeds for bank loans – inventory funding	155	112
Commodities inventory	(5)	(119)
<b>Net cashflows from operating activities</b>	<b>575</b>	<b>444</b>
Capital expenditure and investments	(116)	(86)
Proceeds from asset sales	1	2
Loans to related parties & other receipts / (payments)	24	(19)
<b>Net cashflows from investing activities</b>	<b>(91)</b>	<b>(104)</b>
Net borrowings	(36)	25
Dividends paid	(121)	(77)
Share buyback	-	(50)
Principal elements of lease payments	(41)	(37)
Other receipts / (payments)	1	(6)
<b>Net cashflows from financing activities</b>	<b>(197)</b>	<b>(144)</b>
<b>Net increase in cash and cash equivalents</b>	<b>287</b>	<b>196</b>

# Working capital movements

Working capital unwind commenced in 2H23 as commodity values normalised

**Net Working Capital (NWC)**  
(AUD millions)<sup>1</sup>

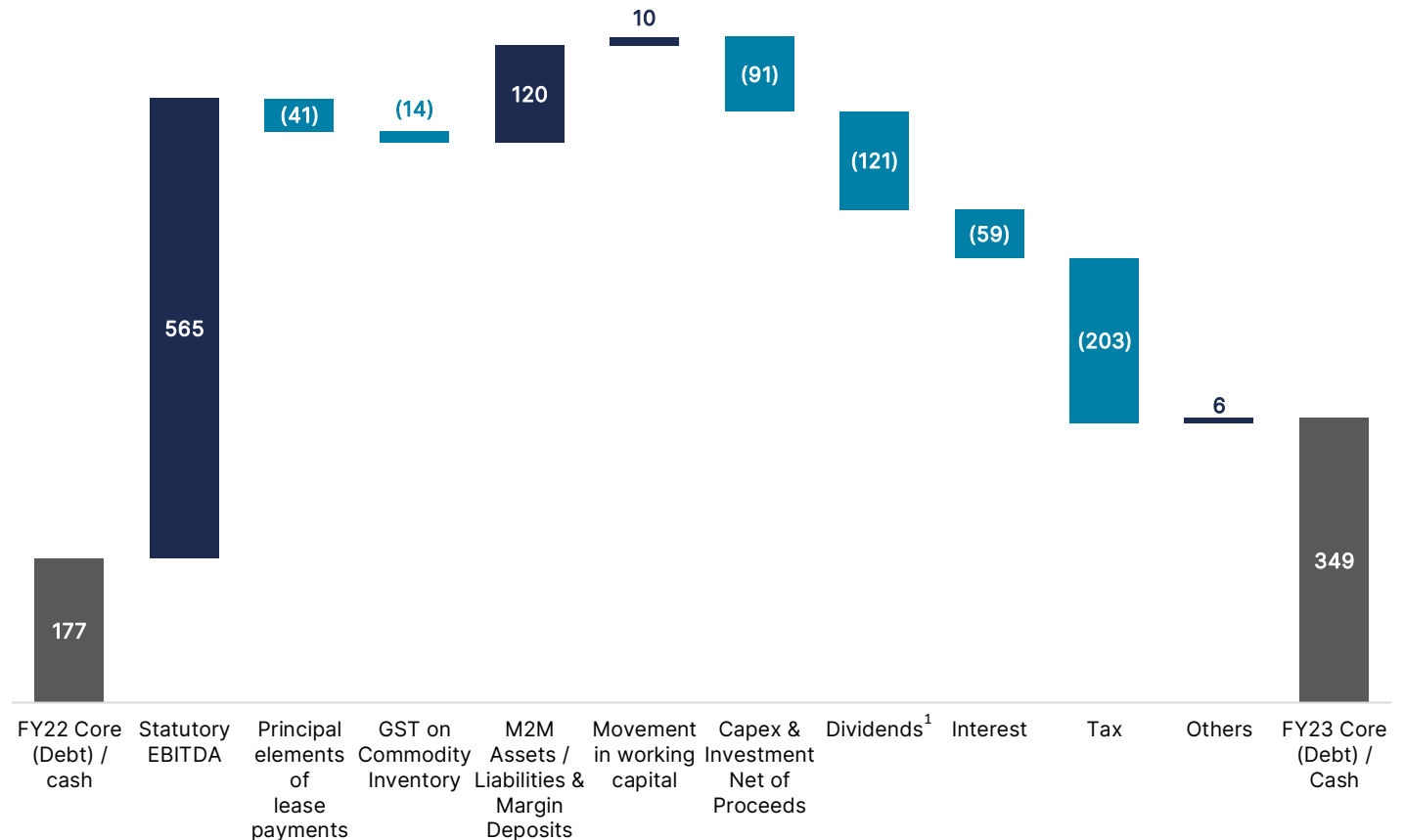


- Net working capital started to unwind in FY23 due to lower short-term funding requirements for grain shipments and commodity values reducing from peak levels
- Further unwinding of working capital expected as forward grain sales are physically executed, and as commodity values, production and export activity normalise

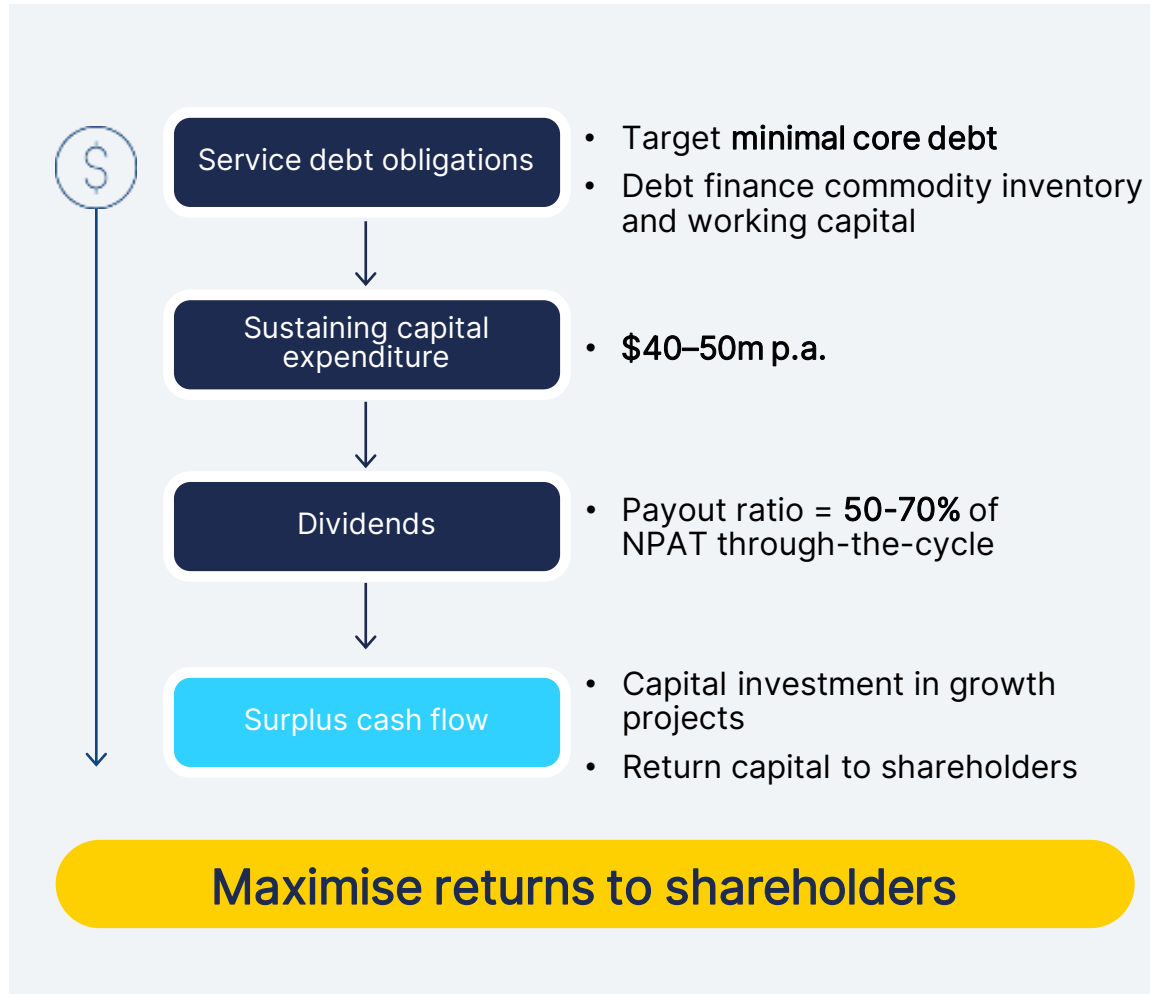
1. Net working capital includes trade and other receivables, inventories (excluding commodity inventory at fair value less costs to sell), mark-to-market assets and liabilities, trade and other payables, deferred revenue and employee related provisions.

# Core cash / (debt) bridge: FY22 – FY23

- Core cash position increased from \$177m at 30 Sep 2022 to \$349m at 30 Sep 2023
- Mark-to-market assets and margin deposits reduced due to realised gains and commodity values reducing from peak levels
- Capex & Investment includes \$65m sustaining capex, \$26m investment capex and \$1m growth capex
- Tax includes final FY22 tax payment
- Dividends comprises of 30cps FY22 final dividend plus 24cps FY23 interim dividend
- Others includes UMG fair value gain of \$46m, and losses from joint ventures (\$24m) and other items (\$16m)



# Capital management framework





# Glossary

Term	Definition
<b>AASB</b>	Australian Accounting Standards Board
<b>ABARES</b>	Australian Bureau of Agricultural and Resource Economics
<b>CAGR</b>	Compound Annual Growth Rate
<b>Carry-in</b>	Grain inventory at beginning of period (1 October)
<b>Carry-out</b>	Grain inventory at end of period (30 September)
<b>Core cash / (debt)</b>	Net debt less commodity inventory
<b>CPC</b>	Crop Production Contract
<b>CSIRO</b>	The Commonwealth Scientific and Industrial Research Organisation
<b>Demerger</b>	The demerger of the Malt business effective 23 March 2020
<b>EBIT</b>	Earnings Before Interest and Tax
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation & Amortisation
<b>ECA</b>	East Coast Australia (NSW, QLD and VIC)
<b>EPS</b>	Earnings per Share
<b>ESG</b>	Environment, Social and Governance
<b>Executive KMP</b>	Executives who are also Key Management Personnel
<b>FFO</b>	Feeds, Fats & Oils
<b>FGT</b>	Fraser Grain Terminal
<b>GCC</b>	GrainsConnect Canada JV
<b>iDAP</b>	GrainCorp's Inclusion & Diversity Action Plan

Term	Definition
<b>IFRS</b>	International Financial Reporting Standards
<b>JV</b>	Joint Venture
<b>KMP</b>	Key Management Personnel
<b>LTI</b>	Long-term incentive
<b>LTIFR</b>	Lost Time Injury Frequency Rate
<b>MD and CEO</b>	Managing Director & Chief Executive Officer
<b>mmt</b>	Million metric tonnes
<b>Net debt</b>	Total debt less cash
<b>NPAT</b>	Net Profit After Tax
<b>RBD</b>	Refine, Bleach & Deodorise
<b>RIFR</b>	Recordable Injury Frequency Rate
<b>ROE</b>	Return on Equity
<b>ROIC</b>	Return on Invested Capital
<b>SHE</b>	Safety, Health & Environment
<b>STI</b>	Short-term incentive
<b>TSR</b>	Total Shareholder Return
<b>TTC</b>	Through-the-cycle
<b>UCO</b>	Used Cooking Oil
<b>UMG</b>	United Malt Group Limited (ASX: UMG)



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