

Chairman's Address Annual General Meeting



16 February 2023

Good morning, everyone, and welcome to the GrainCorp Annual General Meeting for FY22. My name is Peter Richards and I am the Chairman of your company.

FY22 was an outstanding, and record-breaking, year for GrainCorp. The Company delivered earnings before interest tax depreciation and amortisation (EBITDA) of \$703 million, up 112% on FY21, and Net Profit After Tax of \$380 million, up 173%.

This is by far the strongest financial result in our history; driven by strong execution, higher volumes, and robust global demand.

It was achieved amid significant disruption to global grain markets, caused by geopolitical instability, COVID and regional weather events including droughts and floods.

Our teams worked diligently throughout the year, driving our supply chains to peak capacity to deliver essential food and feed around the world.

As we pass the 12-month anniversary of hostilities in Ukraine, I would like to take this opportunity to recognise the strength and resilience of our Ukrainian team. They have shown remarkable stoicism and commitment to our business, despite the devastation unfolding across their country. We continue to work closely with our Ukrainian colleagues, providing practical support and relocation opportunities where appropriate.

We are now four months into the new financial year, and as Robert will discuss shortly, the recent 2022/23 ECA winter harvest was challenging due to both adverse weather and ongoing logistical road and rail transport issues. While total grain production was not at the record levels seen over the past two years, it was again well above average, and we expect this to support another strong financial result for GrainCorp in FY23.

Safety

Turning to safety. We strive to embed a strong safety culture and promote a mindset of awareness, continuous improvement and accountability.

In FY22, we were pleased see our Recordable Injury Frequency Rate improve from 8.9 to 6.7. However, our Lost Time Injury Frequency Rate increased from 2.3 to 2.6, and we are committed to improving this performance, through initiatives focusing on risk management and behavioural awareness.

Strategic priorities

Now, moving to strategy.

GrainCorp's strategy was refreshed in 2020 and split into two clear components: i) strengthening our core business, and ii) pursuing targeted growth opportunities.



In the core area, we are leveraging our capabilities and driving our existing assets, with the objective of lifting GrainCorp's return on invested capital. I am pleased to report that, in FY22, our return on invested capital was 28%, up from 11% last year, an outstanding result for the Group.

We have also identified several strategic themes which we believe can drive the next phase of growth for GrainCorp. We have spoken about these previously – areas such as Agri-energy, Digital and AgTech, Animal Nutrition and Alternative Protein - each with strong macro drivers and significant opportunity for innovation. They are also areas we believe GrainCorp has a strong right to win; where our existing assets, capabilities and customers, are in strong alignment.

Robert will provide more detail shortly on the progress we have made in these areas.

Capital management and shareholder returns.

The significant uplift in financial performance in FY22 allowed the Board to declare a final dividend of 30 cents per share, fully franked, bringing total dividends for FY22 to 54cps. This is up from 18cps last year.

We also completed the share buy-back, returning an additional \$50 million to shareholders.

The significant cash flow generated over the past two years has enabled GrainCorp to increase capital returns to shareholders, while remaining in a strong financial position. At 30 September 2022, GrainCorp had core cash of \$177 million, up from \$1m core debt last year.

We are well placed to continue investing in our business while also returning further capital to shareholders.

ESG

Turning to ESG. In August 2022, the Board established a new Sustainability Committee, with Clive Stiff appointed as Chair and Committee members comprising Kathy Grigg and myself. Our decision to elevate sustainability to Board level reflects the importance we place on ESG.

During the year, we continued to advance our ESG strategy and develop our roadmap of activities. In addition to the Board Committee, we have a new sustainability governance framework, allowing us to coordinate an ambitious work program while building internal capability and processes.

I encourage shareholders to read our 2022 Sustainability Report; and Robert will also talk in more detail about this shortly.

Community

GrainCorp's success as a business relies on thriving and vibrant rural and regional communities. We look to contribute to the social connection of these communities by investing in the local infrastructure and community initiatives that bring people together.

During the year, the GrainCorp Community Foundation supported more than 100 community groups in areas such as community improvement projects, disaster relief, sport and recreation, and health and safety.

We have also progressed several new silo art projects and look forward to seeing these completed in the months ahead.

Board

Now turning to Board renewal.

We regularly review our Board's composition to ensure we have the right mix of skills, experience, attributes and diversity.

In October 2021, we welcomed two new Non-executive Directors to the Board, Nicki Anderson and Clive Stiff. Long-standing Director, Donald McGauchie, stepped down from the Board after last year's AGM.

Kathy Grigg seeks re-election today, in accordance with the three-year rotation cycle. Kathy joined the Board in December 2019 and was first elected by shareholders at the AGM in 2020. She is the Chair of the Audit and Risk Committee, a member of the Remuneration and Nominations Committee and a member of the Sustainability Committee.

Since joining GrainCorp, Kathy has made, and continues to make, a significant contribution to the Board and its Committees. The Board unanimously endorses her re-election today.

Conclusion

In conclusion, I have great confidence in GrainCorp's outlook, with our businesses and management performing exceptionally well and the Company in a strong financial position.

We are progressing our strategy, delivering improved financial returns and creating value for our shareholders.

On behalf of the Board, I would like to thank our people for their ongoing commitment and their contribution to such as an outstanding result. I also extend this appreciation to our Managing Director & CEO Robert Spurway and his senior leadership team for their hard work over the past year.

I would also like to thank you, our shareholders, for your continued support.

Peter Richards
Chairman

This announcement is authorised for market release by the GrainCorp Limited Board.

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