

8 April 2022

## GrainCorp upgrades FY22 earnings guidance

GrainCorp Limited (ASX: GNC) (**GrainCorp** or the **Company**) today upgrades its earnings guidance for FY22 and provides an update on trading conditions. GrainCorp last provided earnings guidance for FY22 to the market on 7 February 2022.

The expected range for FY22 underlying EBITDA<sup>1</sup> is increased to \$590-670 million (previously \$480-540 million) and FY22 underlying NPAT<sup>2</sup> to \$310-370 million (previously \$235-280 million). Details on GrainCorp's half-year results will be provided as part of the Company's results announcement scheduled for May 2022.

GrainCorp's FY22 earnings guidance is subject to several market variables, as outlined at the conclusion of this statement.

Managing Director and CEO Robert Spurway said the improved outlook reflects significant ongoing global demand for Australian grain and oilseeds and favourable planting conditions for the upcoming east coast Australian winter crop.

"As we outlined at our AGM in February, we are seeing high global demand for Australian grain and oilseeds and strong supply chain margins for grain exports. This has been driven by two consecutive bumper crops in east coast Australia (ECA), coupled with supply shortages in the northern hemisphere," Mr Spurway said.

"The conflict in Ukraine and resulting trade disruptions in the Black Sea region have created uncertainty in global grain markets, with buyers looking for alternate sources of supply. This has further increased both the demand for Australian grain and oilseeds and export supply chain margins."

"Recent weather patterns and continued La Nina conditions have provided excellent planting conditions for the 2022 winter crop to date, building confidence in grain supplies from ECA and further supporting export sales and supply chain margins."

"Despite recent weather-related supply chain disruptions across the ECA, we are continuing to operate our ports at close to full capacity, exporting as much grain as possible to international markets. Our supply chain resilience demonstrates the value of our infrastructure assets and is testament to the capability of our operations and planning teams," Mr Spurway said.

The Company expects to see total receivals<sup>3</sup> of 16.0mmt to 17.0mmt (FY21: 16.5mmt) and exports<sup>4</sup> of 8.5mmt to 9.5mmt (FY21: 7.9mmt) for FY22.

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

<sup>2</sup> Underlying NPAT is a non-IFRS measure and excludes significant items. Also excludes revaluation impact from UMG holding

<sup>3</sup> Grain receivals comprise total tonnes received up-country + direct-to-port

<sup>4</sup> Grain exports include bulk + container exports



GrainCorp's Processing business is also performing extremely well, with Oilseeds and Foods benefitting from strong global demand for both crude and refined vegetable oils. This demand has further increased due to recent supply disruptions from the Black Sea.

GrainCorp's FY22 guidance remains subject to a range of variables, including:

- Second half grain receipt and export volumes
- Supply chain margins
- Oilseed crush margins
- Outlook for 2022/23 winter crop, and
- Duration and extent of global trade disruptions

These variable factors are likely to endure throughout the remainder of FY22 and will continue to impact the Company's operations and earnings.

This announcement is authorised by the GrainCorp Board.

### **About GrainCorp**

GrainCorp is an integrated grain and edible oils business with a market leading presence in East Coast Australia (ECA). It is 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)

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