

13 February 2025

ASX Announcement | GrainCorp provides FY25 earnings guidance and announces up to \$50 million share buy-back

GrainCorp Limited (**GrainCorp** or the **Company**) (ASX: GNC) today announces it expects to report FY25 Underlying EBITDA¹ in the range of \$270-320 million (FY24: \$268 million) and FY25 Underlying NPAT² of \$60-95 million (FY24: \$77 million). Earnings guidance excludes Business Transformation costs³, and is subject to a range of market variables, as outlined at the conclusion of this announcement.

Operating update

Managing Director and CEO Robert Spurway said that, despite varying growing conditions between northern and southern regions, overall East Coast Australia (ECA) production has been strong, with ABARES currently estimating a 2024-25 ECA winter crop of 30.0mmt.⁴

“The winter crop harvest got off to an early start in Queensland and Northern NSW, and it was pleasing to see several of GrainCorp’s sites in those regions achieve new grain receival records.

“However, conditions were more challenging in southern regions, with the Victorian crop in particular down on recent seasons.”

GrainCorp’s receivals year-to-date total 11.9mmt⁵ (February 2024: 8.5mmt⁶) and were supported by an opening carry-in position of 2.5mmt.⁷

Prospects for the summer crop are encouraging, with ABARES forecasting an ECA sorghum crop of 2.1mmt⁸. Although down on the prior season, production remains above the historical average.

“We expect FY25 receivals of 13.0-14.0mmt (FY24: 10.1mmt), reflecting a year-on-year increase in ECA grain production,” Mr Spurway said.

“We expect that higher receivals will support an FY25 export program of 6.5-7.5mmt⁹ (FY24: 5.6mmt). We expect margins to be compressed by strong supply of grains and oilseeds globally and lower demand.

“In our Nutrition and Energy businesses, we are expecting to continue achieving strong oilseed crush volumes as we remain focused on optimising the performance of our processing facilities. Average crush margins in FY25 are expected to moderate from FY24 levels, following a below average Victorian canola crop and lower global oil and meal prices.

¹ Underlying EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation, excluding Business Transformation costs

² Underlying NPAT is a non-IFRS measure representing statutory net profit after tax, excluding Business Transformation costs after tax

³ These are costs relating to GrainCorp’s Business Transformation Program, as outlined on slide 16 of the ‘FY24 Results’ presentation that GrainCorp released to the ASX on 16 November 2024

⁴ ABARES Crop Report – December 2024

⁵ Grain received up-country and direct-to-port from 1 October 2024 to 13 February 2025

⁶ Grain received up-country and direct-to-port from 1 October 2023 to 14 February 2024

⁷ GrainCorp carry-in on 1 October 2024

⁸ ABARES Crop Report – December 2024

⁹ Grain exports include bulk and container exports

“Despite current oilseed margin pressures, we expect sales volumes across our Nutrition and Energy segment to remain strong.”

Mr Spurway noted the recent uncertainty in global trade policies:

“GrainCorp is closely monitoring market developments and policy changes globally. Our strategic asset base and balance sheet strength positions us well to manage potential risks and capitalise on opportunities in a shifting global trade landscape.”

Strategy

In relation to ongoing key strategic initiatives, Mr Spurway noted:

“We continue to progress key initiatives that support earnings diversification and resilience of the business.

“Our bulk materials program remains an ongoing focus, as we increase the utilisation and the margin profile for non-grain products at our port sites. We anticipate another strong earnings contribution in FY25.

“Along with our MOU partners Ampol and IFM investors, we continue to progress the feasibility assessment of a renewable fuels facility, and to explore the supply of homegrown feedstocks.

“A sustainable domestic industry requires a reliable, locally-sourced feedstock supply chain and we are working closely with government and industry partners with the aim of putting the right conditions in place.

“We believe the long-term fundamentals of this potential new market remain compelling and will generate significant economic value for Australia, creating opportunities for growers and industries involved in renewable energy production.

“We are progressing well with the implementation of the first wave of our Business Transformation program, which will reduce complexity and improve efficiency across our business.”

Capital management

GrainCorp also today announced its intention to conduct an on-market share buy-back of up to \$50 million.

“The share buy-back reflects the strength of our balance sheet and delivers on our ongoing commitment to continue generating returns for shareholders through the cycle.

“The capital discipline GrainCorp has demonstrated over several years allows us to both return capital and to continue assessing earnings-accretive organic and inorganic growth opportunities to improve GrainCorp's earnings resilience over time,” Mr Spurway said.

Earnings guidance factors

GrainCorp's FY25 guidance remains subject to a range of variables, including:

- Second half grain volumes, including sorghum receivals;
- Timing and volume of grain exports;
- Supply chain margins;
- Oilseed crush margins; and
- New season opportunities in Q4.

The GrainCorp Annual General Meeting for FY24 will be held on 13 February 2025 at 10am AEDT in Sydney.

This announcement was authorised for release to the ASX by the GrainCorp Limited Board.

About GrainCorp

GrainCorp is an integrated grain and edible oils business with a market leading presence as the largest grain storage and handling business in ECA and a leading 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 further details, please visit the Investors & Media section of our website at www.graincorp.com.au

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