



29 May 2024

Elders Limited Investor Presentation

Attached is a presentation to be given today, 29 May 2024, to the Australasian AgFood Conference, hosted by PAC Partners. The presentation will be given by Elders Limited's (**ASX:ELD**) Executive General Manager – Network, Tom Russo.

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Authorised by:

Peter Hastings, Company Secretary



185

EST. 1839

185 years of Elders

1839

Australasian AgFood Conference

29 May 2024

Presented by
Tom Russo
EGM - Network

2024

Disclaimer And Important Information

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

Forward looking statements

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

Non-IFRS information

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

Agenda

01

Global context

02

Business model - diversification

03

Financial results through the cycles

04

Eight point plan strategic priorities

05

Sustainability

06

Questions

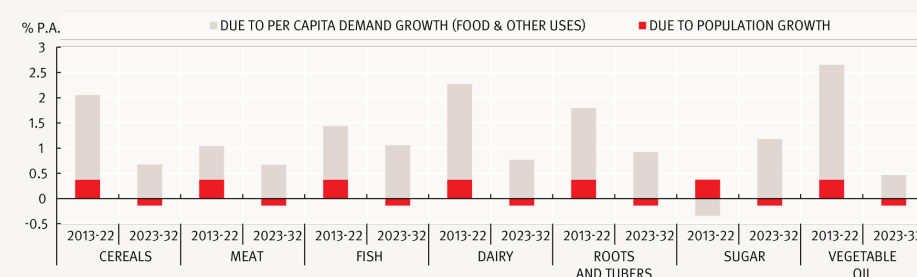
Global Context

The current world population of 7.6 billion is expected to reach 8.6 billion in 2030 and 9.8 billion in 2050

- The evolving energy and nutrition requirements of a growing and increasingly affluent global population will remain key drivers of demand for agricultural commodities.
- Growth in the global use of staples and fish will primarily be determined by population growth.
- Consumption growth of higher value products (eg dairy, meat, and sugar) will be fuelled by income-driven growth.
- Growth in the non-food use of crops is expected to continue to outpace growth in food use, due to intensifying livestock practices and increasing demand for biofuel.
- Asia will continue to play the most significant role in shaping global demand. Whilst the Chinese population will decline, significant growth in per capita incomes in China and South East Asia will contribute significantly to growth in food consumption, particularly animal proteins.
- Participation in the supply response is an attractive investment proposition. The weight of capital looking to be deployed into Australian primary production remains significant, particularly from North American institutions.
- Sustainably increasing productivity is the key challenge and opportunity.

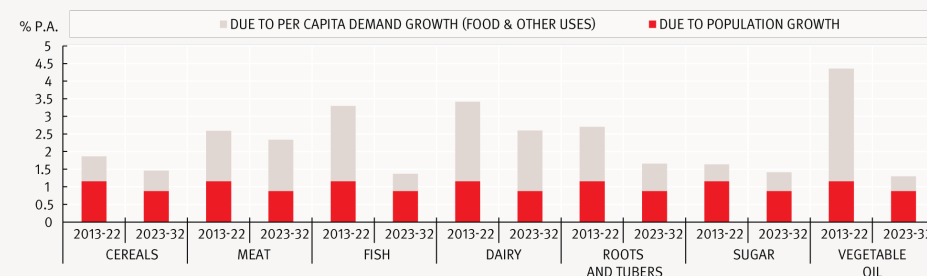
Demand for key commodities, food availability and agricultural trade balances in Developed and East Asia

Annual growth in total demand of food, feed and other uses (a)



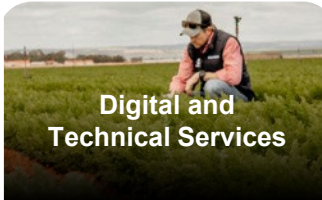
Demand for key commodities, food availability and agricultural trade balances in South and Southeast Asia

Annual growth in total demand of food, feed and other uses (a)



Business Model

Geographic and product diversification mitigate impact of individual market volatility and create multiple pathways to growth

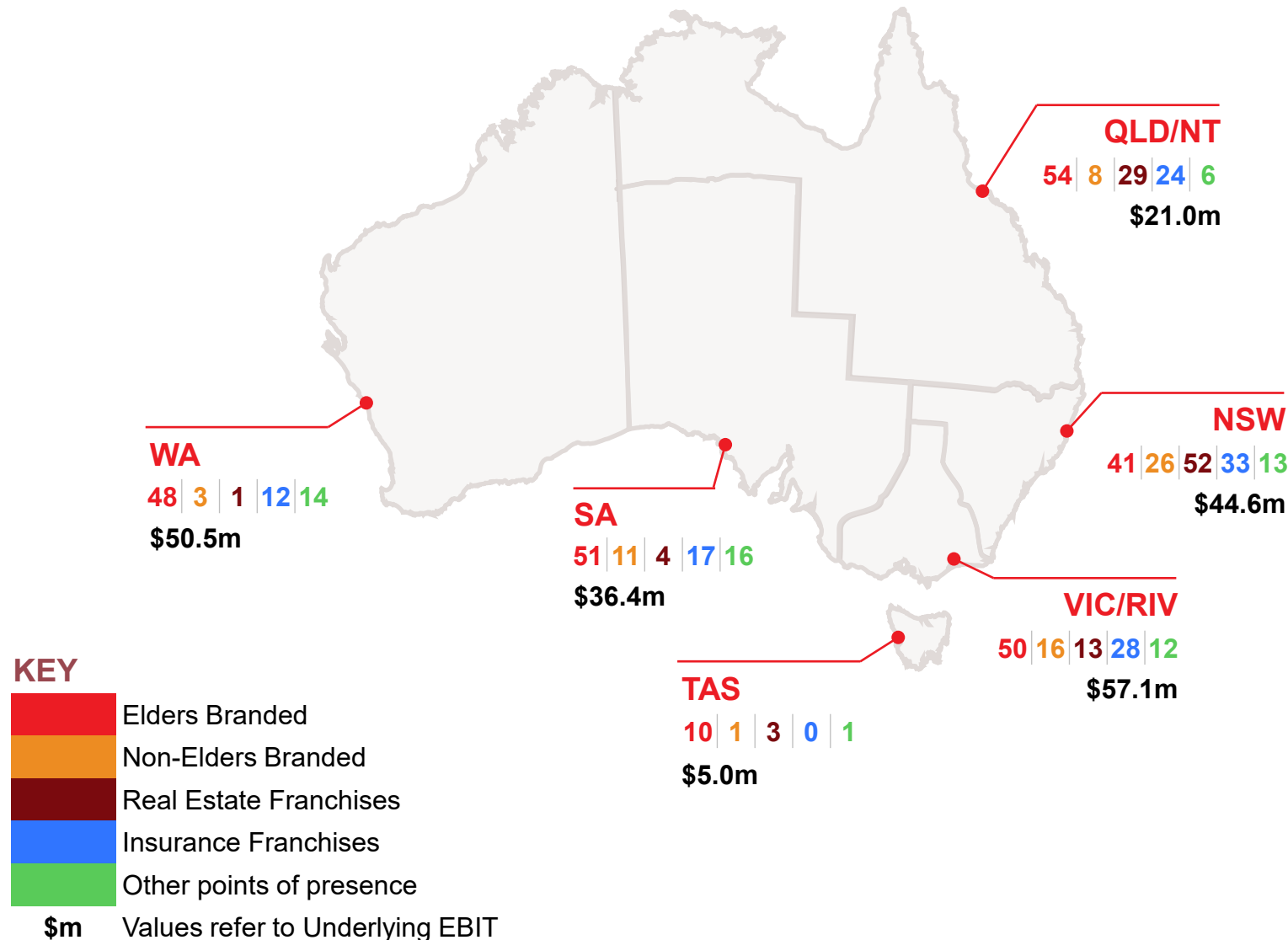
	 <div> <div>Rural Products</div> <div>RetailWholesale</div> </div>		 <div>Agency Services</div>	 <div>Real Estate Services</div>	 <div>Financial Services</div>	 <div>Feed and Processing Services</div>	 <div>Digital and Technical Services</div>
Product and service offerings	Rural Products	Rural Products	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 ¹ \$1.4b deposit book ¹ \$42.2m own balance sheet lending \$108.0m StockCo book	57k Killara Feedlot cattle head exited	AuctionsPlus 104k head cattle 841k head sheep
	242 stores	382 member stores	1.3m head Cattle	\$1.7b residential sales	\$1.2b insurance gross written premiums ²		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

- Relates to Elders' relationship with Rural Bank, which ceased in December 2023
- Relates to Elders Insurance gross written premiums

Expansive footprint

Geographic, segment and channel diversification



Our brand strategy

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



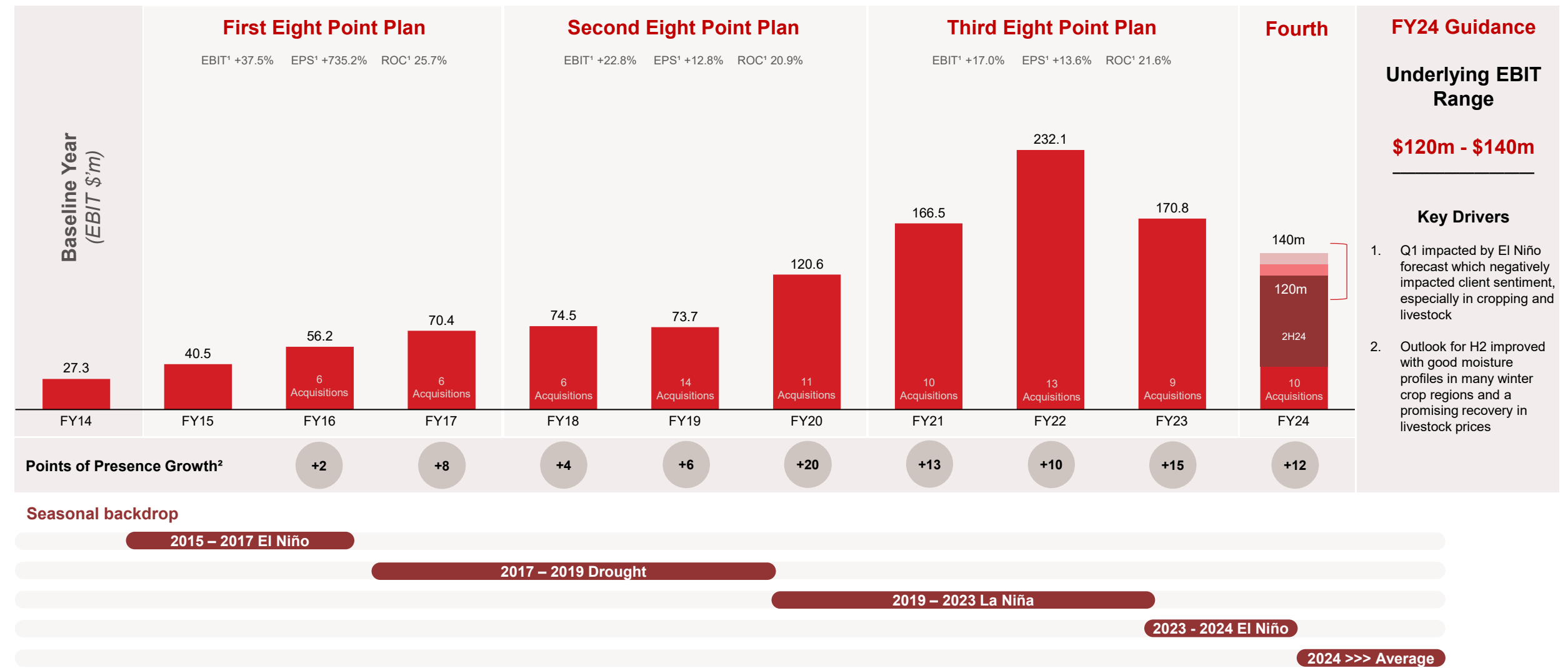
Secondary: utilising other brands to grow market share¹



1. Non-exhaustive

Earnings Resilience Through Seasonal Volatility

Guidance reflects first quarter weakness from below average seasonal conditions, balanced with an improved outlook for cropping and livestock

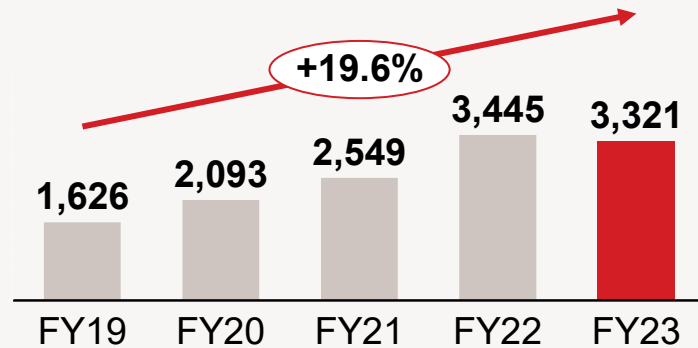




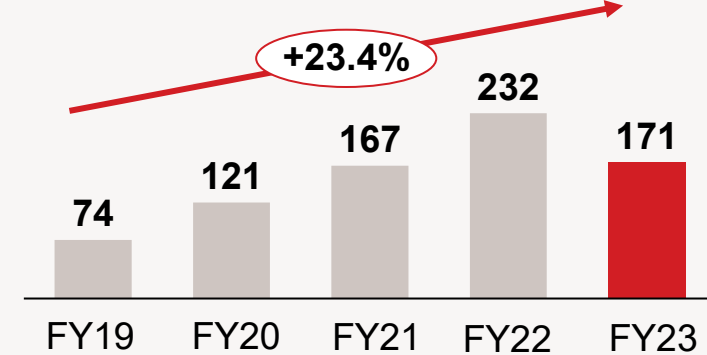
Five Year Financial Performance

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

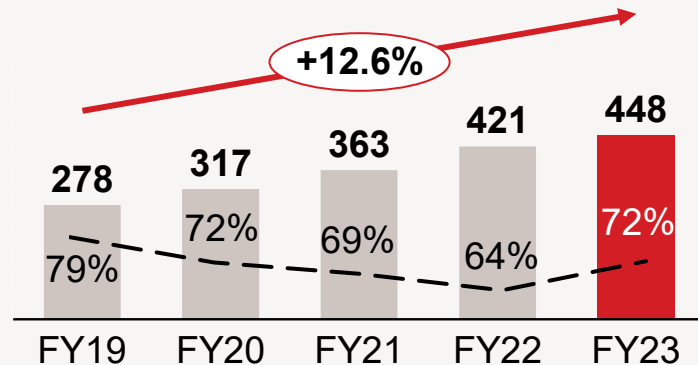
Sales Revenue (\$m)



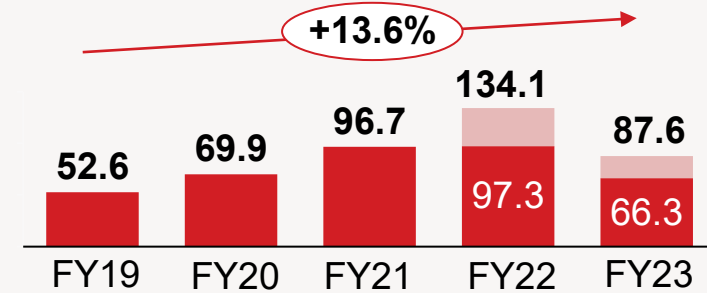
Underlying EBIT (\$m)



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



Adjusted Underlying Earnings per Share (cents)¹



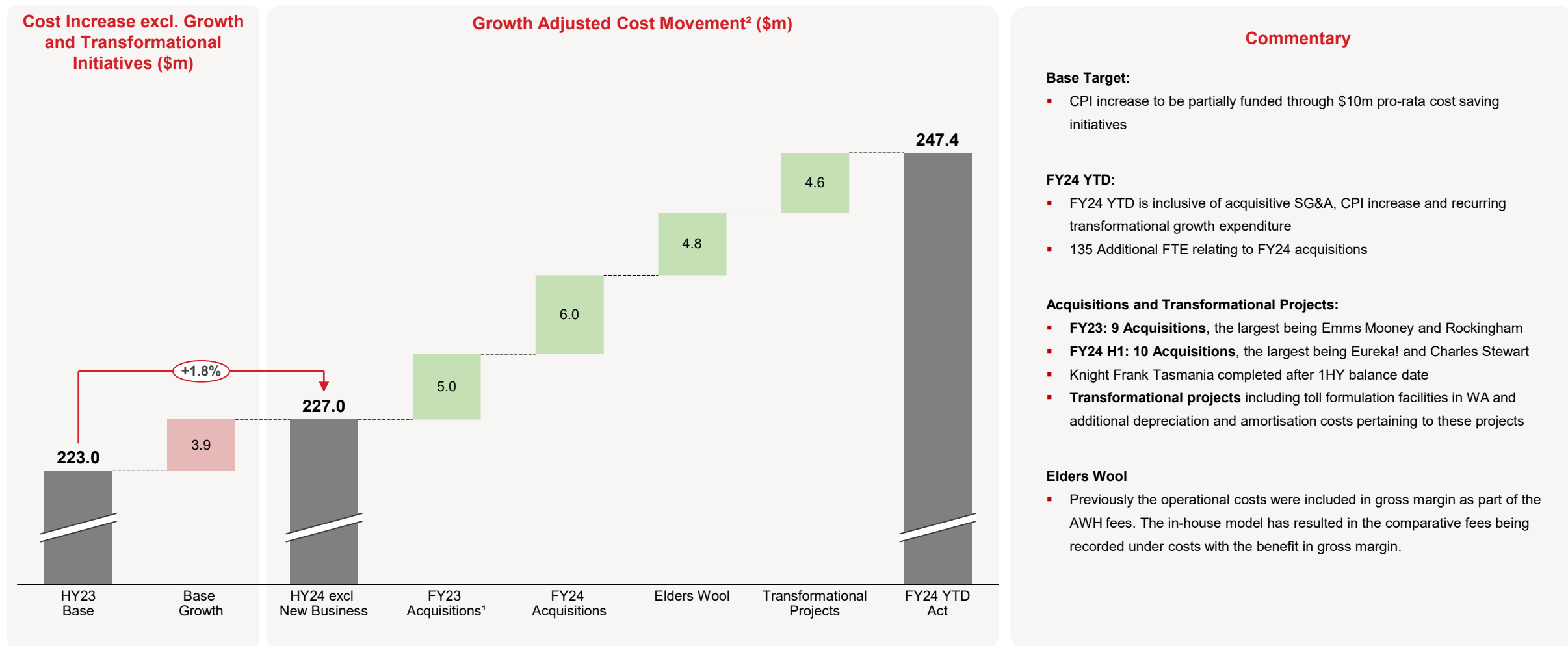
Adjusted underlying EPS

CAGR calculated on full year performance

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

Cost Growth Excluding New Business: Year to Date

FY24 cost target on track through disciplined cost management





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

Our Strategic Priorities – Streamline our Supply Chain

Our Rural Products supply chain optimisation program

- 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
- Aligns with our systems modernisation program

Annualised gross benefits at full run-rate ^{1,2}		(\$m)
Capital		
Inventory reduction (safety stock)		50-80
NPAT		
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
Gross NPAT Uplift²		10-18

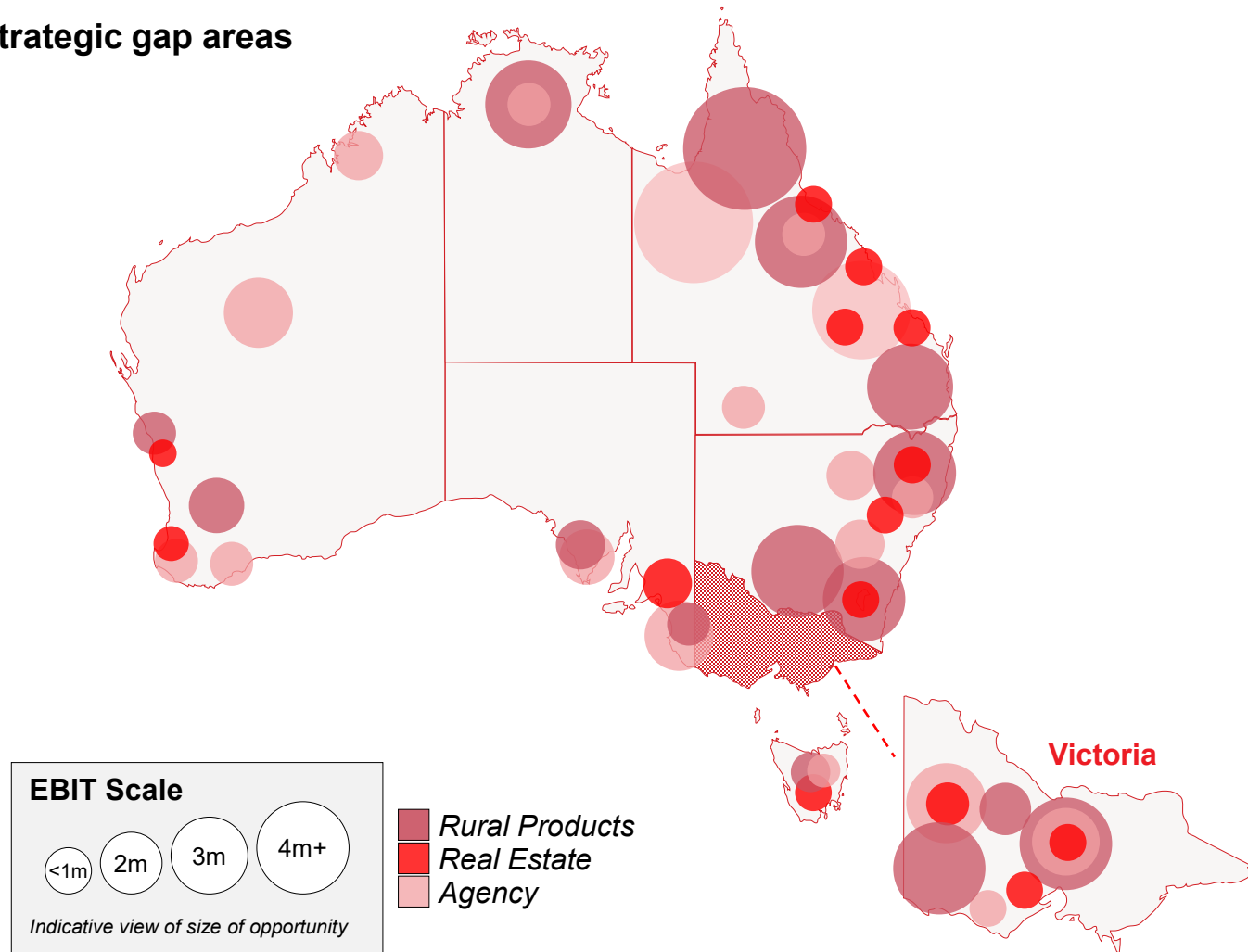
1. Streamline benefits from external consultant analysis, September 2022

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

Our Strategic Priorities – Growth

Strategic intent to fill gaps and grow our geographical footprint

Key strategic gap areas



- **FY23: 9 Acquisitions**, the largest being Emms Mooney and Rockingham
- **FY24 YTD: 10 Acquisitions**, the largest being Eureka! and Charles Stewart and Knight Frank Tasmania



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 EBIT¹

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

Our Strategic Priorities – Transform

Gross margin growth and efficiency through product expansion



ELDERS WOOL¹

Enhanced client experience through state-of-the-art wool handling facility

Business Model	<ul style="list-style-type: none"> Modern, efficient, and scalable Economies of scale through volume and centralised business model AGVs² for enhanced efficiency and a 24hr operational model
Enhanced Efficiency	<ul style="list-style-type: none"> Commercial benefit gained from solar power, LED lighting and electronic AGVs² Optimises logistics, sales and storage through automated warehousing Centralised model insulated from cost pressures benefiting growers
Financial Creation	<ul style="list-style-type: none"> Provides opportunity to generate revenue from additional avenues Increased earn per bale and gross margin EBIT accretive by approximately \$4-\$5 million per annum
Over 52,000 bales received since November 2023	

1. Projects are expected to deliver a ROC greater than 15% once operating at scale
 2. AGV – Automated guided vehicle

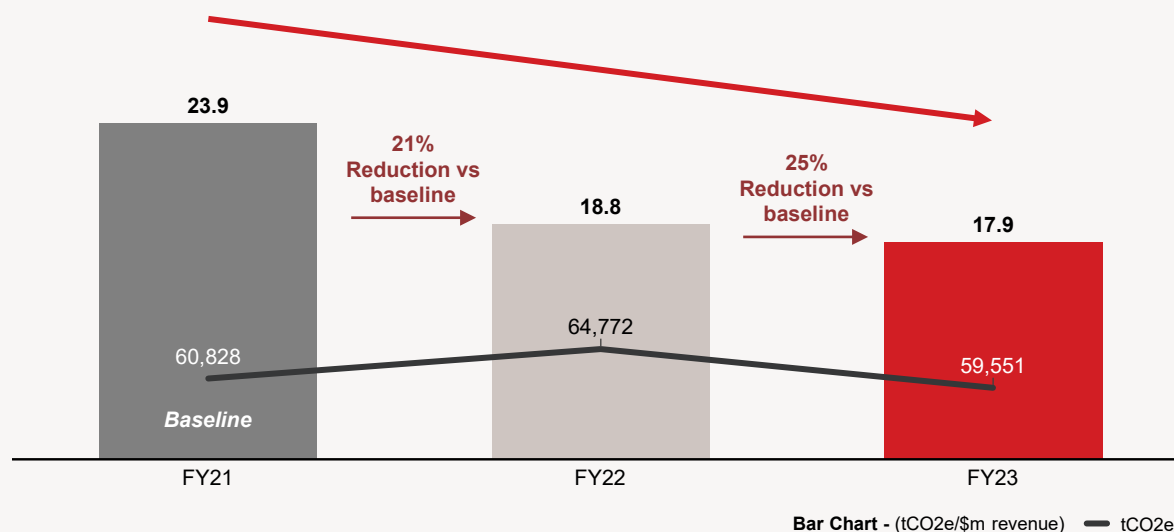


Sustainability Performance

Meaningful progress towards Scope 1 and 2 emission targets

CLIMATE TARGETS¹

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



Targets

100% renewable electricity in all Australian sites by 2025³

50% reduction in Scope 1 and 2 emissions intensity (tCO2e/\$m revenue)

by 2030, against a baseline year, 2021 (subject to commercially viable technology being available to address feedlot cattle emissions)

Net zero Scope 1 and 2 emissions by 2050² (tCO2e)

OUR PROGRESS

- Engaged centralised waste management services provider, driving waste reduction initiatives
- Implementation of an ethical sourcing platform, enhancing supplier risk screening
- Partnering with Big Bag Recovery to promote enhanced awareness of plastic bags recoverability through Elders collection points
- Targeted solar and LED lighting site upgrades to reduce emissions
- Solar array development at Killara Feedlot installed and near commissioning

- Scope 1: direct emissions from owned or controlled sources. Scope 2: indirect emissions from the generation of purchased electricity
- Targets based on Elders' financial year ending 30 September
- As with FY22 and FY23, target to be achieved in FY24 through on-site solar generation and purchase of LGCs

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

Questions



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