



Thursday 23 November 2023

## Elders Investor Day Presentation

Attached is an Elders Limited (**ASX:ELD**) presentation to be given today, 23 November 2023, to investors hosted by Elders Limited. The presentation will be given by members of Elders' management team.

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**Further Information:**

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

**Authorised by:**

Peter Hastings, Company Secretary, 0419 222 489



*for Australian agriculture*



# Elders Limited Investor Day Presentation

23 November 2023

# 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.





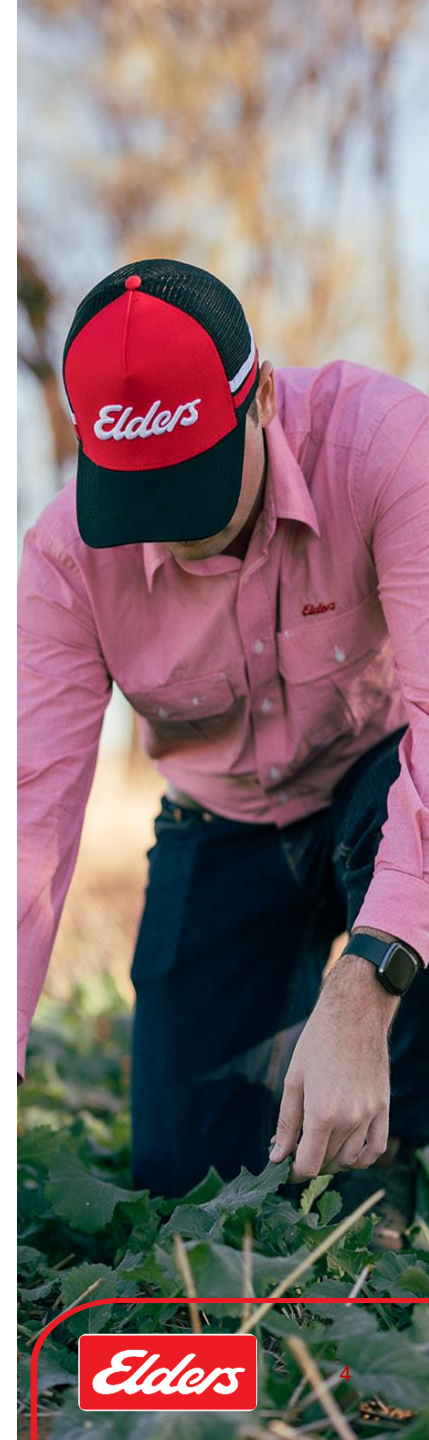
# Welcome and overview

Presented by  
**Mark Allison**  
**Managing Director and CEO**



# Agenda

| Session                                            | Presentation                  | Speaker                 | Start    |
|----------------------------------------------------|-------------------------------|-------------------------|----------|
| <b>Session 01</b><br>Welcome, results and strategy | Welcome and Overview          | Mark Allison            | 9:00 AM  |
|                                                    | FY23 Results                  | Paul Rossiter           | 9:15 AM  |
|                                                    | Strategy                      | Anna Bennett            | 10:00 AM |
|                                                    | Morning Tea                   |                         | 10:30 AM |
| <b>Session 02</b><br>Transformation and expansion  | Systems Modernisation         | Viv Da Ros              | 11:00 AM |
|                                                    | Streamline                    | Oliver Gaillard         | 11:30 AM |
|                                                    | Business Development          | Kiim Lim                | 12:00 PM |
|                                                    | Lunch                         |                         | 12:30 PM |
| <b>Session 03</b><br>Network and segments          | Elders Network                | Tom Russo               | 1:30 PM  |
|                                                    | Wholesale Products            | Pete Lourey             | 2:00 PM  |
|                                                    | Rural Products                | Nick Fazekas            | 2:30 PM  |
|                                                    | Afternoon tea                 |                         | 3:00 PM  |
| <b>Session 04</b><br>Product and service areas     | Agency Services & Elders Wool | Dave Adamson            | 3:30 PM  |
|                                                    | Real Estate Services          | Tom Russo & Mark Barber | 4:15 PM  |
|                                                    | Financial Services            | Nick Clark              | 4:55 PM  |
|                                                    | Feed & Processing Services    | Andrew Talbot           | 5:20 PM  |
|                                                    | Closing Remarks and Q&A       | Mark Allison            | 5:45 PM  |



# FY23 Operational Highlights



**3**

lost time injuries



**10.1**

total recordable injuries  
frequency rate



**48**

net promoter score

**#1**  
most trusted  
agribusiness brand  
amongst farmers  
**fourth** year in a row



**43%**

women in the workforce



**20%**

women in senior positions



**77%**

employee engagement



**21**

additional points of presence

# Financial Highlights

Resilient financial result despite market volatility



**\$170.8m**

**Underlying EBIT**

**-26% YOY**  
second highest EBIT  
in the last 10 years



**16.0%**

**Return on Capital**

R12 EBIT / R12 avg net operating  
assets

**from 26.2%**  
exceeding target benchmark  
of 15% per Eight Point Plan



**163%**

**Cash Conversion**

YTD Operating cash flow / YTD  
U'NPAT

**from 75%**  
exceeding 90% in line with our  
capital management framework



**1.4x**

**Leverage Ratio**

Balance date net debt / R12  
EBITDA

**from 0.7x**  
within our target range per our  
capital management framework



# Eight Point Plan Evolution

Three generations of the 8PP strategy since FY14, delivering compelling shareholder value proposition

## FY15 to FY17



### Financial metrics<sup>1</sup>:

EBIT +37.5%

EPS +735.2%

ROC 25.7%

### Supported by:

20% Insurance acquisition

Ace Ohlsson acquisition

Clear Grain Exchange (CGX) 20% acquisition

## FY18 to FY20



### Financial metrics<sup>1</sup>:

EBIT +22.8%

EPS +12.8%

ROC 20.9%

### Supported by:

Backward integration strategy via Titan

AG and AIRR acquisitions

LIT Delivery Warranty

Additional 10% CGX

New Rural Bank distribution agreement

## FY21 to FY23



### Financial metrics<sup>1</sup>:

EBIT +17%

EPS +13.6%

ROC 21.6%

### Supported by:

Rural Products supply chain extension

YP Ag acquisition

Sunfam acquisition

Emms Mooney acquisition

1. Financial metrics: EBIT and EPS reflects the average growth and ROC is the average over the Eight Point Plan periods

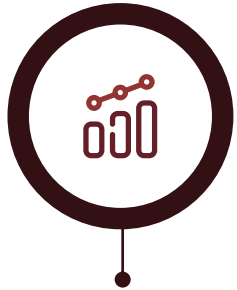


# FY23 results

Presented by  
**Paul Rossiter**  
**CFO**

# Key Investment Drivers

Australia's most trusted agribusiness brand amongst farmers four years in a row

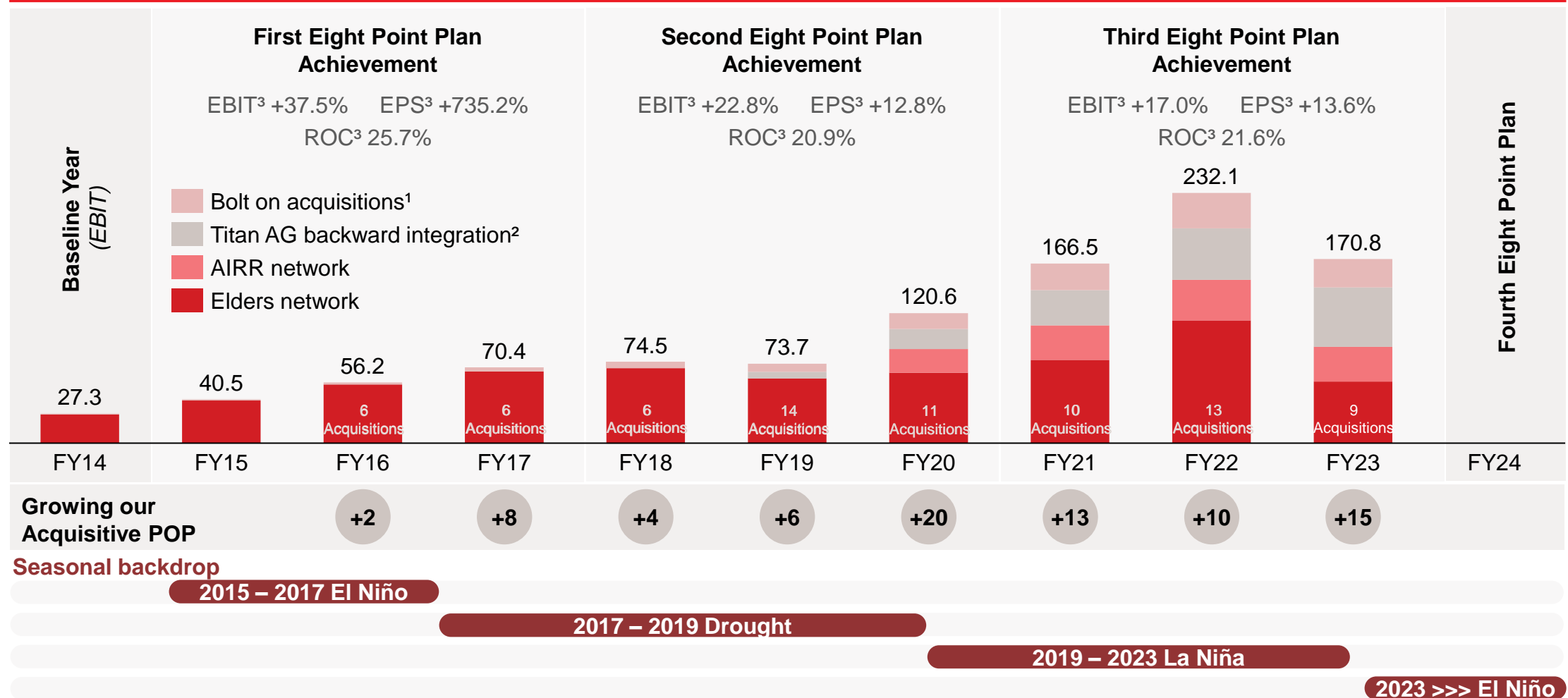


| EPS Growth                                                                                                                                                                                                                                          | Geographic, product and channel diversification                                                                                                                            | Attractive market and company outlook                                                                                                                                                                 | Transformational initiatives benefits                                                                                                                                                                                          | Significant pipeline of new opportunities                                                                                                                                         | Robust balance sheet supporting growth                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▪ Compelling value proposition for shareholders through the cycles</li> <li>▪ 57% EPS CAGR over the three Eight Point Plans</li> <li>▪ ROC greater than 15% and dividend payout of between 40-60%</li> </ul> | <ul style="list-style-type: none"> <li>▪ Multi-faceted agribusiness</li> <li>▪ Diversified product offerings and location</li> <li>▪ Supply chain consolidation</li> </ul> | <ul style="list-style-type: none"> <li>▪ \$63b total farm inputs market (5.8% Elders market share)</li> <li>▪ Operational efficiencies</li> <li>▪ Continued organic and acquisitive growth</li> </ul> | <ul style="list-style-type: none"> <li>▪ Cost and capital efficiencies</li> <li>▪ Systems Modernisation benefits expected from FY25</li> <li>▪ Rural Products supply chain optimisation benefits expected from FY24</li> </ul> | <ul style="list-style-type: none"> <li>▪ Points of presence growth</li> <li>▪ Bolt on acquisition synergies</li> <li>▪ Accelerated member growth for wholesale network</li> </ul> | <ul style="list-style-type: none"> <li>▪ Resilient balance sheet</li> <li>▪ Leverage headroom available to fund future growth</li> <li>▪ Shareholder returns focus</li> </ul> |



# Earnings Growth and Resilience

Second highest EBIT result in the last 10 years notwithstanding volatility across several key markets

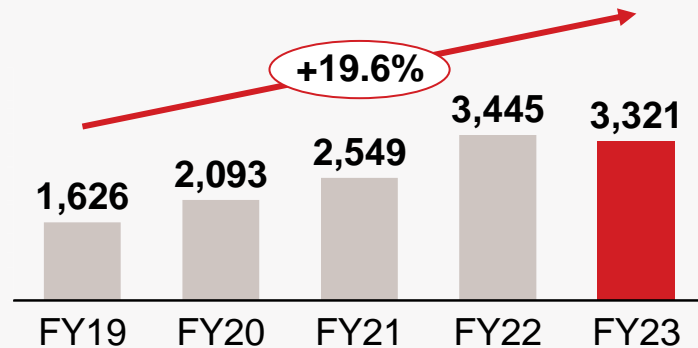


1. Bolt on acquisitions do not include acquisition growth from investments with no points of presence (e.g. Livestock in Transit ("LiT") Delivery Warranty, StockCo, Elders Insurance, etc.)
2. Growth in the underlying business is understated to the extent that the percentage of sales of own brand products has increased. The uplift in earnings from increased maturity in this strategy, for example, is applied to Titan AG despite being influenced and driven by the underlying business
3. Average EBIT and EPS growth and average ROC over the Eight Point Plan period

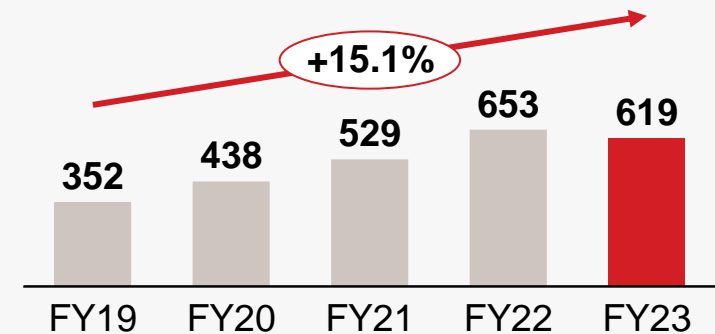
# Five Year Financial Performance

Strong track record of delivering 5-10% EBIT and EPS growth through the cycles

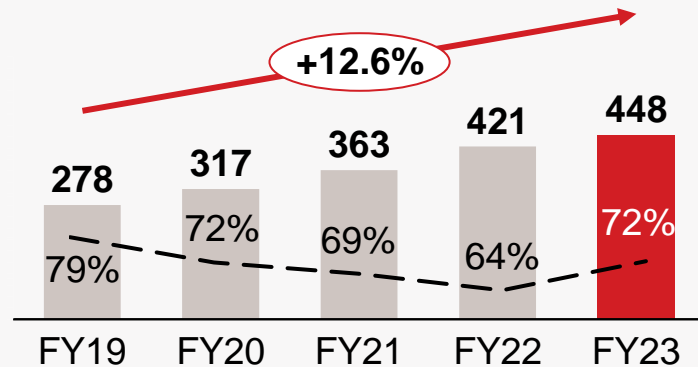
Sales Revenue (\$m)



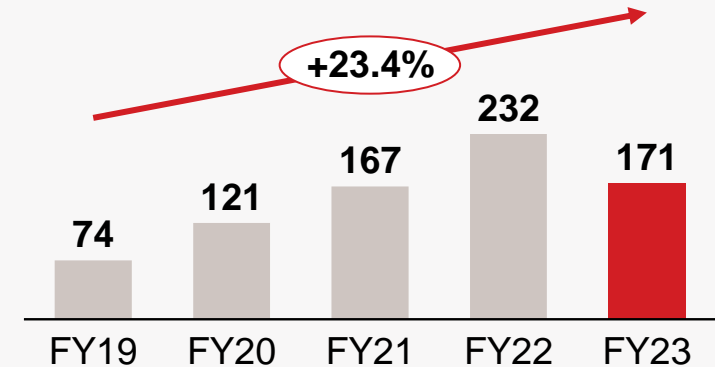
Gross Margin (\$m)



Costs (\$m) vs Cost to Earn (%)



Underlying EBIT (\$m)



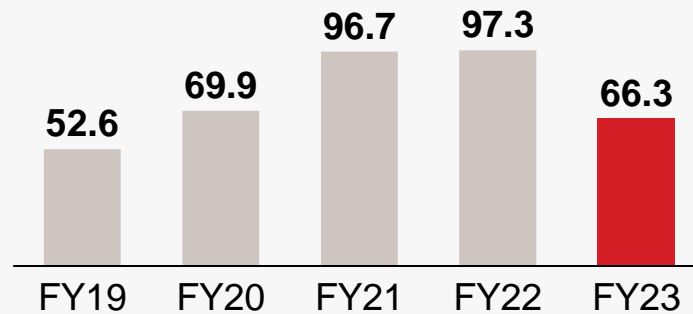
CAGR calculated on full year performance



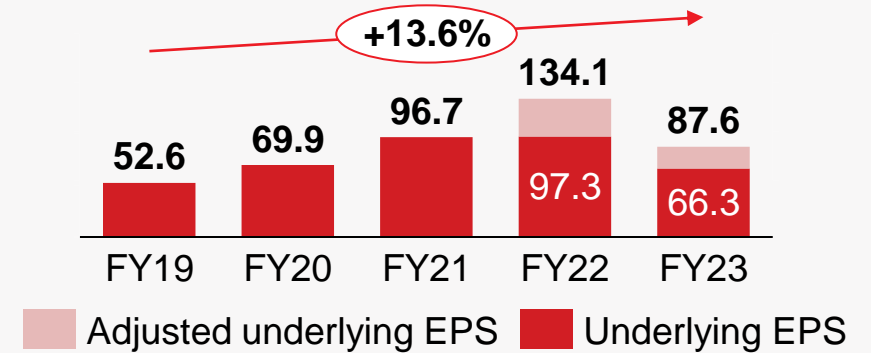
# Five Year Shareholder Returns

## Compelling shareholder value proposition over time

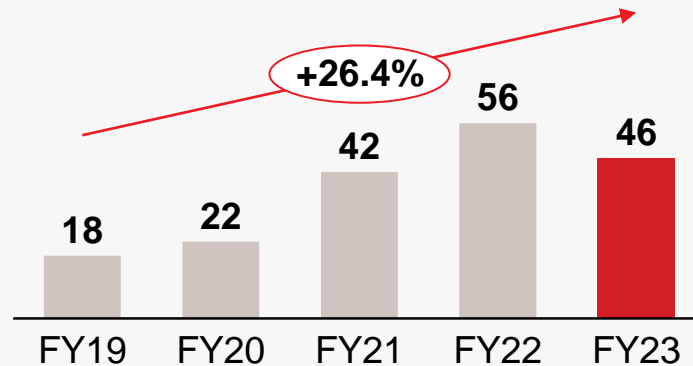
Underlying Earnings per Share (cents)



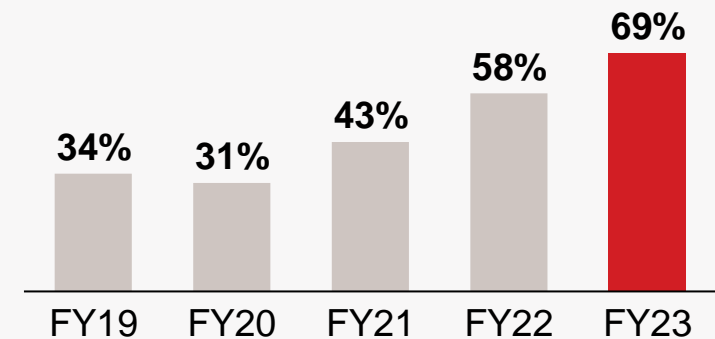
Adjusted Underlying Earnings per Share (cents)<sup>1</sup>



Dividends per Share (cents)<sup>2</sup>



Dividend Payout Ratio (%)



CAGR calculated on full year performance

1. Adjusted for underlying tax expense recognised from 1 October 2021

2. FY19 and FY20 dividends were fully franked, FY21 was partially franked at 20%, FY22 and FY23 dividends were partially franked at 30%



# FY23 Financial Summary

Resilient performance despite volatility across multiple markets

| Key metrics (\$m)                       | FY23    | FY22    |   | Var     | Var % |
|-----------------------------------------|---------|---------|---|---------|-------|
| Sales revenue                           | 3,321.4 | 3,445.3 | ↓ | (123.9) | (4%)  |
| Gross margin                            | 619.0   | 652.7   | ↓ | (33.7)  | (5%)  |
| Gross margin %                          | 18.6%   | 18.9%   | ↓ | (0.3%)  | n/a   |
| Costs                                   | 448.2   | 420.6   | ↑ | 27.6    | 7%    |
| Underlying EBIT                         | 170.8   | 232.1   | ↓ | (61.3)  | (26%) |
| Underlying net profit after tax         | 103.7   | 152.2   | ↓ | (48.5)  | (32%) |
| Return on capital (%) <sup>1</sup>      | 16.0%   | 26.2%   | ↓ | (10.2%) | n/a   |
| Net debt (excl. AASB 16)                | 259.7   | 161.4   | ↑ | 98.3    | 61%   |
| Leverage ratio (times) <sup>2</sup>     | 1.4     | 0.7     | ↑ | 0.7     | 100%  |
| Operating cash flow                     | 169.2   | 113.7   | ↑ | 55.5    | (49%) |
| Cash Conversion (%)                     | 163.1%  | 74.7%   | ↑ | 88%     | n/a   |
| Underlying earnings per share (cents)   | 66.3    | 97.3    | ↓ | (31.0)  | (32%) |
| Dividend per share (cents) <sup>3</sup> | 46.0    | 56.0    | ↓ | (10.0)  | (18%) |

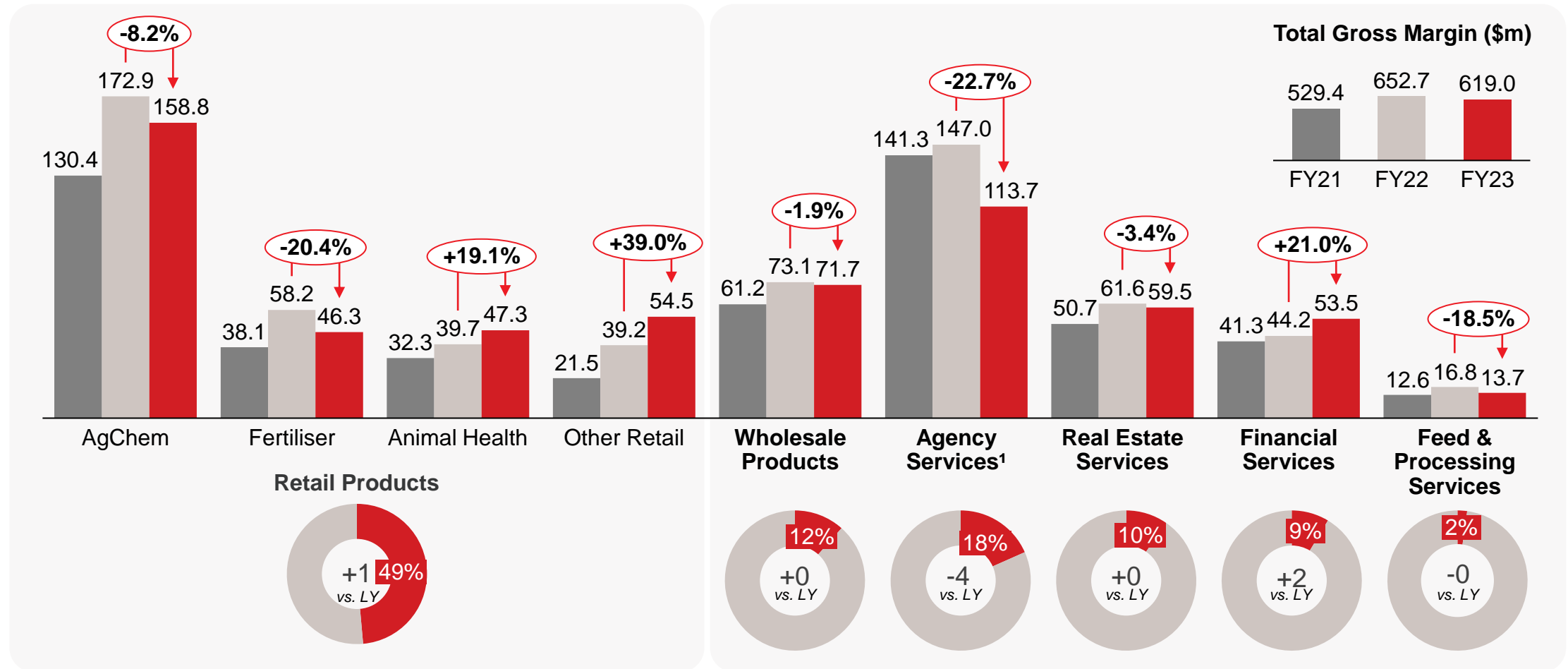
1. Return on capital = Rolling 12 months Underlying EBIT / (working capital + investments + property, plant and equipment + right of use assets + intangibles (excluding Elders brand name) – DTL on acquisitions – lease liabilities – provisions)

2. Target leverage of 1.5 - 2.0 times excludes AASB 16

3. Franked at 30%

# Gross Margin Diversification

Continued focus on product diversification through organic and acquisition growth



1. Agency split: Sheep – 37%; Cattle – 48%; Wool and Grain – 15%  
Pie charts represent percentage of total FY23 gross margin

# Industry Backdrop – Livestock

Historically high volatility in cattle and sheep prices has adversely impacted Agency Services gross margin

EYCI (\$/Head)



- FY23 experienced the fastest revision in EYCI prices this century (-64%), with the index trading one standard deviation below the 10-year mean
- The price revision was driven by:
  - Disruptions to the live export market, following a small number of cases of Lumpy Skin Disease in Indonesia
  - Increased supply with herd destocking following BOM of El Niño and potential drier outlook for parts of Australia
- US Import prices and demand for Australian lean beef remains strong, driven by the long-running American herd destocking

Mutton (\$/Head)



- Mutton prices have fallen 77% since September 2022, and is trading at two standard deviations below the 10-year mean
- Prices were impacted by high stock turn-off following herd build over the last three years and weaker global demand

— 10-Yr Mean    - - - 1 Std Dev    - - - 2 Std Dev

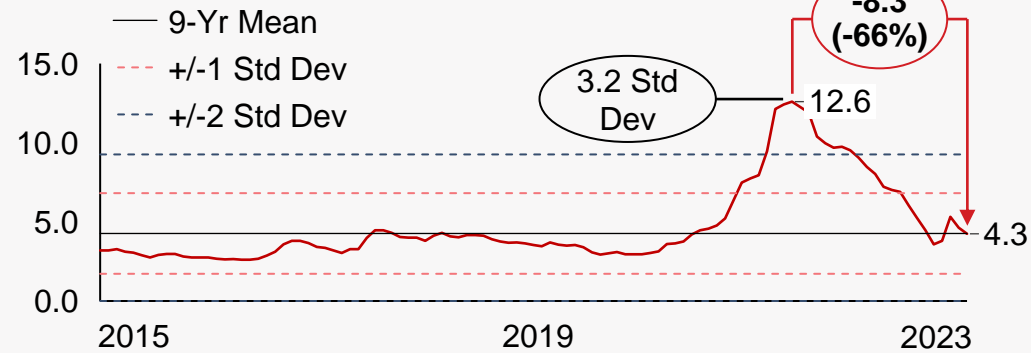
1. EYCI – Eastern States Young Cattle Indicator  
Source: Reproduced courtesy of Meat and Livestock Australia Limited - [www.mla.com.au](http://www.mla.com.au)



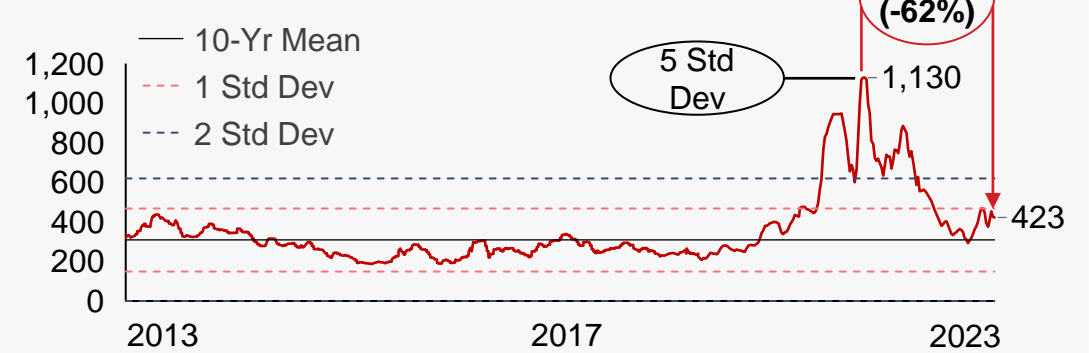
# Industry Backdrop – Rural Products

Sales volume growth has partially offset the impact from significant market volatility

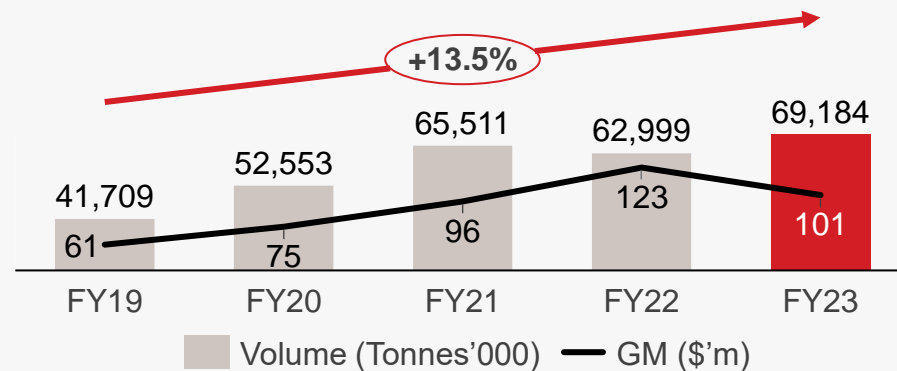
**Glyphosate 95% (\$/kg)**



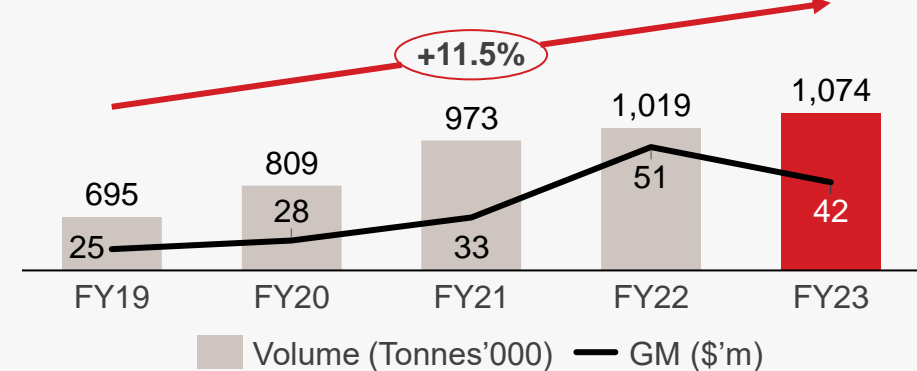
**UREA Index (\$/tonnes)<sup>2</sup>**



**Elders Cropping Inputs 5 Year Trend<sup>1</sup>**



**Elders Fertiliser 5 Year Trend**



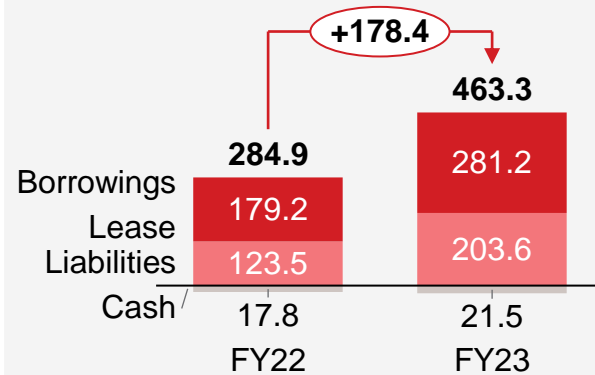
1. Excludes the benefits of our backward integration

2. Source: Reproduced courtesy of Refinitive

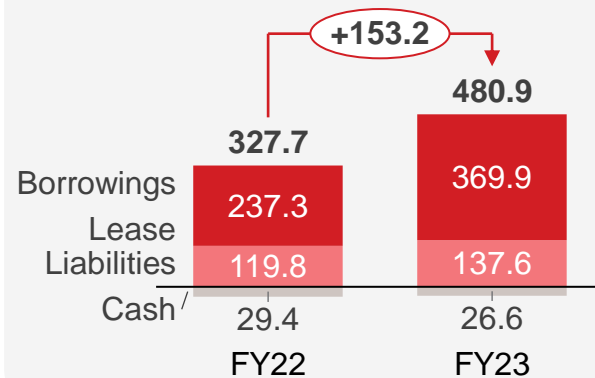
# Net Debt and Financial Ratios

Strong balance sheet provides flexibility for future growth

Net debt, balance date (\$m)

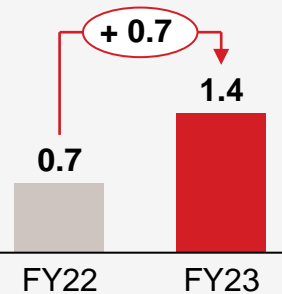


Net debt, average (\$m)

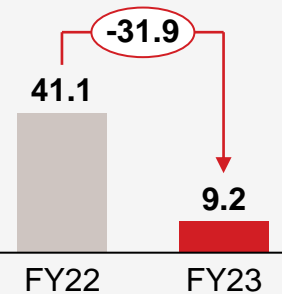


Excluding AASB 16

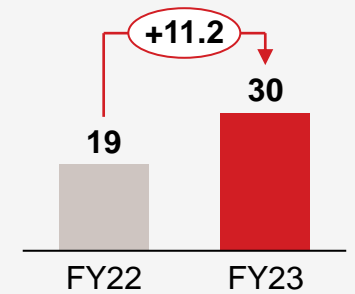
Leverage ratio  
Balance date net debt / EBITDA



Interest cover  
EBITDA / net interest

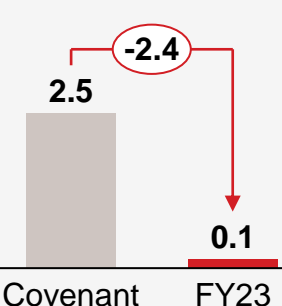


Gearing ratio  
Balance date net debt / closing equity

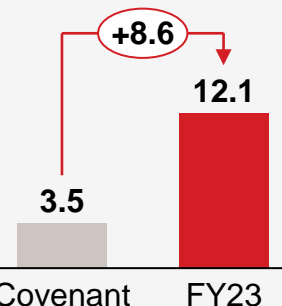


Banking covenants<sup>1,2</sup>

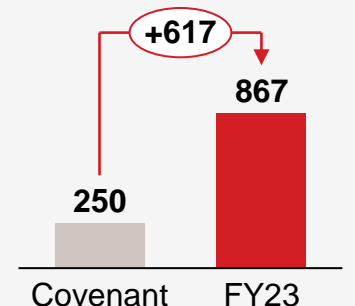
Leverage ratio  
<2.5 times



Interest cover  
>3.5 times



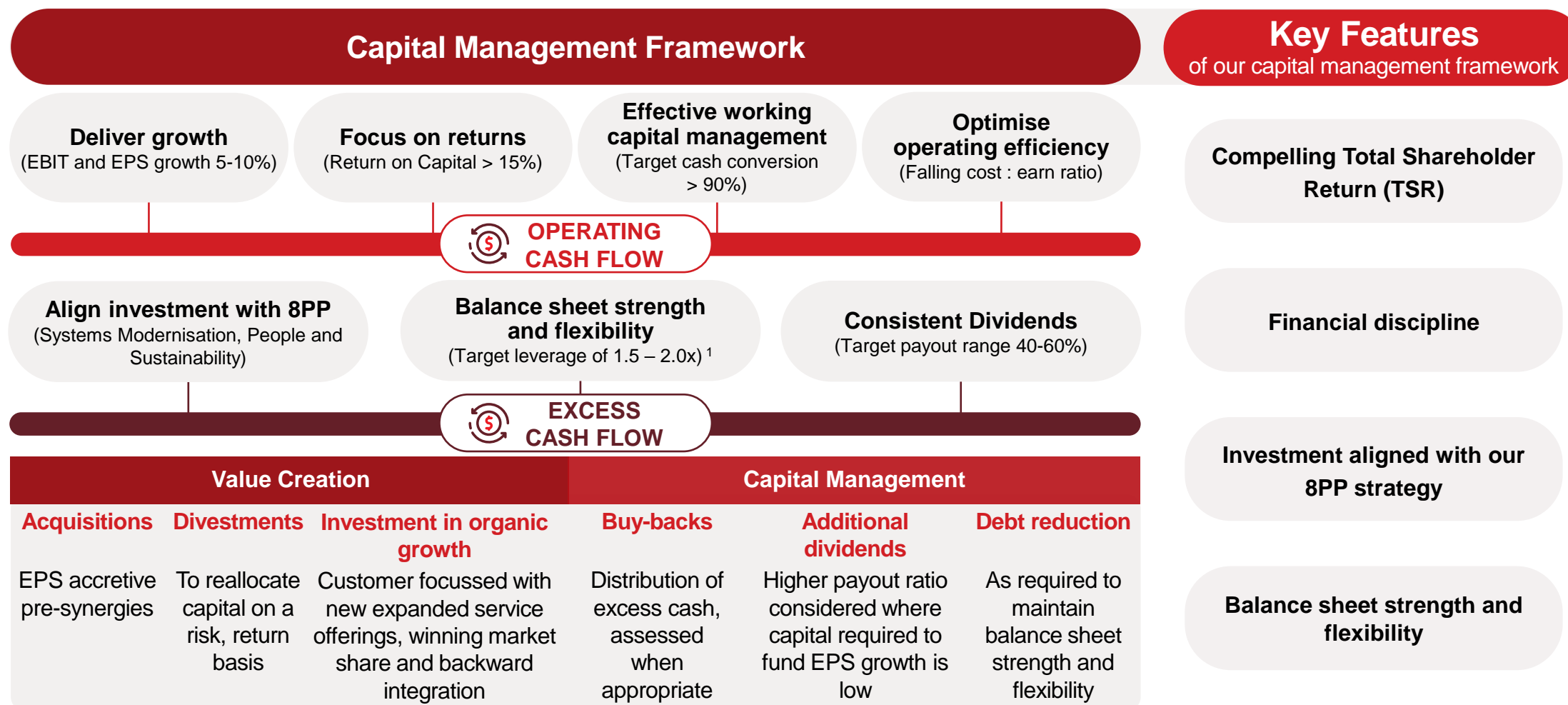
Net worth  
>\$250 million



1. Calculated pursuant to definitions in group syndicated facilities which are subject to change over time. The current covenant calculations exclude all accounting adjustments required by AASB 16 Leases and the leverage covenant excludes the debtor securitisation balance from net debt
2. Undrawn facilities at 30 September were \$314.2 million out of total available facilities of \$600 million and significant headroom in our banking covenants

# Elders Capital Management Framework

Elders 8PP aspires to deliver TSR in the top quartile of ASX200 companies at investment grade risk



1. Excluding AASB 16 Leases



# Strategy

Presented by  
**Anna Bennett**

**EGM Strategy, Sustainability and Innovation**





# FY24-26 EIGHT POINT PLAN

## OUR AMBITION

### Compelling shareholder returns

5-10% EBIT and EPS growth through the cycles at minimum 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  
SERVICES



FINANCIAL  
SERVICES



TECHNICAL  
SERVICES



FEED AND  
PROCESSING

## OUR STRATEGIC PRIORITIES

### RUN

Optimise the existing business by:

- 1 **Deepening customer relationships** to drive loyalty and growth
- 2 **Investing in our people** to ensure we have the right people in the right places who are set up for success
- 3 Maintaining unflinching **financial discipline** and commitment to cost and capital efficiency

### TRANSFORM

Future-proof our business by:

- 4 **Streamlining our supply chain** to fully optimise all parts of our integrated value chain
- 5 **Modernising our systems** with leading technology solutions to enhance customer experience, drive efficiencies and support growth

### INNOVATE & GROW

Expand and innovate our portfolio by:

- 6 **Growing our portfolio** of products, services, geographic footprint and channels
- 7 **Enhancing margins** through value chain expansion and integration
- 8 **Innovating to create sustainable solutions** for our customers and communities

## OUR VALUES



CUSTOMER FOCUSED



INNOVATION



TEAM WORK



INTEGRITY



ACCOUNTABILITY



# Sustainability Performance

## Progress against targets and empowering farmers

### CLIMATE TARGETS<sup>1</sup>

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

| TARGET                                                                                                                                    | FY23                                                                               | FY22                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------|
| <b>100%</b> renewable electricity in all Australian sites by 2025                                                                         | Target achieved through on-site solar generation and purchase of LGCs <sup>2</sup> |                                                                  |
| <b>50% reduction in Scope 1 and 2 emissions intensity</b> (tCO <sub>2</sub> e/\$m revenue) by 2030 against a 2021 baseline <sup>3,4</sup> | 17.9<br><i>(25% reduction against baseline year<sup>3</sup>)</i>                   | 18.8<br><i>(21% reduction against baseline year<sup>3</sup>)</i> |
| <b>Net zero</b> Scope 1 and 2 emissions by 2050 <sup>5</sup> (tCO <sub>2</sub> e)                                                         | 59,551                                                                             | 64,772                                                           |



1. Scope 1: direct emissions from owned or controlled sources. Scope 2: indirect emissions from the generation of purchased electricity
2. Large-scale Generation Certificates
3. 2021 Baseline year tCO<sub>2</sub>e/\$m was 23.86
4. Subject to commercially viable technology being available to address feedlot cattle emissions
5. Targets based on Elders' financial year ending 30 September

### OUR FY23 PROGRESS

- ✓ Launched the Elders Sustainability Framework
- ✓ Established Thomas Elder Sustainable Agriculture
- ✓ Joined the Big Bag Recovery program
- ✓ Solar and LED lighting site upgrades to reduce emissions
- ✓ Solar farm development at Killara Feedlot

# Our Sustainability principles & priorities

## Creating sustainable solutions for our customers and communities



### OUR PRINCIPLES



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



**We support our people and 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**

### OUR PRIORITIES

#### 1 HEALTH AND SAFETY

Prioritise the safety and wellbeing of our people

#### 2 SUSTAINABLE FARMING

Enable customers to achieve sustainability and productivity goals amid diverse and demanding conditions, leveraging innovation and technology

#### 3 EMPLOYEE ATTRACTION AND RETENTION

Invest in our people and cultivate diversity, inclusion and growth for collective empowerment and success

#### 4 CLIMATE CHANGE

Reduce our carbon footprint and support our customers in climate adaptation and resilience

#### 5 ANIMAL WELFARE

Safeguard the wellbeing of animals in our care and collaborate with our industry to promote livestock welfare and responsible stewardship

#### 6 CORPORATE GOVERNANCE

Secure our standing as the most trusted agribusiness brand by upholding ethical operations

#### 7 COMMUNITY IMPACT AND INVESTMENT

Support rural and regional Australia to positively impact our communities

#### 8 WASTE MANAGEMENT

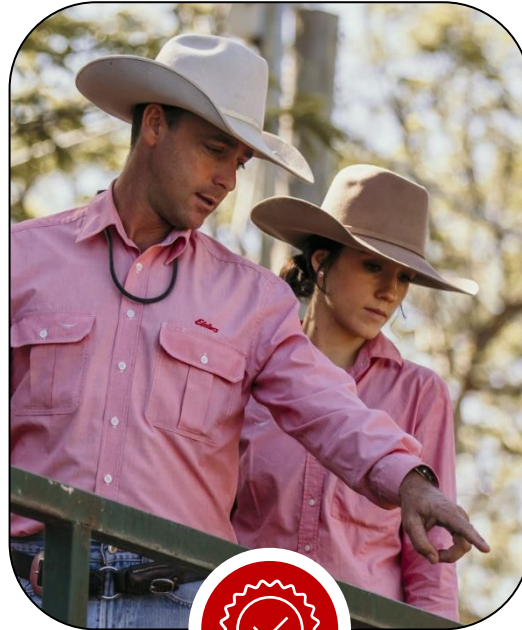
Collaborate with industry to minimise waste for positive environmental outcomes

# Innovation – Thomas Elder Sustainable Agriculture

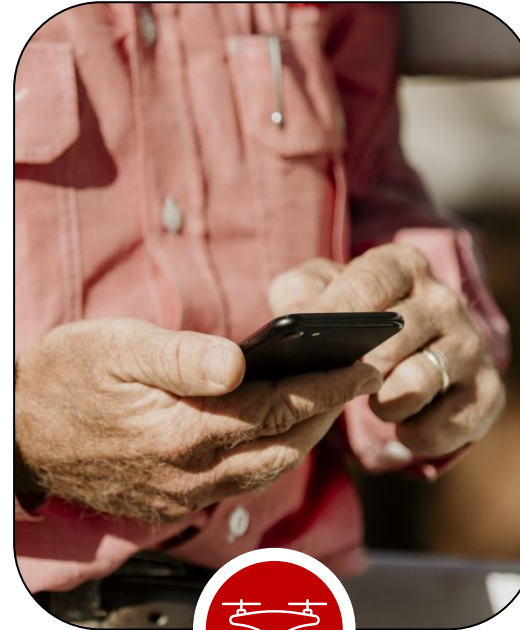
Helping drive the ongoing evolution of farming in Australia



Partnering with leading research agencies, creating knowledge and technologies for Elders and clients



Providing a leading source of trusted advice, supporting on-farm practice change through extension services



Enabling new AgTech solutions for farming clients



Supporting farmers on their sustainability journey through carbon farming services



A person wearing a red hard hat and a high-visibility vest is shown from the chest up. They are holding a black smartphone in their right hand and a red notebook with a pen in their left hand. The background is a blurred outdoor scene with trees and a fence. A semi-transparent white box with a red border is overlaid on the right side of the image, containing the title and presenter information.

# Systems Modernisation

Presented by  
**Viv Da Ros**  
Chief Information Officer

# AS400

Core system used in Elders today...

1959

IBM released RPG code (used on AS400)

1990

AS400 deployed in Elders

2012

SAP deployed in Elders

14.5M

Lines of code in AS400

7+

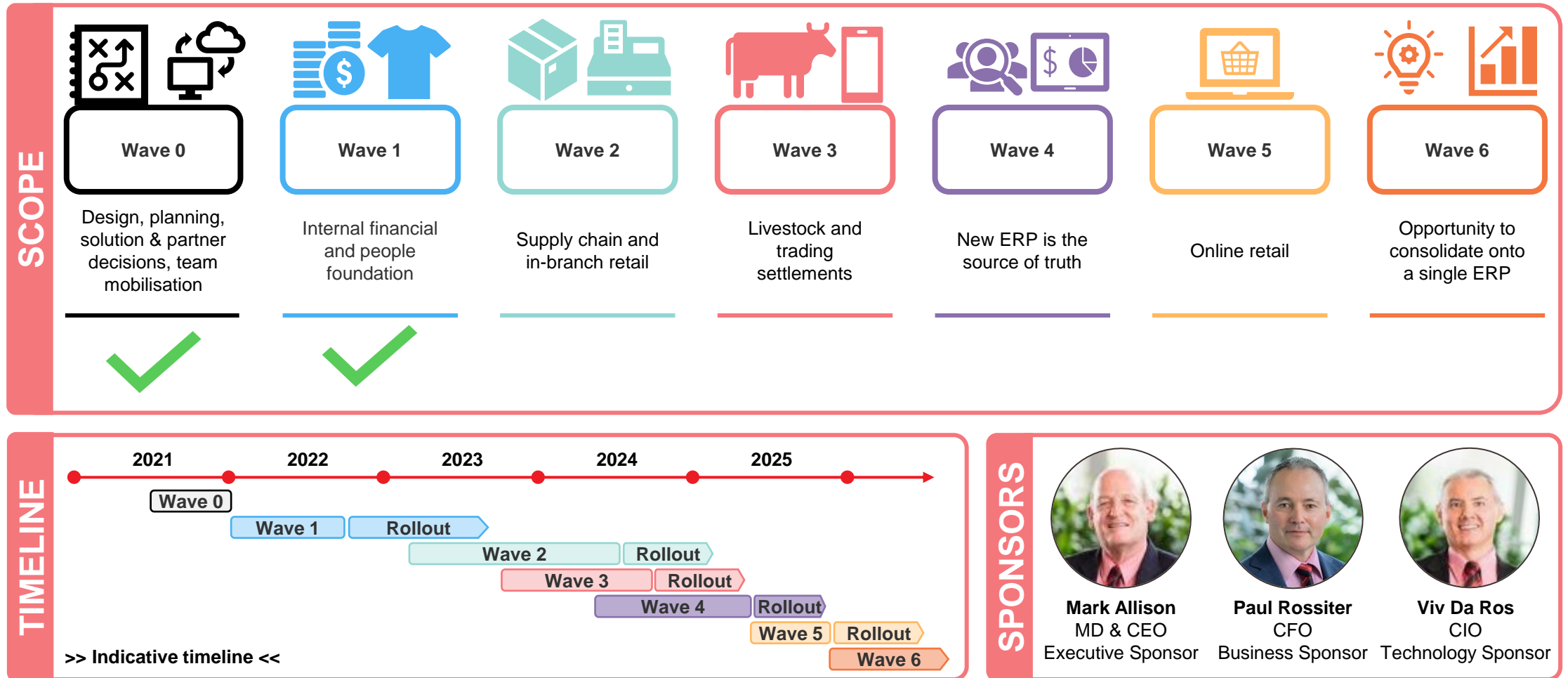
Additional ERPs deployed across the business (light touch acquisitions)





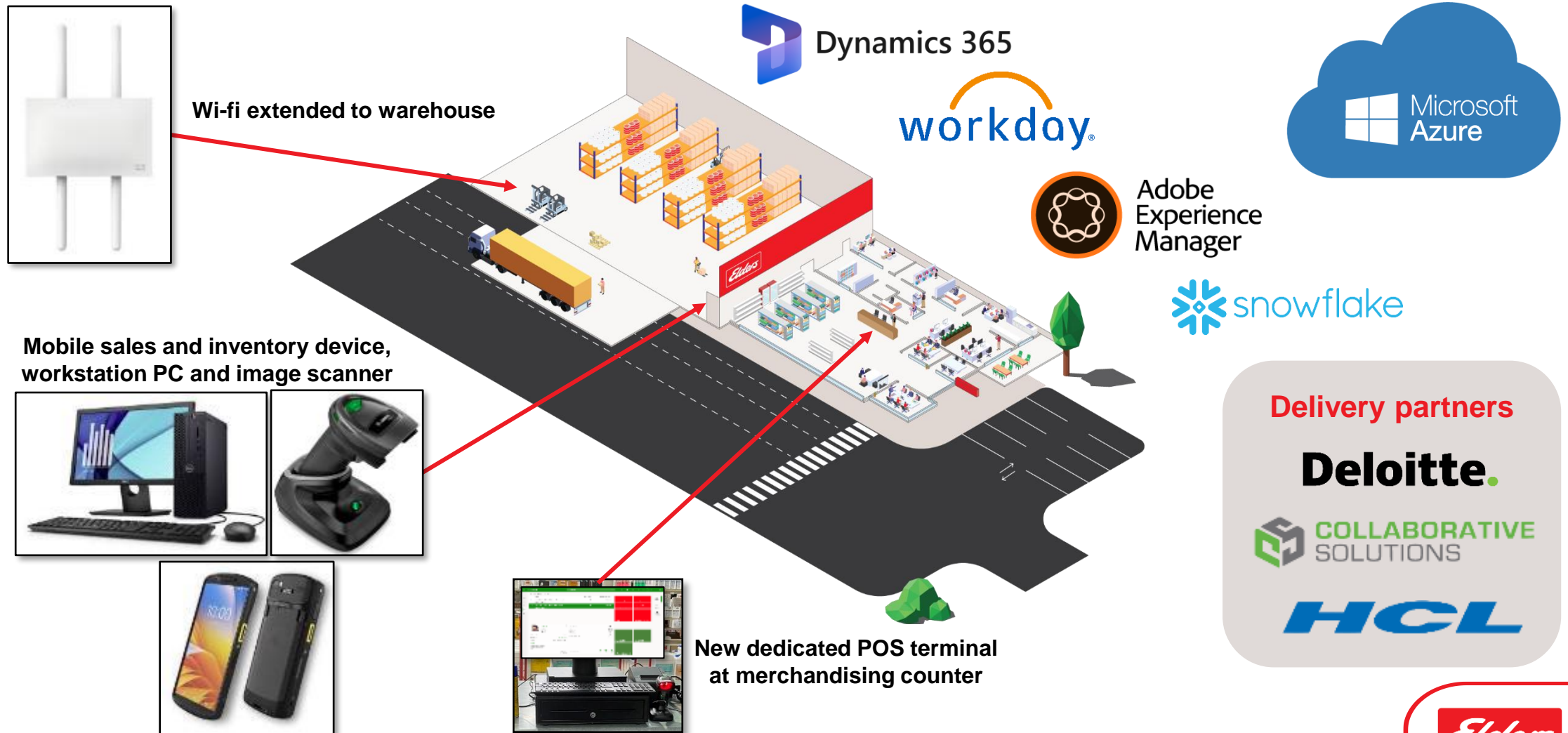
# How will we do it?

## The who, when and what of SysMod



# What will it look like?

## Elders branch of the future



# Costs and benefits

## What value does SysMod bring?

### Wave 1 (Completed)

|                       | FY22<br>\$m | FY23<br>\$m |
|-----------------------|-------------|-------------|
| CAPEX                 | 4.4         | 8.0         |
| OPEX - underlying     | 4.4         | 4.0         |
| OPEX - non underlying | 0.7         | 5.4         |
| <b>Total</b>          | <b>9.5</b>  | <b>17.4</b> |

### Wave 2 (Ongoing)

|                       | FY23<br>\$m | Budget<br>\$m  |
|-----------------------|-------------|----------------|
| CAPEX                 | 2.3         | 24 - 27        |
| OPEX – underlying     | 2.0         | -              |
| OPEX - non underlying | -           | 16 – 18        |
| <b>Total</b>          | <b>4.3</b>  | <b>40 – 45</b> |

>15% ROC from FY24<sup>1</sup>

1. Systems Modernisation expected to deliver a ROC greater than 15% incrementally from FY24 onwards

A background image of a warehouse or industrial setting. In the foreground, there are large white bags of material, some with yellow labels, stacked on a wooden pallet. In the background, a red and black Toyota forklift is being operated by a man wearing a cap and safety glasses. The forklift has 'TOYOTA' and '30' visible on its side. The scene is outdoors with a white building and trees in the distance.

# Streamline

Presented by  
**Oliver Gaillard**  
**Business Improvement Manager**



# Streamline Snapshot

## Our Rural Products supply chain optimisation program



### OVERVIEW AND BENEFITS

- Multi-year program to deliver group-wide supply chain planning processes, systems and capability
- Supports front-end expansion, backwards integration, and channel diversification
- Drives financial and operational excellence



### KEY MILESTONES TO DATE

- Appointed key leaders
- Embedded 'fit for purpose' S&OP process
- Rolled-out Crop Protection storage & distribution model in WA
- Rolled-out supply chain excellence KPIs



### OUR PRIORITIES

- 'Branch magic' preservation balanced with delivering supply chain efficiencies
- Alignment with SysMod
- Business engagement and education



# Integrated operating model aligned to S&OP

Our operating model will support optimisation, backward integration and further growth

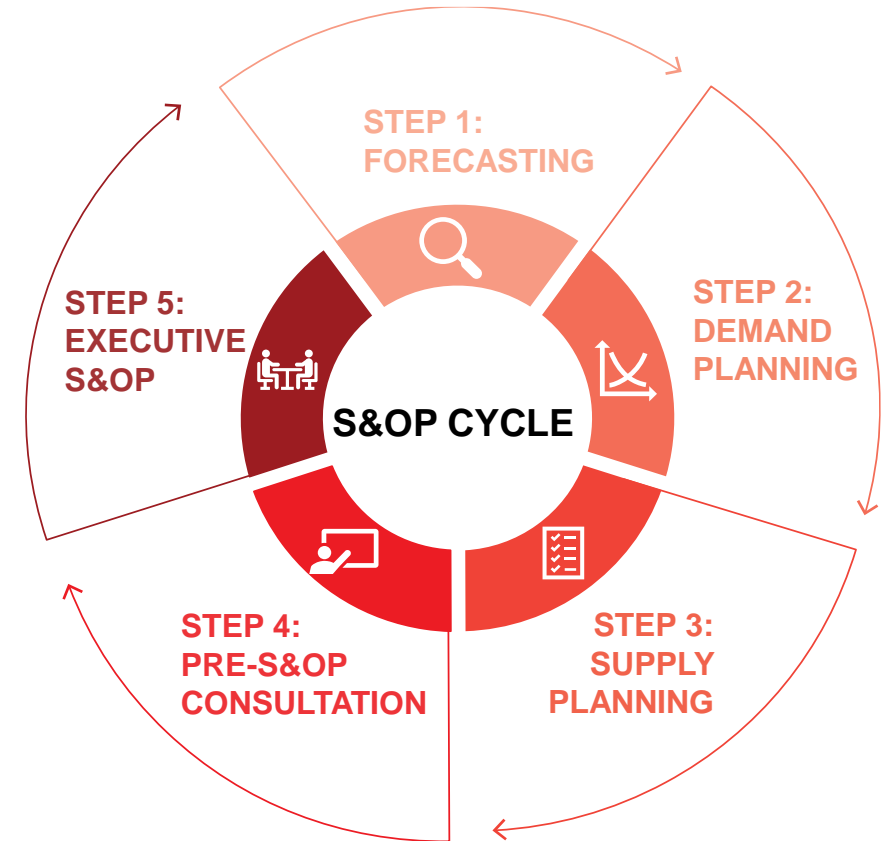


**Nick Fazekas**  
EGM Rural Products  
*Overarching supply chain governance*



**Tom Russo**  
EGM Network  
*Overarching retail governance*

|                                             |                                                                                                                          |                                                                                         |                                                                                             |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| <b>Supply Chain Planning</b>                | <ul style="list-style-type: none"> <li>S&amp;OP process management</li> <li>Forecasting</li> </ul>                       | <b>Network Operations (Retail)</b>                                                      | <ul style="list-style-type: none"> <li>Demand planning</li> </ul>                           |
| <b>Central Procurement &amp; Retail Ops</b> | <ul style="list-style-type: none"> <li>Supply planning</li> <li>Product development</li> <li>Order fulfilment</li> </ul> | <p><b>Pete Lourey</b><br/>EGM Wholesale<br/><i>Overarching wholesale governance</i></p> |                                                                                             |
| <b>Product Supply</b>                       |                                                                                                                          |                                                                                         |                                                                                             |
| <b>Formulation</b>                          |                                                                                                                          |                                                                                         |                                                                                             |
|                                             |                                                                                                                          | <b>Wholesale</b>                                                                        | <ul style="list-style-type: none"> <li>Supply planning</li> <li>Order fulfilment</li> </ul> |



## Objective

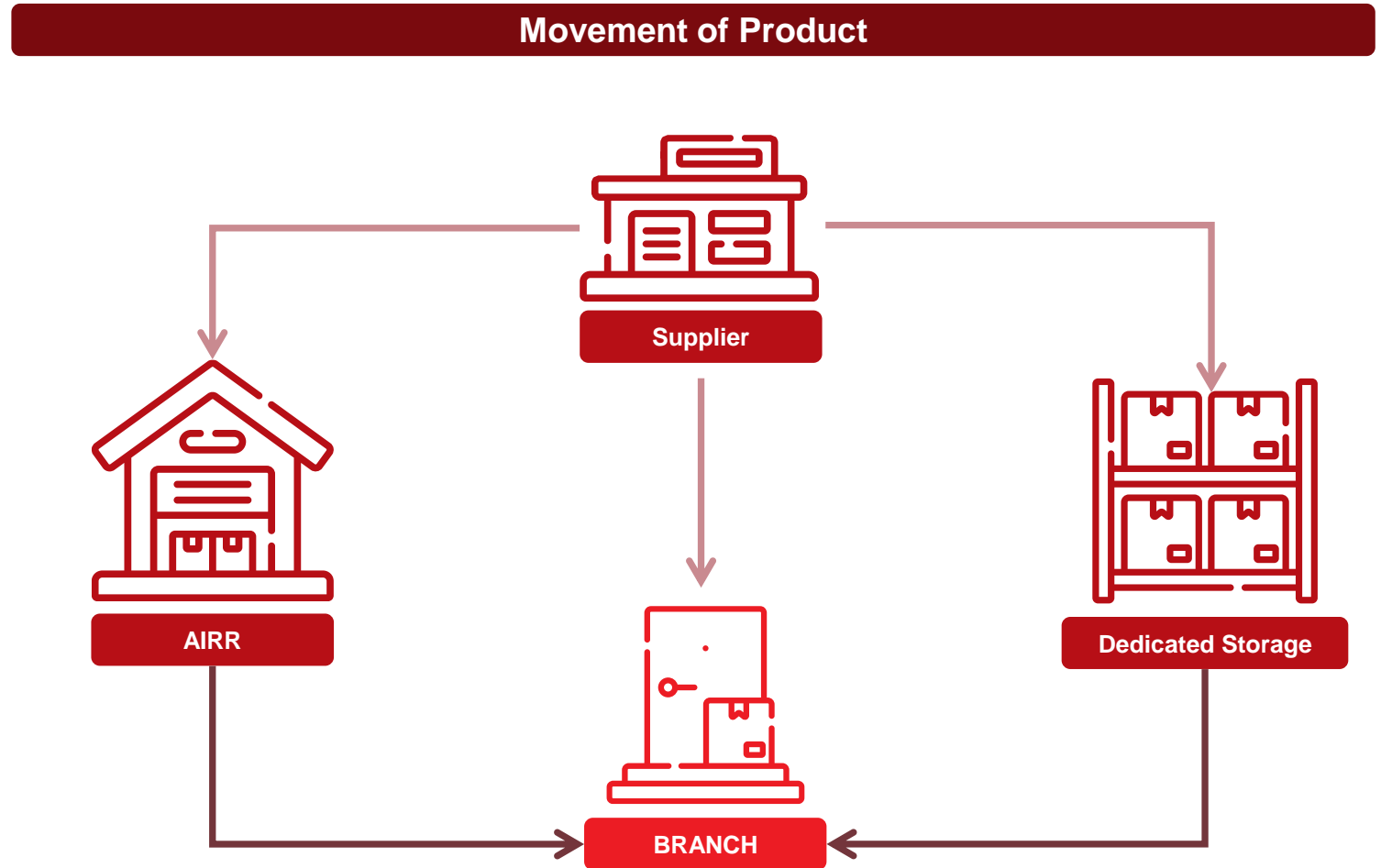
Transition from a branch-centric storage model to a flexible storage & distribution model with central management of safety stock

## VIA

- Disciplined branch-allocation processes
- Dedicated facilities to manage large volume seasonal product
- Ongoing growth in capability in AIRR
- Enhanced interaction with 3rd party suppliers
- Greater adherence to decision-making frameworks
- Timely and accurate reporting

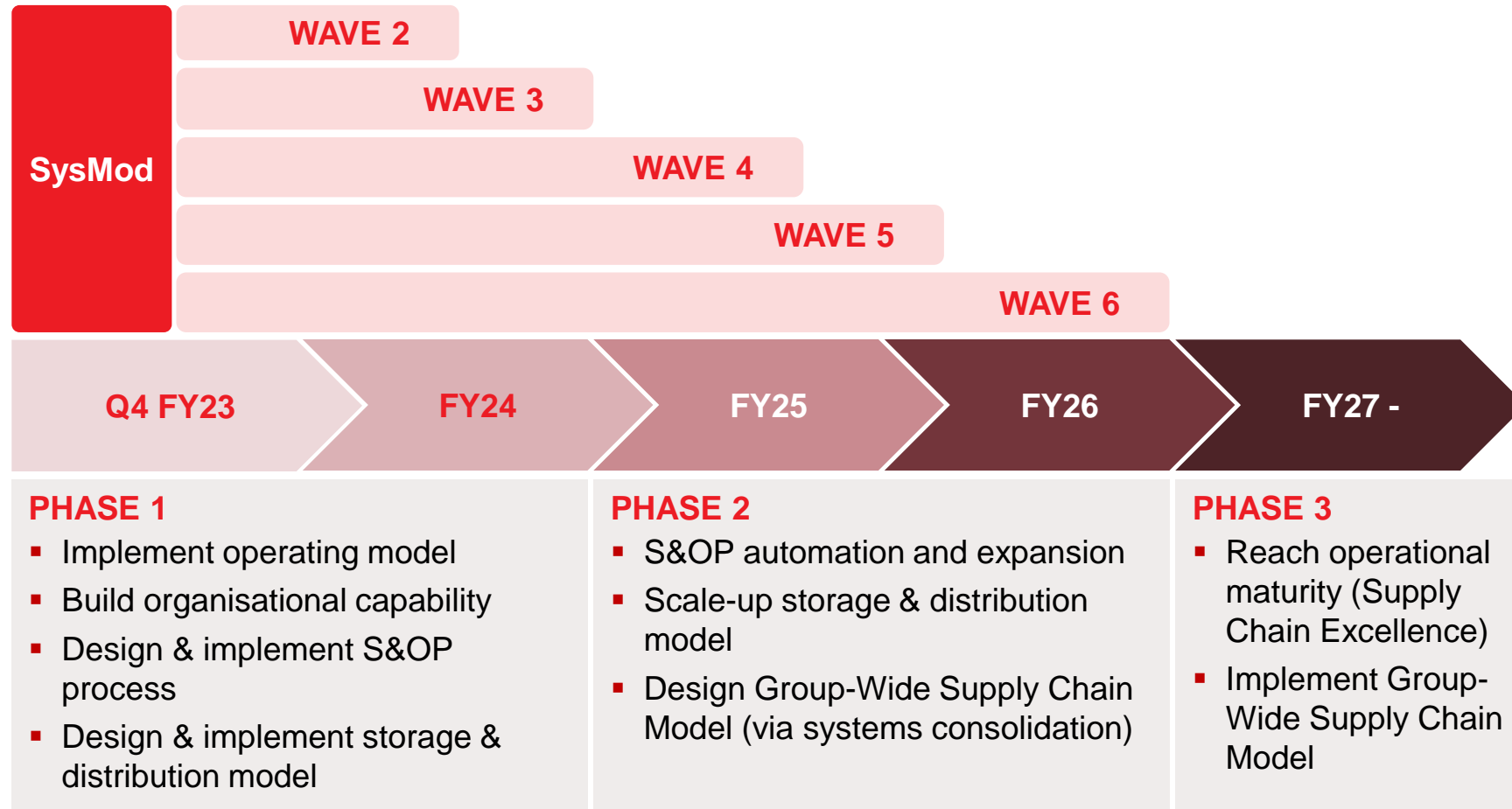
# Storage and distribution overview

Transitioning to a model with greater flexibility and oversight



# Timeline

Implementing across 3 phases, with alignment to SysMod



>> Indicative timeline <<



# Benefits

## Positive impact on ROC and margin growth

| Annualised gross benefits at full run-rate <sup>1,2</sup> | (\$m)        |
|-----------------------------------------------------------|--------------|
| <b>Capital</b>                                            |              |
| Inventory reduction (safety stock)                        | 50-80        |
| <b>NPAT</b>                                               |              |
| Interest saving                                           | 1-2          |
| Reduced risk of write-downs (factor of less inventory)    | 1-2          |
| Sourcing derived margin improvement                       | 3-5          |
| Increased owned brand throughput                          | 3-5          |
| Net saving from consolidation of storage sites            | 1-2          |
| Logistics & freight efficiencies                          | 1-2          |
| <b>Gross NPAT Uplift<sup>2</sup></b>                      | <b>10-18</b> |

1. Streamline benefits from external consultant analysis, September 2022

2. Excludes incremental costs (principally resourcing, estimated to be immaterial based on external consultant analysis, September 2022)







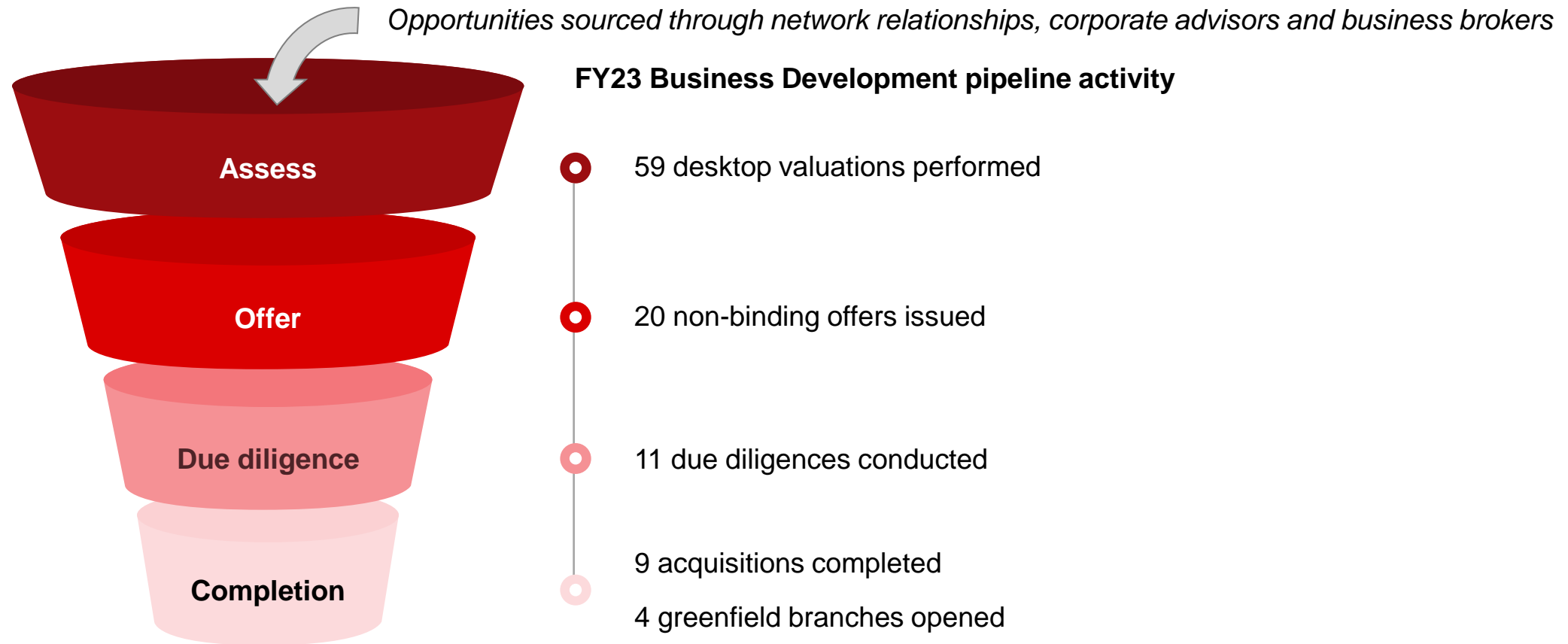
# Business Development

Presented by  
**Kiim Lim**  
**EGM Business Development**



# FY23 growth pipeline achievements

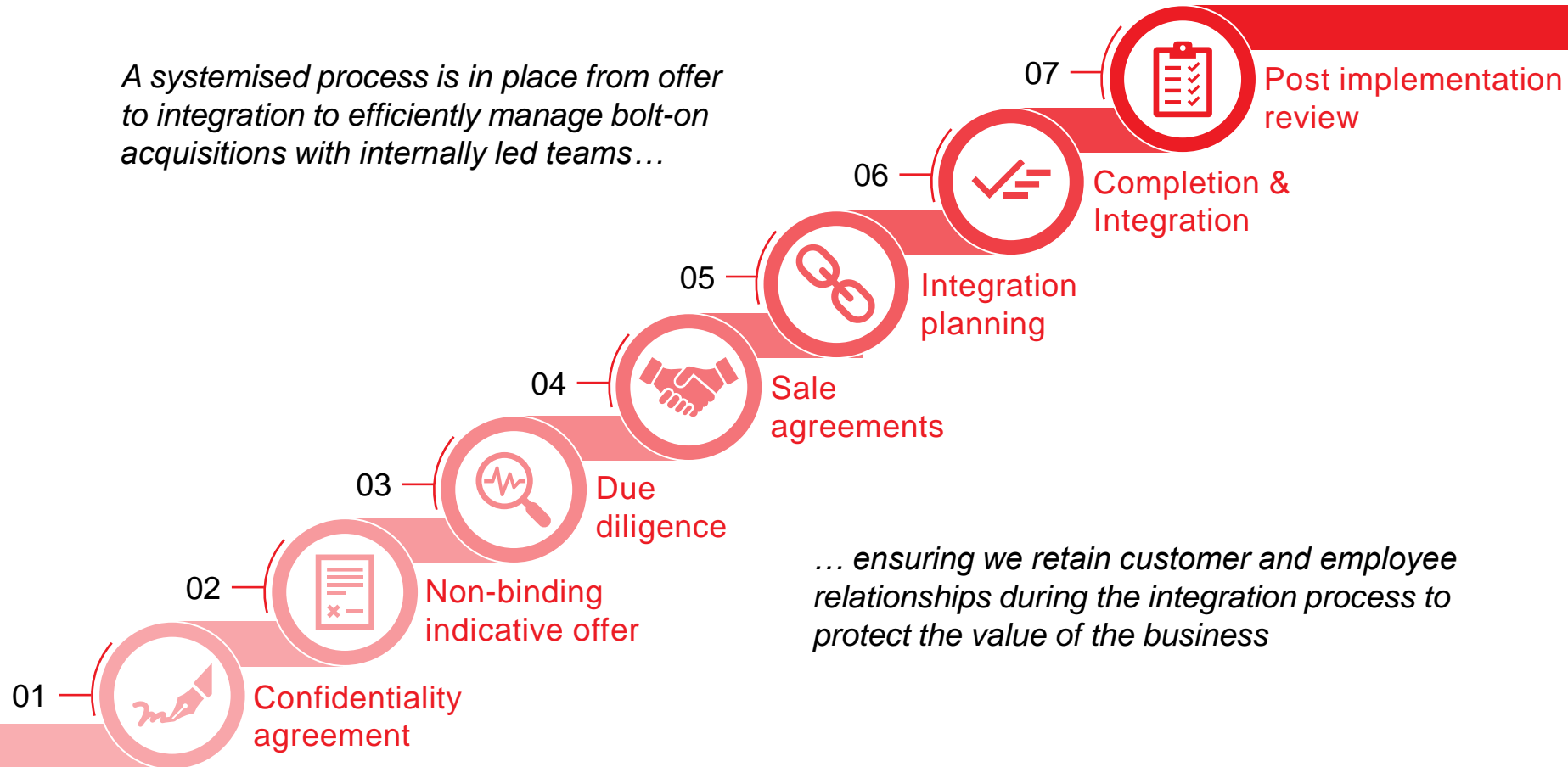
Our growth pipeline has enabled us to complete 9 acquisitions and open 4 greenfield sites in FY23



# Business development overview

Our systemised process supports acquisition & greenfield opportunities

*A systemised process is in place from offer to integration to efficiently manage bolt-on acquisitions with internally led teams...*



**>70  
transactions  
completed  
since FY16**



# Acquisition principles

**We focus on opportunities with strong returns & business fit**

---



**Disciplined in pursuing corporate acquisition growth under the following principles:**

- ✓ Aligns with Elders' strategy, values and sustainability ambitions, particularly safety and environmental outcomes
- ✓ Enhances business diversification, with a particular focus on stable and reliable profits
- ✓ Contributes to sustainable competitive advantage
- ✓ Pre-synergies EPS accretive
- ✓ Pathway to group ROC  $\geq 15\%$  within 1 year and leverage  $< 2.0x$  within 2 years



**Success in acquisitions also driven through:**

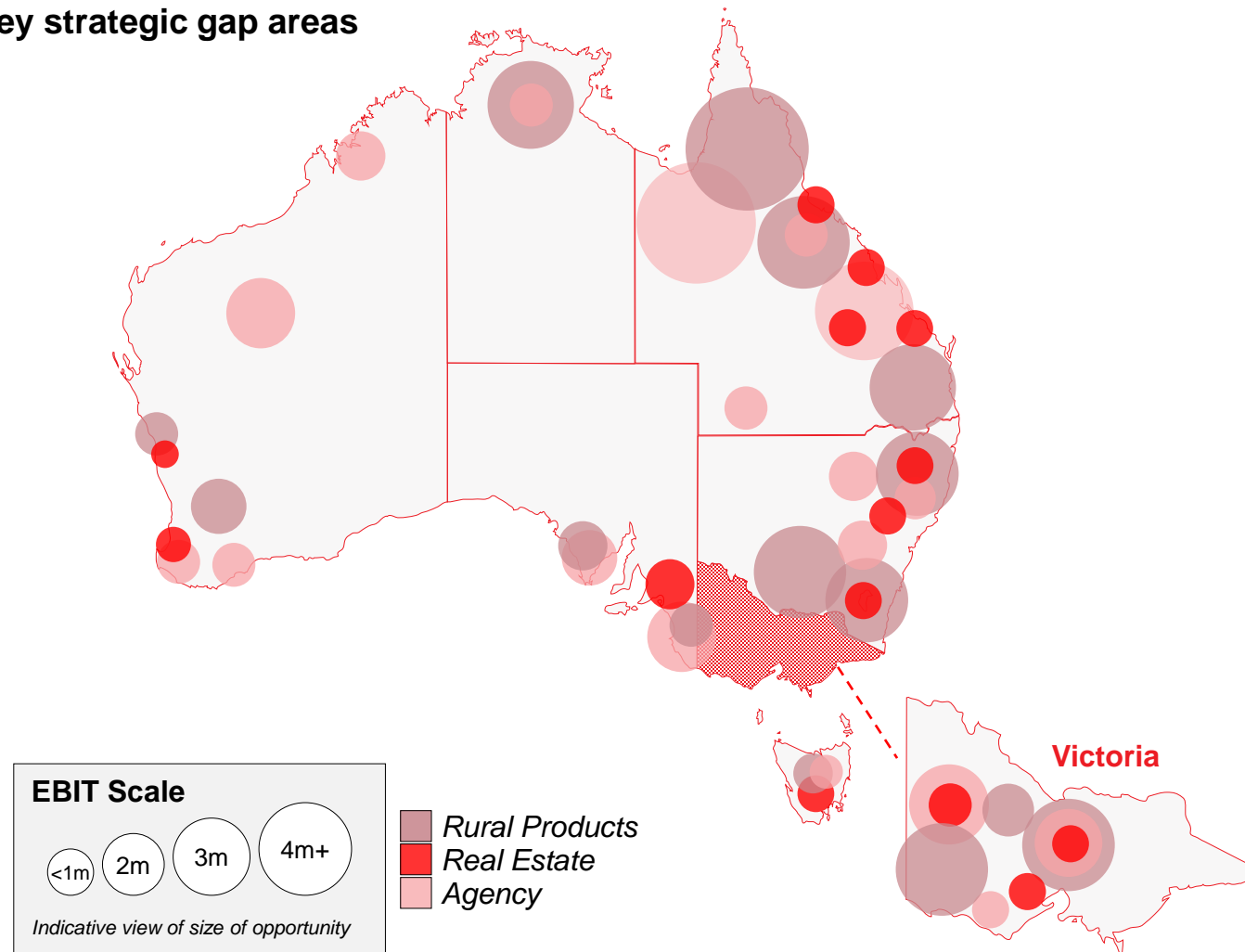
- ✓ Strong culture and brand fit
- ✓ Shared risk and reward through earn out of purchase price
- ✓ Carefully planned and managed integration to preserve customer and employee relationships

# FY24 growth pipeline

## A strong pipeline continues into FY24

3 acquisitions completed since October 1  
with >\$7m annualised EBIT contribution

### Key strategic gap areas



### Highlights:



*Industry leading toll formulator with research and development capabilities*

*Completed 1 October, \$2m annual EBIT*



*Livestock and real estate agency operations across south west Victoria*

*Completed 1 November, \$5m annual EBIT<sup>1</sup>*

1. Based on forecast livestock prices for the next 12 months










# Elders Network

Presented by  
**Tom Russo**  
**EGM Network**

# Business model

## Diversification by product, service, market segment and geography

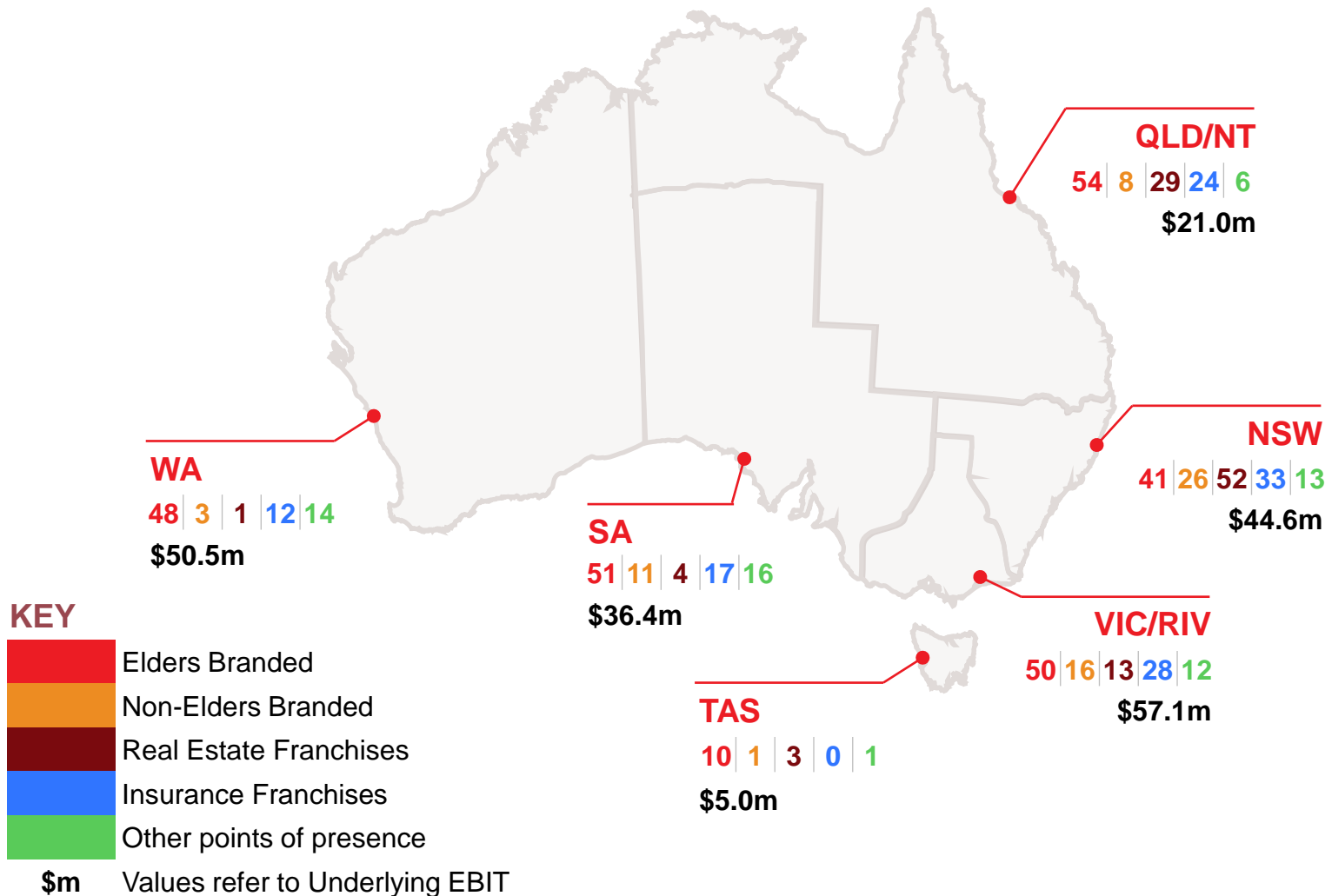
|                               |  <div> <div>Rural Products</div> <div>Retail Products Wholesale Products</div> </div> |                        |  <div>Agency Services</div> |  <div>Real Estate Services</div> |  <div>Financial Services</div> |  <div>Feed and Processing Services</div> |  <div>Digital and Technical Services</div> |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Product and service offerings | Rural Products                                                                                                                                                         | Rural Products         | Livestock                                                                                                     | Broadacre                                                                                                           | Agri Finance                                                                                                      | Killara Feedlot                                                                                                             | Fee for Service (256 agronomists)                                                                                             |
|                               | Fertiliser                                                                                                                                                             | Pet Supplies           | Wool                                                                                                          | Residential                                                                                                         | Elders Insurance (20%)                                                                                            |                                                                                                                             | AuctionsPlus (50%)                                                                                                            |
|                               | Agcrest (33%)                                                                                                                                                          |                        | Grain                                                                                                         | Property Management                                                                                                 | LiT Delivery Warranty and Livestock Funding Products                                                              |                                                                                                                             | Elders Weather                                                                                                                |
|                               |                                                                                                                                                                        |                        |                                                                                                               | Franchise                                                                                                           | Home and Commercial Finance                                                                                       |                                                                                                                             | Clear Grain Exchange (30%)                                                                                                    |
| Key metrics                   | \$2.4b retail sales                                                                                                                                                    | \$0.5b wholesale sales | 9.8m head sheep                                                                                               | \$2.0b broadacre sales                                                                                              | \$3.1b loan book<br>\$1.4b deposit book<br>\$42.2m own balance sheet lending<br>\$108.0m StockCo book             | 57k Killara Feedlot cattle head exited                                                                                      | AuctionsPlus<br>104k head cattle<br>841k head sheep                                                                           |
|                               | 242 Stores                                                                                                                                                             | 382 member stores      | 1.3m head Cattle                                                                                              | \$1.7b residential sales                                                                                            | \$1.2b Insurance gross written premiums                                                                           |                                                                                                                             | 7.8m Elders Weather unique visitors                                                                                           |
|                               | >450 APVMA registrations                                                                                                                                               |                        | 350k wool bales                                                                                               | 13.6k properties under management                                                                                   | 44% LIT penetration rate                                                                                          |                                                                                                                             | 0.8m CGX tonnes influenced                                                                                                    |
|                               | 1.1m tonnes fertiliser                                                                                                                                                 |                        |                                                                                                               |                                                                                                                     |                                                                                                                   |                                                                                                                             |                                                                                                                               |
|                               |                                                                                                                                                                        |                        |                                                                                                               |                                                                                                                     |                                                                                                                   |                                                                                                                             |                                                                                                                               |
| Gross margin                  | \$306.9m                                                                                                                                                               | \$71.1m                | \$113.7m                                                                                                      | \$59.5m                                                                                                             | \$53.5m                                                                                                           | \$13.7m                                                                                                                     | Included in products                                                                                                          |
| Working capital               | \$463.8m                                                                                                                                                               | \$116.1m               | \$40.8m                                                                                                       | \$1.3m                                                                                                              | \$10.4m                                                                                                           | \$54.5m                                                                                                                     | Other – (\$54.1m)                                                                                                             |

Statistics and financial information based on FY23 full year

# Network snapshot

## An expanding network and multiple brand strategy

### Australian Points of Presence



## Our brand strategy

*Primary: leveraging and reinforcing our position as the most trusted agribusiness brand in Australia*



*Secondary: utilising other brands to grow market share<sup>1</sup>*







1. Non-exhaustive



# Network structure

Highly tailored businesses operating in diverse market segments

|                        |                                                                                                                                  |                                                                                                                             |                                                                                                                                   |                                                                                                                                            |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Branch</b>          | <br><b>Elders Griffith (NSW)</b>                | <br><b>Elders Naracoorte (SA)</b>         | <br><b>Sunfam (QLD)</b>                        | <br><b>Elders SDEA (WA)</b>                             |
| <b>Location</b>        | South-central NSW                                                                                                                | South-eastern SA                                                                                                            | Bundaberg, QLD                                                                                                                    | Bunbury, WA                                                                                                                                |
| <b>Location Traits</b> | High value irrigated horticulture, viticulture, dryland cropping and livestock production                                        | Typical mixed farming region (livestock grazing and broadacre cropping)                                                     | Region experiencing shift from traditional cane farming, to intensive horticulture and perennial tree crops                       | HQ office located in second largest population centre in WA, controlling several satellite locations servicing the southern coastal region |
| <b>Our offer</b>       | Rural products, specialist agronomic services, livestock agency, wool broking, water broking, real estate and financial services | Livestock agency, technical services, wool broking, rural products, real estate, financial services and property management | Designs, manufactures and installs irrigation equipment<br><br>Also provides rural products backed by strong agronomic capability | Residential and farmland real estate agency, property management and home loan broking                                                     |
| <b>Acquisition</b>     | ×                                                                                                                                | ×                                                                                                                           | ✓                                                                                                                                 | ✓                                                                                                                                          |



# Network leadership and management structure

Geographical leadership, product area expertise and key account capability

## STATE GENERAL MANAGEMENT



**Matt Ericsson**  
State GM  
WA



**Lisa Hewitt**  
State GM  
QLD NT



**Bernard Seal**  
State GM  
SA



**Ryan Robinson**  
State GM  
NSW



**James Cornish**  
State GM  
TAS



**Brendan Rinaldi**  
State GM  
VIC RIV

## PRODUCT GENERAL MANAGEMENT



**Nick Fazekas**  
EGM  
Rural Products



**Dave Adamson**  
GM  
Agency



**Belinda Connor**  
GM Residential  
Real Estate & Brand



**Mark Barber**  
GM Farmland Agency  
& Agribusiness Investments



**Nick Clark**  
GM Financial Services  
& Network Improvement

## CUSTOMER SOLUTIONS GENERAL MANAGEMENT



**John Molenaar**  
GM Customer Solutions



# Continuous improvement

## Ongoing commitment to network optimisation

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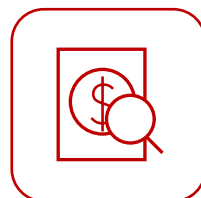
### Deepening customer relationships

Adapting our operating model to meet different needs of an evolving client base



### Investing in our people

Attracting, retaining and developing the best people, and maintaining our high-performance culture<sup>1</sup>



### Maintaining unflinching financial discipline

Seeking operational efficiencies at every branch

1. Korn Ferry annual survey ranks Elders in the high-performance category for workforce engagement and enablement. This benchmark is determined by reference to survey scores from over 540,000 employees in 50 high performing organisations globally





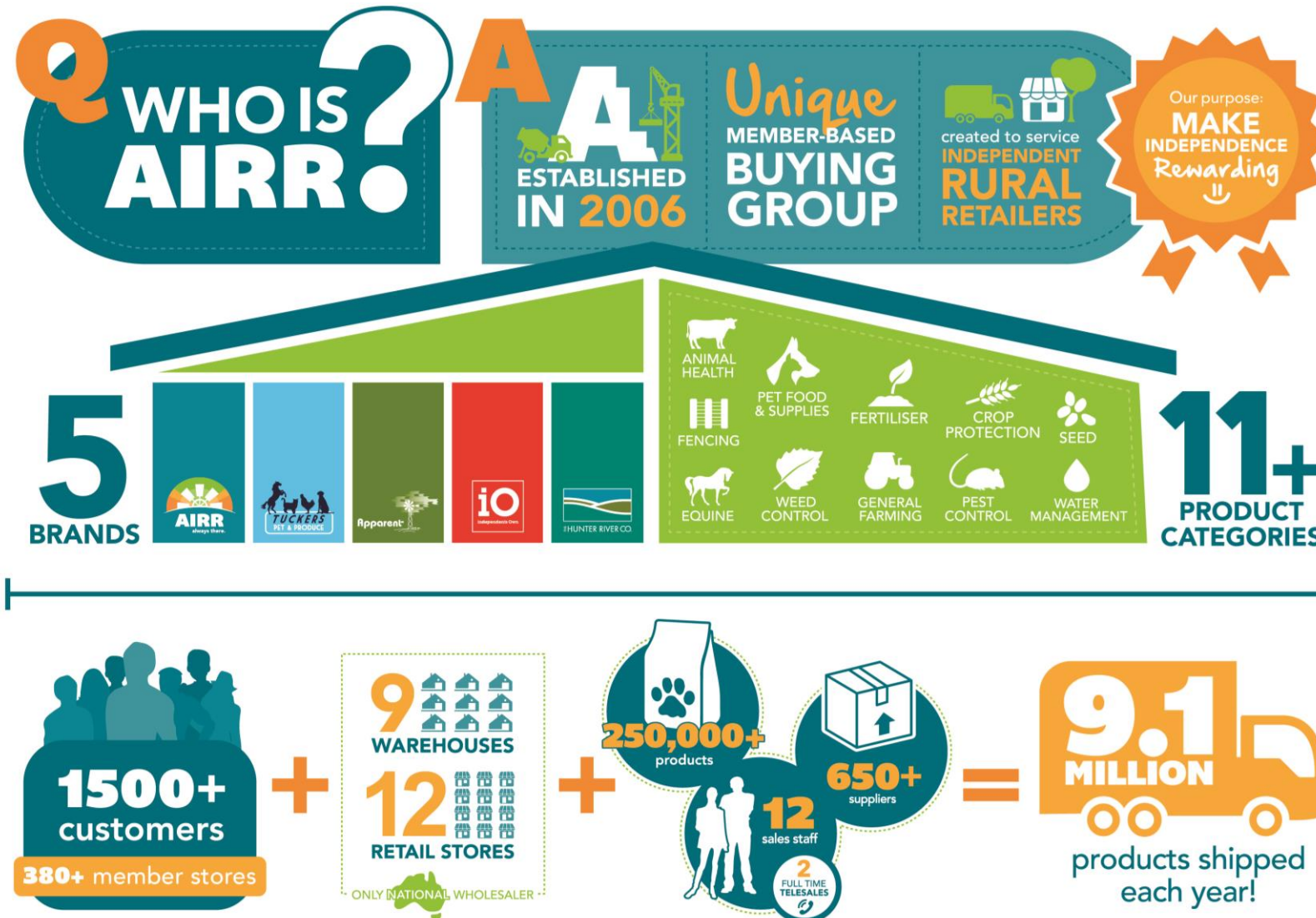
# Wholesale Products

Presented by  
**Pete Lourey**  
**EGM Wholesale**



# AIRR (Australian Independent Rural Retailers) snapshot

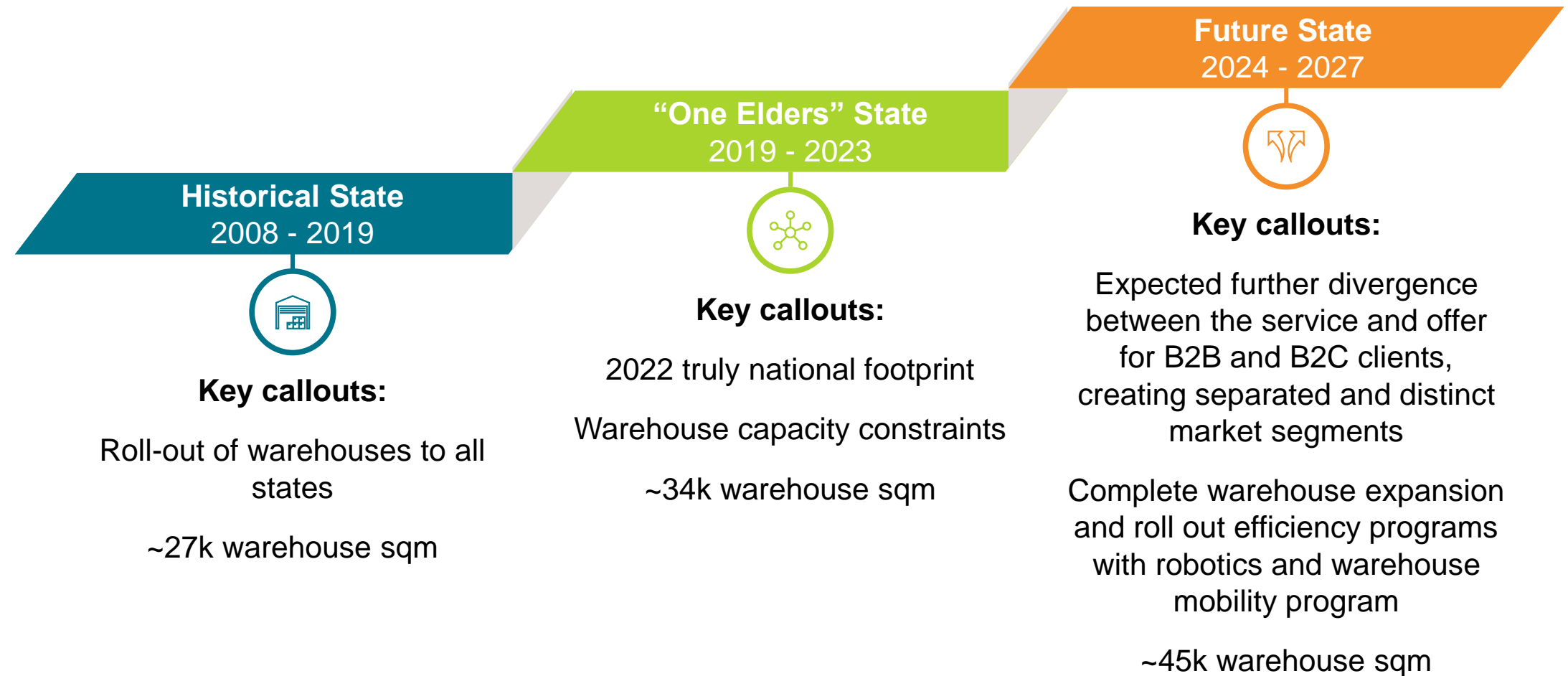
Our national wholesale platform with scale supporting Elders' diversification





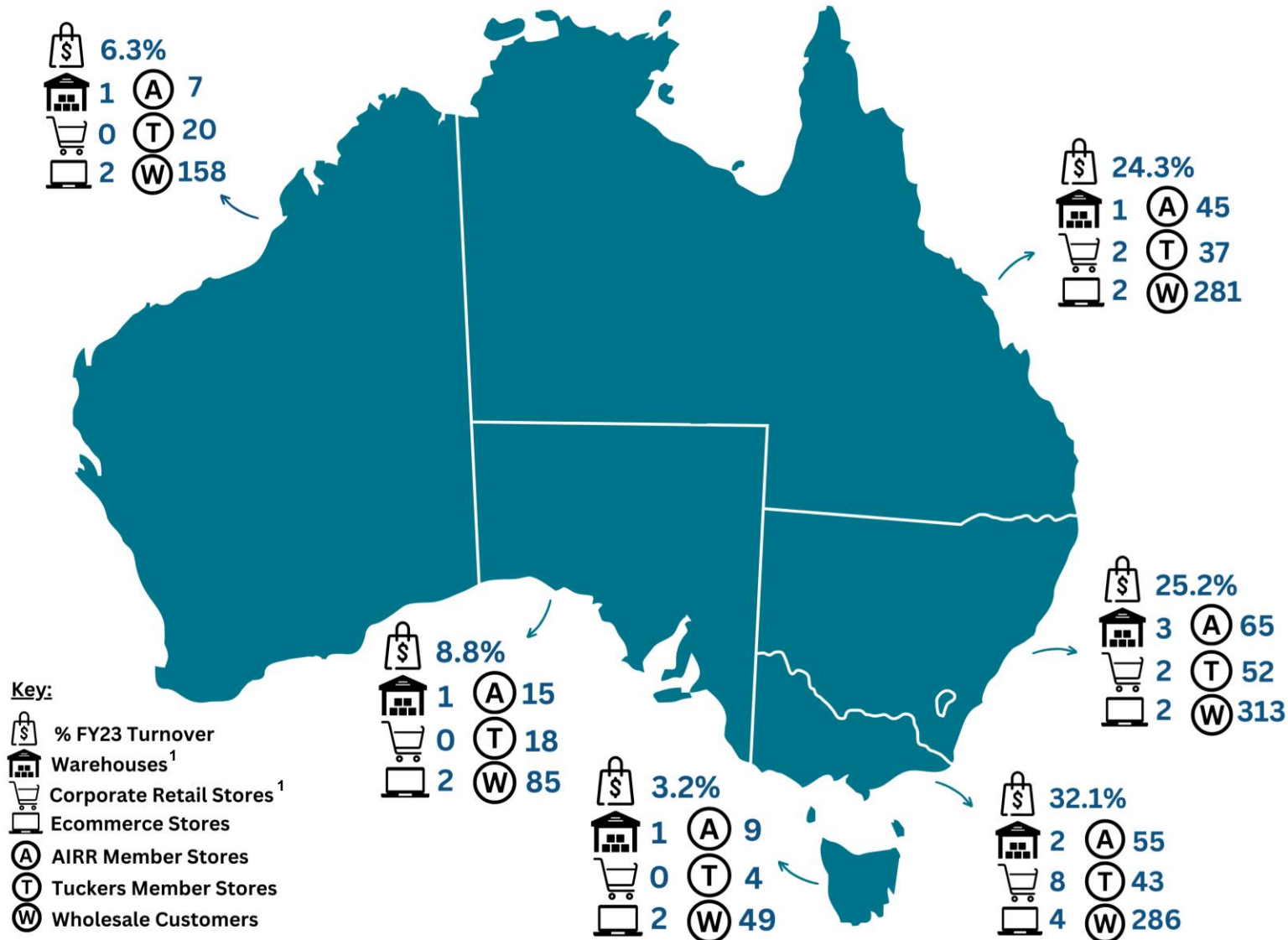
# Evolution of Australian Independent Rural Retailers

Australia's number one Rural and Peri-urban national warehouse business



# AIRR network snapshot

## A nationwide network and multiple brands



## Our brand strategy

*Primary: leveraging and growing our member base across AIRR & Tuckers*



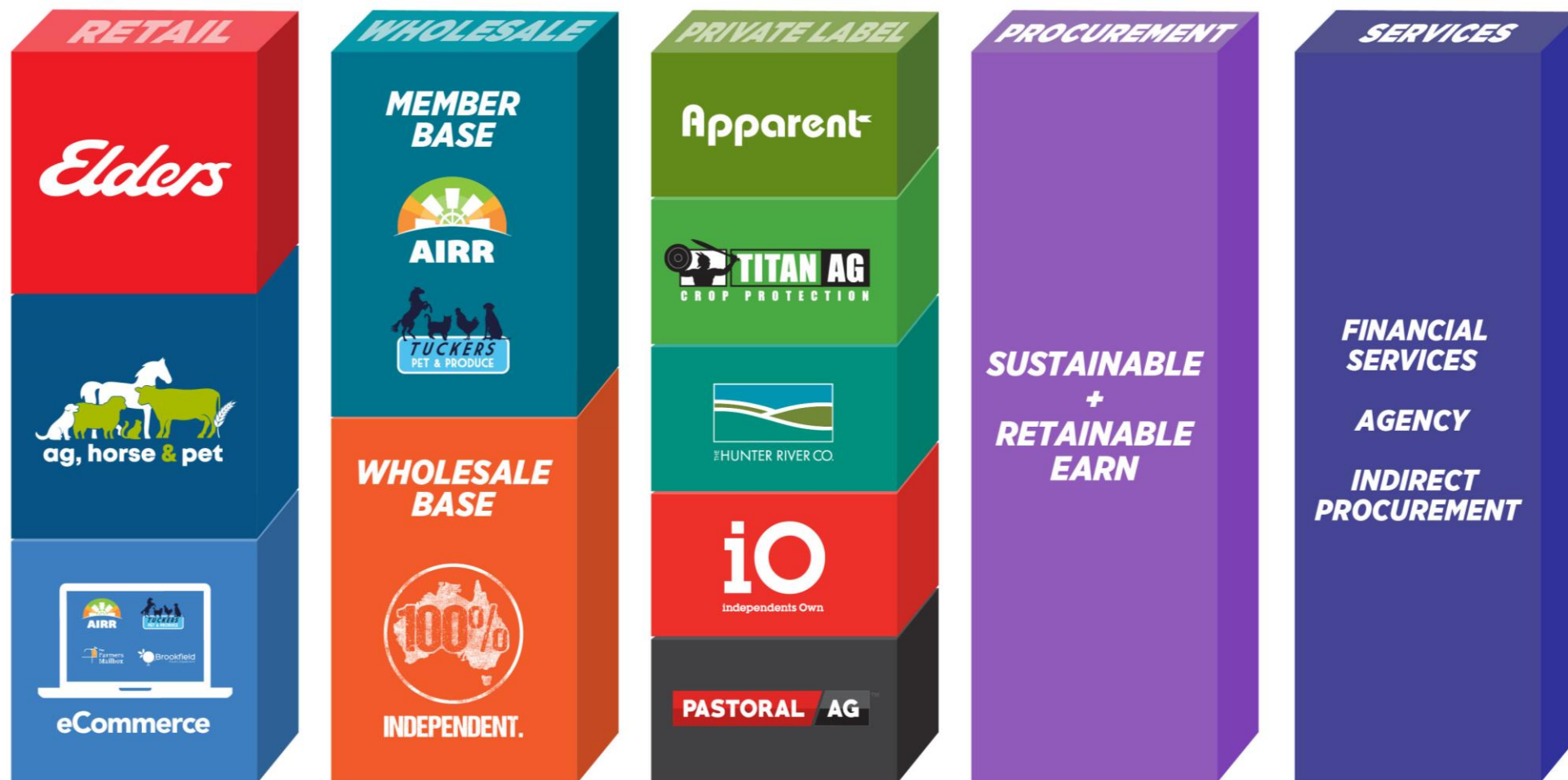
*Secondary: opportunistically acquiring independent stores to grow retail market share*



1. Also captured in Australian Points of Presence (refer to page 42 Network Snapshot)

# Five pillars of revenue

Moving towards \$1bn revenue, across five key pillars



The background of the slide is a photograph of an Elders truck with a large orange side panel. On the left, there are stacks of white agricultural bags on pallets. In the center, a semi-transparent red rounded rectangle contains the text. Overlaid on this rectangle is a faded image of three people (two men and one woman) walking towards the camera. The man on the left is holding a tablet.

*Elders*

## Rural Products

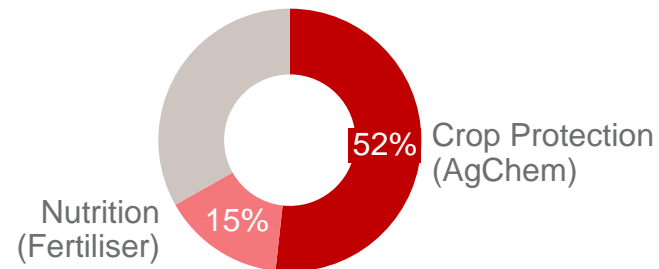
Presented by  
**Nick Fazekas**  
**EGM Rural Products**



# Crop Inputs (Crop Protection, Nutrition) summary

Successful response to volatile market and a continued growth focus

Crop Inputs FY23 Gross Margin  
(% Retail Products Gross Margin)



## FY23 in review

Despite challenging market conditions, we have adapted and created growth

## Market context

Crop Protection and Fertiliser categories will continue to adapt to varied conditions and global market forces

## Priorities

**Focus is on growing through own brands and expanding segments, and driving operational excellence**

- Increase sales, volume, penetration and lines of own brand products (e.g. Titan AG, Optifert)
- Expand markets, including continued focus on growth of Anhydrous Ammonia markets into cotton growing areas
- Improve working capital by implementing new S&OP processes, combining with freight and storage consolidation



# Crop Protection backwards integration

Focus is on product development and margin improvement

## FY23 in review

- Targeting 70% of the addressable market
- Growth in product pipeline, talent resources and gross margin

## Priorities

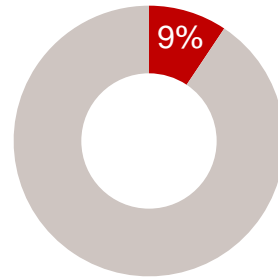
**Key priorities include driving growth through the pipeline and penetration, enhancing margins through operational efficiencies and backward integration, and maintaining financial discipline**

- Continue increasing Titan AG and Apparent penetration
- Step up focus on new product development and product registrations
- Extend profit pool through formulation strategy, expanding the value chain through Eureka! acquisition
- Increase efficiencies through Project Streamline
- Continue to focus on working capital improvements through Project Streamline

# Seed summary

Maintain growth of sales and seed pipeline development

Seed FY23 Gross Margin  
(% of Retail Products Gross Margin)



## FY23 in review

FY23 included continued seed development and driving adoption of Elders Plant Genetics (EPG)

## Market context

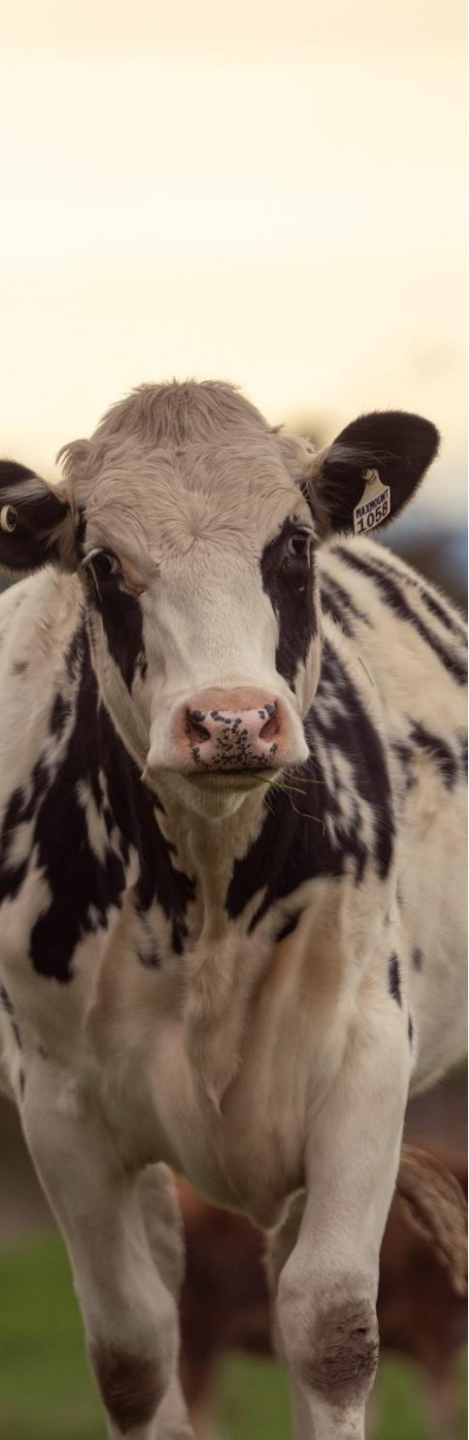
Resilience in seeds supported by producers adapting to conditions

## Priorities

**Priorities include growing through new products and marketing**

- New pipeline of grain sorghum germplasm within EPG seeds
- Extended pipeline of potato genetics
- Increase canola share-of-wallet with existing and new clients via marketing program

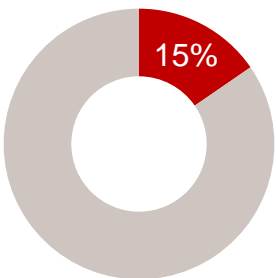




# Animal Health & General Merchandise summary

Category remains resilient with further growth opportunities

Animal Health FY23 Gross Margin  
(% of Retail Products Gross Margin)



## FY23 in review

Growth in category gross margin in FY23, amidst challenging conditions to livestock prices

## Market context

Market conditions will have varied effects on customer spend, with expected category resilience, as upside to feed may offset potential reductions in other animal health products

## Priorities

Further growth and efficiencies can be delivered across our range, and through enhanced service

- Grow position as thought leaders and support adoption of various products and practices, by partnering with RDCs to deliver extension programs
- Expand Livestock Production Advisors to enhance client experience and support growth
- Maintain momentum and focus on Pastoral Ag, including increasing penetration
- Support simplification and optimisation through centralised pricing on key Animal Health lines





# Agency Services

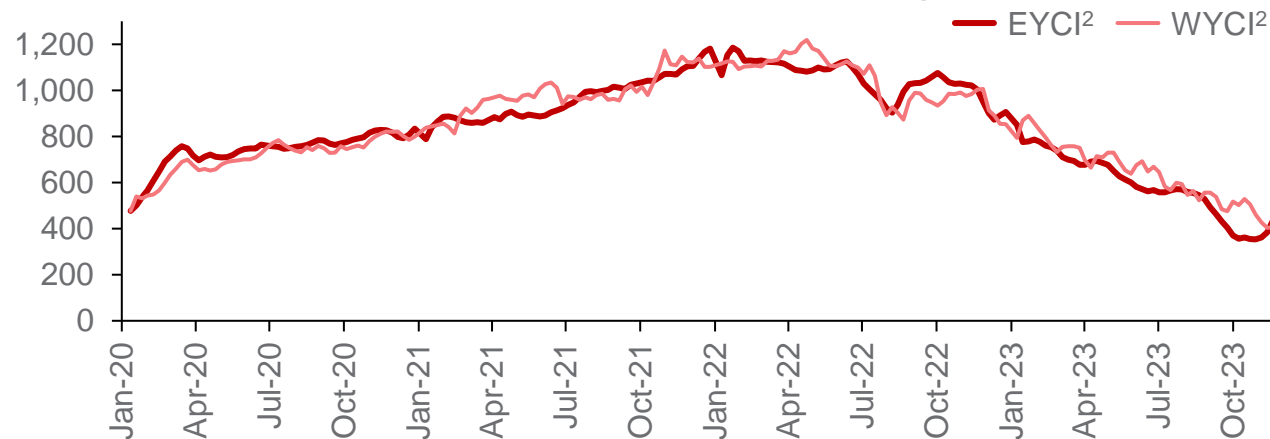
Presented by  
**Dave Adamson**  
**GM Agency**

# Livestock market context

Both cattle and sheep prices faced significant price declines



**Cattle Price Indicators, Jan-20 to Oct-23<sup>1</sup>, c/kg cwt**



## Price influencers

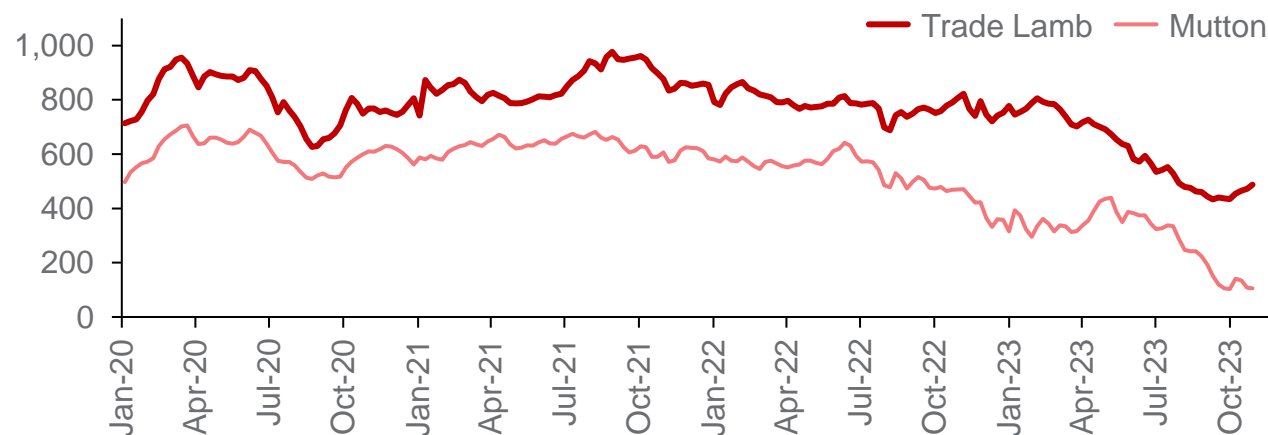
- Herd build nearing completion
- Subdued re-stocker demand
- Market confidence – price and season
- Processor capacity – labour and kill space

## Volume influencers

- Lack of trader activity
- Feed conditions / Live Export



**National Lamb and Mutton Price Indicators, Jan-20 to Oct-23<sup>1</sup>, c/kg cwt**



## Price influencers

- Flock at 15-year high
- Subdued re-stocker demand
- Market confidence – price and season
- Processor capacity – labour and kill space

## Volume influencers

- Long held mutton and lamb
- Seasonal conditions

1. Source: Charts reproduced based on data courtesy of Meat & Livestock Australia, [Australian NLRS Livestock Indicators](#)

2. EYCI – Eastern Young Cattle Indicator; WYCI – Western Young Cattle Indicator

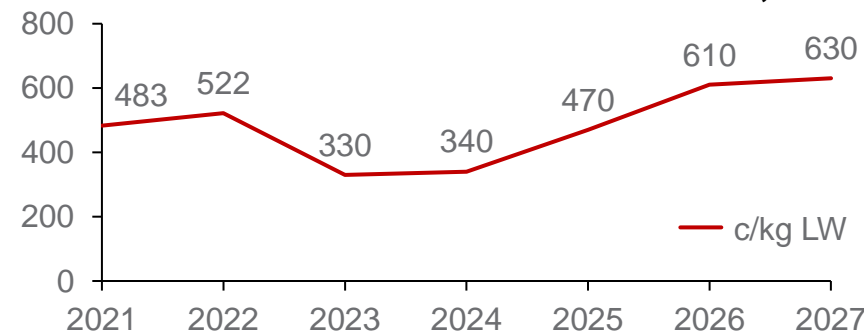
# Livestock market outlook

## Pressure expected to alleviate for cattle as prices flatten



**Prices expected to flatten through to FY24** due to drier conditions, higher turn-off rates and lower restocking demand, before stabilising in FY25 as global export prices increase

**Australian National Feeder Steer forecast<sup>1</sup>, 2021 to 2027**



### Key influencers

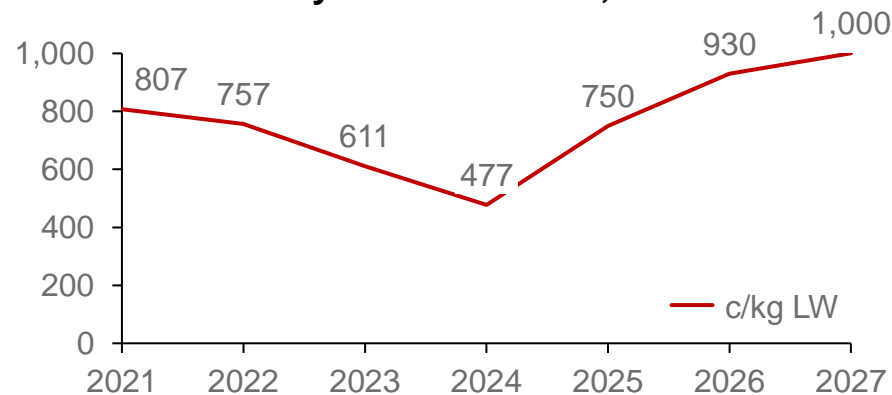
- Live Export
- US herd rebuild implications
- Investment in processing capacity
- Seasonal conditions

**Australia-US feeder cattle prices<sup>2</sup>**



**Price declines expected to continue** due to an increased supply of sheep and lamb for slaughter, weaker demand from the US, and drier conditions impacting restocker demand

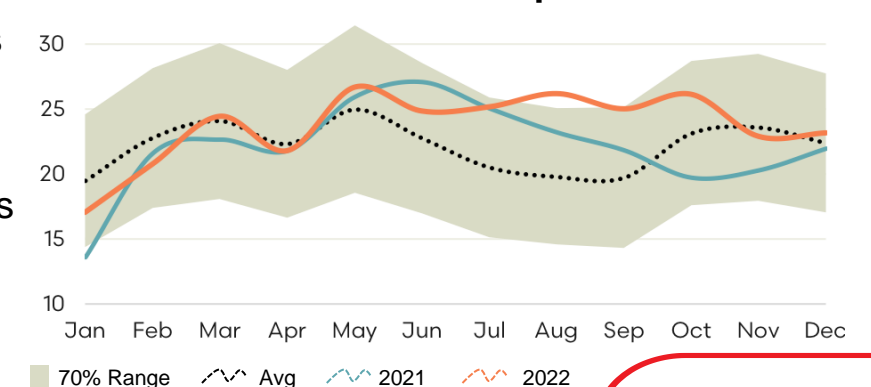
**Australian heavy lamb forecast<sup>3</sup>, 2021 to 2027**



### Key influencers

- Short term volumes
- Continued export market growth
- Seasonal conditions

**Total Australian lamb exports<sup>4</sup>**



1. Source: Global Agri Trends, Cattle price forecast with Simon Quilty (published 13 September 2023)  
 2. Source: Meat & Livestock Australia's NLRS, CME/Steiner Consulting, US feeder cattle now 250pc higher than Australian equivalents (published 24 August 2023)

3. Source: Global Agri Trends, Lamb price forecast with Simon Quilty (published 13 September 2023)  
 4. Source: Meat & Livestock Australia, DAW, Episode 3, Sheep meat summary (published 10 January 2023)





# Livestock progress and priorities

## Focus is on further growth and portfolio diversification

---

### FY23 progress:

- ✓ Grew portfolio and increased market share via agency acquisitions
- ✓ Invested in people, safety and sustainability
- ✓ Launched information hub Livestock Now to enhance client experience

### Upcoming priorities – expanding footprint and offer:

- ✓ Continue filling geographic gaps through acquisitions
- ✓ Build out and grow complementary services (Livestock Production Advice, Livestock Funding)
- ✓ Further enhance capability and develop talent pipeline through training



# Wool market context and outlook

Wool market relatively flat, and largely driven by economic conditions in key markets

Eastern Market Indicator in AUD and USD<sup>1</sup>, Aug-13 to Aug-23



## Current context

- Finer types selling well, mediums well back on last year
- Crossbred wool at historical lows but stable
- Consumer confidence in major wool consuming confidence down

## Outlook

- European demand looks good for finer and non-mulesed types
- Drier season will see volumes of finer wool increase
- Held stocks remain historically high
- No significant price increase expected until China shows signs of economic recovery

1. Source: AWEX; Mecardo, See-Sawing start to 2023/24 (published 18 August 2023)

# Elders Wool – overview, progress and priorities

## Transforming our wool business

---

**Overview:** Establishing and investing in an Elders operated wool handling business complementing existing offer, around two new centralised wool handling hubs, incorporating world-first technology

### Benefits:

- ✓ Creating efficiency in wool supply chain
- ✓ Driving safety, sustainability and traceability improvements
- ✓ Supporting scalable volume growth
- ✓ Delivering an exceptional customer experience with full E2E wool service

### FY23 progress:

- ✓ Going live in WA
- ✓ Building capability through recruitment
- ✓ Ravenhall operational readiness preparation

### Priorities:

- ✓ Going live in VIC
- ✓ Growing volume at pace
- ✓ Further building efficiencies

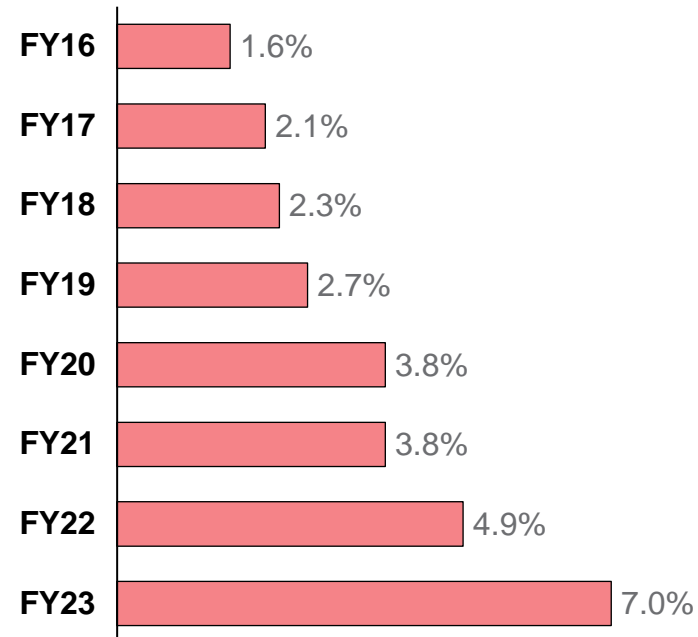


# Grain performance, outlook and areas of focus

Increased market share, and further growth opportunities in face of some market headwinds

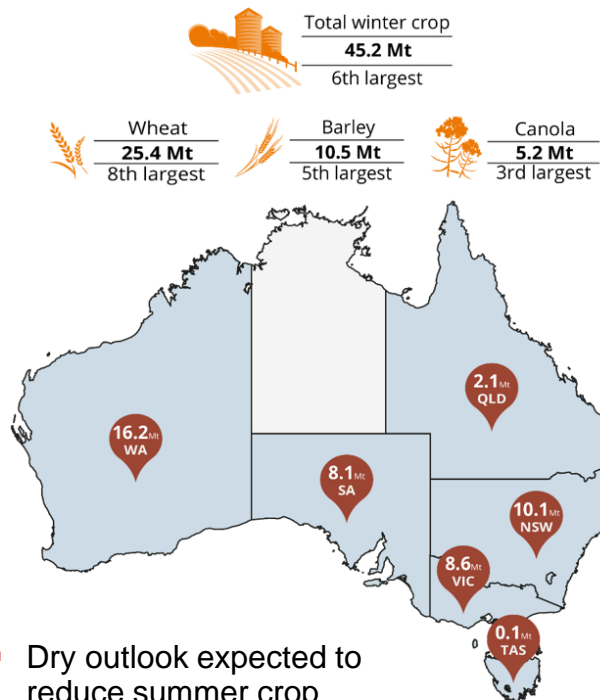
## PERFORMANCE

**CGX market share<sup>1</sup>**, cumulative tonnes traded on-screen by season, % total Australian winter crop



## OUTLOOK

**Australian winter crop production<sup>2</sup>, 2023–24**



- Dry outlook expected to reduce summer crop plantings for FY24
- Winter crop production to fall from record highs to slightly below 10-yr avg

## PRIORITIES

**Further opportunity to grow:**



Branch training



Increase referrals



Build out CGX attainable market



Build out CGX annuity revenue

CGX – Clear Grain Exchange

1. Source: CGX

Note: Elders has a 30% interest in CGX

2. Source: ABARES, Agricultural Outlook: Australian Crop Report – National Overview (5 September 2023)





# Real Estate Services

Presented by  
**Tom Russo**  
**EGM Network**

**Mark Barber**  
**GM Farmland Agency and Agribusiness Investments**





# Elders Real Estate

An overview of the Elders Real Estate business

13,600

PROPERTIES UNDER  
MANAGEMENT<sup>1</sup>

\$2.0b

BROADACRE SALES  
TURNOVER<sup>1</sup>

286

SALES  
AGENTS<sup>1</sup>

\$1.7b

RESIDENTIAL  
SALES TURNOVER<sup>1</sup>

102

FRANCHISE  
OFFICES

\$59.5m

GROSS MARGIN  
CONTRIBUTION

Statistics based on FY23 end of year; Financial metrics based on FY23 full year

1. Excluding franchises



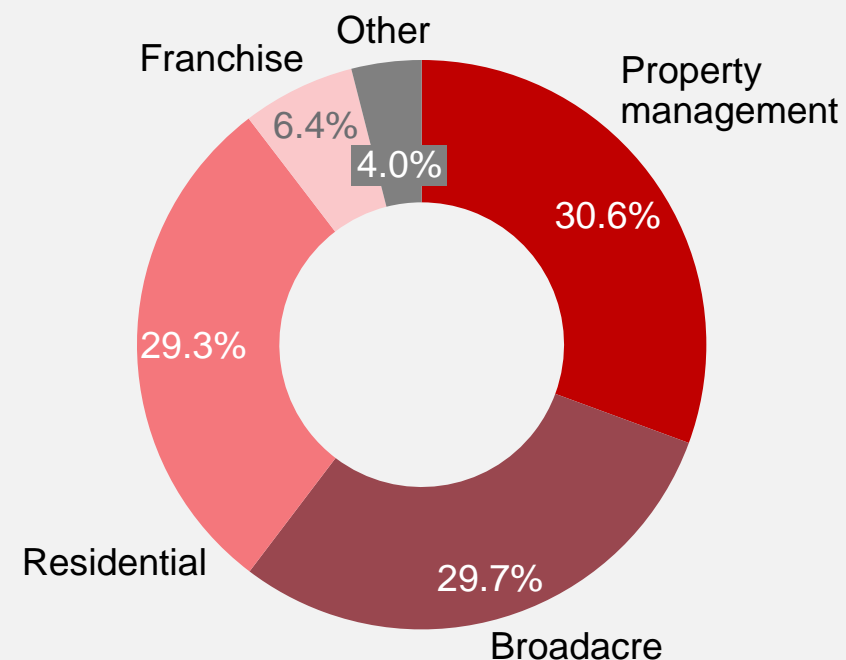
# Elders Real Estate

## Gross margin distributed between Rural, Residential and PM

### Context

- Residential real estate is valued at \$10.1 trillion in Australia<sup>1</sup>
- Regional Residential Real Estate market share: 4.07% by turnover volume and 3.65% by turnover value<sup>2</sup>
- Rural Real Estate market share: Average 14.3% by turnover value<sup>3</sup>

### Share of Real Estate gross margin excluding other direct costs<sup>4</sup> (%)



1. Source: Courtesy of CoreLogic, October 2023

2. Source: FY23 national residential regional market share courtesy of CoreLogic, 12 months to 30 September 2023

3. Average of 6 quarters' 12-month rolling market share to end-June 2023

Source: Based on Elders analysis on CoreLogic national farmland market share data

4. Other direct costs include un-recovered marketing/advertising fees and agent commissions which cannot be directly attributed to other segments

# Residential Real Estate market context

Fundamentals for sales and properties under management remain strong

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**Outlook for residential properties and properties under management is strong as high demand is met with low supply**



Low unemployment, low on-market supply and increased migration driving residential real estate market



The tight rental market and improving rental yields will draw investors back to market, along with renewed price growth



Low vacancy rates and rising rent prices will continue to drive profitable growth for the company rent roll





# Residential Real Estate growth approach

## Market share via acquisitions to lead growth ambitions

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### Market share

Increase market share through recruitment of franchises, agents and acquisitions, with a focus on high priority strategic gaps, while upskilling existing talent

### Property management

Grow PUM and increase gross margin contribution through bolt-on rent roll strategy for existing branches and acquisitions

### Technology

Utilise and integrate new technology to support administrative tasks, increase productivity, and provide tools to support broader agent activities

### Brand positioning

Grow Elders brand reach and positioning in the residential Real Estate industry, with a strategic program across digital and communication

# Rural Real Estate market context

Strong buy side factors drive unprecedented demand

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Rural property values remain strong supported by low property turnover



Low property turnover by number,  
while total value of turnover is  
increasing



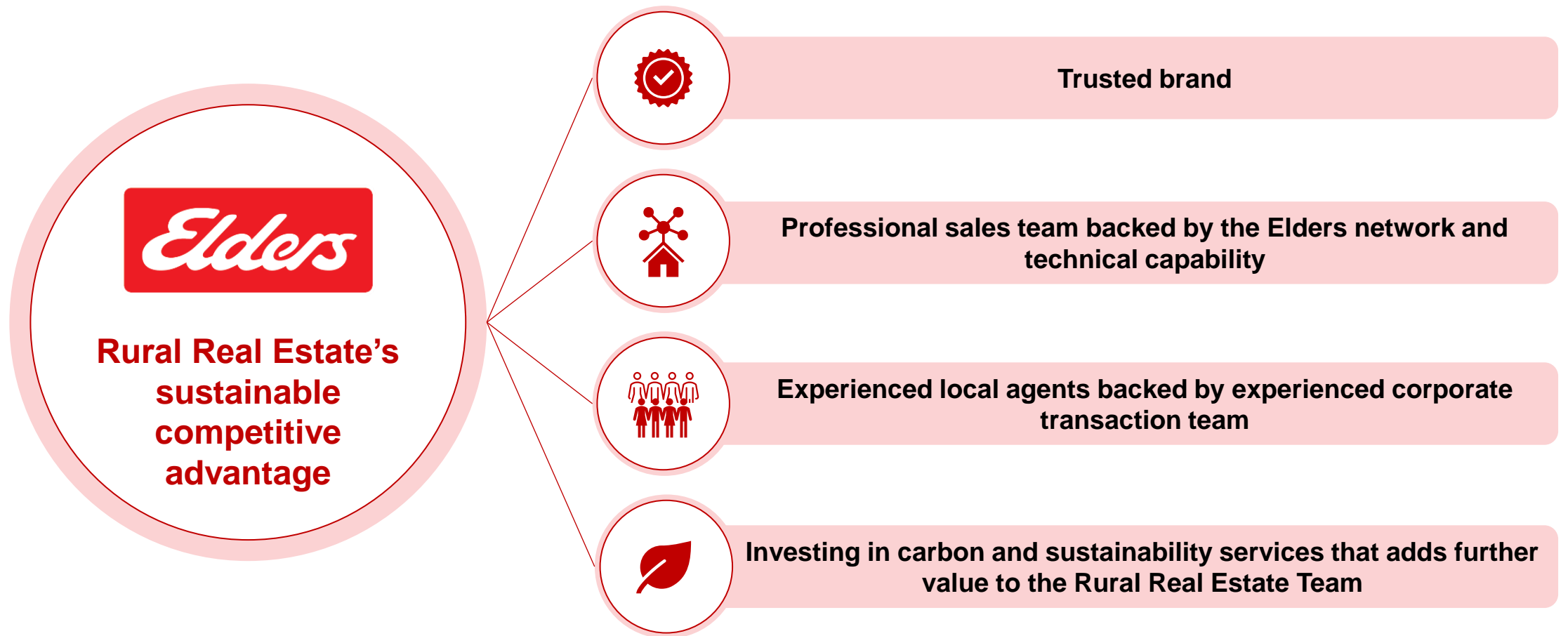
Low volumes reflect property  
owners' investment decisions to  
prioritise agricultural land for long-  
term value over short-term price  
fluctuations



Strong retained earnings,  
historically low interest rates and  
new institutional investors  
contribute to market confidence

# Rural Real Estate positioning

A brand and offer that sets us apart in Rural Real Estate







# Rural Real Estate growth approach

Acquisitions, talent and technology to drive further growth

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## Acquisitions

Continue growing market share through acquisitions, particularly in NSW and QLD / NT

## Talent

Attract and retain top talent through innovative recruitment models

## Technology

Increase technological maturity to enhance service and drive efficiencies, through improved IT infrastructure, solutions and digital platforms



# Financial Services




Presented by

**Nick Clark**

**GM Financial Services and Network Improvement**

# Business overview

Our product suite includes a range of banking, finance and insurance options

| Products and services through partnerships                                                                                                                                                            |                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                       | Elders products and services                                                                                                                                                                                        |                                                                                                                      |                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Insurance</b>                                                                                                 | <br><b>RURAL BANK</b><br><small>Farmer focused. Future driven.</small>                                                                    | <br><b>STOCKCO</b><br><small>STRATEGIC AGRIFINANCE</small>                                                                                                          | <b>Livestock Funding</b>                                                                                                                                                                                            | <b>Livestock in Transit Delivery Warranty</b>                                                                        | <b>Home Loans and Commercial Finance</b>                                                                                                                                                         |
| <i>Partnership with QBE for distribution of insurance products via Elders Insurance</i>                                                                                                               | <i>Partnership with Rural Bank for distribution of loan and deposit products</i>                                                                                                                                           | <i>Partnership with StockCo for distribution of livestock finance products</i>                                                                                                                                                                        | <i>Own balance sheet lending across Livestock and Wool products</i>                                                                                                                                                 | <i>Providing protection against loss from death of animals in transit</i>                                            | <i>Elders Home Loans and Commercial Finance brokerage business</i>                                                                                                                               |
| <ul style="list-style-type: none"> <li>▪ Network Access agreement to 2036</li> <li>▪ JV with QBE</li> <li>▪ ~200 franchisees</li> <li>▪ Farm, business, home and contents, motor insurance</li> </ul> | <ul style="list-style-type: none"> <li>▪ Distribution agreement</li> <li>▪ Deposits including Farm Management deposits</li> <li>▪ Employees embedded in Elders branches</li> <li>▪ Agri term and seasonal loans</li> </ul> | <ul style="list-style-type: none"> <li>▪ Distribution agreement</li> <li>▪ Distributed by Agri Finance Managers and Livestock Agents</li> <li>▪ Fast and nimble</li> <li>▪ 365-day terms</li> <li>▪ Supports Livestock commission earnings</li> </ul> | <ul style="list-style-type: none"> <li>▪ Distributed by Agri Finance Managers and Livestock Agents</li> <li>▪ Fast and nimble</li> <li>▪ 365-day terms</li> <li>▪ Supports Livestock commission earnings</li> </ul> | <ul style="list-style-type: none"> <li>▪ Once off sign-up process</li> <li>▪ Quick and easy claim process</li> </ul> | <ul style="list-style-type: none"> <li>▪ Brokerage model</li> <li>▪ Recent acquisition of Zobel</li> <li>▪ Expansion into commercial finance</li> <li>▪ Synergies with Elders Network</li> </ul> |



# FY23 highlights and outlook

**Strong performance in FY23 but still room to grow**

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**Grew margin, increased presence, optimised processes and enhanced offer in FY23**

- ✓ Gross Margin \$53.5m (+21% YOY)
- ✓ Increased livestock heads financed
- ✓ Increased home loan brokers
- ✓ Established AIRR Financial Services
- ✓ Launched Home Loans network engagement and referral process
- ✓ Established Commercial Finance operations
- ✓ Rolled-out training across network

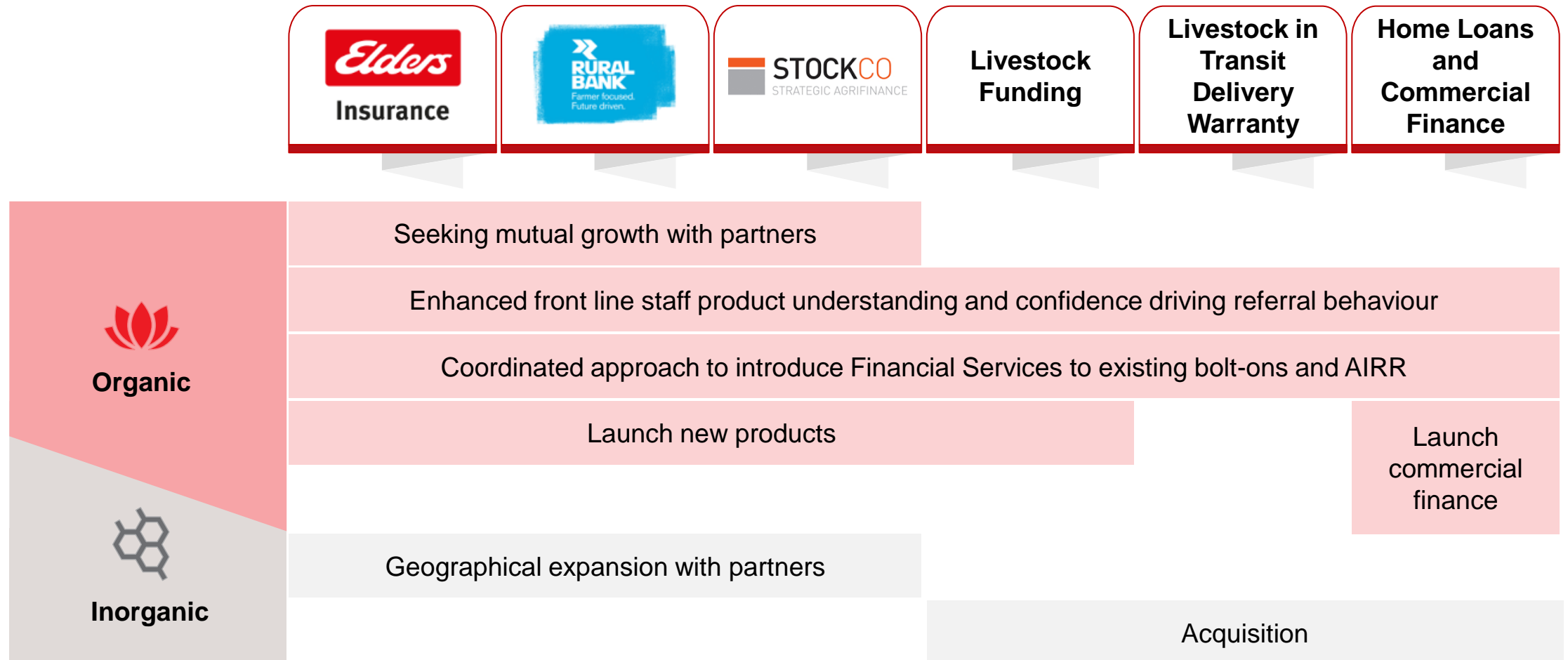
**Diversified offer supports resilience, with further growth and optimisation prospects**

- ✓ Diversification across insurance, banking, and livestock related products
- ✓ Ability to grow market share and improve referral activity mitigates market swings
- ✓ Acquisitions provide synergies
- ✓ Synergies with AIRR Financial Services
- ✓ Strong demand for Livestock financing due to ease and speed versus banks
- ✓ Upside from rising insurance premiums



# Growth Plan

Incremental growth possible across our full suite, through organic and inorganic pathways





# Feed & Processing Services

Presented by  
**Andrew Talbot**  
**GM Killara**



# Killara FY23 overview and highlights

**Killara has been resilient, supported by growth and diversification focus**

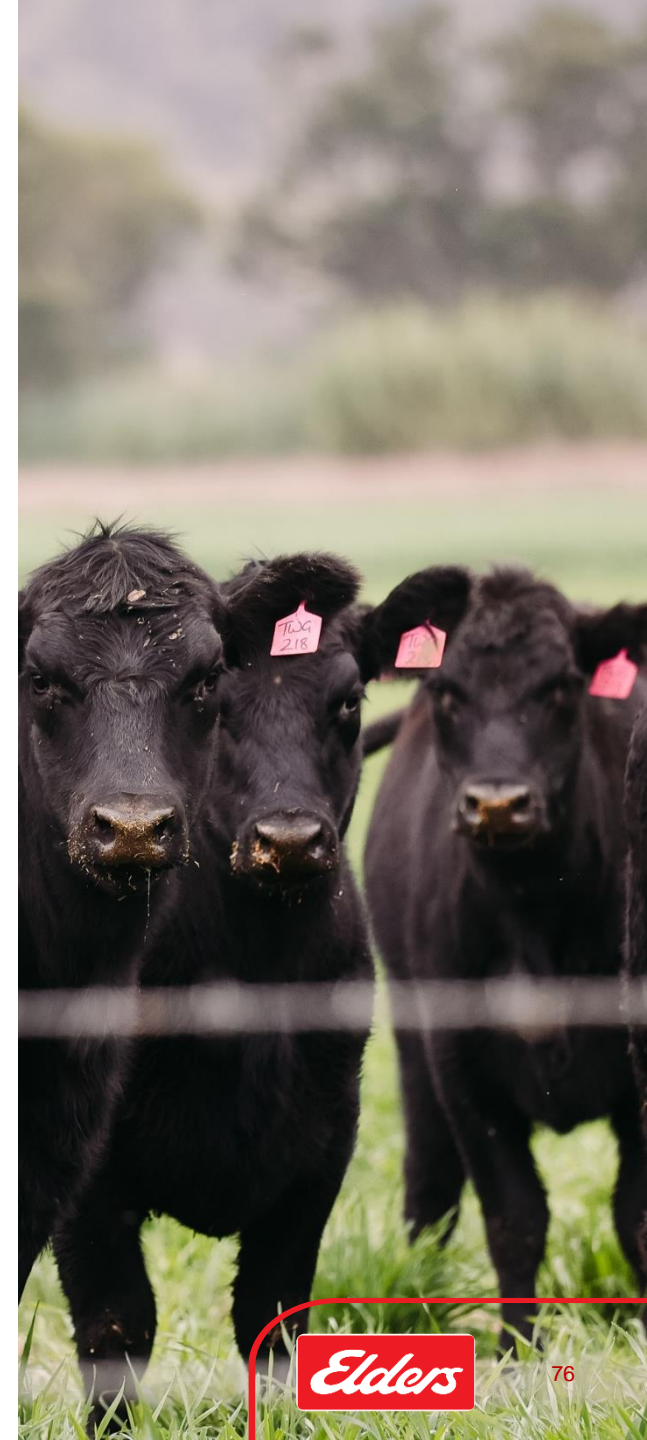
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**Livestock industry has faced significant volatility:**

- Feeder cattle prices down
- Commodity prices (feed costs) lifting
- Despite volatility, head on feed in Australia continues to increase

**We remain resilient via growth, diversification and driving operational excellence:**

- ✓ Safety focus reflected in recording Zero LTIs
- ✓ Further land acquisitions
- ✓ Expanded milling capacity, both grain and grass-fed
- ✓ Modernised composted manure processing facility
- ✓ Major investments in irrigation expansion, weather-proof shading, livestock induction facilities and continued modernisation of rolling plant
- ✓ Major investment in sustainability and sustainability initiatives



# Continual improvement areas

Setting us up for success in the long-term

1

## Improving animal welfare

*(e.g. advancements in microbial usage and reduction in mortalities)*

2

## Environmental stewardship: Moving towards carbon neutrality by 2030

*(e.g. transitioning to electricity and renewables, and reducing methane emissions)*

3

## Building our talent pipeline and developing our people through training

4

## Diversifying and adapting to changing customer and market segments

5

## Diversifying income streams

*(e.g. irrigation, manure processing, grass finishing)*

6

## Maximising site utilisation

*(e.g. targeting 100% occupancy)*



# Killara priorities

**Immediate focus is on growth and operational excellence**

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**Killara will continue seeking opportunities to grow, including:**

- ✓ Further feedlot expansion
- ✓ Continued lift in Wagyu segment through 3<sup>rd</sup> party feeding agreements

**Operational excellence is also a core focus:**

- ✓ Delivering safe workplace initiatives through investment and training
- ✓ Continued roll-out of sustainability initiatives
- ✓ New mill including Australian first technology targeted for FY24 to significantly lift production capacity
- ✓ IT upgrade for connectivity to assist efficiencies in operations



An aerial photograph of a vast, flat agricultural landscape under a cloudy sky. In the foreground, a red tractor is pulling a yellow harrow, followed by a yellow combine harvester. The field is divided into sections, some of which are planted with crops. In the distance, there are small clusters of trees and a line of hills.

# Closing Remarks and Q&A

Presented by  
**Mark Allison**  
Managing Director and CEO



# Closing summary

Well positioned to adapt to market conditions to deliver our 4<sup>th</sup> Eight Point Plan

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01

## **Our 3 previous 8PPs supported growth through recent agricultural cycles**

We have shown resilience through recent cycles, growing despite adverse weather events and volatility in commodity prices from global market dynamics

02

## **We are uniquely positioned to withstand various market conditions**

We can withstand market variability and evolving conditions through geographic and product diversification, balance sheet strength, and growth, transformation and margin enhancement initiatives

03

## **Our 4th 8PP sets us up for success and allows us to keep growing**

We will optimise our existing business, modernise and streamline to ensure future-readiness, while expanding and innovating our portfolio to sustain our growth trajectory



