21 November 2017

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

GRAINCORP LIMITED: GNC

INVESTOR PRESENTATION

FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Please find attached the Investor Presentation relating to the financial year ended 30 September 2017.

GrainCorp will be holding a briefing for investors and analysts commencing at 10:00am (Sydney time) to present the FY17 Results.

The briefing will be webcast live and can be accessed from the following link: https://goo.gl/xrj1v7. An archived version will also be available later in the day.

Yours faithfully,

GrainCorp Limited

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FY17 results

21 November 2017

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100 YEARS OF GROWTH

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.

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Agenda

- Results Overview
- Segment Performance
- Balance Sheet & Capex
- FY18 Outlook
- Questions

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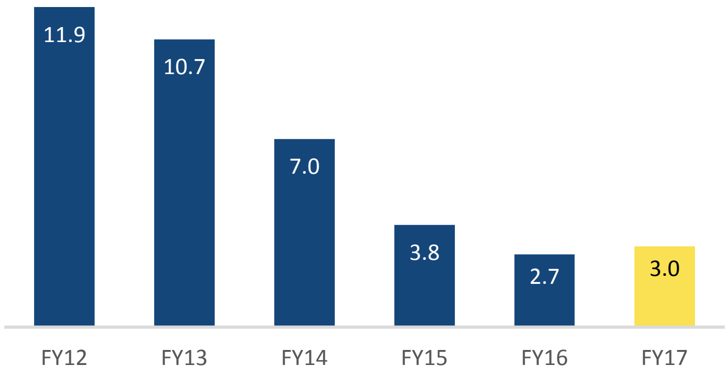
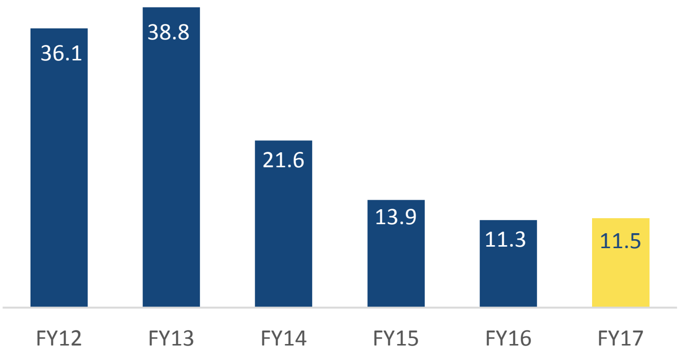
Commitment to safety is fundamental

LOST TIME INJURY FREQUENCY RATE(1)



RECORDABLE INJURY FREQUENCY RATE(2)



LTIFR and RIFR increased marginally in FY17, emphasising the need for continued, strong focus to drive sustained performance improvements.

1. Lost Time Injury Frequency Rate ("LTIFR") calculated as the number of lost time injuries per million hours worked. Includes permanent and casual employees and GrainCorp controlled contractors.
2. Recordable Injury Frequency Rate ("RIFR") is calculated as the number of injuries per million hours worked. Includes lost time injuries, medical injuries and restricted work injuries. Includes permanent and casual employees and GrainCorp controlled contractors.

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Strong performance – driven by large Australian crop and increased grain volumes

$M	FY17	FY16
Underlying EBITDA[1]	390	256
Underlying NPAT[2]	142	53
Statutory NPAT[3]	125	31
Dividend (cents per share) – 100% franked	30	11

- **Overview:** 2017 was a strong year; benefited from large Australian crop and another good performance from Malt. Balance sheet continues to strengthen as capital investment program winds down and with portfolio optimisation. Challenging year ahead with small crop – operating less sites and reducing costs.
- **Malt:** Strong result reflecting solid demand from craft beer and distilling customers and high capacity utilisation; offset by unfavourable impact from FX translation.
- **Oils:** Good performance from Bulk Liquid Terminals and Feeds; however disappointing result from Foods with margin compression and prolonged process in capturing efficiency improvements at West Footscray. Foods is implementing an accelerated cost reduction program to enhance its competitiveness.
- **Storage & Logistics:** Earnings benefited from large harvest and substantial increase in receivals and exports. Operated ~160 sites with average receivals of 70,000mt/site, demonstrating benefits of network optimisation and enhanced customer offerings; however, performance impacted by supply chain disruptions.
- **Marketing:** Large increase in volumes and margins; continued to diversify grain origination out of Australia, Canada, Europe, UK and the Black Sea.
- **Restructuring:** Restructuring and continuous improvement programs underway in Grains and Foods: $25-30 million (pre-tax) of benefits expected within next two years.

1. EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation, before significant items.
2. Net Profit After Tax and before significant items.
3. Net Profit After Tax and after significant items of $16M after tax. See appendix for further detail.

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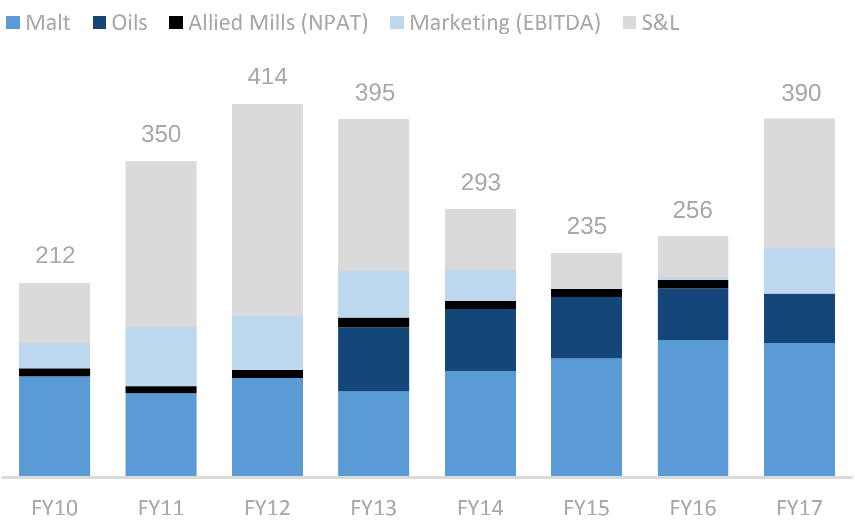
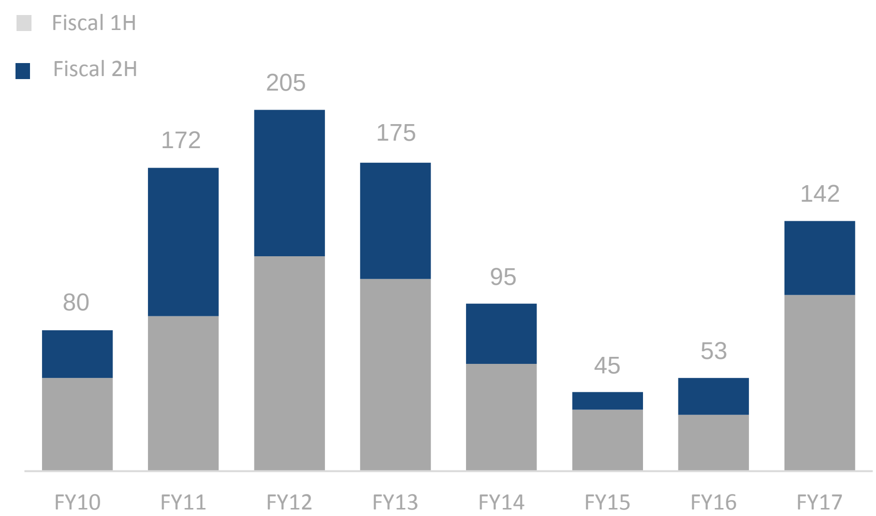
Earnings profile highlights benefits of portfolio and east coast grain production

UNDERLYING EBITDA[1,2] ($M)



	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
2H	100	177	179	168	127	99	122	154
1H	112	173	235	227	166	136	134	236

UNDERLYING NPAT[1] ($M)



	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
2H	27	84	83	66	34	10	21	42
1H	53	88	122	109	61	35	32	100

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

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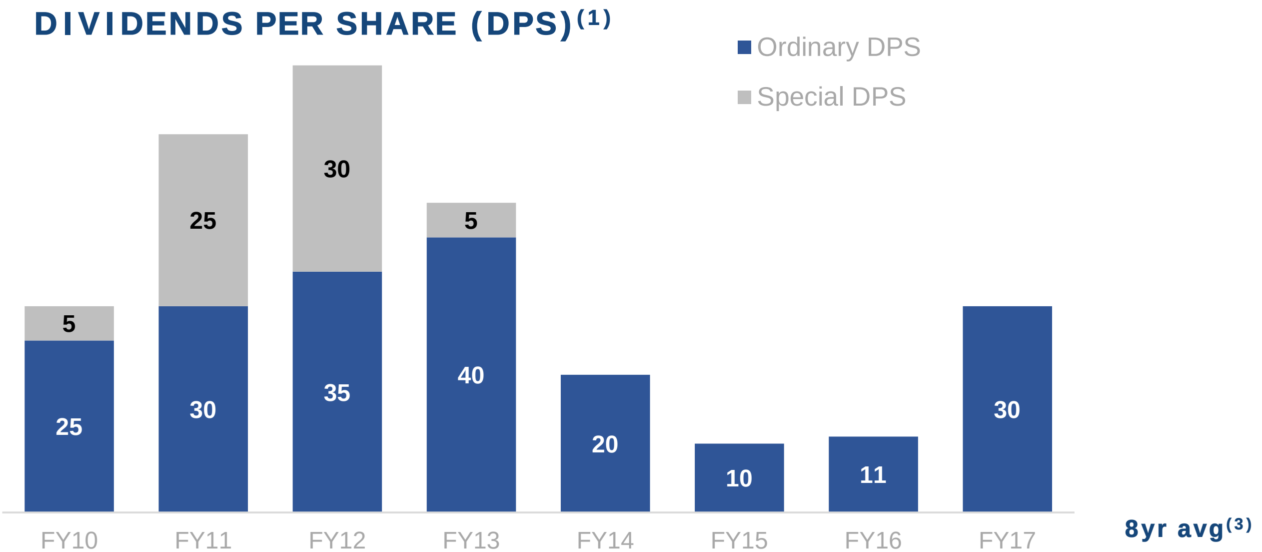
Increase in dividend reflects growth in earnings



	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	8yr avg[3]
Payout ratio[2]	74%	64%	68%	59%	48%	51%	48%	48%	**59%**

- **FY17 final dividend:** fully franked final dividend of 15 cents per share
- **FY17 total dividends:** total FY17 dividends of 30 cents per share
- **Payout ratio:** 48% of NPAT[2]
- **Dividend policy:** Payout 40-60% NPAT[2] through the business cycle, and targeting to pay an ordinary dividend each year

FY17 Dividend Dates

- Record Date: 30 Nov 2017
- Payment Date: 14 Dec 2017

1. DPS - dividends per share shown in cents.
2. Payout ratio based on underlying NPAT.
3. Eight year weighted payout ratio before significant items.

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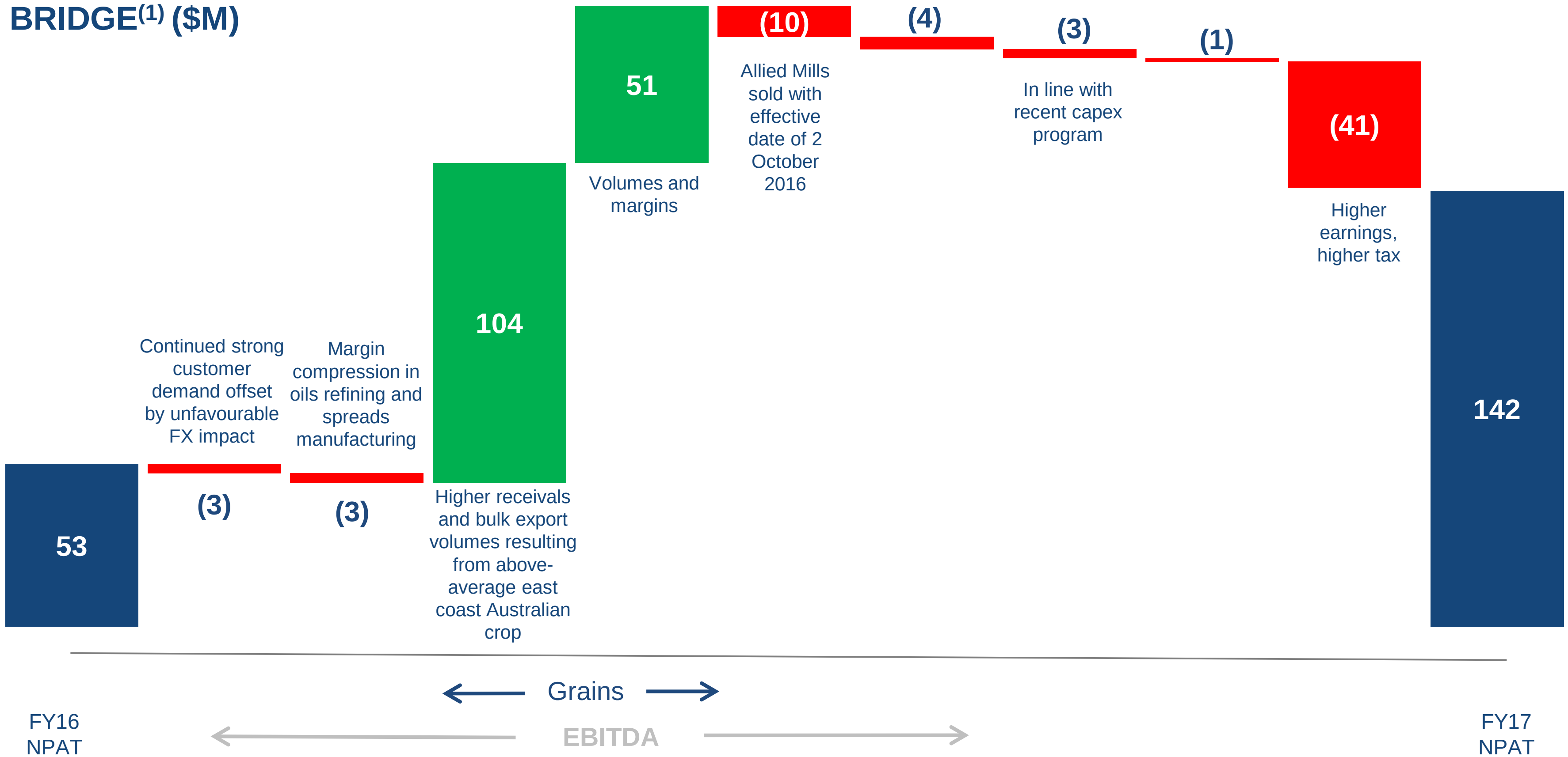
Higher earnings driven by grains businesses

FY16 - FY17 EARNINGS BRIDGE[1] ($M)



	Malt	Oils	S&L	Marketing	Allied Mills [2]	Corporate	D&A	Net Interest	Tax	NPAT[1]
FY17 ($M)	158	58	152	54	0	(32)	(146)	(39)	(63)	**142**
FY16 ($M)	161	61	48	3	10	(28)	(143)	(38)	(22)	**53**

1. Excludes significant items - see appendix for further information.
2. 60% share of NPAT before significant items.

Segment performance

Financial summary

$M	Revenue		EBITDA[1]	
	FY17	FY16	FY17	FY16
Malt	1,106	1,191	158	161
Oils	946	924	58	61
Storage & Logistics	665	399	152	48
Marketing	2,209	1,939	54	3
Allied Mills[2]	-	-	0	10
Corporate Costs	-	-	(32)	(28)
Eliminations and other	(350)	(295)	-	-
Total	**4,576**	**4,158**	**390**	**256**

1. Before significant items – see appendix for further detail.
2. Allied Mills 60% share of NPAT before significant items. Allied Mills was sold with effective date of 2 October 2016.

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Malt – ongoing good performance with continued strong customer demand

$M [1]	FY17	FY16
Revenue	1,106	1,191
EBITDA	158	161
EBIT	108	108
Capital expenditure	92	130

- Continued strong demand for malt and brewing ingredients/products from craft beer and distilling customers.
- ~$7m unfavourable foreign exchange impact from higher AUD (to USD, CAD and GBP).
- Malt revenue down following the sale of three German malt plants in quarters 2 and 3. Plants considered non-core and sub-scale.
- Capacity utilisation remained high.

- Expect continued growth in North American Craft beer and UK distilling sectors.
- Completed expansion of malt plant in Pocatello, Idaho in quarter 4, adding an additional 120,000 mt of malting capacity
  - Highly efficient plant, strategically located, supported by significant off-take agreement
  - Plant running at full production

1. Before significant items – see appendix for further detail.

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Oils – challenging year, re-positioning our Foods business

$M [1]	FY17	FY16
Revenue	946	924
EBITDA	58	61
EBIT	24	29
Capital expenditure	47	74

- **Oilseeds**: improved performance with stronger crush margins – higher canola supply, reduced oilseed costs.
- **Terminals**: capacity utilisation remained high.
- **Feeds**: improved result, sales volumes up on last year.
- **Foods**: disappointing contribution, ongoing margin compression and unstable demand from infant formula customers. Prolonged process to capture efficiency improvements at West Footscray.

Foods repositioning underway:

- GrainCorp Oils is taking action to enhance the competitiveness of the Foods business:
  - Combining Foods and Oilseeds businesses to simplify structure;
  - Accelerating cost reduction;
  - Driving operational efficiency improvement program; and
  - Refocusing customer and support structure.

1. Before significant items – see appendix for further detail.

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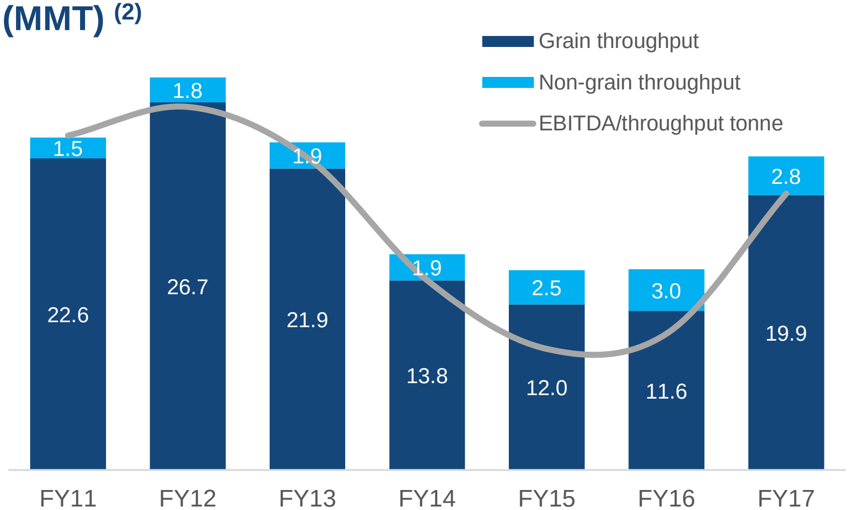
Storage & Logistics – large harvest, substantial increase in grain throughput

$M [1]	FY17	FY16
Revenue	665	399
EBITDA	152	48
EBIT	95	(4)
Capital expenditure	96	72

THROUGHPUT (GRAIN + NON-GRAIN) (MMT) [2]



Grain exports handled (MMT)

FY11	FY12	FY13	FY14	FY15	FY16	FY17
8.1	10.6	8.3	4.4	3.5	3.0	7.2

- Substantial increase in grain receivals and grain exports, benefiting from large east coast Australian (ECA) crop.
- EBITDA increased despite ~$20 million negative impact from supply chain disruption.
- ~160 silos operated during harvest, average receivals per site ~70,000mt (2016: ~180 sites, ~40,000mt).
- S&L combined with Marketing in August 2017 to form single Grains business unit.

Volume drivers:

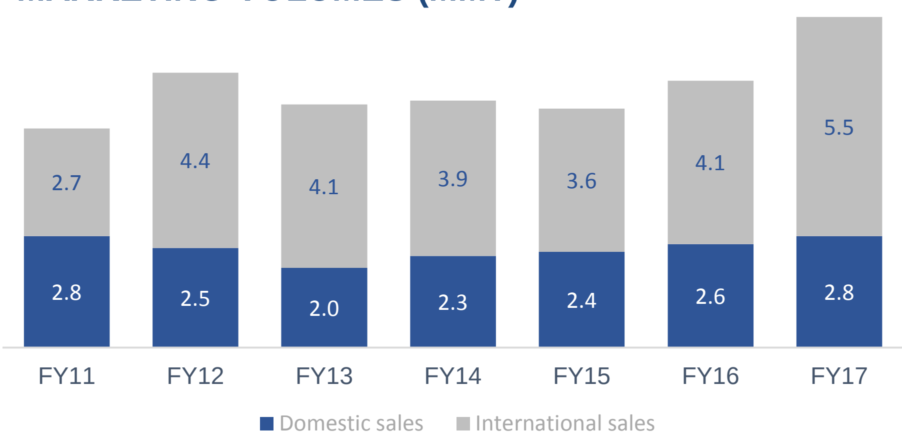
- Total grain receivals of 15.0 mmt (comprising country and direct-to-port receivals) (FY16: 8.8mmt).
- Grain exports of 7.2mmt (comprising bulk and containers) (FY16: 3.0mmt) and non-grain handled 2.8mmt (FY16: 3.0mmt).
- Grain throughput[3]: 19.9mmt, reflecting increased receivals and exports (FY16: 11.6mmt).
- Slowing of Q4 FY17 export activity; grain being held for domestic use in anticipation of low FY18 exportable surplus.

1. Before significant items – see appendix for further detail.
2. Represents the throughput volumes handled by S&L including the average of country sites and handled at port (grain and non-grain).
3. Represents the grain throughput volumes handled by S&L including the average of country sites and handled at port.

Marketing – benefiting from large Australian crop and increased export activity

$M [1]	FY17	FY16
Revenue	2,209	1,939
EBITDA	54	3
Interest expense[3]	(9)	(10)
PBTDA[3]	45	(7)
Marketing inventory[4]	184	81
Capital expenditure	26	6

MARKETING VOLUMES (MMT)[2]



- Benefited from larger export program.
- 8.3mmt delivered sales[2] → 2.8mmt domestic, 5.5mmt export and international.
- Continued diversification of grain origination, with successful execution out of Australia, Canada, Europe, UK and the Black Sea.
- Alternative origination sources continued to compete strongly with Australian grain due to abundant global supply and low ocean freight rates.
- GrainsConnect Canada (50-50 JV with Zen-Noh Grain Corporation) made good progress during the year, with all four sites now announced and the first to become operational from late CY 2017.
- Marketing combined with S&L in August 2017 to form single Grains business unit.

1. Before significant items – see appendix for further detail.
2. Delivered tonnes including bulk and container sales, Pools and UK's Saxon Agriculture.
3. Interest expense treated as part of cost of goods sold. Marketing's performance measured as PBTDA.
4. Marketing's grain inventory predominantly funded via separate short-term debt facilities. See slide 18 for further details.

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Balance sheet and capex

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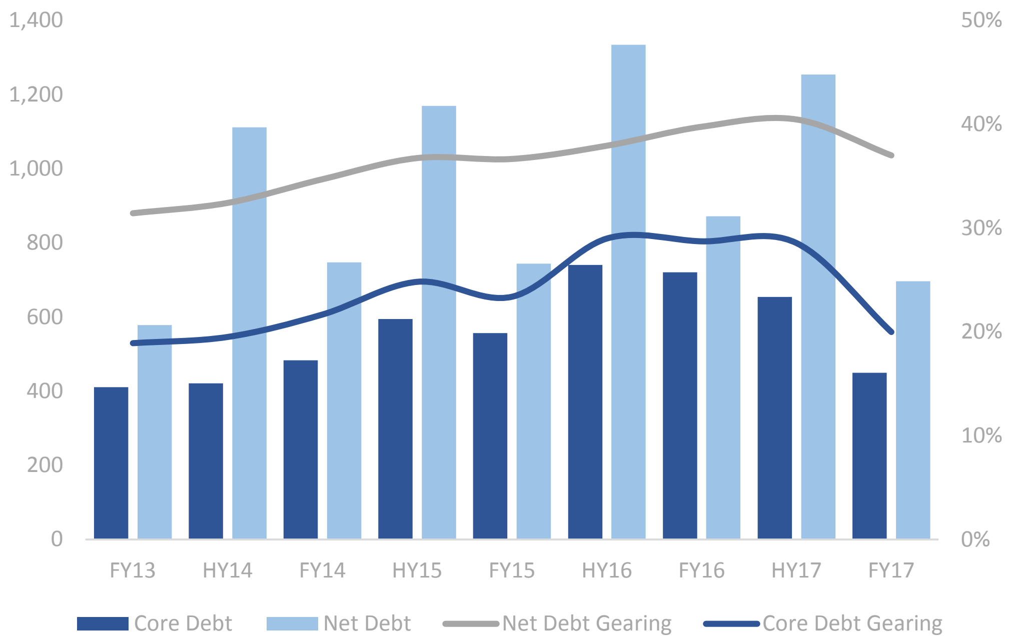
Reduction in gearing, in line with capital expenditure and portfolio optimisation

CORE DEBT[1] AND NET DEBT[2]



- Core debt at $450M[3] and net debt at $696M[3].
- Core debt gearing[4] at ~20% and net debt gearing[5] at ~37%.
- Net debt gearing[5] peaked in 1H17 – remaining below target of 45%.
- Range of maturities on term debt from November 2019 to April 2022, with average term debt of 3.0 years[3].
- Barley inventory facilities for Malt - ~$156 million included in core debt.

1. Core debt = total debt less cash less commodities inventory (Marketing, Oils).
2. Net debt = total debt less cash.
3. At 30 September 2017.
4. Core debt gearing = core debt / (core debt + equity).
5. Net debt gearing = net debt / (net debt + equity) as quarterly rolling average.

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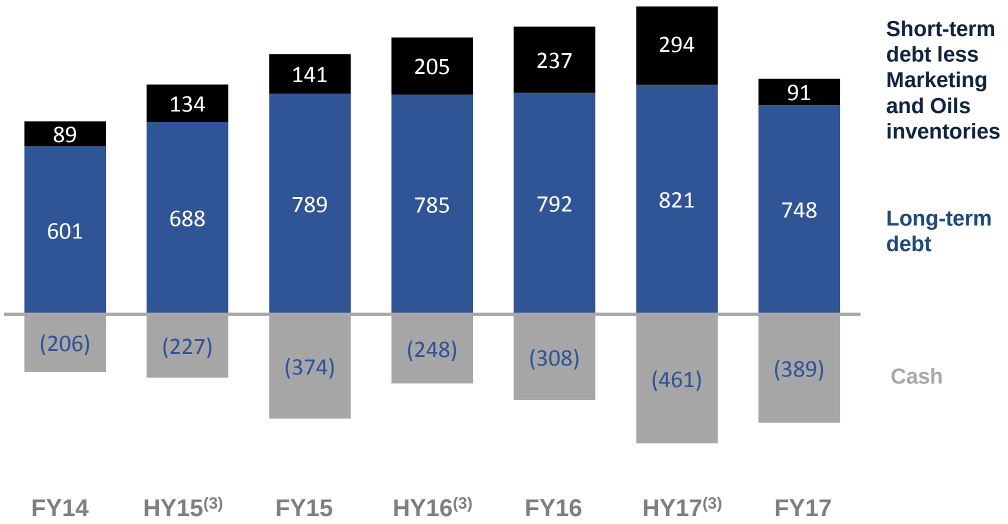
Strong and flexible balance sheet

CORE DEBT [1] $M



483	**595**	**556**	**741**	**721**	**654**	**450**	**Core Debt[1]**
22%	25%	23%	29%	29%	29%	20%	Core Debt Gearing[2]
1.55x	2.04x	2.45x	2.79x	2.86x	1.92x	1.41x	Core Debt[4] / EBITDA

- Core debt has declined in line with increased cash flow, reduced capex and portfolio optimisation.
- Barley inventory facilities for Malt - ~$156 million included in core debt.
- Debt facilities match asset life over a range of maturity dates.
- Average tenure of term debt is 3.0 years[5] (range 2.0 to 4.5 years and with next renewal in November 2019).

1. Core debt = total debt less cash less commodities inventory (Marketing, Oils).
2. Core debt gearing = core debt / (core debt + equity).
3. HY EBITDA based on last twelve months ('LTM') ending 31-Mar.
4. Represents the six-monthly rolling average of core debt.
5. At 30 September 2017.

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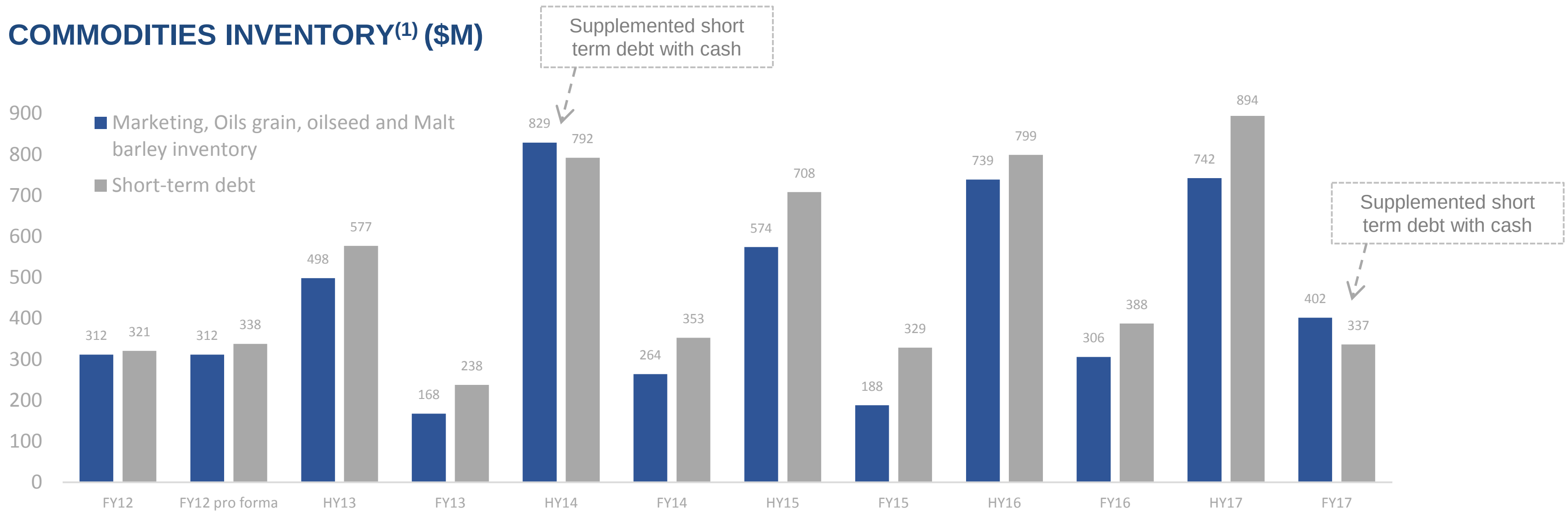
Commodities inventory funded with specific commodity inventory facilities

COMMODITIES INVENTORY(1) ($M)



Grains, Oilseed and Malt barley funding strategy

- Marketing's grain trading activities, Oils' oilseed and tallow positions and malting barley are predominantly funded with specific short term commodity inventory debt facilities:
  - Match debt with asset life
  - Fluctuates with seasonal grain purchases and underlying soft commodity prices

Treatment

- Marketing's performance measured as PBTDA → interest treated as part of cost of goods sold.
- Commodity inventory funding recognised as Operating Cash Flow → match funding purpose and seasonal working capital.

1. Commodities inventory in FY12-15 includes Marketing and Oils inventory (Oils inventory from 2013). Malt barley facilities were established in 1H16 and are included in inventory from FY16.

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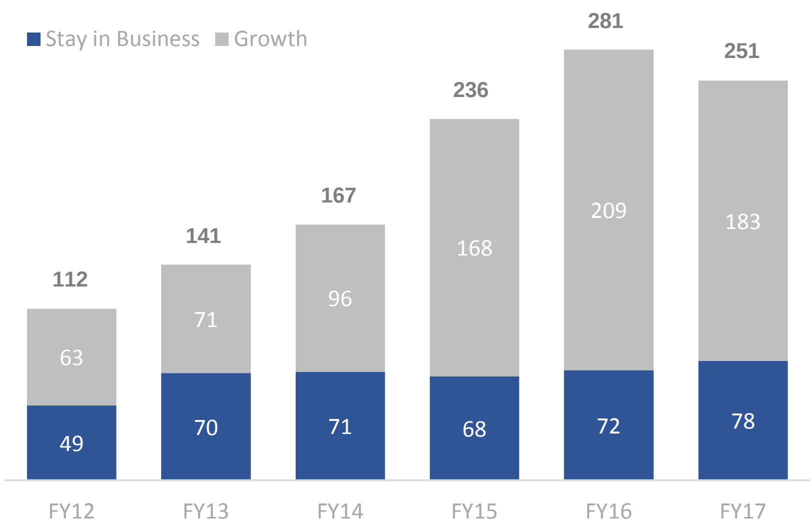
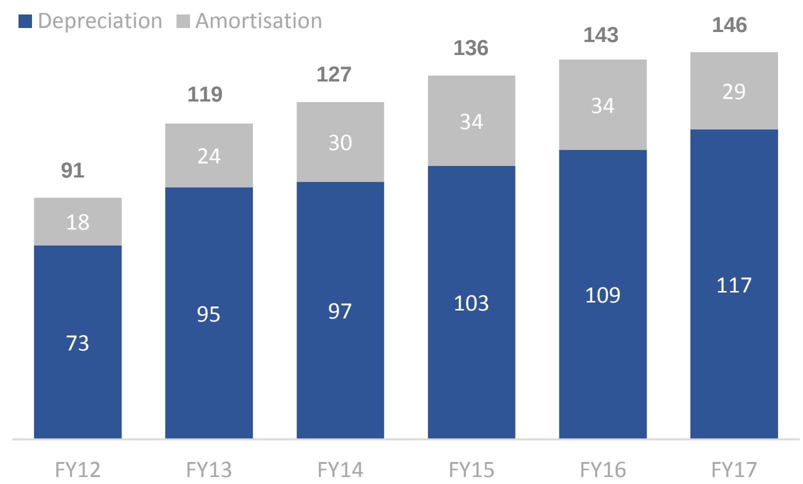
Capital intensity is reducing as investment program winds down

CAPEX[1] ($M)



DEPRECIATION & AMORTISATION[2] ($M)



- Capex peaked in FY16 before declining in FY17 as investment program started to wind down.
- Expecting stay-in-business capex ~$60-80M in FY18.
- Stay-in-business capex increased from FY12 due to inclusion of Oils.
- Depreciation & Amortisation in line with recent capex program.

1. Excluding acquisitions.
2. Before significant items - see appendix for further detail.

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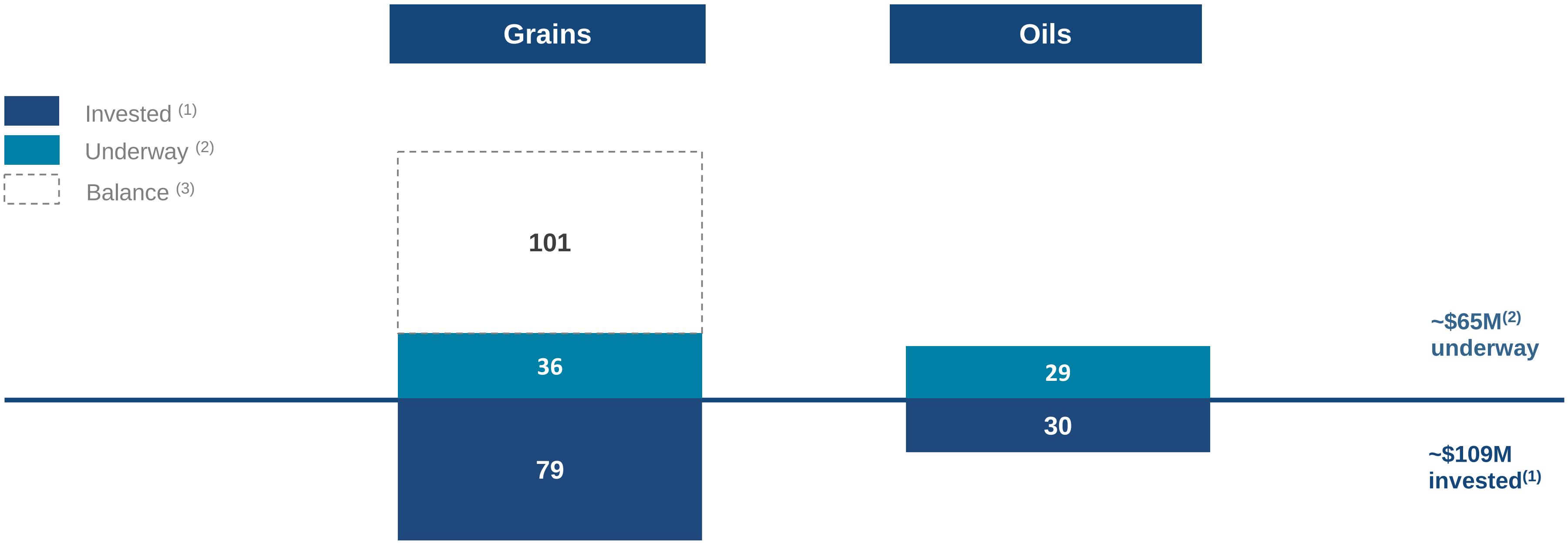
Capital investment – major projects underway



Grains

- Project Regeneration
- Container packing

Oils

- Numurkah crush expansion

- **Hurdle rate of >12% IRR[4]**
- **Excludes Pocatello malt plant expansion (already commissioned) and investment into 50-50 Canadian JV**

1. Growth capex in progress (excludes commissioned projects).
2. Growth capex projects announced and underway.
3. Growth capex announced but projects not yet underway.
4. Ungeared, after tax.

FY18 outlook

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FY18 processing outlook

	Market fundamentals	GrainCorp FY18 outlook
Malt	• Global barley crop production ~142mmt[1] (FY17: 147mmt). • Growing US craft beer market; 6% growth in sales volumes on previous year[2] (US$24 billion of sales). • Global shift in beer production from large brewers to smaller brewers. • Distilling demand growing. • Increased energy costs in Australia.	• High capacity utilisation. • Continued strong demand for specialty products, distribution. • Full year contribution from upgraded Pocatello plant.
Oils	• Australian canola crop production estimate of ~3.1mmt[3], (FY17: 4.2mmt), pressure on oilseed crush margins. • Continued steady demand for bulk liquid storage. • Increased energy costs in Australia. • Early signs of stabilisation in infant formula sector. • Ongoing shift in consumer preferences to dairy blends.	• Pressure on oilseed crush margins due to reduced canola supply. • High capacity utilisation of bulk liquid terminals. • Continued margin pressure in Foods. GrainCorp responding by: - Combining Foods and Oilseeds businesses to simplify structure. - Implementing accelerated cost reduction program. • Growth in dairy blends.

1. Source: United States Department of Agriculture '*World Agricultural Production*' - November 2017.
2. Relating to CY 2016 - Brewers Association, November 2017.
3. Average ACF November 2017 report and ABARES September 2017 report.

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FY18 Grains outlook

Grains	Market fundamentals	GrainCorp FY18 outlook
	• Independent forecasters estimating, on average, a total east coast Australian winter crop of 16.2mmt[1] (FY17: 27.2mmt[1]). However size and quality of crop remain uncertain. • Expectations for low exportable surplus on east coast Australia (ECA), with production skewed to Victoria and southern NSW. • Too early to estimate summer crop, however October rainfall has assisted with plantings. • High global grain supply keeping international prices depressed and impacting Australia's global competitiveness. • Continued growth in on-farm storage capacity.	• Season to date country grain receivals of 1.4mmt[2]. • Year to date grain exports of 0.4mmt. • Planning for decline in receivals, due to small harvest in Queensland and northern NSW. ECA production expected to be skewed to Victoria and Southern NSW where GrainCorp market share is traditionally lower. • Managing the take-or-pay rail commitment in a low volume year. • Flexing the network with less sites open this season. • Expect grain exports to be well below average. • Continue to diversify grain origination, with throughput via GrainsConnect Canada. • Capturing benefits from the formation of Grains business unit.

1. Eastern Australia's wheat, barley, canola and chickpea production estimate, using average of ABARES' September 2017 forecast of 16.8mmt and ACF's November 2017 forecast of 15.5mmt.
2. New crop tonnes received up-country year to date, including some deliveries received prior to 30 September 2017. Excludes third-party deliveries direct to port.

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Questions

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Appendices

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FY17 significant items

$M	Segment	EBITDA	D&A	Net Interest	Tax	NPAT	Details
Underlying		**390.1**	**(146.4)**	**(39.0)**	**(63.1)**	**141.6**	
Restructuring costs	Oils	(3.4)			1.0	(2.4)	Relating to Oils site decommissioning and product transition costs
Impairment and gain/(loss) on sale of assets	Malt, Corporate	(16.6)			2.6	(14.0)	Portfolio optimisation: sale of assets in Malt Germany and Corporate (Allied Mills) and an impairment following the devaluation of currency in an investment in other entities.
Total Significant Items		**(20.0)**			**3.6**	**(16.4)**	
Statutory		**370.1**	**(146.4)**	**(39.0)**	**(59.5)**	**125.2**	

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Strategic priorities - recap

Strategic priorities	Outcomes
1 Deliver on strategic growth initiatives	Growth and diversification in earnings and cashflow, stronger returns
2 Disciplined approach to capital management	Maintain strong credit profile
3 Growth and portfolio optimisation	Earnings growth through enhanced offerings to specialty customer segments

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1. Delivering strategic growth initiatives

Focus on successful execution of growth projects







Oils	Oils		Malt	Grains
Bulk liquid storage capacity expansion – Brisbane, QLD	Edible Oils network optimisation – Footscray and Numurkah, VIC	Crush capacity expansion – Numurkah, VIC	Malt capacity expansion – Pocatello, Idaho	• Re-shaping of country network • GrainsConnect Canada (GCC), 50-50 joint venture
Timing				
Q2 FY16	Q4 FY16 (West Footscray) Q3 FY16 (Numurkah)	Q4 FY18	Q4 FY17	• FY17-18 in line with govt. support • FY16-18 (GCC)

Improved ROE through the cycle

Diversification of earnings and cash flow

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2. Disciplined approach to capital management

- Majority of recent investment in processing businesses – more stable earnings, less dependent on grain production in Eastern Australia
- Maintaining a disciplined approach to capital management as growth projects are completed – retaining flexibility with timing of future investments
- Focus is to reduce net debt gearing and create additional balance sheet flexibility
- Net debt gearing[1] target <45%
  - Peaked during 1H17 below target of 45%; maintaining strong credit within banking community
  - 37%[2] at 30 September 2017
- Core debt gearing[3] target <30%
  - 20% at 30 September 2017

Convert capital expenditure to free cash flows

1. Net debt gearing = net debt / (net debt + equity)
2. Quarterly rolling average
3. Core debt gearing = core debt / (core debt + equity)

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3. Growth and portfolio optimisation

- Improving return on capital remains key focus
- Sale of Allied Mills completed 31 March 2017:
  - GrainCorp 60% share of equity value: $190 million[(1)]
  - Equates to Allied Mills enterprise value: $455 million[(2)]
- Sale of three German malt plants during FY17
- Continue diversification with focus on core capabilities
- Balance sheet flexibility to pursue growth options

FY17 results

21 November 2017

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