

4 May 2022

Elders Limited Investor Presentation

Attached is a presentation to be given today, 4 May 2022, by Elders' Managing Director and Chief Executive Officer, Mr Mark Allison, to the Macquarie Australia Conference.

Further Information:

Mark Allison, Managing Director & Chief Executive Officer, 0439 030 905

Authorised by:

Peter Hastings, Company Secretary, 0419 222 489



Elders Limited

4 May 2022

Presented by Mark Allison MD & CEO

DISCLAIMER AND IMPORTANT INFORMATION

The material in this presentation has been prepared by Elders Limited and is general background about Elders' activities and performance at the date of this presentation. The information is in summary form, does not purport to be complete and where derived from publicly available sources has not been independently verified. Information in this presentation is not advice or a recommendation to investors or potential investors in relation to holding, selling or buying Elders shares and does not take into account a reader's investment objectives, financial situation or needs.

Forward looking statements

This presentation is prepared for informational purposes only. It contains forward looking statements that are subject to risk factors associated with the agriculture industry many of which are beyond the control of Elders. Elders' future financial results will be highly dependent on the outlook and prospect of the Australian farm sector, and the values and volume growth in internationally traded livestock and fibre. Financial performance for the operations is heavily reliant on, but not limited to, the following factors: weather and rainfall conditions; commodity prices and international trade relations. Whilst every endeavour has been made to ensure the reasonableness of forward looking statements contained in this presentation, they do not constitute a representation and no reliance should be placed on those statements.

Non-IFRS information

This presentation refers to and discusses underlying profit to enable analysis of like-for-like performance between periods, excluding the impact of discontinued operations or events which are not related to ongoing operating performance. Underlying profit measures reported by the Company have been calculated in accordance with the FINSIA/AICD principles for the reporting of underlying profit. Underlying profit is non-IFRS financial information and has not been subject to review by the external auditors, but is derived from audited accounts by removing the impact of discontinued operations and items not considered to be related to ongoing operating performance.



Agenda

Business Model

Eight Point Plan

Business Performance

Growing our Business

Market Outlook

Questions



FY21 Business Model

Diversification by product, service, market segment and geography

RURAL P	RODUCTS WHOLESALE PRODUCTS	AGENCY SERVICES	REAL ESTATE SERVICES	FINANCIAL SERVICES	FEED & PROCESSING SERVICES	DIGITAL AND TECHNICAL SERVICES
						Elders
Rural Products	Rural Products	Livestock	Farmland	Agri Finance	Killara Feedlot	Fee for Service (170+ agronomists)
Fertiliser	Pet Supplies	Wool	Residential	StockCo (30%)	Elders Fine Foods	AuctionsPlus (50%)
		Grain	Property Management	Elders Insurance (20%)		Elders Weather
			Franchise	LIT & WIT Delivery Warranty		Clear Grain Exchange (30%)
Key metrics						
\$1.7b retail sales	\$0.3b wholesale sales	9.4m head sheep	\$1.6b farmland sales	\$3.0b loan book \$1.6b deposit book	60k Killara cattle head	AuctionsPlus
223 stores	372 member stores	1.6m head cattle	\$1.5b residential sales	\$17m livestock funding \$98.0m StockCo book	\$18m China sales	144k head cattle 1.2m head sheep
424 APVMA registrations		371k wool bales	10.5k properties under	\$0.9b GWP		7.6m Elders Weather use
978 tonnes fertiliser			management	41% LIT penetration rate		CGX 0.2m tonnes
Gross margin						
\$223.6m	\$61.2m	\$140.0m	\$50.7m	\$41.3m	\$12.6m	Included in products
Vorking capital						
\$246.1m	\$83.8m	\$53.8m	\$4.1m	\$32.3m	\$59.7m	Other – (\$34.6m)



OUR 2023 AMBITION

Compelling shareholder returns

5-10% EBIT and EPS growth through the cycles at 15% ROC

Industry leading sustainability outcomes

across health and safety, community, environment and governance

Most trusted Agribusiness brand

in rural and regional Australia

OUR BUSINESS UNITS



RURAL

PRODUCTS











AGENCY SERVICES REAL ESTATE

FINANCIAL **SERVICES**

TECHNICAL SERVICES

FEED & **PROCESSING**

OUR STRATEGIC PRIORITIES

- Win market share across all products, services and geographies through client focus, effective sales and marketing and strategic acquisitions
- Capture more gross margin in Rural Products through optimised pricing, backward integration and supply chain efficiency
- Strengthen and expand our service offerings, including Livestock and Wool Agency, Real Estate, Financial, and **Tech Services**
- Optimise our feed and processing **businesses** in Killara Feedlot and Elders Fine Foods
- Develop a sustainability program that is authentic and industry leading

OUR **ENABLERS**

- Systems Modernisation Program invest in best of breed solutions to improve customer experience, drive process and administration efficiency and better accommodate change
- Attract, retain and develop the best **people** and provide a safe and inclusive working environment
- 8 Maintain unflinching financial discipline and commitment to cost and capital efficiency

OUR VALUES









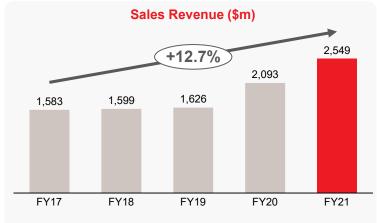


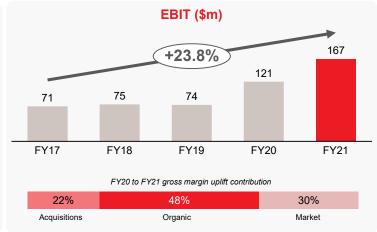


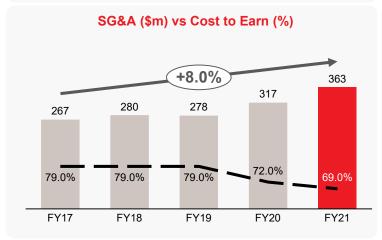


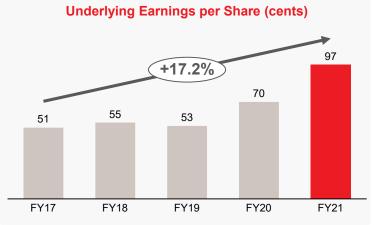
FY21 Financial Performance: Summary

Consistent growth over the last five years

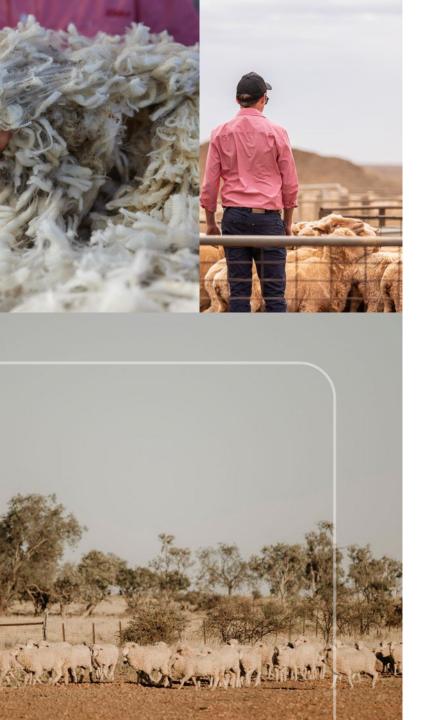












FY21 Financial Performance: Summary

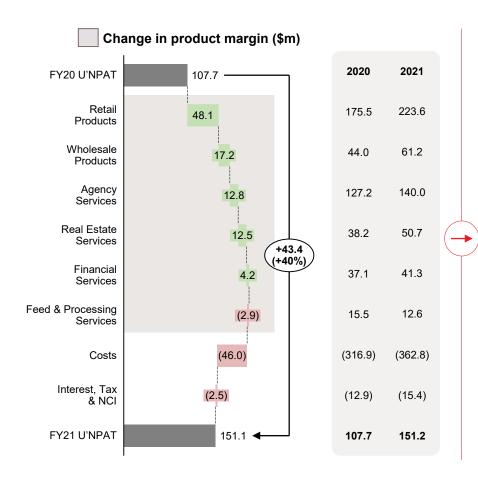
Strong performance across our key metrics

Key metrics (\$m)	FY21	FY20		Var	%
Sales revenue	2,548.9	2,092.6	•	456.3	22%
Gross margin	529.4	437.5	•	91.9	21%
Costs	362.9	316.9	•	46.0	15%
Earnings before interest and tax	166.5	120.6	•	45.9	38%
Underlying net profit after tax	151.1	107.7	•	43.4	40%
Statutory net profit after tax	149.8	122.9	•	26.9	22%
Return on capital (%)¹	22.5%	18.9%	•	3.6%	n/a
Net debt	216.9	237.5	•	(20.6)	9%
Leverage ratio (times)	1.4	2.0		(0.6)	(30%)
Operating cash flow	142.2	142.3	•	(0.1)	(0%)
Underlying earnings per share (cents)	96.7	69.9	•	26.8	38%
Dividend per share (cents)	42.0	22.0	•	20.0	91%



FY21 Financial Performance: Product

Favourable performance across all products, with the exception of Feed and Processing businesses



RETAIL PRODUCTS



- increased sales activity +22%
- improved summer and winter cropping driving demand
- backward integration strategy

FINANCIAL SERVICES



- growth and improved market conditions in our Insurance business
- full year of new livestock funding product

WHOLESALE PRODUCTS



- full year of AIRR acquisition
- sales growth in line with seasonal conditions +34%
- further uptake from the Elders network

FEED & PROCESSING SERVICES



- pricing pressures on feeder cattle on margin at Killara Feedlot
- lower cattle volumes sold (-8%)

AGENCY SERVICES



- high livestock prices (cattle +31%, sheep +9%), partially offset by reduced volumes
- improved seasonal conditions

COSTS



- more people
- increased performance incentives
- acquisitions
- Systems Modernisation

REAL ESTATE SERVICES



- residential turnover (+69%)
- farmland turnover (+28%)
- ongoing network expansion
- favourable market conditions

INTEREST, TAX & NCI¹



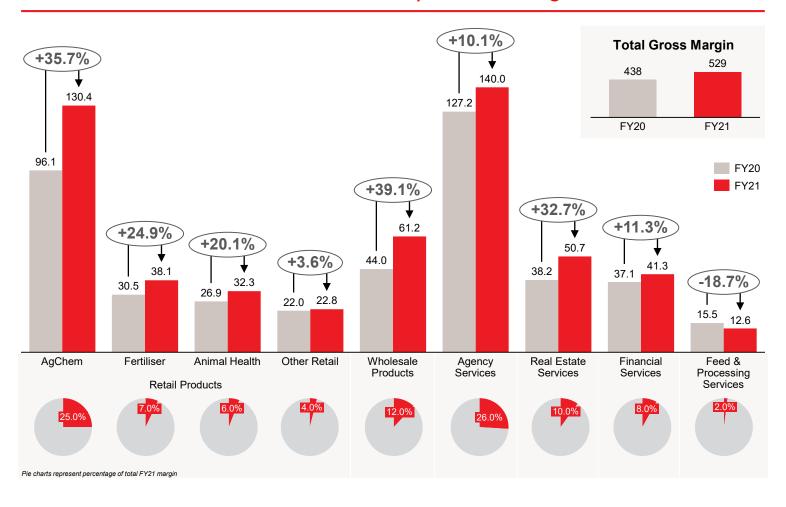
- historically low interest rates
- B&W Rural EBIT outperformance (up 113%)





FY21 Financial Performance: Gross Margin

A diversified business model across product categories

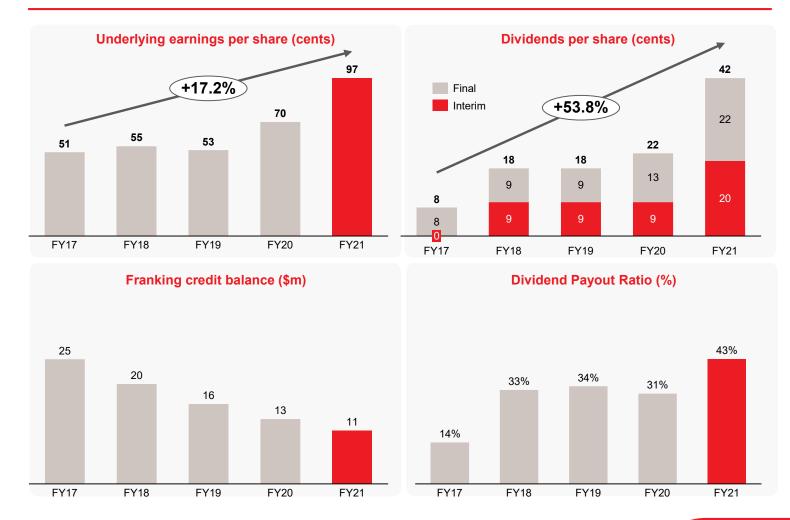






Dividend & Capital Management

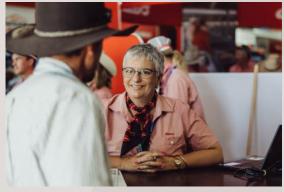
Earnings and dividends per share continue to grow





Sustainability









We provide our customers and clients with the goods and services they need

- Most trusted agribusiness brand among regional Australians
- Launched Elders Carbon Farming advisory service
- Over 40,000 agricultural chemical containers diverted from landfill

We support our people and the industries and communities in which we operate

- \$2.1 million in sponsorships and donations, supporting local communities, charities and industry
- **535** new hires
- Record scores achieved on employee engagement (78%) and enablement (79%)¹

We do our part to look after the environment and animals in our care

Targets set to reduce our Scope 1 and 2 greenhouse gas emissions²:

- 100% renewable electricity in all Australian sites by 2025
- 50% reduction in Scope 1 and 2 emissions intensity (tCO2e/\$m revenue) by 2030, against a baseline year of 2021 (subject to commercially viable technology being available to address feedlot cattle emissions)
- Net zero Scope 1 and 2 emissions by 2050³

We operate ethically and to the highest standard

- Publication of our first Modern Slavery Statement
- Progressed alignment of climaterelated disclosures with the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations

¹2021 Korn Ferry Elders Employee Effectiveness Survey

²Scope 1: direct emissions from owned or controlled sources. Scope 2: indirect emissions from the generation of purchased electricity

³Targets based on Elders' financial year ending 30 September

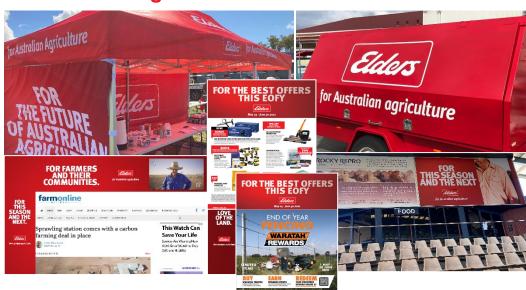


For Australian Agriculture

Launched new campaign anchored by four key pillars



Activated across physical field days, social and paid media including TV



Digital Interactions

Increase across our websites & social media platforms



~700k

Users of Eldersrural.com.au in FY21











68.6k

Followers across social media Platforms

+13% vs. last year



Strengthening our Service Offerings Ongoing investment in innovative solutions to improve customer productivity and efficiency









Innovation

- Elders' new Carbon Farming Program launched in 2021
- Launch of new products and brands via Titan AG, Pastoral AG and Hunter River, and new Optifert speciality fertiliser product range
- Expansion of seed genetics business, EPG Seeds, formerly known as Elders Plant Genetics

Digital

- Launch of the Struan and Kybybolite **Best Practice Demonstration Farm** virtual tour
- Demand and adoption of AgTech
- Growth in online livestock selling via **AuctionsPlus**
 - 37% and 27% growth in sheep and cattle sales
 - 48% increase in user registrations and 78% increase in website audience
 - range of new features including livestreaming, enhanced filters, search functionality and real-time estimates

Research

- Genomics
- Machine learning and crop management
- Meat and Livestock Australia Co-Innovation
- De-risking broadacre cropping options for Northern Queensland
- Deep ripping to improve lentil production in acid soils
- Faba bean nutrient omission trial

Strategic Partnerships

- Charles Sturt University sponsored tertiary training
- Australian Research Council (ARC) Research Hub for Smart Fertiliser
- University of Adelaide on research and extension opportunities



ELDERS EIGHT PLAN Elders

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AGENCY SERVICES **REAL ESTATE**

FINANCIAL SERVICES

TECHNICAL SERVICES FEED & PROCESSING

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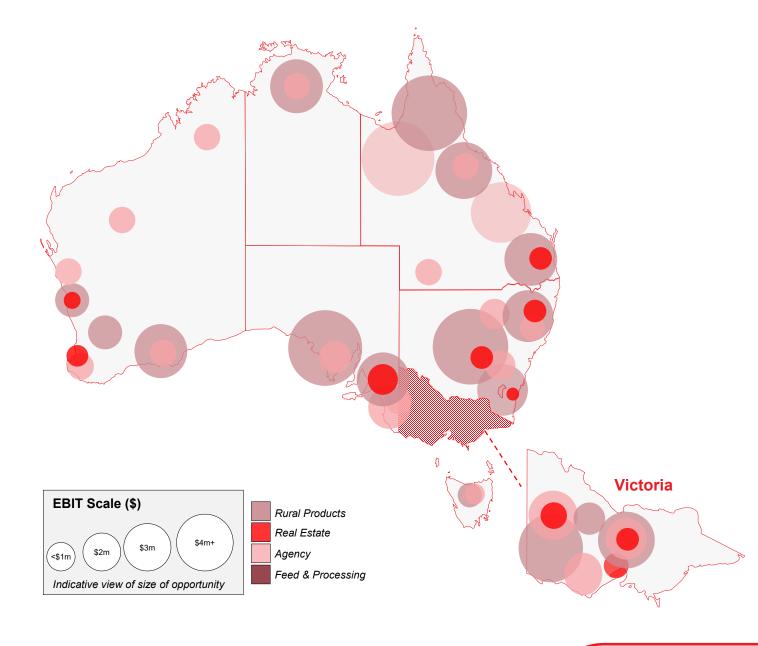




Strategic Opportunities

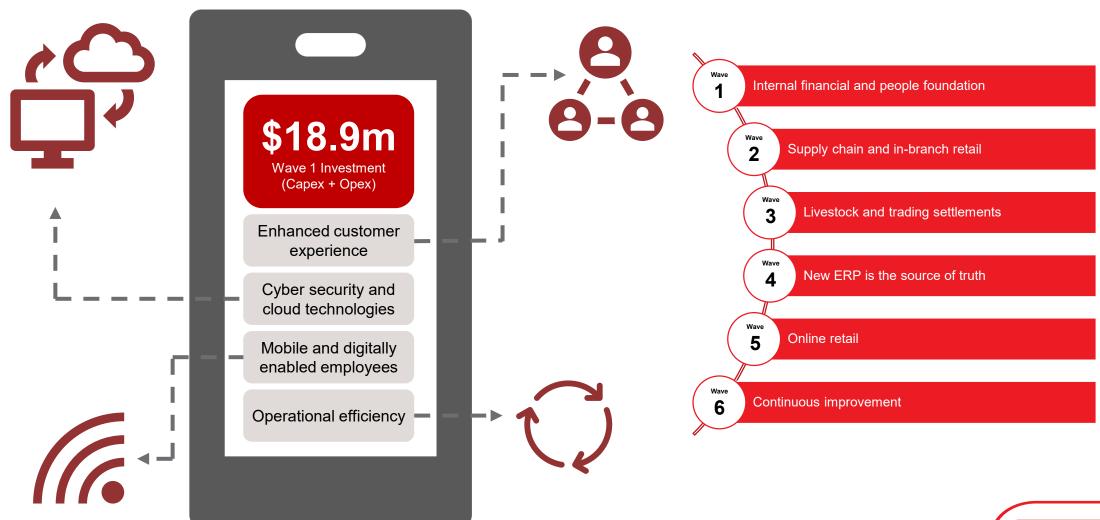
Significant growth opportunities to gain market share in new geographies, with our multiple product and service portfolio

5 0	Retail Products	Focus on increasing market share and presence in high value areas, including Western Victoria, South Coast WA, Northern Queensland and Central NSW
	Agency Services	Growth in targeted locations through footprint expansion and personnel gains
	Real Estate Services	Expansion of owned sites and franchise locations in key regional centres across Australia
EO	Financial Services	Expand livestock in transit and finance products, alongside our general insurance partnership in all regions
	Feed & Processing Services	Opportunities to expand offerings in central NSW region



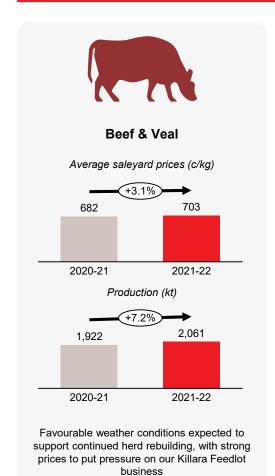


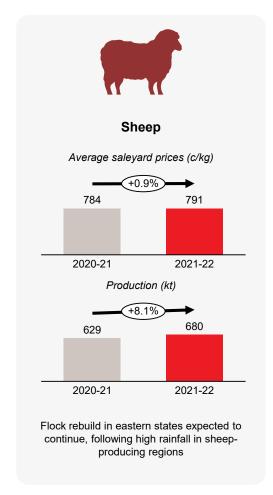
Systems Modernisation Program *Embarking on a Systems Modernisation program aimed at delivering a more customer centric, cost efficient and enabled team*

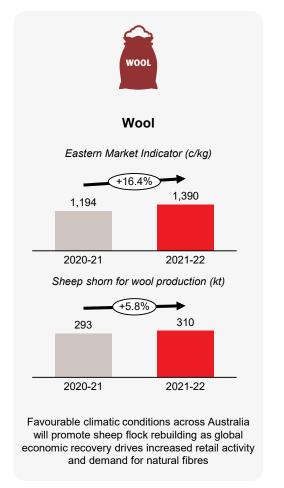


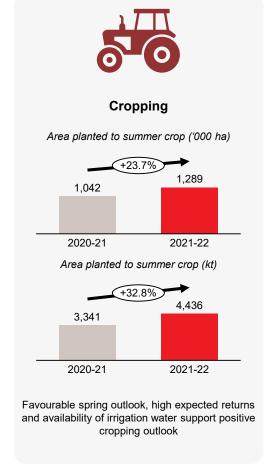
ABARES September Outlook Update

Improved summer cropping expected in 2021-22 to support Rural Products margin growth; livestock prices remain high as rebuild continues









Market Outlook

FY22 has started positively with livestock prices remaining elevated and favourable summer crop outlook

RURAL PRODUCTS	 positive summer crop outlook, with area planted forecast to rise 24% to 1.3 million hectares¹ current 2021-22 winter crop expected to produce 54.8 million tonnes¹, which supports continued optimism for the following winter crop season next year active management underway to mitigate global supply chain constraints completion of Sunfam acquisition to grow presence in the Bundaberg region, as well as expanding our operations around irrigation design and fabrication
AGENCY SERVICES	 prices for beef and lamb in 2021-22 are anticipated to remain high in the medium term (up year on year 3% to 703c/kg and 1% to 791c/kg respectively²) driven by limited supply and strong domestic re-stocker demand continued wool market recovery expected in 2021-22, with a 16% increase year on year in EMI to 1,390c/kg², driven by increased demand in China and Europe, which is supported by favourable conditions for production
REAL ESTATE SERVICES	 high levels of demand for farmland is expected to continue, fuelled by favourable commodity price outlook, low interest rates and good seasonal conditions significant price appreciation in the residential property market across Australia and strong demand for rental properties anticipated to continue³



¹Department of Agriculture, Water and the Environment, ABARES Australian Crop Report: September edition ²Department of Agriculture, Water and the Environment, ABARES Agricultural Outlook: September quarter 2021 ³Core Logic Residential Real Estate Property Data: September 2021

