

11 May 2022

GrainCorp delivers record half year result

GrainCorp Limited (GrainCorp) (ASX: GNC) announces its results for the half-year ended 31 March 2022 (HY22) and confirms its recent FY22 earnings guidance.

- **EBITDA¹**: \$427 million (HY21: \$140 million)
- **NPAT²**: \$246 million (HY21: \$51 million)
- **Interim dividends declared**: 24 cents per share (cps) fully franked (HY21: 8cps)
- **FY22 guidance confirmed**: Underlying EBITDA³ \$590-\$670 million. Underlying NPAT⁴ \$310-\$370 million

Managing Director and CEO, Robert Spurway, commented:

“I am pleased to announce an exceptional first half result, which is a record for GrainCorp.”

“The result reflects excellent performance across all business areas and resilience in our supply chain.”

“Global demand for Australian grain, oilseeds, and vegetable oils has remained elevated, after two consecutive bumper crops in east coast Australia (ECA) and during a period of tight global supply. The conflict in Ukraine and resulting Black Sea trade disruptions have also created uncertainty in global grain markets, prompting buyers to seek alternative sources of supply. This has further increased demand for Australian commodities.”

“Recent weather patterns and continued La Niña conditions have provided excellent planting conditions for the 2022-23 winter crop to date, building confidence in grain supplies from ECA and further supporting export sales and supply chain margins.”

“GrainCorp is in a strong position to maximise opportunities through the current cycle, while also progressing our strategic initiatives in our core, growth and ESG areas. Planning is well underway for additional investment in the lead-up to the 2022-23 harvest to efficiently manage the volumes to be delivered by growers.”

“We have also today launched GrainCorp Ventures, a \$30 million corporate venture capital fund to invest in AgTech start-ups, to build long term sustainable growth in the Australian agriculture industry,” Mr Spurway said.

Business unit performance:

Agribusiness: EBITDA was up 200% to \$376 million, reflecting an increase in total grain handled (38.0mmt vs 30.4mmt in HY21) and strong supply chain margins for grain exports. The increase in opening grain inventories (“carry-in”), from 0.7mmt in HY21 to 4.3mmt in HY22, also contributed to storage and export volumes.

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

² NPAT: net profit after tax

³ Underlying EBITDA is a non-IFRS measure, excluding significant items and revaluation impact from UMG holding

⁴ Underlying NPAT is a non-IFRS measure, excluding significant items and revaluation impact from UMG holding

“Throughout the first half, we have operated our ports at close to full capacity, exporting as much grain as possible to international markets. Our supply chain resilience demonstrates the value of our infrastructure assets and is a testament to our operations and planning teams,” Mr Spurway said.

GrainCorp’s International business also performed strongly, with an increase in contracted grain sales (5.8mmt vs 5.5mmt in HY21) and strong export margins from Western Australia following a bumper crop.

Processing: EBITDA was up 192% to \$70 million, due to increased oilseed crush margins and ongoing efficiency improvements. Crush margins were supported by strong global demand for vegetable oils, driven by global production challenges in canola and soybean, disruption of supply out of the Black Sea region, and strong demand for renewable fuel feedstocks.

GrainCorp’s Foods business also performed well, with strong demand for refined vegetable oils.

Balance sheet:

The balance sheet is in a strong position with a core cash balance of \$129 million at 31 March 2022 (HY21: \$90m core debt). Net debt on 31 March 2022 was \$2.0 billion (HY21: \$1.4 billion), reflecting increased grain volumes at higher values.

Dividends and capital management:

GrainCorp’s Board of Directors has declared a total interim dividend of 24cps, comprising:

- an interim **ordinary dividend** of 12cps, fully franked, for the HY22 period (HY21 interim dividend 8cps); and
- an interim **special dividend** of 12cps, fully franked, reflecting the outstanding HY22 financial performance.

Both the interim ordinary and interim special dividends will be paid on 21 July 2022 to ordinary shareholders at a record date of 7 July 2022 (in respect of both dividends). The dividends are in addition to the planned on-market share buy-back of up to a maximum of \$50 million, which was first announced by GrainCorp in November 2021 and is expected to commence shortly.

Outlook:

GrainCorp confirms the FY22 earnings guidance as announced on 8 April 2022:

- Underlying EBITDA: \$590-670 million
- Underlying NPAT: \$310-370 million

This outlook reflects the significant ongoing global demand for Australian grain and oilseeds and favourable planting conditions for the upcoming ECA winter crop. See GrainCorp’s announcement on 8 April 2022 for more information in relation to GrainCorp’s FY22 earnings guidance.

GrainCorp’s FY22 guidance remains subject to a range of variables, including:

- Second half grain receipt and export volumes
- Supply chain margins
- Oilseed crush margins
- Outlook for 2022/23 winter crop, and
- Duration and extent of global trade disruptions



These variable factors are likely to endure throughout the remainder of FY22 and will continue to impact the Company's operations and earnings.

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 (Sydney time) to discuss GrainCorp's HY22 results. The call will be webcast live at <https://webcast.openbriefing.com/8616/> or at www.graincorp.com.au in the Investors & Media section. A replay of the webcast will also be available later today on GrainCorp's website.

About GrainCorp

GrainCorp is an integrated grain and edible oils business with a market leading presence in East Coast Australia (ECA). It is the largest grain storage and handling business in ECA and the number one 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 future details, please visit the Investors & Media section of our website at www.graincorp.com.au

MEDIA CONTACT

Jess Simons
Corporate Affairs Manager
+61 2 9266 9434
+61 418 734 653
jessica.simons@graincorp.com.au

INVESTOR CONTACT

Luke Thrum
Senior Manager, Investor Relations
+61 2 9266 9217
+61 447 894 834
luke.thrum@graincorp.com.au