

12 November 2020

Improved financial performance in a year of transformation

GrainCorp Limited (**GrainCorp** or the **Company**) (ASX: GNC) announces its full year results for the year ended 30 September 2020.

- Underlying EBITDA¹ for continuing operations: \$108 million (FY19: \$107 million loss)
- Underlying NPAT² for continuing operations: \$16 million loss (FY19: \$158 million loss)
- Statutory NPAT³: \$343 million (FY19: \$113 million loss)
- Declared dividend 7 cents per share fully franked (FY19: nil dividend)
- Recordable Injury Frequency Rate⁴ of 6.5 (FY19: 7.7)

Managing Director & CEO, Robert Spurway, commented:

“GrainCorp reported a substantially improved financial performance in FY20, despite a third year of drought. We are delivering on our operational initiatives and these are providing more consistent and stable earnings for the business.

“The most significant drivers in the year were the positive impact from the Crop Production Contract (CPC), improved performance from our East Coast of Australia (ECA) grains and international trading businesses, and stronger oilseed crush volumes and margins.

“The Company has a strong balance sheet and is in a privileged position with a high quality, integrated network of infrastructure assets to receive and export the much larger crop currently in harvest across ECA.”

Dividend

The Board of Directors has declared a dividend of 7 cents per share, fully franked, for the FY20 year.

Chairman, Peter Richards, commented:

“Following a year of transformation, we are pleased to be in a position to pay a dividend of 7 cents per share, fully franked. The dividend reflects the strength of our balance sheet, the benefits of the Crop Production Contract and our confidence in the outlook and the sustainability of earnings and cash flows into the future.”

¹ Underlying EBITDA is a non-IFRS measure representing earnings before net interest, tax, depreciation and amortisation, and excluding significant items.

² Underlying NPAT is a non-IFRS measure and excludes significant items.

³ Net profit/loss after tax and after significant items – represents profit attributable to shareholders.

⁴ Recordable Injury Frequency Rate is calculated as the number of injuries per million hours worked. Includes lost time injuries and medical treatment injuries.



The dividend will be paid on 10 December 2020 to ordinary shareholders at a record date of 26 November 2020.

Strong financial performance

Underlying EBITDA from continuing operations was \$108 million, up from a loss of \$107 million.

Chief Financial Officer, Ian Morrison, commented:

“Although ECA grain production was again adversely impacted by drought, the Company benefited from the first year of the CPC, receiving a total gross payment of \$58 million due to the reduced size of the harvest.

“Throughout the year, the business continued to import grain from other states to manage east coast grain deficits, although these trans-shipments slowed in the second half as expectations for the 2020/21 crop improved.

“It is pleasing to see improvements in performance right across the business and the benefits being delivered from our capital investments and operating initiatives.”

COVID-19 Resilience

At the outset of the COVID-19 pandemic, GrainCorp was confirmed as an essential service. Throughout the pandemic, GrainCorp has continued to operate across all business units without interruption and has accelerated the introduction of our digital solutions including *CropConnect* and *FastWeigh*, allowing safer and more efficient contactless processes at all receival sites for the 2020/21 winter harvest.

GrainCorp did not access any financial support from state or federal governments during the pandemic and, indeed, significantly increased employee numbers ahead of the harvest.

Outlook

GrainCorp expects growth in earnings in FY21 due to the anticipated larger ECA winter crop and the ongoing benefits from recent operating initiatives.

In Agribusiness, improved growing conditions and current grain receival year to date, indicate a very strong 2020/21 winter crop, similar in size to the FY17 harvest (subject to ongoing weather conditions and other variables).

In Processing, the expected increased supply of Canola seed will continue to support strong oilseed crush margins, partially offset by reduced meal values.

GrainCorp expects trading conditions in the Foods sector to remain highly competitive.

This announcement is authorised by the GrainCorp Board.



Webcast call

Robert Spurway, Managing Director & CEO, and Ian Morrison, Chief Financial Officer, will host a webcast call today at 10:00am (AEDT) to discuss GrainCorp's FY20 Results. The call will be webcast live at <https://webcast.openbriefing.com/6570/>. A video summarising the FY20 Results will also be available on the GrainCorp website later today in the Investors & Media section: <http://www.graincorp.com.au/investors-and-media/>.

About GrainCorp

GrainCorp is an integrated grain and edible oils business with a market leading presence on the East Coast of Australia (ECA). It is the largest grain storage and handling business in ECA and the 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

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