

16 September 2021

The Manager, Companies  
Australian Securities Exchange  
Companies Announcement Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**GrainCorp Limited – Presentation to Bell Potter ‘Home Grown’ Agriculture Conference**

Please see attached the presentation to be delivered by Robert Spurway, Managing Director & CEO, at the Bell Potter ‘Home Grown’ Agriculture Conference today.

The presentation outlines GrainCorp’s core and growth strategies and focus on sustainability. It also reaffirms GrainCorp’s FY21 guidance as most recently stated to the ASX on 12 August 2021.

Yours faithfully,  
GrainCorp Limited



Annerly Squires  
Company Secretary

A photograph of three men standing in a vast green field under a blue sky with scattered clouds. In the background, there is a line of trees and a hill. The man on the left is wearing an orange high-visibility shirt and a cap. The man in the middle is wearing a light blue shirt and a cap. The man on the right is wearing a light blue shirt and a cap. They are all looking towards the right side of the frame.

**GrainCorp Limited**

# **Sustainable & Innovative Agriculture**

**Bell Potter 'Home Grown' conference**

**Robert Spurway, Managing Director & CEO**

**16 September 2021**



**GrainCorp**

# Disclaimer



This presentation includes both information that is historical in character and information that consists of forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. The forward looking statements are subject to risks, stakeholder engagement, uncertainties and assumptions which could cause actual results, timing, or events to differ materially from the expectations described in such forward looking statements. Those risks and uncertainties include factors and risks specific to the industry in which GrainCorp operates, any applicable legal requirements, as well as matters such as general economic conditions.

While GrainCorp believes that the expectations reflected in the forward looking statements in this presentation are reasonable, neither GrainCorp nor its directors or any other person named in the presentation can assure you that such expectations will prove to be correct or that implied results will be achieved. These forward looking statements do not constitute any representation as to future performance and should not be relied upon as financial advice of any nature. Any forward looking statement contained in this document is qualified by this cautionary statement.

Numbers throughout the presentation may not add up due to rounding.



# GrainCorp at a glance

High quality strategic infrastructure assets servicing customers worldwide



## International:

Global network of offices, originating grain, pulses and oilseeds from different regions and delivering to customers in over 50 countries.



## GrainsConnect Canada JV:

State-of-the-art grain supply chain connecting Western Canadian grain growers to global markets.

Swaffham

Kyiv

Beijing

Delhi

Singapore

Sydney

Auckland

Calgary

Winnipeg

● GrainCorp Head Office  
● International offices



## Integrated ECA network:

Leading bulk grain handling company in east coast Australia (ECA), storing, handling and connecting grain to customers worldwide.

Up-country network connected to seven bulk ports by rail.



## Processing assets:

Leading oilseed crusher/refiner and food manufacturer in Australia and New Zealand, producing a range of oils, meals and food products for domestic and international customers.

# Agenda



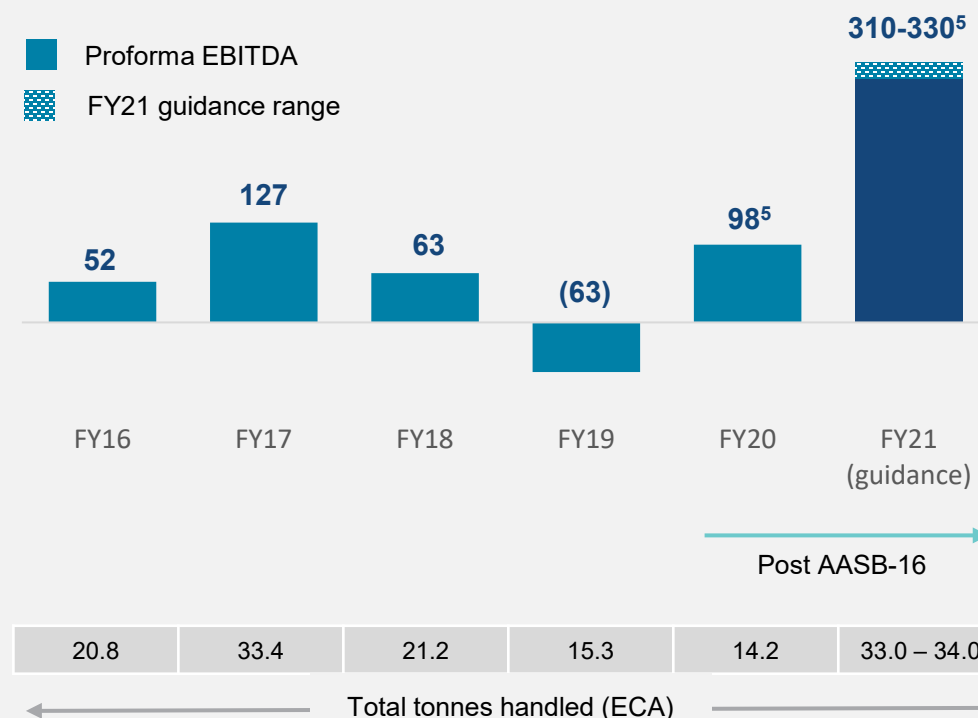
- **FY21 performance**
- **Outlook**
- **Strategy**
- **Sustainability**
- **Deep dives**
- **Conclusion**

# Outstanding result expected in FY21



- **FY21 guidance (announced 12 August 2021):**
  - \$310-330m underlying EBITDA<sup>1,3</sup>
  - \$125-140m underlying NPAT<sup>2,3</sup>
  - Excellent supply chain execution to capitalise on bumper ECA winter crop
  - Strong margins due to demand for Australian grain, further driven by Northern hemisphere challenges and good prospects for another well above average ECA crop in 2021-22
  - Delivering on capital investments and operating initiatives
- FY21 results to be announced 11-Nov-21

## Proforma underlying EBITDA (\$m)<sup>4</sup>



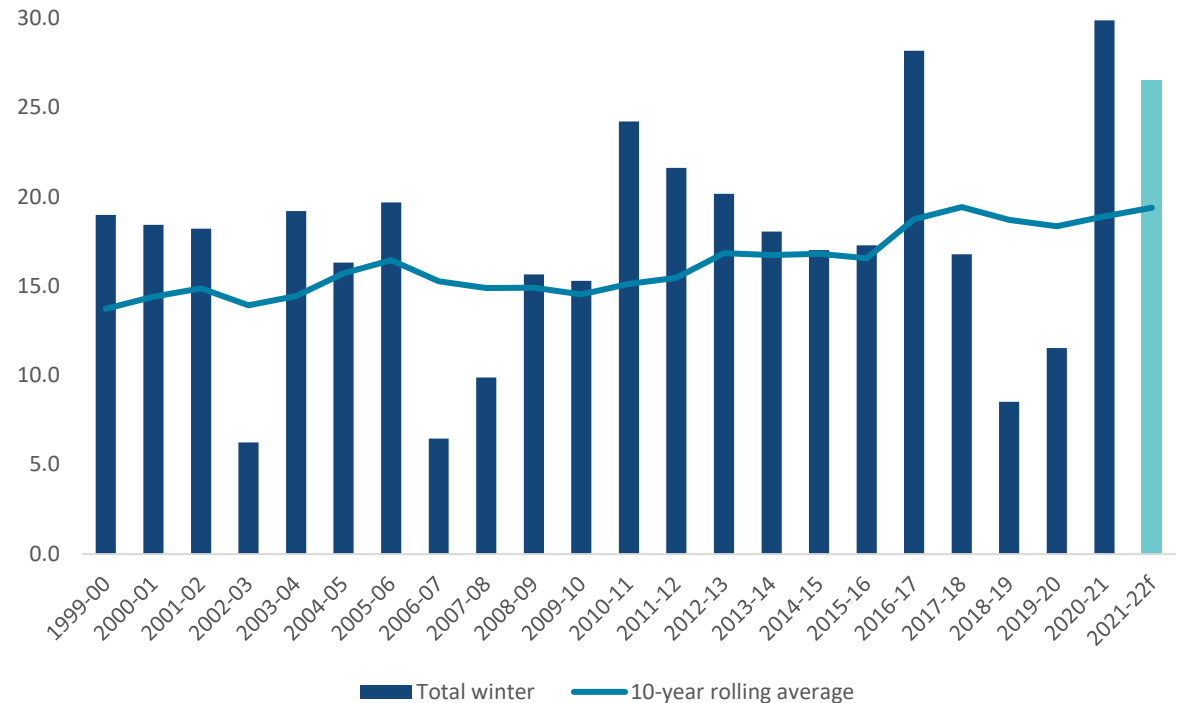
1. Underlying EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation, before significant items. FY21 EBITDA guidance includes \$70m payment (by GrainCorp) under Crop Production Contract (CPC).  
 2. Underlying NPAT is a non-IFRS measure, representing net profit after tax, before significant items.  
 3. Underlying EBITDA and NPAT guidance excludes impact of revaluation and dividends from UMG holding.  
 4. Historical proforma EBITDA includes several adjustments in order to provide a better comparative -including removal of earnings from Australian Bulk Liquid Terminals and Allied Mills, and incorporation of CPC had it been in place in FY16-19.  
 5. FY20 EBITDA and FY21 EBITDA guidance include AASB-16 impact of ~\$35m.

# Favourable conditions continuing



- **ABARES' 2021-22 ECA winter crop forecast of 26.5mmt<sup>1</sup> is well above average**
- **GrainCorp supporting growers to maximise the opportunity:**
  - Recruiting 3,000+ harvest casuals to manage demand across 160 country sites and ports
  - Building one million tonnes of new storage capacity ahead of 2021-22 winter harvest
  - Achieving significant improvements to grower Net Promoter Scores
- **Long-term fundamentals positive**
  - ECA grain production stable and growing on a 10-year view
  - Crop Production Contract (CPC) smooths impact of year-to-year volatility supporting sustainable cash flows and returns for shareholders

**ECA winter crop production and 10-year rolling average (mmt)<sup>1</sup>**



1. ABARES winter crop production - East Coast Australia. Based on Sep-2021 Australian Crop Report.

**Our vision:** To lead sustainable  
and innovative agriculture through  
another century of growth



GrainCorp



# Strategy overview



## VISION

**Lead sustainable and innovative agriculture through another century of growth**

## PURPOSE

**Proudly connect with customers and rural communities to deliver value through innovation and expertise**

## STRATEGIC PRIORITIES

### Strengthen the core



Lift returns



Leverage capabilities



Drive existing assets

### Targeted growth opportunities



Alternative protein



Digital and AgTech



Animal nutrition



Additional grower services

# Sustainability at the centre of our strategy



## Strengthen the core



Lift returns



Leverage capabilities



Drive existing assets



- **Managing impact of climate variability** through Crop Production Contract
- **Refocused approach to Environmental, Social & Governance (ESG) and sustainability**
- **Integrated value chain** – from origination of canola to upcycling of used cooking oil (UCO) for use in renewable fuels and feed products
- **Efficient supply chain operations**
  - Asset utilisation
  - Reduction of waste
  - Tarpaulin recycling

# Sustainability at the centre of our strategy



## Targeted growth opportunities



Alternative protein



Digital and AgTech



Animal nutrition



Additional grower services

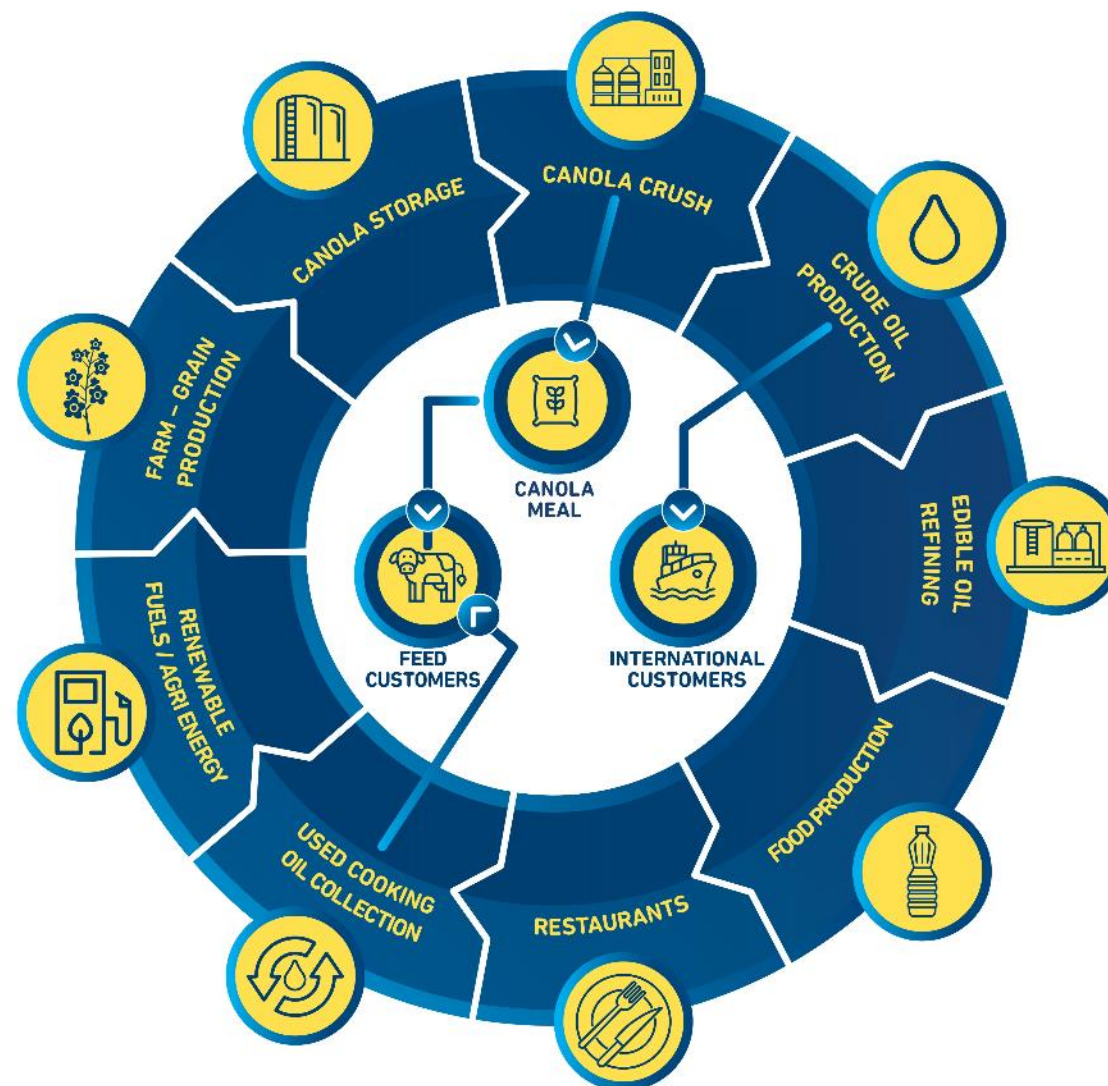


- **Alternative protein** – developing home-grown alternative protein, sourcing domestic oilseeds
- **Digital & AgTech** – investing in start-ups that support sustainable agriculture
- **Animal nutrition** – building on our *FutureFeed* investment to bring methane-reducing seaweed into feed formulation
- **Additional grower services** – extending service offering to 11,000+ grower network

# Deep dive: Driving our integrated value chain



- GrainCorp is involved in all stages of the fats and oils lifecycle
- Our **integrated value chain** offers world-class quality control, traceability, carbon intensity assessment, and global reach from Australia
- Fully accredited by the International Sustainability and Carbon Certification (ISCC)





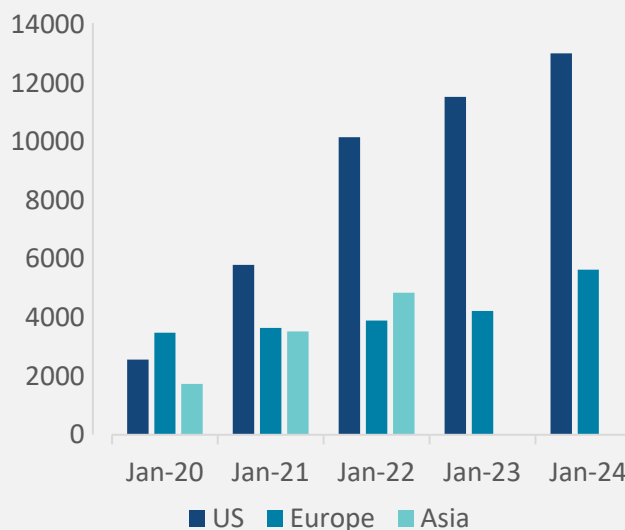
# Deep dive: Driving our integrated value chain

Benefiting from strong global demand for renewable fuel feedstocks



- **Demand for renewable fuel feedstocks is soaring**, driven by a desire for cleaner, more sustainable transportation fuels and government mandates
- **GrainCorp is positioned well to succeed in this market:**
  - Auscol is **Australia's leading upcycler of Used Cooking Oil (UCO)** with a 50-year history of growth and innovation
  - GrainCorp is the **leading Australasian supplier of tallow** for use in renewable fuels and animal feed
  - GrainCorp is the **largest canola seed crusher in Australia**

**Global renewable diesel (RD) installed capacity best estimates ('000/t)<sup>1</sup>**



- Servicing 5,000 outlets across Australia
- 24m litres of UCO upcycled per annum

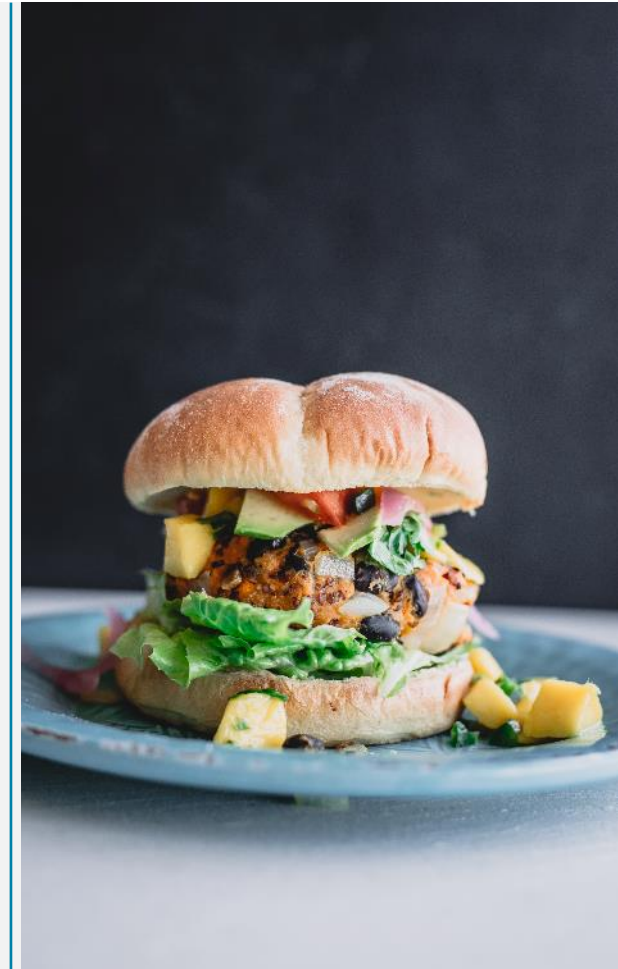
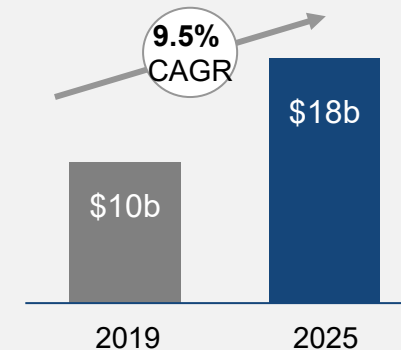
# Deep dive: alternative protein

Alternative protein supporting a healthy, secure and sustainable food system for the future



- **Alternative protein playing key role** in meeting rising global demand for protein
- Shift to plant proteins expected to have **measurable positive impact on the environment** – lower emissions, water usage and land use
- Asia-Pacific, the largest market for alternative proteins, will account for 2/3 of global consumption by 2035<sup>2</sup>
- **GrainCorp extremely well positioned:**
  - Strong track record in food science and innovation
  - Ability to leverage assets and operational capabilities
  - Key input handler through supply chain channels
- **Research collaborations underway** with CSIRO and other partners to assess value-add, processing opportunities

## Global alternative protein market size (\$US)<sup>1</sup>



<sup>1</sup> Meticulous Research: Alternative Protein Market by Stage/Type Application, and Geography Global Forecast to 2025, Hungry for Plant-Based: Australian Consumer Insights and Internal Analysis.

<sup>2</sup> 'Food for Thought – The Protein Transformation', BCG / Blue Horizon - March 2021

# Deep dive: digital and AgTech

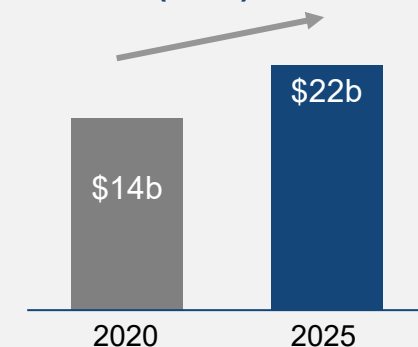
Partnering with innovative AgTech businesses to address agricultural and environmental challenges



- **Global digital and AgTech market projected to rise substantially** between 2020 and 2025<sup>1</sup>
- **Australian farmers early adopters of technology** - have embraced innovation and shown willingness to adopt technologies that lead to improvements in farm practices
- **Innovation is targeted at reducing waste/losses, maximising yields, improving traceability**
- **GrainCorp well positioned:**
  - Deep commodity and supply chain knowledge/data
  - Detailed understanding of agricultural value chains
  - Access to ~11,000 growers and +\$A2b of grain
  - Established proprietary online marketplace **CropConnect**
- **Assessing AgTech start-up investment opportunities**



**Global digital & AgTech market (\$US)<sup>1</sup>**



<sup>1</sup> MarketsAndMarkets Report: Smart Agriculture Market - Global Forecast to 2025

# Deep dive: animal nutrition

Livestock optimisation and environmental impact driving value-add opportunities for the sector



- **Innovation throughout feeds industry driving positive sustainability outcomes** and enhancing animal productivity
- **Growing global animal nutrition market:** projected CAGR of 6.1% between 2021 and 2028, with revenue of \$US15b by 2028<sup>1</sup>
- **GrainCorp well positioned:**
  - Leading handler of key inputs
  - ~11,000 growers and livestock customers
  - Unparalleled supply chain infrastructure
  - Established feeds brands in Australia and NZ
- **R&D collaboration underway** - exploring value-add opportunities in canola meal, soy meal and faba bean



## FutureFeed

GrainCorp has invested with CSIRO to commercialise a livestock feed additive made from the seaweed Asparagopsis.

Feedlot trials have shown the use of Asparagopsis in feed can lead to a **90% reduction in methane emissions** and positive trends in productivity.



ENERMOL

ENERGRO

RUMIFEED

Molafos®



# Conclusion



GrainCorp is well placed to advance sustainability across its value chain and build long-term value

- **FY21: outstanding performance, driven by supply chain execution and strong margins**
- **Short-term outlook: preparing for another well above average crop in ECA in FY22**
- **Long-term outlook: positive fundamentals, greater consistency in cash flows**
- **Strategy: improving ROIC through core and targeted growth opportunities**
- **Sustainability: central to our vision and strategic priorities**



**GrainCorp**

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and rural communities to deliver  
value through innovation and expertise**

**[www.graincorp.com.au](http://www.graincorp.com.au)**