19 September 2019

Bell Potter Emerging Leaders Conference Presentation

Attached is a presentation being given today by Elders' Chief Executive Officer, Mr Mark Allison, to an emerging leaders conference being hosted by Bell Potter.

Peter Hastings
Company Secretary

Elders Limited

Bell Potter Emerging Leaders Conference

Sydney

19 September 2019

DISCLAIMER & IMPORTANT INFORMATION

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 of which, many 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

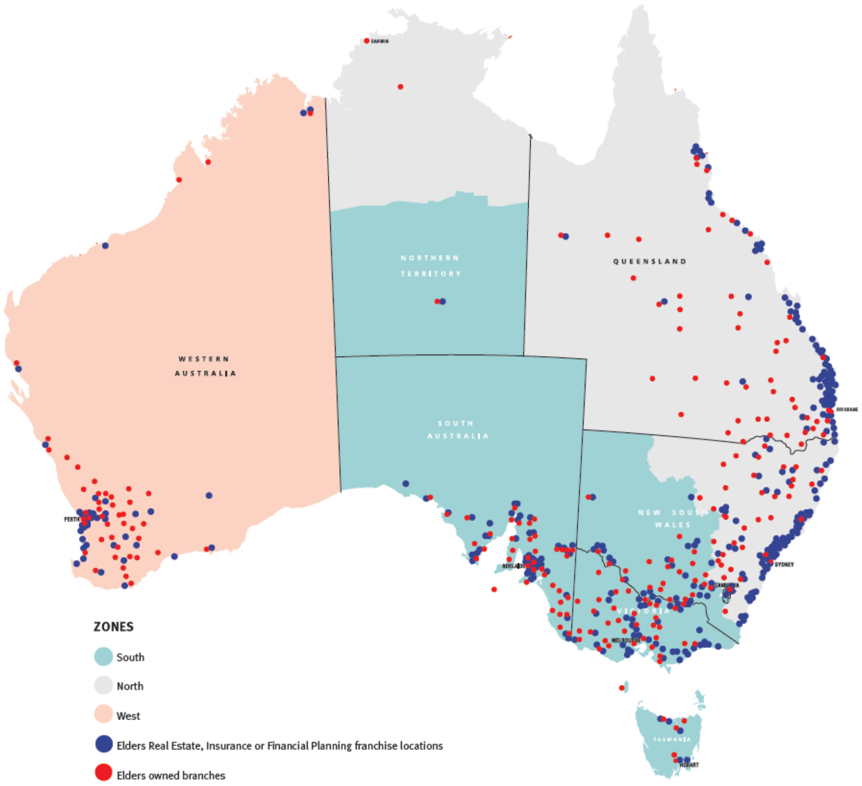
This presentation refers to and discusses underlying profit to enable analysis of like-for-like performance between periods, excluding the impact of discontinued operations or events which are not related to ongoing operating performance. Underlying profit measures reported by the Company have been calculated 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.

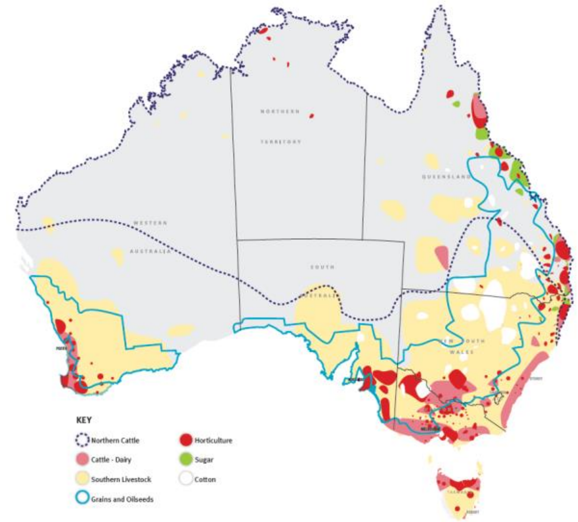
AGENDA

ELDERS TODAY

- Australia’s largest listed full service rural service and products supplier
- 180 years old
- 1,900 employees
- 450 points of presence in Australia and overseas
- Servicing over 40,000 primary producers across Australia and international markets

POINTS OF PRESENCE





- Over 450 points of presence in Australia and overseas including full service branches, real estate and insurance franchises
- Key produce areas covered through our footprint
- Targeted expansion of footprint through recruitment and acquisition

EIGHT POINT PLAN – FY18 TO FY20

1 VALUES, PERFORMANCE & BRAND
To deliver our plans through a values, safety and performance based culture and by leveraging Elders' iconic brand.

2 RURAL PRODUCTS
To deliver capital light, profitable growth of our retail and wholesale businesses by offering innovative products and superior customer experience, combined with targeted upstream investment.

3 AGENCY SERVICES
To grow agency services profit contribution through targeted acquisitions and recruitment, new product development and execution of our digital livestock, wool and grain strategy.

4 REAL ESTATE SERVICES
To deliver profitable growth of the real estate services portfolio through driving business improvement, recruitment and acquisition for all real estate services.

STRATEGIC INTENT:
To achieve sustainable EBIT growth through to 2020 at 20% ROC, by providing value creating products and services both in Australia and internationally.

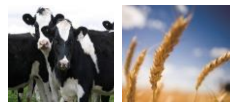
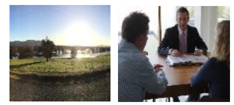
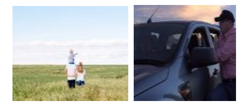
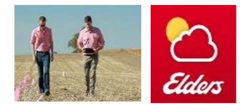
5 FINANCIAL SERVICES
To deliver financial services portfolio growth through strong and profitable partnerships, targeted upstream investment and development of innovative finance solutions.

6 DIGITAL & TECHNICAL SERVICES
To help our clients improve their productivity and profitability through adoption of industry leading research, technology and data based insights.

7 FEED & PROCESSING SERVICES
To deliver continuous improvement in EBIT and ROC for Killara Feedlot and Elders Fine Foods.

8 COST, CAPITAL EFFICIENCY & GROWTH
To deliver ongoing efficiency gains and profitable, capital light growth through continuous improvement, innovation, financial discipline and business development.

BUSINESS MODEL

Retail Products	Wholesale Products	Agency Services	Real Estate Services	Financial Services	Digital and Technical Services	Feed and Processing Services
						
Farm supplies	Farm supplies	Livestock	Farmland	Agri-finance	Fee for service (148 agronomists)	Killara Feedlot
Fertiliser	Pet supplies	Wool	Residential	StockCo (30%)	Auctions Plus (50%)	Elders Fine Foods
		Grain	Property management	Elders Insurance (20%)	Elders Weather	
			Franchise	LIT % WIT Delivery Warranty	Clear Grain (30%)	
$1.1bn retail sales[1] 716k tonnes fertiliser 216 stores 179 APVMA registrations	$0.4b wholesale sales[1] 340 member stores +190 APVMA registrations[4]	9.9m head sheep 1.5m head cattle 371k wool bales 44k grain tonnes	$1bn farmland sales $710m residential sales 8,287 properties under management 128 franchises	$3.0bn loan book[2] $1.6bn deposit book[2] $72m StockCo book[2] $6890m gross written premium[2]	Auctions Plus: 694k head sheep; 78k head cattle Elders weather: 190m hits	Killara: 56k head China: $11m sales
FY18 pro forma gross margin contribution						
38%	9%	30%	9%	10%	n/a	4%

Post AIRR acquisition

Based on FY18 full year statistics

[1] *Revenue statistics subject to application of AASB 15 Revenue from contracts with customers, specifically focused on whether certain income streams should be presented on a gross or net basis.*
[2] *Principal positions are held by Rural Bank, StockCo and Elders Insurance (QBE subsidiary) respectively.*
[3] *Existing agronomic activity presented within Retail margin, and Auctions Plus in Agency margin.*
[4] *+50 APVMA registrations in the name of AIRR group entities and access to +140 registrations through sourcing arrangements.*

Elders

GROWTH STRATEGY – FY18 TO FY20

Organic 50%

- Drive continuous business improvement
- Target growth opportunities across our product and services portfolio
- Drive opportunities to expand our offering and leverage the Elders brand into new markets to capture new clients and customers
- Drive and resource values based leadership through the organisation
- Invest in the development of our leaders and people
- Build deeper understanding of our customers to deliver profitable value add products and services
- Exploit fallout from industry consolidation

Acquisition 50%

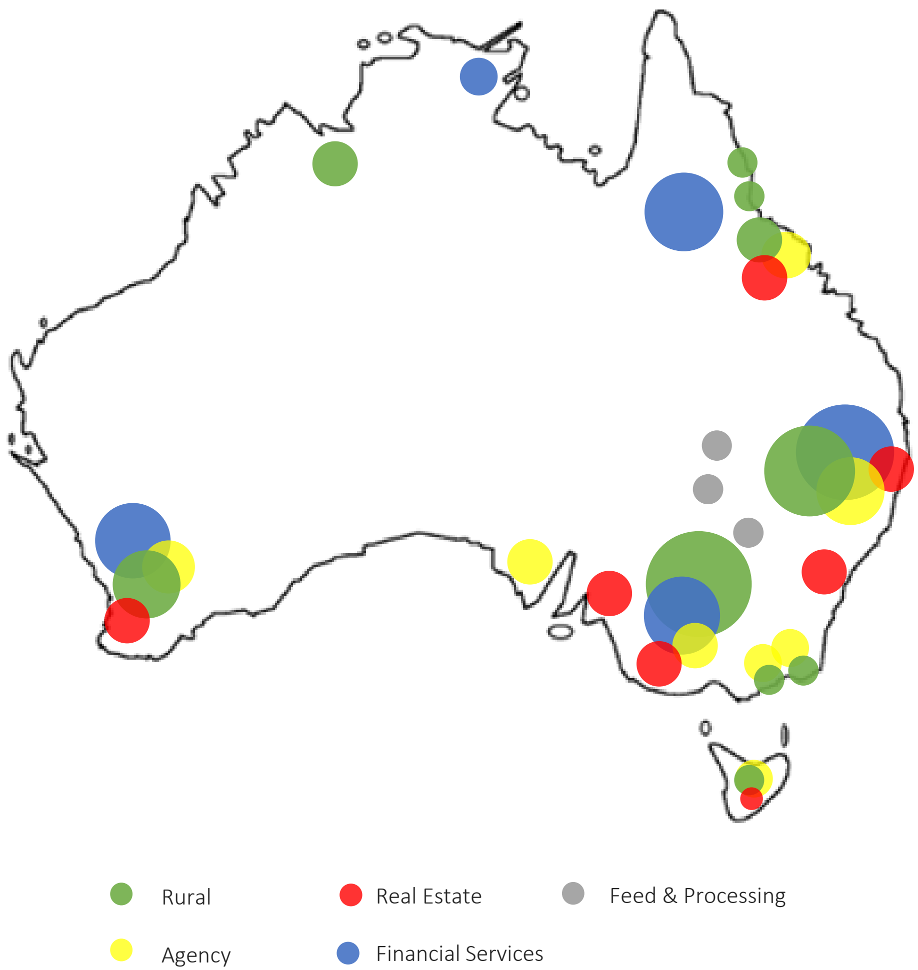
- Continue to evaluate strategically aligned opportunities to expand our business
- Only transactions which are EPS accretive will be considered
- Identify innovative solutions to target geographical and strategic gaps
- Maintain a disciplined approach to ensure acquisitions meet required financial hurdles
- Actively manage product and service portfolio and reallocate capital from non-performing assets to quality assets and investments
- Maintain disciplined “bolt on” acquisitions activity to fill strategic gaps in geography, products and services
- Maintain discipline “corporate” acquisition activity to meet Elders investment criteria

Maintain Cost

- Invest in resourcing to identify, integrate and support both organic and acquisition growth opportunities
- Develop and implement improved processes and approaches
- Derive efficiency gains through active cost management to offset inflationary increases
- Optimise cost and capital allocation
- Maintain robust and conservative financial discipline

STRATEGIC GAPS

Stable platform geared for the next wave of growth, under the second Eight Point Plan, including 20 new branches by 2020



Key gaps in market, geographical, product and service areas to be filled through organic growth and acquisition, with 20 new branches by 2020

Rural Products

- Increased market share and presence in high value cropping areas, such as horticulture, viticulture, and irrigated farming
- Grow highly specialised agronomy services through Thomas Elder Consulting
- Product commercialisation through Thomas Elder Institute and tertiary alliances

Agency Services

- Increased focus on livestock production advice and dairy
- Targeted footprint and agent growth in livestock services
- Expand grain network accumulation

Real Estate Services

- Increase company owned presence in major regional centres and also expand franchise footprint

Financial Services

- Growth in insurance gross written premium and StockCo livestock product

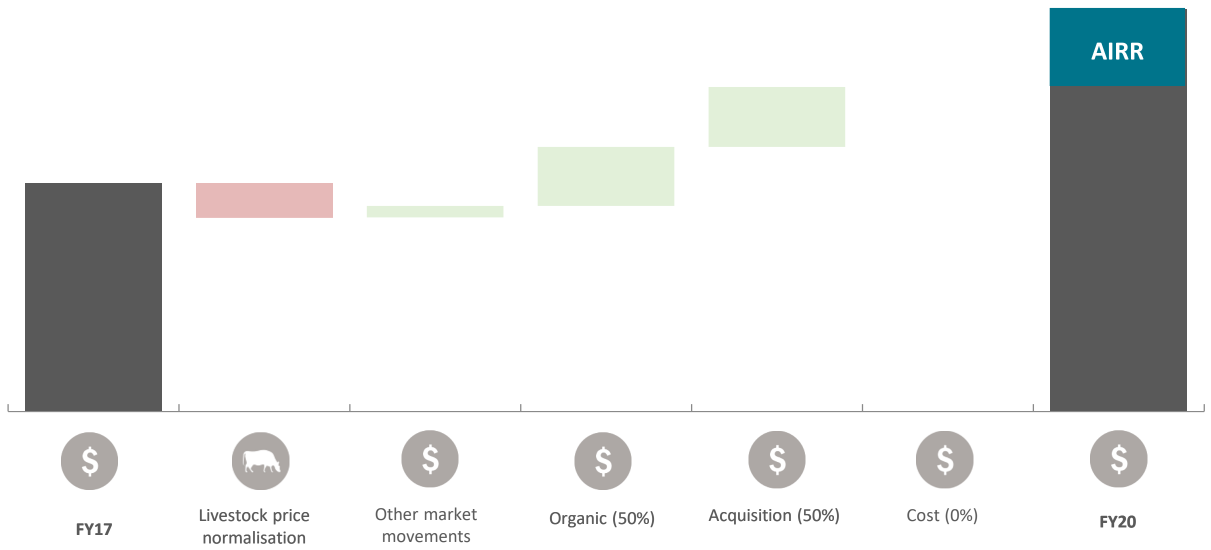
Feed and Processing

- Controlled growth in Killara feedlot throughput
- Investment in infrastructure to deliver efficiencies

GROWTH PLAN – FY18 TO FY20

- 5 – 10% growth through the cycles of above 20% ROC (15-18% ROC post AIRR)
- Consistent with assumptions Livestock prices eased post FY17
- EBIT improvement in the period to FY20 is anticipated to be derived from:
  - organic and acquisition growth
  - continued focus on controlling base costs to offset inflationary increases; and
- AIRR acquisition expected to be settled 1 December 2019 with 10 months earnings in FY20

EBIT FY18 to FY20



AIRR OVERVIEW

AIRR PROFILE

Overview

- Established in 2006
- Member based buying and marketing group for independent rural merchandise and pet and produce stores
- National wholesale business with network of eight warehouses
- 6,000 products (SKUs) from more than 650 suppliers
- 1,500 customers with 340+ member stores
- Acquired The Hunter River Company which has a portfolio of over 50 animal health product Australian Pesticides and Veterinary Medicines Authority ("APVMA") registrations

8 Warehouses and 5 retail locations

- Head Office
- Warehouses
- Retail stores

Member brands

AIRR

- Mixed rural merchandise retailers
- Over 240 locations nationwide

TUCKERS PET & PRODUCE

- Pet, equine and small animal feed and healthcare retailers
- Over 100 locations nationwide

Product brands

Apparent [1]

- Private label range of agricultural chemicals

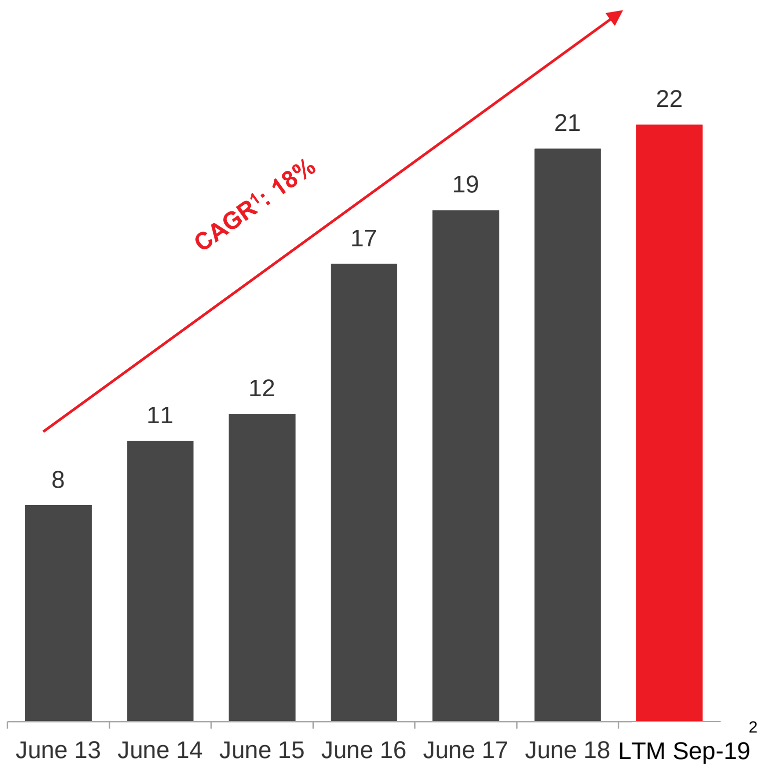
Independents Own

- Animal health, feed and general merchandise products

Source: AIRR company reports and presentations.
1. Apparent brand used under exclusive licence.

CONSISTENT QUALITY GROWTH

AIRR's EBITDA profile ($m)



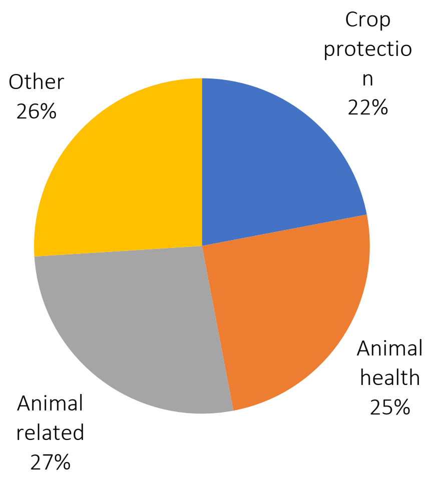
AIRR's growth strategy

- ✓ Grow AIRR and Tuckers member base
- ✓ Leverage buying, marketing and selling strengths to create sales and margin growth
- ✓ Expand AIRR warehouse footprint by creating further satellite warehouses
- ✓ Increase private label sales by growing Independents Own product range
- ✓ Expand range of exclusive products, improve bulk buys and distribution agreements
- ✓ Drive further alignment and partnership with key suppliers to capture market opportunities

Source: Company reports and presentations.
1. CAGR is defined as compound annual growth rate.
2. Based on AIRR forecast EBITDA for the 12 months to 30 September 2019.

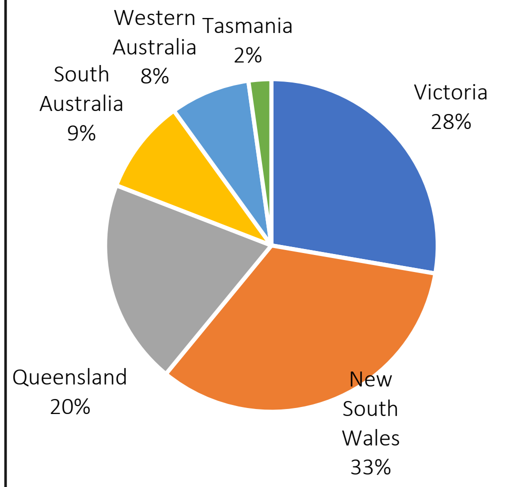
ENHANCED DIVERSIFICATION

FY18 sales by product category



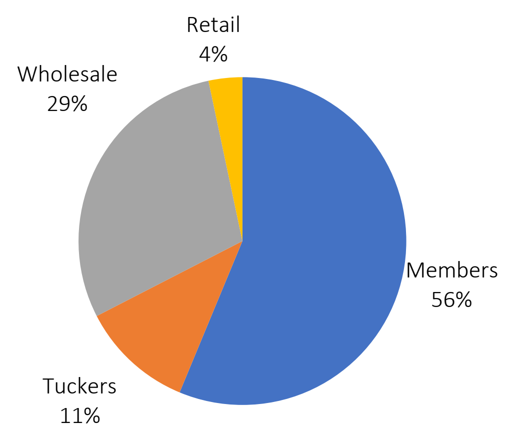
Product diversification decreases exposure to weather related cycles

FY18 revenue by geography



Geographic mix reflects national wholesale platform

FY18 revenue by customer type

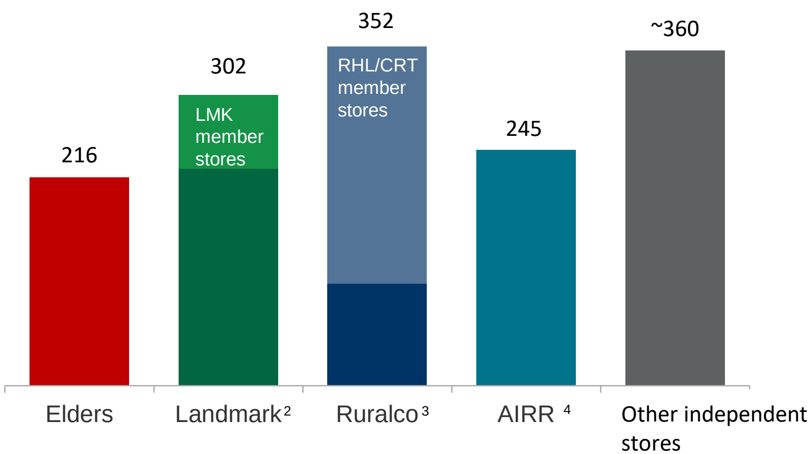


Top 20 customers represent 22% of sales

Source: Company reports and presentations.

ATTRACTIVE WHOLESALE SEGMENT

Number of rural services stores nationally[1]



AIRR's benefits to its independent retailer members

- ✓ Increased retail margin through better buying and promotions
- ✓ Product rebates for AIRR members paid in the same month of product purchase
- ✓ Alignment to a strong and active buying group
- ✓ Preferred pricing via national catalogues and conferences
- ✓ Regular exclusive promotions
- ✓ Marketing support including national catalogues, TV campaigns, co-branded merchandise, and personalised design service
- ✓ One stop shop with AIRR's national network of warehouses stocking 6,000 product lines from 650 suppliers
- ✓ No minimum order requirement allows customers to free up capital and increase retail margin

1. As of March 2019; does not include pet and produce stores.
2. Total of 302 Including 77 of Landmark independent member stores.
3. Total of 352 including 246 of RHL/CRT independent members stores.
4. Excludes Tuckers Pet & Produce members; includes 240 AIRR member locations and 5 AIRR stores.

LOW INTEGRATION RISK NET SYNERGIES OF $6.6m - 9.3m[1]

Estimated synergies

Product	▪ Opportunity to capture incremental margin from backward integration of animal health, crop protection and animal related products ▪ Access to wider product range for AIRR, such as fertiliser and supplier proprietary agency products
Operational	▪ Opportunities to increase efficiencies through scale, shared knowledge and best practice across operating business units ▪ Supply chain cost savings for Elders' network distribution and storage

Light touch integration

- Light touch integration with no changes to management, brands and operations
- Key management personnel retained, with Peter Law (AIRR MD) continuing to manage and focus on growth of the business
- AIRR Directors and key management (including Peter Law) will be subject to a 2 year voluntary escrow in respect of the Elders shares they receive as scrip consideration
- Monthly and quarterly review processes to be established to align safety, financial and operational disciplines
- Key integration priorities
  - Health and safety focus
  - Best practice operations and knowledge transfer
  - Align systems and processes
  - Realise synergy benefits

1. Excludes one-off implementation costs.

Elders

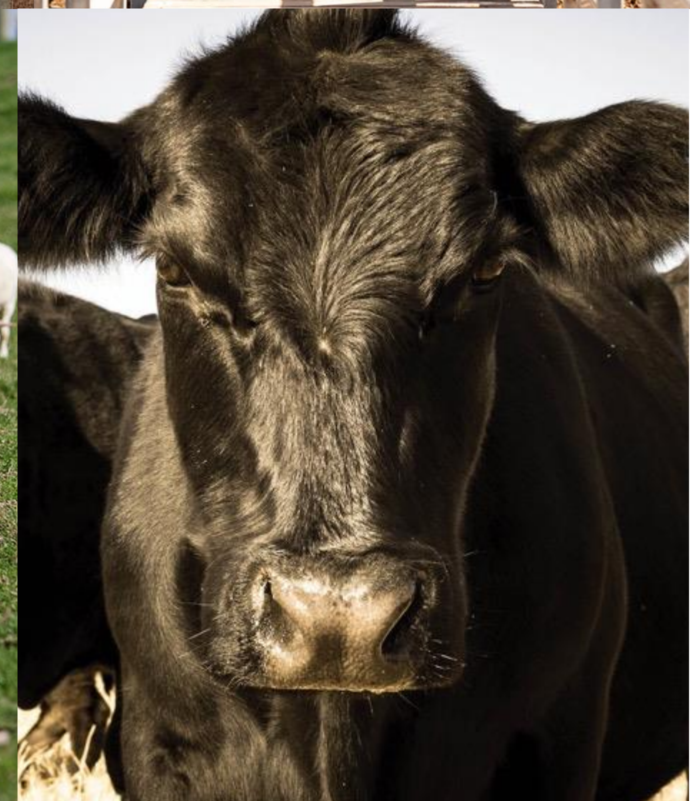
CONSISTENT WITH ELDERS' CORPORATE ACQUISITION PRINCIPLES

✓ Australian base and 100% ownership (under tax umbrella)	— AIRR is an Australian business, with Elders seeking 100% ownership — Ability to utilise Elders' accumulated tax losses
✓ Enhances business diversification	— Provides new standalone business in rural wholesale market — Product, geographic and customer diversification with top 20 customers representing 22% of sales for FY18
✓ Brings unique and scalable IP	— Portfolio of APVMA registrations, particularly for animal health products, capturing higher margins — Reputable AIRR, Tuckers, Apparent[1] and Independents Owned brands to service independent retailers
✓ Low integration risk	— Light touch integration strategy — Elders intends to preserve the separation of AIRR management and operations post the Acquisition
✓ Attractive asset price	— Acquisition multiple of 8.8x FY19 EV / EBIT[2] pre synergies or 6.4x FY19 EV / EBIT[2] post synergies[3]
✓ Pre synergies EPS accretive	— Including a full year contribution from AIRR[2], the Acquisition is expected to deliver low single digit EPS accretion on an FY19 pro forma basis[4] before synergies and low double digit EPS accretion[4] post synergies[3]
✓ Maintain ROC above 15%	— Pro forma FY19F ROC anticipated to be ~16% before synergies and ~17% post synergies[3]

1. Apparent brand used under exclusive licence.
2. Based on forecast EBIT for the 12 months to 30 September 2019.
3. Assumes ~$8 million in net synergies based on the mid-point of the estimated range of $6.6 - 9.3 million (refer to slide 19 for more information).
4. Before amortisation of identifiable intangibles; stated prior to applying the adjustment factor to take in account the bonus element of the Entitlement Offer consistent with AASB 133. Restating Elders standalone EPS based on this bonus element adjustment factor would increase Elders EPS accretion by 1.3% and 1.4% before and after midpoint synergies of ~$8m, respectively; bonus element is calculated to reflect discount to TERP (excluding Placement) and is based on Elders' last traded price at 12 July 2019 of A$6.13 per share and TERP of A$6.05 per share (excluding placement); assuming the mid-point of Elders NPAT guidance of A$61 million to A$64 million





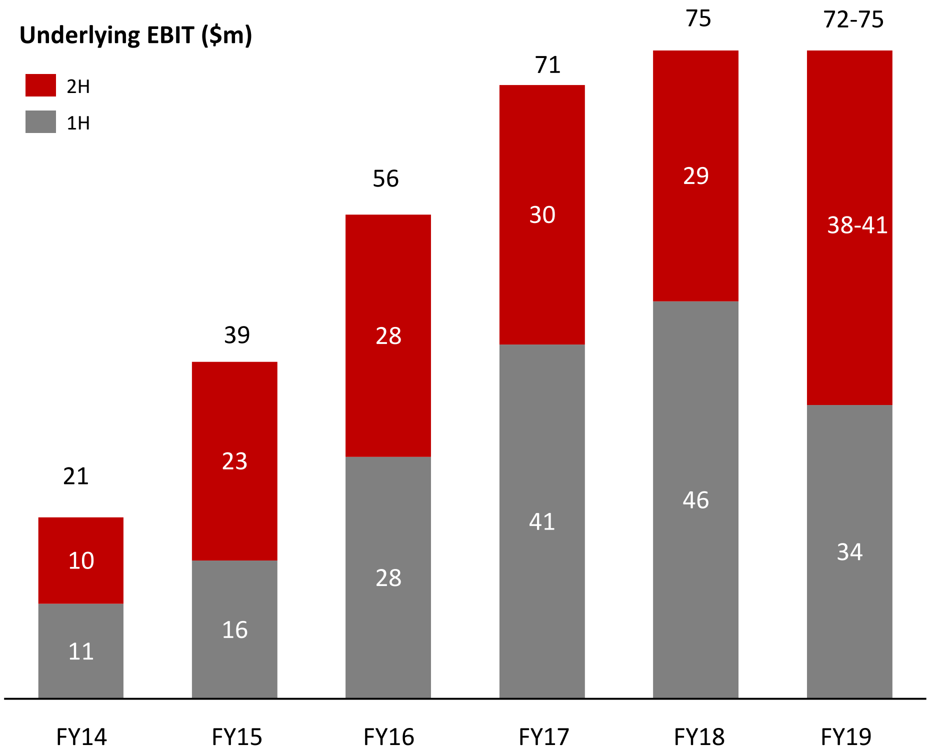



FINANCIAL PERFORMANCE

ELDERS FINANCIAL PROGRESS FY14 TO FY19

Contributed to by:

- Resetting of operational strategy, focusing on running a pure-play agribusiness
- Favourable livestock prices
- Footprint expansion, acquisitions and investments, such as: Ace Ohlsson, Titan Ag, SDEA, Kerr & Co, CGX, Insurance and StockCo etc.
- Market share gains
- Price book management and improved supplier terms and consolidation
- Increased feedlot utilisation at Killara
- Delivery of Eight Point plan

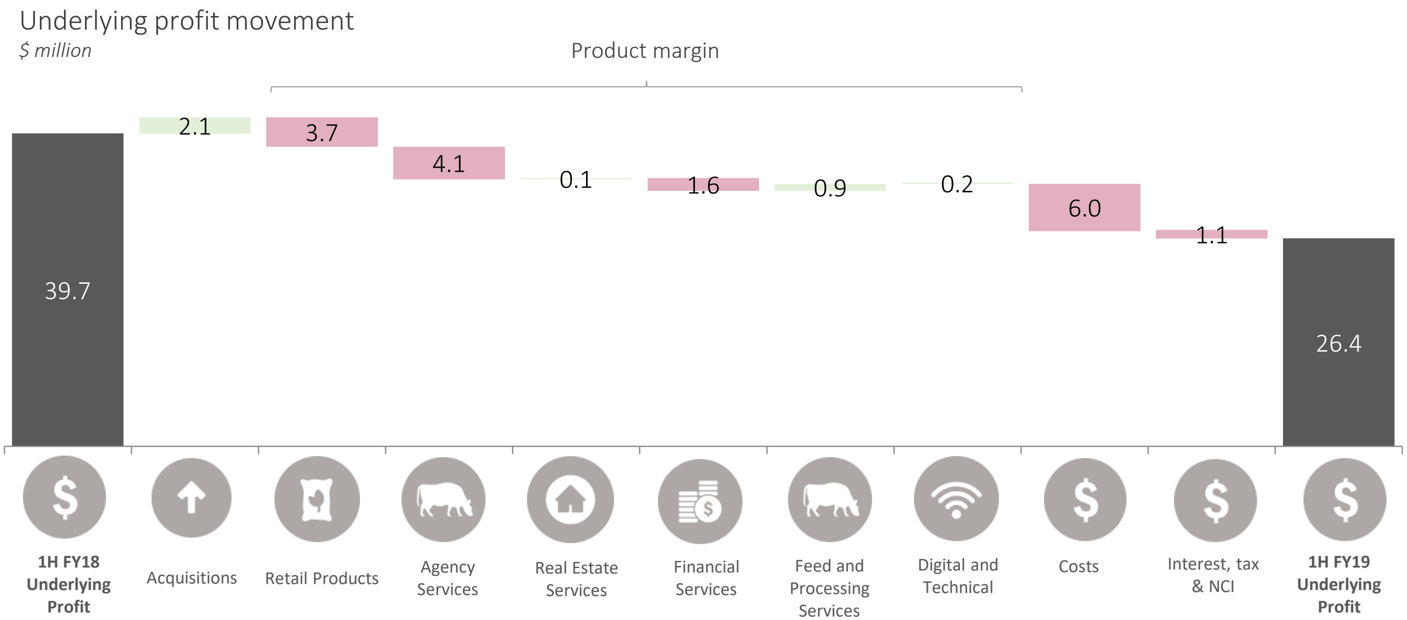


FY19 HALF YEAR RESULTS SUMMARY

- Lost time injuries of 1, prior period nil, LTIFR up from 0.7 to 1.0
- Underlying net profit after tax of $26.4m, down $13.3m
- Underlying EBIT of $33.5m, down $12.2m
- Underlying EBITDA of $36.0m, down $11.9m
- Operating cash outflow of $13.1m for the year, down from a cash inflow of $26.1m
  - Impacted by delayed winter cropping and Titan inventory build
  - Both expected to unwind early in 2H FY19
- Underlying return on capital of 18.4%, down from 26.2%
  - Impacted by working capital build and delayed earnings delivery
- Fully franked interim dividend of 9 cents per share declared, consistent with prior period

PERFORMANCE BY PRODUCT

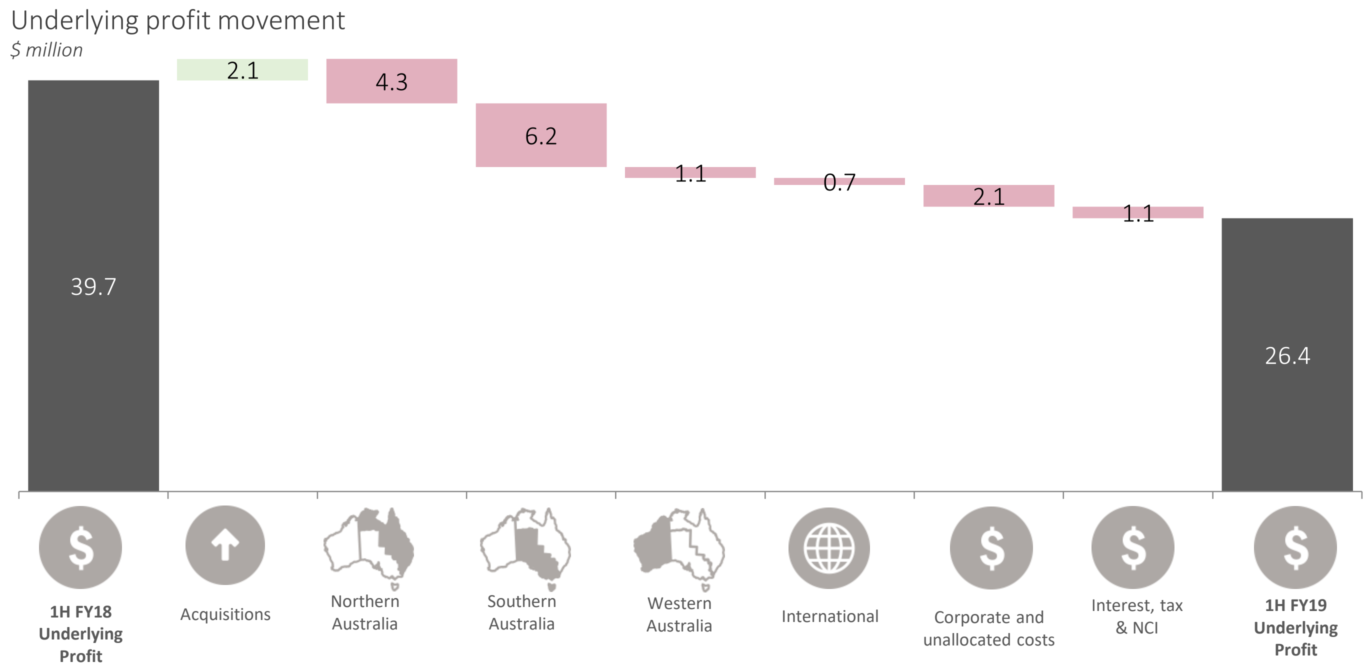
Benefits of acquisitions offset by reduced summer crop plantings, drought affected agency volumes and delayed winter crop



- Acquisitions predominantly include Titan and other bolt on investments
- Retail down due to reduced summer cropping
- Agency impacted by lower wool volumes, with the Australian wool clip down
- Financial Services margin down on lower Insurance equity earnings
- Feed and Processing Services upside due to higher utilisation at the Killara feedlot
- Costs are up in line with footprint growth and increased expenditure in our digital and technical areas
- Finance costs are up on last year due to a non-cash adjustment on long term liabilities with lower interest rate outlook

PERFORMANCE BY GEOGRAPHY

Impact of drought affecting mainly the North and South Eastern Australia



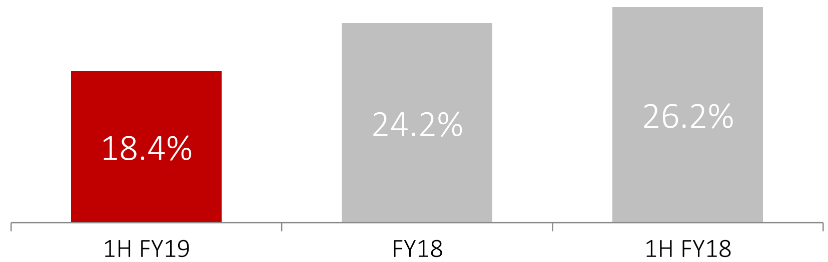
- Acquisitions predominantly include Titan and other bolt on investments
- Northern Australia impacted by reduced summer cropping and easing cattle prices
- Southern Australia down on prior period through lower wool volumes and higher costs from significant footprint investment
- Western Australia decline resulting from decreased wool activity and challenging retail conditions
- Corporate and unallocated costs are up with increased expenditure and investment in digital and technology
- Finance costs are up on last year due to a non-cash adjustment on long term liabilities with lower interest rate outlook

CAPITAL EMPLOYED

Return on Capital still strong, although below target of 20%

- Underlying return on capital was 18.4% reflecting:
  - Recent investment activity performance impeded by unfavourable seasonal conditions
  - Expenditure and Investment in our digital and technical areas
- Average working capital increased by $69.2 million. This reflects:
  - Higher capital through backward integration (Titan model) of $14.0 million
  - Seasonal Retail inventory carried forward from delayed winter crop
  - Higher Livestock working capital

Underlying Return on Capital [1]



Average Capital

$ million	1H FY19	1H FY18	Change
Retail Products	214.3	166.8	47.5
Agency Services	48.6	30.4	18.2
Real Estate	1.5	0.6	0.8
Financial Services	14.0	12.0	2.0
Feed & Processing Services	47.2	51.9	(4.8)
Other	(29.2)	(34.7)	5.5
Working capital (average)	296.4	227.1	69.2
Other capital[2]	*107.3*	*65.1*	*42.2*
Total capital (average)[2]	403.7	292.2	111.5
Total capital (at balance date)[2]	*390.0*	*251.4*	*138.6*

[1] Return on capital = Underlying EBIT / (working capital + investments + property, plant and equipment + intangibles (excluding brand name) – provisions).
[2] Excludes brand name.

OPERATING CASH FLOW

Acquisition and seasonal driven increase in working capital

Operating cash inflow (excluding Titan) of $22.9 million reflected:

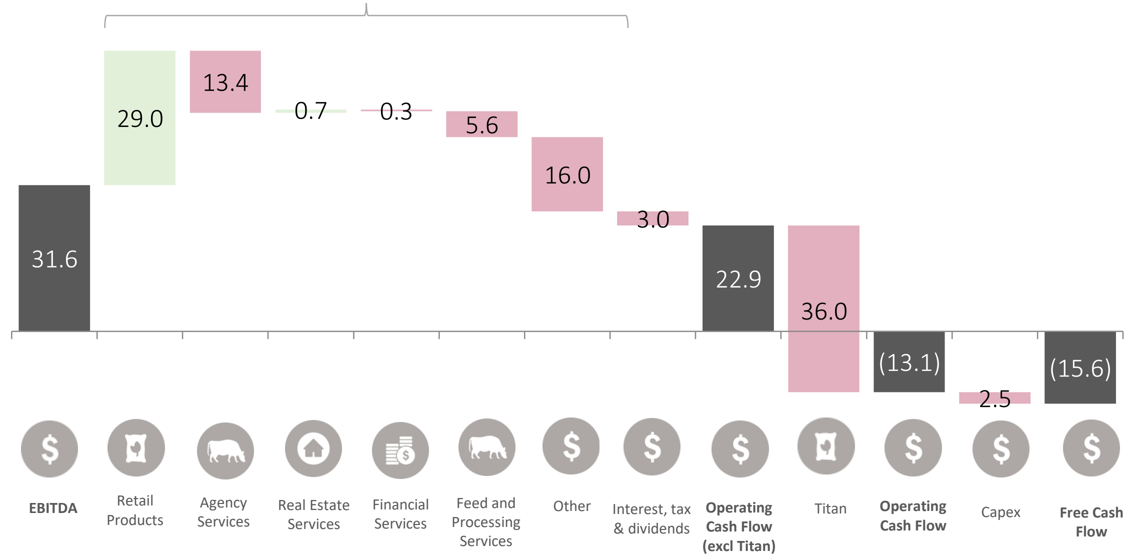
- Positive EBITDA
- Higher Livestock working capital at balance date
- Increased utilisation at Killara feedlot
- Other includes payment of provisions including leave and incentives

Titan related cash flows include:

- Higher working capital at balance date, which will support backward integration initiatives and earnings in the second half as the stock held for winter cropping is sold

Cash flow

$ million



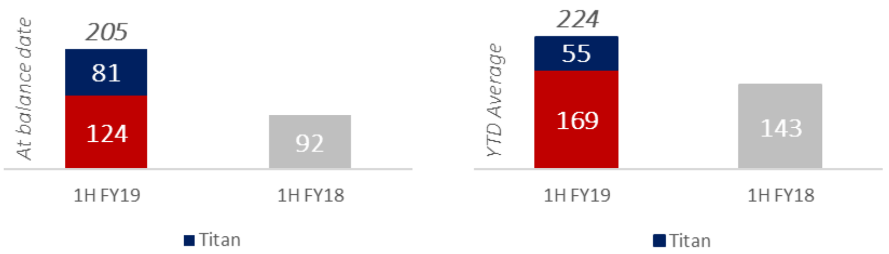
$ million	Retail Products[1]	Agency Services	Real Estate	Financial Services	Feed & Process	Other	Total
EBITDA adjusted	19.1	17.0	6.4	6.3	5.2	(22.4)	**31.6**
Movements in assets and liabilities	(8.0)	(16.4)	0.7	(0.3)	(5.6)	(12.0)	**(41.7)**
Interest, tax and dividends						(3.0)	**(3.0)**
Operating cash flow	12.1	3.6	7.1	6.0	(0.4)	(41.5)	**(13.1)**

[1] *Including Titan*

NET DEBT

Increased working capital although significant headroom within financial covenants

Net Debt



Financial Covenants[1]	1H FY19	1H FY18	Change
Leverage <2.5x	0.78	(0.78)	1.56
Interest cover >3.5x	8.66	11.90	(3.24)
Net worth >$120m	$325.3m	$285.0m	$40.3m

Key Ratios	1H FY19	1H FY18	Change
Leverage (average net debt to EBITDA)	2.8	1.9	0.9
Interest cover (EBITDA to net interest)	10.2	11.7	(1.5)
Gearing (average net debt to closing equity)	61.0%	50.1%	10.9%

Net debt (excluding Titan) at balance date was $32 million higher than March last year because of:

- Higher Livestock working capital at balance date

Average net debt (excluding Titan) was $26 million higher than March last year as a result of:

- Increased Retail balances associated with challenging conditions, including higher inventory of $19 million
- Higher Livestock working capital of $20 million

Titan related net debt includes:

- Backward integration of $81 million at balance date – both acquisition and build-up of inventory to sell in the second half of FY19 (impact on YTD average net debt is $55 million)

Financial covenants:

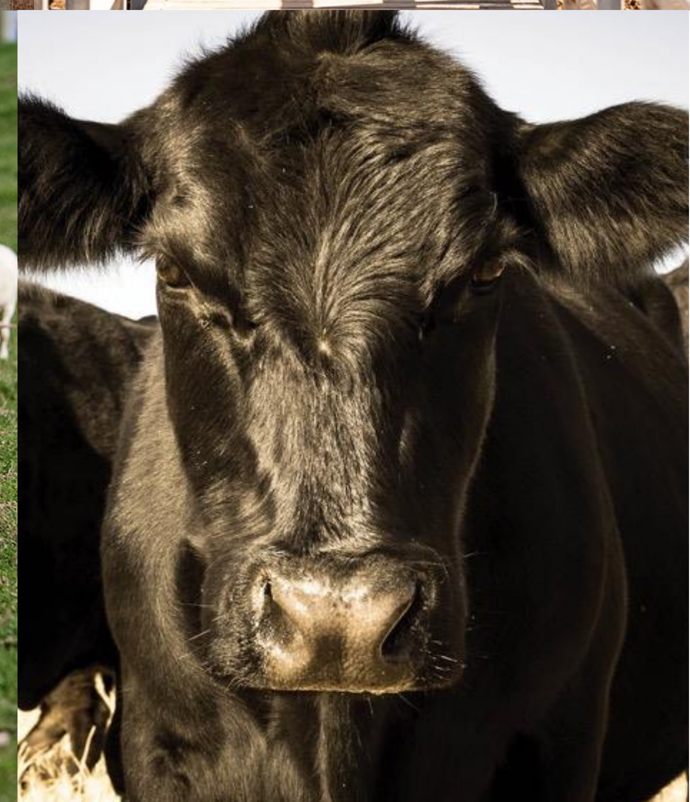
- Significant headroom in financial covenants

[1] *Calculated pursuant to definitions in group syndicated facilities:*
Calculated as rolling 12 months EBITDA and interest actuals, end of month net debt and net worth.
Underlying EBITDA excludes Retail debtor interest, Indonesia Feedlot & Live Export restructure costs.
Net debt excludes Retail trade receivables funding, but includes contingent funding of $6.2m ($5.5m FY LY) in bank guarantees.
Net Worth comprises of net assets less non-controlling interest.



PRIORITIES & OUTLOOK





FY19 PRIORITIES

Continue to invest in Eight Point Plan for long term growth

Safety Performance

- 1 lost time injury, compared to nil last period, target is zero LTIs
- LTI frequency rate at 1.0
- 4 days lost, compared to nil last period
- Continued emphasis on employee and community safety, health and wellbeing

Operational Performance

- $36.0m underlying EBITDA, down $11.9m on last year
- $33.5m underlying EBIT, down $12.2m on last year
- Underlying ROC at 18.4%, down from 26.2% at March 2018
- Leverage ratio increased to 2.8 from 1.9 last year; year end target of 2.7
- Interest cover ratio decreased from 11.7 to 10.2
- Significant headroom in financial covenants maintained

Key Relationships

- Continued to work with key retail suppliers
- Expanding digital client offerings
- Strengthening the "Elders Give It" program through continued RFDS partnership and further community involvement
- Formal engagement with Rural Research Centres, government and tertiary institutions to focus and enhance our agricultural research development and extension initiatives through the Thomas Elder Institute
- Achieving greater productivity for clients and the industry through Thomas Elder Consulting and our Institute alliances

Efficiency and Growth

- Launch of new Livestock and Wool in transit delivery guarantees associated with Elders' agency services
- New relationship agreement with Rural Bank to offer a specialist financial service to customers
- Development of flexible remuneration structures to attract and retain high performers
- Continued footprint expansion through acquisitions of Retail and Agency businesses during the first half
- Drive organic growth through improving sales force performance through tailored training and monitoring
- Structured review process of capital and cost initiatives

FY19 OUTLOOK

Winter cropping conditions expected to return to average in the second half

Elders reiterates FY19 guidance and remains confident to deliver:

- Underlying EBIT in the range of $72 to $75 million
- Underlying NPAT in the range of $61 to $64 million
- Continue to pursue organic growth initiatives and acquisitions

Retail Products

- Winter cropping conditions are expected to return to average across most of Australia in the second half
- Titan acquisition benefit will increase earnings in the second half

Agency Services

- Wool margin to be consistent with prior year with low wool production and high prices
- Cattle and sheep volumes expected to be lower due to limited supply, despite footprint expansion
- Sheep prices expected to remain at current high levels due to high demand

Real Estate Services

- Supply of farmland property will continue to be subdued in line with livestock prices, however gains are expected from water broking activities

Financial Services

- New Livestock and Wool in transit delivery guarantee initiative will be launched in the second half
- Full year impact of the new Rural Bank distribution agreement is anticipated to be an increase in EBIT on last year
- Increased investment through shareholder loans to StockCo will generate greater earnings

Costs and Capital

- Costs are expected to increase in line with footprint growth and continued Eight Point Plan investment
- Continued increased investment in both digital and technical area and information technology




SUMMARY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- Elders reiterates FY19 guidance and remains confident to deliver:
    - Underlying EBIT in the range of $72 to $75 million
    - Underlying NPAT in the range of $61 to $64 million
- Eight Point Plan continues to deliver consistent high return growth
- Enhanced diversification and backward integration through proposed AIRR acquisition
- Organic and acquisition pipeline poised for ongoing balanced growth
- Business stable and strong to take advantage of return to average seasons in Eastern Australia


Elders