

**GRAINCORP LIMITED**
**APPENDIX 4D**
**FOR THE HALF-YEAR ENDED 31 MARCH 2024**
**GrainCorp Limited**

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<b>Results for announcement to the market</b>				
	<b>Up / Down</b>	<b>% Movement</b>		<b>2024 \$ M</b>
Revenue from ordinary activities	Down	25.5%	to	<b>3,382.9</b>
Profit from ordinary activities after tax attributable to owners of GrainCorp Limited	Down	75.2%	to	<b>49.6</b>
Net profit for the period attributable to owners of GrainCorp Limited	Down	75.2%	to	<b>49.6</b>

<b>Dividend Information</b>	<b>Amount per security (cents)</b>	<b>Franked amount per security at 30% tax (cents)</b>
Final fully franked dividend per share (paid 14 December 2023)	14.0	14.0
Final special franked dividend per share (paid 14 December 2023)	16.0	16.0
Interim ordinary dividend per share	14.0	14.0
Interim special dividend per share	10.0	10.0
<b>Interim dividend dates</b>		
Record date for determining entitlements to the interim dividend		4 July 2024
Payment date for interim dividend		18 July 2024

**Additional information**

Net tangible assets per share: \$6.38 (30 September 2023: \$6.53).

The following were the interests in joint ventures held by the entity during the half-year. The aggregate share of loss from joint ventures is \$7.7 million (31 March 2023: loss \$12.0 million).

	Ownership interest	
	31 March 2024	30 September 2023
GrainsConnect Canada Operations Inc	50.0%	50.0%
National Grower Register Pty Ltd	50.0%	50.0%
FutureFeed Pty Ltd	24.5%	24.5%
GRO Agriculture Pty Limited	50.0%	50.0%
Hone Corporation Pty Limited	14.2%	14.2%

Additional Appendix 4D disclosure requirements can be found in the attached Financial Report for the half-year ended 31 March 2024.

This report is based on the consolidated financial statements and notes which have been reviewed by PricewaterhouseCoopers.

Further information regarding the GrainCorp and its business activities can be obtained by visiting the website at [www.graincorp.com.au](http://www.graincorp.com.au).

**Half-Year Report  
2024**









*Agri-energy*

- Improved sales volumes and financial contribution
- Strong tallow volumes due to high slaughter rate in domestic cattle industry
- Expanded Agri-energy customer base in North America

Processing volumes (kmt)	1H24	1H23
Oilseed crush volumes	282	256
Foods sales volumes	96	112
Animal Nutrition sales volumes	218	211
Agri-energy sales volumes <sup>7</sup>	189	164

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

**Rounding of amounts**

All figures in the financial statements are presented in Australian dollars and have been rounded off to the nearest hundred thousand dollars, or in certain cases, to the nearest thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, unless otherwise indicated.

This report is made in accordance with a resolution of the Directors.

Peter Richards  
 Chairman  
 Sydney  
 16 May 2024

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<sup>7</sup> Includes Auscol collection volumes.



### Auditor's Independence Declaration

As lead auditor for the review of GrainCorp Limited for the half-year ended 31 March 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of GrainCorp Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'EPenny', written in a cursive style.

Eliza Penny  
Partner  
PricewaterhouseCoopers

Sydney  
16 May 2024



# Half-year Financial Report

## Consolidated Income Statement

For the half-year ended 31 March 2024

	Note	Half-year	
		31 March 2024	31 March 2023
		\$ M	\$ M
Revenue	1.1	3,382.9	4,539.8
Other income / (loss)	1.2	76.4	(55.9)
Goods purchased for resale		(2,428.7)	(3,147.7)
Raw materials and consumables used		(568.5)	(591.3)
Employee benefits expense	1.3	(196.1)	(232.4)
Finance costs		(40.9)	(37.4)
Depreciation and amortisation		(59.0)	(57.4)
Repairs and maintenance		(18.9)	(32.8)
Other expenses	1.3	(71.1)	(80.1)
Share of results of investments accounted for using the equity method		(7.7)	(12.0)
<b>Profit before income tax</b>		<b>68.4</b>	<b>292.8</b>
Income tax expense	1.4	(18.8)	(92.5)
<b>Profit after tax</b>		<b>49.6</b>	<b>200.3</b>

	Half-year	
	31 March 2024	31 March 2023
	Cents	Cents
<b>Earnings per share attributable to owners of GrainCorp Limited</b>		
Basic earnings per share	22.1	89.7
Diluted earnings per share	22.0	89.2

The above consolidated income statement should be read in conjunction with the accompanying notes.

## Consolidated Statement of Comprehensive Income

For the half-year ended 31 March 2024

	Half-year	
	31 March 2024 \$ M	31 March 2023 \$ M
<b>Profit for the period</b>	<b>49.6</b>	<b>200.3</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit and loss:</i>		
Changes in fair value of cash flow hedges	(2.5)	(2.3)
Income tax relating to these items	0.8	0.4
Exchange differences on translation of foreign operations	(0.9)	6.2
<b>Other comprehensive (loss) / income for the period, net of tax</b>	<b>(2.6)</b>	<b>4.3</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>47.0</b>	<b>204.6</b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 31 March 2024

	Note	31 March 2024 \$ M	30 September 2023 \$ M
<b>Current assets</b>			
Cash and cash equivalents		514.9	609.2
Trade and other receivables		662.6	620.6
Inventories	3.1	1,344.1	827.9
Derivative financial instruments	2.3	120.7	205.7
Investments in other entities		-	125.6
Current tax assets		10.2	0.2
Assets classified as held for sale		-	0.1
<b>Total current assets</b>		<b>2,652.5</b>	<b>2,389.3</b>
<b>Non-current assets</b>			
Trade and other receivables	2.3	2.0	2.0
Derivative financial instruments	2.3	1.8	6.0
Investments in other entities	2.3	15.4	14.8
Deferred tax assets		44.8	29.9
Property, plant and equipment		611.6	639.1
Lease assets		186.9	173.3
Intangible assets		97.4	98.8
Investments accounted for using the equity method		57.4	65.6
<b>Total non-current assets</b>		<b>1,017.3</b>	<b>1,029.5</b>
<b>Total assets</b>		<b>3,669.8</b>	<b>3,418.8</b>
<b>Current liabilities</b>			
Trade and other payables	3.2	388.7	285.9
Lease liabilities		37.7	38.0
Deferred revenue		19.0	19.0
Borrowings	2.1	1,129.5	831.7
Derivative financial instruments	2.3	60.7	156.0
Current tax liabilities		0.6	41.5
Provisions		67.0	72.3
<b>Total current liabilities</b>		<b>1,703.2</b>	<b>1,444.4</b>
<b>Non-current liabilities</b>			
Trade and other payables	3.2	8.7	9.6
Lease liabilities		197.6	186.9
Borrowings	2.1	150.0	150.0
Derivative financial instruments	2.3	25.2	24.1
Deferred tax liabilities		0.1	0.1
Provisions		11.8	11.9
<b>Total non-current liabilities</b>		<b>393.4</b>	<b>382.6</b>
<b>Total liabilities</b>		<b>2,096.6</b>	<b>1,827.0</b>
<b>Net assets</b>		<b>1,573.2</b>	<b>1,591.8</b>
<b>Equity</b>			
Contributed equity		533.0	527.1
Reserves		13.6	20.5
Retained earnings		1,026.6	1,044.2
<b>Total equity</b>		<b>1,573.2</b>	<b>1,591.8</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the half-year ended 31 March 2024

	Hedging reserve	Capital reserve	Share option reserve	Translation reserve	Total reserves	Contributed equity	Retained earnings	Total equity
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
<b>At 1 October 2022</b>	<b>3.7</b>	<b>8.3</b>	<b>8.2</b>	<b>0.8</b>	<b>21.0</b>	<b>516.6</b>	<b>915.1</b>	<b>1,452.7</b>
Profit for the period	-	-	-	-	-	-	200.3	200.3
<b>Other comprehensive income:</b>								
Exchange differences on translation of foreign operations	-	-	-	6.2	6.2	-	-	6.2
Changes in fair value of cash flow hedges	(2.3)	-	-	-	(2.3)	-	-	(2.3)
Deferred tax (expense) / benefit	0.4	-	-	-	0.4	-	-	0.4
<b>Total other comprehensive income</b>	<b>(1.9)</b>	<b>-</b>	<b>-</b>	<b>6.2</b>	<b>4.3</b>	<b>-</b>	<b>-</b>	<b>4.3</b>
Total comprehensive income for the period	(1.9)	-	-	6.2	4.3	-	200.3	204.6
<b>Transactions with owners:</b>								
Dividends paid on ordinary shares	-	-	-	-	-	-	(67.1)	(67.1)
Dividends paid on treasury shares	-	-	-	-	-	-	0.2	0.2
Share-based payments	-	-	1.8	-	1.8	-	-	1.8
Treasury shares vested to employees	-	-	(5.3)	-	(5.3)	5.3	-	-
<b>At 31 March 2023</b>	<b>1.8</b>	<b>8.3</b>	<b>4.7</b>	<b>7.0</b>	<b>21.8</b>	<b>521.9</b>	<b>1,048.5</b>	<b>1,592.2</b>
<b>At 1 October 2023</b>	<b>2.3</b>	<b>8.3</b>	<b>1.6</b>	<b>8.3</b>	<b>20.5</b>	<b>527.1</b>	<b>1,044.2</b>	<b>1,591.8</b>
Profit for the period	-	-	-	-	-	-	49.6	49.6
<b>Other comprehensive income:</b>								
Exchange differences on translation of foreign operations	-	-	-	(0.9)	(0.9)	-	-	(0.9)
Changes in fair value of cash flow hedges	(2.5)	-	-	-	(2.5)	-	-	(2.5)
Deferred tax (expense) / benefit	0.8	-	-	-	0.8	-	-	0.8
<b>Total other comprehensive income</b>	<b>(1.7)</b>	<b>-</b>	<b>-</b>	<b>(0.9)</b>	<b>(2.6)</b>	<b>-</b>	<b>-</b>	<b>(2.6)</b>
Total comprehensive income for the period	(1.7)	-	-	(0.9)	(2.6)	-	49.6	47.0
<b>Transactions with owners:</b>								
Dividends paid on ordinary shares	-	-	-	-	-	-	(67.3)	(67.3)
Dividends paid on treasury shares	-	-	-	-	-	-	0.1	0.1
Share-based payments	-	-	1.6	-	1.6	-	-	1.6
Treasury shares vested to employees	-	-	(5.9)	-	(5.9)	5.9	-	-
<b>At 31 March 2024</b>	<b>0.6</b>	<b>8.3</b>	<b>(2.7)</b>	<b>7.4</b>	<b>13.6</b>	<b>533.0</b>	<b>1,026.6</b>	<b>1,573.2</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the half-year ended 31 March 2024

	Note	Half-year	
		31 March	31 March
		2024	2023
		\$ M	\$ M
<b>Cash flows from operating activities</b>			
Receipts from customers		3,713.3	4,944.5
Payments to suppliers and employees		(3,425.0)	(4,551.7)
		<b>288.3</b>	<b>392.8</b>
Proceeds from bank loans – inventory funding		296.2	835.7
Payment for commodity inventories		(538.3)	(897.4)
Interest received		14.2	4.4
Interest paid		(40.9)	(37.4)
Income taxes paid		(84.6)	(142.1)
Net outflow from crop production contract		(58.4)	(68.9)
<b>Net cashflows from operating activities</b>		<b>(123.5)</b>	<b>87.1</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment and computer software		(10.9)	(32.4)
Proceeds from sale of property, plant and equipment		0.7	0.1
Proceeds from sale of investments		127.1	-
Payments for investments		(0.7)	(8.3)
<b>Net cashflows from investing activities</b>		<b>116.2</b>	<b>(40.6)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		517.7	478.8
Repayment of borrowings		(515.8)	(440.3)
Principal elements of lease payments		(21.6)	(21.0)
Dividends paid	2.2	(67.3)	(67.1)
<b>Net cashflows from financing activities</b>		<b>(87.0)</b>	<b>(49.6)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(94.3)</b>	<b>(3.1)</b>
Cash and cash equivalents at the beginning of the year		609.2	322.4
<b>Cash and cash equivalents at the end of the period</b>		<b>514.9</b>	<b>319.3</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

For the half-year ended 31 March 2024

## About this report

The financial report for the half-year ended 31 March 2024 includes consolidated financial statements for GrainCorp Limited ('GrainCorp' or the 'Company') and its controlled entities (collectively the 'Group'). GrainCorp Limited is a company incorporated and domiciled in Australia, limited by shares that are publicly traded on the Australian Securities Exchange.

The GrainCorp Limited financial report for the half-year ended 31 March 2024 was authorised for issue in accordance with a resolution of the Directors on 16 May 2024. The Directors have the power to amend and reissue the financial report.

### a) Basis of preparation

This general purpose financial report for the half-year ended:

- i. has been prepared in accordance with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*
- ii. does not include all of the information required for an Annual Report, and should be read in conjunction with the Annual Report of the Group as at 30 September 2023 and any public announcements made by GrainCorp Limited during the half-year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001* and ASX Listing Rules
- iii. is presented under the historical cost basis apart from derivative financial instruments, commodity inventories and investments which are measured at fair value
- iv. presents reclassified comparative information where necessary to conform to changes in the current year; and
- v. does not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 30 September 2023 Annual Report. These accounting policies are consistent with the respective Australian Accounting Standards.

### Climate Change

GrainCorp has continued to consider climate change risk and the impact of both physical and transitional climate change risks on the current valuation of our assets and liabilities for the half-year ended 31 March 2024.

The Group does not believe that there has been any change in the interim period that would cause a material impact on the financial reporting judgements and estimates arising from our considerations, and as a result the valuations of our assets or liabilities have not been significantly impacted by these risks as at the half-year ended 31 March 2024.

### New accounting standards and interpretations

The International Sustainability Standards Board (ISSB) issued sustainability disclosure standards IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2 Climate-related Disclosures, which will become effective for GrainCorp from 1 October 2025. GrainCorp will continue to evaluate the requirements in this area and enhance its sustainability disclosures.

GrainCorp has applied the mandatory exception from recognising and disclosing information regarding deferred tax assets and liabilities related to OECD Pillar Two Global Anti-Base Erosion Rules.

## 1. Group Performance

This section of the Financial Report focuses on disclosures most relevant to understanding the financial performance of the Group during the half-year. Segment reporting provides a breakdown of profit and revenue by operational activity. The key line items of the consolidated income statement along with their components provide detail behind the reported balances. Group performance also impacts earnings per share.

For the 2023 financial year, GrainCorp operated as Agribusiness and Processing segments. From 1 October 2023, GrainCorp reorganised the segments to Agribusiness and Nutrition & Energy. The Feeds, Fats and Oils business, previously reported in the Agribusiness segment, was integrated with the Processing business to form the Nutrition and Energy reporting segment. This comprises of Human Nutrition, Animal Nutrition and Agri-energy. The Agribusiness segment consists of ECA and International.

### 1.1 Segment information

#### a) Description of segments

The Group is organised into two segments that are based on the operational activity of each segment. These segments are consistent with internal reports that are reviewed and used by the Group's chief operating decision maker, the Managing Director & Chief Executive Officer, in assessing performance and determining the allocation of resources.

Operating Segment	Products and Services
<b>Agribusiness</b>	A leading Australian end-to-end grains supply chain business with diversified international grain origination and destination capabilities. The key commodities and products handled and traded by this segment include wheat, coarse grains (including barley, sorghum and corn), oilseeds, pulses and organics.
<b>Nutrition and Energy</b>	A vertically integrated business comprising of edible oils crushing, processing, manufacturing, distribution and trading of animal fats, used cooking oils and vegetable oils for animal feed purposes with a strong and well-invested footprint across both Australia and New Zealand.

Corporate includes the unallocated corporate costs such as group financing. Segment performance is based on a measure of EBITDA. EBITDA is a non-IFRS measure representing earnings before net interest, tax, depreciation and amortisation.

#### b) Performance of segments

Half-year 2024	Agribusiness	Nutrition & Energy	Reportable segments	Corporate	Eliminations	Total
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
<b>Reportable segment revenue</b>						
External revenue	2,427.2	955.7	3,382.9	-	-	3,382.9
Intersegment revenue	235.8	1.1	236.9	-	(236.9)	-
<b>Total reportable segment revenue</b>	<b>2,663.0</b>	<b>956.8</b>	<b>3,619.8</b>	<b>-</b>	<b>(236.9)</b>	<b>3,382.9</b>
<b>Reportable segment result</b>	<b>108.4</b>	<b>75.8</b>	<b>184.2</b>	<b>(23.9)</b>	<b>-</b>	<b>160.3</b>
Share of results of investments accounted for using the equity method	(7.1)	-	(7.1)	(0.6)	-	(7.7)
Net change in fair value of investments	-	-	-	1.5	-	1.5
<b>EBITDA</b>	<b>101.3</b>	<b>75.8</b>	<b>177.1</b>	<b>(23.0)</b>	<b>-</b>	<b>154.1</b>
Lease interest	(2.1)	(1.9)	(4.0)	(0.4)	-	(4.4)
Net interest	(28.3)	(2.7)	(31.0)	8.7	-	(22.3)
Depreciation and amortisation	(37.7)	(18.6)	(56.3)	(2.7)	-	(59.0)
<b>Profit before income tax</b>	<b>33.2</b>	<b>52.6</b>	<b>85.8</b>	<b>(17.4)</b>	<b>-</b>	<b>68.4</b>
<b>Other segment information</b>						
Capital expenditure	3.6	3.7	7.3	3.6	-	10.9
Reportable segment assets	2,138.5	928.6	3,067.1	602.7	-	3,669.8
Reportable segment liabilities	(1,505.4)	(366.1)	(1,871.5)	(225.1)	-	(2,096.6)

## 1.1 Segment information (continued)

Half-year 2024	Agribusiness	Nutrition & Energy	Total
	\$ M	\$ M	\$ M
<b>Reportable segment revenue</b>			
Sale of commodities	2,165.6	415.3	2,580.9
Sale of finished goods	-	539.6	539.6
Service and other revenue	254.1	0.8	254.9
Rental income	7.5	-	7.5
<b>Total external segment revenue</b>	<b>2,427.2</b>	<b>955.7</b>	<b>3,382.9</b>
Revenue recognised at point in time	2,419.3	955.5	3,374.8
Revenue recognised over time	7.9	0.2	8.1
<b>Total external segment revenue</b>	<b>2,427.2</b>	<b>955.7</b>	<b>3,382.9</b>

Restated Half-year 2023	Agribusiness <sup>8</sup>	Nutrition & Energy <sup>8</sup>	Reportable segments	Corporate	Eliminations <sup>8</sup>	Total
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
<b>Reportable segment revenue</b>						
External revenue	3,399.8	1,140.0	4,539.8	-	-	4,539.8
Intersegment revenue	243.5	2.4	245.9	-	(245.9)	-
<b>Total reportable segment revenue</b>	<b>3,643.3</b>	<b>1,142.4</b>	<b>4,785.7</b>	<b>-</b>	<b>(245.9)</b>	<b>4,539.8</b>
<b>Reportable segment result</b>	<b>237.0</b>	<b>131.3</b>	<b>368.3</b>	<b>(14.3)</b>	<b>-</b>	<b>354.0</b>
Share of results of investments accounted for using the equity method	(10.8)	-	(10.8)	(1.2)	-	(12.0)
Net change in fair value of investments	-	-	-	41.2	-	41.2
<b>EBITDA</b>	<b>226.2</b>	<b>131.3</b>	<b>357.5</b>	<b>25.7</b>	<b>-</b>	<b>383.2</b>
Lease interest	(2.1)	(1.5)	(3.6)	(0.1)	-	(3.7)
Net interest	(24.6)	(3.5)	(28.1)	(1.2)	-	(29.3)
Depreciation and amortisation	(37.8)	(17.8)	(55.6)	(1.8)	-	(57.4)
<b>Profit before income tax</b>	<b>161.7</b>	<b>108.5</b>	<b>270.2</b>	<b>22.6</b>	<b>-</b>	<b>292.8</b>
<b>Other segment information</b>						
Capital expenditure	27.6	4.3	31.9	0.5	-	32.4
Reportable segment assets	2,891.6	960.8	3,852.4	535.5	-	4,387.9
Reportable segment liabilities	(2,088.7)	(386.5)	(2,475.2)	(320.5)	-	(2,795.7)

Restated Half-year 2023	Agribusiness <sup>8</sup>	Nutrition & Energy <sup>8</sup>	Total
	\$ M	\$ M	\$ M
<b>Reportable segment revenue</b>			
Sale of commodities	3,052.1	487.8	3,539.9
Sale of finished goods	-	650.9	650.9
Service and other revenue	340.1	1.3	341.4
Rental income	7.6	-	7.6
<b>Total external segment revenue</b>	<b>3,399.8</b>	<b>1,140.0</b>	<b>4,539.8</b>
Revenue recognised at point in time	3,390.4	1,139.8	4,530.2
Revenue recognised over time	9.4	0.2	9.6
<b>Total external segment revenue</b>	<b>3,399.8</b>	<b>1,140.0</b>	<b>4,539.8</b>

<sup>8</sup> 31 March 2023 has been restated in line with the reorganisation in operating segments effective 1 October 2023. There was no change to the consolidated total. Refer to note 1 above for further details.



## 1.2 Other income

	Half-year	
	31 March 2024 \$ M	31 March 2023 \$ M
<b>Net gain on derivative / commodity trading:</b>		
Net realised gain on financial derivatives	73.6	114.3
Net realised loss on foreign currency derivatives	(7.8)	(51.3)
	<b>65.8</b>	<b>63.0</b>
Net unrealised (loss) / gain on financial derivatives	(29.0)	63.5
Net unrealised gain on foreign currency derivatives	18.9	61.2
Net unrealised gain / (loss) on commodity contracts (forward purchases and sales)	29.8	(38.1)
Fair value change on commodity inventories at period end	22.7	(175.2)
	<b>42.4</b>	<b>(88.6)</b>
Net realised loss on crop production contract <sup>9</sup>	(64.3)	(75.9)
Net unrealised gain / (loss) on fair value of crop production contract	3.8	(6.4)
	<b>(60.5)</b>	<b>(82.3)</b>
<b>Net gain / (loss) on derivative / commodity trading</b>	<b>47.7</b>	<b>(107.9)</b>
Gain on sale of investments and property, plant and equipment	0.2	0.1
Net change in fair value of investments <sup>10</sup>	1.5	41.2
Interest income	14.2	4.4
Sundry income	12.8	6.3
<b>Total other income / (loss)</b>	<b>76.4</b>	<b>(55.9)</b>

Unrealised gains / losses on commodity contracts (forward purchases and sales) will be recognised through revenue and goods purchased for resale respectively when the contract is executed at which point the gains / losses become realised. Income is recognised as realised gain / loss when the underlying sales contract is closed and unrealised when the contract is open at reporting date. Realised gains on financial derivatives and foreign currency derivatives, which typically are utilised to hedge forward contracts or commodity inventory holdings, continue to be reported in other income.

<sup>9</sup> Includes payment on the crop production contract of \$58.4m and the annual premium payment of \$5.9m. Refer to note 2.3.

<sup>10</sup> In March 2023, United Malt Group Limited (UMG) announced an indicative proposal had been received to acquire all ordinary shares for \$5.00 per share. GrainCorp's consideration, valued at \$127.1m before tax, was received by GrainCorp on 15 November 2023. The net change in fair value of investments reflects the receipt of final consideration of \$5.00 per share (\$4.94 September 2023).

### 1.3 Other expenses

	Half-year	
	31 March	31 March
	2024	2023
	\$ M	\$ M
<b>Employee benefits expense</b>		
Defined contribution superannuation	11.2	8.4
Other employee benefits <sup>11</sup>	184.9	224.0
<b>Total employee benefits expense</b>	<b>196.1</b>	<b>232.4</b>
<b>Other expenses</b>		
Software maintenance <sup>11</sup>	10.2	9.6
Insurance	8.4	8.9
Consulting <sup>11</sup>	11.1	8.8
Rates and taxes	6.7	6.8
Travel and accommodation	4.2	6.7
Lease expense	5.4	6.6
Employee related expenses	3.9	4.7
Motor vehicle	4.5	4.3
Legal <sup>11</sup>	1.5	2.8
Business acquisition costs <sup>12</sup>	1.4	-
Other	13.8	20.9
<b>Total other expenses</b>	<b>71.1</b>	<b>80.1</b>

The table above contains costs associated with business transformation, details of which are provided in the table below.

	Half-year	
	31 March	31 March
	2024	2023
	\$ M	\$ M
<b>Business transformation costs<sup>11</sup></b>		
Other employee benefits	3.7	-
Consulting	5.8	-
Legal	0.1	-
Software maintenance	0.2	-
<b>Total business transformation costs</b>	<b>9.8</b>	<b>-</b>

<sup>11</sup> Includes costs related to business transformational activity. Refer to the summary table above.

<sup>12</sup> Relates to the costs associated with the purchase of XF Australia Pty Ltd. Refer to note 4.1.

## 1.4 Taxation

	Half-year	
	31 March 2024 \$ M	31 March 2023 \$ M
<b>Income tax expense recognised in consolidated income statement</b>		
Current tax	35.5	110.9
Deferred tax	(14.6)	(19.0)
Under / (over) provision in prior years	(2.1)	0.6
	<b>18.8</b>	<b>92.5</b>
<b>Reconciliation to effective tax rate</b>		
Profit before income tax expense	68.4	292.8
Add: equity accounted loss not subject to taxation	7.7	12.0
<b>Profit subject to tax</b>	<b>76.1</b>	<b>304.8</b>
Income tax expense calculated at 30% (2023: 30%)	22.8	91.4
<i>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</i>		
Non-deductible / non-assessable items	0.8	0.6
Recognition of tax losses <sup>13</sup>	(2.7)	-
Under / (over) provision in prior years	(2.1)	0.6
Difference in overseas tax rates	-	(0.1)
<b>Income tax expense</b>	<b>18.8</b>	<b>92.5</b>
<b>Effective tax rate<sup>14</sup></b>	<b>24.7%</b>	<b>30.3%</b>

<sup>13</sup> GrainCorp will make a capital loss in FY24 due to a share capital reduction in a foreign subsidiary.

<sup>14</sup> Effective tax rate is calculated as the income tax expense divided by profit subject to tax (excluding equity accounted profit / loss).

## 2. Capital and Financial Risk Management

The Group manages its capital to safeguard its ability to maintain an optimal capital structure so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group's capital consists of core debt, commodity inventory funding and equity. Core debt is calculated as borrowings, net of cash assets and commodity inventory. The capital structure is monitored using the core debt gearing ratio and net debt gearing ratio. The core debt gearing ratio is calculated as core debt divided by core debt plus equity. For the purposes of core debt, commodity inventory is defined as trading grain and oilseeds inventories. GrainCorp intends to maintain minimal core debt through the cycle. Net debt primarily consists of funding for commodity inventory and the net debt gearing ratio is calculated as net debt divided by net debt plus equity. Net debt fluctuates in line with seasonal working capital requirements.

The capital structure of the Group is continuously monitored and can be changed by adjusting the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The core debt gearing ratio is as follows:

### 2.1 Borrowings

	31 March 2024 \$ M	30 September 2023 \$ M
Total borrowings	1,279.5	981.7
Cash and cash equivalents	(514.9)	(609.2)
<b>Net debt</b>	<b>764.6</b>	<b>372.5</b>
Commodity inventory	(1,260.0)	(721.7)
<b>Core (cash) / debt</b>	<b>(495.4)</b>	<b>(349.2)</b>
Total equity	1,573.2	1,591.8
<b>Core (cash) / debt gearing ratio</b>	<b>(46%)</b>	<b>(28%)</b>

	31 March 2024 \$ M	30 September 2023 \$ M
<b>Current</b>		
Commodity inventory funding facilities – secured	1,077.7	781.5
Working capital – unsecured	51.8	50.2
<b>Total current borrowings</b>	<b>1,129.5</b>	<b>831.7</b>
<b>Non-current</b>		
Term debt facilities – unsecured	150.0	150.0
<b>Total non-current borrowings</b>	<b>150.0</b>	<b>150.0</b>

#### a) Assets pledged as security

The carrying amount of assets pledged as security for borrowings is \$979.8m (2023: \$710.5m).

Inventory funding facilities are secured against the related inventory. The Group's secured inventory balance is GST exclusive.

Loans under term and working capital funding facilities are secured by a negative pledge and these facilities provide the related entities in the Group that are party to the pledge the flexibility in funding their respective liquidity requirements as needed. The facilities impose certain financial covenants on the Group. All covenants have been complied with during the half-year.

## 2.1 Borrowings (continued)

### b) Financing arrangements

Borrowings are drawn under the following Group debt facilities:

31 March 2024	Maturity date	Principal facility amount \$ M	Amount utilised \$ M
Term debt <sup>15</sup>	March 2027	150.0	150.0
Commodity inventory funding	November 2024	1,353.0	1,077.7
Working capital	November 2024	350.0	51.8
<b>Total financing arrangements</b>		<b>1,853.0</b>	<b>1,279.5</b>

30 September 2023	Maturity date	As at 10 November 2023	As at 30 September 2023
		Principal facility amount \$ M	Amount utilised \$ M
Term debt	March 2025	150.0	150.0
Commodity inventory funding <sup>16</sup>	November 2024	2,002.0	781.5
Working capital <sup>17</sup>	November 2024	350.0	50.2
Working capital	December 2023	15.5	-
<b>Total financing arrangements</b>		<b>2,517.5</b>	<b>981.7</b>

## 2.2 Dividends

	Half-year	
	31 March 2024	31 March 2023
	\$ M	\$ M
<b>Dividends paid in the half-year:</b>		
Final fully franked dividend for the year ended 30 September 2023 of 14 cents (2022: 14 cents)	31.4	31.3
Final special franked dividend for the year ended 30 September 2023 of 16 cents (2022: 16 cents)	35.9	35.8
<b>Total dividends paid</b>	<b>67.3</b>	<b>67.1</b>

### Dividend not recognised at half-year:

Subsequent to the period end the Directors have approved the payment of the following dividends, comprising an interim ordinary dividend of 14.0 cents and an interim special dividend of 10.0 cents, expected to be paid on 18 July 2024.

Interim fully franked dividend for the half-year ended 31 March 2024 of 14.0 cents (2023: 14 cents)	31.4	31.3
Interim special franked dividend for half-year ended 31 March 2024 of 10.0 cents (2023: 10 cents)	22.4	22.4

No liability for the dividend has been recognised at 31 March 2024, as it was declared after the end of the reporting period.

<sup>15</sup> The maturity date for the term debt facility was extended from March 2025 to March 2027. The principal facility amount is unchanged at \$150 million.

<sup>16</sup> The maturity date and principal facility amount for the inventory funding facility is as at 10 November 2023. Subsequent to 30 September 2023, the maturity date was extended from November 2023 to November 2024 and the principal facility amount changed from \$2,272 million to \$2,002 million. This facility is renewed subsequent to balance date each year to align with the seasonal requirements of the Group.

<sup>17</sup> The maturity date and principal facility amount for the working capital facility is as at 10 November 2023. Subsequent to 30 September 2023, the maturity date was extended from November 2023 to November 2024 and the principal facility amount changed from \$545 million to \$350 million.

## 2.3 Financial instruments

### Fair value measurements

The Group's derivative instruments and other financial assets are measured at fair value at the end of each reporting period. Financial instruments are grouped into Levels 1 to 3 based on the degree to which fair value measurement inputs are observable. The fair value has been determined as follows:

- ▶ **Level 1** financial instruments held by the Group are instruments which are traded on an active market. The fair value of these financial instruments is the quoted market settlement price on the reporting date.
- ▶ **Level 2** financial instruments held by the Group are financial instruments that are not traded on an active market. The fair value is determined using valuation techniques which maximise observable market data and rely as little as possible on entity-specific estimates.
- ▶ **Level 3** financial instruments do not have quoted market prices available. The fair values are calculated by amending market price values obtained from traders and brokers for location and grade differentials.

The following table presents the Group's assets and liabilities measured and recognised at fair value at balance date:

31 March 2024	Level 1 \$ M	Level 2 \$ M	Level 3 \$ M	Total \$ M
<b>Assets</b>				
<i>Derivative financial instruments – fair value through profit and loss</i>				
Commodity futures and options	9.1	0.1	-	9.2
Commodity contracts (forward purchases and sales)	-	-	106.8	106.8
Foreign currency derivatives	-	3.9	-	3.9
<i>Derivative financial instruments – cash flow hedge</i>				
Foreign currency derivatives	-	0.8	-	0.8
Interest rate swap contracts	-	1.8	-	1.8
<b>Total derivative financial instrument assets</b>	<b>9.1</b>	<b>6.6</b>	<b>106.8</b>	<b>122.5</b>
Commodity inventory at fair value less costs to sell (note 3.1)	-	-	1,035.7	1,035.7
Receivables held at fair value	-	-	2.0	2.0
Investments at fair value	-	-	15.4	15.4
<b>Total financial assets</b>	<b>9.1</b>	<b>6.6</b>	<b>1,159.9</b>	<b>1,175.6</b>
<b>Liabilities</b>				
<i>Derivative financial instruments – fair value through profit and loss</i>				
Commodity futures and options	6.9	3.3	-	10.2
Commodity contracts (forward purchases and sales)	-	-	37.7	37.7
Foreign currency derivatives	-	11.9	-	11.9
Crop production contract	-	-	25.2	25.2
<i>Derivative financial instruments – cash flow hedge</i>				
Foreign currency derivatives	-	0.9	-	0.9
<b>Total financial liabilities</b>	<b>6.9</b>	<b>16.1</b>	<b>62.9</b>	<b>85.9</b>

## 2.3 Financial instruments (continued)

### Fair value measurements (continued)

30 September 2023	Level 1 \$ M	Level 2 \$ M	Level 3 \$ M	Total \$ M
<b>Assets</b>				
<i>Derivative financial instruments – fair value through profit and loss</i>				
Commodity futures and options	39.7	-	-	39.7
Commodity contracts (forward purchases and sales)	-	-	161.1	161.1
Foreign currency derivatives	-	5.8	-	5.8
<i>Derivative financial instruments - cash flow hedge</i>				
Foreign currency derivatives	-	2.2	-	2.2
Interest rate swap contracts	-	2.9	-	2.9
<b>Total derivative financial instrument assets</b>	<b>39.7</b>	<b>10.9</b>	<b>161.1</b>	<b>211.7</b>
Commodity inventory at fair value less costs to sell (note 3.1)	-	-	565.9	565.9
Receivables held at fair value (note 3.1)	-	-	2.0	2.0
Investments at fair value	125.6	-	14.8	140.4
<b>Total financial assets</b>	<b>165.3</b>	<b>10.9</b>	<b>743.8</b>	<b>920.0</b>
<b>Liabilities</b>				
<i>Derivative financial instruments – fair value through profit and loss</i>				
Commodity futures and options	5.6	5.7	-	11.3
Commodity contracts (forward purchases and sales)	-	-	111.6	111.6
Foreign currency derivatives	-	32.3	-	32.3
Crop production contract	-	-	23.1	23.1
<i>Derivative financial instruments – cash flow hedge</i>				
Foreign currency derivatives	-	1.8	-	1.8
<b>Total financial liabilities</b>	<b>5.6</b>	<b>39.8</b>	<b>134.7</b>	<b>180.1</b>

### Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition, measurement and disclosure purposes. There were no material changes made to any of the valuation techniques applied since 30 September 2023. The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 March 2024.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no instruments reclassified between levels for the half-year ended 31 March 2024.

The following table presents the changes in Level 3 financial assets and liabilities:

	Half-year 2024			Full year 2023		
	Commodity Contracts	Commodity inventory at fair value	Crop Production Contract	Commodity Contracts	Commodity inventory at fair value	Crop Production Contract
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
Opening balance	49.5	565.9	(23.1)	246.7	583.8	(16.6)
Unrealised gain / (loss) recognised in profit and loss	29.8	22.7	(2.1)	(203.8)	(98.1)	(6.5)
Net acquisitions / (disposals)	(10.2)	447.1	-	6.6	80.2	-
<b>Closing balance</b>	<b>69.1</b>	<b>1,035.7</b>	<b>(25.2)</b>	<b>49.5</b>	<b>565.9</b>	<b>(23.1)</b>

## 2.3 Financial instruments and risk management (continued)

### › Financial risk management – commodity price risk

Commodity price risk arises due to grain and edible oil price fluctuations impacting on the value of commodity forward purchase and forward sales contracts written by the Group as part of its grain, meal and edible oil marketing activities. The Group's policy is to lock in favourable margins between the purchase and sale price of commodities but differences in the timing of entering into these contracts create an exposure to commodity price risk.

To manage exposure to this risk, the Group enters into various exchange traded commodity derivative contracts (futures and options) as well as OTC contracts with terms between two and 24 months. These contracts are predominantly in Australia, New Zealand, US, Canada and Europe based financial markets and denominated in the currencies of those jurisdictions.

This sensitivity analysis shows the impact on post-tax profit if commodity prices changed by 20%. The 20% movement is calculated over the market value amount of the net exposure of the commodity physical and derivative contracts as at 31 March 2024 and 30 September 2023.

	31 March 2024 \$ M	30 September 2023 \$ M
Fair value of derivatives and physical inventory	1,103.8	643.8
Net effect of a 20% appreciation in price on post-tax profit or loss	(3.0)	8.2
Net effect of a 20% depreciation in price on post-tax profit or loss	3.0	(8.2)

### › Crop production contract

The fair value of the crop production contract is determined using a valuation model which estimates future cash flows from the contract, discounted to present value. Future cash flows are determined by applying the crop production contract terms to estimated crop production levels for the remainder of the contract term. The fair value calculation is highly subjective given the degree of uncertainty in forecasting future weather patterns and crop production levels accurately. The fair value uses the following inputs:

- Cash flows are determined using the crop production contract terms
  - GrainCorp receives a payment of \$15 per tonne for each tonne of actual ECA winter crop production in any given year which is below the lower production threshold of 15.3 million tonnes (annual maximum of \$80 million).
  - GrainCorp pays a fixed payment of \$15 per tonne for each tonne above the upper production threshold of 19.3 million tonnes (annual maximum of \$70 million).
  - An aggregate net limit of payments to either GrainCorp or the counterparty of \$270 million over the contract term. The current accumulative net position is \$210.4 million paid to the counterparty. This includes actual payment of \$52.6m in 1H24 and forecast payment of \$5.8m (based on March ABARES). The final payment will be based on June ABARES and paid in 2H24.
  - An annual contract premium is payable to the counterparty.
- Historical crop production data published by the Australian Bureau of Agricultural and Resource Economics (ABARES).
- Forecast ABARES data is not included in the valuation due to the uncertainty of crop production outcomes.
- Estimated future production growth rates and probabilities are derived from historical crop production data.
- Risk-adjusted discount rate based on the applicable zero-coupon AUD overnight index swap curve.

The initial fair value of the crop production contract was estimated as \$104.5m (asset) in 2019. In accordance with AASB 9, the initial fair value was not recognised in the Consolidated Income Statement as unobservable data points (as indicated above) were used for the initial fair value measurement. On subsequent measurement the deferred difference is recognised as a gain or loss in the income statement on a systematic basis over the life of the contract.

Derivative asset valuation gains / losses will be recognised in the income statement at the point-in-time when the valuation model inputs change. GrainCorp expects that this would occur over the life of the contract once historical ABARES crop production data becomes publicly available for each given year, and as such the deferred amount will be recognised in the income statement annually. The fair value of the crop production contract is disclosed in the table below.

Production payments / receipts are determined based on actual ABARES production in any given year only. In any given financial year, the realised gain / loss can range between the following:

- \$74 million realised gain (based on the annual maximum receipt of \$80 million, less annual premium of \$6 million).
- \$76 million realised loss (based on the annual maximum payment of \$70 million, plus annual premium of \$6 million).

There were no significant inter-relationships between unobservable inputs that materially affect fair value. There is a bank guarantee in place amounting to \$101.8 million (FY23: \$83.3 million).

	31 March 2024 \$ M	30 September 2023 \$ M
<b>Fair value of contract using unobservable data</b>		
Fair value of crop production derivative recognised in the statement of financial position	27.1	39.6
Deferred difference on initial fair value netted off in the statement of financial position	(52.3)	(62.7)
<b>Net position as presented in the consolidated statement of financial position</b>	<b>(25.2)</b>	<b>(23.1)</b>



### 3. Operating Assets and Liabilities

This section shows the assets used to generate the Group's trading performance and liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in Section 2. Capital and Financial Risk Management.

#### 3.1 Inventories

	31 March 2024 \$ M	30 September 2023 \$ M
Raw materials	199.2	146.0
Work in progress	8.9	14.6
Finished goods	26.7	27.2
Trading stock	73.6	74.2
Commodity inventory at fair value less cost to sell	1,035.7	565.9
<b>Total inventories</b>	<b>1,344.1</b>	<b>827.9</b>

#### 3.2 Trade and other payables

	31 March 2024 \$ M	30 September 2023 \$ M
<b>Current</b>		
Trade payables	168.6	189.4
Inventory procurement trade payables	52.2	-
Accrued expenditure	34.3	33.6
Deferred grower payments	99.0	-
Other payables	34.6	62.9
<b>Total current trade and other payables</b>	<b>388.7</b>	<b>285.9</b>

	31 March 2024 \$ M	30 September 2023 \$ M
<b>Non-current</b>		
Income received in advance	7.9	9.0
Other payables	0.8	0.6
<b>Total non-current trade and other payables</b>	<b>8.7</b>	<b>9.6</b>

The Group has inventory procurement trade payables with third-party financial institutions, which are interest bearing. Trade bills of exchange are paid by the financial institution direct to the supplier or to GrainCorp and the Group settles the payable on extended payment terms. The amount utilised and recorded within trade and other payables at 31 March 2024 was \$52.2 million (30 September 2023: \$nil).

### 4. Other

#### 4.1 Events occurring after the reporting period

On 2 April 2024 GrainCorp announced the completion of the acquisition of 100% of XF Australia Pty Ltd, a provider of feed supplement products and nutritional consulting services to Australia's feedlot and grazing sector, for a total purchase price of \$35.0 million.

At the date of this interim financial report no other matter or circumstance has arisen since 31 March 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Directors' Declaration

In the Directors' opinion:

- a) The financial statements and notes set out on pages 7 to 23 are in accordance with the *Corporations Act 2001*, including:
- i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the GrainCorp Limited and its controlled entities' financial position as at 31 March 2024 and of its performance for the half-year ended on that date; and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Peter Richards  
Chairman

Sydney  
16 May 2024



## ***Independent auditor's review report to the members of GrainCorp Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of GrainCorp Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 March 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated income statement for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of GrainCorp Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 March 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*EPenny*

Eliza Penny  
Partner

Sydney  
16 May 2024

