



28 April 2017

The Manager  
Company Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**GRAINCORP LIMITED: GNC  
INVESTOR PRESENTATION**

We attach a presentation to be given this morning by GrainCorp's Group Chief Financial Officer, Alistair Bell, at the PAC Partners Agribusiness & Food Conference in Sydney.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Gregory Greer", written over a light grey horizontal line.

Gregory Greer  
Company Secretary

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# PAC Partners Agribusiness & Food Conference

28 April 2017 – Sydney

Alistair Bell – Group Chief Financial Officer



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.

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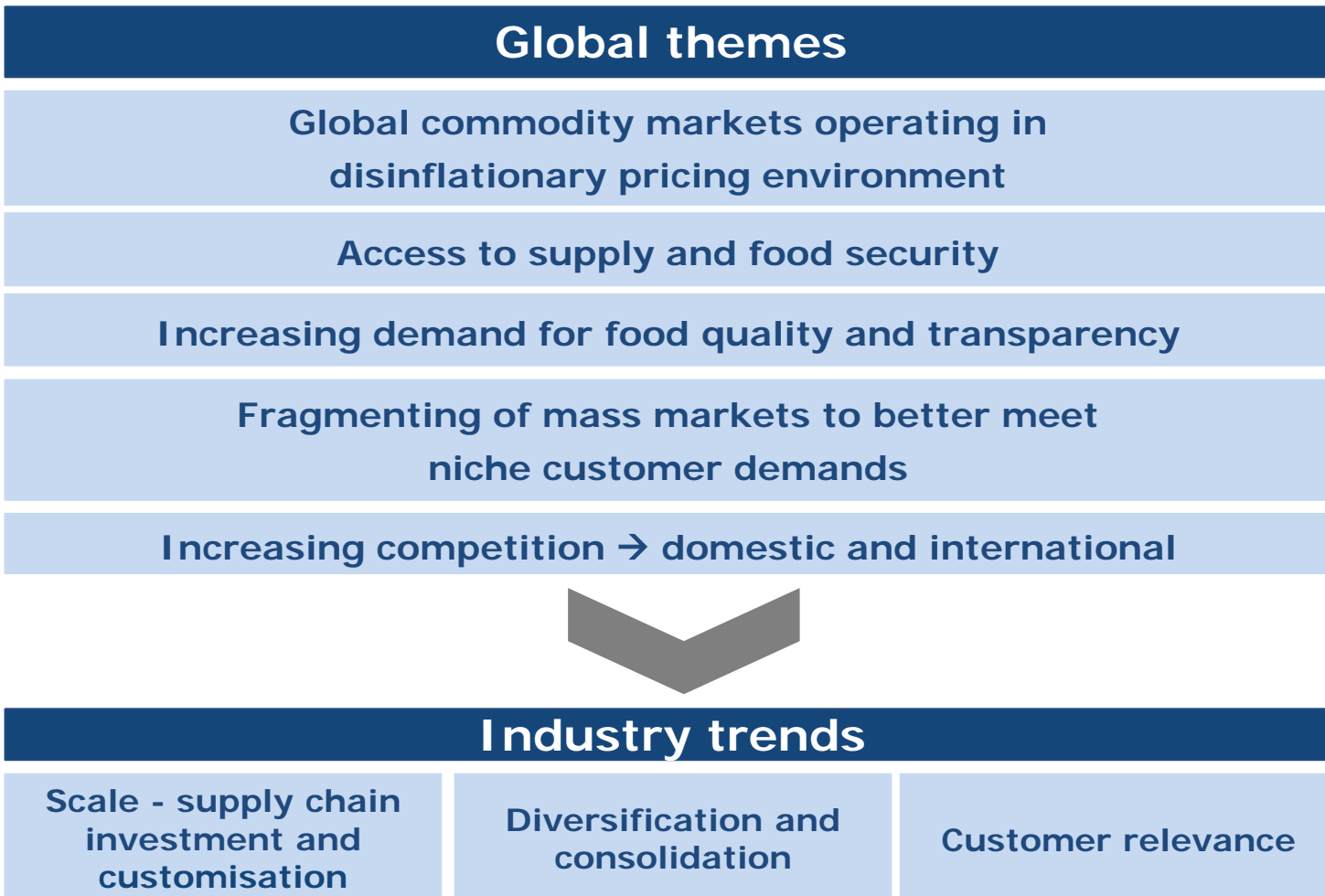
# Agenda



## **“Controlling your destiny”**

- Global themes driving industry trends
- Corporate objectives – effectiveness of diversification
- Delivering strategic growth initiatives
- Growth and portfolio optimisation

# Global themes and industry trends in agribusiness and food

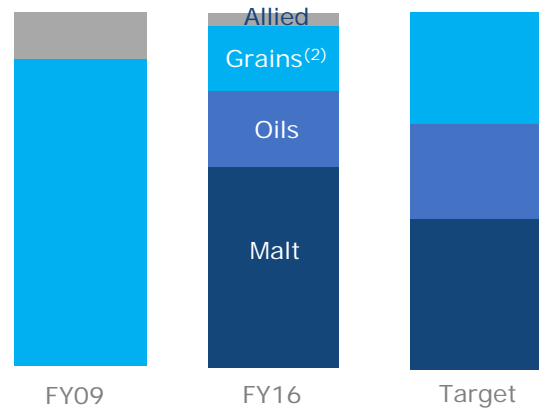


# Our corporate objectives → aligned with shareholder interests



## Manage variability

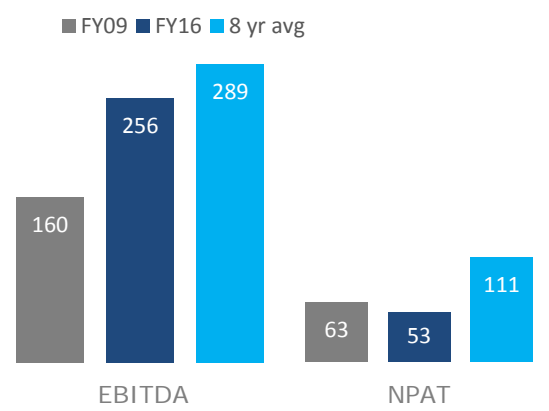
EARNINGS BY SEGMENT<sup>(1)</sup> \$M



Growth in Oils and Malt creating a balanced portfolio

## Deliver growth

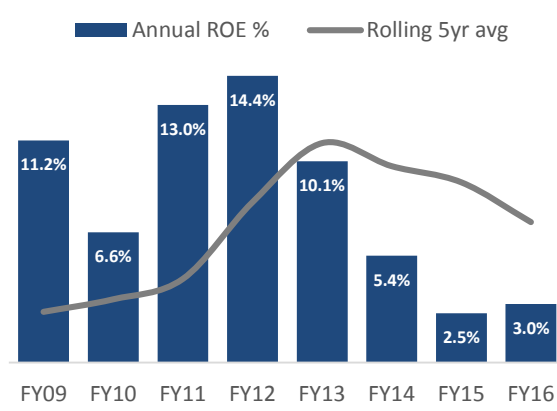
EBITDA & NPAT<sup>(3)</sup> \$M



Growth in earnings over longer term highlights importance of diversification

## Improve returns

RETURN ON EQUITY %



Some improvement through the cycle but greater reliability required

**Strategic initiatives underway to optimise and grow the business**

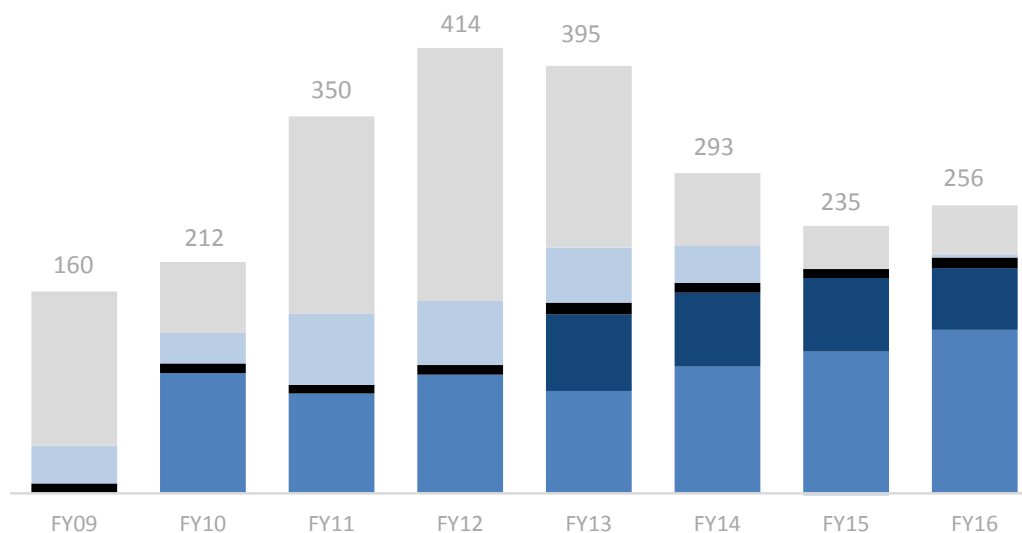
1. Malt, Oils and S&L EBITDA, Marketing PBTDA, Allied Mills 60% share of NPAT. Excludes corporate costs.  
 2. Grains includes Storage & Logistics and Marketing.  
 3. Underlying EBITDA and NPAT. Includes corporate costs.

# Effectiveness of diversification



## UNDERLYING EBITDA<sup>(1)</sup> (\$M)

■ S&L   ■ Marketing (EBITDA)   ■ Allied Mills (NPAT)   ■ Oils   ■ Malt

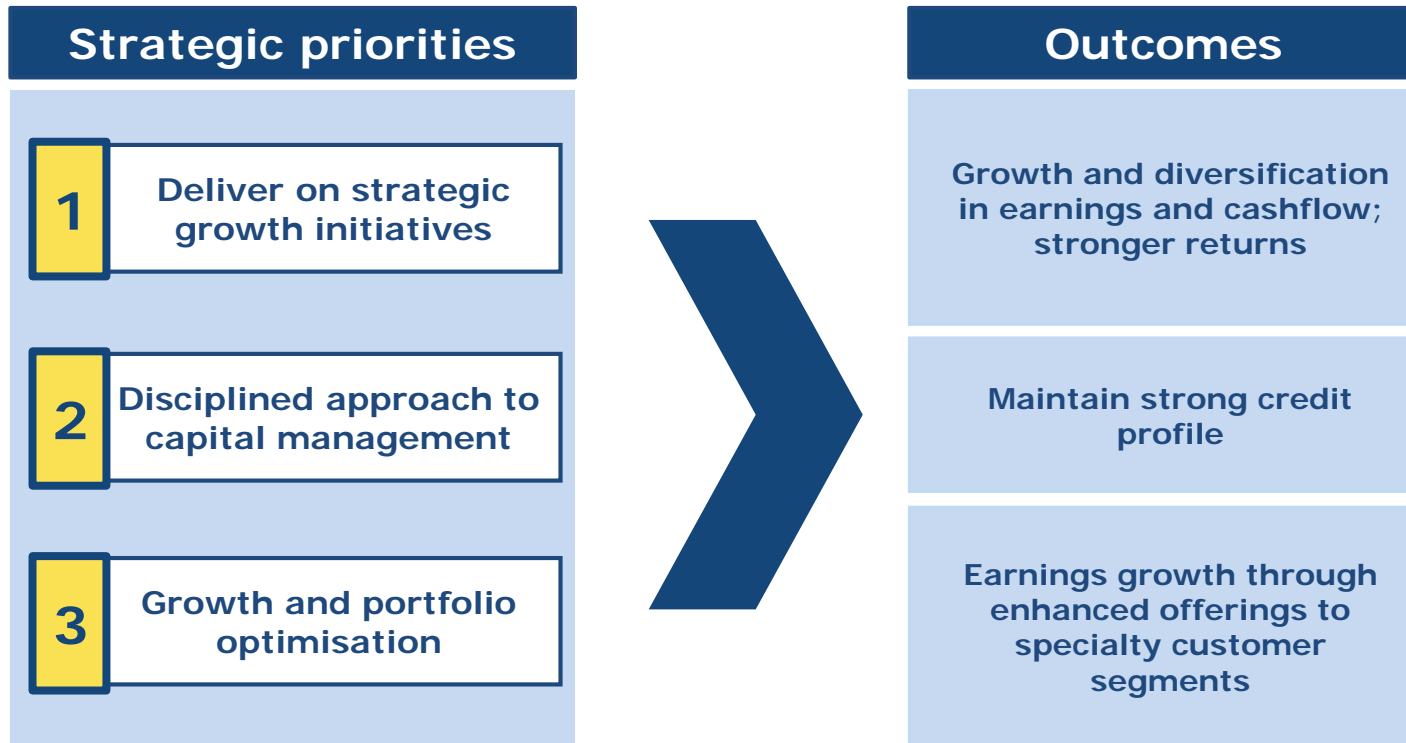


<b>2H</b>	78	100	177	179	168	127	99	122
<b>1H</b>	82	112	173	235	227	166	136	134

**Malt and Oils earnings platforms demonstrating the benefit of diversification**

1. Totals represent EBITDA before significant items (inclusion of Malt from FY10 and Oils from FY13). Bar chart reflects business unit proportions of EBITDA (i.e. excludes corporate costs)

# Strategic priorities





# Delivering strategic growth initiatives



## Focus on successful execution of growth projects



Oils

Oils

S&L

Malt

Marketing

Edible Oils network optimisation –  
Footscray and Numurkah, Victoria

Bulk liquid  
storage capacity  
expansion -  
Brisbane

Re-shaping of  
country network

Malt capacity  
expansion –  
Pocatello, Idaho

50-50 JV in  
Canada  
Growth in  
WA/SA  
origination

Q4 FY16 (West Footscray)  
Q3 FY16 (Numurkah)

Q2 FY16

FY17-18 in line  
with govt.  
support

Mid CY2017

FY16-FY18

TIMING

- Improved ROE through the cycle
- Diversification of earnings and cash flow

# Eastern Australia - Winter crop post harvest review



## Production and receivals

- Well above average grain production in eastern Australia with sound quality
- ~160 silos operated during harvest with average receivals per site of ~70,000mt; compared to ~180 sites in FY16 with ~40,000mt and ~300 sites in FY11 with ~50,000mt
- 30 silos achieved record and near-record receivals
- Significantly increased port elevation and rail bookings during the course of harvest
- Continued growth in on-farm storage

# Growth & portfolio optimisation



- Sale of Allied Mills:
  - Announced 31 January 2017, completed 31 March 2017
  - GrainCorp 60% share of equity value: \$190 million<sup>(1)</sup>
  - Equates to Allied Mills enterprise value: \$455 million<sup>(2)</sup>
- Sale of malt plant in Clingen, Germany (capacity 15,000 tonnes) in second quarter of FY17
- Continue diversification with focus on core capabilities
- Balance sheet flexibility to pursue growth options
- Improving return on capital remains key focus

1. Pre tax and transaction costs

2. Based on an FY16 average level of working capital and grain inventory / prices

# Questions



GrainCorp

