

15 December 2022

CEO's Address: 2022 Annual General Meeting

Good morning and thank you for joining us in person and online today for our 2022 annual general meeting.

I am pleased to be in a position to, once again, share with you that the business has performed remarkably well this year, making significant progress on its strategic ambitions.

In partnership with our customers, we have continued to contribute to a thriving agriculture sector.

I am proud that Elders has maintained its position as rural Australia's most trusted agribusiness by farmers, according to Roy Morgan brand trust research.

Elders is a trusted partner to Australian farming enterprises, delivering products, services, and advice to assist them to improve the productivity of their businesses.

We occupy this privileged position as a result of the passion and commitment of our industry-leading workforce which is there for our customers and communities in every season.

In the second year of our third Eight Point Plan, we had continued success with the achievement of outstanding financial results.

In FY22 our underlying earnings before interest and tax were \$232.1 million, an increase of 39%.

Steady growth across all our core product and geographic areas has contributed to this result, which is testament to our business improvement initiatives.

Elders' performance this year reflects the continued commitment to improvement and growth in accordance with our Eight Point Plan, coupled with excellent seasonal and market conditions.

We have made both product and geographically strategic acquisitions and continued to grow our business organically across the country.

Our ongoing rural products backward integration strategy and execution of supply chain efficiency initiatives has continued to deliver excellent margin growth.

We have not compromised our unflinching financial discipline in achieving this growth, with our commitment to cost and capital efficiency reflected in underlying return on capital (ROC) of 26.2% up from 22.5% in FY21 and outperforming our benchmark target of 15% set in the Eight Point Plan.

Safety remains fundamental to everything that we do at Elders. Elders reported six Lost Time Injuries in FY22. Any harm to our employees is unacceptable and we strive for a zero-harm workplace. At Elders we live by the mantra that 'nothing is so important that it cannot be done safely'.

Our commitment to safety has been backed by a \$3.3 million investment in network safety initiatives, including sufficient chemical storage controls, manual handling controls and upgraded racking. Elders is also trialling improved in-vehicle safety systems.

This year, with the assistance of our employee Wellbeing Committee, we reviewed our current risk controls around psychosocial hazards and trained selected staff in mental health first aid.

This initiative is particularly important during a time when extreme weather conditions are affecting rural and regional communities in parts of eastern Australia.

In line with our commitment to the health of rural communities, this year the Elders network allocated \$2.7 million to sponsorships and donations, directing much needed funds to local community groups, agriculture industry, innovation, and health and wellbeing initiatives.

We remain firmly on track with the five strategic priorities set out in our Eight Point Plan of winning market share, capturing more gross margin, strengthening and expanding our service offerings, optimising our feed and processing businesses, and further developing our sustainability program.

I am pleased to share that we have made significant inroads across all facets of our sustainability strategy.

Our dedication to managing our environmental impact deepened in 2022 with Elders joining the Australian Packaging Covenant Organisation and undertaking analysis of our waste management approach with the objective of developing a national waste management strategy.

We are also investing in the wool sector, as Mr Wilton mentioned, announcing the launch of Elders Wool Handling, which will significantly improve the wool supply chain and offer end to end service for clients, with greater efficiency and ease.

Our three enablers for the third Eight Point Plan include our systems modernisation program, developing the best people in a safe and inclusive environment, and maintaining our unflinching financial discipline.

Reinvestment in our people, business and industry, is an important part of ensuring that Elders continues to grow and thrive.

System modernisation is on track to change our ways of working to enable better customer experiences and achieve significant operational efficiencies.

Early in 2023, Elders will unveil a brand-new website, which will deliver a seamless and convenient experience, with the customer at the centre, and e-commerce capabilities in the future.

The Elders values of teamwork and innovation will be brought to the forefront with a transformed internal digital landscape through a new intranet that will significantly improve our communication and operations.

Our core business systems will be evolving, future proofing us and laying solid foundations to maintain growth and strong relationships with customers, community, and our own people.

Pleasingly, this year Elders achieved all-time high results in our employee effectiveness survey, well above the global high performing benchmark.

I am encouraged by these results and motivated to ensure that they are maintained and improved upon.

Elders has once again generated excellent results for you, our shareholders, in 2022, and deepened its position as most trusted partner to Australian farmers.

This is a credit to the leadership group in the business and I thank them for their commitment to our people. As Mr Wilton mentioned, you would all be aware that my planned retirement was announced at the time of Full Year Financial Results, signalling that FY23 would be my last year as CEO and the conclusion of almost 10 years at the helm of Elders.

As this is my last AGM speech as Managing Director and CEO of your company, I would like to say that it has been a privilege to lead this iconic Australian business and brand.

There is no business quite like Elders.

It holds a unique history and plays an important role in rural Australia, assisting Australian farmers to be some of the most productive in the world.

As I speak to you today, there is one year left of our current Eight Point Plan and the tremendous results we have achieved whilst executing it are demonstrating that we have the right infrastructure, people and resource prioritisation in place to deliver what we have set out to achieve, now and into the future.

Our FY22 results show that we are on-track, and our pipeline of projects gives assurance that our business will continue to grow and strengthen in the right ways.

It has been an honour to lead Elders to where it is today, thriving as a pureplay agribusiness, integral to rural communities, employing the next generation of agricultural professionals, and delivering value to its shareholders.

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