

Chairman's Address Annual General Meeting



17 February 2022

Good morning, ladies and gentlemen and fellow shareholders.

Welcome to the GrainCorp Annual General Meeting for FY21.

Despite the ongoing disruptions from COVID, FY21 was an exceptional year for GrainCorp.

As an essential service, we operated without interruption and successfully delivered one of the largest crops on record in east coast Australia (ECA).

Each of our business units delivered an outstanding financial result, and this is testament to the capabilities of our people and the efficiency of our leading infrastructure assets.

I am pleased to report that the strong performance in FY21 has continued into the new fiscal year and, as we reported to the market last week, our earnings guidance for FY22 represents a material increase on last year's result. Robert will talk through this shortly.

Safety

Turning to safety. In FY21, throughout the heightened activity of the large harvest, we made good progress with our critical injury frequency rate and in reducing the seriousness of injuries sustained. However, we did experience a deterioration in our Lost Time Injury Frequency Rate (LTIFR) and Recordable Injury Frequency Rate (RIFR), and this was disappointing after the good progress made in recent years.

We continue to pursue sustained performance improvements, and this year we are focusing on the key areas of behavioural safety and risk management including enhanced induction and training procedures.

Financial performance

Moving to our FY21 results, GrainCorp reported underlying EBITDA of \$331 million, up from \$108 million the previous year. Underlying net profit after tax (NPAT) was \$139 million, up from a \$16m loss.

This was an exceptional result and a significant turnaround from the preceding drought years. The FY21 result also included the maximum annual payment of \$70 million, by GrainCorp, under the Crop Production Contract (CPC). This further emphasises the quality of the performance.

The Board declared a final dividend of 10 cents per share, fully franked, bringing total dividends for the year to 18 cents per share. We are also on track to commence the proposed on-market share buy-back which was announced last year, through which we will return up to \$50 million of capital to shareholders.

Platform for growth

As we look to the future, GrainCorp is well positioned to deliver on our strategy.

We are already seeing substantial benefits from the initiatives that were put in place to improve efficiencies and drive greater asset utilisation including record receivals at many sites across the ECA. Additional benefits will continue to be recognised over the next few years.

We are also progressing key growth opportunities identified in our strategic review announced last year – in the areas of Animal Nutrition, Alternative Protein and Digital & AgTech. Some of these have started with research and development partnerships, while others have involved GrainCorp taking small financial stakes in existing businesses.

GrainCorp is in a strong financial position. We have a high level of confidence in our capacity both to pursue targeted growth opportunities and return capital to shareholders.

ESG

Turning to ESG. Over the past year, we have taken a new approach to our sustainability reporting: engaging directly with stakeholders, capturing more of what we are already doing, identifying areas where more work is required and setting a clear path to complete that work.

We are reporting against the Global Reporting Initiative (GRI) framework and are starting to align with both the Task Force on Climate-related Financial Disclosures (TCFD) framework and United Nations Sustainable Development Goals (SDGs).

I encourage shareholders to read our 2021 Sustainability Report. Robert will also talk in more detail about the progress we are making in this area.

Community

For more than 100 years, GrainCorp has supported the rural and regional communities in which we live and work.

In 2021 we were delighted to launch the new GrainCorp Community Foundation, which comprises our Community Fund, Silo Art, and Volunteering Program.

We are already working with many communities on a range of initiatives, including small infrastructure projects, silo art projects and sporting sponsorships. We look forward to expanding this important program in the coming years.

Board

In October 2021, I was delighted to welcome two new Non-executive Directors to the Board – Nicki Anderson and Clive Stiff. Their appointments followed a comprehensive review of existing Board skills and an assessment of the additional skills our Board requires for the future.

Ms Anderson has extensive experience in strategy, sales, marketing, customer experience and innovation, within the food, beverage and consumer goods industries in Australia and internationally.

Mr Stiff has extensive executive experience in fast moving consumer goods, digital and supply chain transformation and strategy.



Both Nicki and Clive will stand for election today and we will hear from each of them when we reach the resolutions on their election.

I would also like to make a special mention of Donald McGauchie who is retiring from the Board at the conclusion of today's meeting. Donald first joined the Board of what would become GrainCorp in 2000 and has made an outstanding contribution to the Company.

Over the last twenty years, Donald has helped steer the Company through de-regulation, privatisation and ultimately the amalgamation of the three state- owned enterprises that created GrainCorp as we know it today.

An Officer of the Order of Australia, a highly respected non-executive director and chair of several key farming, rural and commercial enterprises, Donald will happily concede that, notwithstanding his many and varied hats, Australian agriculture lies at the core of his professional and his personal life. Donald's family has farmed in northern Victoria since the 1850s and the combination of strategic, commercial and agricultural experience that he has brought to our Board has been invaluable and will be much missed. The Directors and I thank Donald for his significant contribution and wish him well for the future.

Conclusion

In conclusion, I am excited by the opportunities in front of GrainCorp.

We operate in an industry that provides essential products and, now more than ever, presents a favourable long-term outlook and growing global market.

We have a valuable set of infrastructure assets, leading market positions and outstanding people. We are delivering on the hard work from recent years to drive core earnings, and we are pursuing those selective growth opportunities that make most sense for our business.

I would like to thank my fellow Directors, our management, employees, growers and other customers for their ongoing commitment to GrainCorp. I would also like to acknowledge the continued support of you, our shareholders.

Peter Richards

Chairman

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

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