



1 June 2022

Elders Limited Investor Presentation

Attached is a presentation to be given today, 1 June 2022, by Elders to investors hosted by Shaw and Partners.

Further Information:

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

Authorised by:

Peter Hastings, Company Secretary, 0419 222 489



FOR AUSTRALIAN AGRICULTURE



Shaw & Partners Investor Days

1 to 2 June 2022

Presented by
Elders Limited

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.

Elders Executive Committee Overview

Presenting today



Mark Allison
Managing Director
& CEO



Tania Foster
CFO



Liz Ryan
EGM Strategy &
Retail



Dave Adamson
EGM Agency &
Financial
Services



Tom Russo
EGM Real
Estate, Brand &
Communications



Viv Da Ros
CIO



Peter Hastings
Company
Secretary &
General Counsel



Malcolm Hunt
EGM National &
Victoria, Riverina



**Olivia
Richardson**
EGM People,
Culture & Safety



Kiim Lim
EGM Business
Development



Nick Clark
EGM Business
Improvement

Agenda

Business overview	Mark Allison Tania Foster	2:00 pm – 3:00 pm
Afternoon Tea		3:00 pm – 3:30 pm
Rural Products overview	Liz Ryan	3:30 pm – 4:00 pm
Agency Services overview	Dave Adamson	4:00 pm – 4:30 pm
Real Estate Services overview	Tom Russo	4:30 pm – 5:00 pm
SysMod Transformation	Viv Da Ros	5:00 pm – 5:30 pm
Closing Summary & Questions	Mark Allison	
Dinner @ Bespoke Wine Bar & Kitchen		6:00 pm – 8:30 pm



Business Model¹

Diversification by product, service, market segment and geography

RURAL PRODUCTS		AGENCY SERVICES	REAL ESTATE SERVICES	FINANCIAL SERVICES	FEED & PROCESSING SERVICES	DIGITAL AND TECHNICAL SERVICES
RETAIL PRODUCTS	WHOLESALE PRODUCTS					
						
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 \$17m livestock funding \$98.0m StockCo book	60k Killara cattle head	AuctionsPlus 144k head cattle 1.2m head sheep
223 stores	372 member stores	1.6m head cattle	\$1.5b residential sales		\$18m China sales	
424 APVMA registrations		371k wool bales	10.5k properties under management	\$0.9b GWP		7.6m Elders Weather users
978 tonnes fertiliser				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

Working capital						
\$246.1m	\$83.8m	\$53.8m	\$4.1m	\$32.3m	\$59.7m	Other – (\$34.6m)

¹Based on FY21 statistics

8 ELDERS EIGHT POINT PLAN



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	1 <u>Win market share</u> across all products, services and geographies through client focus, effective sales and marketing and strategic acquisitions		2 <u>Capture more gross margin in Rural Products</u> through optimised pricing, backward integration and supply chain efficiency		3 <u>Strengthen and expand our service offerings</u> , including Livestock and Wool Agency, Real Estate, Financial and Tech Services	
					4 <u>Optimise our feed & processing businesses</u> in Killara Feedlot and Elders Fine Foods	
					5 <u>Develop a sustainability program</u> that is authentic and industry leading	
OUR ENABLERS	6 <u>Systems Modernisation Program</u> – invest in best of breed solutions to improve customer experience, drive process and administration efficiency and better accommodate change			7 Attract, retain and develop the best <u>people</u> and provide a <u>safe</u> and inclusive working environment		8 Maintain unflinching <u>financial discipline</u> and commitment to cost and capital efficiency
OUR VALUES	 INTEGRITY	 CUSTOMER FOCUSED	 ACCOUNTABILITY	 TEAM WORK	 INNOVATION	

1H22 Highlights



PEOPLE

12.6
TRIFR¹

78%
employee
engagement

42%
female workforce
based on Australia headcount

+298
FTE
vs. March 2021



CUSTOMERS

#1
most trusted
agribusiness brand

48
net promoter
score

+15
additional locations



COMMUNITY

\$0.3m
to RFDS over renewed
three-year sponsorship

\$1.1m
sponsorships and
donations

478
local community
sports teams and
events sponsored



SHAREHOLDERS

58.3 cents
underlying earnings
per share

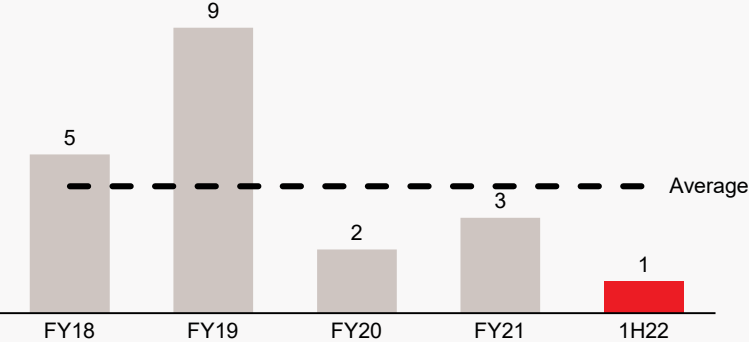
28.0 cents
dividends
per share

48%
dividend
payout ratio

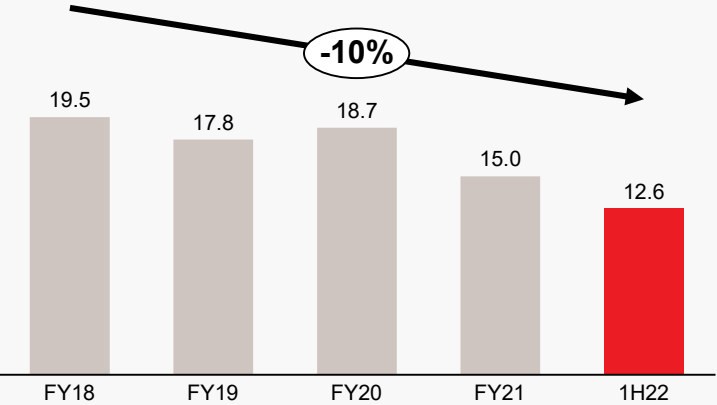
¹Total Recordable Injuries Frequency Rate: all fatalities, LTIs and medical treatment injuries multiplied by 1,000,000 then divided by hours worked

Safety, Health & Well-Being

Lost time injuries (LTI)



Total recordable injuries frequency rate (TRIFR)¹



¹All fatalities, LTIs and medical treatment injuries multiplied by 1,000,000 then divided by hours worked



1
lost time injury
in 1H22



10%
compound reduction in
TRIFR since FY18



100%
branch risk radar²
completed during
Safety Week



\$1.0m
capital expenditure
in 1H22



²Checklist of risks to ensure employees are operating in a safe working environment



Krystal Bowden
SALES SUPPORT OFFICER, JANDOWAE QLD

“Over the last 12 months we have implemented **over 40 changes to make Elders Jandowae a safer place.** I hope to help my colleagues think twice before making an unsafe decision.”

“**I would like to think that I have had, and will continue to help provide the education, information & resources my colleagues need to make the safer choice and to ensure that everyone makes it home to their loved ones – tonight, and every night.**”

Sustainability



OUR PRINCIPLES

- We provide our customers and clients with the goods and services they need
- We support our people and the industries and communities in which we operate
- We do our part to look after the environment and animals in our care
- We operate ethically and to the highest standard

CLIMATE TARGETS¹

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

- **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 2050²

OUR PROGRESS

- Targeting solar and LED lighting site upgrades to reduce emissions
- Solar farm development at Killara Feedlot
- Second Modern Slavery Statement published
- Joined the Australian Packaging Covenant Organisation; waste reduction strategy in development

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

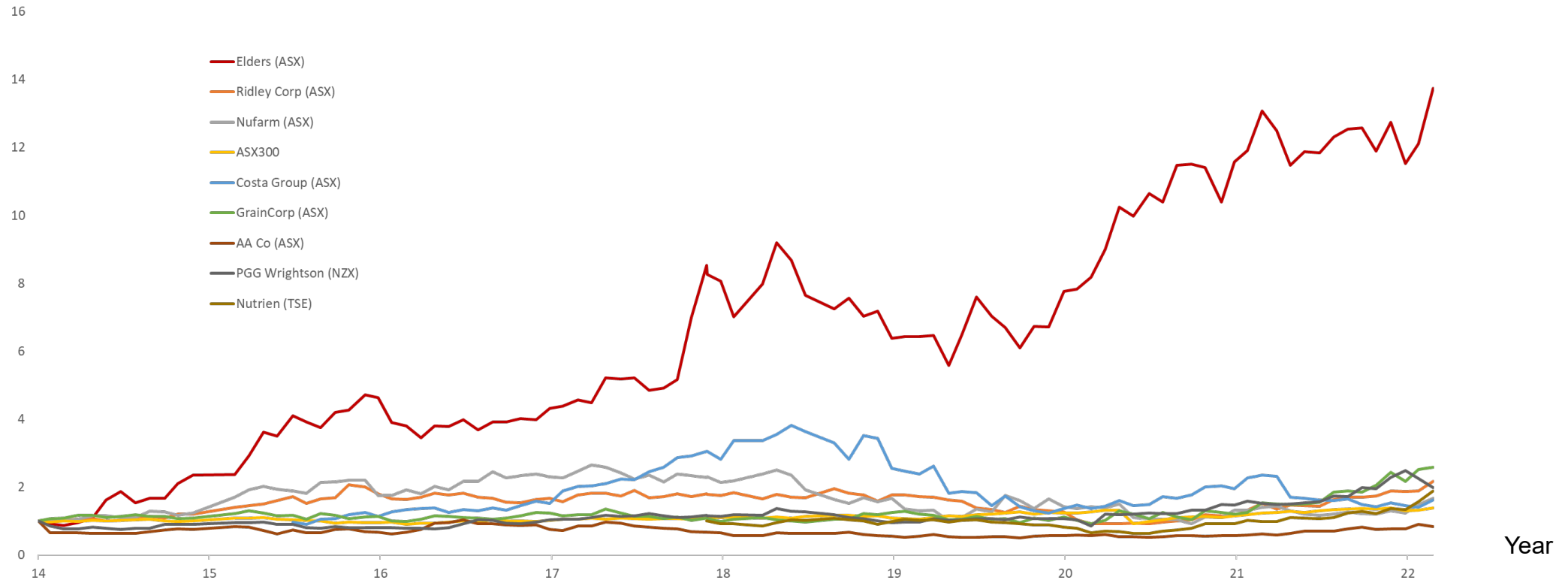
²Targets based on Elders' financial year ending 30 September

Investor Perspective

Success of the Eight Point Plan strategy continues to be reflected in our share price growth

Historical share price growth (monthly), Elders and selected peers – indexed to January 2014* (CY14-22)

Percent



Notes:

- Indexed to 27/07/15 for Costa Group, 02/01/18 for Nutrien.
- Compound annual growth rate as at beginning of end of April 2022
- Source: Reuters, Elders Finance

Financial Results



1H22 Financial Performance: Summary

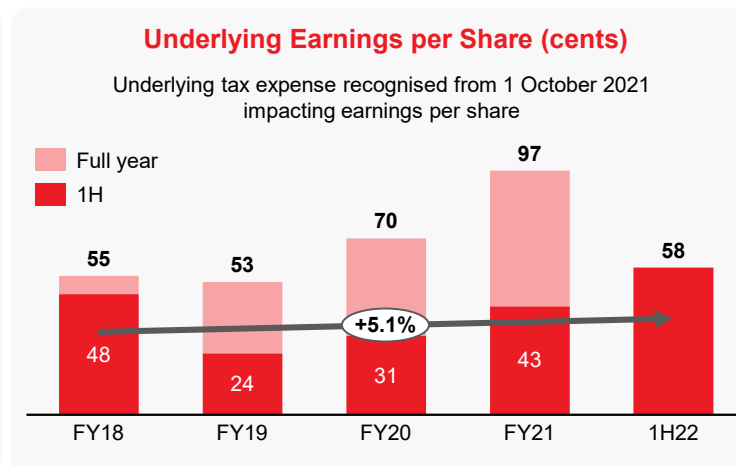
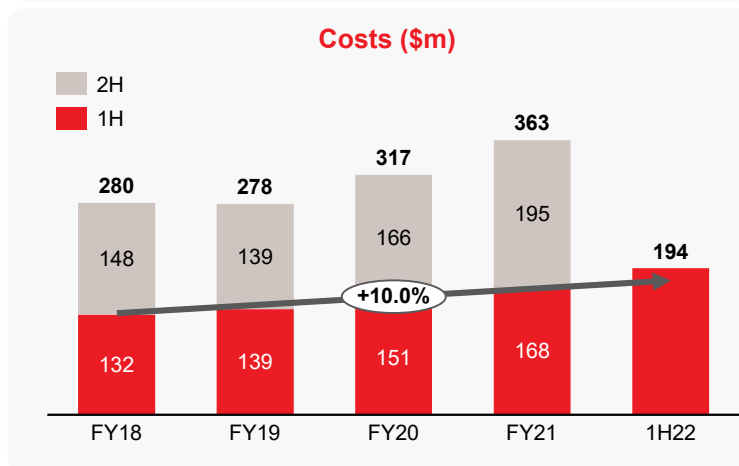
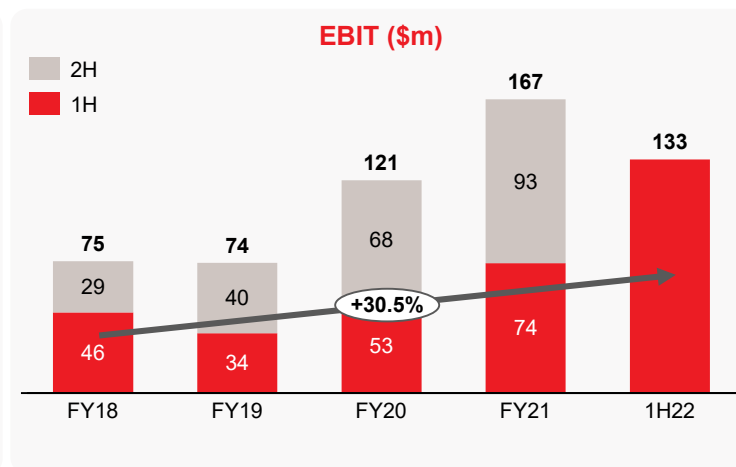
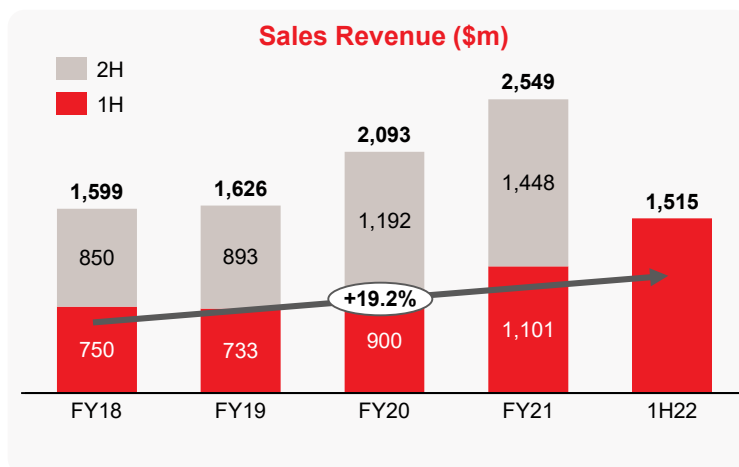
Strong performance across our key metrics

Key metrics (\$m)	1H22	1H21		Var	%
Sales revenue	1,514.8	1,100.5	↑	414.3	38%
Gross margin	326.5	241.6	↑	84.9	35%
Costs	193.6	167.8	↑	25.8	15%
Earnings before interest and tax	132.8	73.8	↑	59.0	80%
Net profit after tax	91.2	68.2	↑	23.0	34%
Return on capital (%)*	27.8%	20.1%	↑	7.7%	n/a
Net debt	384.5	263.9	↑	120.6	46%
Leverage ratio (times)	1.2	1.8	↓	(0.6)	(33%)
Operating cash flow	(55.4)	23.9	↓	(79.3)	(332%)
Underlying earnings per share (cents)	58.3	42.9	↑	15.4	36%
Dividend per share (cents)	28.0	20.0	↑	8.0	40%

*Return on capital = Rolling 12 months Underlying EBIT / (working capital + investments + property, plant and equipment + right of use assets + intangibles (excluding Elders brand name) – DTL on acquisitions – lease liabilities – provisions)

1H22 Financial Performance: Summary

Consistent 1H growth over the last five years

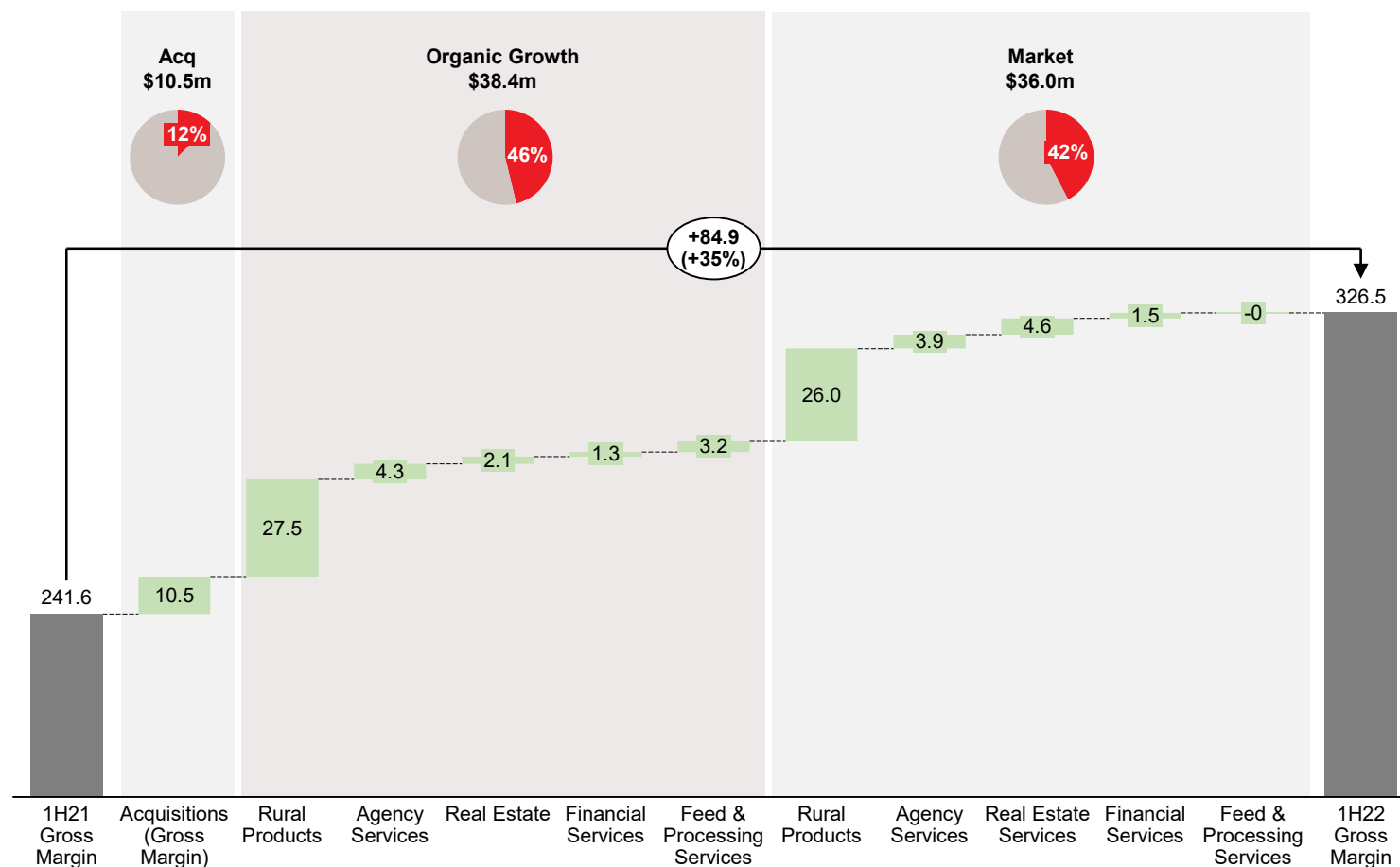


Note: CAGR calculated on 1H performance



1H22 Financial Performance: Gross Margin Growth

Steady contribution from acquisition, organic growth and market



RURAL PRODUCTS 	<ul style="list-style-type: none"> organic growth: market share movements and margin improvement (+1.2%) market growth: based on ABARES area planted (+10.6% vs LY) and price inflation
AGENCY SERVICES 	<ul style="list-style-type: none"> organic growth: market share growth market growth: price increase and volume decline due to restocking
REAL ESTATE SERVICES 	<ul style="list-style-type: none"> organic growth: volume movement market growth: increase sales price per unit and competitive pressures on commission
FINANCIAL SERVICES 	<ul style="list-style-type: none"> organic growth: LIT¹, livestock funding, increased volume of insurance policies market growth: Rural Bank, StockCo, Elders Insurance GWP² price movement
FEED & PROCESSING 	<ul style="list-style-type: none"> organic growth: total gross margin uplift

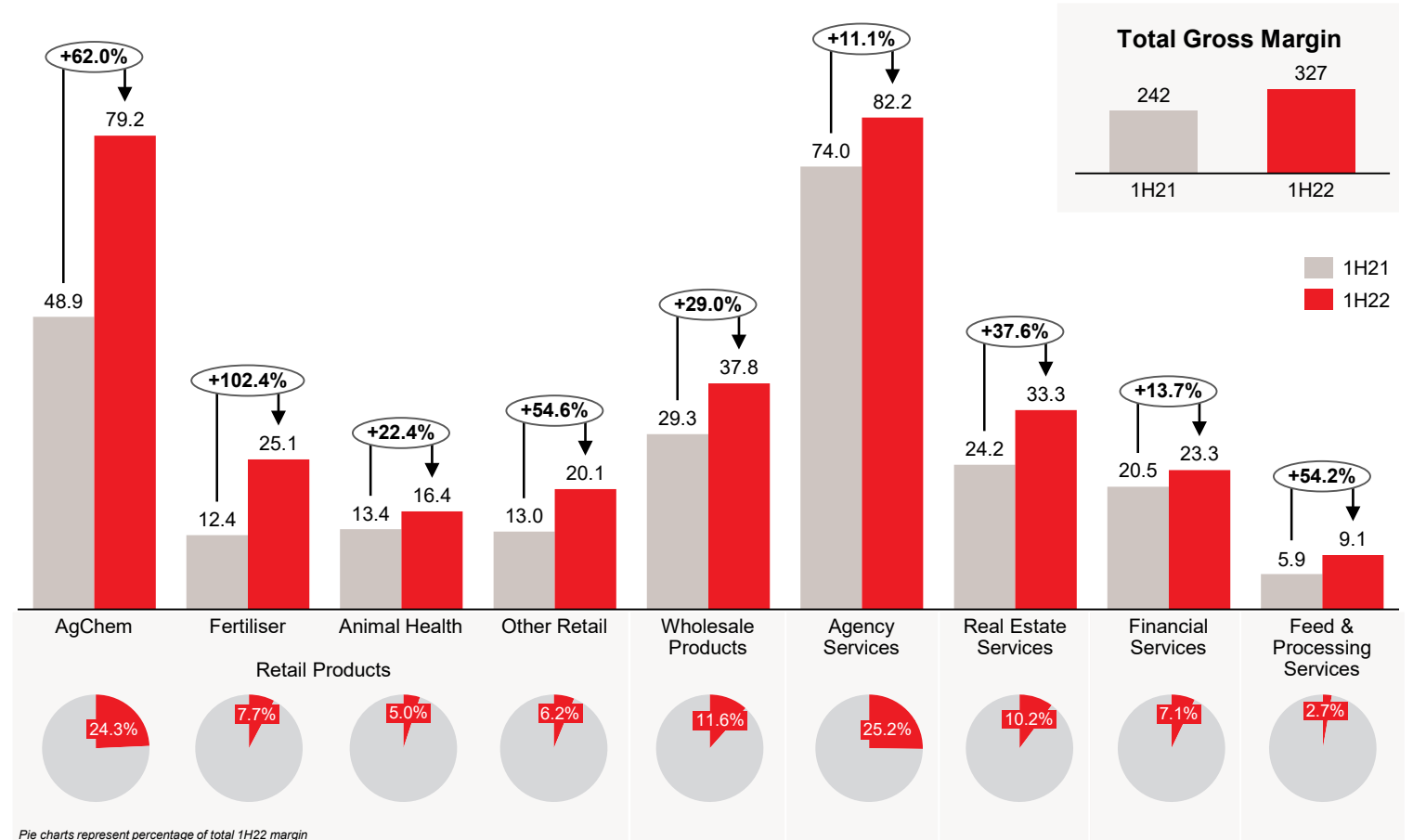
¹Livestock in Transit delivery warranty

²Gross written premiums



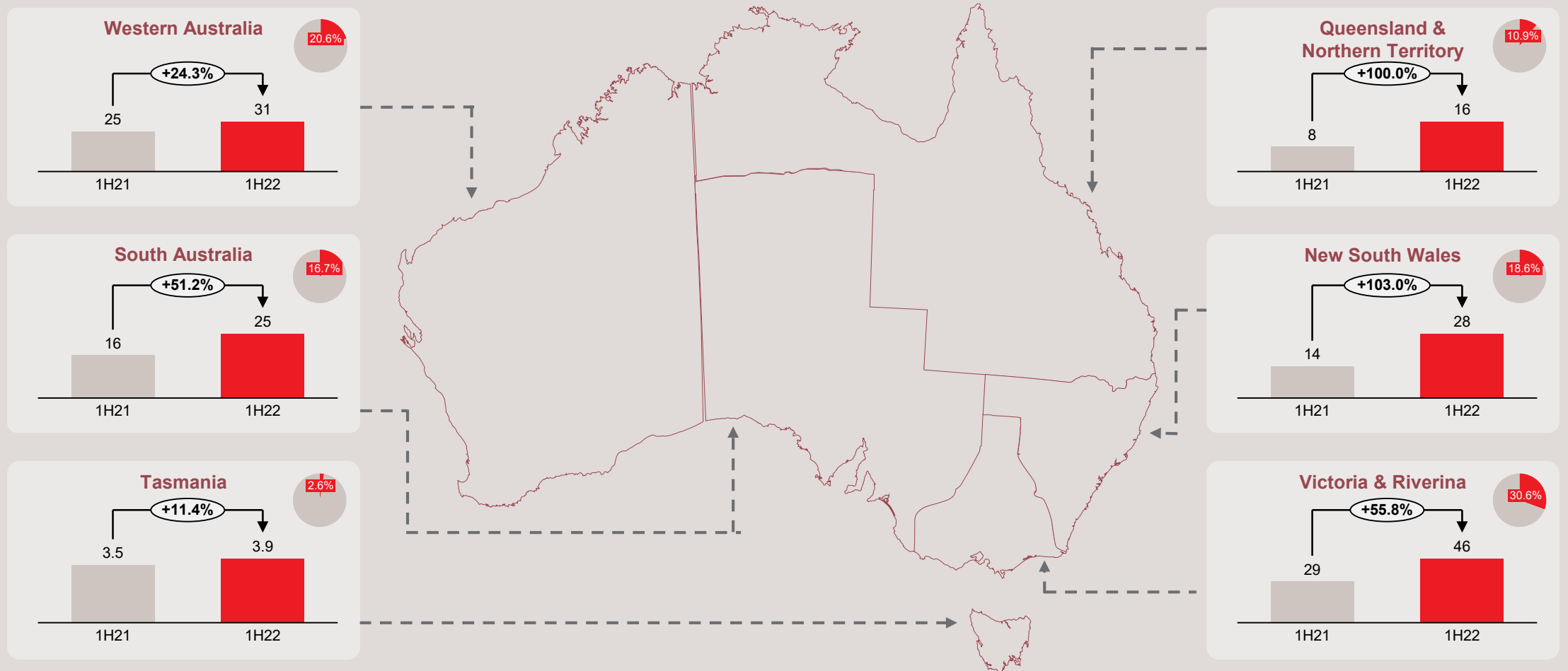
1H22 Financial Performance: Gross Margin

A diversified business model across product categories



1H22 Financial Performance: Geography

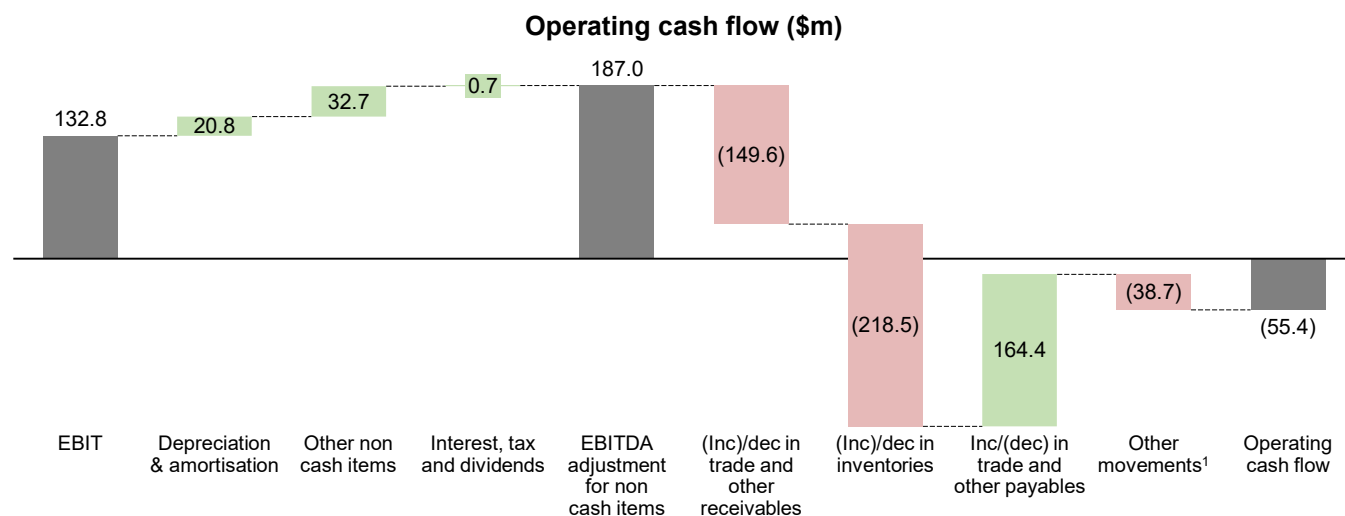
Strong growth across all geographies, with diversification of our EBIT reducing risk



Excludes Wholesale Products, International and Corporate Overheads

1H22 Financial Performance: Cash Flow

Growth in debtors and inventory consistent with sales growth and higher commodity prices

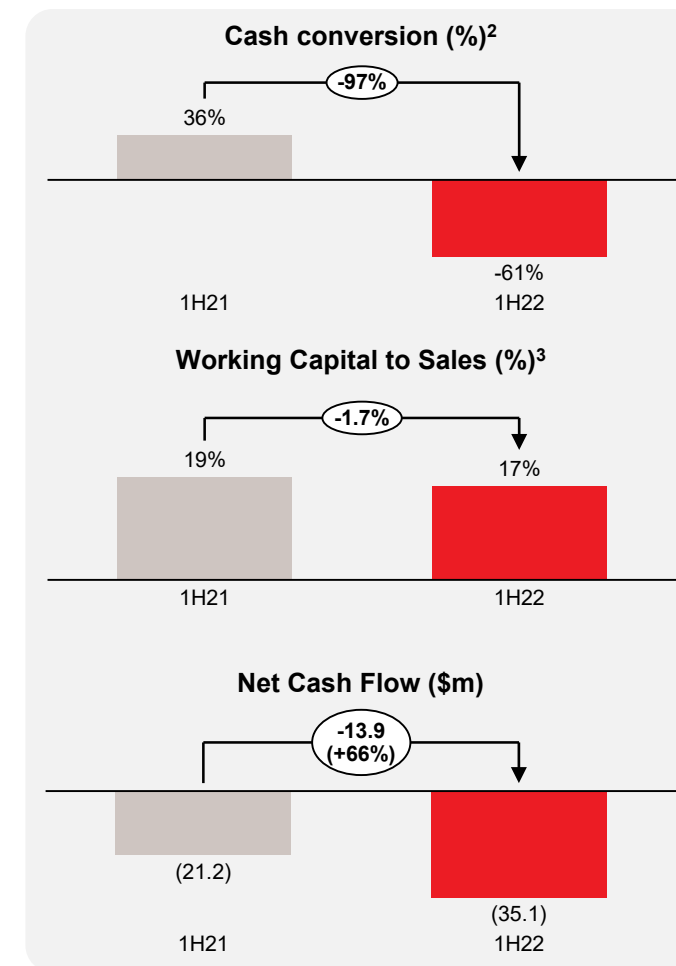


Key metrics (\$m)	1H22	1H21	Var
Underlying EBITDA adjustment for non cash items	187.0	104.6	82.4
Movements in assets and liabilities	(242.4)	(80.7)	(161.7)
Cash from operating activities	(55.4)	23.9	(79.3)
Investing cash flows	(46.2)	(25.3)	(20.9)
Financing cash flows	66.5	(19.8)	86.3
Net cash flow	(35.1)	(21.2)	(13.9)

¹Other movements includes provisions and balances acquired via acquisitions

²Cash conversion is calculated on a YTD basis

³Working capital to sales is calculated on a rolling 12 month basis

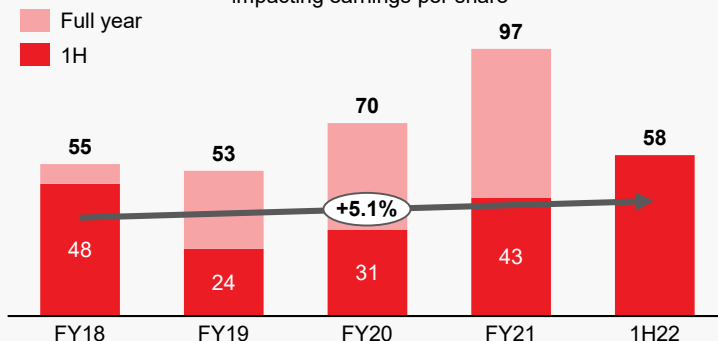


1H22 Dividend & Capital Management

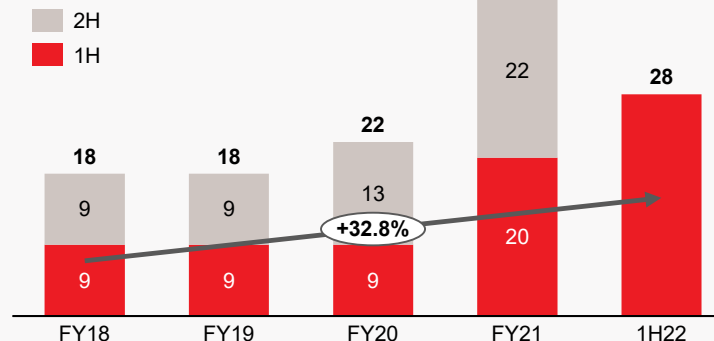
Earnings and dividends per share continue to grow

Underlying Earnings per Share (cents)

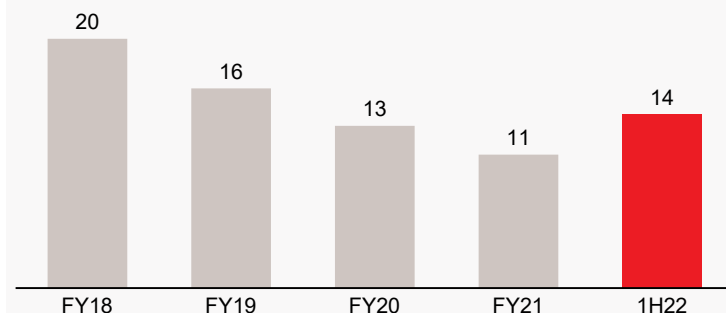
Underlying tax expense recognised from 1 October 2021 impacting earnings per share



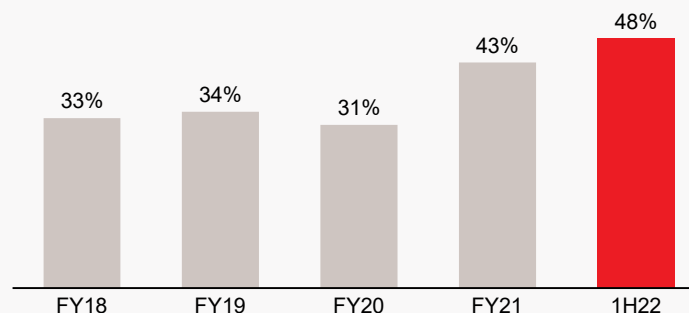
Dividends per Share (cents)



Franking Credit Balance (\$m)



Dividend Payout Ratio (%)



Notes:

Prior year dividends were franked at 100%. FY21 dividends were partially franked at 20%.

CAGR calculated on 1H performance



Rural Products

Rural Products Overview

RURAL PRODUCTS		Key highlights	
RETAIL PRODUCTS	WHOLESALE PRODUCTS	Filling geographic gaps	<div></div>
			
Crop Protection (AgChem)			
Crop Nutrition			
Animal Health			
Seed			
Fencing and general merchandise			
Key metrics		Backward integration	Continuing to fill geographical gaps through targeted acquisitions
\$1.7b retail sales	\$0.3b wholesale sales		Key recent additions in H1 2022 include: Grovers Rural Supplies (VIC), Esperance Rural Supplies (WA), DJS Grower Services (SA)
223 stores	372 member stores		
424 APVMA registrations			
978 tonnes fertiliser			
Gross margin		Manu- facturing	Continuing to expand the Own Brand product portfolio:
\$223.6m	\$61.2m		<ul style="list-style-type: none">Titan Ag, Apparent Ag (Crop Protection)Optifert (Specialty Fertiliser)Pastoral Ag, Hunter River Co , Independents Own (Animal Health)EPG Seeds (Seed)
Working capital		Agronomy and technical services	Continuing to backwardly integrate to capture more margin
\$246.1m	\$83.8m		<ul style="list-style-type: none">New Agcrest joint venture greenfield development in Toowoomba will deliver Crop Protection formulation capabilityFirst production is expected to commence late 2023
			Continuing to develop market leading agronomy and technical services to support grower productivity and product purchasing choice

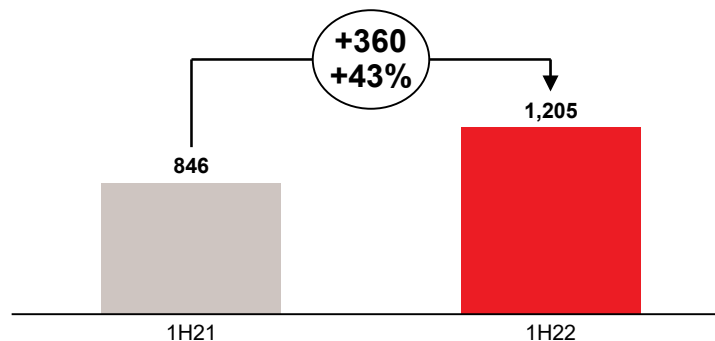




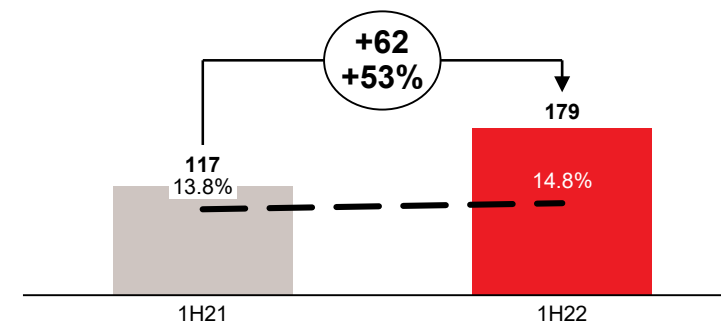
Rural Products

Gross margin improving year on year via our backward integration strategy

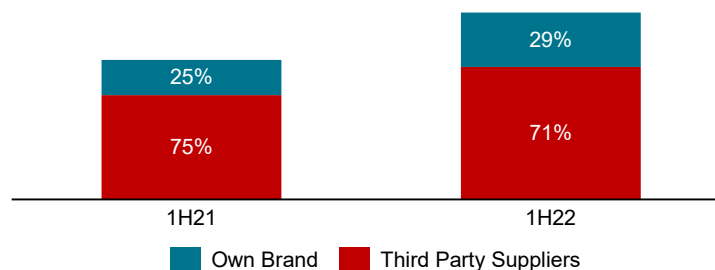
Sales Revenue (\$m)



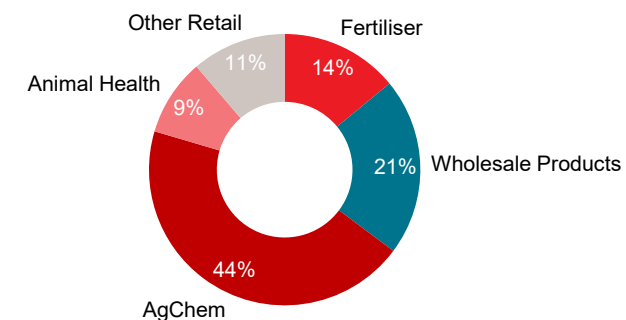
Gross margin (\$m) vs (%)



Elders own brand vs third party sales¹ (%)



1H22 gross margin by category (%)



¹Includes product categories where Elders sell own brand products only i.e. cropping protection, animal health and seed

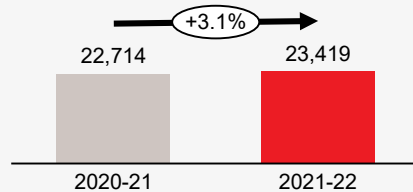
Outlook

Acquisition benefits, supported by positive winter crop outlook

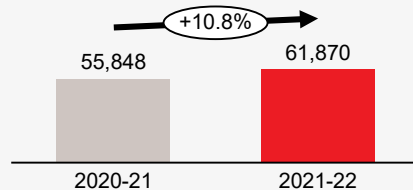


Cropping

Area planted to winter crop ('000 ha)



Winter crop production (kt)



- Winter crop production in 2021–22 has been revised to an even higher national record of 61.9 million tonnes.
- This represents an upward revision of 6% from the December 2021 update and 11% on prior year



Total winter crop

61.9mt

National record



Wheat

36.3mt

Record



Barley

13.7mt

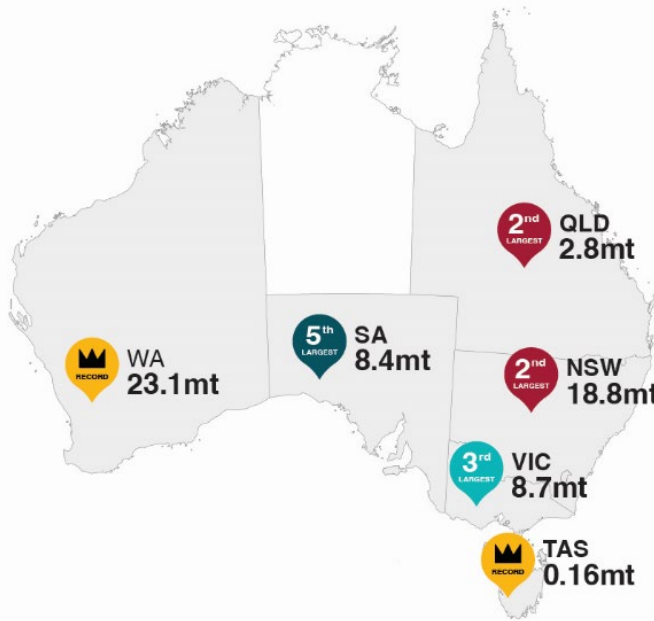
Record



Canola

6.4mt

Record



- Positive winter crop outlook, with area planted forecast to rise 3% to 23.4 million hectares, expected to drive strong demand in the second half for cropping inputs, particularly agricultural chemicals, fertiliser and seed



- Ongoing global supply chain pressures are expected to support continued high prices for agricultural chemicals, while fertiliser prices are easing¹



- Benefits from acquisitions to provide further growth in the second half, including Sunfam, Grovers Rural Supplies, DJ's Growers Services and Supplies and Esperance Rural Supplies

Notes: 1) Price and demand volatility of base chemical commodities are expected to remain as global supply chains adjust to the many disruptions that currently exist. A softening of pricing is expected in the future however it is not guaranteed that any significant price decline will occur over the next 6 months. Any softening in price is expected to be gradual and any impact on earnings are likely to be manageable

Agency Services

Agency Services Overview

AGENCY SERVICES



Livestock

Wool

Grain

Key metrics

9.4m head sheep

1.6m head cattle

371k wool bales

Gross margin

\$140.0m

Working capital

\$53.8m

Key highlights

National footprint supporting our value proposition



Esperance
WA



Yorke Peninsula &
Jamestown
SA

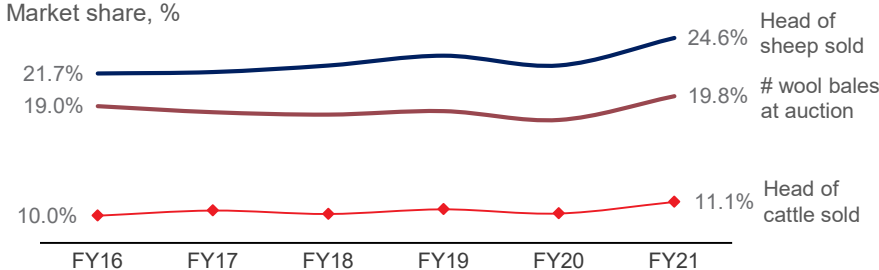


Skipton
VIC

- Our scale is a key point of differentiation
- Our ancillary services (livestock production advice, financing, LIT) further supports our value proposition
- Recent acquisitions supporting Rural Products have also enabled Agency services geographic gaps to be closed in key regions, as we further build livestock capability

Consistent market share growth

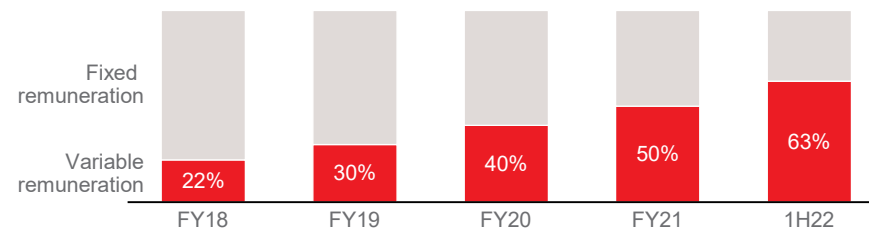
Market share, %



- Consistent market share growth, with further opportunities for growth across our people, products, services (e.g. Livestock Production Advisory), acquisitions and new channels

Enhancing our frontline workforce

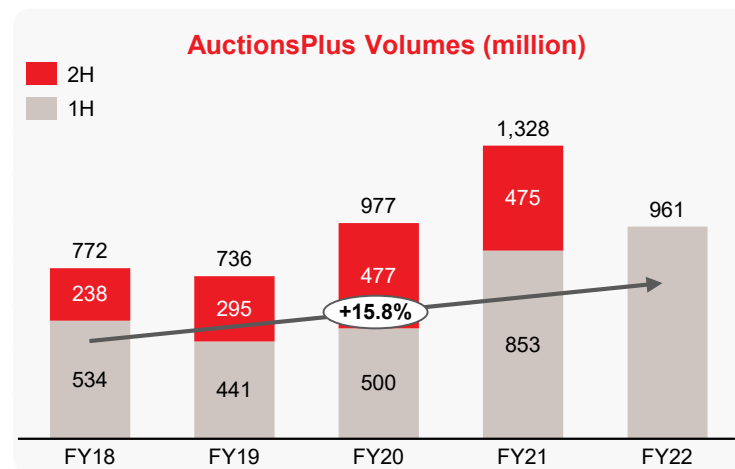
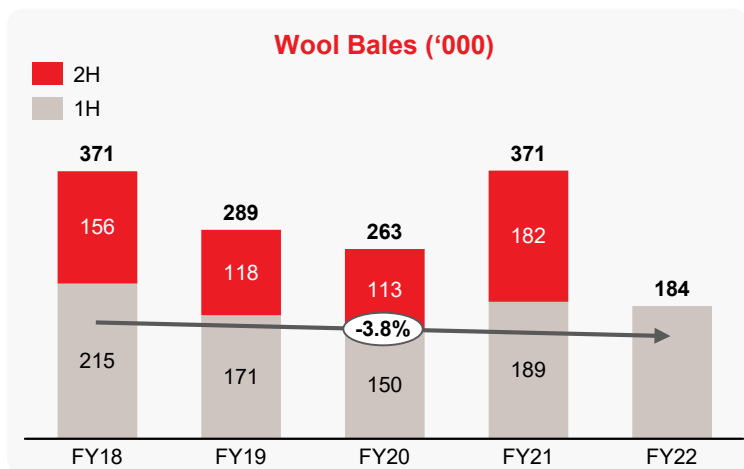
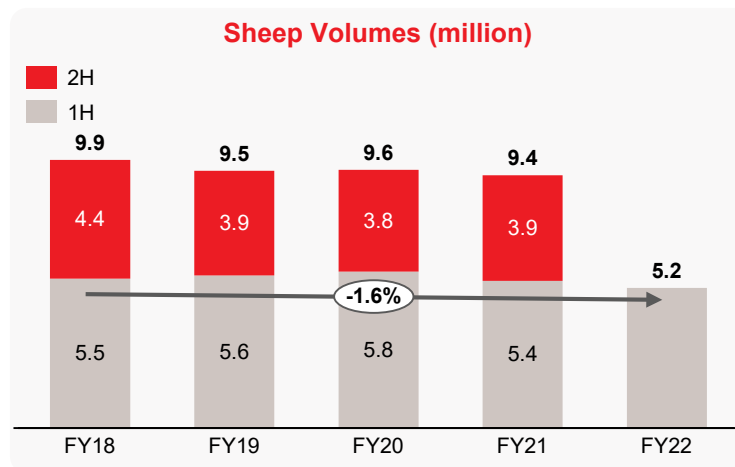
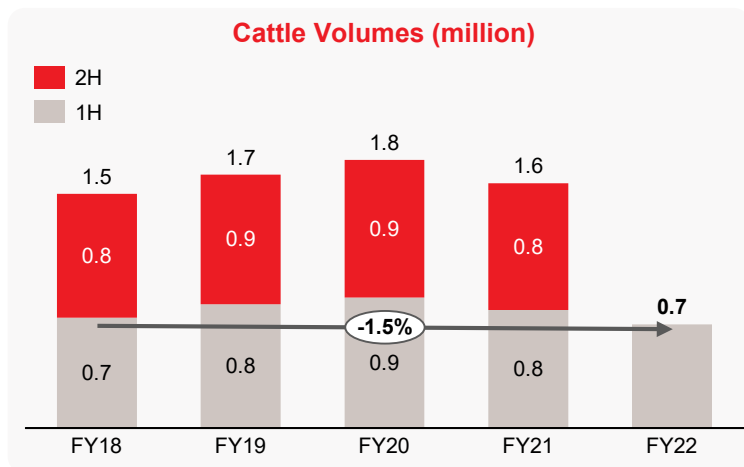
Variability of agent remuneration



- Improving livestock staff mix (agents & staff)
- Continuing to support development and succession through the trainee program
- Improving attraction and retention through shared remuneration structure
- High engagement (>80%) and reduced staff turnover (12%)

1H22 Performance

Cattle and sheep volumes down as a consequence of restocking

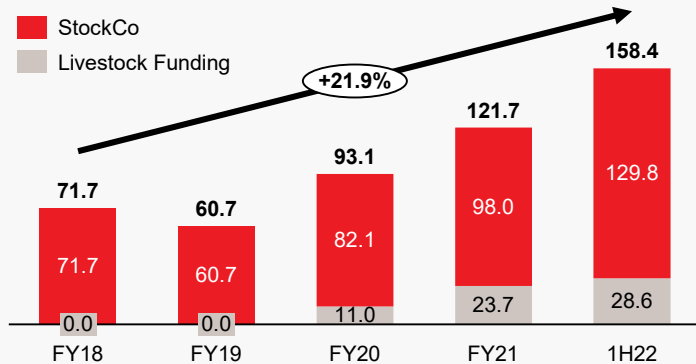


Note: CAGR calculated on 1H performance

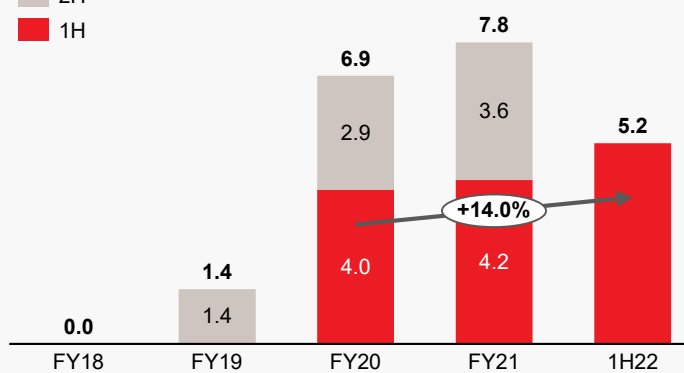
1H22 Performance (cont.)

Market conditions support growth in restocking finance

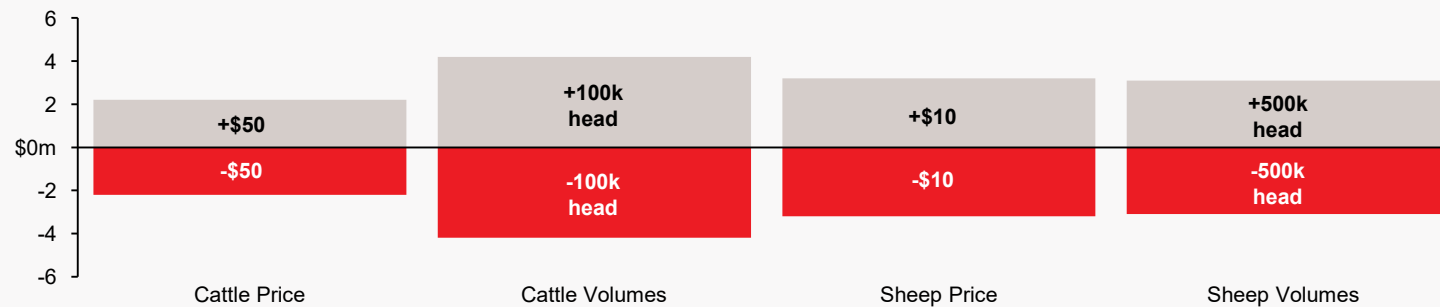
StockCo book¹ and On Balance Sheet Livestock Funding balance (\$m)



Livestock in Transit Delivery Warranty Gross margin (\$m)



Profit Sensitivity (\$m)²

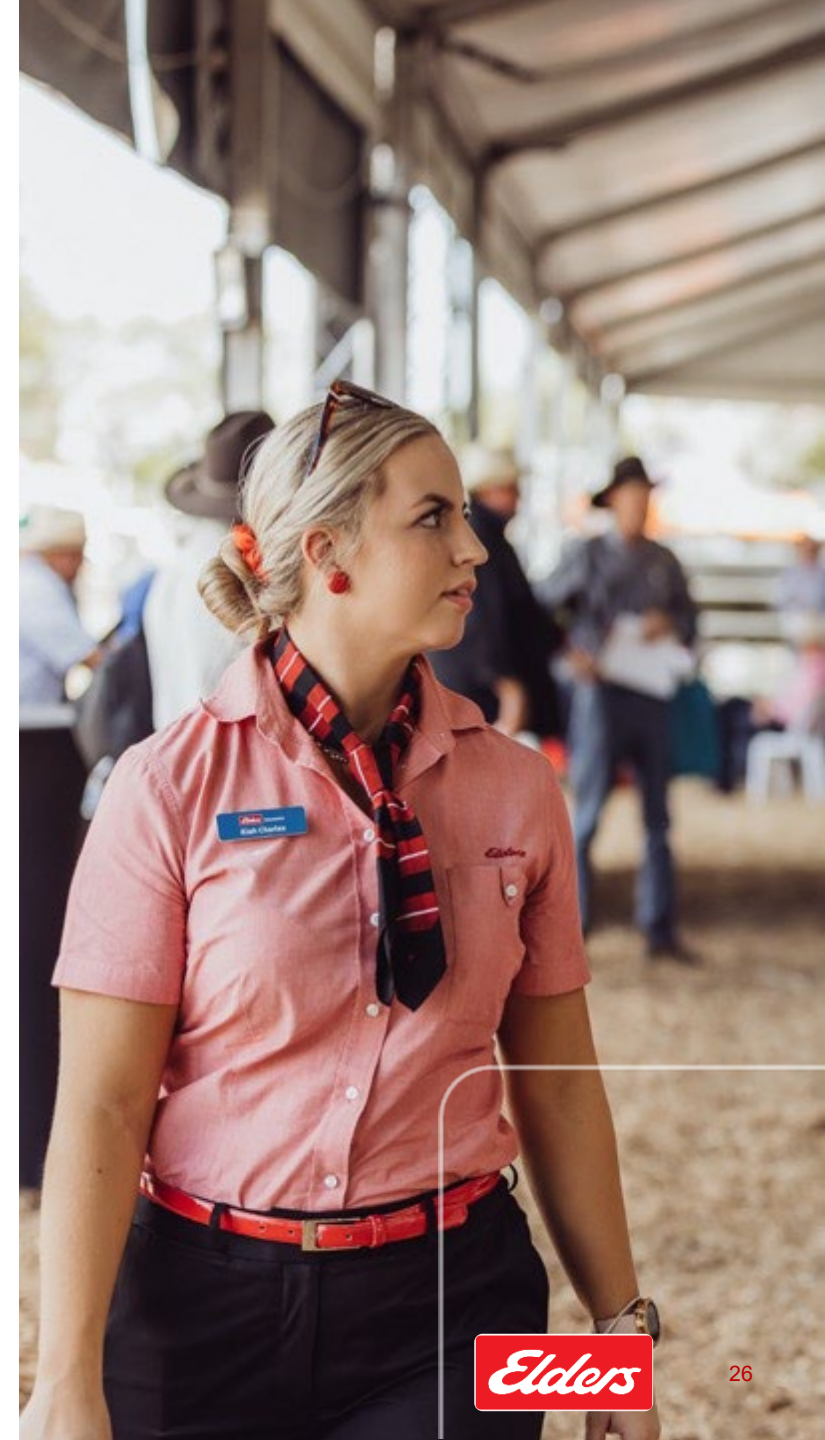


Notes:

¹Principal positions are held by StockCo

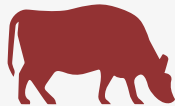
²Based on FY21 statistics

CAGR calculated on 1H performance



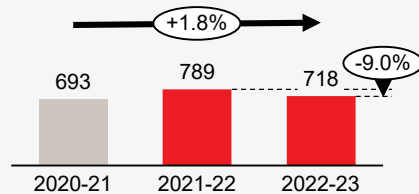
Outlook

Decline in cattle price as rebuild continues, however remains historically high

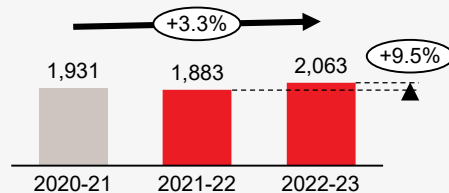


Beef & Veal

Average saleyard prices (c/kg)



Production (kt)

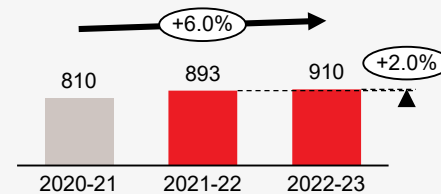


- Easing rebuilding see prices fall, but remain historically high
- Gross value is forecast to increase 8% to a record \$15.7 billion in 2021–22
- Global beef prices are forecast to stay high throughout the outlook period

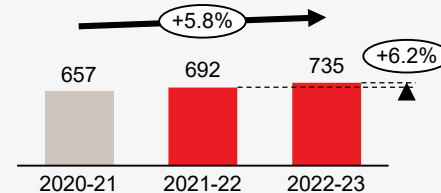


Sheep

Average saleyard prices (c/kg)



Production (kt)

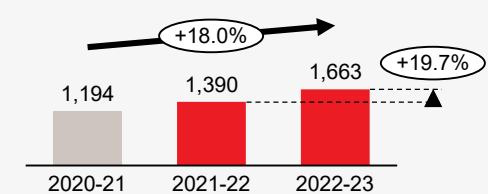


- Strong export demand in the US is expected to support high lamb prices
- The value of the sheep meat industry is expected to surpass \$5 billion in 2021–22
- Rising supply of sheep meat will allow Australia to respond to growing global demand

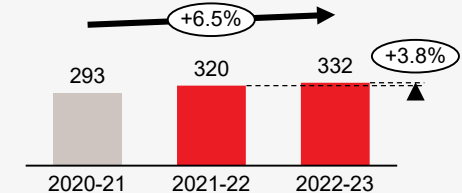


Wool

Eastern Market Indicator (c/kg)



Sheep shorn for wool production (kt)



- Strong economic growth in advanced economies to lift wool prices
- Value of the Australian wool clip to grow strongly as flock rebuilding continues
- Demand for fine and super-fine wool will lift the Eastern Market Indicator higher



Real Estate Services

Real Estate Services Overview

REAL ESTATE SERVICES



Farmland

Residential

Property Management

Franchise

Key metrics

\$1.6b farmland sales

\$1.5b residential sales

10.5k properties under management

Gross margin

\$50.7m

Working capital

\$4.1m

Key highlights

Partner of choice for high profile rural property transactions




- Continuing to maintain our position as a dominant player in regional residential, lifestyle and farmland real estate markets. We have created a strong attraction and retention proposition and leverage this to consistently expand our network and win market share
- Established as a trusted adviser in the investment scale / high value farmland market and have achieved a significant increase in high value property turnover. For example, in early 2021, Elders was appointed to sell a significant portfolio of northern beef production assets for Hancock Agriculture and successfully executed one of the largest Australian farmland divestments ever undertaken

Filling geographic gaps through acquisition and recruitment



- Continuing to strategically fill geographical gaps through targeted acquisitions and recruitment
- Acquiring platform businesses in strategic locations with quality earnings spread across agency and property management operations, and bolt on acquisitions to further enhance return on capital
- Agent numbers have increased +13% YOY as at April 2022 (excluding franchise)

Continuous business improvement



a Reapit product

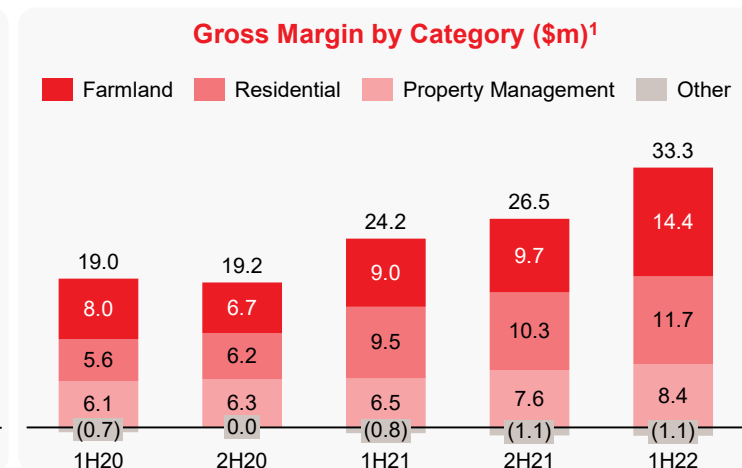
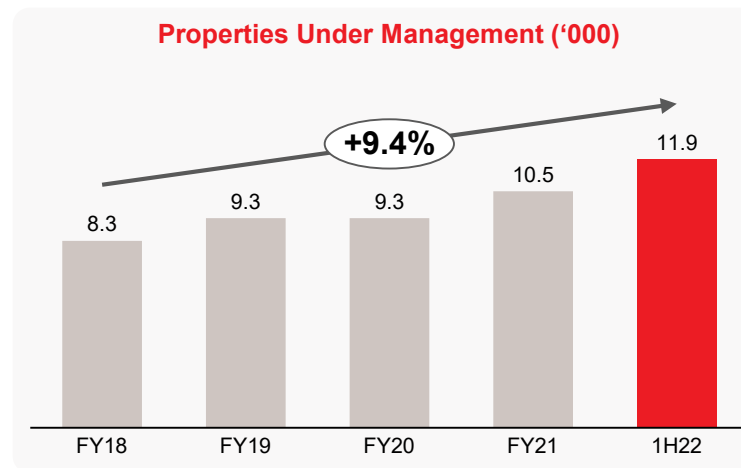
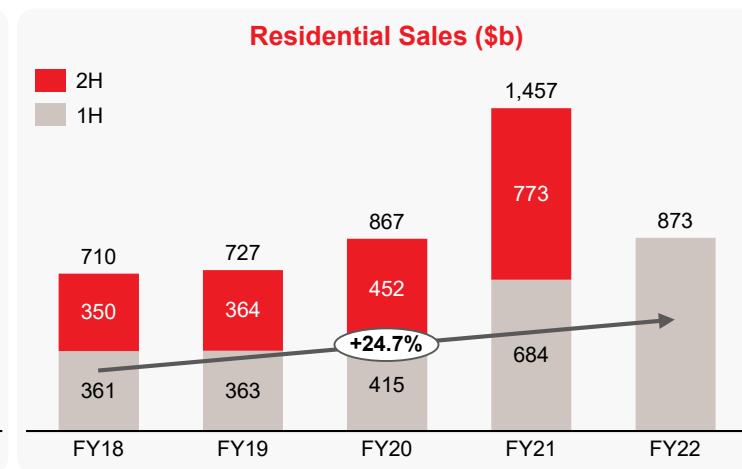
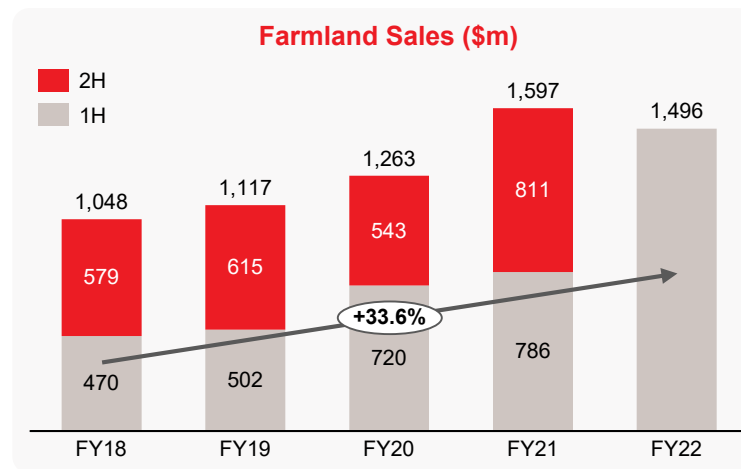


- Continuing to improve operations and enhance our attraction and retention proposition through investments in people development, brand presence and the adoption of technology
- In H1 2022, best of breed real estate agency (Agentbox) and property management (Console Cloud) operating systems were implemented across company owned and franchise businesses
- In H1 2022, 74 training sessions were conducted with 1,540 attendances



1H22 Performance

Strong demand for farmland and residential property



¹Other includes: franchise revenue, water broking activities, Elders Home Loans and other earnings and direct costs

Note: CAGR calculated on 1H performance

Outlook

Farmland



Strong demand for farmland real estate expected to continue due to the favourable seasonal conditions and favourable commodity prices for agriculture production in Australia



The collective balance sheet of Australian farmers is expected to remain strong due to land value appreciation and low debt levels, and low interest rates, supporting ongoing capacity to invest and expand



Continued significant investment appetite for farmland assets from corporate operators, sophisticated investors and fund managers

Residential



Whole of market listing levels remain at historical lows, however recent data indicates that listings levels are growing again

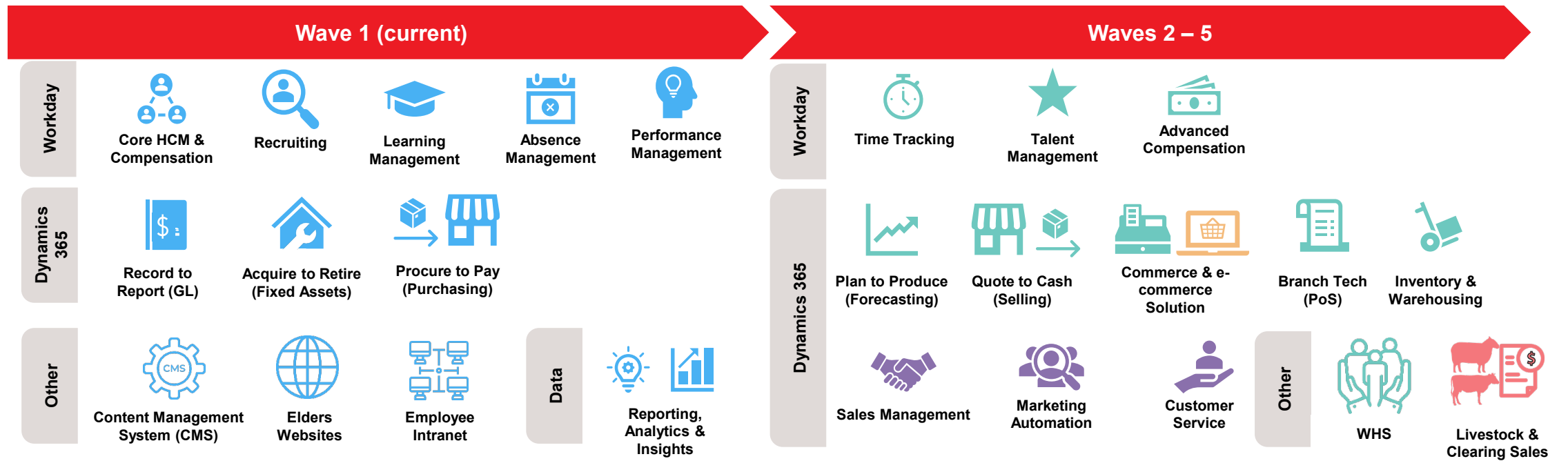


Increasing interest rates may dampen demand and price growth, however could also result in increasing stock levels and turnover



Systems Modernisation Transformation


Systems Modernisation Transformation



- On track & on budget
- 5 software platforms selected, 2 system integrators appointed
- Core ERP system & HR to form the majority of Wave 1

- Investment in branch technology, supply chain, livestock & e-commerce in subsequent waves

The System Modernisation Transformation is expected to deliver returns inline with corporate metrics



Closing Summary

Closing Summary



Strong financial performance in 1H22 expected to continue in 2H22, with full year EBIT guidance in the range of 30 to 40% above FY21 underlying EBIT and a target of 90% cash conversion



Supply chain challenges have been mitigated by holding higher inventory levels, but residual risk of margin squeeze due to pricing volatility of some products



Our brand is strong with high customer trust and net promoter score



Continued focus on improving safety and sustainability outcomes



Optimistic about growth in FY23 :

- strong bolt on acquisition pipeline
- capturing market share via expanding points of presence and serving our customers well via a highly engaged, enabled and diverse workforce
- expanding own brand product range to leverage success of backward integration strategy
- systems modernisation program will start to deliver benefits
- mid-term market and ag commodity outlook remains positive

