

6 May 2024

ASX Announcement | Preliminary 1H24 result and trading update

GrainCorp Limited (**GrainCorp** or the **Company**) (ASX: GNC) today announces a FY24 trading update together with its preliminary¹ results for the six months ended 31 March 2024 (1H24).

GrainCorp expects to report 1H24 underlying EBITDA² of \$164 million (1H23: \$383 million) and underlying Net Profit After Tax³ (NPAT) of \$57 million (1H23: \$200 million), subject to finalisation of the 1H24 financial report and completion of the auditor's review.

Commenting on the preliminary 1H24 result, GrainCorp's Managing Director & CEO Robert Spurway said:

"GrainCorp's preliminary 1H24 result displays resilience as grain and oilseed markets normalise following three outstanding years for the industry. As expected, we have experienced a decline in overall volumes handled across East Coast Australia (ECA) and lower end-to-end supply chain and crush margins relative to 1H23.

"Strong volumes in Southern NSW and Victoria have been offset by below average conditions in Queensland and Northern NSW."

GrainCorp's 1H24 result will be published on Thursday, 16 May 2024.

Trading Update

Despite 1H24 results being largely in line with expectations, operating conditions and outlook leading into 2H24 have softened, evidenced by weaker than expected margins and volumes in April 2024. As a result, GrainCorp expects to report FY24 underlying EBITDA² in the range of \$250-280 million from the previously disclosed range of \$270-310 million (FY23: \$565 million) and FY24 underlying NPAT³ of \$60-80 million from the previously disclosed range of \$65-95 million (FY23: \$200m). Earnings guidance excludes business transformation costs and is subject to a range of market variables, as outlined at the conclusion of this statement.

GrainCorp's updated earnings guidance range reflects the following:

- Continued softness in end-to-end grain handling margins driven by stronger global supply of grain and oilseeds, lower commodity prices and normalisation in global supply chains impacting grower selling behaviour and customer purchasing behaviour;
- Drier than expected conditions in Western Australia, reducing grain production and impacting exportable volumes and margins; and,
- Costs associated with operational downtime at GrainCorp's food manufacturing site at West Footscray due to unplanned equipment maintenance.

Mr Spurway said: "Our team has maintained strong discipline despite the shift in industry conditions.

¹ Preliminary results for the six months ended 31 March 2024 are subject to completion of the auditor's review

² EBITDA is a non-IFRS measure representing earnings before net interest, tax, depreciation, and amortisation and excludes business transformation costs (1H24: \$9.8m)

³ Underlying NPAT is a non-IFRS measure representing statutory net profit after tax, excluding business transformation costs after tax (1H24: \$6.9m)

“We are focused on driving value from our integrated supply chain and continue to diversify the business through initiatives such as bulk materials handling and growth in our animal nutrition and agri-energy platforms, supported by our strong balance sheet.

“The latest news of El Niño abating in Australia is a positive for growers. Recent rainfall across key growing regions, although impacting summer crop volumes and quality, has improved soil moisture profiles, and therefore the prospects for the FY25 winter crop.”

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.

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 a leading 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

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