

13 May 2021

Strong first half result and upgrade to FY21 guidance

GrainCorp Limited (GrainCorp) (ASX: GNC) announces its results for the half-year ended 31 March 2021 (HY21) and an upgrade to FY21 earnings guidance.

- Underlying EBITDA¹ from continuing operations: \$140 million (HY20: \$105 million)
- Underlying NPAT² from continuing operations: \$51 million (HY20: \$27 million)
- Statutory NPAT³: \$51 million (HY20: \$78 million)
- Declared interim dividend 8 cents per share fully franked (HY20: nil)
- Recordable Injury Frequency Rate⁴ of 6.1 (30 Sep 2020: 6.5)
- FY21 guidance: Underlying EBITDA \$255-\$285 million. Underlying NPAT \$80-\$105 million⁵

Managing Director & CEO, Robert Spurway, commented:

"I am pleased to announce a strong first half result and an upgrade to our full year earnings guidance. This result and the outlook, reflect a positive rebound in growing conditions on the east coast of Australia (ECA) and the operating initiatives now embedded in our business.

Our Agribusiness earnings were up substantially, driven by the much larger crop and increased grain volumes in our network. Receivals and exports were up materially, supported by strong global demand and pricing for Australian grain and oilseeds."

Mr Spurway also noted that the HY21 EBITDA result of \$140 million included a \$70 million payment (by GrainCorp) under the Crop Production Contract (CPC).

"This contrasts with the previous corresponding half (HY20), when GrainCorp received a \$58 million gross payment under the CPC, and highlights both the strength of our current operating performance and the effectiveness of the CPC in smoothing cashflows through the crop cycle."

"The Processing business also performed strongly, with high asset utilisation and positive oilseed crush margins. Global demand for vegetable oils remains elevated and this is supporting values across our oils portfolio, including canola oil and used cooking oil (UCO)."

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 after tax and after significant items – represents profit attributable to shareholders from continuing operations.

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

⁵ Guidance excludes any impact from revaluation of UMG holding. FY21 guidance remains subject to: 2H21 grain volumes; timing of grain exports, and; oilseed crush margins.

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As at 31 March 2021, GrainCorp's core debt was \$90m, up from \$37m at 30 September 2020, and is in line with seasonal working capital requirements.

Dividend

The Board of Directors has declared an interim dividend of 8 cents per share, fully franked, for the HY21 period (FY20 final dividend 7cps).

The increase in dividend reflects confidence in through-the-cycle earnings, underpinning our ability to maintain consistent dividend payments going forward.

The dividend will be paid on 22 July 2021 to ordinary shareholders at a record date of 8 July 2021.

Outlook

GrainCorp has upgraded its FY21 earnings guidance to Underlying EBITDA of \$255-\$285 million and Underlying NPAT of \$80-\$105 million (previously \$230-270 million and \$60-\$85 million).

The upgrade to guidance reflects strong margins due to high global demand for Australian grain and oilseeds and the delivery of key operating initiatives.

Mr Spurway commented:

"We are pleased with the positive momentum across the business. There is good export demand, that extends well into FY22, supported by high levels of carry-out grain anticipated at the full year. Good sub-soil moisture across many parts of ECA is also positive for current winter crop planting. We are looking forward to working with growers and preparing for the next harvest."

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 HY21 results. The call will be webcast live at <https://webcast.openbriefing.com/7341/> or at www.graincorp.com.au in the Investors & Media section. A replay of the webcast will also be available later today on our 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



GrainCorp

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