



# Annual General Meeting – FY19

19 February 2020



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.

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.

# Agenda

1. **Chairman's Address (Mr Graham Bradley AM)**
2. **CEO's Presentation (Mr Mark Palmquist)**
3. **Business of the Annual General Meeting (Mr Graham Bradley AM)**
  - Resolutions
  - Shareholder Questions
  - Poll Voting
4. **Meeting Closed (Mr Graham Bradley AM)**





# Chairman's Address



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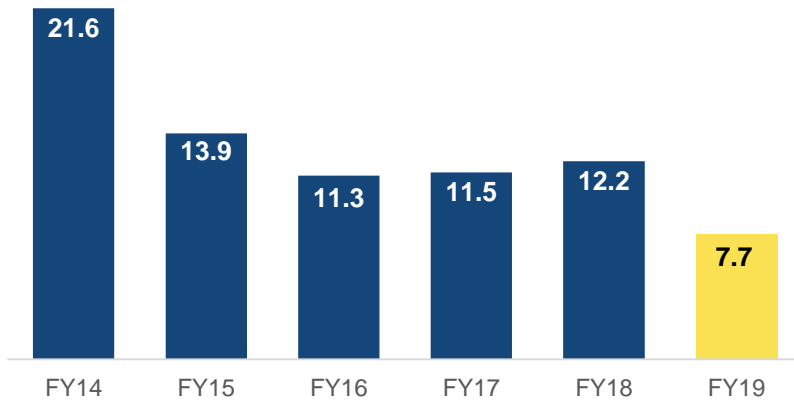
# CEO's Presentation



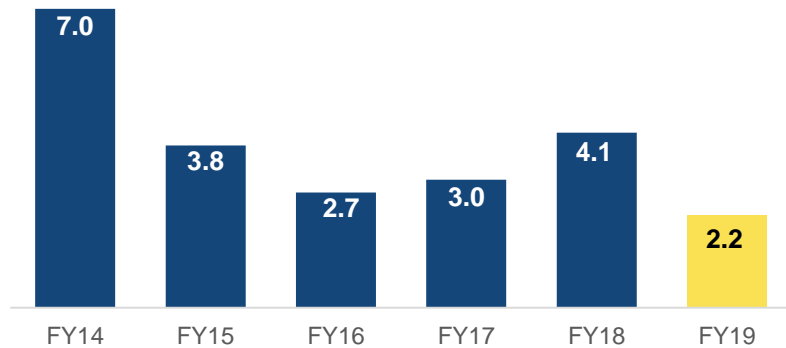
GrainCorp

# Commitment to safety and environment is fundamental

## RECORDABLE INJURY FREQUENCY RATE<sup>(1)</sup>



## LOST TIME INJURY FREQUENCY RATE<sup>(2)</sup>



### Safety:

- GrainCorp achieved strong improvements in key safety metrics in FY19
  - RIFR down 37%
  - LTIFR down 46%
- Critical risk management, injury reduction and process safety management were identified as key priorities; solid progress was made toward our goals in these areas.

### Environment:

- Programme of initiatives to minimise energy use, reduce carbon intensity and improve water and waste management were continued over the year.
- 2019 Sustainability Report on GrainCorp's website.

1. 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.

2. Lost Time Injury Frequency Rate (LTIFR) is calculated as the number of lost time injuries per million hours worked. Includes permanent and casual employees and GrainCorp controlled contractors.

# FY19 overview

\$M	FY19	FY18
Underlying EBITDA <sup>(1)</sup>	69	269
Underlying NPAT <sup>(2)</sup>	(82)	71
Statutory NPAT <sup>(3)</sup>	(113)	71
Dividend (cents per share) - 100% franked	-	16

- **Grains:** Substantial decline in eastern Australian grain production leading to grain deficits and lower receivals, exports and rail utilisation. Impacted by global trade tensions and disruptions to grain trade flows. Port supply chain reversed to enable imports (trans-shipments) from WA, SA and VIC to eastern Australia to manage grain deficits.
- **Oils:** Good performance from Bulk Liquid Terminals; oilseed crush margins down due to limited Australian canola supply resulting from drought.
- **Malt:** Solid customer demand, high capacity utilisation and continued operational efficiency. Large skew in earnings to second half, predominantly reflecting increased beer consumption in the northern hemisphere in summer months.
- **Portfolio review:** Conducted portfolio review during year: announced sale of Australian Bulk Liquid Terminals; integration of Grains and Oils; proposed demerger of Malt business (via Scheme of Arrangement).
- Received non-binding indicative proposal from Long Term Asset Partners (LTAP) for 100% of shares in GrainCorp in December 2018. Offer subsequently withdrawn in May 2019.

1. Underlying EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation, before significant items.

2. Underlying Net Profit After Tax and before significant items is a non-IFRS measure.

3. Net Profit After Tax and after significant items of \$31 million after tax.

# GrainCorp outlook

## Market fundamentals

- Large parts of east coast Australia (ECA), particularly northern NSW and southern QLD, affected by drought in 2019-20 cropping season.
- FY20 ECA total winter crop production<sup>(1)</sup> estimate of 11.4mmt, (FY19: 7.3mmt), skewed heavily to Victoria.
- FY20 ECA summer crop (sorghum) production estimate of 0.3mmt<sup>(2)</sup> (FY19: 1.2mmt)
- FY20 Western Australian winter crop of 11.5mmt, the smallest winter crop since 2012/13<sup>(3)</sup>.
- Minimal exportable surplus in ECA as domestic market secures supply.
- Grain continuing to be imported (trans-shipped) from Western Australia and Victoria to ECA ports.
- FY20 Australian canola crop production estimate of 2.4mmt (FY19: 2.1mmt)<sup>(4)</sup>.
- Recent, significant rainfall in northern NSW and QLD positive after extended dry period.

## GrainCorp FY20 outlook

- Year-to-date<sup>(5)</sup> ECA grain receivals<sup>(6)</sup> of 3.7mmt.
- Minimal grain exports expected in FY20.
- Continuation of grain imports (trans-shipments) from WA and VIC into GrainCorp ports.
- New rail contacts effective for FY20, providing flexibility to align with grain volumes and with minimal take-or-pay requirement.
- Continue to diversify grain origination through GrainsConnect Canada and Ukraine.
- Improved crush margins due to higher Australian canola supply and stronger meal and oil values.
- Crop Production Contract.
  - 18-Feb-20 ABARES ECA winter crop production estimate 11.44mmt.
  - Subject to GrainCorp's submission to White Rock Insurance (SAC) Ltd, GrainCorp expects to receive a total gross payment of approximately \$57.9 million in FY20.
    - 90% of payment expected to be received in March 2020.
    - Balance to be paid in 2H20 and subject to final calculation (or 'true-up'), based on updated June 2020 ABARES' total ECA winter crop production estimate.

1. ABARES' (Feb 2020) total winter crop production estimate for Queensland, New South Wales and Victoria.

2. Average of ABARES' (Feb 2020) and ACF's (Jan 2020) ECA production estimates for sorghum.

3. ABARES' (Feb 2020) total winter crop production estimate for Western Australia.

4. Average of ABARES' (Feb 2020) and ACF's (Jan 2020) national production estimates for canola.

5. 1 October 2019 to 18 Feb 2020.

6. Tonnes received up-country and direct-to-port.



# Malt outlook

Market fundamentals	Malt FY20 outlook
<ul style="list-style-type: none"><li>• US craft beer sector:<ul style="list-style-type: none"><li>- US craft beer market (by sales volume) grew 4% in 2018<sup>(1)</sup>.</li><li>- High growth opportunities exist in underpenetrated states, particularly as regulatory reform emerges.</li></ul></li><li>• Craft brewing market is benefiting from strong growth in emerging markets such as Latin America and Asia.</li><li>• Steady growth in distilling industry driven by demand for aged whisky, particularly single malt whisky.</li></ul>	<ul style="list-style-type: none"><li>• High capacity utilisation of malt plants.</li><li>• Continued solid demand for base and specialty malts, and other craft and distilling products / ingredients.</li><li>• Optimisation of warehousing and distribution network - inventory management, logistics and customer service.</li><li>• Expansion of distribution network to support fulfillment into more countries.</li></ul>

1. Brewers Association (sourced February 2020).

# Portfolio Review / Proposed Demerger of United Malt

The Board conducted a portfolio review during the year, announcing a separation of GrainCorp's portfolio to unlock shareholder value:

Sale of Australian Bulk Liquid Terminals business to ANZ Terminals for a total enterprise value of \$333 million



- Announced March 2019.
- Completed 31 December 2019.
- Sale excluded Port Kembla terminal.

Integration of the Grains and Oils businesses ("New GrainCorp")



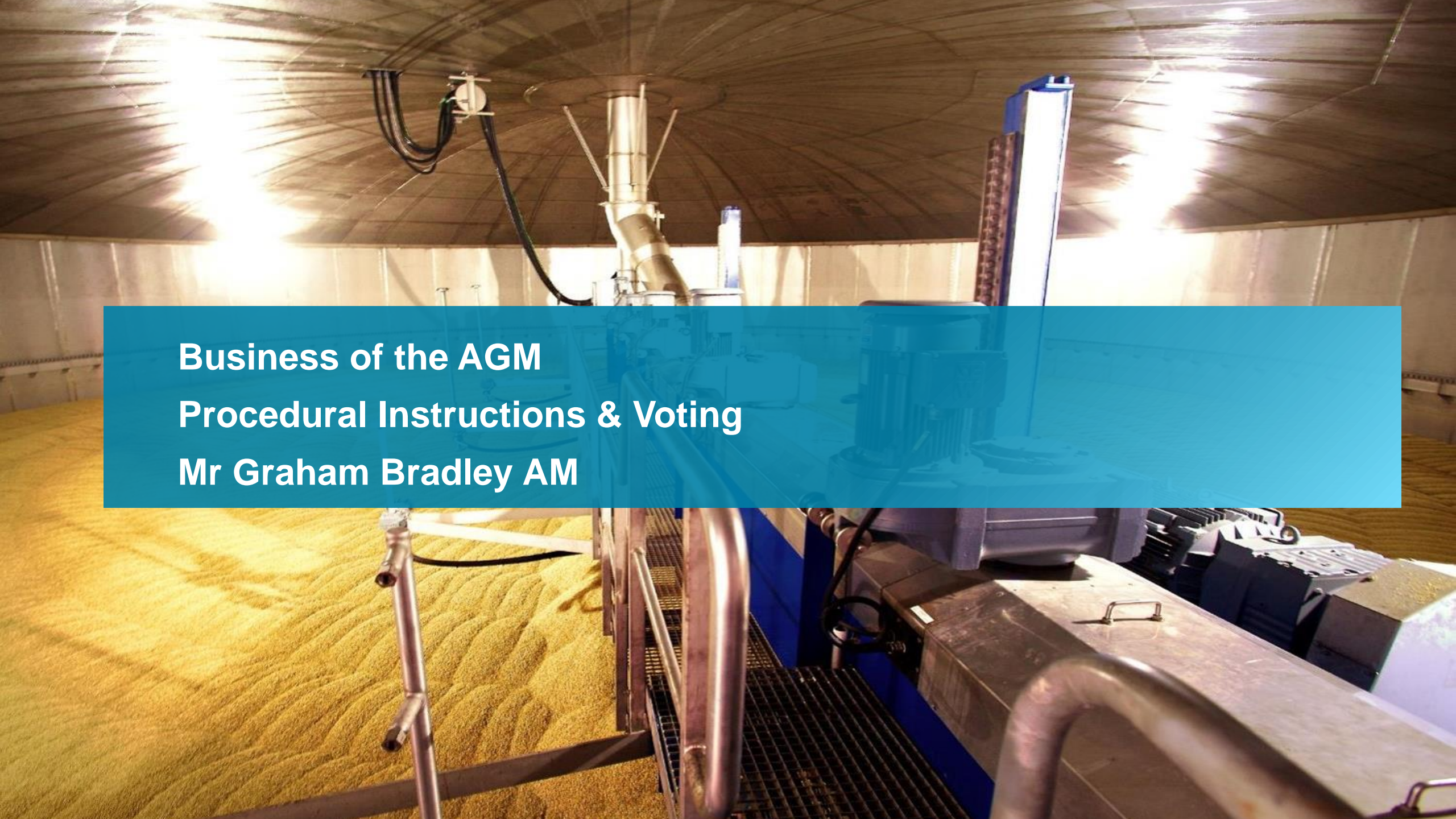
- Announced April 2019.
- Benefits being delivered.

Proposed demerger of GrainCorp's international malting business ("United Malt")



- Announced April 2019.
- Scheme booklet mailed to shareholders 13 February 2020.
- Demerger Scheme Meeting – 16 March 2020.





**Business of the AGM**  
**Procedural Instructions & Voting**  
**Mr Graham Bradley AM**

# QUESTIONS OR COMMENTS FROM SHAREHOLDERS

- Shareholders holding a yellow or blue voting card
- Questions relating to the Chairman's report
- Questions relating to the CEO's report
- Please raise your hand or stand up – a staff member will come to you with a microphone
- Before asking your question please
  - State your name
  - Whether you are a shareholder in your own right or whether you are attending as proxy for one or more shareholders
  - If you are attending as an attorney of a shareholder or proxy, please state both your name and that of the shareholder or proxy who you represent.



# Business of the AGM

## For Consideration

**Item 1:** Consideration of Financial Statements and Reports

## Ordinary Resolutions

**Item 2:** Adoption of the Remuneration Report

**Item 3:** Election of Directors

3.1 Re-election of Mr Simon Tregoning

3.2 Election of Ms Jane McAloon

3.3 Election of Ms Kathy Grigg

# Voting Cards & Visitors



**GrainCorp**

## **GrainCorp Limited**

Annual General Meeting  
19 February 2020

SHAREHOLDER/PROXYHOLDER  
ADMISSION/VOTING CARD

**Sample Only**

POLL VOTING

In a poll, please mark a box below to indicate your voting intention.

### **Resolutions**

	For	Against	Abstain
Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Re-election of Mr Simon Tregoning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Ms Jane McAloon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Ms Kathy Grigg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**GrainCorp**

## **GrainCorp Limited**

Annual General Meeting  
19 February 2020

Non-Voting Shareholder Admission Card

**Sample Only**

As a non-voting Shareholder you are reminded that whilst you are entitled to speak at this meeting, you are not entitled to vote.



**GrainCorp**

## **GrainCorp Limited**

Annual General Meeting  
19 February 2020

VISITOR ADMISSION CARD

**Sample Only**

Thank you for your interest in attending this meeting. As a visitor you are most welcome, but are reminded that this is a Shareholders' meeting. You are not entitled to speak or vote at this meeting.



# Item 1: Consideration of the Financial Statements and Reports

To receive and consider the Financial Statements and Report of the Directors and Auditor for the year ended 30 September 2019

# Item 1: Consideration of the Financial Statements and Reports

**Questions?**

## Item 2: Adoption of the Remuneration Report

To consider and, if thought appropriate, pass the following ordinary resolution:

*“That the Remuneration Report (which forms part of the Directors’ Report) of GrainCorp Limited for the financial year ended 30 September 2019 set out on pages 35 to 48 of the 2019 Annual Report be adopted.”*

**Note:** The vote on this resolution is advisory only and does not bind the Directors of the Company



## Item 2: Adoption of the Remuneration Report

Questions?

# Proxy and direct votes

## Item 2: Adoption of the Remuneration Report

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 2	158,802,693	356,251	2,640,549	161,799,493
% vote	98.2%	0.2%	1.6%	70.7% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

## Item 3: Re-election and election of Directors



**MR SIMON TREGONING**  
NON-EXECUTIVE DIRECTOR



**MS JANE MCALOON**  
NON-EXECUTIVE DIRECTOR



**MS KATHY GRIGG**  
NON-EXECUTIVE DIRECTOR



# Nominations Discussion



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## Item 3.1: Re-election of Mr Simon Tregoning



**MR SIMON TREGONING**  
NON-EXECUTIVE DIRECTOR

3.1 To consider and, if thought appropriate, pass the following ordinary resolution:

**“That for the purposes of ASX Listing Rule 14.4, article 11.3(a) of the Constitution and for all other purposes, Mr Simon Tregoning, retiring by rotation, being eligible and offering himself for election, be re-elected as a Director of the Company.”**



# Proxy and direct votes

## Item 3.1: Re-election of Mr Simon Tregoning

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 3.1	158,641,162	358,187	2,121,632	161,120,981
% vote	98.5%	0.2%	1.3%	70.4% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

## Item 3.2: Election of Ms Jane McAloon



**MS JANE MCALOON**  
NON-EXECUTIVE DIRECTOR

3.2 To consider and, if thought appropriate, pass the following ordinary resolution:

**“That for the purposes of ASX Listing Rule 14.4, article 11.3(c) of the Constitution and for all other purposes, Ms Jane McAloon, appointed on 11 December 2019, to fill a casual vacancy, being eligible and offering herself for election, be elected as a Director of the Company.”**



# Proxy and direct votes

## Item 3.2: Election of Ms Jane McAloon

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 3.2	159,333,330	352,387	2,013,689	161,699,406
% vote	98.5%	0.2%	1.3%	70.7% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution

## Item 3.3: Election of Ms Kathy Grigg



**MS KATHY GRIGG**  
NON-EXECUTIVE DIRECTOR

3.3 To consider and, if thought appropriate, pass the following ordinary resolution:

**“That for the purposes of ASX Listing Rule 14.4, article 11.3(c) of the Constitution and for all other purposes, Ms Kathy Grigg, appointed on 11 December 2019, to fill a casual vacancy, being eligible and offering herself for election, be elected as a Director of the Company.”**

# Proxy and direct votes

## Item 3.3: Election of Ms Kathy Grigg

PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
Item 3.3	159,356,978	352,387	1,991,074	161,700,439
% vote	98.6%	0.2%	1.2%	70.7% of issued capital

The Chairman of the Meeting will be voting open proxies in favour of the resolution



## GrainCorp Limited

Annual General Meeting  
19 February 2020

SHAREHOLDER/PROXYHOLDER  
ADMISSION/VOTING CARD

**Sample Only**

### POLL VOTING

In a poll, please mark a box below to indicate your voting intention.

#### Resolutions

	For	Against	Abstain
Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Re-election of Mr Simon Tregoning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Ms Jane McAloon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Ms Kathy Grigg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# GrainCorp Limited Post-Demerger



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**Meeting closed**







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