



9 February 2023

Elders Limited Investor Presentation

Attached is a presentation to be given today, 9 February 2023, by Elders' Managing Director and Chief Executive Officer, Mr Mark Allison, and Acting Chief Financial Officer, Paul Rossiter, to investors hosted by Goldman Sachs.

Further Information:

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Authorised by:

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FOR AUSTRALIAN AGRICULTURE



Elders Limited FY22 Full Year Results Summary

9 February 2023

Presented by
Mark Allison
Managing Director and CEO

Paul Rossiter
Group Treasurer and Acting CFO

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

Business Model

Eight Point Plan

ABARES







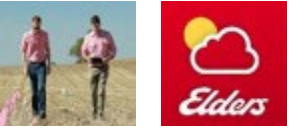
Market Outlook

Historical Performance



Business Model

Diversification by product, service, market segment and geography













RURAL PRODUCTS		AGENCY SERVICES	REAL ESTATE SERVICES	FINANCIAL SERVICES	FEED & PROCESSING SERVICES	DIGITAL AND TECHNICAL SERVICES
RETAIL PRODUCTS	WHOLESALE PRODUCTS					
						
Rural Products	Rural Products	Livestock	Broadacre	Agri Finance	Killara Feedlot	Fee for Service (200 agronomists)
Fertiliser	Pet Supplies	Wool	Residential	Elders Insurance (20%)	Elders Fine Foods	AuctionsPlus (50%)
Agcrest (33%)		Grain	Property Management	LIT Delivery Warranty and Livestock Funding Products		Elders Weather
			Franchise			Clear Grain Exchange (30%)

Key metrics						
\$2.5b retail sales	\$0.4b wholesale sales	9.0m head sheep	\$2.5b broadacre sales	\$3.0b loan book \$1.5b deposit book \$29.9m livestock funding \$120.0m StockCo book	67k Killara Feedlot cattle head	AuctionsPlus 126k head cattle 1.2m head sheep
232 stores	372 member stores	1.4m head cattle	\$1.8b residential sales	\$1.0b GWP	\$12m China sales	9.6m Elders Weather users
435 APVMA registrations		360k wool bales	10.6k properties under management	41% LIT penetration rate		CGX 0.2m tonnes
1.0m tonnes fertiliser						
Gross margin						
\$310.0m	\$73.1m	\$147.0m	\$61.6m	\$44.2m	\$16.8m	Included in products
Working capital						
\$401.9m	\$99.9m	\$58.7m	\$0.4m	\$9.4m	\$83.4m	Other – (\$28.8m)

Elders Fine Foods China business will be closed in FY23

8 ELDERS EIGHT POINT PLAN



OUR 2023 AMBITION	Compelling shareholder returns 5-10% EBIT and EPS growth through the cycles at 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	 FINANCIAL SERVICES	 TECHNICAL SERVICES	 FEED & PROCESSING		
OUR STRATEGIC PRIORITIES	1 Win market share across all products, services and geographies through client focus, effective sales and marketing and strategic acquisitions		2 Capture more gross margin in Rural Products through optimised pricing, backward integration and supply chain efficiency		3 Strengthen and expand our service offerings , including Livestock and Wool Agency, Real Estate, Financial and Tech Services		4 Optimise our feed & processing businesses in Killara Feedlot and Elders Fine Foods ¹	5 Develop a sustainability program that is authentic and industry leading
OUR ENABLERS	6 Systems Modernisation Program – invest in best of breed solutions to improve customer experience, drive process and administration efficiency and better accommodate change			7 Attract, retain and develop the best people and provide a <u>safe</u> and inclusive working environment		8 Maintain unflinching financial discipline and commitment to cost and capital efficiency		
OUR VALUES	 INTEGRITY	 CUSTOMER FOCUSED	 ACCOUNTABILITY	 TEAM WORK	 INNOVATION			

¹Elders Fine Foods (China) business will be closed in FY23

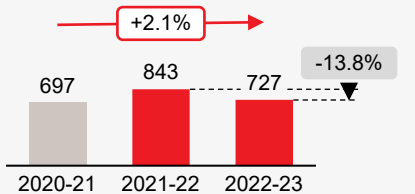
ABARES September Market Outlook

ABARES summer crop outlook complicated by recent unseasonal rainfall

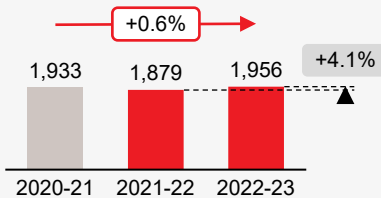


Beef & Veal¹

Average saleyard prices (c/kg)



Production (kt)

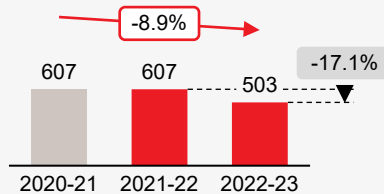


- Gross value of production to fall by 9% to \$14.6 billion in 2022-23
- Production to increase slightly due to cheaper cattle and greater processing capacity
- Global prices to fall slightly but remain strong due to supplies remaining relatively tight
- Uncertainty around the spread of FMD in Indonesia is expected to further lower demand from Indonesian lot feeders in 2022-23

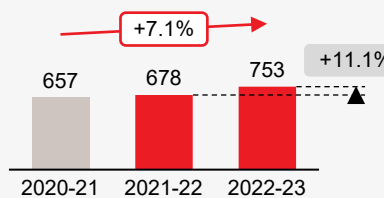


Sheep¹

Average saleyard prices (c/kg)



Production (kt)

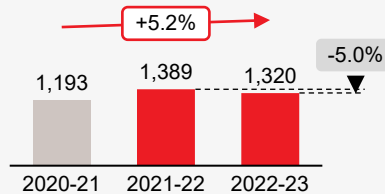


- Sheep saleyard prices forecast to fall but remain historically high
- Saleyard demand from processors to remain strong but farm purchases of restocking animals to fall
- Favourable seasonal conditions continuing to support producers' intentions for finishing lambs quickly

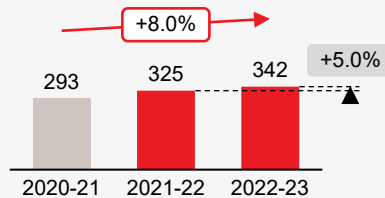


Wool¹

Eastern Market Indicator (c/kg)



Sheep shorn for wool production (kt)

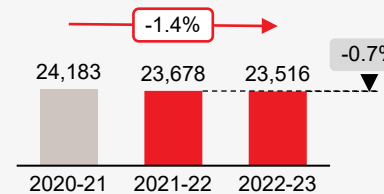


- The gross value of wool production is expected to remain unchanged at \$3.4 billion in 2022-23, with a significant decrease in Australian wool prices is forecast to be offset by increased production volumes
- Demand for wool is expected to dampen due to large increases in inflation and interest rates in major economies

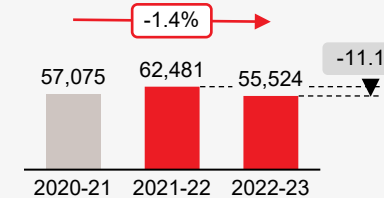


Winter Cropping²

Area planted ('000 ha)



Crop production (kt)

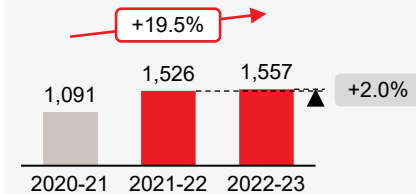


- Winter crop production in 2022-23 is forecast to reach fourth highest on record at 55.5 million tonnes, an upward revision of 9% on the June forecast
- Winter crop prospects in Australia are very favourable at the beginning of spring, with well above average yield potentials across all states, however regional flood damage in the eastern states will reduce winter production

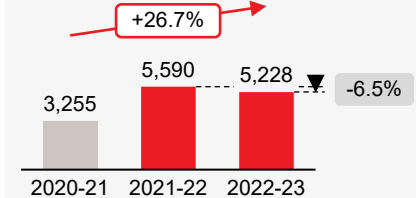


Summer Cropping²

Area planted ('000 ha)



Crop production (kt)



- The area planted to summer crops in 2022-23 is forecast to increase by 2% to reach 1.6 million hectares
- Summer crop production is forecast to reach the fifth highest on record at 5.2 million tonnes, remaining 6% below the record production of last season
- Increased chance of an overly wet spring, which could interrupt harvest and negatively impact grain quality, depending on timing

¹Department of Agriculture, Fisheries and Forestry, ABARES Agricultural forecasts and outlook: September edition

²Department of Agriculture, Fisheries and Forestry, ABARES Australian Crop Report: September edition

Metrics measured for the 12 months ending 30 June

Market Outlook

Favourable cropping outlook for FY23 moderated following unseasonal spring rainfall



RURAL PRODUCTS

- winter crop outlook remains favourable
- wet weather and floods in October, may reduce summer crop production in some areas



AGENCY SERVICES

- easing of restocking demand
- beef and sheep prices expected to fall, but remain elevated
- lower wool demand expected due to inflation and interest rate increases in major economies
- FMD and LSD remain a risk, however there are currently no impacts on operations



REAL ESTATE

- demand for broadacre properties expected to remain high (favourable commodity price outlook and good seasonal conditions)
- residential demand expected to decrease (inflation and interest rates)



FINANCIAL SERVICES

- favourable market conditions support demand for Insurance and other Agri Finance offerings
- continued uptake of livestock funding product forecast to provide margin upside
- LIT delivery warranty product expected to continue to grow in line with higher livestock turnover



FEED & PROCESSING

- supply chain supported by backgrounding operations
- some headwinds expected in first half FY23 regarding higher cost of goods, in particular the premium branded beef programs

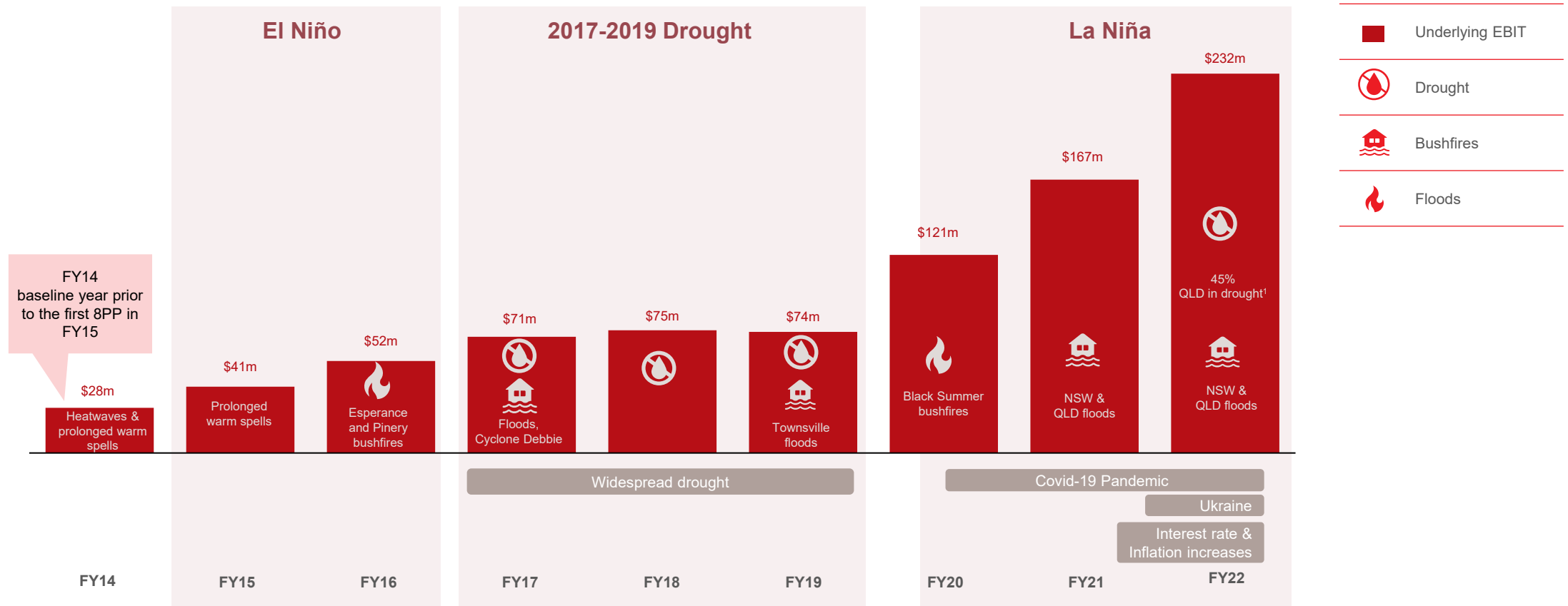


COSTS AND CAPITAL

- focus on cost to earn
- interest rates and inflation pressure
- footprint and acquisition growth
- investment in Sustainability, Elders Wool Handling and the first phases of our System Modernisation will temporarily increase cost base prior to benefits being achieved

Elders historical performance vs weather and world events

Resilient share price and earnings growth with geographical, product and service diversity insulating against severe weather events



1. As at 1 August 2022 Drought Declarations | LongPaddock | Queensland Government)

Elders



Elders