

14 February 2024

## ASX Announcement | GrainCorp provides FY24 earnings guidance

GrainCorp Limited (**GrainCorp** or the **Company**) (ASX: GNC) today announces it expects to report FY24 Underlying EBITDA<sup>1</sup> in the range of \$270–\$310 million (FY23: \$565 million) and FY24 Underlying NPAT<sup>2</sup> of \$65–\$95 million (FY23: \$250 million). Earnings guidance excludes systems transformation costs, and is subject to a range of market variables, as outlined at the conclusion of this statement.

Managing Director and CEO Robert Spurway said the guidance reflects the normalisation of East Coast Australia (ECA) growing conditions.

“In FY24, we are seeing a return to more normalised crop volumes and a moderation of margins from historically high levels across our business. ABARES is currently estimating a 2023/24 ECA winter crop of 21.7mmt<sup>3</sup>, in line with the 10-year average of 21.6mmt.

GrainCorp’s receivals year-to-date totals 8.5mmt<sup>4,5</sup> (February 2023: 11.9mmt) were also supported by an opening GrainCorp carry-in position of 3.9mmt.<sup>6</sup>

“It was pleasing to see several of GrainCorp’s up-country sites in Victoria achieve new grain receipt records over the harvest period. This once again demonstrates the strength of the network and the capability of our people,” Mr Spurway said.

“Notwithstanding this, we acknowledge some areas faced dry conditions in the northern half of New South Wales, and growers will be pleased to see recent weather conditions have improved the soil moisture profile across much of the ECA.

“These conditions have boosted the sorghum crop harvest prospects, as well as planting conditions for the 2024-25 winter crop harvest.”

ABARES has forecasted an ECA Sorghum crop of 1.5mmt<sup>7</sup>, in line with the 10-year historical average.

GrainCorp expects receivals of 10.0-11.0mmt in FY24 (FY23: 13.9mmt) and exports of 4.5-5.5mmt<sup>8</sup> (FY23: 8.3mmt). Year-to-date exports are 1.7mmt<sup>9</sup> (February 2023: 3.0mmt).

“In our Nutrition and Energy businesses, we expect to see further incremental improvements in our oilseed crush volumes through extracting efficiencies from our processing facilities, while crush margins have moderated from FY23 levels.

<sup>1</sup> Underlying EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation excluding significant items

<sup>2</sup> Underlying NPAT = Net profit after tax excluding significant items

<sup>3</sup> ABARES Crop Report – December 2023

<sup>4</sup> Grain received up-country and direct-to-port from 1 October 2023

<sup>5</sup> As at GrainCorp’s Annual General Meeting on 14 February 2024

<sup>6</sup> GrainCorp carry-in on 1 October 2023

<sup>7</sup> ABARES Crop Report – December 2023

<sup>8</sup> Grain exports include bulk and container exports

<sup>9</sup> As at GrainCorp’s Annual General Meeting on 14 February 2024

In relation to other key initiatives, Mr Spurway noted:

“We continue to progress our work to build sustainable fuel production capability in Australia, including through our recently announced collaboration with IFM Investors.

“The development of a domestic biofuels industry presents an exciting opportunity for Australian growers, who produce excess supply of valuable feedstocks like canola for crop-based oils.

“As a leading biofuel feedstock supplier, GrainCorp is briefing the Federal Government on the role that agriculture can play and supporting policy development in respect of onshore sustainable fuel refining capability for the aviation sector.

“We also continue to progress our proposed new crush facility in Western Australia, working closely with supply chain participants and stakeholders.

“Western Australia will play an important role in Australia’s journey to decarbonisation, and GrainCorp is well positioned to drive the development of this new domestic market.

“Separately, we have embarked on a business and systems transformation program to rationalise our internal systems and create an integrated platform that will unlock efficiencies in how we operate as a business. The initial design phase is expected to be completed in the coming months, and we anticipate first half total spend on the program to be \$10m-\$12m. The finalisation and approval of the business/benefits case is expected to occur early in the second half.

“The \$50 million share buy-back that we announced at our FY23 results is expected to commence in the second half of the current financial year, following the peak funding cycle.

“We will continue to demonstrate disciplined capital management as we assess organic and inorganic growth opportunities against returning capital to shareholders.”

GrainCorp’s FY24 guidance remains subject to a range of variables, including:

- Second half grain volumes, including sorghum receivals;
- Timing and volume of grain exports;
- Supply chain margins;
- Oilseed crush margins; and
- New season opportunities in Q4.

The GrainCorp Annual General Meeting for FY23 will be held on 14 February 2024 at 10am AEDT.

**This announcement is authorised by the GrainCorp Board.**

## **About GrainCorp**

GrainCorp is an integrated grain and edible oils business with a market leading presence as 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)

### **MEDIA CONTACT**

Jess Simons  
Head of Corporate Affairs

+61 418 734 653  
[jess.simons@graincorp.com.au](mailto:jess.simons@graincorp.com.au)

### **INVESTOR CONTACT**

Dan Jones  
Investor Relations Manager

+61 484 341 492  
[dan.jones@graincorp.com.au](mailto:dan.jones@graincorp.com.au)