

16 November 2022

## Record FY22 financial results

GrainCorp Limited (GrainCorp) (ASX: GNC) announces its results for the year ended 30 September 2022 (FY22).

- **EBITDA<sup>1</sup>**: \$703 million (FY21: \$331 million)
- **NPAT<sup>2</sup>**: \$380 million (FY21: \$139 million)
- **Return on Invested Capital (ROIC)**: 27.9% (FY21: 11.1%)
- **FY22 dividends<sup>3</sup>**: 54 cents per share (cps) fully franked (FY21: 18cps)

GrainCorp's Managing Director and CEO Robert Spurway commented:

"GrainCorp delivered a record result in FY22, with earnings up more than 100% on last year.

"The result reflects the quality of our businesses and infrastructure assets, our operational performance, and the capability of our teams.

"Each of our business segments recorded an increase in activity and volumes, with more grain handled and exported, higher oilseed crush volumes and stronger foods sales.

"Our teams worked hard to navigate supply chain challenges and continue delivering for our customers, while effectively managing costs and broader inflationary pressures.

"Disruptions to global supply chains were driven by weather events, the ongoing impacts of COVID-19 and the conflict in Ukraine.

"Despite these challenges, global demand for Australian grain, oilseeds and vegetable oils remained strong throughout FY22 after two consecutive bumper crops in east coast Australia (ECA).

"We made significant progress in our ESG<sup>4</sup> strategic initiatives, including improvements in energy and water use per tonne. We also mapped our Scope 3 GHG<sup>5</sup> emissions to better understand the full emissions impact of our value chains.

"GrainCorp established a new Board Sustainability Committee and created a sustainability strategy to drive performance across our eight material topics identified through stakeholder engagement.

"These important steps forward are showcased in GrainCorp's 2022 Sustainability Report, which was published today."

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

<sup>2</sup> NPAT: net profit after tax

<sup>3</sup> FY22 dividends of 54cps comprises FY22 Interim dividend paid (24cps) plus FY22 Final dividend declared (30cps)

<sup>4</sup> Environmental, Social and Governance

<sup>5</sup> Greenhouse gas emissions

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## **Business segment performance:**

### **Agribusiness:**

EBITDA was up 127% to \$624 million, reflecting an increase in total grain handled (41.1mmt vs 34.4mmt in FY21) and strong supply chain margins for grain exports. The increase in opening grain inventories ("carry-in"), from 0.7mmt in FY21 to 4.3mmt in FY22, also contributed to higher storage and export volumes.

"We operated our ports at close to full capacity in FY22, exporting 9.2mmt of grain and oilseeds to international markets," Mr Spurway said.

GrainCorp's International businesses also performed well, with good export margins from Western Australia.

GrainCorp's Fats and Oils businesses performed strongly amidst high global demand for renewable fuel feedstocks, including used cooking oil (UCO).

### **Processing:**

EBITDA was up 63% to \$127 million, due to strong oilseed crush margins and higher volumes driven by efficiency improvements at GrainCorp's Numurkah crush plant, in Victoria.

Crush margins were supported by strong demand for vegetable oils, arising from global production challenges in canola and soybean, disruption of supply out of the Black Sea region, and growing markets in renewable fuel feedstocks.

GrainCorp's Foods business delivered an 11% increase in sales volumes with continued strong demand for refined vegetable oils.

### **Balance sheet:**

GrainCorp's balance sheet is in a strong position with a core cash balance of \$177 million at 30 September 2022 (FY21: \$1m core debt). Net debt on 30 September 2022 was \$540 million (FY21: \$599 million).

### **Dividends and capital management:**

GrainCorp's Board of Directors has declared a total final dividend of 30cps, comprising:

- a final **ordinary dividend** of 14cps, fully franked (FY21 final ordinary dividend 10cps); and
- a final **special dividend** of 16cps, fully franked (FY21: NIL)

Both the final ordinary and final special dividends will be paid on 14 December 2022 to ordinary shareholders at a record date of 30 November 2022 (in respect of both dividends). The dividends are in addition to the \$50 million on-market share buy-back, which was first announced by GrainCorp in November 2021 and was completed in July 2022.

### **Outlook:**

"ECA conditions have been favourable leading into the 2022/23 winter harvest, with ABARES currently forecasting another well above-average crop," Mr Spurway said.

"Recent heavy rainfall across large parts of ECA has delayed the harvest by several weeks and continues to present challenges for growers, their communities and local businesses.

"We are working closely with growers to support them in light of the logistical challenges presented by the weather events, and to help maximise the value of their harvest.

“While flooding will impact both yield and quality in parts of ECA, we have a high level of grain inventory in our network, and we expect a large export program to continue throughout FY23.

“The exceptional margins achieved in the first half of FY22 moderated in the second half as expected, as supply from the northern hemisphere improved. Pleasingly, domestic and global demand for feed and milling grades remains strong.

“Oilseed crush margins are expected to remain favourable, and we are well positioned to continue operating our crushing facilities at high utilisation.

“Overall, GrainCorp is well positioned for the new financial year, with our businesses performing well, a strong balance sheet and pipeline of growth opportunities,” Mr Spurway said.

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 (AEDT) to discuss GrainCorp’s FY22 results.

The call will be webcast live at <https://webcast.openbriefing.com/9067/> or at [www.graincorp.com.au](http://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](http://www.graincorp.com.au)

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