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## ASX Announcement | GrainCorp delivers resilient FY24 result

GrainCorp Limited (**GrainCorp** or the **Company**) (ASX: GNC) today announces its results for the year ended 30 September 2024 (FY24).

- **Underlying EBITDA<sup>1</sup>**: \$268 million (FY23: \$565 million)
- **Underlying NPAT<sup>2</sup>**: \$77 million (FY23: \$250 million)
- **Net Profit After Tax (NPAT)**: \$62 million (FY23: \$250 million)
- **Core Cash<sup>3</sup>**: \$337 million (FY23: \$349 million)
- **FY24 dividends**: 48 cents per share (cps) fully franked (FY23: 54cps)

GrainCorp's Managing Director and CEO Robert Spurway commented:

"We responded well to challenging global market conditions and variable crop production across the East Coast of Australia (ECA). Our result demonstrates discipline in operational performance and effective cost management.

"It was pleasing to deliver another record year in oilseed crush volumes, as well as increased sales volumes across Animal Nutrition and Agri-energy.

"We continued to progress our strategy by expanding our Animal Nutrition portfolio with the acquisition of XF Australia<sup>4</sup>. We also progressed our exploration of additional crush capacity, signing an MOU with energy company Ampol and global fund manager IFM Investors, to assess the feasibility of a domestic renewable fuel supply chain.

"Our balance sheet, with a core cash balance of \$337 million, provides us with the flexibility to pursue growth opportunities and deliver strong shareholder returns.

"Operating our business in a sustainable way is at the core of what we do. Our sustainability achievements and key targets are discussed in detail in our FY24 Sustainability Report, also released today."

### Agribusiness

Agribusiness EBITDA was \$162 million in FY24 (FY23: \$351 million<sup>5</sup>), with ECA and Western Australia grain production volumes down on FY23.

In ECA, winter grain production of 23.5mmt in FY24<sup>6</sup> (FY23: 29.9mmt) resulted in total grain handled of 28.0mmt (FY23: 37.4mmt), with domestic outloads of 5.9mmt (FY23: 6.4mmt) and exports of 5.6mmt (FY23: 8.3mmt).

<sup>1</sup> Underlying EBITDA is a non-IFRS measure representing earnings before net interest, tax, depreciation, and amortisation and excludes business transformation costs (FY24: \$21.4 million)

<sup>2</sup> Underlying NPAT is a non-IFRS measure representing statutory net profit after tax, excluding business transformation costs after tax (FY24: \$15.0 million)

<sup>3</sup> Core cash / (debt) refers to net debt less commodity inventory

<sup>4</sup> XF Australia supplies animal feed supplements and nutritional services through Performance Feeds and Nutrition Service Australia respectively

<sup>5</sup> FY23 Agribusiness EBITDA of \$351 million has been restated from \$401 million to reflect segment reorganisation

<sup>6</sup> ABARES September 2024 Crop Report

Western Australia winter crop production of 14.8mmt, which was 44% below 2022/23 production and 23% below the preceding 5-year average, impacted volumes in the International business.

Lower production in Australia, combined with increased grain production globally, impacted overall margins in Agribusiness in FY24.

## **Nutrition and Energy**

Nutrition and Energy EBITDA was \$134 million in FY24 (FY23: \$202 million)<sup>7</sup>.

GrainCorp's oilseed processing facilities crushed a record 540kmt of canola seed (FY23: 496kmt) as we continued to extract operational efficiencies, including through the use of advanced analytics tools.

Crush margins were impacted by lower canola crop volumes, weaker vegetable oil prices, and an improved global soybean crop.

In Animal Nutrition, the acquisition of XF Australia contributed to an increase in sales volumes, with the business performing well since the acquisition was completed in April 2024.

Agri-energy sales volumes increased year-on-year, driven by strong tallow and used cooking oil volumes.

## **Balance sheet and capital management**

GrainCorp's FY24 closing balance sheet finished with a strong core cash position of \$337 million (FY23: \$349 million). Net debt at 30 September 2024 was \$99 million (FY23: \$373 million).

GrainCorp's Board of Directors has declared a total final dividend for FY24 of 24cps, comprising:

- a final ordinary dividend of 14cps, fully franked (FY23: 14cps); and
- a final special dividend of 10cps, fully franked (FY23: 16cps)

Both the ordinary and special final dividends will be paid on 12 December 2024, with both dividends having a record date of 28 November 2024.

The dividends are in addition to the on-market share buy-back, that was first announced by GrainCorp in November 2023 and ended in November 2024 with 3.1 million shares bought back for a total consideration of approximately \$27 million.

## **Update on strategic priorities**

"GrainCorp continues to deliver on its strategy, which has been refreshed to drive sustainable growth," Mr Spurway said.

"We continue to diversify operations and earnings at our ECA port terminals, through our bulk materials strategy.

"The acquisition of XF Australia has broadened GrainCorp's Animal Nutrition portfolio and positions us well for ongoing growth in this sector.

"Enhancing margins through leveraging our core assets and portfolio optimisation is critical to increasing value through the cycle," Mr Spurway said.

GrainCorp progressed the assessment of additional oilseed crush capacity and the feasibility of a domestic renewable fuels supply chain, as part of an MOU announced with Ampol and IFM Investors in July.

<sup>7</sup> FY23 Nutrition and Energy EBITDA of \$202 million has been restated from \$153 million to reflect segment reorganisation

Mr Spurway said: “We continue to assess locations on the west and east coasts, and to engage with our MOU partners, industry participants and the Australian Government on establishing a low carbon liquid fuels supply chain.”

“We have also commenced a business transformation program designed to modernise our systems so that we can continue to improve efficiency and reduce complexity across the business.”

## Outlook

The latest 2024/25 ABARES ECA winter crop forecast is 28.8mmt, with stronger yields in Queensland and New South Wales and reduced prospects in Victoria.

“The favourable conditions in northern regions and the earlier start to harvest is reflected in the 5.8 million tonnes of grain received into the GrainCorp network so far this season,” Mr Spurway said.

“Our teams are working closely with growers to respond to the demands of harvest and set up our supply chain for a busy year ahead.

“The year-on-year increase in volume of grain produced on the ECA provides the opportunity for improved export volumes in 2025. However, market dynamics are expected to impact margins, with Australian grain exports competing against a relatively strong supply of grains and oilseeds globally.

“Our Nutrition and Energy businesses are performing well, with strong crush volumes achieved. Although crush margins are forecast to remain under some pressure due to global market conditions and a smaller crop expected in Victoria.

“Earlier in the year, GrainCorp was pleased to announce a lift in average earnings through-the-cycle to \$320 million EBITDA. The strong balance sheet provides flexibility to pursue growth, invest in the business and provide strong shareholder returns.”

GrainCorp currently expects to provide earnings guidance at the Annual General Meeting in February 2025.

## Webcast call

Robert Spurway, Managing Director & CEO, and Ian Morrison, CFO, will host a webcast call today at 10:00am (Sydney time) to discuss GrainCorp’s FY24 results. The call will be webcast live at <https://webcast.openbriefing.com/gnc-fyr-2024/> and a replay of the webcast will be made available on GrainCorp’s website.

**This announcement was authorised for release to the ASX by the GrainCorp Board.**

## About GrainCorp

GrainCorp is an integrated grain and edible oils business with a market leading presence as the largest grain storage and handling business in ECA and a leading edible oil processor and oilseed crusher in Australia and New Zealand. Over its 100+ year history, GrainCorp has created a global supply chain with high quality infrastructure assets that store, process and facilitate the transportation of grains and edible oils.

For further details, please visit the Investors & Media section of our website at [www.graincorp.com.au](http://www.graincorp.com.au)

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