

11 February 2021

The Manager, Companies
Australian Securities Exchange
Companies Announcement Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

2021 Annual General Meeting – Chairman’s Address

Please see attached the address to be delivered by the Chairman, Peter Richards, to shareholders at this morning’s virtual Annual General Meeting.

This announcement is authorised for market release by the GrainCorp Limited Board.

Yours faithfully,
GrainCorp Limited



Annerly Squires
Company Secretary

Chairman's Address

Annual General Meeting



11 February 2021

Good morning ladies and gentlemen and fellow shareholders.

2020 certainly was an extraordinary year for GrainCorp and indeed for all of us. Your Company completed two transformative transactions and produced solid financial results. All of this was achieved following three years of drought, catastrophic bushfires and the ongoing pandemic.

Transformational year

In December 2019, GrainCorp completed the sale of its Australian Bulk Liquid Terminals business.

GrainCorp unlocked further value for its shareholders by demerging its malt business in March 2020, to create the United Malt Group (ASX:UMG). GrainCorp shareholders voted overwhelmingly in favour of the demerger through which they received one share in United Malt for every share held in GrainCorp. We have retained a minority interest in United Malt, currently 8.5%, which provides us with useful financial flexibility.

Post the sale and demerger, GrainCorp has a strong financial platform and is well-positioned to create further value for shareholders.

Safety

Safety remains paramount at GrainCorp and a personal priority of mine. We continue to drive a strong safety culture and embed a safety mindset throughout the organisation. In FY20 we made excellent progress in this area, with improvements across our key metrics of Recordable Injury Frequency Rate and Lost Time Injury Frequency Rate.

From the outset of the pandemic, GrainCorp put in place measures to ensure the safety of our people and customers, while protecting our business operations. As an essential service, we have been able to operate across each of our businesses largely without interruption, and this has allowed us to continue servicing our customers throughout the year.

Leadership changes

As part of the demerger process, Robert Spurway joined GrainCorp as Managing Director and CEO. My Board colleagues and I are delighted with the contribution Robert has made in the 11 months he has been with us and for the strong leadership he has brought to the Company.

In August, we were also pleased to announce the appointment of Ian Morrison as the new Chief Financial Officer. Ian has worked for GrainCorp for 10 years and has substantial experience across all our key businesses.

The experience and enthusiasm that Robert and Ian bring to GrainCorp has already proved beneficial to our business and will continue to be critical to the success and growth of the Company.

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Our executive management team has been further strengthened by the recent appointment of Jesse Scott to the newly created role of Chief Growth and Innovation Officer. Jesse joined GrainCorp in January of this year, after over 13 years with McKinsey, and brings with him extensive experience in strategy and transformation, together with comprehensive knowledge and capability in the agriculture sector.

Financial performance

Touching briefly on our FY20 results, we delivered a solid financial performance despite being in a third year of drought. This is testament to the resilience of our business and the initiatives we have undertaken to maximise returns and reduce overall volatility. It also clearly demonstrates the effective performance of our executive management team and their focus on our core business.

Underlying EBITDA¹ from continuing operations was \$108 million, a strong turnaround from last year's \$107 million loss. This reflects improvements in our Agribusiness and Processing segments and payments received through the Crop Production Contract.

On a statutory basis, we reported NPAT of \$343 million, which reflects the gain from the sale of our Australian Bulk Liquid Terminals business and the profit on demerger.

The Board declared a dividend of seven cents per share, fully franked, for the FY20 year. This payment reflects the strength of our balance sheet, the benefits of the Crop Production Contract and our confidence in the stability of future earnings and cash flows.

We are now several months into the 2021 financial year and I am very pleased to report that we are currently handling one of the biggest winter crops on record. The benefits from this bumper crop will be welcomed by many regional communities over the next couple of years.

Robert will provide more comments on GrainCorp's financials, outlook and earnings guidance in his presentation.

Board

Turning to the Board, as part of the demerger process, we undertook a structured program to establish new Boards for GrainCorp and United Malt.

The GrainCorp Board comprises Robert and four non-executive Directors, including myself as Chairman. Kathy Grigg, our most recent non-executive appointment, joined the Board in December 2019 and was formally elected by shareholders at last year's AGM.

I am very pleased with the Board's strong mix of skills and experience and of the Board's diversity in terms of capability and tenure. This composition has worked very well in the post demerger period.

Notwithstanding this, towards the end of last year, we embarked upon a comprehensive review of Board composition, skills and capabilities. This review is a key part of our ongoing renewal process and is closely aligned to our core business and targeted growth strategy.

Conclusion

I am proud to chair the Board of Directors of GrainCorp and to be working with our new management team to ensure the continued success and growth of your Company.

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

On behalf of the Board, I would like to thank our employees and customers for their ongoing commitment to GrainCorp, particularly during the global pandemic. Finally, I would like to acknowledge the continued support of you, our shareholders. Thank you.

Peter Richards

Chairman

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