9 May 2019

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

GrainCorp Limited (ASX: GNC)
Investor Presentation – Financial Half Year Ended 31 March 2019

Please find attached the Investor Presentation relating to the financial Half Year ended 31 March 2019.

GrainCorp is holding a briefing for investors and analysts commencing at 10:00am (Sydney time) to present the Half Year Results.

The briefing will be webcast live and can be accessed from the following link: http://webcast.openbriefing.com/5191/

An archived version will also be available later in the day.

Yours faithfully,

GrainCorp Limited

Annerly Squires
Company Secretary

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HY19 results

9 May 2019

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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.

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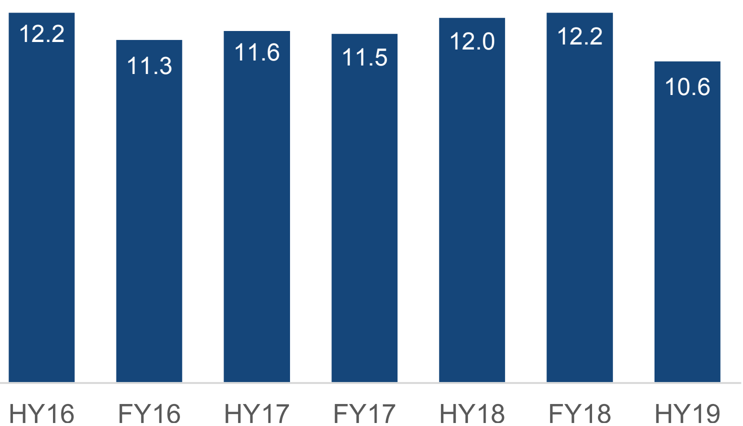
Agenda

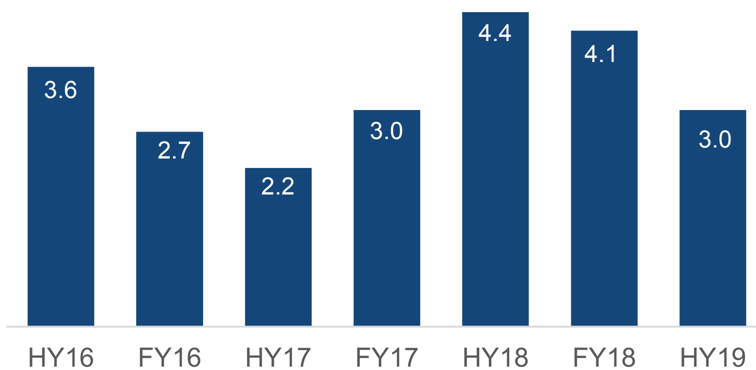
- Results overview
- Segment performance
- Balance sheet & capex
- FY19 outlook

Commitment to safety is fundamental

RECORDABLE INJURY FREQUENCY RATE[1]



LOST TIME INJURY FREQUENCY RATE[2]



- Reduction in injury rates due primarily to impact of ‘safety interactions’ initiative, instituting safe work practices and resolution of unsafe situations.
- High potential near-miss incidents down ~40% in HY19 due to strong focus on critical risk management.

1. Recordable Injury Frequency Rate (RIFR) is calculated as the number of injuries per million hours worked, on a rolling 12-month basis. Includes lost time injuries, medical injuries and restricted work injuries. Includes permanent and casual employees and GrainCorp controlled contractors.
2. Lost Time Injury Frequency Rate (LTIFR) is calculated as the number of lost time injuries per million hours worked, on a rolling 12-month basis. Includes permanent and casual employees and GrainCorp controlled contractors.

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HY19 results overview

$M	HY19	HY18
Underlying EBITDA[(1)]	27	119
Underlying NPAT[(2)]	(48)	36
Statutory NPAT[(3)]	(59)	36
Interim dividend (cents per share) – 100% franked	0	8

- **Overview:** East Coast Australian (ECA) drought had significant impact on HY19 earnings, with large decline in ECA grain production, lower exports, and depressed oilseed crush margins. Grain trade conditions disrupted grain flows. Malt continued to perform well.
- **Malt:** Continued high utilisation across global portfolio of malting plants. Solid demand for malt and brewing ingredients/products from craft and distilling customers.
- **Grains:** Smallest ECA crop in over a decade, with substantial decline in grain receivals and minimal grain exports. Business was also impacted with grain trade conditions disrupting grain flows. Utilisation of rail take-or-pay contracts was again a burden with low grain volumes.
- **Oils:** Good performance from Bulk Liquid Terminals and Feeds, and improvement in Foods due to ongoing cost reduction and efficiency improvements. Oilseeds down substantially due to ECA drought and impact on canola supply and associated freight costs, and lower canola meal pricing.
- **Portfolio review**: In March 2019, announced agreement to sell Australian Bulk Liquid Terminals, subject to relevant approvals. In April 2019, announced intention to demerge global malting business, and combine Grains and Oils into a single business. Each initiative would unlock significant value for shareholders.

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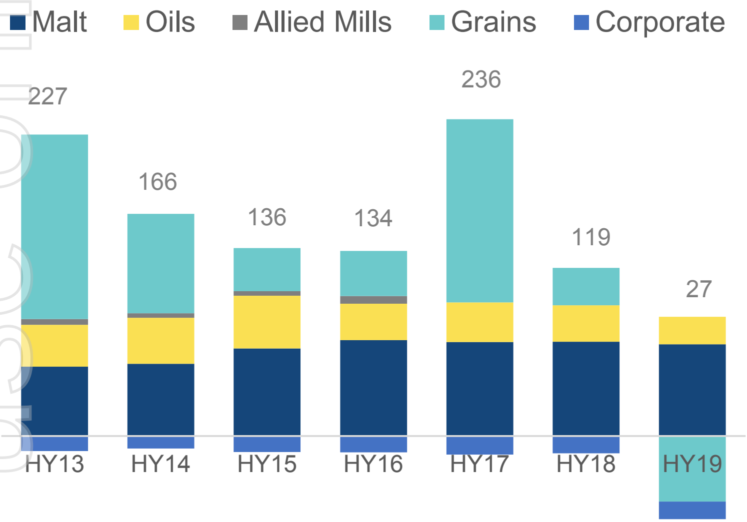
1. EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation, before significant items.
2. Net profit/loss after tax and before significant items.
3. Net profit/loss after tax and after significant items of $11 million after tax.

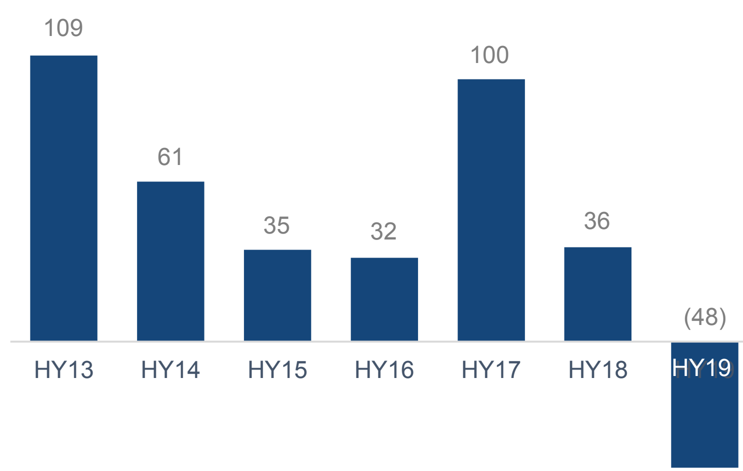
Earnings profile

UNDERLYING EBITDA[1,2] ($M)



1H	227	166	136	134	236	119	27
2H	168	127	99	122	154	150	

UNDERLYING NPAT[1] ($M)



1H	109	61	35	32	100	36	(48)
2H	66	34	10	21	42	35	

1. Totals represent EBITDA and NPAT before significant items. Inclusion of Allied Mills (NPAT) until FY16.
2. Bar chart reflects business unit proportions of EBITDA.

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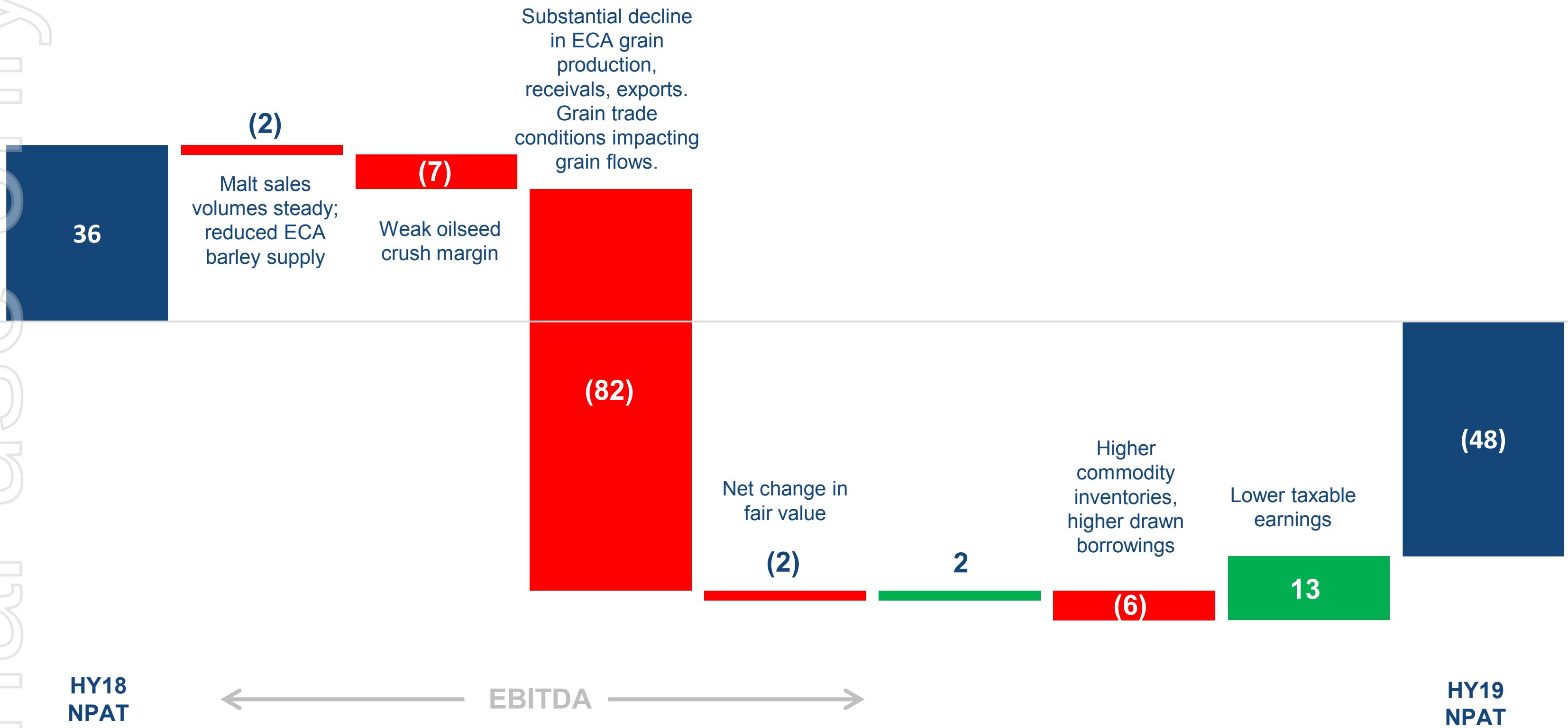
Earnings loss due to ECA drought and grain trade conditions

HY18 - HY19 EARNINGS BRIDGE[1] ($M)



	Malt	Oils	Grains	Corporate	D&A[2]	Net Interest	Tax	NPAT[1]
HY19 ($M)	**73**	**22**	**(52)**	**(16)**	**(72)**	**(27)**	**25**	**(48)**
HY18 ($M)	75	29	30	(14)	(74)	(21)	12	36

1. Excludes significant items.
2. Depreciation & Amortisation.

Segment performance

Financial summary

$M	Revenue		EBITDA [1]	
	HY19	HY18	HY19	HY18
Malt	610	534	73	75
Oils	471	490	22	29
Grains	1,508	1,027	(52)	30
Corporate	-	-	(16)	(14)
Eliminations and other	(96)	(64)	-	-
Total	**2,493**	**1,987**	**27**	**119**

1. Before significant items.

Malt: solid demand from craft and distilling customers

$M	HY19	HY18
Revenue	610	534
EBITDA	73	75
EBIT	47	49
Capex	21	11

- Malt sales volumes steady, revenue up.
- Lower ECA barley supply, weather issues in Canada.
- Continued high utilisation across global portfolio of malting plants.
- Continued solid demand for malt and brewing ingredients/products from craft and distilling customers.
- US craft beer industry sales volumes increased 4% in 2018[(1)].

Capacity expansion – Scotland:

- £51 million project to expand malting capacity by 79,000 tonnes.
- Announced October 2018, due for completion by CY2021; involves upgrade of existing Arbroath facility and construction of new malting plant at Inverness.
- Supports growth in distilling production, backed by long-term malt supply agreements.

1. Brewers Association.

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Oils: lower canola supply impacting crush margins

$M	HY19	HY18
Revenue	471	490
EBITDA	22	29
EBIT	5	12
Capex	4	18

- **Liquid Terminals**: high utilisation, driven by strong customer demand across a range of product segments.
- **Oilseeds**: significant decline in crush margin due to ECA drought and impact on canola supply and freight costs, and lower canola meal pricing. Australian canola crop production[1] estimates:
  - **2018/19**: 2.1mmt (ECA 0.4mmt, WA/SA[2] 1.7mmt).
  - **2017/18:** 3.7mmt (ECA 1.3mt, WA/SA[2] 2.4mmt)
- **Foods:** stable volumes, continuing improved performance from cost and efficiency improvements.
- **Feeds**: improved performance with increase in demand for supplementary feed.

Sale of Australian Bulk Liquid Terminals:

- On 4 March 2019, GrainCorp announced it had entered into an agreement to sell its Australian Bulk Liquid Terminals business to ANZ Terminals for approx. $350 million, ~13.0 times EBITDA[3].
- Divestment to an experienced operator, while establishing a long-term storage agreement, provides GrainCorp with ongoing storage access to support the Oils business, whilst releasing capital and unlocking significant value for shareholders.
- Remains subject to a number of conditions.

1. Average of ACF's April 2019 and ABARES' February 2019 estimates.
2. Western Australia / South Australia
3. Implied multiple based on Australian Bulk Liquid Terminals' FY19 expected EBITDA on a normalised basis

Grains: significant impact from ECA drought

$M	HY19	HY18
Revenue	1,508	1,027
EBITDA	(52)	30
EBIT	(82)	(2)
Capex	19	28

Volumes (mmt) (1)	HY19	HY18
Total grain sales(2)	3.9	3.4
YTD(3) grain receivals (ECA)(4)	2.3	5.6
YTD grain exports (ECA)(5)	0.2	1.5
YTD grain trans-shipments (through GrainCorp ports)	1.1	-
YTD non-grain handled (ECA)	1.5	1.6

- Drought has had a significant impact on ECA, with total production estimate(6) (winter + summer) of 7.7mmt (FY18: 16.7mmt).
- Large disruption to grain trade conditions experienced in February-March 2019.
- Continued to progress international growth strategy:
  - origination out of South Australia, Western Australia, Europe, Canada and the Black Sea.
  - third (of four) GrainsConnect Canada site (JV with Zen-Noh Grain Corporation) opened in April 2019. Announced securing of port access (Fraser Grain Terminal, Port of Vancouver, B.C.).
  - announced opening of marketing office in India to increase exposure to growing pulses market.
- Continued to focus on cost reduction, customer engagement and asset utilisation.
- Utilisation of take-or-pay rail contracts has again been a burden with low grain volumes. Contracts expire end of FY19.

1. mmt = million metric tonnes.
2. Total trading sales.
3. Year-to-date: 1 October 2018 to 31 March 2019.
4. Tonnes received up-country + direct-to-port. Excludes third-party deliveries direct-to-port.
5. Bulk + container exports
6. Eastern Australian production estimate for wheat, barley, canola, chickpea and sorghum, using average of ABARES' February 2019 forecast of 8.0mmt and ACF's April forecast of 7.4mmt.

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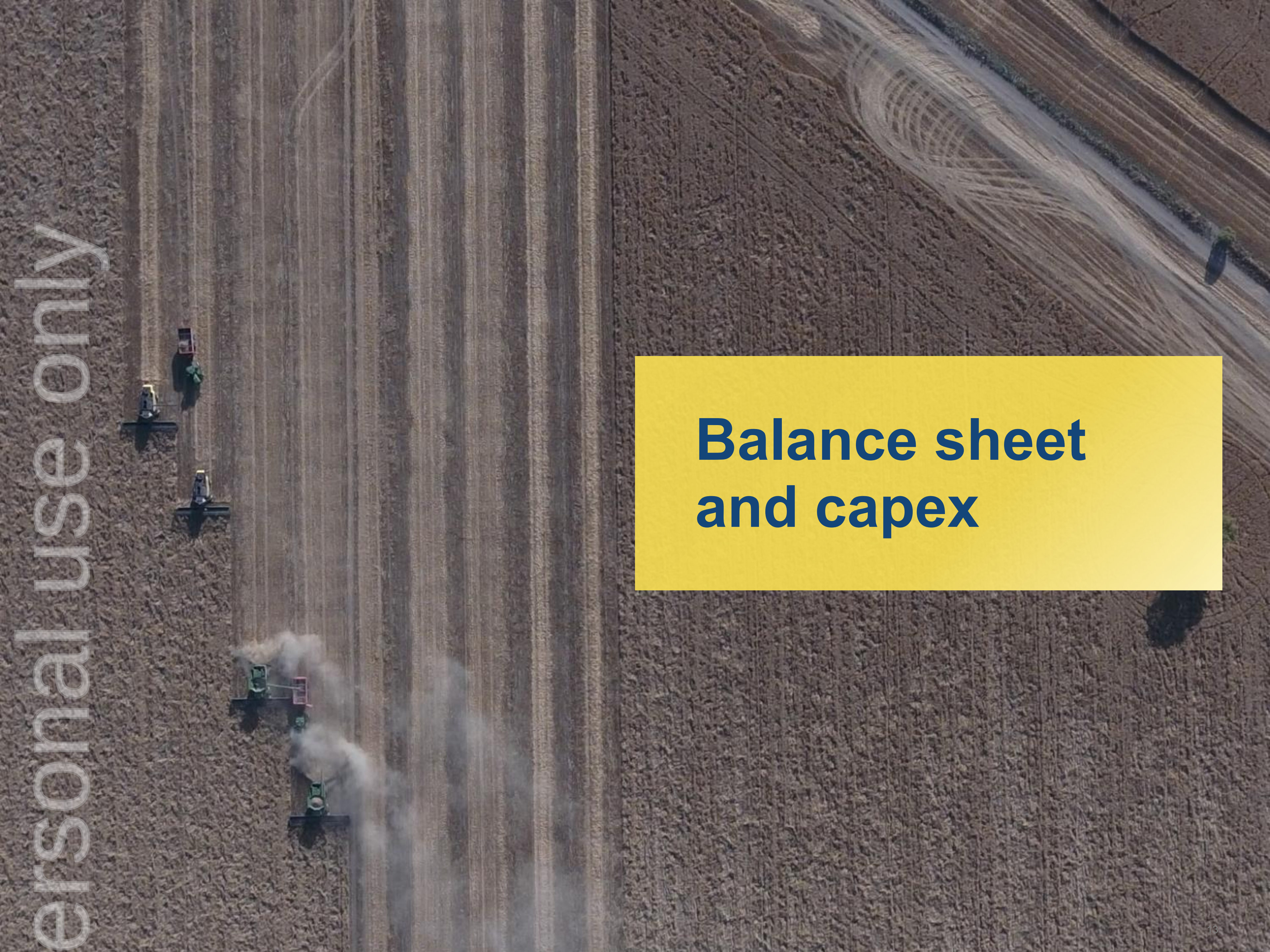
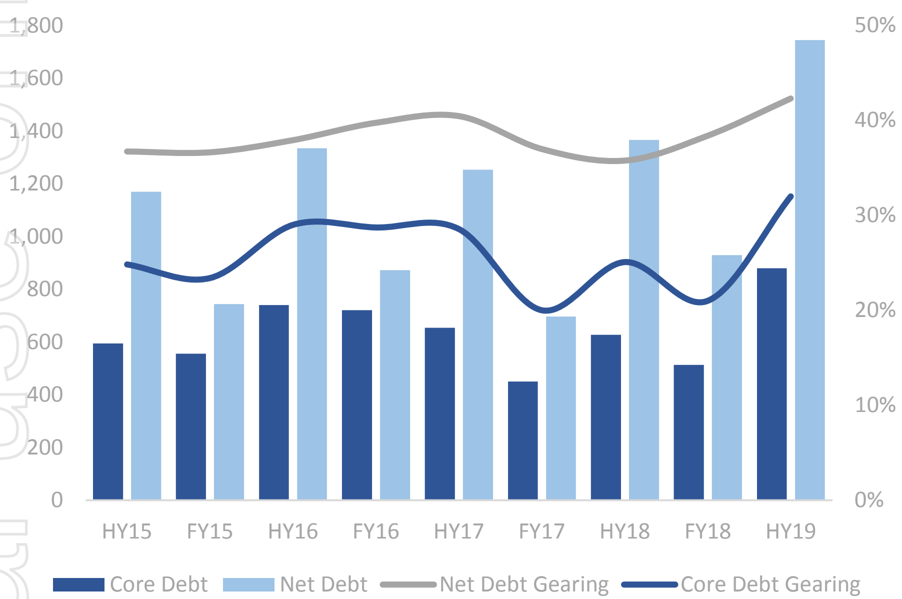


Balance sheet and capex

Increase in gearing due to higher inventory levels

CORE DEBT[1] AND NET DEBT[2]



- Core debt at $880M[3] and net debt at $1,744M[3].
- Core debt gearing[4] at ~32% and net debt gearing[5] at ~42%. Net debt gearing higher due to higher inventory levels and timing of commodity shipments (increase in receivables).
- Range of maturities on term debt from April 2022 to March 2023, with average term debt of 3.7 years[3]. Includes 4-year, $500m evergreen facility refinanced during the half-year.
- Barley inventory facilities for Malt; ~$171 million included in core debt.

1. Core debt = total debt less cash less commodity inventory (Grains - trading, Oils).
2. Net debt = total debt less cash.
3. At 31 March 2019.
4. Core debt gearing = core debt / (core debt + equity).
5. Net debt gearing = net debt / (net debt + equity) as quarterly rolling average.

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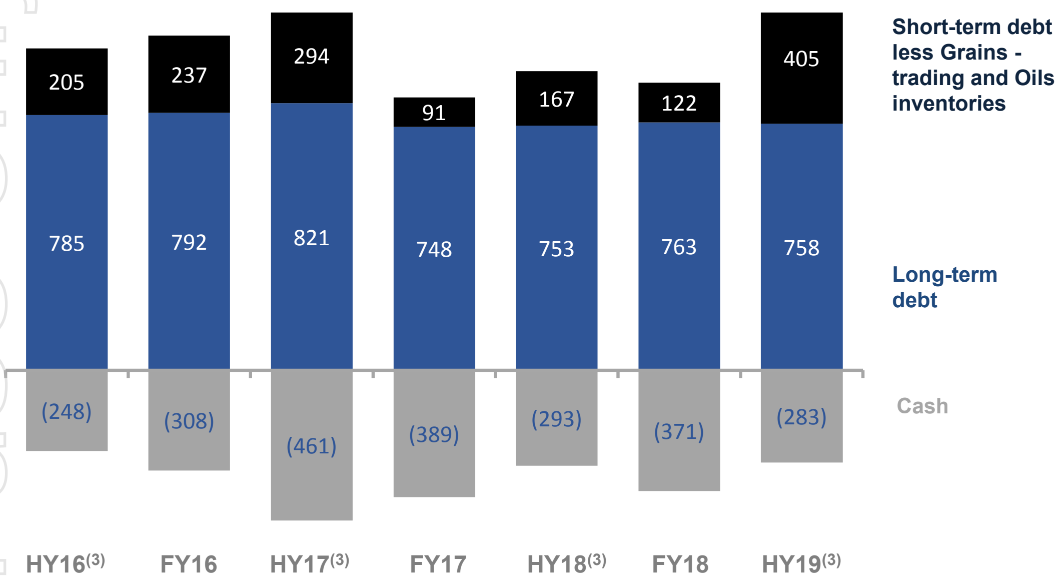
Balance sheet - core debt profile

CORE DEBT[1]



HY16[3]	FY16	HY17[3]	FY17	HY18[3]	FY18	HY19[3]	
741	**721**	**654**	**450**	**627**	**514**	**880**	**Core Debt[1]**
29%	29%	29%	20%	25%	21%	32%	Core Debt Gearing[2]
2.79	2.86	1.92	1.41	1.97	2.12	3.90	Rolling Core Debt[4] / EBITDA

- Core debt ($880 million) has increased in line with smaller crop reducing cash flow, barley prices, capex and timing of receivables (~$140 million).
- Barley inventory facilities for Malt; ~$171 million included in core debt (FY18: $144 million).
- Average tenor of term debt is 3.7 years[5] (range 3-4 years and with next renewal in April 2022). Includes 4-year, $500m evergreen facility.

1. Core debt = total debt less cash less commodities inventory (Grains - trading, Oils).
2. Core debt gearing = core debt / (core debt + equity).
3. HY EBITDA based on 'last twelve months' ('LTM') ending 31-Mar.
4. Represents the six-monthly rolling average of core debt.
5. At 31 March 2019.

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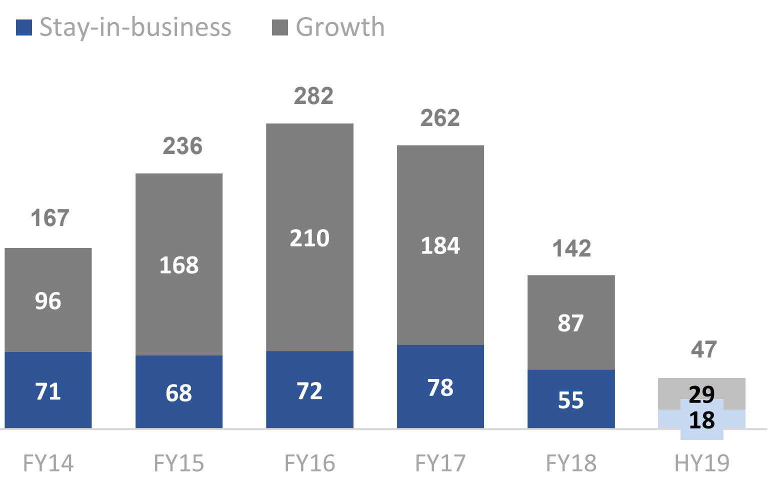
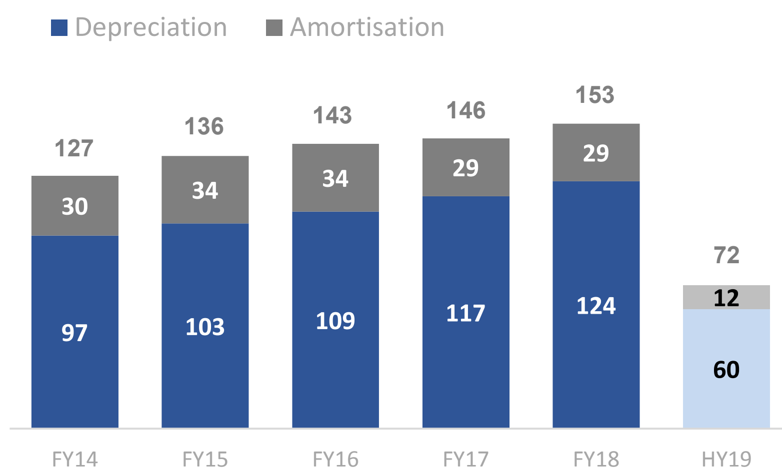
Capital expenditure continues to decline

CAPEX[1] ($M)



DEPRECIATION & AMORTISATION[2] ($M)



- Capex has continued to decline since peaking in FY16; in line with completion of major capital works.
- Conservative approach to capital expenditure in drought conditions continues, assisted by rationalised ECA Grains network and a disciplined approach to allocation of new capital. FY19 stay-in-business capex expected to be $40-50 million.

1. Excluding acquisitions.
2. Before significant items.

FY19 outlook

FY19 Malt outlook

Malt

Market fundamentals	GrainCorp FY19 outlook
• Global barley crop production ~141mmt (FY18: 144mmt)[1] – tight supply of malting barley. • Continued growth in US craft beer market; 4% growth in sales volumes in 2018[2]. • Distilling demand growing. • Demand for Mexican style beer remains robust. • Elevated energy costs in Australia.	• High capacity utilisation. • Good demand for specialty products. • Continue to benefit from efficient distribution. • Increase in demand in 2H in line with northern hemisphere summer.

1. Source: United States Department of Agriculture '*World Agricultural Production*' – Apr 2019.
2. Brewers Association (sourced April 2019).

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FY19 Grains and Oils outlook

	Market fundamentals	GrainCorp FY19 outlook
Grains	• Most of east coast Australia (ECA) affected by drought in 2018-19. • FY19 ECA winter crop production[1] estimate of 6.5mmt, skewed to Victoria and southern NSW (FY18: 15.2mmt)[2]. • FY19 ECA summer crop estimate of 1.2mmt (FY18: 1.5mmt)[3]. • Minimal exportable surplus in ECA as domestic market continues to secure supply. • Grain being imported (trans-shipped) from Western Australia and South Australia to ECA ports. • Disruption to global grain trading conditions arising from international trade tensions.	• Year-to-date[4] ECA grain receivals[5] of 2.3 mmt. • Continuation of grain imports (trans-shipments) from WA and SA throughout the year (year-to-date 1.1 mmt)[4]. Volumes dependent on domestic demand and new season crop. • Year-to-date[4] ECA grain exports of 0.2 mmt. Minimal grain exports expected for full year. • Utilisation of take-or-pay rail contracts will again be constrained. Contracts expire at the end of FY19. • Continue to diversify grain origination through GrainsConnect Canada and Ukraine. • Capturing benefits from further simplification of Grains business unit, announced 1 November 2018.
Oils	• 2018/19 Australian canola crop production estimate of ~2.1mmt (ECA 0.4mmt, WA/SA 1.7mmt). (2017/18: 3.7mmt – ECA 1.3mt, WA/SA 2.4mmt)[2]. • Elevated energy costs in Australia.	• Continued pressure on oilseed crush margins. • Ongoing benefits from Foods restructure and continuous improvement program.

1. ECA wheat, barley, canola and chickpea production.
2. Production numbers derived from average of ABARES' (Feb 2019) and ACF's (Apr 2019) estimates.
3. ECA sorghum production number, using average of ABARES' (Feb 2019) and ACF's (Apr 2019) estimates.
4. 1 October 2018 to 31 March 2019.
5. Tonnes received up-country and direct-to-port. Excludes third-party deliveries direct to port.

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FY19 – second half variables

GrainCorp's FY19 full-year performance remains subject to a range of variables, including:

- ECA: 2H19 receivals, port elevations and grain import volumes;
- Impact of global crush margins on Australian edible oils;
- Global grain trading conditions;
- New season grain trading opportunities in Q4; and
- Foreign exchange movements.

Portfolio optimisation

Portfolio review outcomes

- GrainCorp has commenced execution of a number of operational and value creation strategies which have been developed through the Portfolio Review

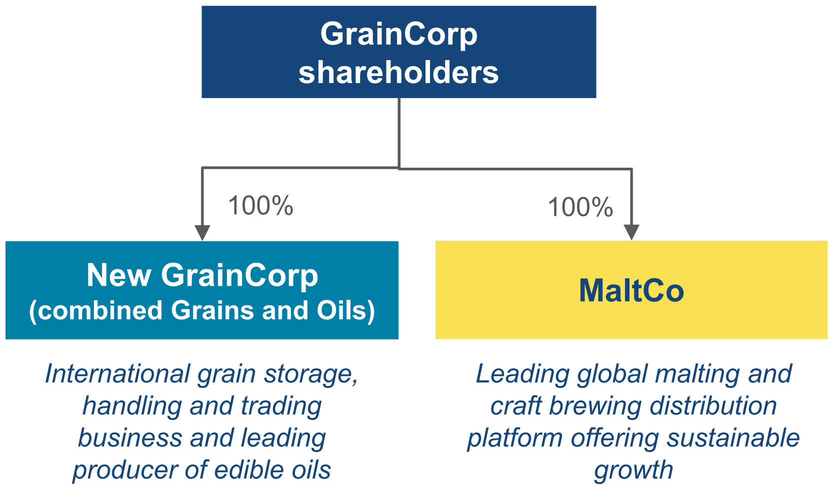
Value creation strategy	Status
Grains initiatives to increase ‘through-the-cycle’ EBITDA	Implemented - further benefits from FY20
Fraser Grain Terminal investment (Canada)	Construction to complete by end CY20
Sale of Australian Bulk Liquid Terminals	Announced 4 March 2019[(1)]
Demerger of MaltCo	Announced 4 April 2019 Targeting ASX listing by end CY19
Integration of Grains and Oils – New GrainCorp	Announced/commenced 4 April 2019

[(1)] The sale of Australian Bulk Liquid Terminals is subject to the satisfaction of conditions – see GrainCorp’s ASX statement 4 March 2019.

Separation of GrainCorp portfolio

- On 4 April 2019, GrainCorp announced its intention to demerge its global malting business ("MaltCo").
- GrainCorp's Grains and Oils businesses will be combined into an integrated grains and edible oils business ("New GrainCorp").
- Proposed demerger would enable both businesses to pursue independent strategies and operational initiatives, with tailored capital structures and financial policies, and attract investors with different priorities.
- Long-term ECA grain production derivative instrument under negotiation, to reduce cash flow volatility linked to harvest volumes.
- Proposed demerger would enable and accelerate simplification and cost reduction initiatives expected to deliver annualized cost savings of approximately $20 million.
- Targeting implementation of the demerger by end of CY2019.
- Active engagement with parties who have expressed an interest in part or parts of GrainCorp's portfolio continues.

Proposed demerger would result in two independent ASX-listed companies.



Implementation of demerger

- GrainCorp is targeting implementation of the demerger by the end of CY19
  - Expected to be implemented through a Scheme of Arrangement, subject to shareholder, final Board, Court and regulatory approvals.
  - Engagement with ATO underway regarding demerger tax relief.
- Creation of MaltCo as a separate, listed company will involve some incremental costs, however, it is expected these will be at least offset by cost reduction initiatives to be implemented in MaltCo in the first year after demerger
- On demerger, Mark Palmquist will become Managing Director & CEO of MaltCo. Mr Palmquist will remain Chief Executive Officer of GrainCorp until demerger
- Klaus Pamminger (currently Group General Manager, Grains) has been appointed Chief Operating Officer, GrainCorp and, on demerger, Mr Pamminger will succeed Mr Palmquist as Managing Director & CEO of New GrainCorp
- Additional information on the proposed demerger, MaltCo and New GrainCorp will be provided to shareholders in due course.

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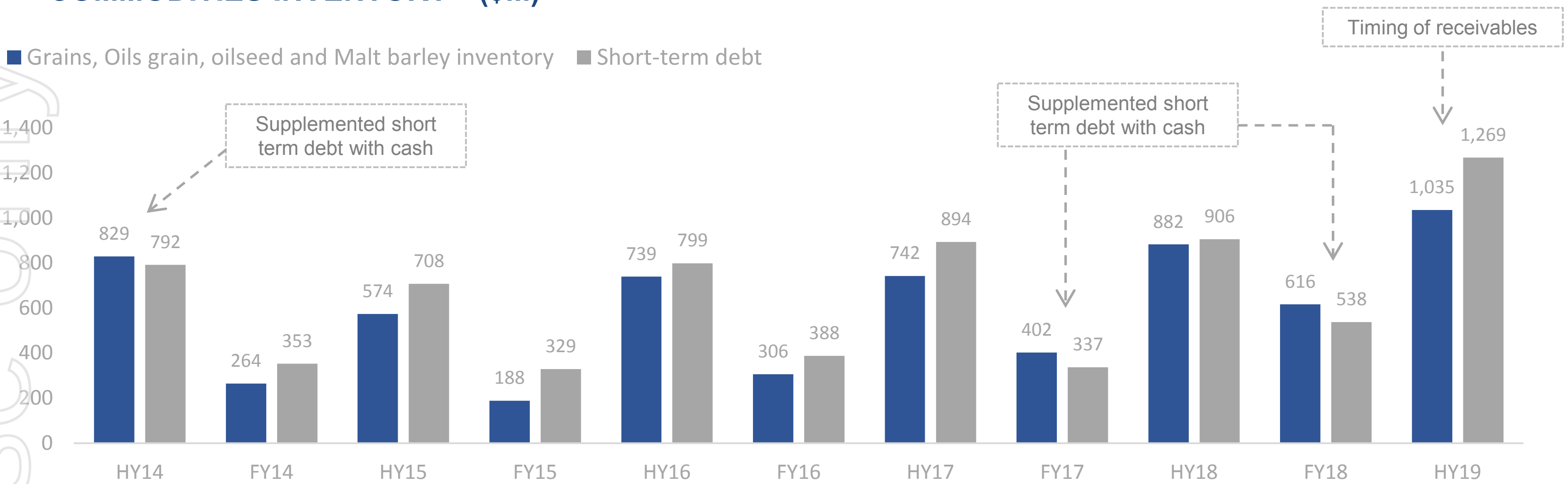
Appendices

Commodities inventory funded with specific commodity inventory facilities

COMMODITIES INVENTORY[1] ($M)



Grains, Oilseed and Malt barley funding strategy

- Grains' grain trading activities, Oils' oilseed and tallow positions, and malting barley are predominantly funded with specific short term commodity inventory debt facilities:
  - Match debt with asset life
  - Fluctuates with seasonal grain purchases and underlying soft commodity prices

Treatment

- Grains' trading performance measured as PBTDA[2] → interest treated as part of cost of goods sold.
- Commodity inventory funding recognised as Operating Cash Flow → match funding purpose and seasonal working capital.

1. Commodities inventory in FY14-15 includes Marketing and Oils inventory. Malt barley facilities were established in 1H16 and are included in inventory from FY16.
2. PBTDA - profit before tax, depreciation & amortisation.

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HY19 results

9 May 2019

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