

18 November 2024

## 2024 Full Year Results Presentation

Attached is the Elders Limited (**ASX:ELD**) presentation of the financial results for the 12-month period ended 30 September 2024.

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**Authorised by:**

Elders Limited Board of Directors

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185

EST. 1839

*185 years of Elders*

1839

# Full Year Results Presentation for FY24

18 November 2024

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

**Paul Rossiter**  
CFO

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** Executive Overview

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**02** Financial Results

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**03** Strategy and Outlook

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**04** Questions

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**05** Appendix

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# Executive Overview

Presented by Mark Allison (Managing Director and CEO)



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# Key Investment Drivers

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



- Through the cycles shareholder value generation
- Positioned to benefit from return to average seasonal conditions
- Target cash conversion above 90% and dividend payout of between 40-60%

EPS Growth



- Multi-faceted agribusiness
- Diversified product offerings and location
- Streamlined supply chain offering

Geographic, product and channel diversification



- Room to grow market share in a large total farm inputs market
- Opportunities to drive operational efficiencies
- Selective organic and acquisitive growth

Attractive market and company outlook



- Cost and capital efficiencies
- Systems Modernisation benefits expected from FY25
- Rural Products supply chain optimisation

Transformational initiatives benefits



- Network expansion opportunities
- Bolt on acquisition synergies
- Member growth for wholesale network

Significant pipeline of new opportunities

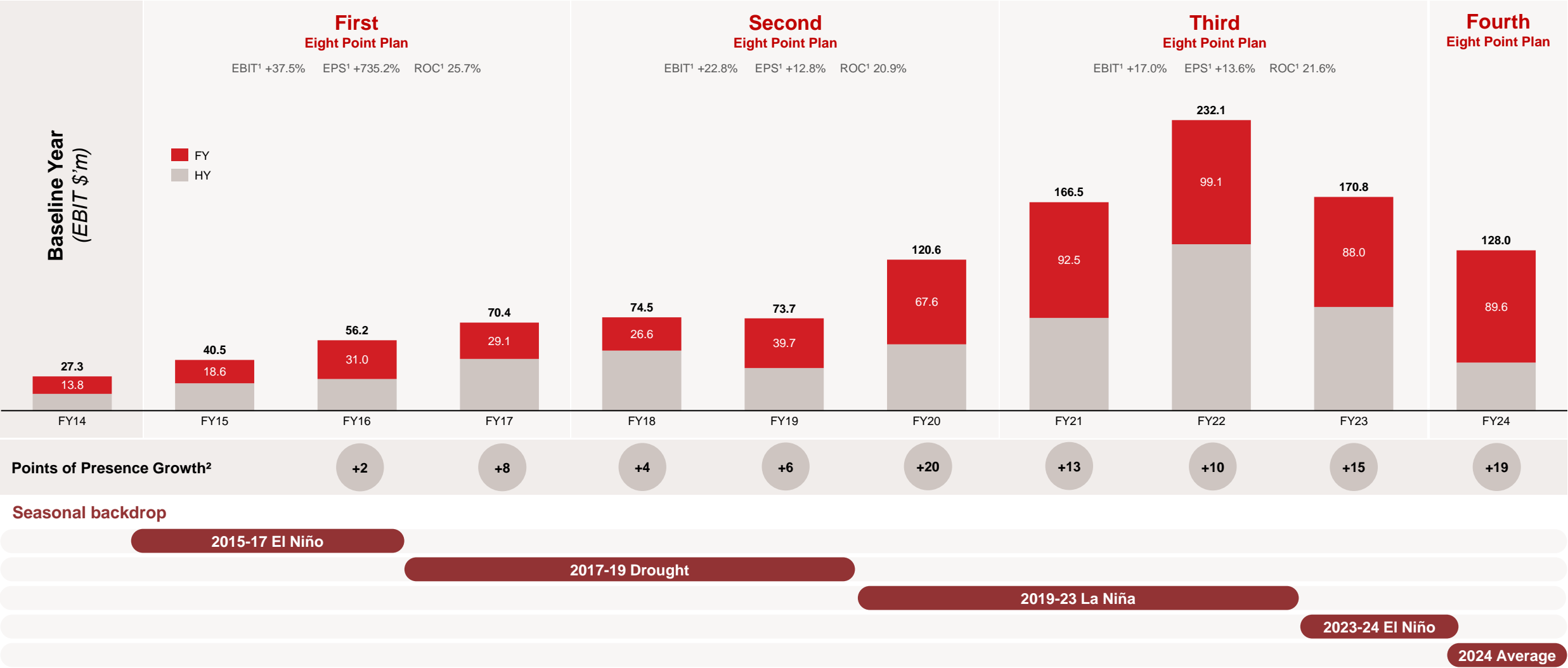


- Resilient balance sheet
- Covenant leverage headroom
- Accounting leverage forecast to reduce from collection of debtors and normalisation of Q1
- Shareholder returns focus

Robust balance sheet supporting growth

# Earnings Resilience Through Seasonal Volatility

Resilient EBIT reflects improving seasonal conditions and client activity notwithstanding lost first quarter earnings



1. Average EBIT and EPS growth and average ROC over the Eight Point Plan period

2. Growth generated from acquisitions does not include additional points of presence from greenfield locations

# People and Customer Highlights



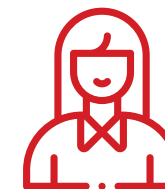
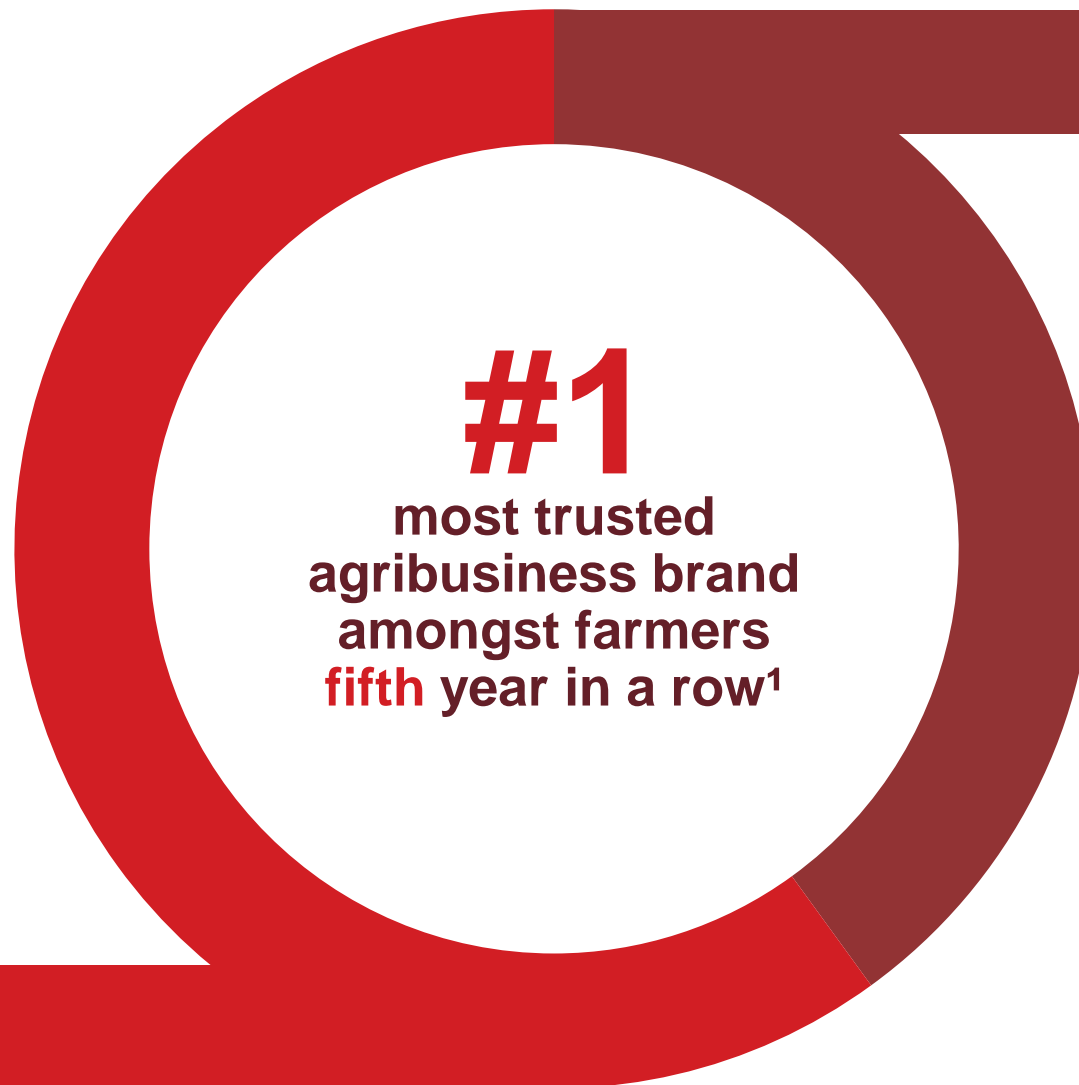
**2**  
lost time injuries



**9.0**  
total recordable injury  
frequency rate



**47**  
net promoter score



**45%**  
women in the workforce



**21%**  
women in senior positions



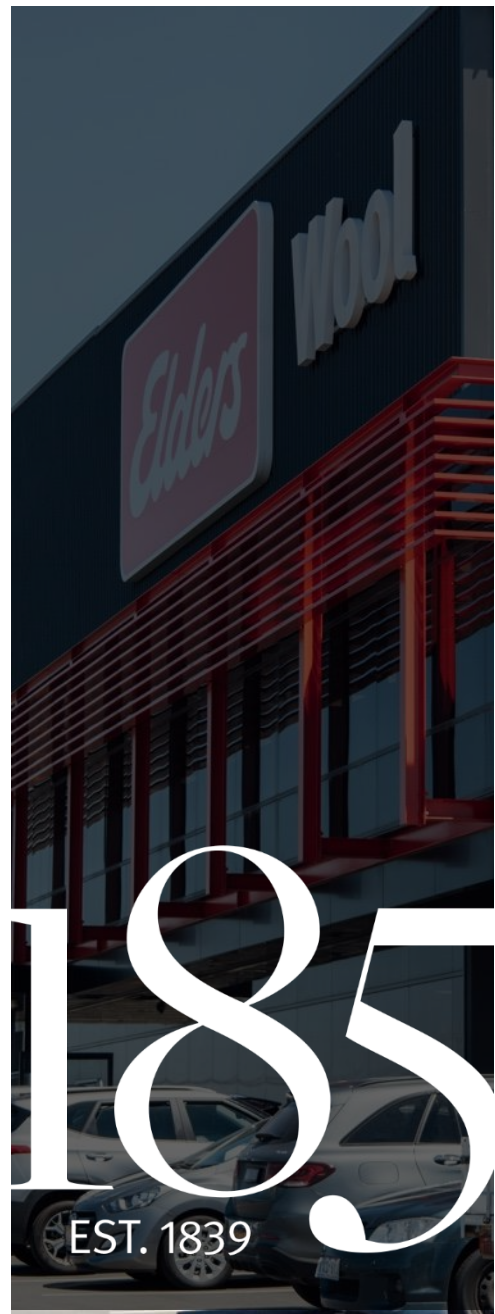
**77%**  
employee engagement



**21**  
additional points of presence

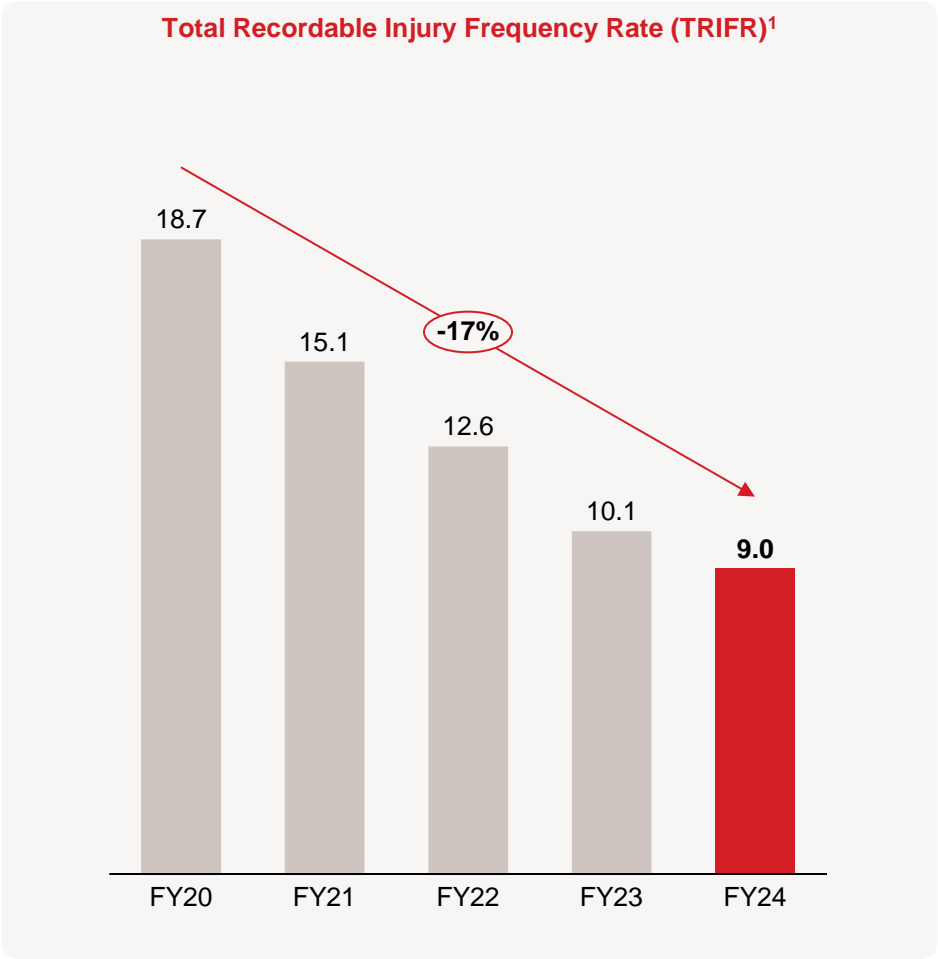
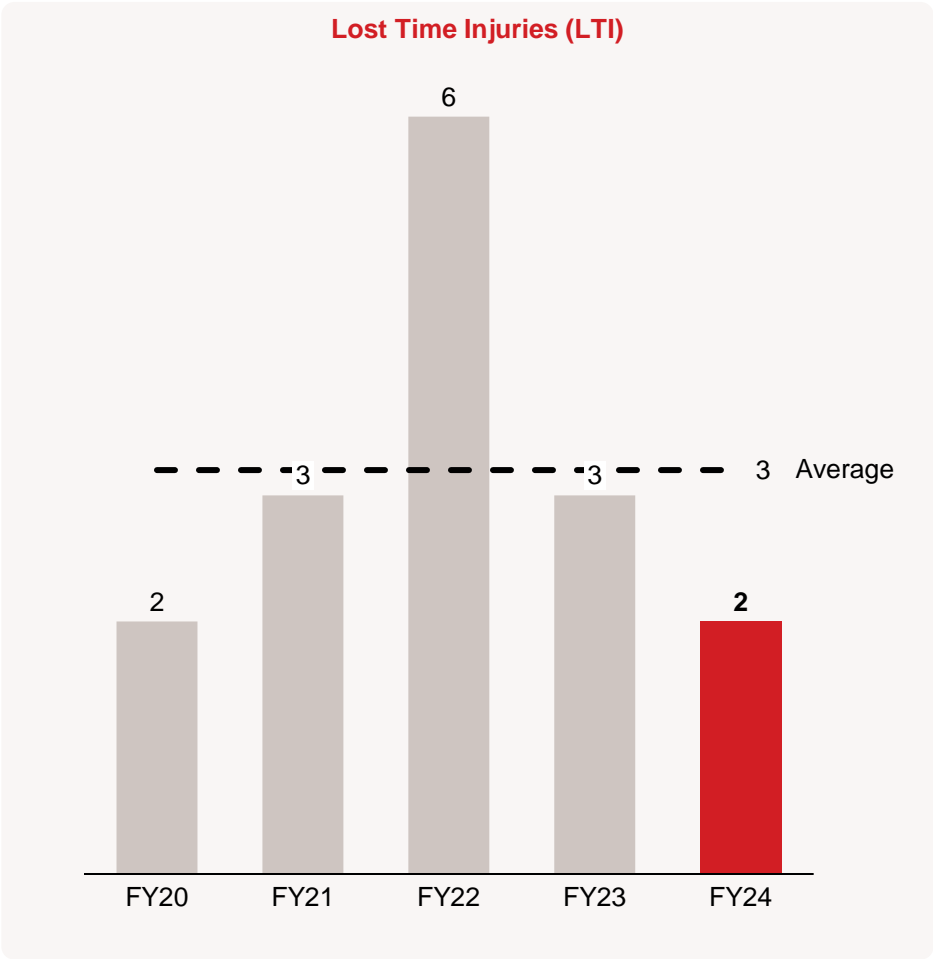
1. "Most Trusted Agribusiness Products and Services Brand", and the 'Best of the Best Most Trusted Agribusiness Brand' in the 2024 Roy Morgan Trusted Agribusiness Brand Awards





# Safety, Health and Wellbeing

Sustaining a safer working environment



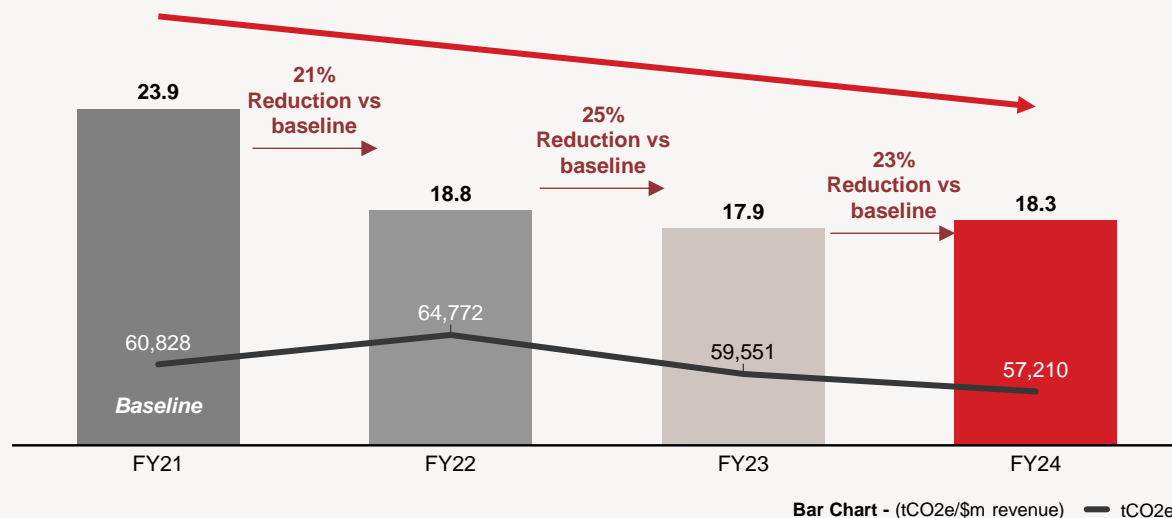
1. All fatalities, LTIs and medical treatment injuries multiplied by 1,000,000 then divided by hours worked

# Sustainability Performance

On track to achieve Scope 1 and 2 emission targets by 2030

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

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



### Targets

**100%** renewable electricity in all Australian sites by 2025<sup>2</sup>

**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 2050<sup>1</sup> (tCO2e)

## OUR PROGRESS

- Focus for 2024 was embedding our sustainability principles into business operations
- Implementation of 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 bag recoverability through Elders collection points
- Targeted solar and LED lighting site upgrades to reduce emissions
- Solar array at Killara Feedlot installed and commissioned
- Commenced trial of electric vehicles at several of our real estate branches

- Scope 1: direct emissions from owned or controlled sources. Scope 2: indirect emissions from the generation of purchased electricity. Reported emissions are based on the period 1 July 2023 to 30 June 2024
- Target achieved through on-site solar generation and purchase and retirement of LGCs

# Financial Overview

Improved second half unable to fully offset materially impacted first quarter earnings, notwithstanding improving seasonal conditions and client sentiment



**\$128.0m**

**Underlying EBIT**

**-25% YOY**

Negatively impacted by the Q1 result



**11.3%**

**Return on Capital**

R12 EBIT/ R12 avg net operating assets

**from 16.0%**

Below target benchmark due to Q1 EBIT impact and capital spend on transformational projects



**129%**

**Cash Conversion**

YTD Operating cash flow / YTD U'NPAT

**from 163%**

Negatively impacted by higher debtors at balance date



**36c**

**Dividends Per Share**

**from 46 cents**

Dividend payout ratio temporarily above target elevated because of Q1 underperformance



# Financial Results

Presented by Paul Rossiter (CFO)



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# Financial Performance Overview



## FY24 Underlying EBIT

- EBIT within guidance, supported by return to average seasonal conditions in most regions
- Achievement of cost targets
- Second half EBIT exceeded 2H23



## Fourth Eight Point Plan

- Thirteen acquisitions in FY24 with ongoing pipeline
- Growing our footprint and diversifying our product portfolio
- Transform our business through enhanced systems and processes



## Operational Resilience

- Average seasonal conditions forecast in FY25
- Continued recovery expected in client sentiment
- Ongoing commitment to cost and capital discipline



## Financial Ratios

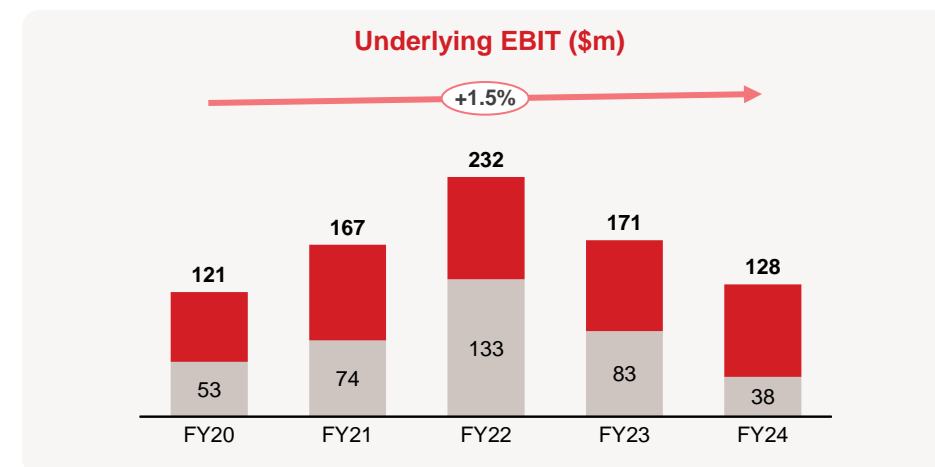
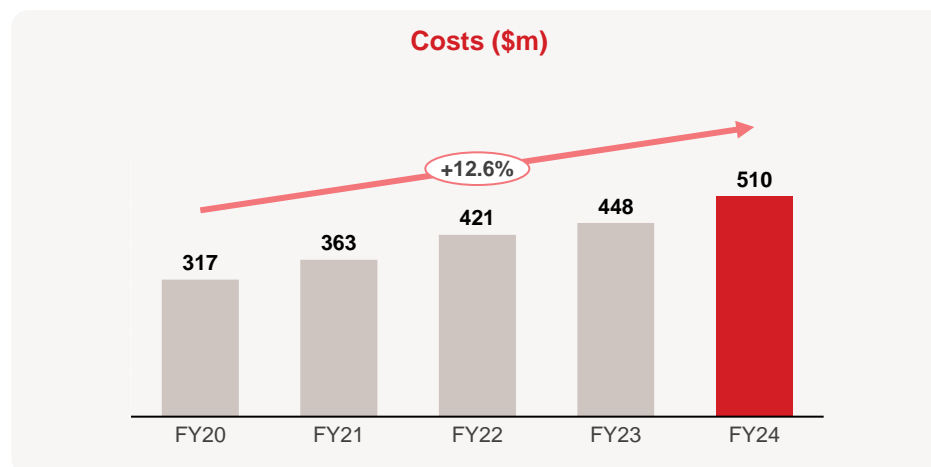
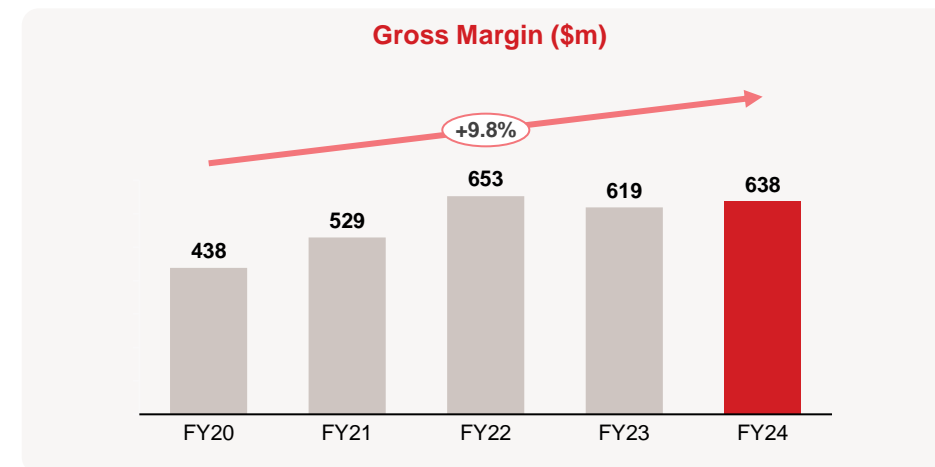
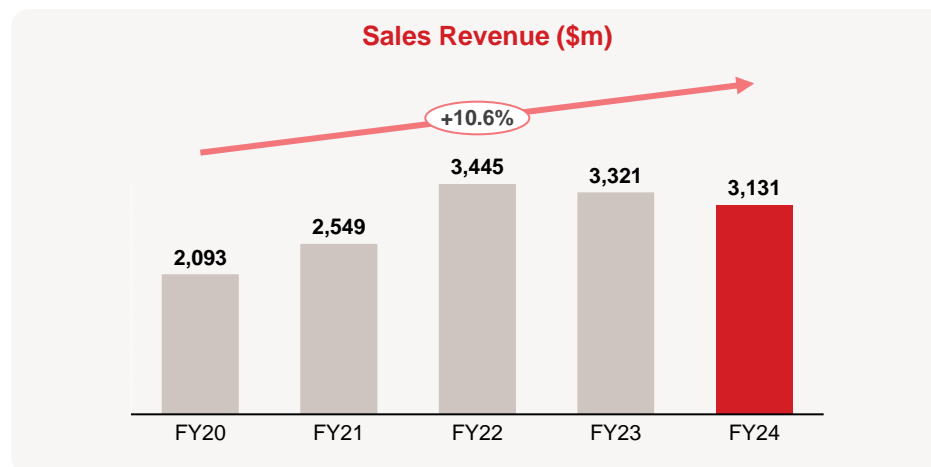
- Headroom maintained in bank covenants
- Leverage ratio forecast to return within target range (1.5x – 2.0x) by FY25 H1<sup>1</sup>
- ROC negatively impacted by generational spend on transformational projects
- Cash conversion greater than 90% of underlying NPAT

1. Subject to a normal 1Q FY25 and average seasonal conditions



# Five-Year Financial Performance

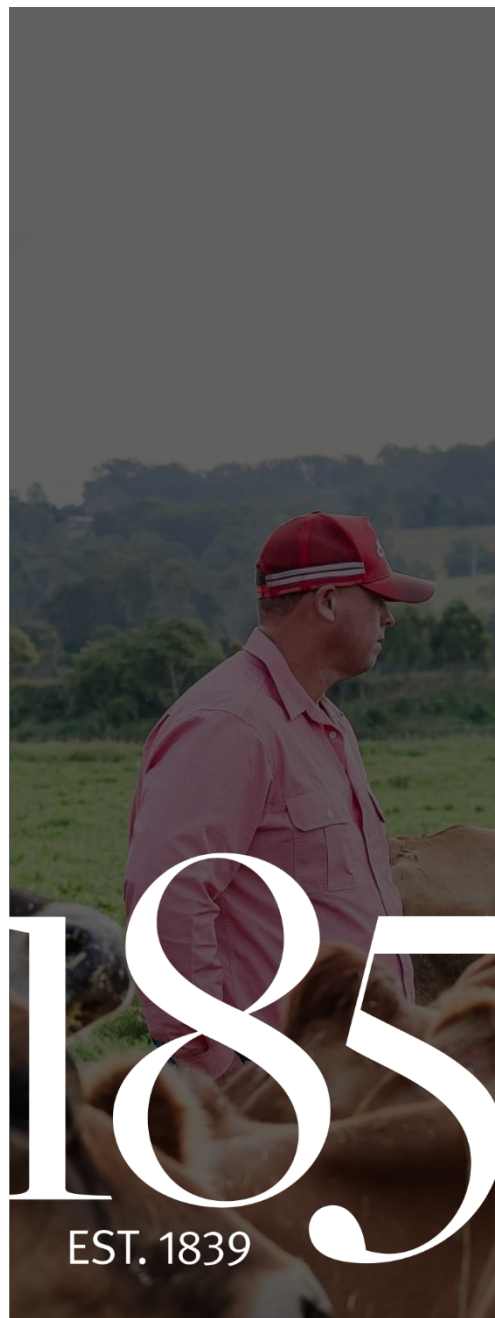
EBIT within guidance with forecast return to average seasonal conditions forecast in FY25



CAGR calculated on full year performance

Cost base elevated following the change in Elders Wool cost methodology from inclusion in gross margin to operational costs

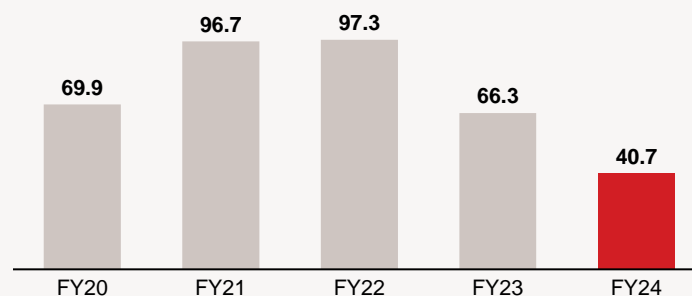
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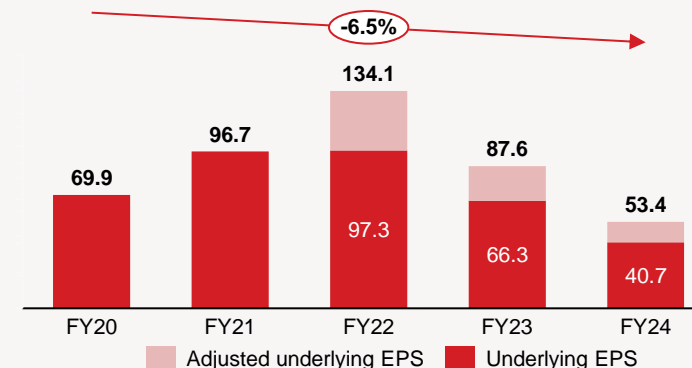
# Five-Year Shareholder Returns

FY24 materially impacted by seasonal and market conditions in the first quarter

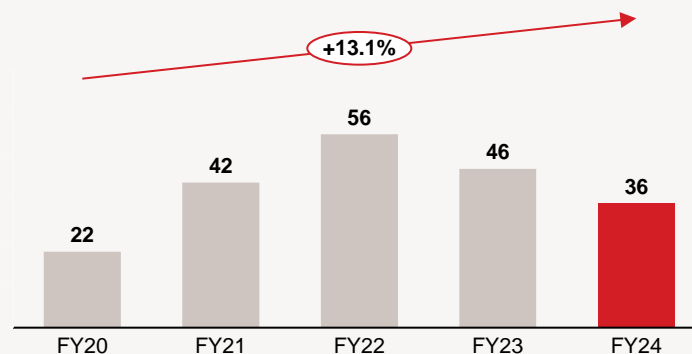
Underlying Earnings per Share (cents)



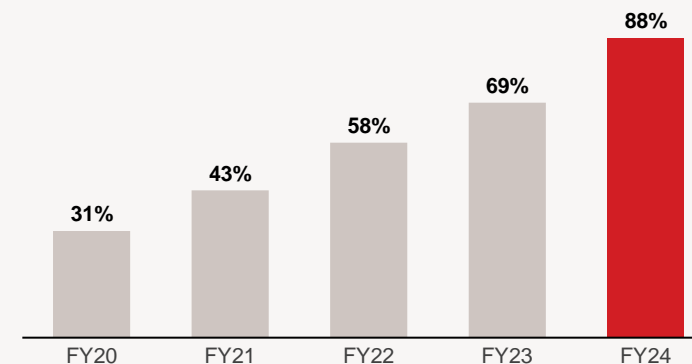
Adjusted Underlying Earnings per Share (cents)<sup>1</sup>



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

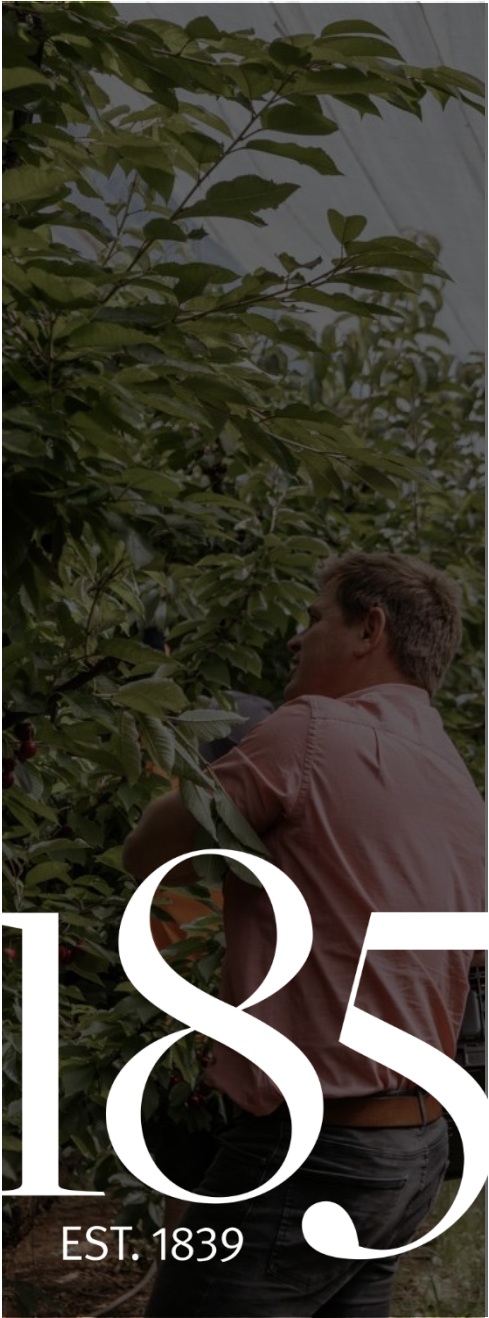


Dividend Payout Ratio (%)<sup>3</sup>



- Adjusted for underlying tax expense recognised from 1 October 2021
- Franked Percentages, FY20 (100%), FY21 (20%), FY22-23 (30%), FY24 (60%, average)
- Elders dividend policy considers the maintainability of dividends and hence looks through seasonal events such as Q1

CAGR calculated on full year performance



# FY24 Financial Summary

Resilient financial result despite below average seasonal and market conditions in the first quarter

Key metrics (\$m)	FY24	FY23		Var	Var %
Sales revenue	3,131.3	3,321.4	↓	(190.1)	(6%)
Gross margin	637.6	619.0	↑	18.6	3%
Gross margin %	20.4%	18.6%	↑	1.8%	n/a
Costs	509.6	448.2	↑	61.4	14%
Underlying EBIT	128.0	170.8	↓	(42.8)	(25%)
Underlying net profit after tax	64.0	103.7	↓	(39.7)	(38%)
Return on capital (%) <sup>1</sup>	11.3%	16.0%	↓	(4.7%)	n/a
Net debt (excl. AASB 16) <sup>4</sup>	436.8	259.7	↑	177.1	68%
Leverage ratio (times) <sup>2,4</sup>	3.1	1.4	↑	1.7	121%
Operating cash flow	82.9	169.2	↓	(86.3)	51%
Cash conversion (%)	129.5%	163.1%	↓	(33.6%)	n/a
Underlying earnings per share (cents)	40.7	66.3	↓	(25.6)	(39%)
Dividend per share (cents) <sup>3</sup>	36.0	46.0	↓	(10.0)	(22%)

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 60% average for the full year up from 30% in the prior year

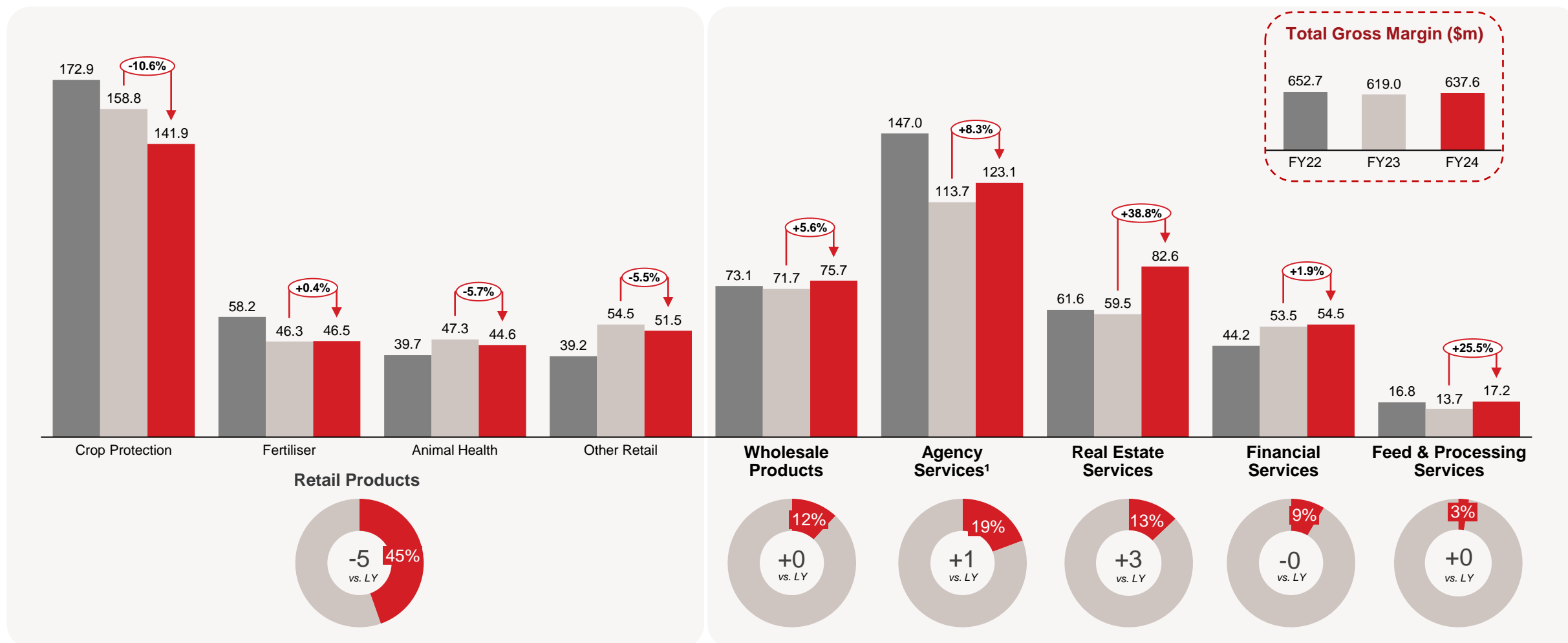
4.

Balance date



# Gross Margin Diversification

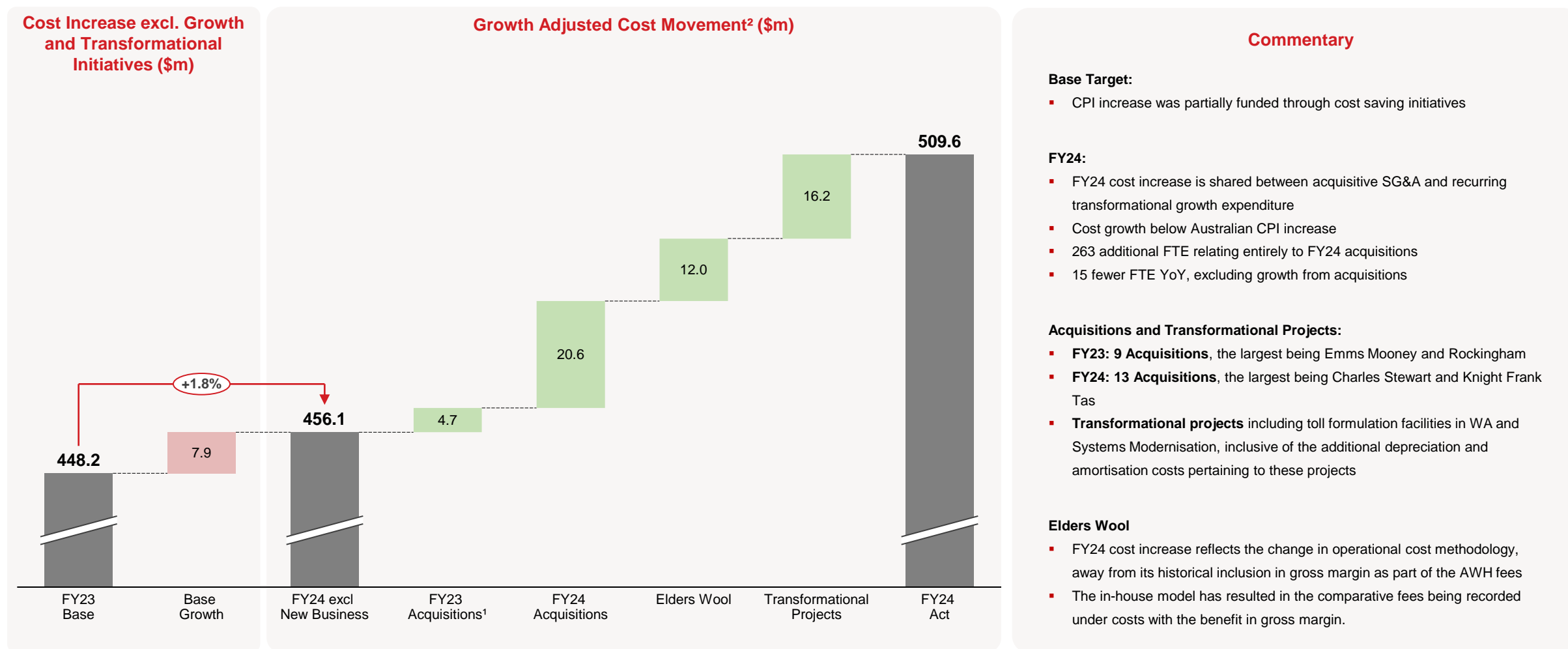
Increasing product diversification through targeted organic and acquisitive growth



1. Agency split: Sheep – 34%; Cattle – 48%; Wool and Grain – 18%  
 2. Pie charts represent percentage of total FY24 gross margin

# Cost Growth Excluding New Business

Cost excluding growth and transformation increased 1.8%, well below CPI

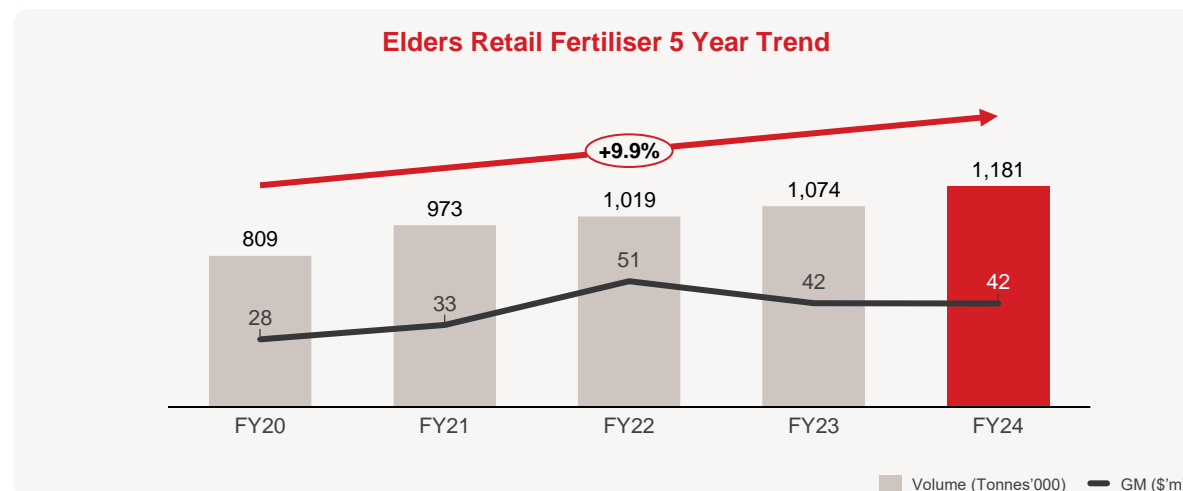
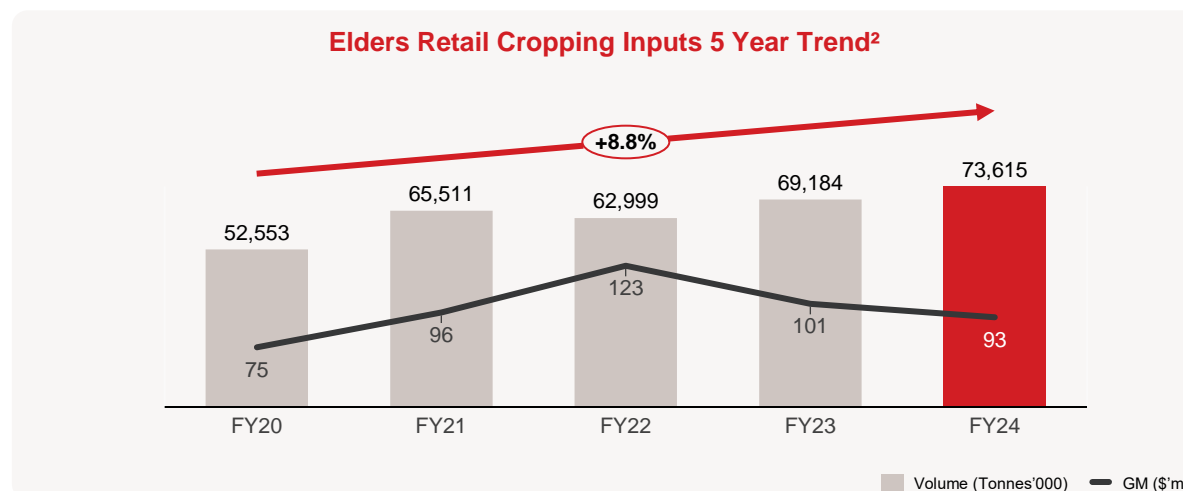
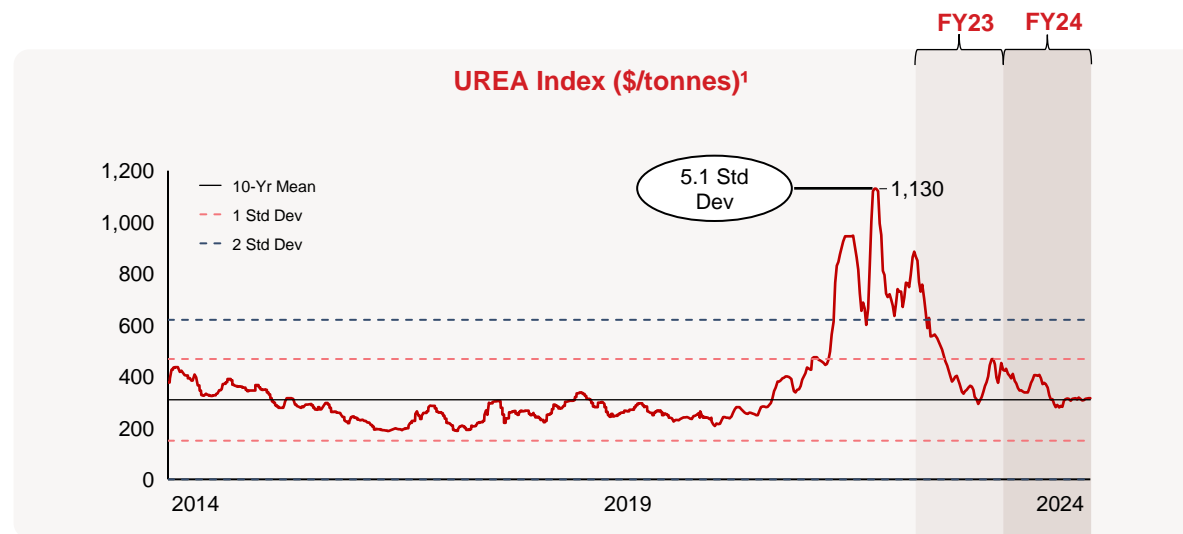
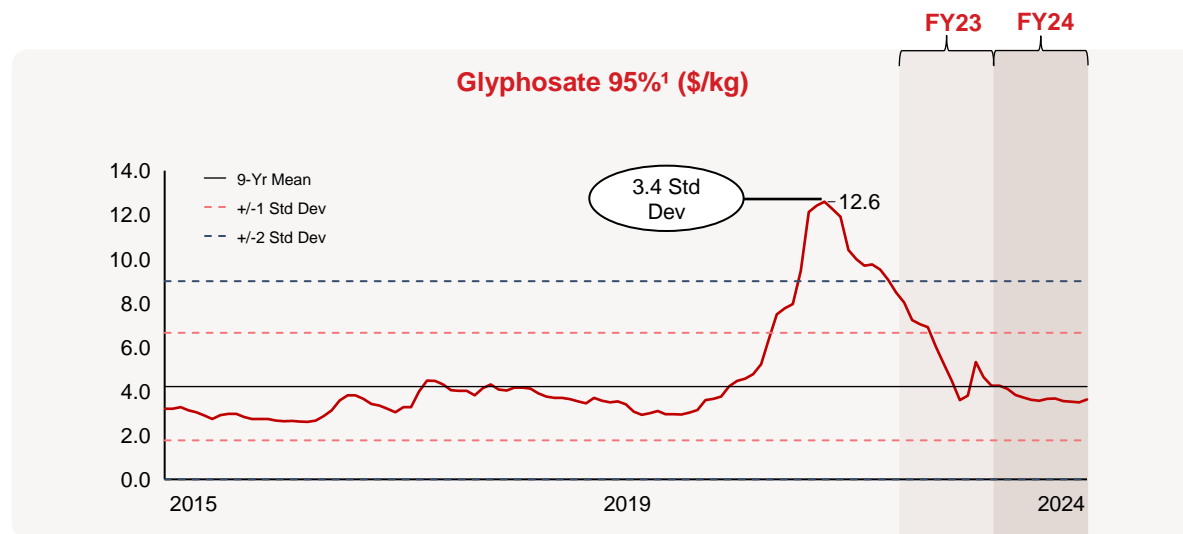


1. FY23 acquisitions with less than 12 months ownership

2. Includes the rolling twelve-month costs from acquisitions and transformational projects with less than 12 months of earnings and thus is not directly comparable to slide 36 which is a year-on-year comparison

# Industry Backdrop – Rural Products

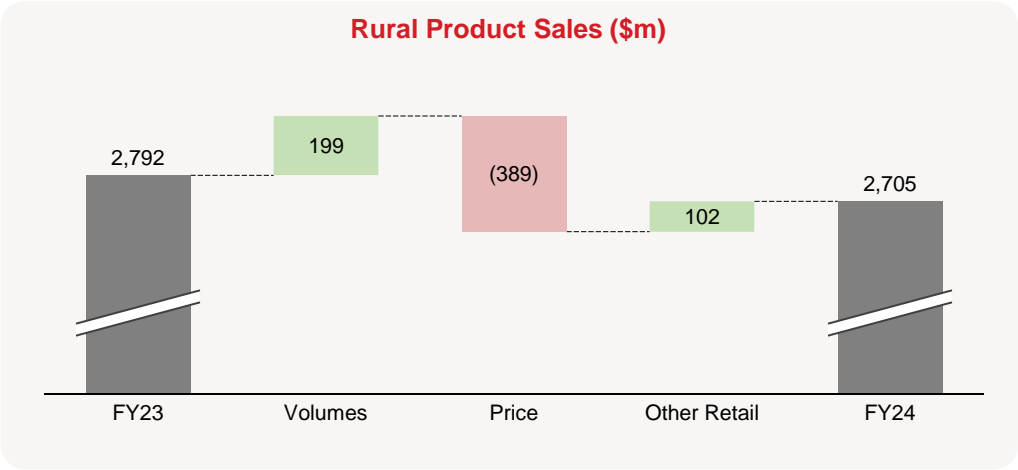
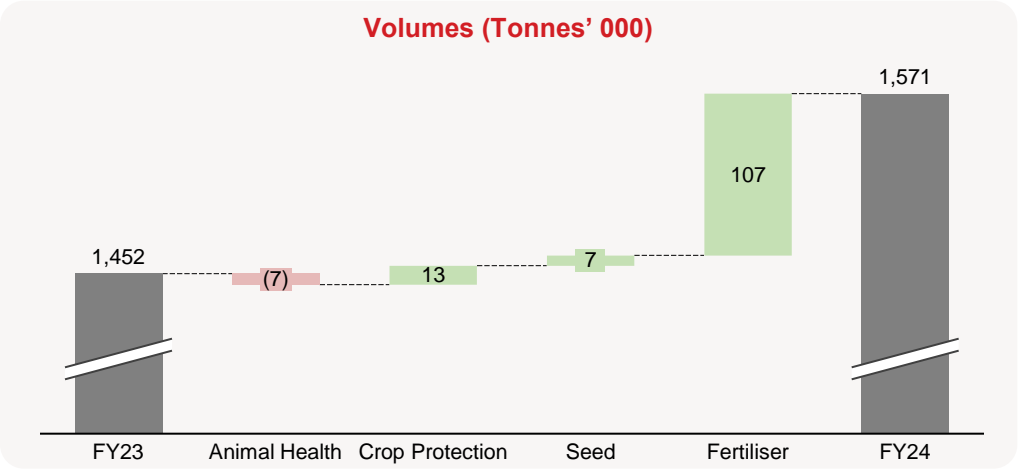
Sales negatively impacted against prior period by a full year of lower crop protection prices



1. Reproduced courtesy of Refinitive  
 2. Excludes the benefits of our backward integration  
 3. <https://tradingeconomics.com/commodity/urea>

# Continued Volume Growth Across Key Products

Continued sales volume growth unable to offset lower crop protection prices against prior period



## Animal Health

- Lower volume growth impacted by weaker livestock prices and soft client sentiment
- Rebounding NYCI<sup>1</sup> saw improved client sentiment in H2



## Crop Protection

- Volumes impacted by cautious client sentiment following the El Niño announcement in H1
- Gross margin impacted by declining input prices



## Seed

- Volume growth unable to fully offset margin pressure from lower prices and product mix



## Fertiliser

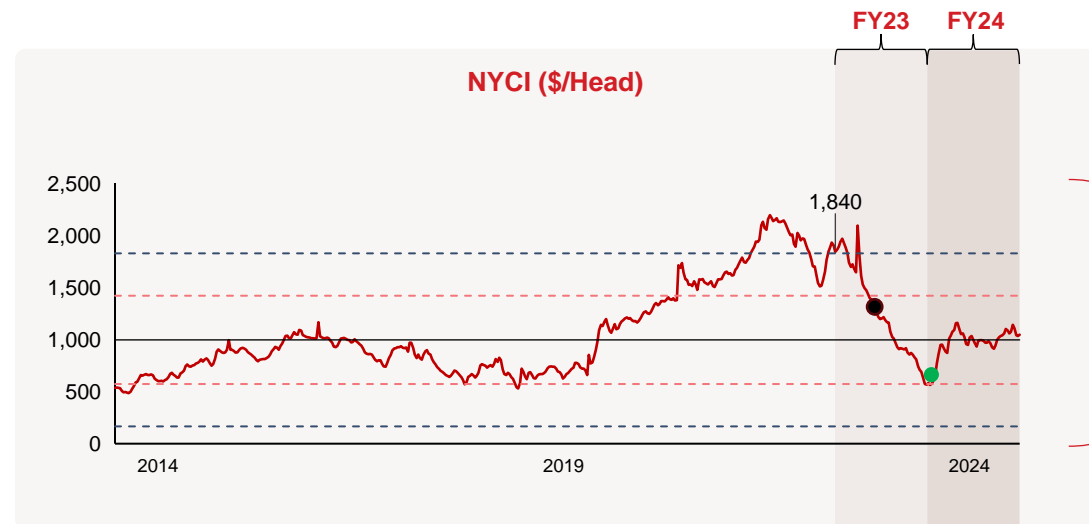
- Volumes up 10%, unable to offset lower global input prices compared to the prior period

1. NYCI – National Young Cattle Indicator

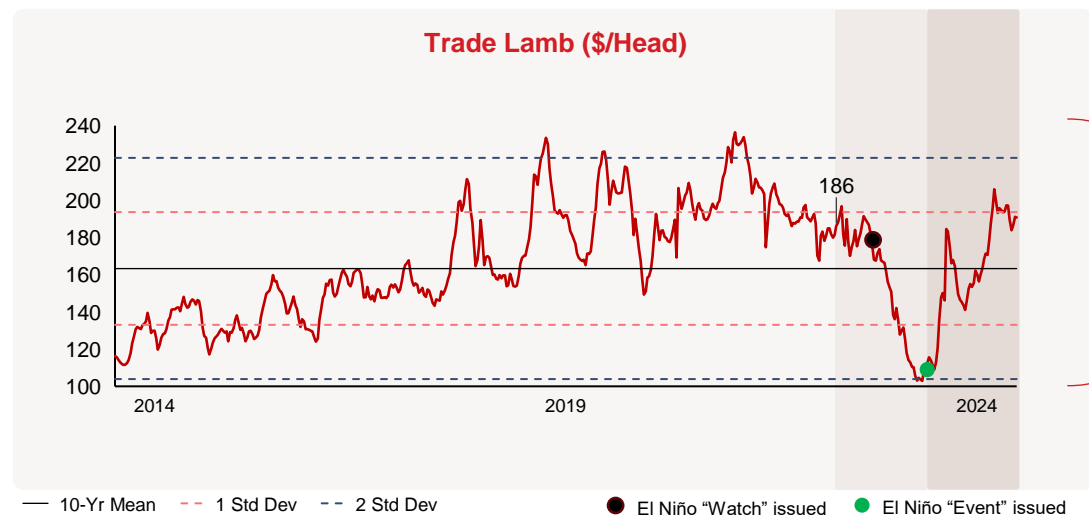


# Industry Backdrop – Livestock

Sustained uplift in livestock markets with improvement seen in volumes traded and prices



- FY24 index experienced a positive revision (+82%) since September 2023, before reverting to the 10-year mean
- The price revision was driven by:
  - Improved seasonal outlook for pasture growth, especially in Eastern Australia
  - Stable cattle volumes
- Animal Health sales uplift was experienced following the improvement in cattle prices



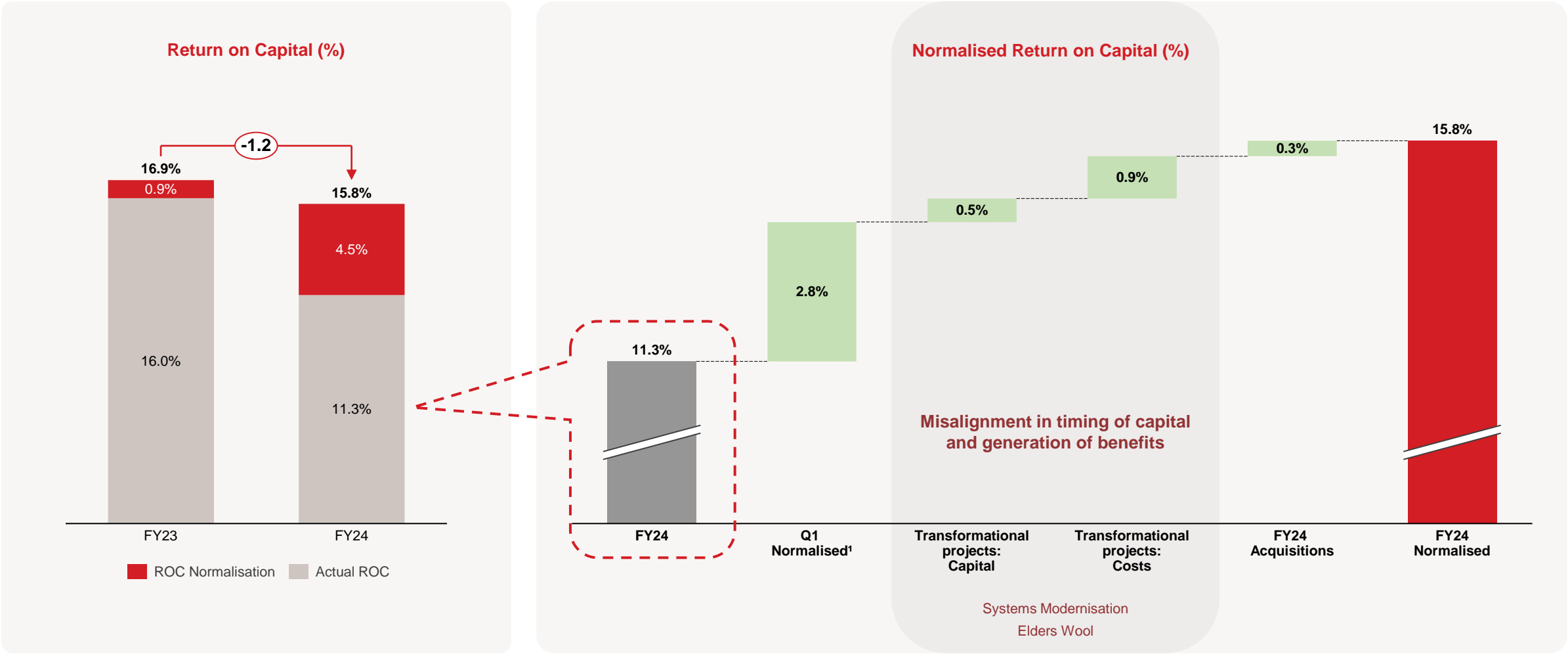
- Significant Trade Lamb price revision saw a 85% improvement since September 2023, surpassing the 10-year mean
- Price recovery from 10-year low driven by:
  - Anticipated tightening of volumes following high stock turn-off in FY23
  - Improvement in farmer sentiment and rainfall in key regions
  - Strong global demand forecast to support livestock markets in FY25
- Acquisition of Charles Stewart supported volume improvement

— 10-Yr Mean - - 1 Std Dev - - 2 Std Dev ● El Niño "Watch" issued ● El Niño "Event" issued

1. NYCI – National Young Cattle Indicator  
Source: Reproduced courtesy of Meat and Livestock Australia Limited - [www.mla.com.au](http://www.mla.com.au)
2. <http://www.bom.gov.au/climate/enso/outlook/archive/20231219.archive.shtml>

# Return on Capital

Materially impacted by first quarter and the cumulative impact of transformation projects ahead of benefits realisation

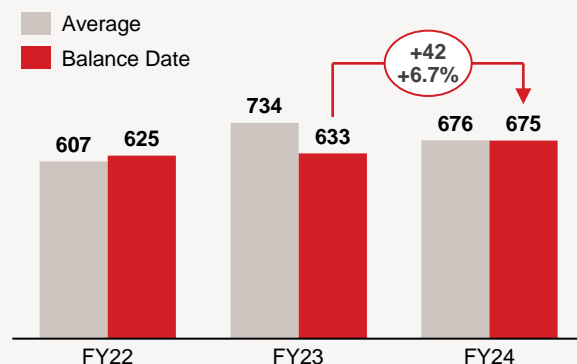


1. The historical 4-year mean Q1 EBIT is \$32m (based on management accounts and unaudited)

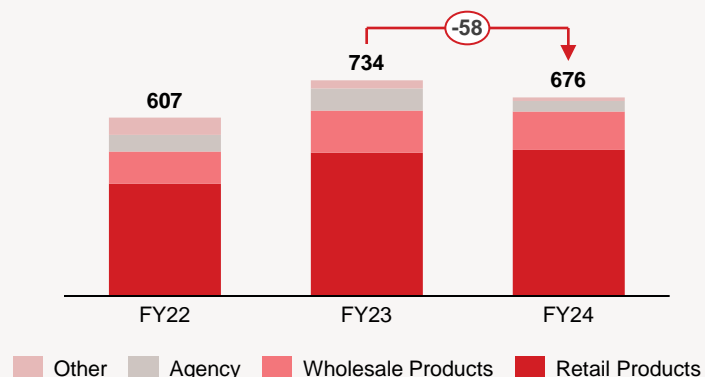
# Working Capital

Significant progress on inventory reduction, offset by higher debtors at balance date

## Working Capital (\$m)



## Average Working Capital by Product (\$m)



1. Balance Date
2. Including Livestock at Balance Date

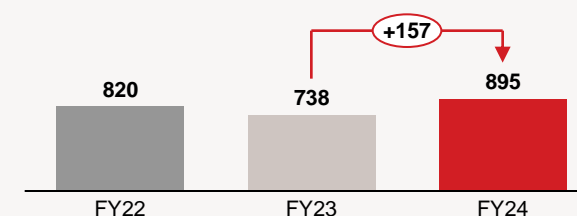
## Disciplined Capital Management

- FY24 average working capital benefitted from disciplined capital management
- Balance date working capital supported by a reduction in inventory offset by unfavourable timing of trade receivables due to a late winter crop start in WA and SA

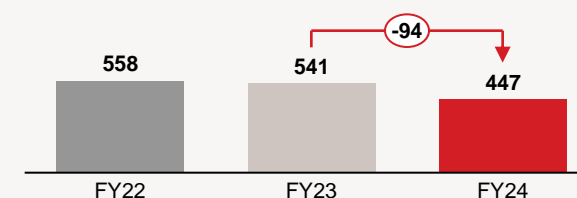
Capital management remains a focus into FY25, with benefits expected from:

- less volatile pricing on key actives within inventory
- improved collections on receivables ordinarily expected in FY24
- enhanced procurement planning and demand initiatives

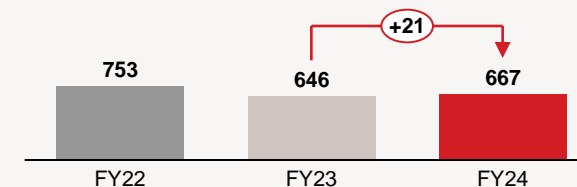
## Trade and Other Receivables<sup>1</sup> (\$m)



## Inventory<sup>2</sup> (\$m)



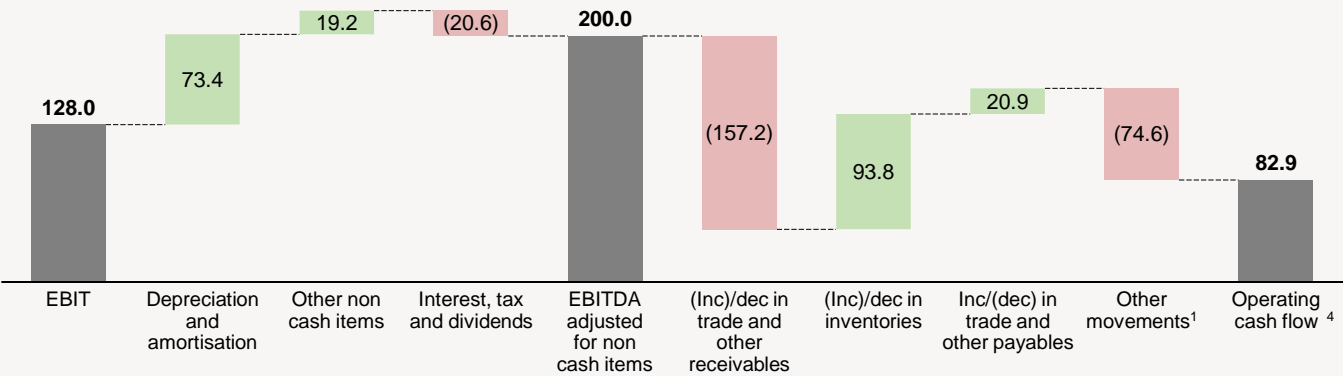
## Trade and Other Payables (\$m)



# Cash Flow

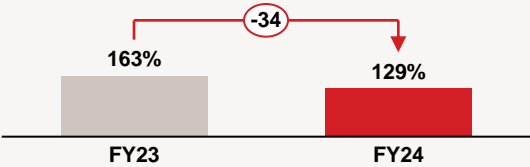
Cash conversion evident of focus on inventory management, debtors elevated by later season in WA and SA

Operating Cash Flow (\$m)

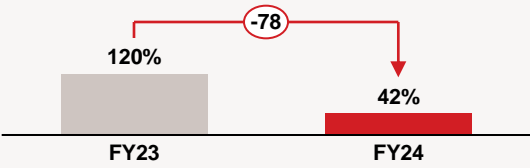


Key metrics (\$m)	FY24	FY23	Var
Underlying EBITDA adjusted for non cash items	200.0	239.1	(16%)
Movements in assets and liabilities	(117.1)	(69.9)	(68%)
Cash from operating activities	82.9	169.2	(51%)
Investing cash flows	(150.9)	(132.1)	(14%)
Financing cash flows	86.7	(33.5)	(359%)
Net cash flow	18.7	3.6	(419%)

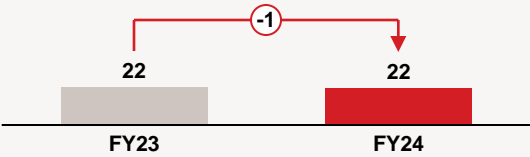
Cash Conversion (%)<sup>2</sup>



AASB 16 Adjusted Cash Conversion (%)



Working Capital to Sales (%)<sup>3</sup>



1. Other movements includes provisions and balances acquired via acquisitions

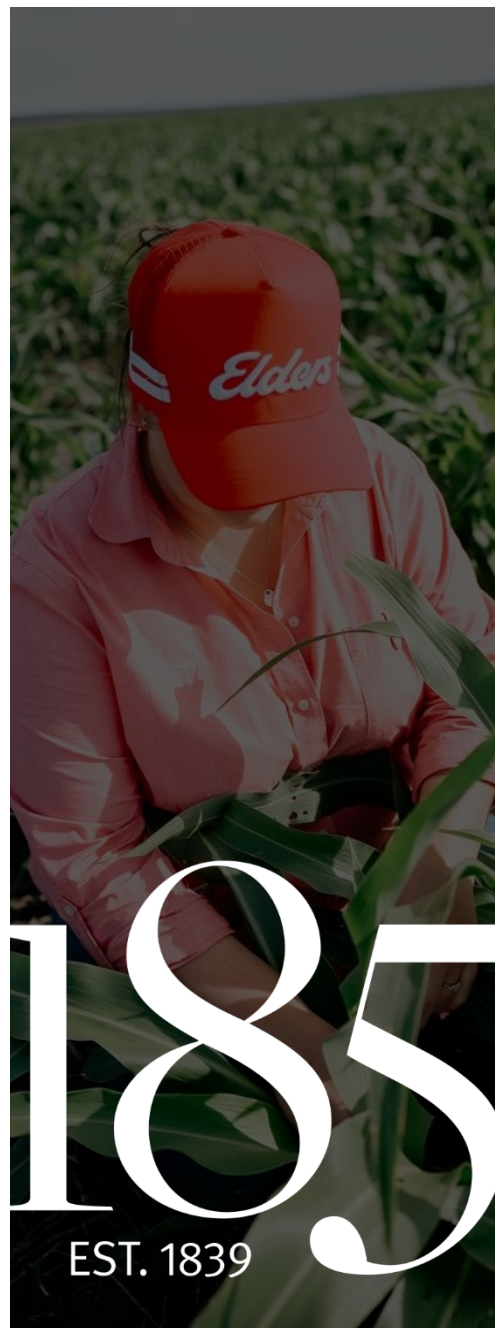
2. Cash conversion is calculated on a YTD basis, operating cash flow / U'NPAT

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

4. Excludes the impact of AASB 16 cash lease expenses of \$55.8m

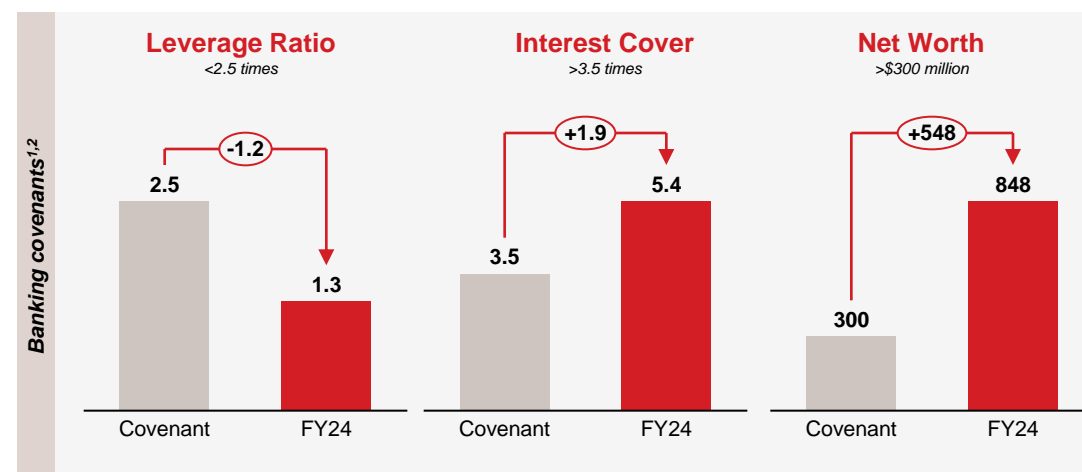
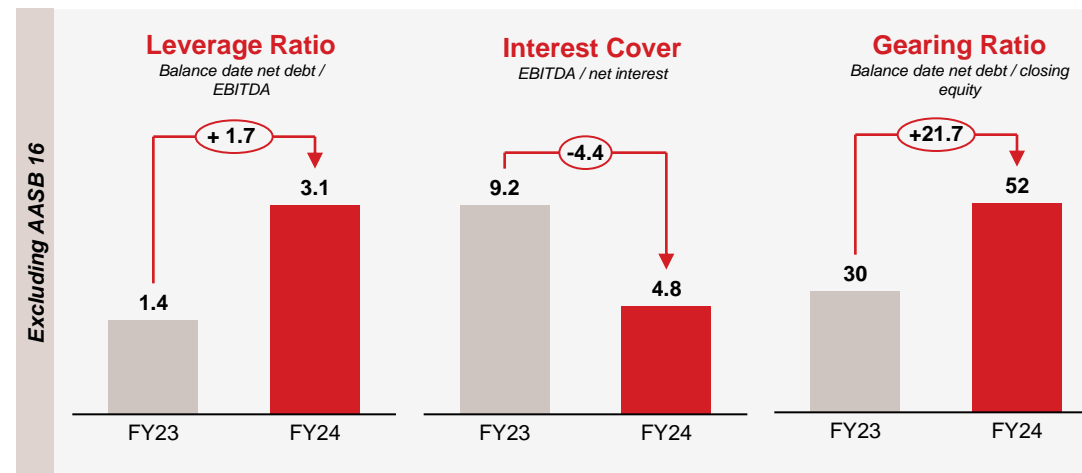
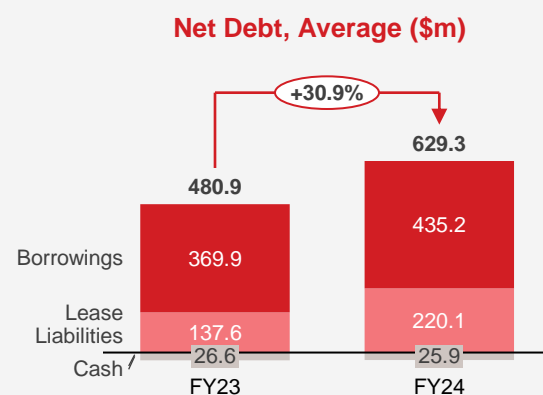
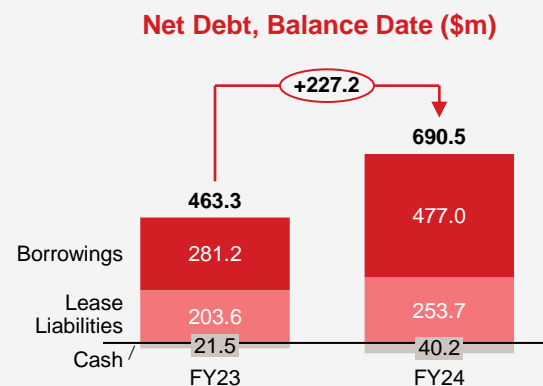
5. Operating cash flow includes the Rural Bank termination payment





# Net Debt and Financial Ratios

Banking covenants maintain headroom with improvement forecast from a normalised first quarter

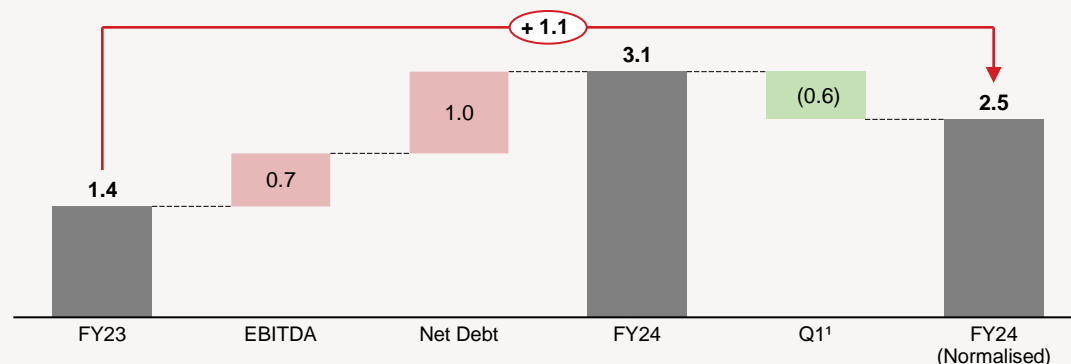


1. Calculated pursuant to definitions in group syndicated facilities which are subject to change over time. The current covenant calculations exclude all accounting adjustments required by AASB 16 Leases and the leverage covenant excludes the debtor securitisation balance from net debt
2. Undrawn facilities at 30 September were \$90.9 million out of total available facilities of \$655 million

# Target Leverage

Pathway to target in FY25 Q1 (1.5 – 2.0 times), to be driven by normalised first quarter and net debt reduction

## Leverage (times)



## Leverage Commentary<sup>3</sup>

- Leverage 2.5 times, normalised for Q1<sup>1</sup>
- Pathway back to target in FY25 H1 enabled by
  - Normalised Q1
  - Lower acquisition (bolt-on) spend
  - Lower transformational CAPEX spend
  - Collection of 2024 winter crop debtors (\$127.2m deferred terms due in FY25 Q1)

## Net Debt (\$m)



## Net Debt Commentary

- Net debt elevated despite significant improvement in net paid stock<sup>2</sup>
- Growth contributor to Net Debt increase includes:
  - 13 acquisitions completed in FY24, annualised EBIT of \$14.2m
  - Transformational CAPEX (Systems Modernisation \$17.9m, Elders Wool \$8.3m, Killara \$11.9m)
- Working capital contribution to Net Debt includes:
  - Debtors, due to a late 2024 winter crop (SA, WA) start, increased demand for seasonal finance and an increase in arrears
  - Partially offset by improvements in net paid stock which is considered sustainable into FY25

1. The historical 4-year mean Q1 EBIT is \$32m (based on management accounts and unaudited)

2. Net paid stock = Inventory - Payables

3. Subject to a normal 1Q FY25 and average seasonal conditions

# Strategy and Outlook

Presented by Mark Allison (Managing Director and CEO)



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# 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: Transform

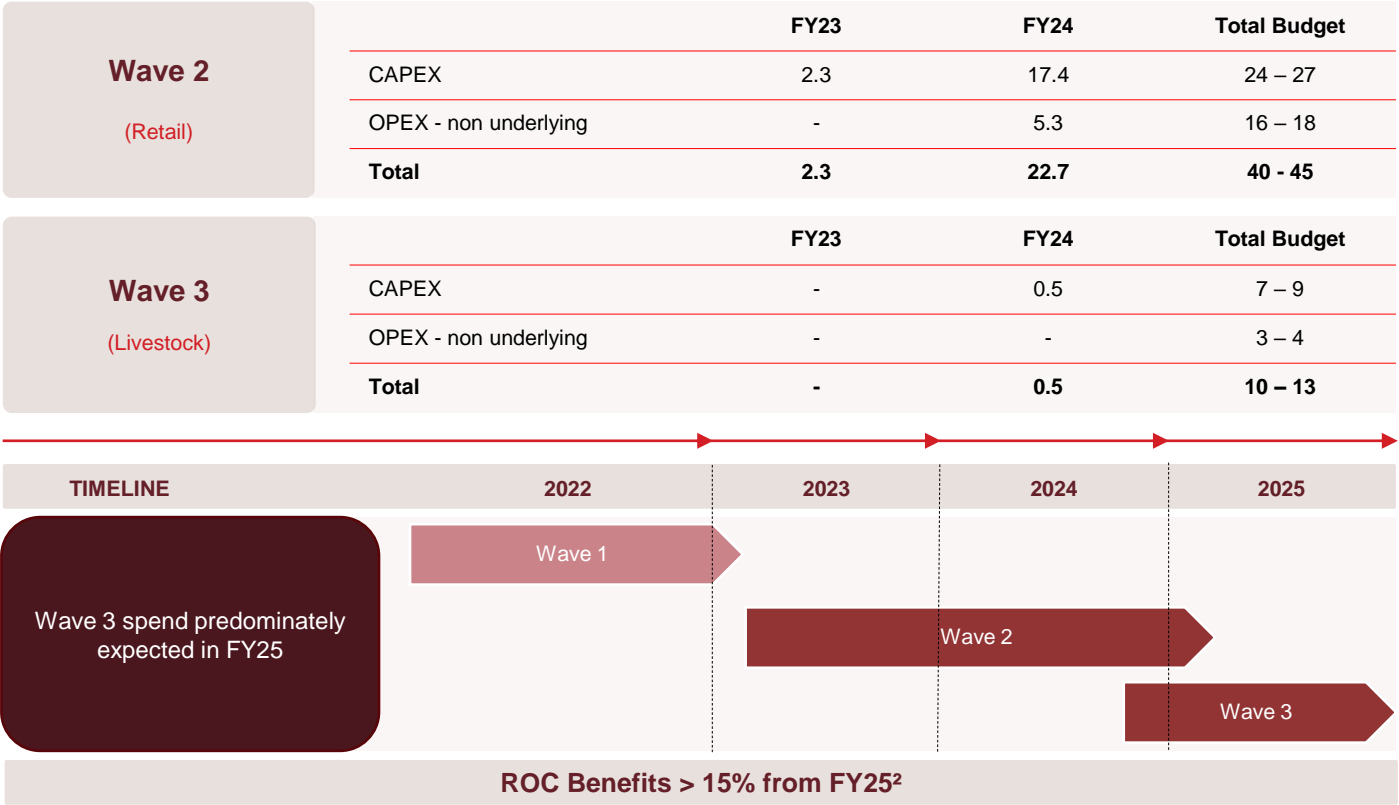
Wave 2 go-live to occur November 2024



## SYSTEMS MODERNISATION<sup>1</sup>



Modernising our platforms to deliver more efficient business processes



1. Does not include underlying OPEX which predominantly relates to ongoing license fees which are not wave specific

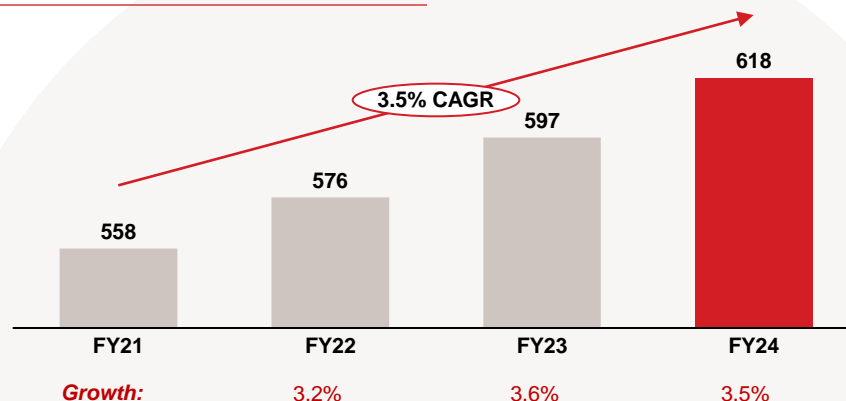
2. First full year of benefits in FY26



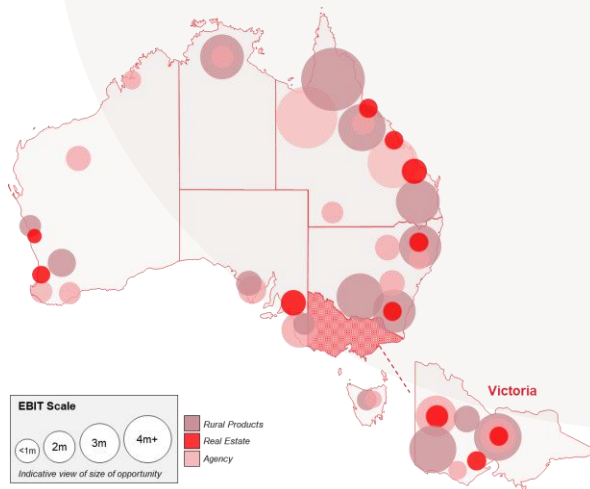
# Our Strategic Priorities: Innovate & Grow

Strategically growing our footprint

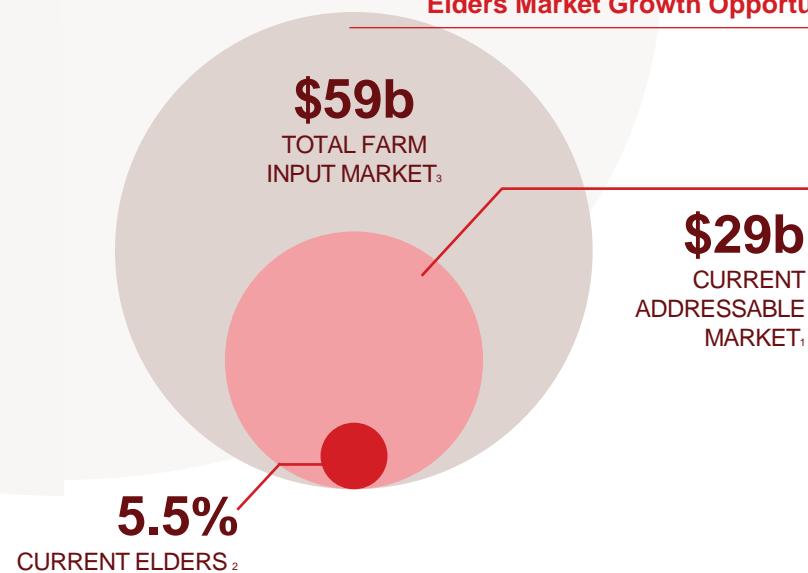
## Elders' Points of Presence<sup>4</sup>



## Strategic Geographic Locations



## Elders Market Growth Opportunity



## GROWTH ENABLERS

Focus areas for future growth in line with the eight-point plan foundations

- Large acquisitions
- Organic growth
- Bolt-on acquisitions
- Systems Modernisation Benefits
- Supply chain optimisation
- Backward integration
- Financial Services expansion

1. Current Addressable Market is an internally calculated amount based on product
2. Internal measure – Elders estimates it has a 5.5% market share of the "Total Australian farm costs market" of \$59b
3. Source: ABARES, Agricultural Commodities – Farm Costs and Returns Australia, September 2024
4. Australian Points of Presence

# Market Outlook



## RURAL PRODUCTS

- Margin stability with farm input costs for fertilisers and crop protection products expected to remain stable
- Average seasonal outlook expected to see improving sentiment from growers and potential increase in crop plantings
- Continued benefits from the backward integration strategy



## AGENCY SERVICES

- Cattle and sheep volumes are expected to stabilise with potential pressure underpinned by improved pasture availability
- Livestock prices are forecast to remain strong, in line with the improved seasonal outlook
- Earn-per-bale to continue benefiting from increased throughput at the in-house wool handling facilities



## REAL ESTATE

- Margin relief for regional residential properties expected as interest rates continue to stabilise, with favourable global interest rate decisions
- Broadacre turnover is expected to benefit from the recent uplift in livestock prices
- Earnings to benefit from recent acquisitions, notably Knight Frank Tasmania



## FINANCIAL SERVICES

- Major bank transition to broker models servicing clients, and potential interest rate decreases, providing opportunities for our brokerage business
- Industry wide insurance premium growth to boost Elders earnings
- Recovery in livestock segment to provide upside to financial services livestock related products



## FEED AND PROCESSING SERVICES

- High residency and ongoing strong export demand and cattle prices are expected to support margins
- Ongoing demand for grass-fed operations to continue to provide margin uplift in FY25
- Investment in state-of-the-art feed mill will improve on feed performance and increase efficiency from late 2024



## COSTS AND CAPITAL

- Continued traction in cost and capital efficiency, building on the FY24 momentum
- Ongoing commitment to mitigate inflationary pressures through cost savings
- Ongoing investment in acquisition growth, as well as transformational initiatives in line with the Eight Point Plan strategy

# Questions

Following Next Presentation



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# Appendix



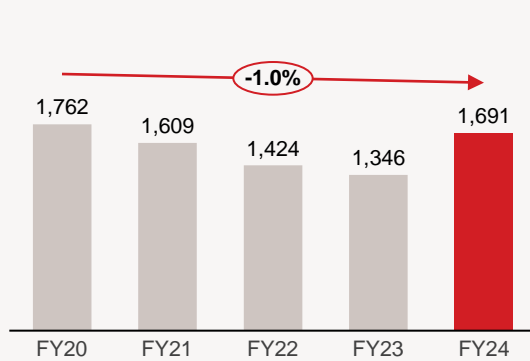
185 EST.  
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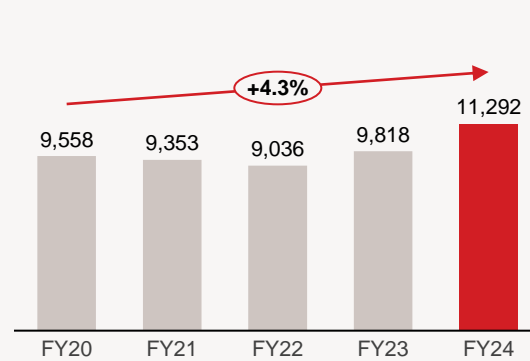
# Key Performance Indicator Trends

Providing earnings resilience against market volatility through the Elders diversified business model

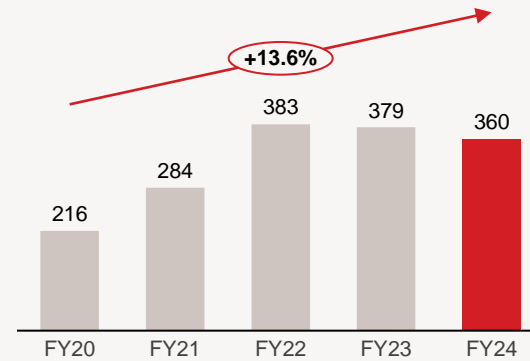
Agency Services: Cattle Volume ('000)



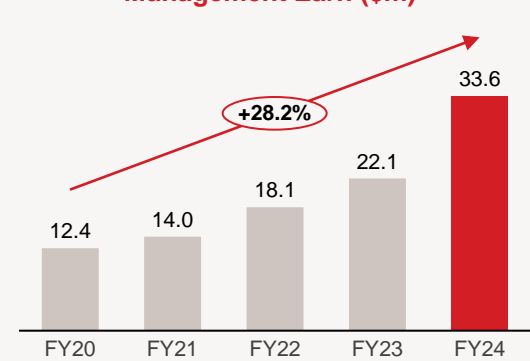
Agency Services: Sheep Volume ('000)



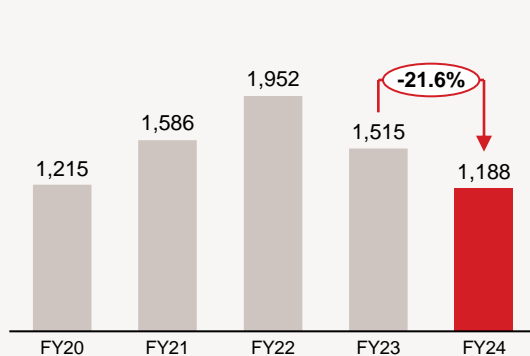
Rural Products: Gross Margin (\$m)



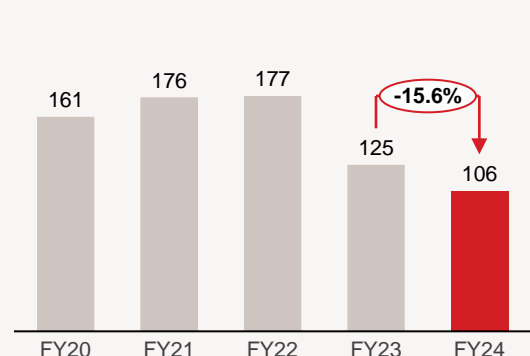
Real Estate Services: Property Management Earn (\$m)



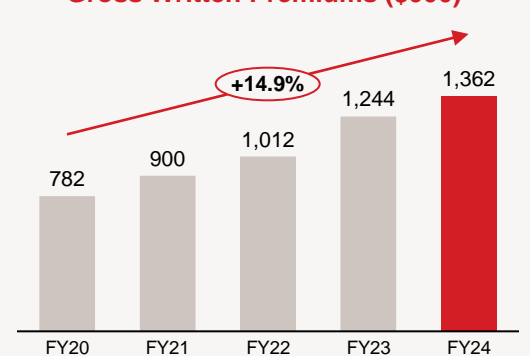
Agency Services: Cattle Price (\$)¹



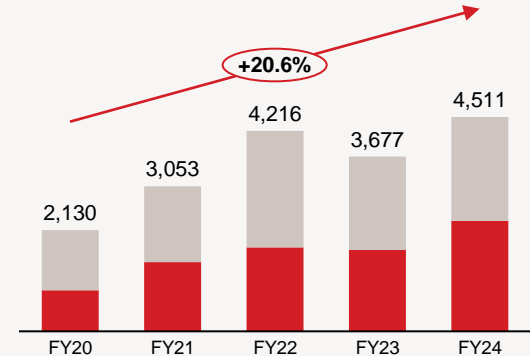
Agency Services: Sheep Price (\$)¹



Financial Services: Insurance Gross Written Premiums (\$000)²



Real Estate Services: Turnover (\$m)



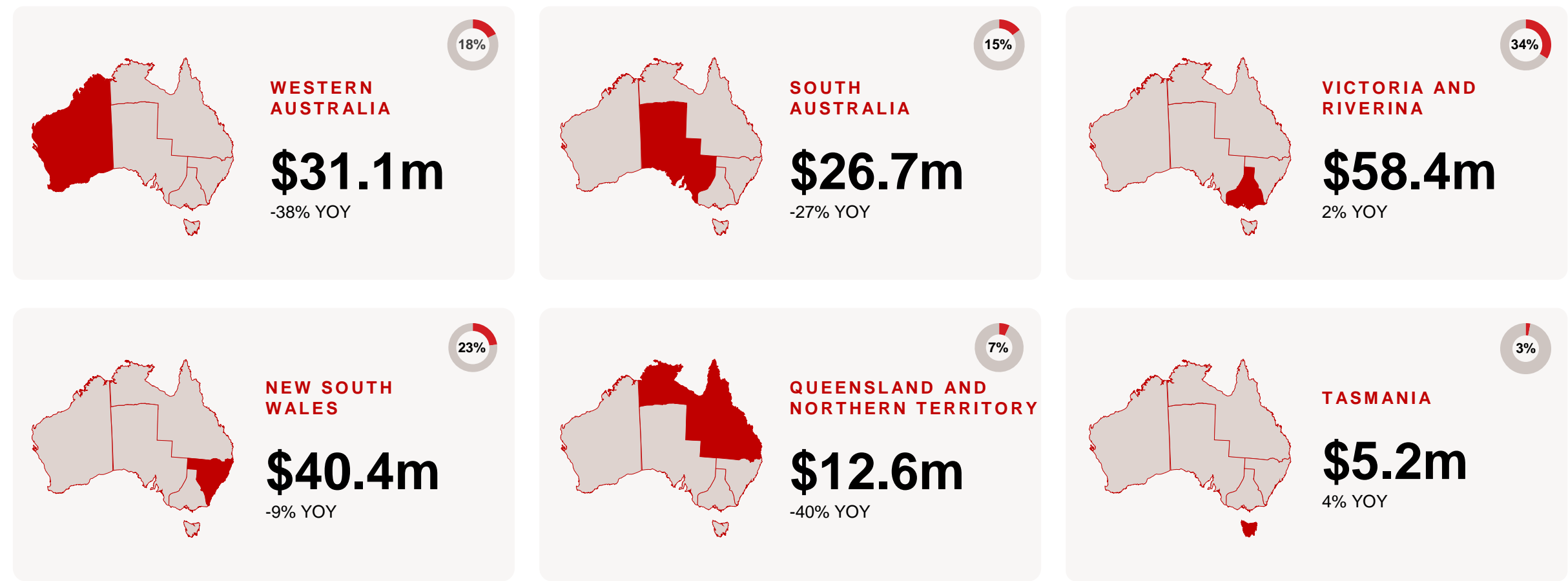
Farmland Residential

- Cattle and sheep prices are internal averages, not externally verifiable, and reflect the volume weighted average price for the FY
- Principal positions are held by Elders Insurance Underwriting Agency (Elders 20% equity investment)



# Geographical Diversification

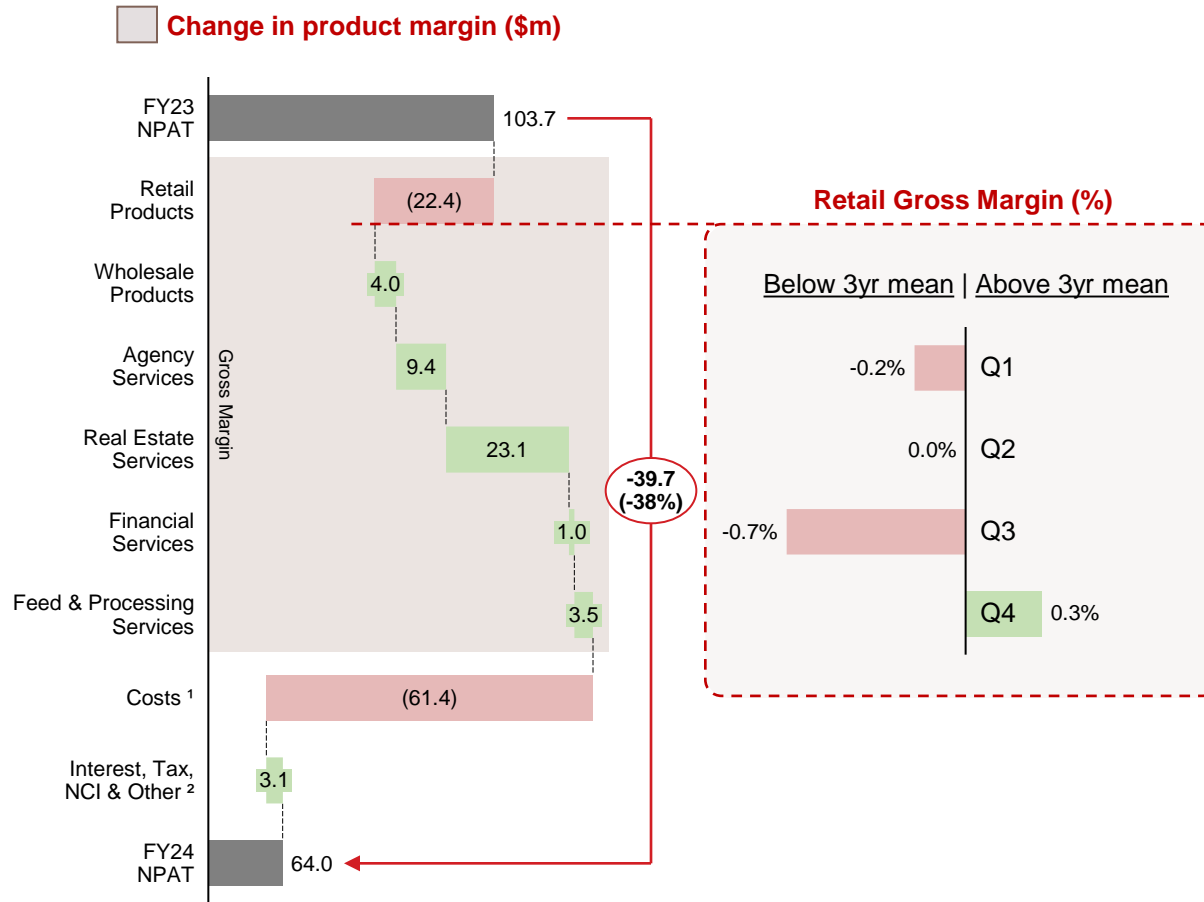
Resilient result supported by geographic diversification



Excludes Wholesale Products and Corporate Overheads  
 Values refer to Underlying EBIT (\$m)

# Product Performance

Retail gross margin improvement experienced in fourth quarter following historically low input prices



## Retail Products

- Animal health sales negatively impacted from low livestock prices in H1
- Continued volume growth, offset by softening input prices compared to the prior period
- Low crop protection GM% in Q3 with significant improvement in Q4



## Real Estate Services

- Increasing rent roll earnings, offering stable, annuity earnings
- Partial benefits of the Knight Frank Tasmania acquisition from May 2024



## Agency Services

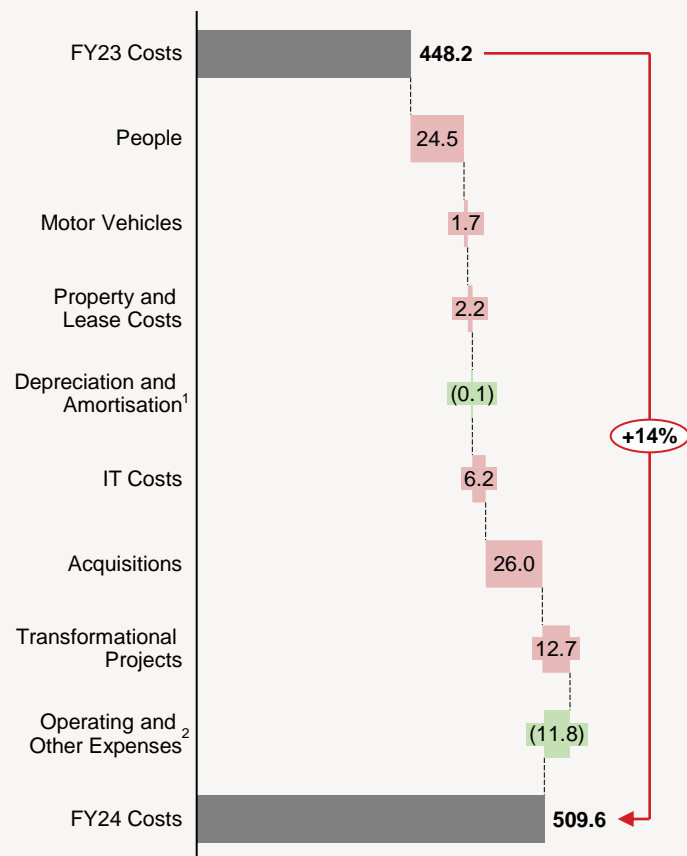
- Recovery in livestock prices after Q1
- Higher volumes traded bolstered by recent acquisitions

1. Cost drivers detailed on slide 36  
2. NCI – Non controlling interests

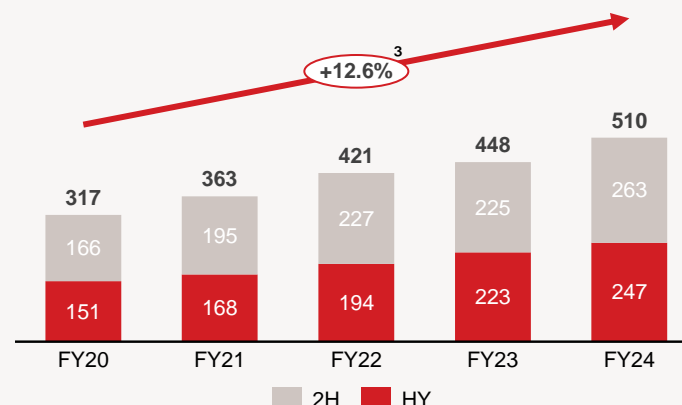
# Cost Drivers

Investment in future growth driving cost uplift

## Costs (\$m)



## Underlying Cost Base (\$m)



- Costs growth up 13.8% on FY23, driven by recent acquisitions, partially offset by cost initiatives
- Cost conscious behavioural changes and focus on efficiency driving reduction in discretionary spend initiatives
- Ongoing commitment to cost initiatives to partially offset the inflationary increase in the FY25 cost base
- Cost base elevated following the change in Elders Wool cost methodology and acquisitions, most notably Charles Stewart and Knight Frank

## FY24 vs FY23

### People:

- FTE decreased by 15, excluding acquisitions and new business
- Wage growth in line with CPI

### Motor Vehicles:

- Vehicles reduced by 55, excluding acquisitions and Elders Wool
- Increased lease costs impacted by higher interest rates
- Partially offset by lower maintenance costs and fewer vehicles

### Acquisitions:

- 13 acquisitions in FY24
- 250 additional FTE
- 50 additional motor vehicles

### Transformational Projects:

- Systems Modernisation +\$2.6m, including +3 FTE
- Elders Wool +\$12.0m, including +25 FTE

### Operating and Other Expenses:

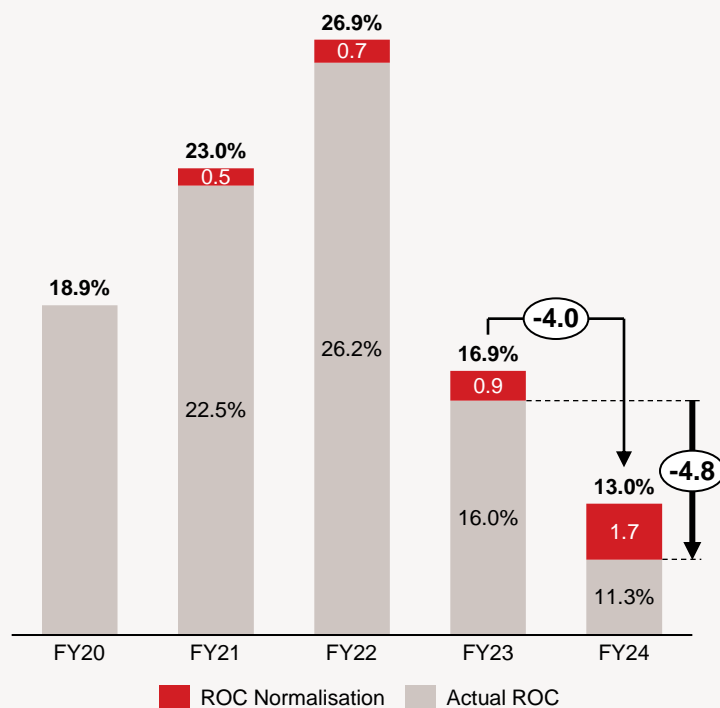
- Continued focus on discretionary spend

1. Depreciation on property, plant and equipment only. Depreciation on ROU is included within Property and Lease Costs  
 2. Includes Consulting, Advertising, Insurance, Legal Costs etc.  
 3. CAGR calculated on the FY results

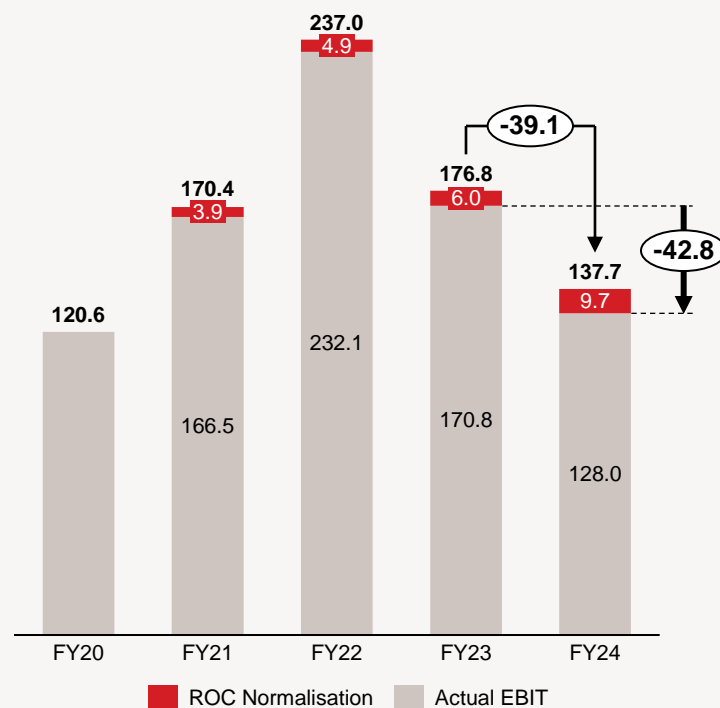
# Transformation Impact on ROC

Cumulative impact of transformation projects ahead of benefits realisation

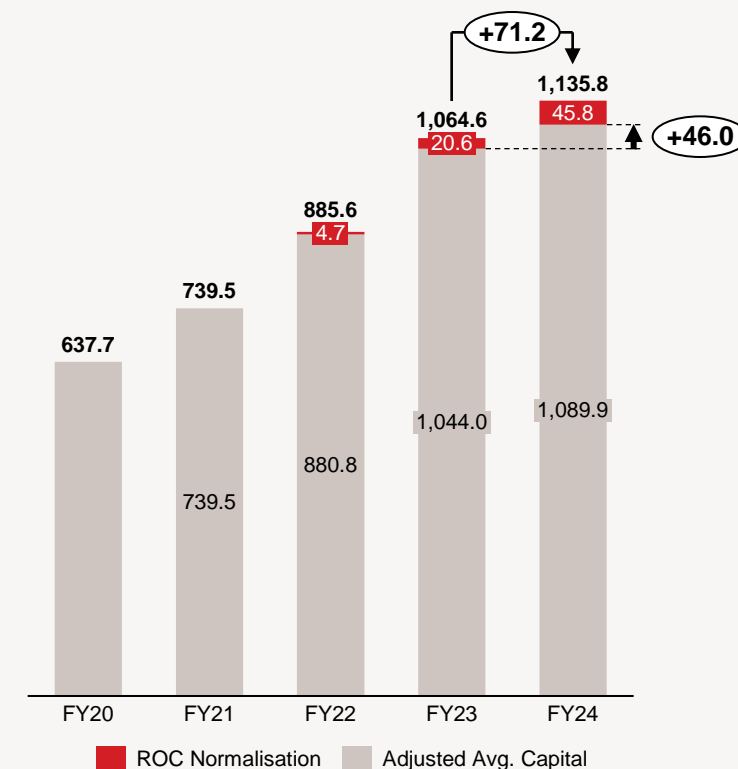
Return on Capital (%)



EBIT (\$m)

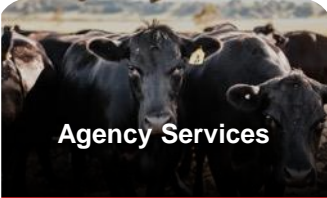



Average Capital (\$m)



1. ROC Normalisation relates to the capital and cost (depreciation and amortisation) impact from transformational projects

# Business Model

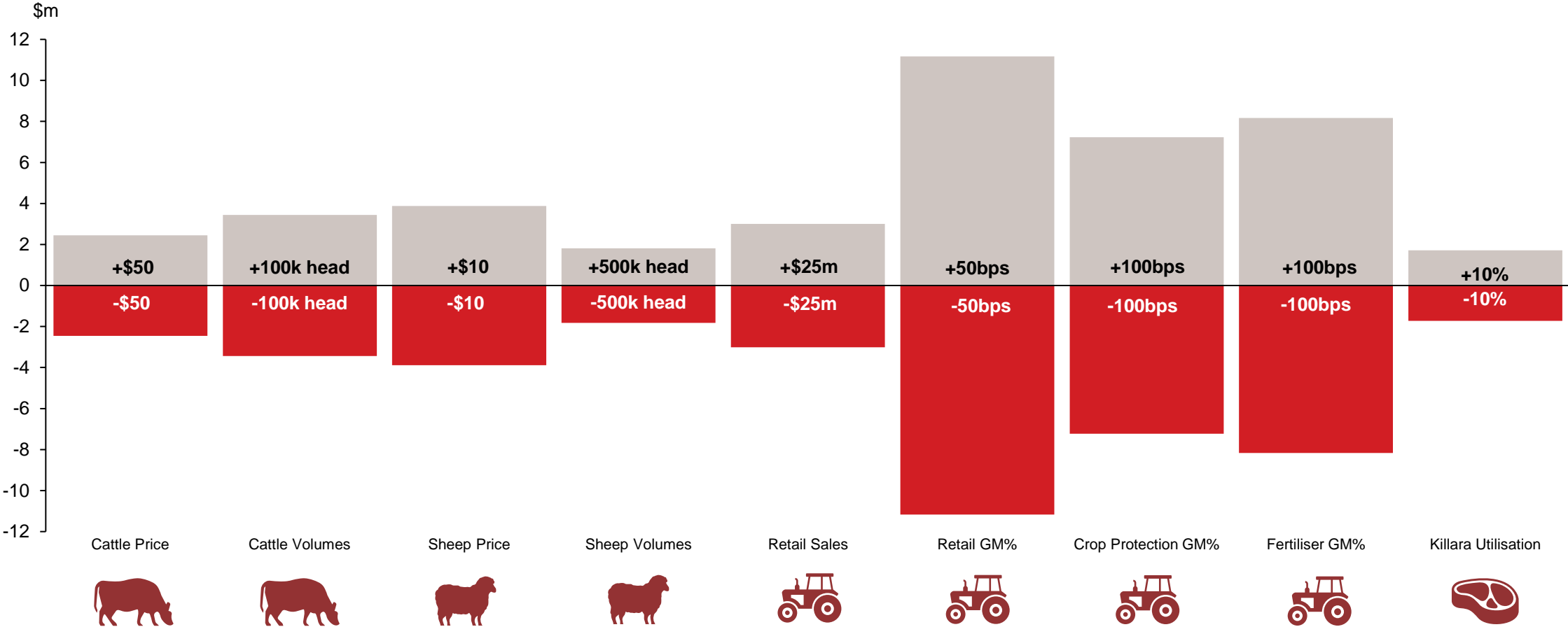
	<div><div>Rural Products</div><div>RetailWholesale</div></div>		<div><div>Agency Services</div></div>	<div><div>Real Estate Services</div></div>	<div><div>Financial Services</div></div>	<div><div>Feed and Processing Services</div></div>	<div><div>Digital and Technical Services</div></div>
Product and service offerings	Rural Products	Rural Products	Livestock	Broadacre	Loan Brokerage	Killara Feedlot	Fee for Service (246 agronomists)
	Fertiliser	Pet Supplies	Wool	Residential	Livestock and Wool Finance		AuctionsPlus (50%)
	Agcrest (33%)		Grain	Property Management	LIT Delivery Warranty		Elders Weather
				Franchise	Elders Insurance (20%)		Clear Grain Exchange (30%)
					Prepayment Program		
Key metrics	\$2.2b retail sales	\$0.4b wholesale sales	11.3m head sheep	\$2.2b broadacre sales	41 Contractor brokers 13 Employed brokers	56k Killara Feedlot cattle head exited	AuctionsPlus 112k head cattle 614k head sheep
	260 stores	348 member stores	1.7m head cattle	\$2.3b residential sales	\$72.3m Livestock finance \$81.3m Third party livestock placements		7.3m Elders Weather unique visitors
	512 APVMA registrations		333k wool bales	19.1k properties under management	\$1.4b insurance gross written premiums <sup>2</sup>		0.4m CGX tonnes influenced
	1.2m tonnes fertiliser				52.3% LIT penetration rate		
					\$82.0m Prepayment Program		
Gross margin	\$284.5m	\$75.7m	\$123.1m	\$82.6m	\$54.5m	\$17.2m	Included in products
Working capital	\$502.2m	\$110.6m	\$63.2m	(\$18.4m)	(\$0.3m)	\$51.9m	Other – (\$32.9m)

Statistics and financial information based on FY24 full year

1. Relates to Elders Insurance gross written premiums

# Gross Margin Sensitivity

Geographic and product diversification mitigates the impact of individual market volatility





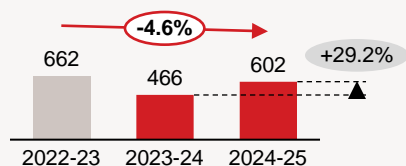
# ABARES September Market Outlook

Gross value of production to rise 4% to \$86.2 billion, driven by higher livestock production and value, and winter crop production on improved seasonal conditions

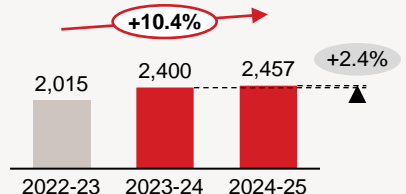


## Beef and Veal<sup>1</sup>

Average saleyard prices (c/kg)



Production (kt)

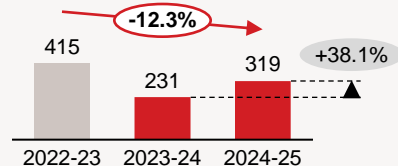


- Improving prices for 2024-25 reflecting growing global demand and constrained supply and increased domestic saleyards competition
- Production to rise 10.4% due to increased livestock turn-off rate with higher global demand and prices more than offsetting improving seasonal conditions and pasture availability

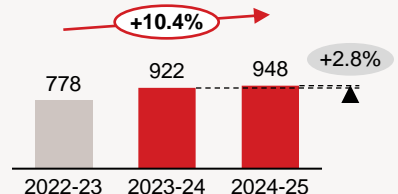


## Sheep<sup>1</sup>

Average saleyard prices (c/kg)



Production (kt)

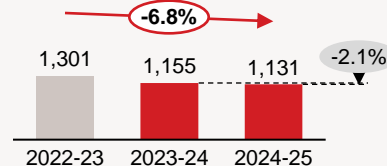


- Lamb prices to rise 24% in 2024-25 benefiting from stronger saleyards demand and greater processing capacity
- Sheep prices to jump 38% owing to rising global demand and falling supply due to improved seasonal conditions
- Sheep meat export volumes to increase on persistent global demand from the United States and Middle East

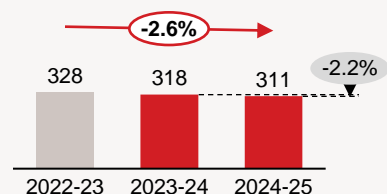


## Wool<sup>1</sup>

Eastern Market Indicator (c/kg)



Sheep shorn for wool production (kt)

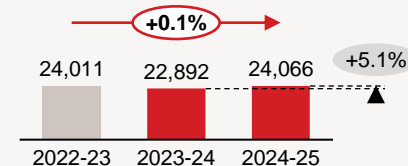


- Wool production to decrease in 2024-25 to 311,000 tonnes, driven by a contraction in the sheep flock
- Domestic wool price to fall 2% to \$1,131 c/kg in 2024-25, reflecting subdued global spend on discretionary items, and stable domestic wool production

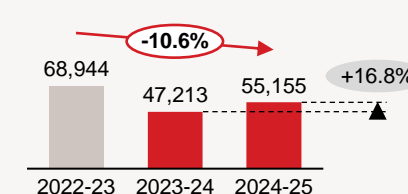


## Winter Cropping<sup>2</sup>

Area planted ('000 ha)



Crop production (kt)

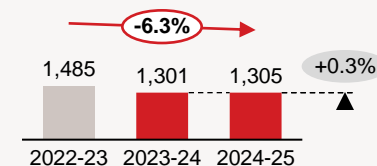


- Winter crop production to increase 17% to 55m tonnes, above the 10-year average, as favourable rainfall supports higher area planted
- Favourable conditions in all states except South Australia and parts of Victoria
- Domestic crop prices to decline driven by higher global grain and oilseed production

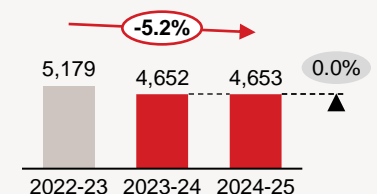


## Summer Cropping<sup>2</sup>

Area planted ('000 ha)



Crop production (kt)

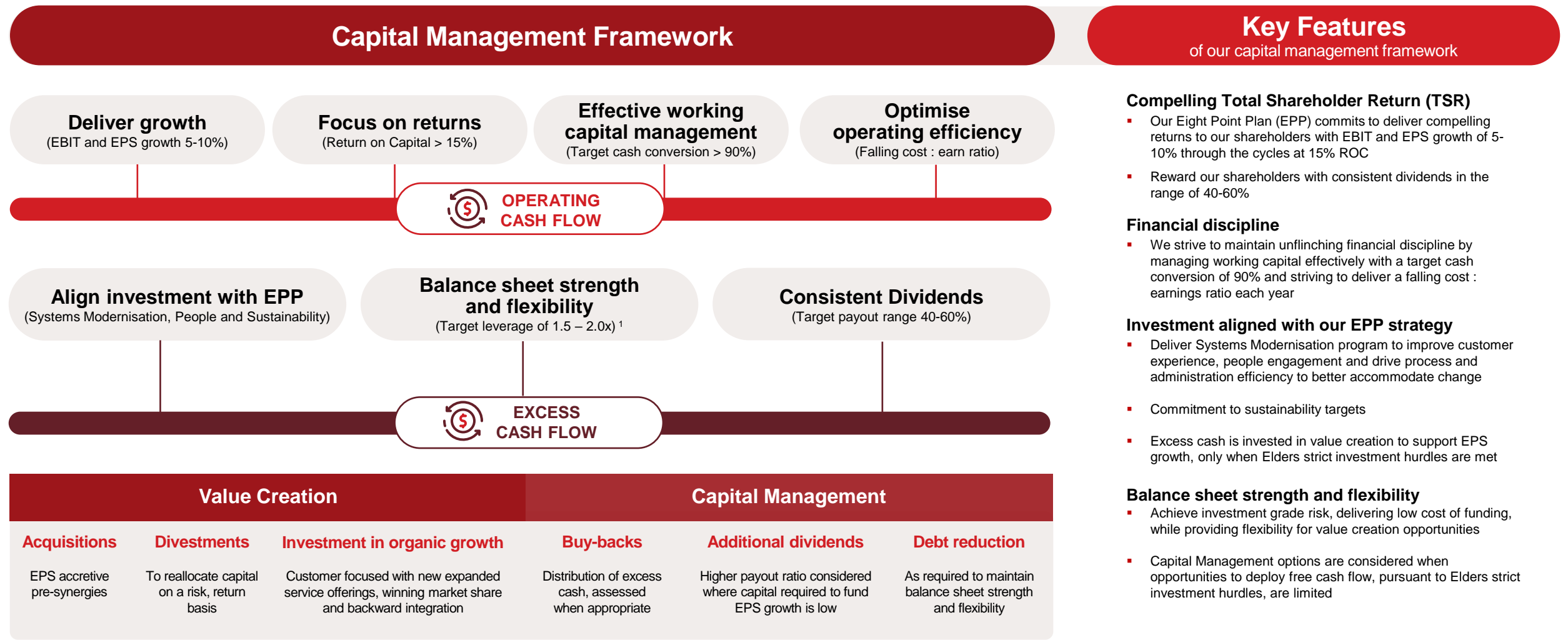


- Favourable summer crop outlook as Queensland and New South Wales experienced above average soil moisture in late winter and timely spring rainfall
- Total summer crop production remains well above the long-term average

1. Department of Agriculture, Fisheries and Forestry, ABARES Agricultural Forecasts and Outlook: September edition  
2. Department of Agriculture, Fisheries and Forestry, ABARES Australian Crop Report: September edition

# Elders Capital Management Framework

The Elders Eight Point Plan aspires to deliver Total Shareholder Return (TSR) in the top quartile of ASX200 companies at investment grade risk





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