Monday 23 May 2022

2022 Half-Year Results Investor Presentation

Attached is the Elders Limited (**ASX:ELD**) investor presentation in connection with the financial results for the 6 month period ended 31 March 2022.

Elders' Managing Director and Chief Executive Officer, Mark Allison, and Chief Financial Officer, Tania Foster, will deliver this presentation by webcast and simultaneous teleconference at 10.00am (AEST) today.

As advised in the Company's announcement to ASX on Tuesday, 17 May 2022, you can register to view and listen to the live commentary of the presentation. For details, refer to that announcement.

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Authorised by:
Peter Hastings, Company Secretary

Elders Limited
FY22 Half Year Report Presentation

23 May 2022

Presented by
Mark Allison CEO
Tania Foster 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

1H22 Highlights

PEOPLE

12.6
TRIFR[1]

78%
employee engagement

42%
female workforce
based on Australia headcount

+298
FTE
vs. March 2021

CUSTOMERS

#1
most trusted agribusiness brand

48
net promoter score

+15
additional locations

COMMUNITY

$0.3m
to RFDS over renewed three-year sponsorship

$1.1m
sponsorships and donations

478
local community sports teams and events sponsored

SHAREHOLDERS

58.3 cents
underlying earnings per share

28.0 cents
dividends per share

48%
dividend payout ratio

[1]Total Recordable Injuries Frequency Rate: all fatalities, LTIs and medical treatment injuries multiplied by 1,000,000 then divided by hours worked

1H22 Financial Summary

SALES	GROSS MARGIN	EBIT
$1.5b	$326.5m	$132.8m
+38%	+35%	+80%
from $1.1b	from $241.6m	from $73.8m

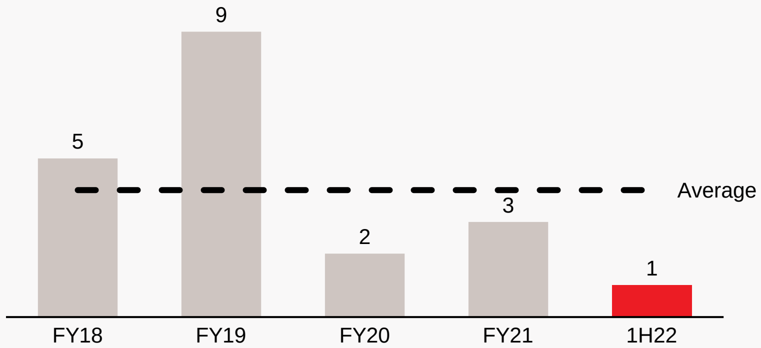
COSTS	COST TO EARN RATIO	RETURN ON CAPITAL
	Costs / gross margin	*R12 EBIT/ R12 avg net operating assets*
$193.6m	59%	27.8%
+15%		
from $167.8m	from 69%	from 20.1%

CASH CONVERSION	LEVERAGE RATIO	GEARING RATIO
YTD Operating cash flow / YTD U'NPAT	*R12 Avg net debt / R12 EBITDA*	*R12 Avg net debt / Closing equity*
(61%)	1.2 times	37.9%
from 36%	from 1.8 times	from 45.1%

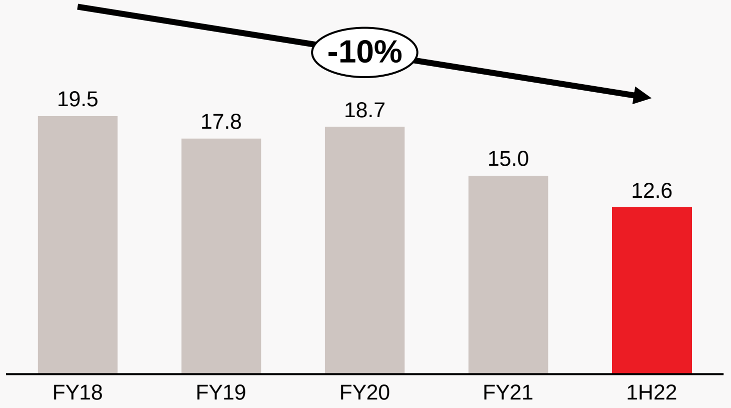
Comparison vs 1H21, including AASB 16 Leases

Safety, Health & Well-Being

Lost time injuries (LTI)



Total recordable injuries frequency rate (TRIFR)[1]



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

1
lost time injury in 1H22

10%
compound reduction in TRIFR since FY18

100%
branch risk radar[2] completed during Safety Week

$1.0m
capital expenditure in 1H22

Elders SAFETY TOWARDS ZERO HARM

[2]Checklist of risks to ensure employees are operating in a safe working environment

Krystal Bowden

SALES SUPPORT OFFICER, JANDOWAE QLD

"Over the last 12 months we have implemented **over 40 changes to make Elders Jandowae a safer place.** I hope to help my colleagues think twice before making an unsafe decision."

"I would like to think that I have had, and will continue to help provide the education, information & resources my colleagues need to make the safer choice and to ensure that everyone makes it home to their loved ones – tonight, and every night."

Sustainability

OUR PRINCIPLES

- We provide our customers and clients with the goods and services they need
- We support our people and the 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

CLIMATE TARGETS[1]

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

- **100%** renewable electricity in all Australian sites by 2025
- **50% reduction in Scope 1 and 2 emissions intensity** (tCO_2e/\$m revenue) by 2030, against a baseline year of 2021 (subject to commercially viable technology being available to address feedlot cattle emissions)
- **Net zero** Scope 1 and 2 emissions by 2050[2]

OUR PROGRESS

- Targeting solar and LED lighting site upgrades to reduce emissions
- Solar farm development at Killara Feedlot
- Second Modern Slavery Statement published
- Joined the Australian Packaging Covenant Organisation; waste reduction strategy in development

[1]Scope 1: direct emissions from owned or controlled sources. Scope 2: indirect emissions from the generation of purchased electricity

[2]Targets based on Elders' financial year ending 30 September

Financial Results

1H22 Financial Performance: Summary

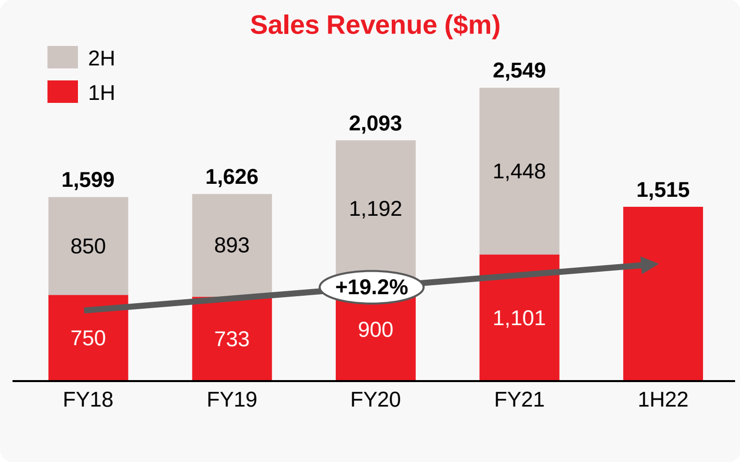
Strong performance across our key metrics

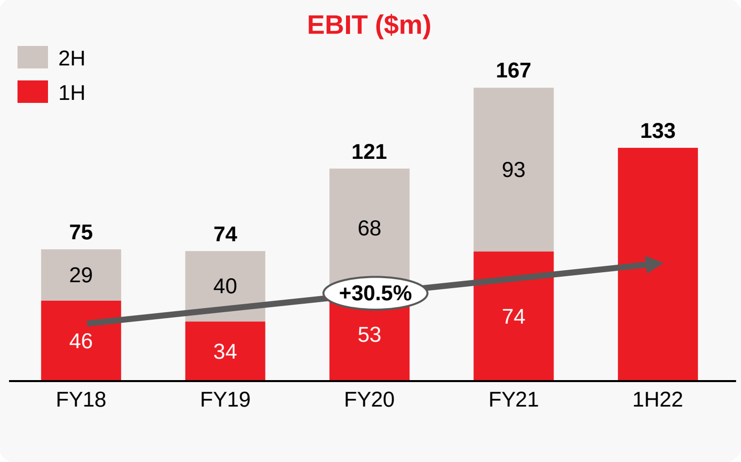
Key metrics ($m)	1H22	1H21		Var	%
Sales revenue	1,514.8	1,100.5	↑	414.3	38%
Gross margin	326.5	241.6	↑	84.9	35%
Costs	193.6	167.8	↑	25.8	15%
Earnings before interest and tax	132.8	73.8	↑	59.0	80%
Net profit after tax	91.2	68.2	↑	23.0	34%
Return on capital (%)*	27.8%	20.1%	↑	7.7%	n/a
Net debt	384.5	263.9	↑	120.6	46%
Leverage ratio (times)	1.2	1.8	↓	(0.6)	(33%)
Operating cash flow	(55.4)	23.9	↓	(79.3)	(332%)
Underlying earnings per share (cents)	58.3	42.9	↑	15.4	36%
Dividend per share (cents)	28.0	20.0	↑	8.0	40%

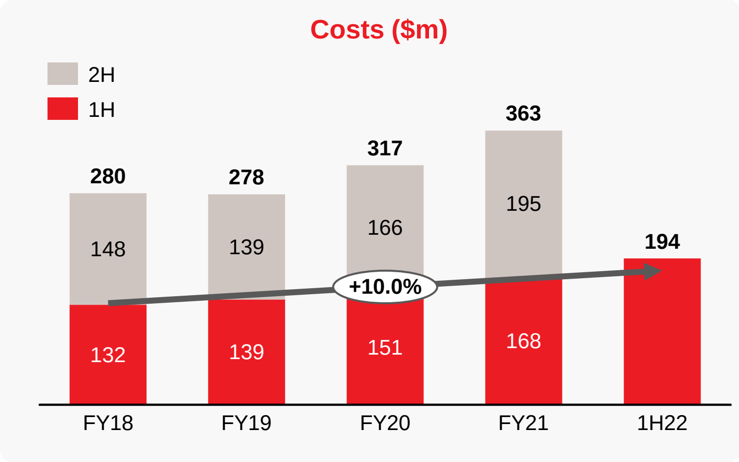
*Return on capital = Rolling 12 months Underlying EBIT / (working capital + investments + property, plant and equipment + right of use assets + intangibles (excluding Elders brand name) – DTL on acquisitions – lease liabilities – provisions)

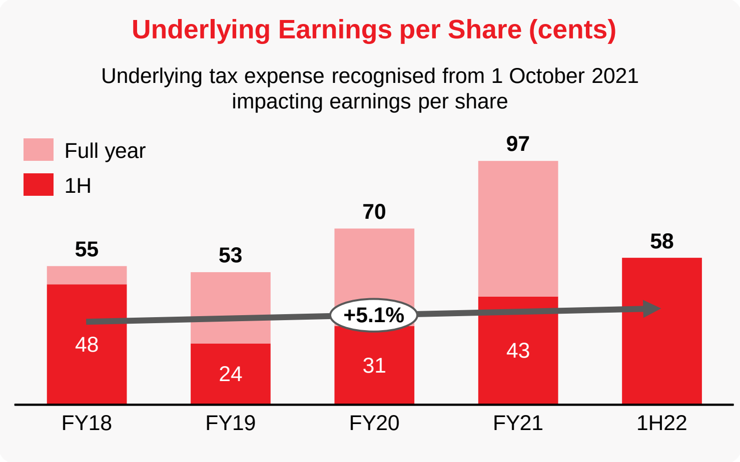
1H22 Financial Performance: Summary

Consistent 1H growth over the last five years





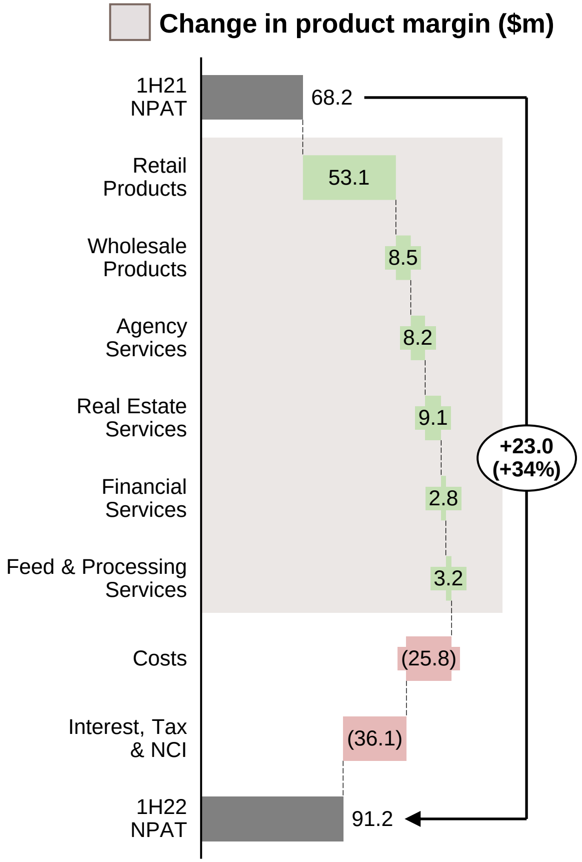




Note: CAGR calculated on 1H performance

1H22 Financial Performance: Product

Favourable performance across all products



1H21	1H22
87.7	140.8
29.3	37.8
74.0	82.2
24.2	33.3
20.5	23.3
5.9	9.1
(167.8)	(193.6)
(5.5)	(41.7)
68.2	91.2

RETAIL PRODUCTS

- sales activity +47%
- strong demand for fertiliser and crop protection chemicals
- price inflation on cropping inputs
- forward purchasing to secure supply
- backward integration strategy

FINANCIAL SERVICES

- +9% in gross written premiums
- improved Livestock in Transit penetration rates (+0.9%), supported by high livestock activity

WHOLESALE PRODUCTS

- sales activity +27%
- improved seasonal conditions
- strong demand amidst supply chain concerns
- additional AIRR warehouse opened

FEED & PROCESSING SERVICES

- strong demand from domestic and export customers at Killara
- high feedlot residency levels (+8%)
- improved cattle performance efficiencies at Killara

AGENCY SERVICES

- high livestock prices (cattle +32%, sheep +9%)
- reduced volumes due to rebuild (cattle -12%, sheep -5%)
- wool market recoveries and re-emerging global demand

COSTS

- more people +298 FTE (+123 acquisition-related)
- increased performance incentives
- five acquisitions in 1H22
- investment in systems modernisation, cyber and data lake

REAL ESTATE SERVICES

- +15% number of farmland properties sold
- +7% number of residential properties sold
- favourable market conditions
- two acquisitions during 1H22 in key geographical locations

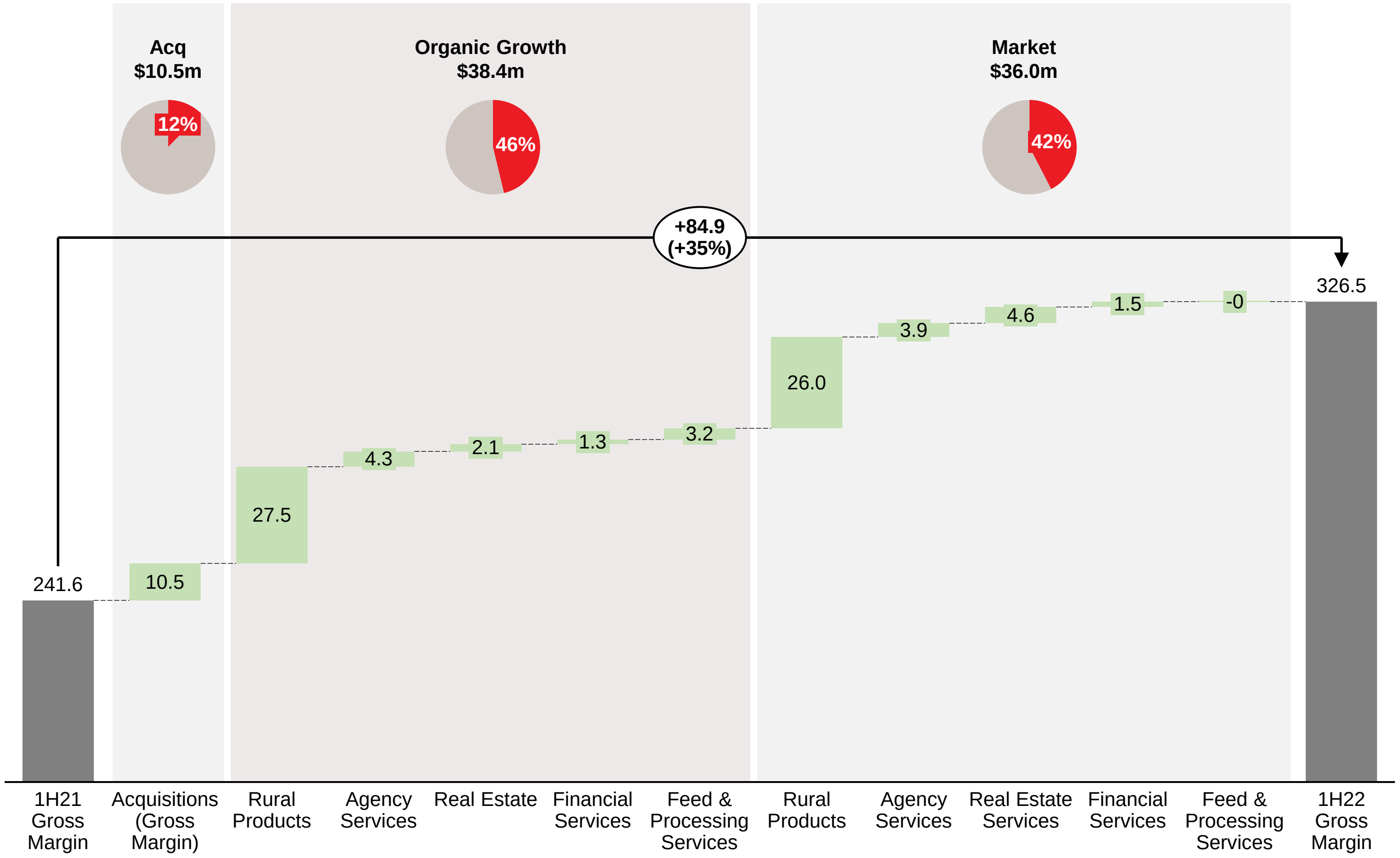
INTEREST, TAX & NCI[1]

- historically low interest rates
- recognition of underlying tax expense, commencing FY22
- B&W Rural EBIT outperformance (+$8.6m and +354%)

[1]NCI – Non controlling interests

1H22 Financial Performance: Gross Margin Growth

Steady contribution from acquisition, organic growth and market



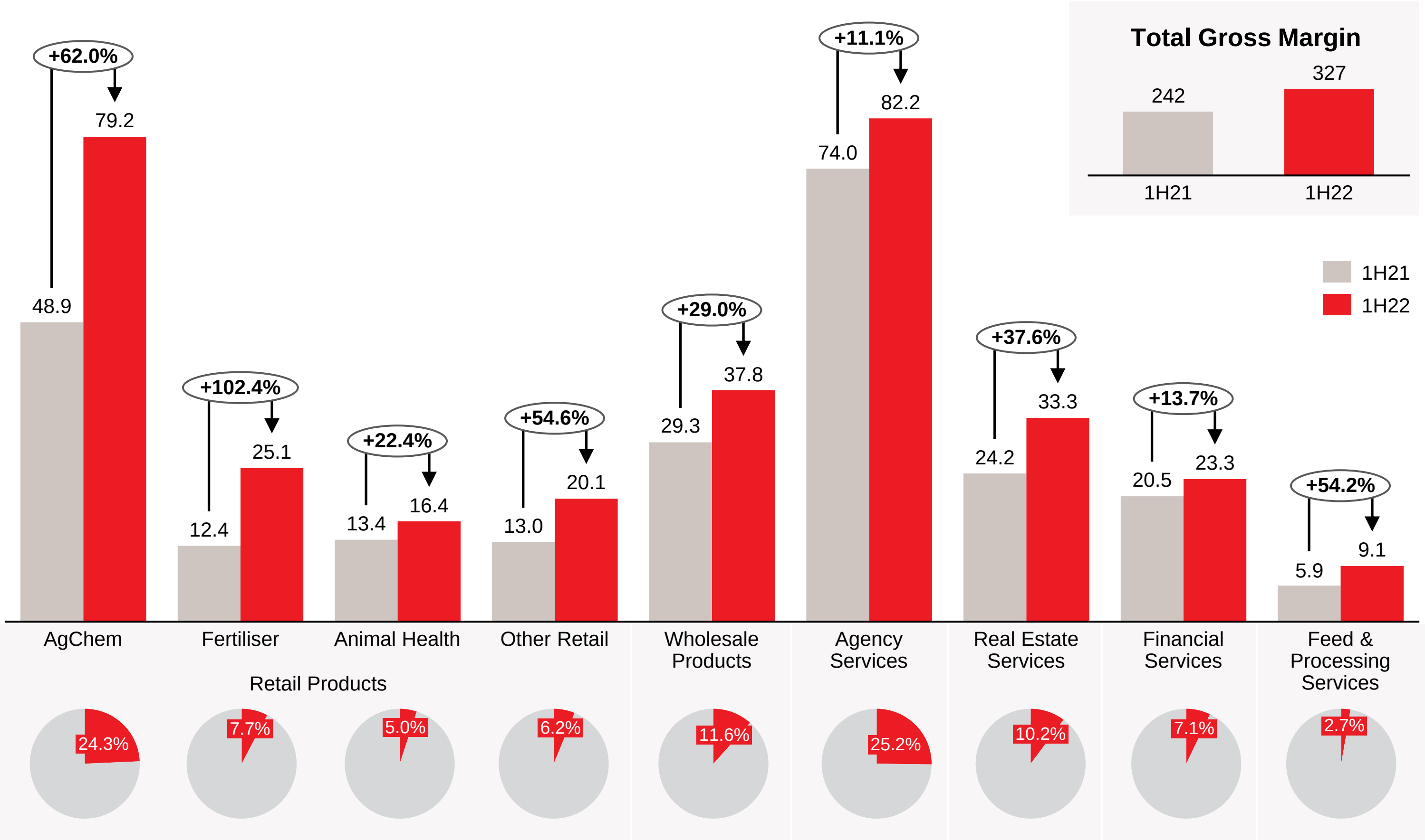
RURAL PRODUCTS	▪ organic growth: market share movements and margin improvement (+1.2%) ▪ market growth: based on ABARES area planted (+10.6% vs LY) and price inflation
AGENCY SERVICES	▪ organic growth: market share growth ▪ market growth: price increase and volume decline due to restocking
REAL ESTATE SERVICES	▪ organic growth: volume movement ▪ market growth: increase sales price per unit and competitive pressures on commission
FINANCIAL SERVICES	▪ organic growth: LIT[1], livestock funding, increased volume of insurance policies ▪ market growth: Rural Bank, StockCo, Elders Insurance GWP[2] price movement
FEED & PROCESSING	▪ organic growth: total gross margin uplift

[1]Livestock in Transit delivery warranty

[2]Gross written premiums

1H22 Financial Performance: Gross Margin

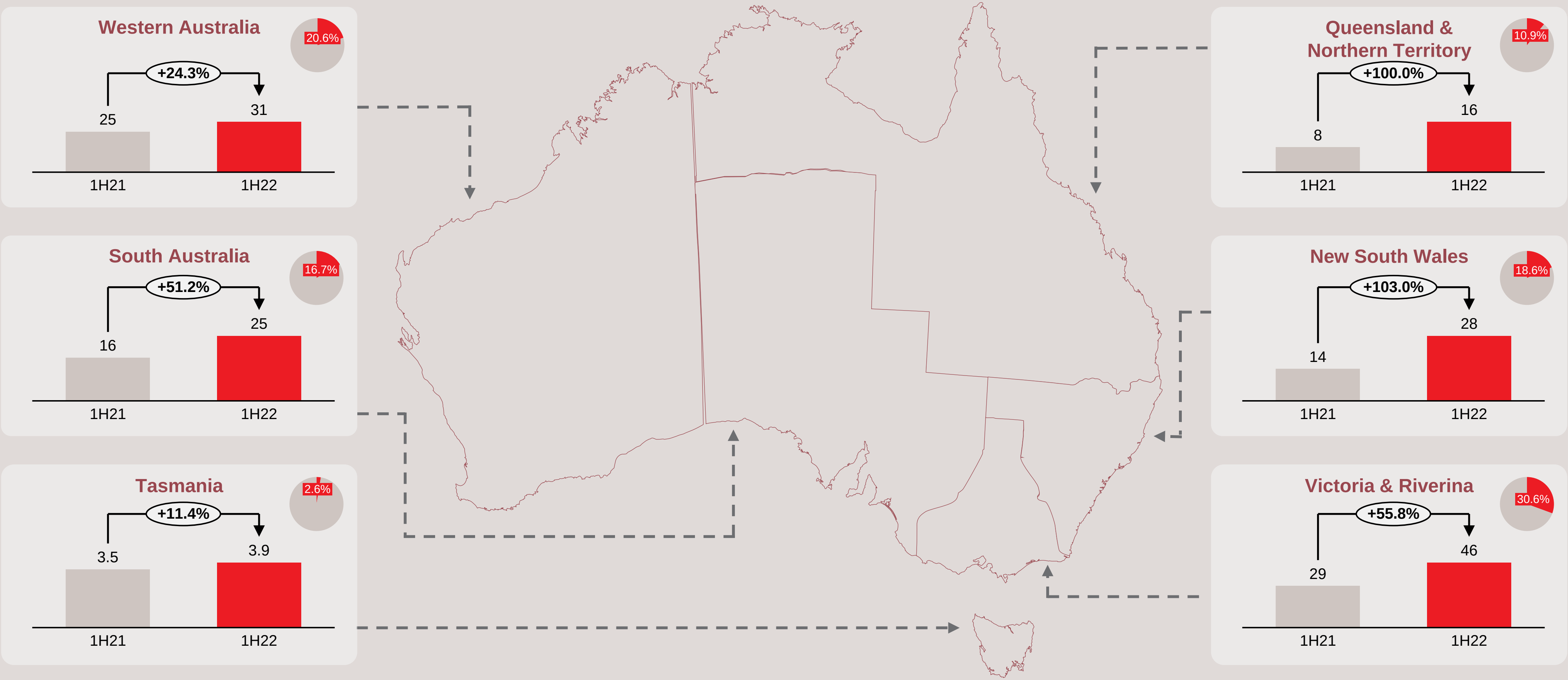
A diversified business model across product categories



Pie charts represent percentage of total 1H22 margin

1H22 Financial Performance: Geography

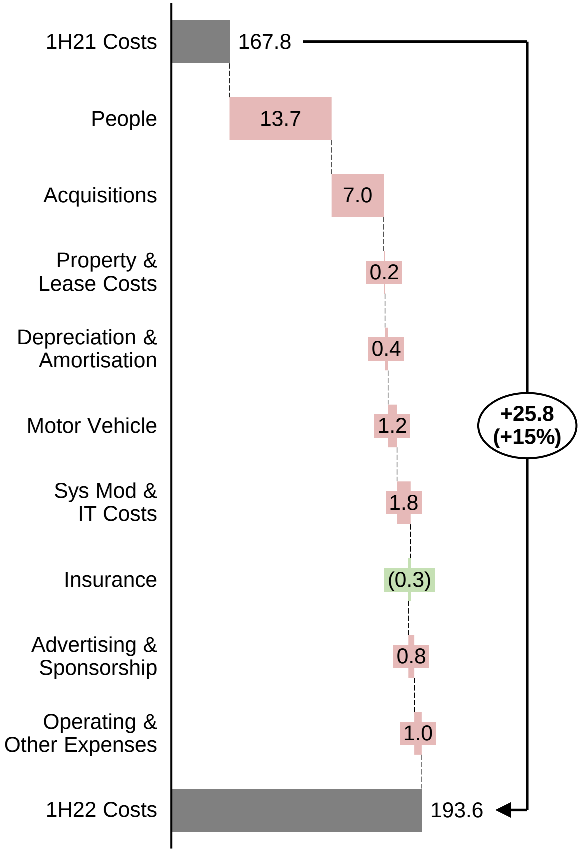
Strong growth across all geographies, with diversification of our EBIT reducing risk



Excludes Wholesale Products, International and Corporate Overheads

1H22 Financial Performance: Costs

Investment in people and strategic initiatives driving increased costs



	1H21	1H22
1H21 Costs / 1H22 Costs		
People	105.8	119.5
Acquisitions	0.1	7.1
Property & Lease Costs	16.4	16.6
Depreciation & Amortisation	5.3	5.7
Motor Vehicle	10.8	12.0
Sys Mod & IT Costs	7.2	9.0
Insurance	4.3	4.0
Advertising & Sponsorship	2.0	2.8
Operating & Other Expenses	15.9	16.9
Total	**167.8**	**193.6**

PEOPLE

- network growth +129 FTE
- Corporate Services +46 FTE
- increased incentives ($3.2m)

MOTOR VEHICLE

- +83 additional motor vehicles
- rising fuel costs ($1.3m or +45%)
- partially offset by lower maintenance costs

ACQUISITIONS

- five acquisitions in 1H22, including +73 FTEs
- further costs from FY21 acquisitions, including +50 FTE
- +$2.0m in deferred consideration
- +9 points of presence since FY21

SYS MOD & IT COSTS

- licensing fees and costs associated with first wave of Systems Modernisation implementation, cyber security and data lake

PROPERTY & LEASE COSTS

- net increase of six points of presence (excluding acquisitions)
- higher lease expense costs and repairs and maintenance

ADVERTISING & SPONSORSHIP

- FY21 “For Australian Agriculture” brand campaign
- sponsorships and donations, including to local communities

DEPRECIATION & AMORTISATION

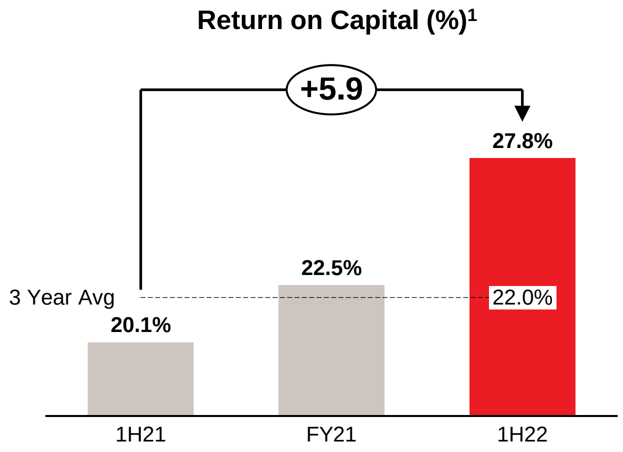
- capital expenditure in line with growth initiatives
- includes amortisation on acquisitions

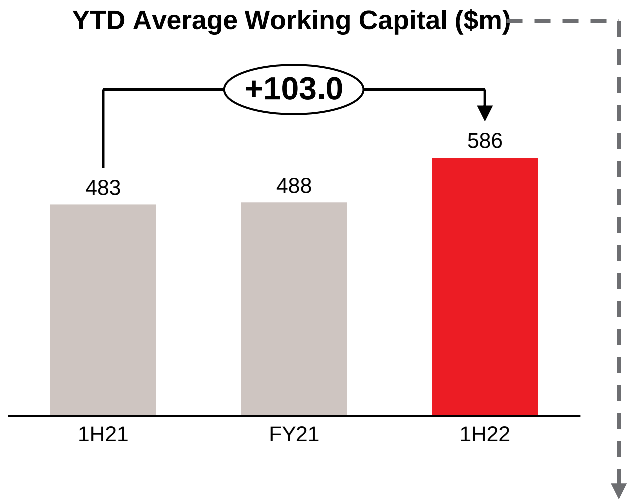
OPERATING & OTHER

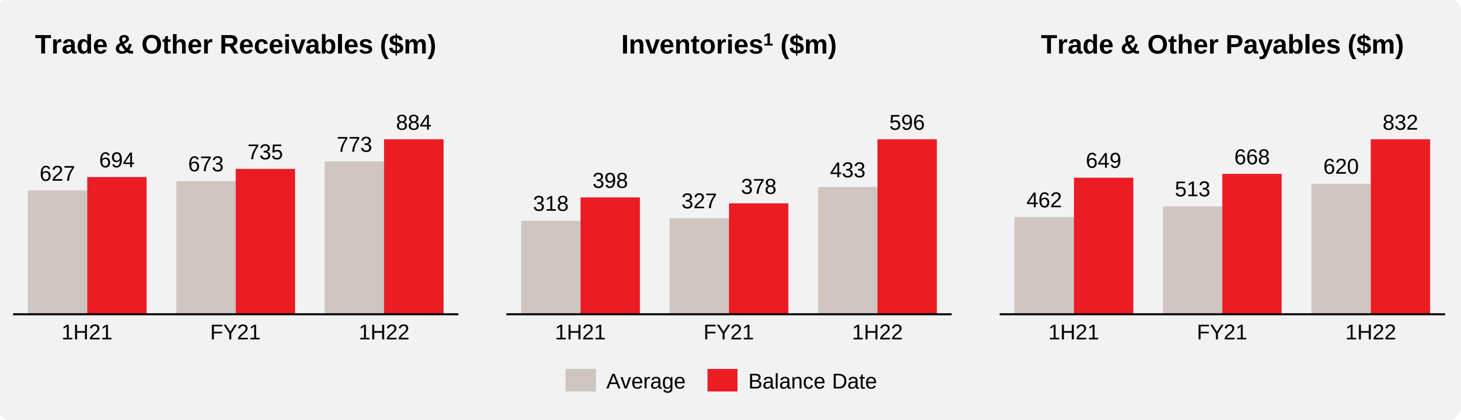
- includes consulting, telephone, travel and entertainment, professional service fees and other expenses

1H22 Financial Performance: Capital

Return on capital increasing, despite higher working capital to support growth







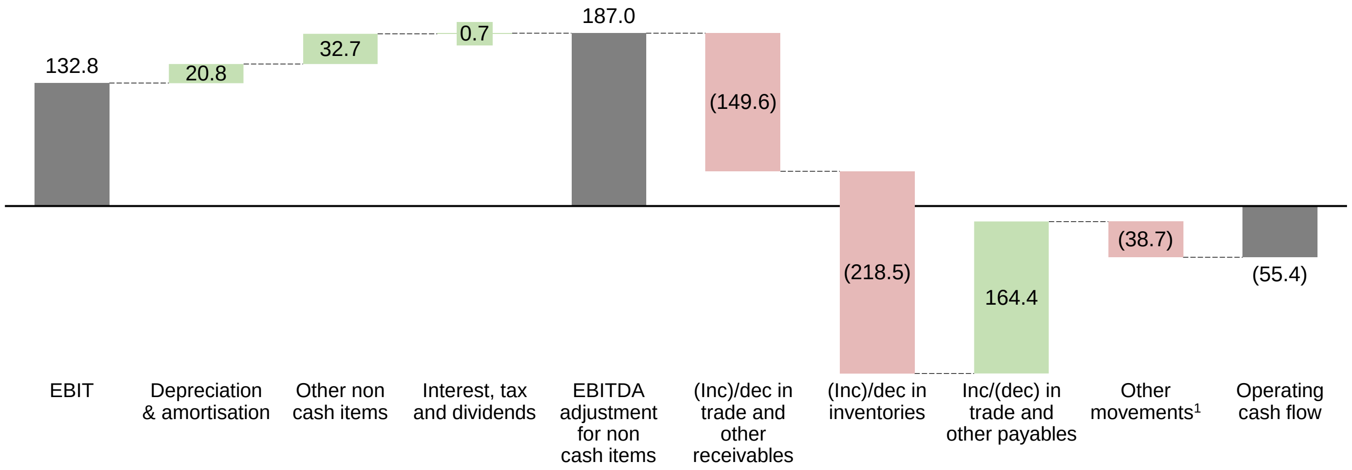
[1]Return on capital 3 year average is calculated on the 12 months to 31 March 2020, 31 March 2021 and 31 March 2022

[1]Including Livestock

1H22 Financial Performance: Cash Flow

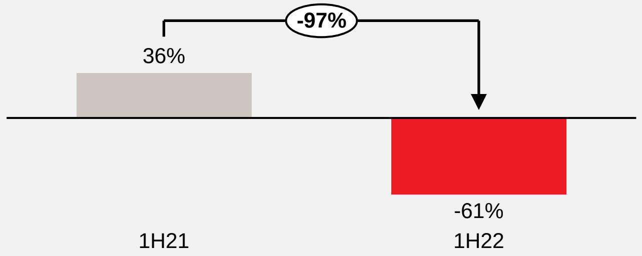
Growth in debtors and inventory consistent with sales growth and higher commodity prices

Operating cash flow ($m)

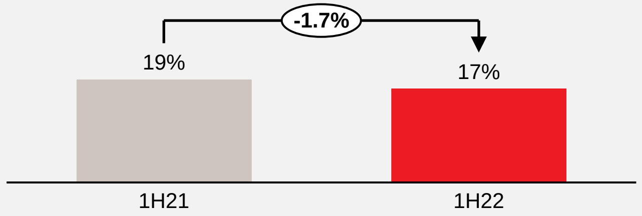


Key metrics ($m)	1H22	1H21	Var
Underlying EBITDA adjustment for non cash items	**187.0**	**104.6**	**82.4**
Movements in assets and liabilities	(242.4)	(80.7)	(161.7)
Cash from operating activities	**(55.4)**	**23.9**	**(79.3)**
Investing cash flows	(46.2)	(25.3)	(20.9)
Financing cash flows	66.5	(19.8)	86.3
Net cash flow	**(35.1)**	**(21.2)**	**(13.9)**

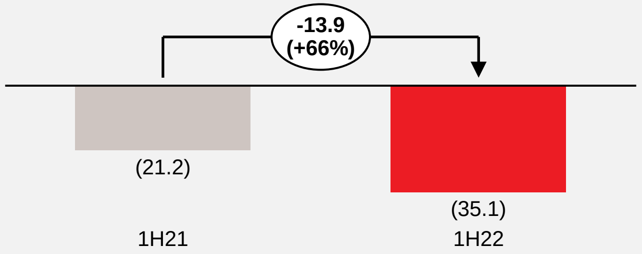
Cash conversion (%)[2]



Working Capital to Sales (%)[3]



Net Cash Flow ($m)



[1]Other movements includes provisions and balances acquired via acquisitions

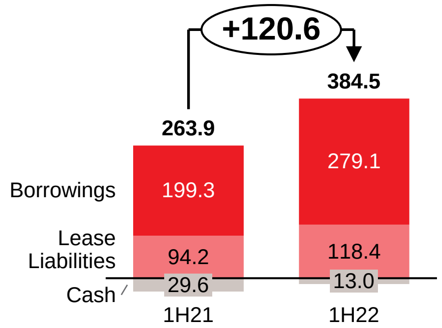
[2]Cash conversion is calculated on a YTD basis

[3]Working capital to sales is calculated on a rolling 12 month basis

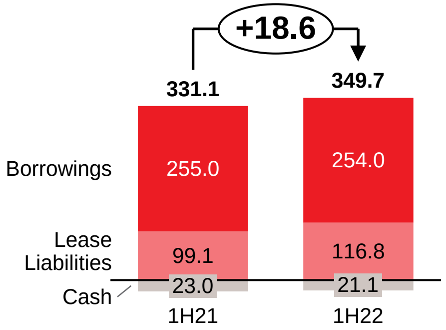
1H22 Financial Performance: Net Debt

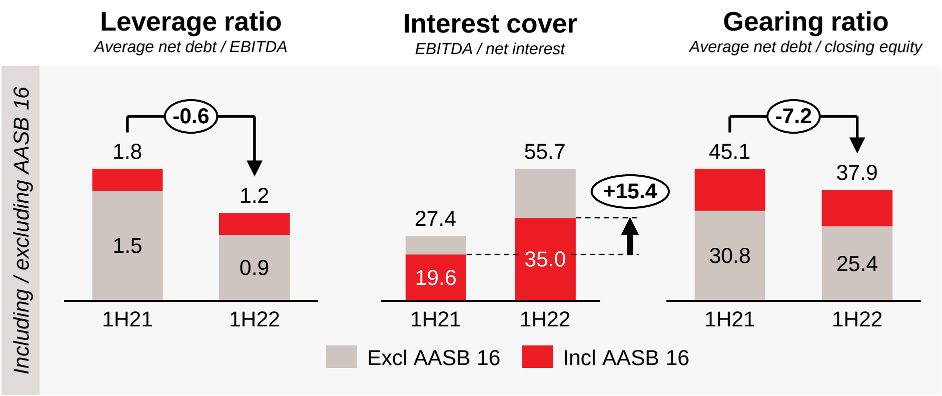
Improving ratios, despite increased net debt

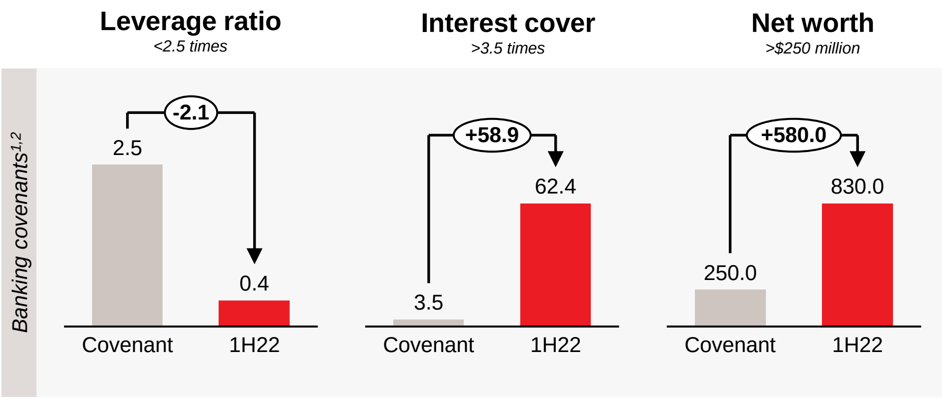
Net debt, balance date ($m)



Net debt, average ($m)







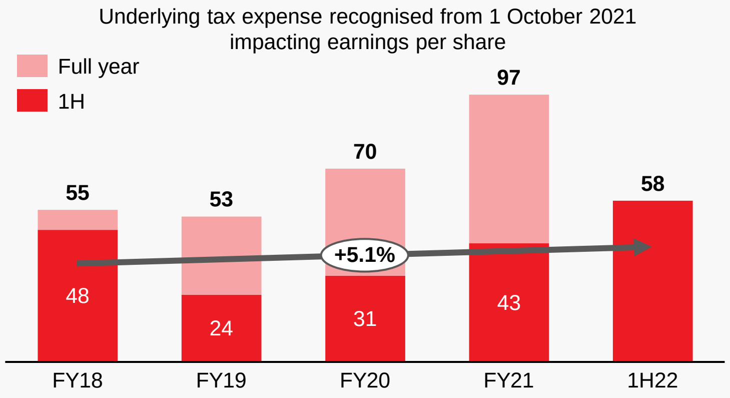
[1]Calculated pursuant to definitions in group syndicated facilities which are subject to change over time. The current covenant calculations exclude all accounting adjustments required by AASB 16 Leases and the leverage covenant excludes the debtor securitisation balance from net debt.

[2]Undrawn facilities at 31 March was $191 million out of total available facilities of $475 million and significant headroom in our banking covenants

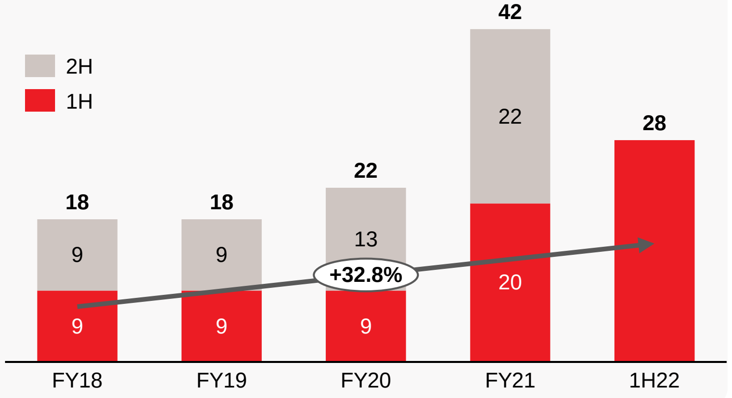
1H22 Dividend & Capital Management

Earnings and dividends per share continue to grow

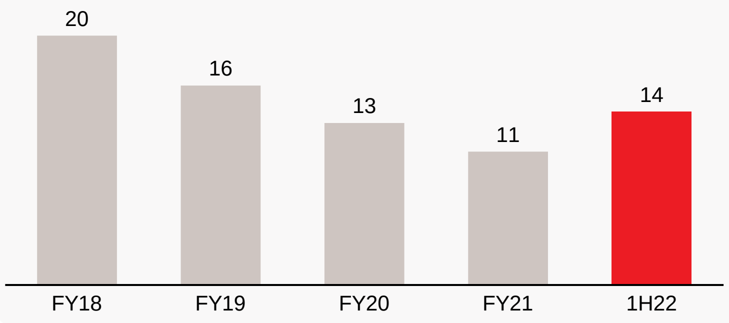
Underlying Earnings per Share (cents)



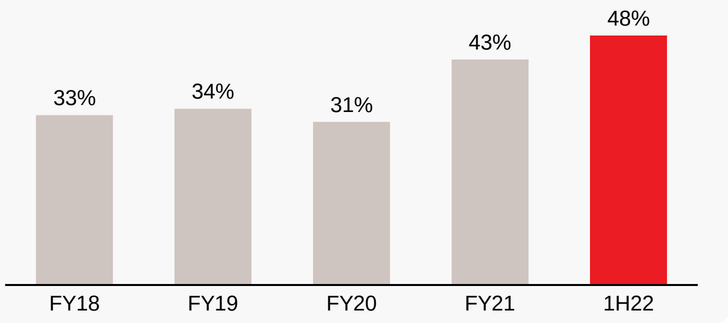
Dividends per Share (cents)



Franking Credit Balance ($m)



Dividend Payout Ratio (%)



Notes:

Prior year dividends were franked at 100%. FY21 dividends were partially franked at 20%.

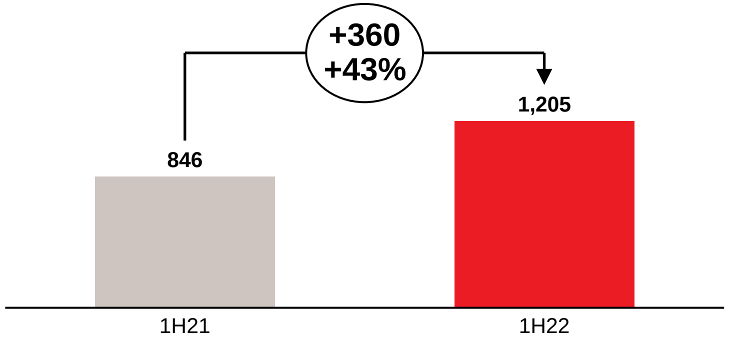
CAGR calculated on 1H performance

Business Performance

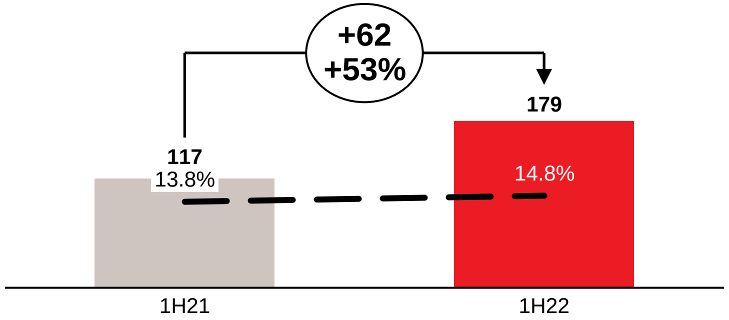
Rural Products

Gross margin improving year on year via our backward integration strategy

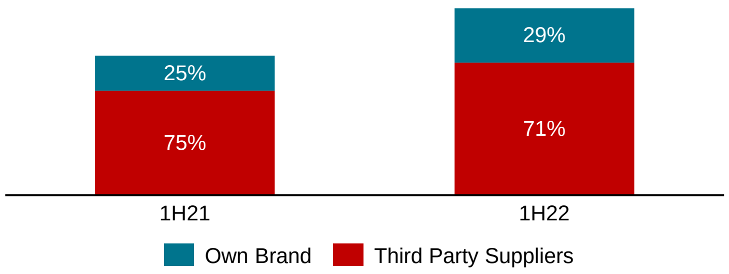
Sales Revenue ($m)



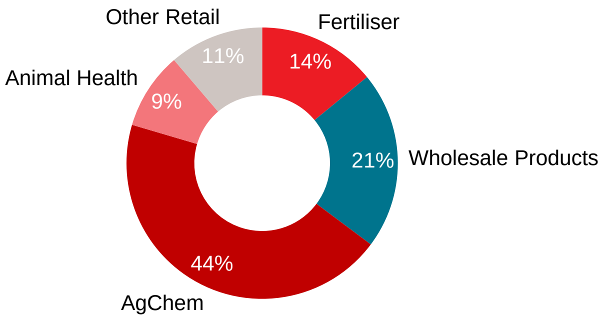
Gross margin ($m) vs (%)



Elders own brand vs third party sales[1] (%)



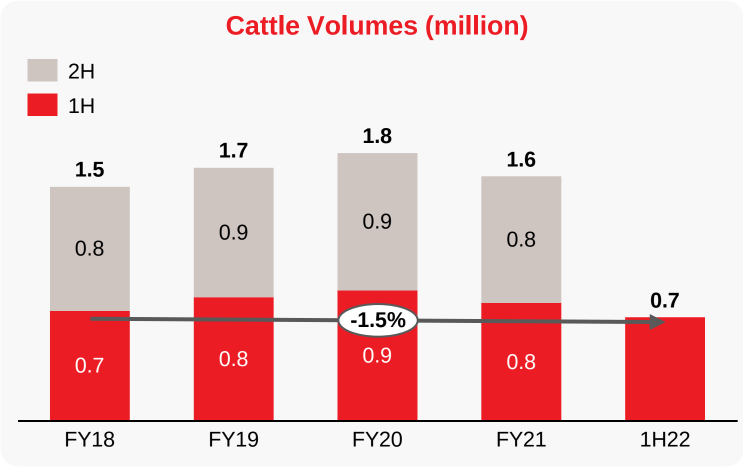
1H22 gross margin by category (%)

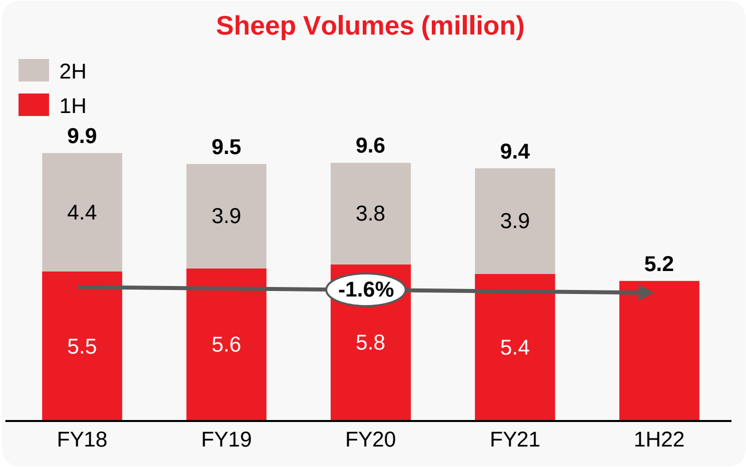


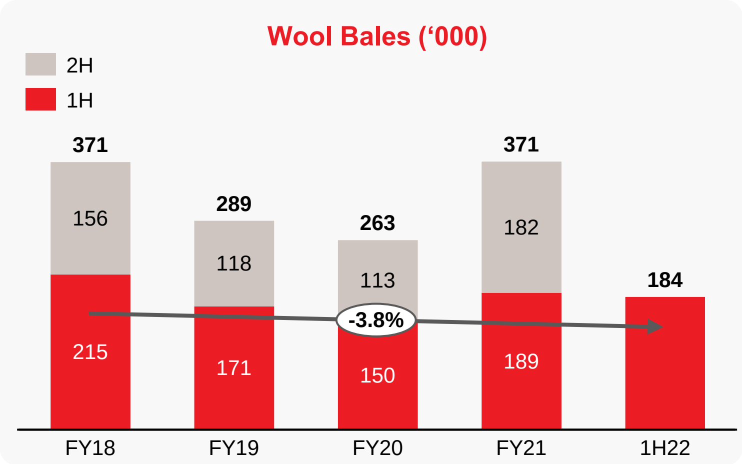
[1]Includes product categories where Elders sell own brand products only i.e. cropping protection, animal health and seed

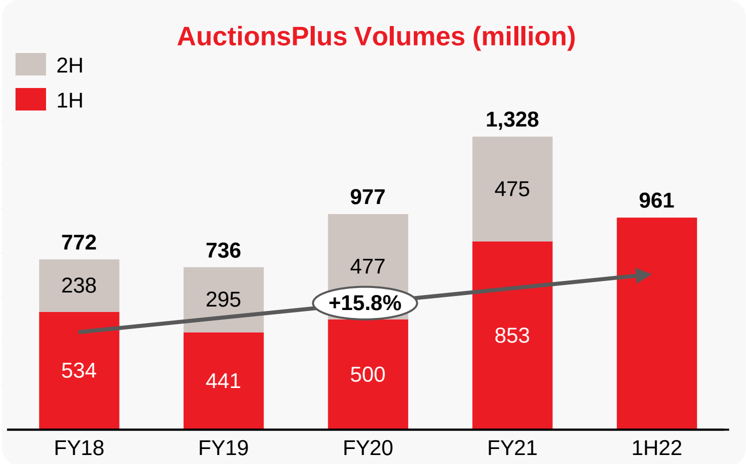
Agency Services

Cattle and sheep volumes down as a consequence of restocking







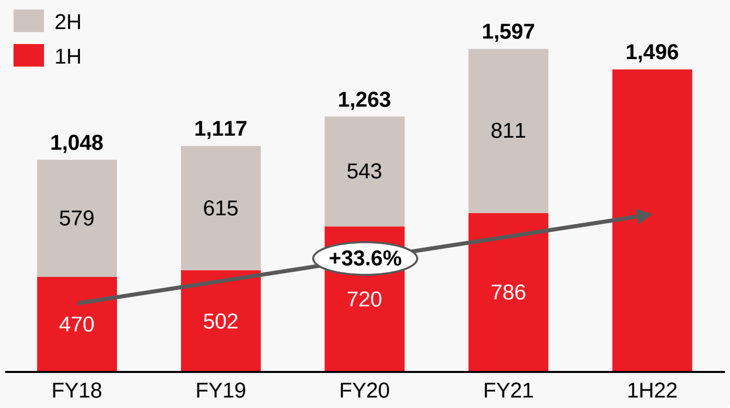


Note: CAGR calculated on 1H performance

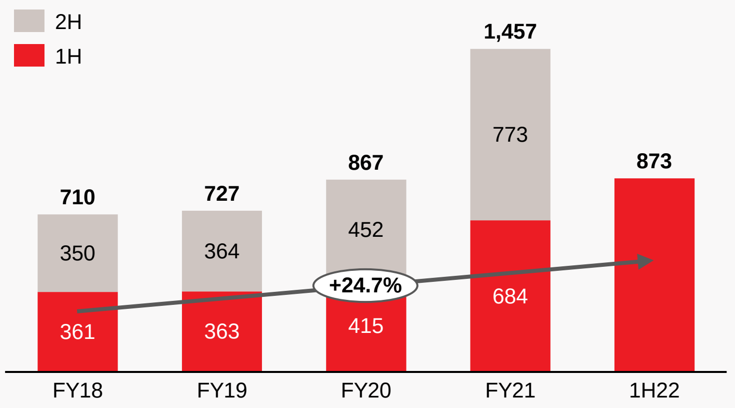
Real Estate Services

Strong demand for farmland and residential property

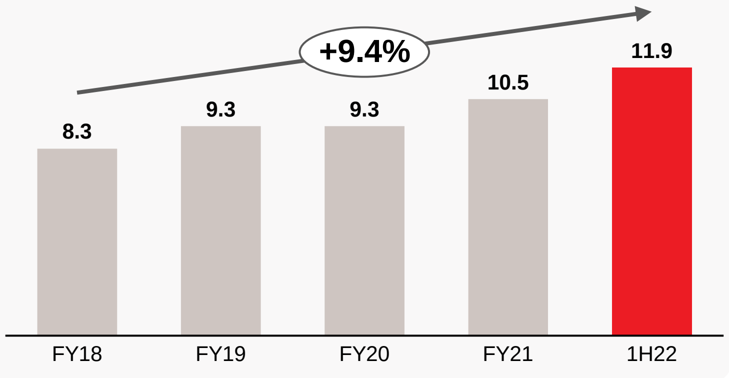
Farmland Sales ($m)



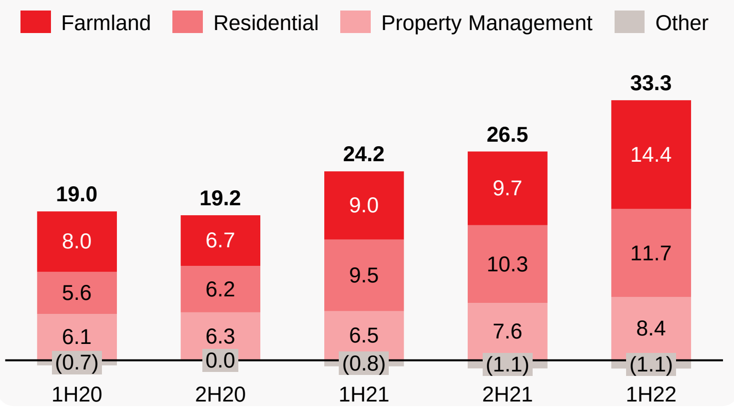
Residential Sales ($m)



Properties Under Management ('000)



Gross Margin by Category ($m)[1]



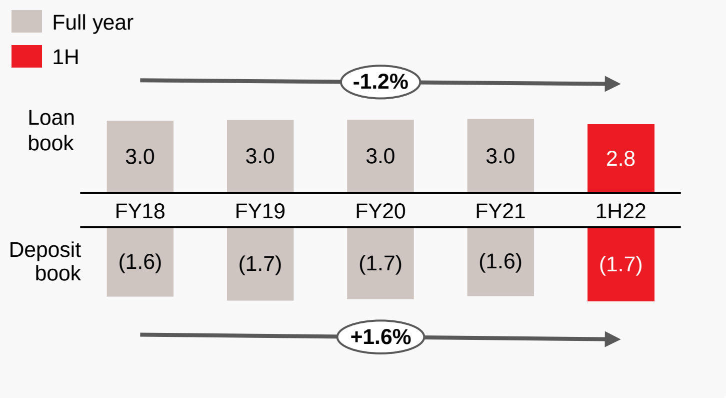
[1]Other includes: franchise revenue, water broking activities, Elders Home Loans and other earnings and direct costs (commissions)

Note: CAGR calculated on 1H performance

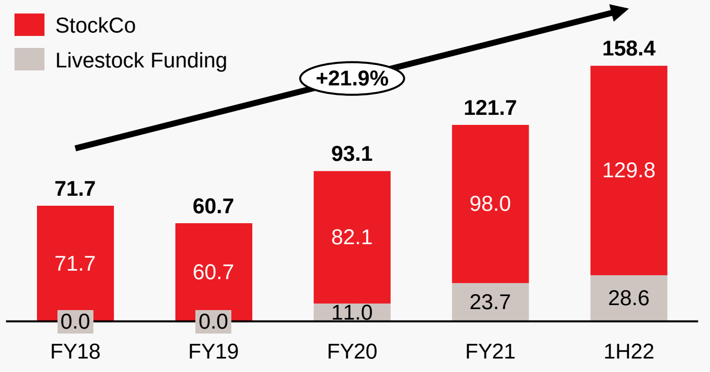
Financial Services

Market conditions support growth in Insurance products and restocking finance

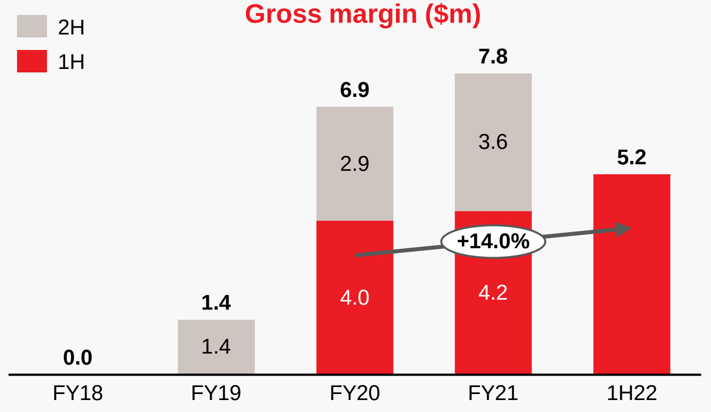
Rural Bank Loan and Deposit Book ($b)[1]



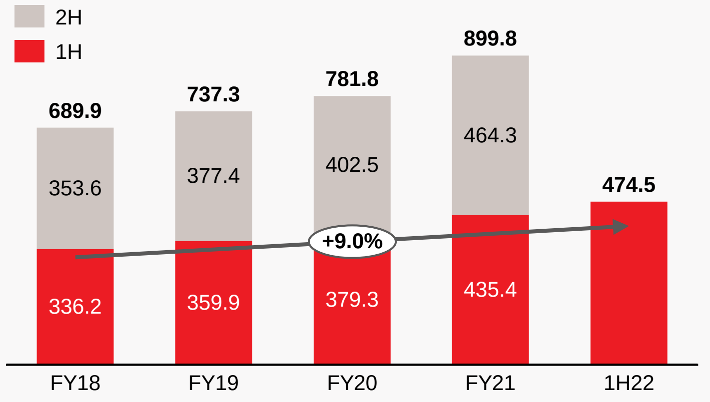
StockCo book[1] and On Balance Sheet Livestock Funding balance ($m)

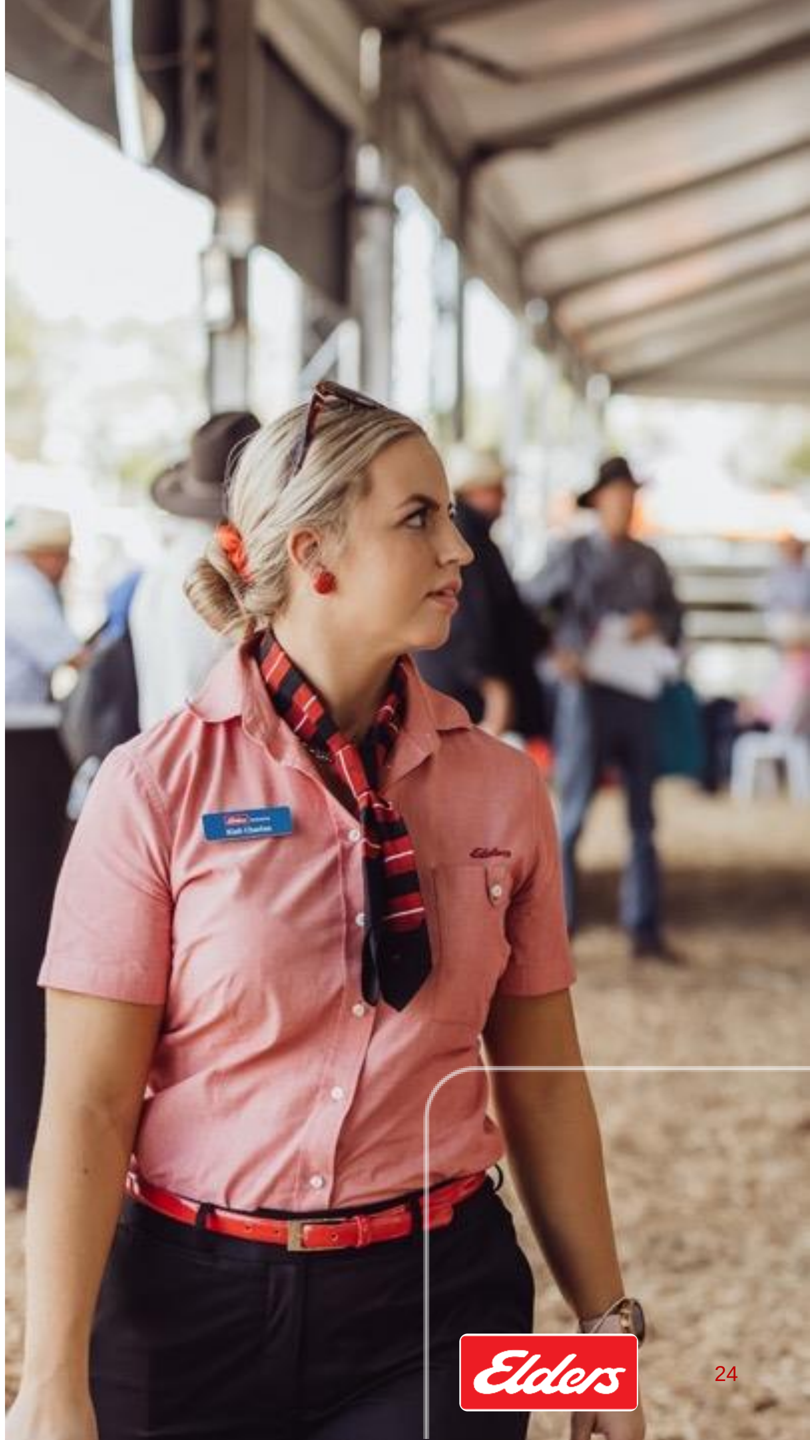


Livestock in Transit Delivery Warranty Gross margin ($m)



Gross written premiums ($m) [1]





Notes:

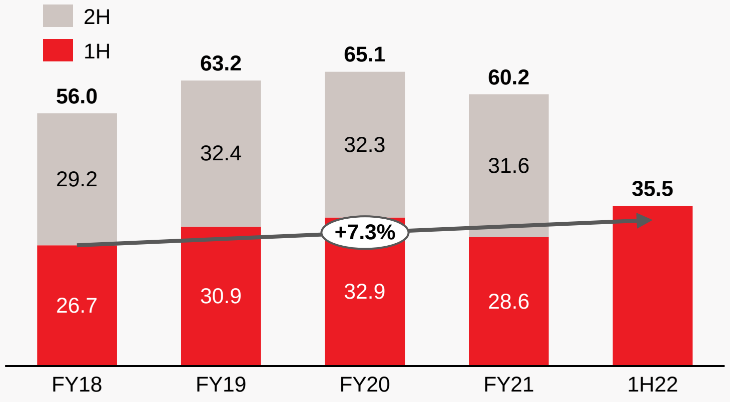
[1]Principal positions are held by Rural Bank, StockCo and Elders Insurance Underwriting Agency

CAGR calculated on 1H performance

Feed & Processing Services

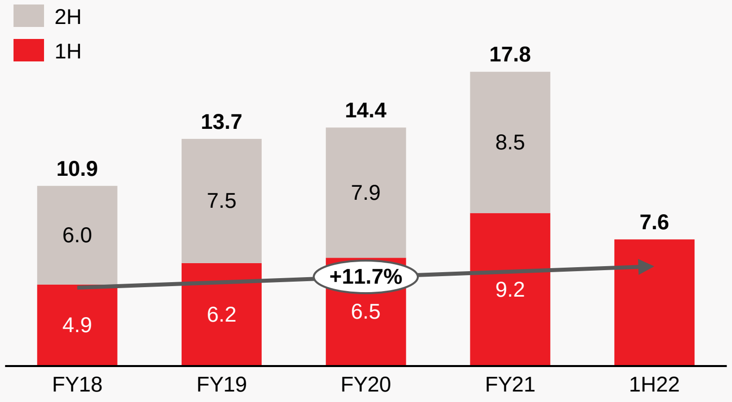
1H recovery in Killara with strong domestic and export demand

Killara Feedlot cattle exits ('000s)[1]



- While sustained high cattle prices and seasonal conditions lowered the number of cattle sold at Killara Feedlot in FY21 compared to previous years, recovery in 1H22 is due to increased demand, high residency levels and cattle performance efficiencies
- Supply chain challenges continue to be partly mitigated by early procurement through Killara's backgrounding operations

Elders Fine Foods sales ($m)



- Extended supply chain difficulties and on-going COVID-19 constraints in key regions of China have impacted the business
- Despite decline in sales, gross margin was mostly consistent with the prior year

Note: CAGR calculated on 1H performance

[1]Cattle exits include both cattle principally owned by Killara as well as third party owned custom-fed cattle

Growing our Business

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
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 **safe** 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

8 POINT PLAN 2023

We are Delivering on our Eight Point Plan Commitment

1 WIN MARKET SHARE

- five acquisitions
- focus continues on recruitment of high quality personnel and investment in training
- building new client relationships
- increased our points of presence by 15 locations
- additional AIRR warehouse opened

2 CAPTURE MORE GROSS MARGIN IN RURAL PRODUCTS

- expanding own brand portfolio across crop protection, animal health, seed and specialty fertiliser
- launched two new Titan herbicide products
- leveraging our increased scale to negotiate stronger preferred supplier partnerships across the group
- enhanced pricing and margin management through development of new tools, controls and training for frontline staff

3 STRENGTHEN AND EXPAND OUR SERVICE OFFERINGS

- new product lines and brands
- growth in Financial Services offerings, including livestock funding product and Livestock in Transit delivery warranty
- uptake in new Elders Carbon Farming service

4 OPTIMISE OUR FEED & PROCESSING BUSINESSES

- developing irrigation better utilising the available water and maximising crop production for downstream use in feedlot operations
- strengthened our supply chain through expanding backgrounding operations and increased market share with key customers
- maintaining a target of 100% occupancy at Killara to drive efficiency and throughput

5 DEVELOP A SUSTAINABILITY PROGRAM

- interim targets to 2025 and 2030, net zero emissions by 2050
- solar and LED lighting site upgrades to reduce emissions
- $1.1m in sponsorships and donations
- members of the Australian Packaging Covenant Organisation
- publication of our second Modern Slavery Statement
- progressed alignment of climate-related disclosures

6 SYSTEMS MODERNISATION PROGRAM

- five software platforms selected
- two system integrators selected
- dedicated 30+ team assembled
- on time and on budget ($1.7m spend YTD)

7 PEOPLE AND SAFETY

- TRIFR improving to 12.6, falling 2.4 since September 2021
- $1.0m investment in safety capex
- 298 additional FTE to support growth
- highly engaged (78%) and enabled (79%) employees
- 42% of women in the workforce

8 COST AND CAPITAL EFFICIENCY

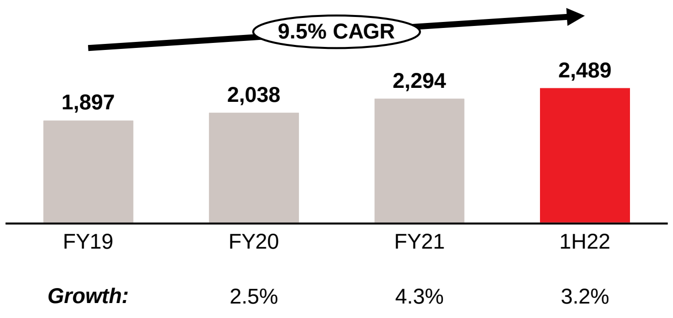
- 27.8% return on capital, exceeding 15% hurdle
- 59% cost to earn ratio, improved 10%
- 1.2 leverage ratio, down 0.6 times
- 35.0 interest cover, up 15.4 times

We Are Committed To Attracting & Retaining The Best People

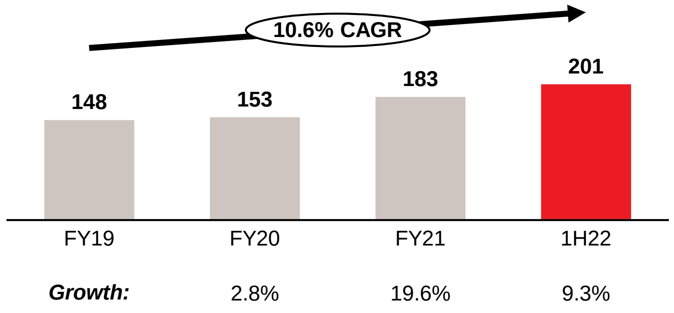
More people, highly skilled, engaged and diverse

WE HAVE MORE PEOPLE… | **…WHO ARE HIGHLY ENGAGED…** | **…AND DIVERSE TO PROVIDE THE BEST CUSTOMER SERVICE**

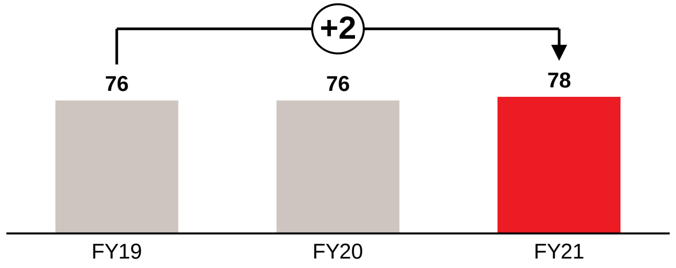
FTEs



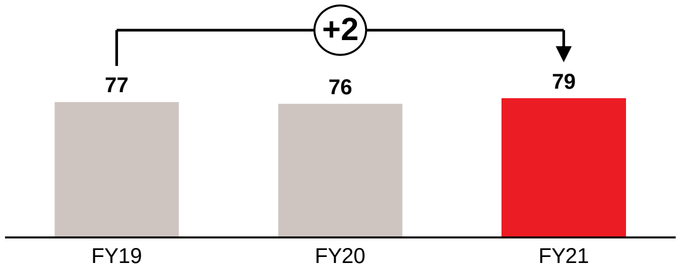
Agronomists



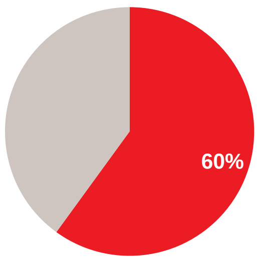
Engagement[1] (%)



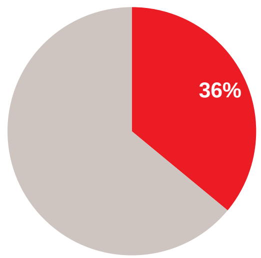
Enablement[1] (%)



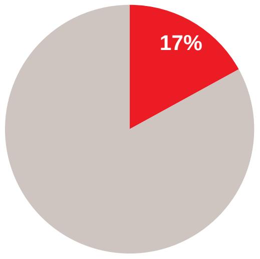
Female non-executive directors



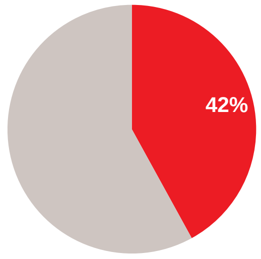
Women in senior executive positions



Women in leadership positions



Female workforce[2]



[1]2021 Korn Ferry Elders Employee Effectiveness Survey

[2]Excludes China, Indonesia and casuals

We Continue To Invest In Innovative Solutions

Innovation is an important investment for future growth

WE HAVE EMBARKED ON SYSTEMS MODERNISATION AND DEVELOPED NEW PRODUCTS, BRANDS, INNOVATIVE SOLUTIONS TO IMPROVE CUSTOMER EXPERIENCE

SysMod on budget, on time

5

software platforms selected

Microsoft Dynamics 365 · snowflake · workday · Adobe Experience Manager · senseIQ

2

systems integrators selected

Deloitte. · Collaborative Solutions, A Cognizant Company

New products, brands and innovation

Titan Besuto

new Titan crop protection product

(liquid herbicide; containing 480g/L Pyroxasulfone)

Titan Immense

new Titan crop protection product

(liquid herbicide containing 33 g/L Imazamox + 15 g/L Imazapyr)

"Innovation at work"

pilot extension project with Hort Innovation commenced

200+

Carbon Farming expressions of interest

WE ARE ALSO BUILDING OUR PORTFOLIO OF OWN BRAND PRODUCTS…

	Crop Protection	Animal Health	Crop Nutrition	Seed
Brands	Titan AG	Pastoral AG; The Hunter River Company; iO	Optifert	EPG Seeds
Products[1] sold in FY21	~140[2]	43	12	38
New products in development[3]	28	n/a[4]	12	951
New products for launch in 1-3 years[5]	10	5	12	10

…AND INVESTING IN OWNERSHIP OF FORMULATION PLANTS

- 33% equity investment in AgCrest, a greenfield agricultural chemical formulation plant in Toowoomba - production to commence ~Q3 2023
- Exploring formulation investment options in other states to further support increased margins and security of supply via backward integration

Notes:

[1]Products sold in FY21, different pack sizes, brands or SKUs of the same underlying product are counted as 1 product; [2]Includes Titan products sold at Elders network only; [3]Note that not all products will reach commercial launch; [4]Included within the 5 between 1-3 years; [5]Unlikely to launch any products within the next 2 years unless they have already been approved for registration by the APVMA. 10 products in our pipeline have been approved, while the remaining products are still in the data generation or APVMA evaluation phase

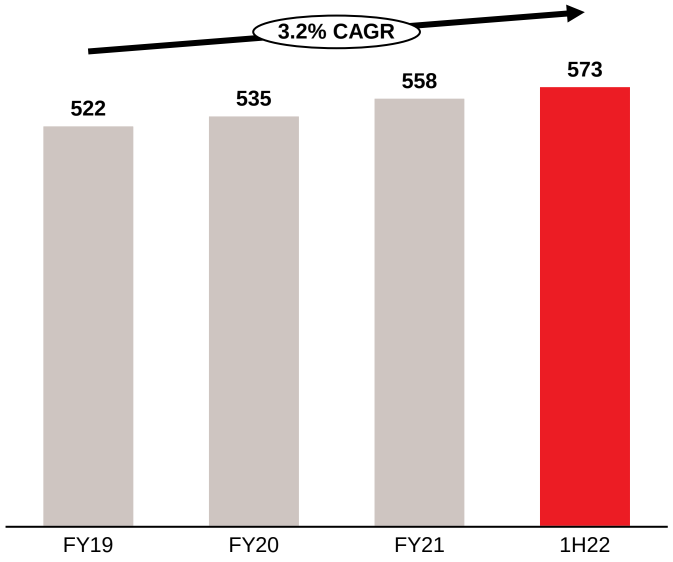
There Are Still Plenty Of Opportunities to Grow

Points of presence increased by 15 locations

+15 NEW LOCATIONS SINCE SEPTEMBER 2021

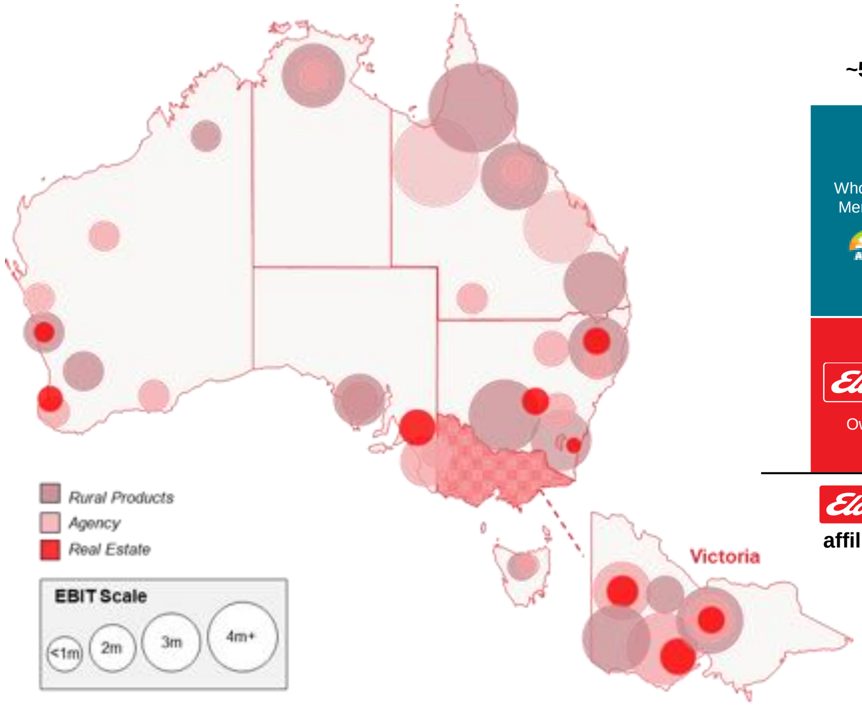
GROWTH OPPORTUNITIES TO GAIN MARKET SHARE AND GROW MEMBER BASE IN NEW GEOGRAPHIES

Elders' Points of Presence

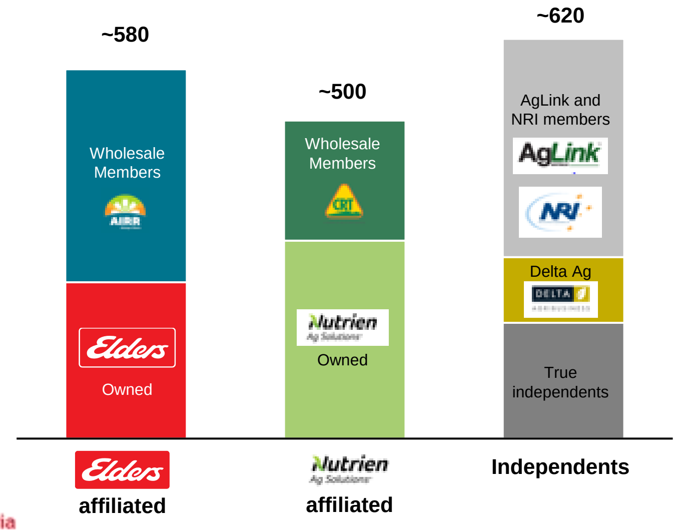


Growth:		2.5%	4.3%	2.7%

Strategic Geographic Locations



Rural Products competitive landscape (stores)



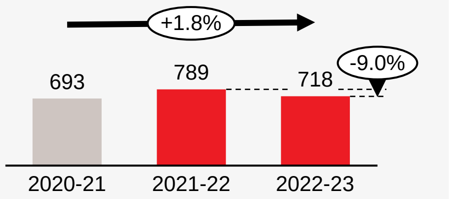
Market Outlook

ABARES March Outlook Update

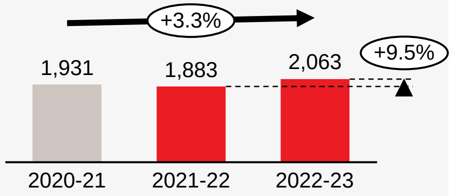
Improved winter cropping; decline in cattle price as rebuild continues, however remains historically high

Beef & Veal

Average saleyard prices (c/kg)



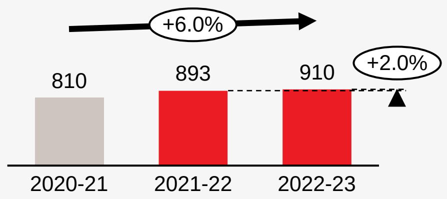
Production (kt)



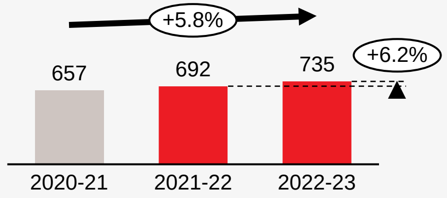
- Easing rebuilding see prices fall, but remain historically high
- Gross value is forecast to increase 8% to a record $15.7 billion in 2021–22
- Global beef prices are forecast to stay high throughout the outlook period

Sheep

Average saleyard prices (c/kg)



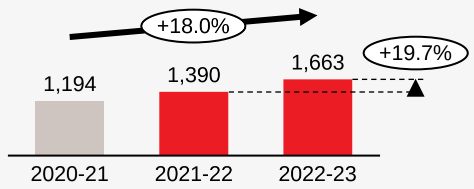
Production (kt)



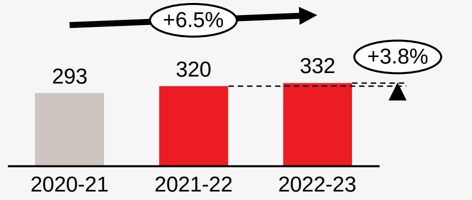
- Strong export demand in the US is expected to support high lamb prices
- The value of the sheep meat industry is expected to surpass $5 billion in 2021–22
- Rising supply of sheep meat will allow Australia to respond to growing global demand

Wool

Eastern Market Indicator (c/kg)



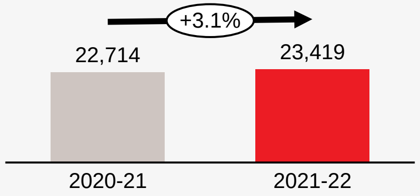
Sheep shorn for wool production (kt)



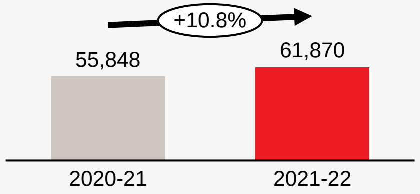
- Strong economic growth in advanced economies to lift wool prices
- Value of the Australian wool clip to grow strongly as flock rebuilding continues
- Demand for fine and super-fine wool will lift the Eastern Market Indicator higher

Cropping

Area planted to winter crop ('000 ha)



Winter crop production (kt)



- Winter crop production in 2021–22 has been revised to an even higher national record of 61.9 million tonnes.
- This represents an upward revision of 6% from the December 2021 update and 11% on prior year

ABARES Australian Agricultural Crop Report: March quarter 2022

Australian Crop Report – DAWE

[1]Metrics measured for the 12 months ending 30 June 2022

Market Outlook

FY22 expected to finish positively with livestock prices remaining elevated and favourable cropping outlook

RURAL PRODUCTS

- positive winter crop outlook, with area planted forecast to rise 3% to 23.4 million hectares[1], expected to drive strong demand in the second half for cropping inputs, particularly agricultural chemicals, fertiliser and seed
- supply chain pressures are expected to support continued elevated prices for agricultural chemicals with potential for margin pressure on some product lines
- benefits from acquisitions to provide further margin upsides in the second half

AGENCY SERVICES

- prices for beef are expected to remain firm in 2022, underpinned by domestic re-stocker demand, however set to decline as this demand wanes into 2023
- lamb and mutton prices forecast to also remain high, due to strong export demand from the United States and improved exports into China
- continued wool market recovery as demand grows, particularly in advanced economies, with the Eastern Market Indicator set to increase further into 2022/23

REAL ESTATE SERVICES

- despite looming interest rate increases, favourable commodity price outlook and good seasonal conditions will continue to drive high levels of demand for farmland properties
- strong demand for residential and rental properties likely to continue, with the continued lifting of COVID-19 restrictions increasing activity
- property management earnings to increase, supported by additional rent roll portfolios acquired during the first half

FINANCIAL SERVICES

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

FEED & PROCESSING SERVICES

- strong demand expected to continue from customers with increases in margins for both domestic and export supply chains despite ongoing high feeder cattle prices
- supply chain continues to be supported by our backgrounding and irrigated farming operations to ensure high utilisation and throughput at the feedlot
- investment in environmentally sustainable and growth initiatives to drive further efficiencies at Killara

COSTS & CAPITAL

- maintain a stable cost to earn ratio
- footprint and acquisition growth, continued investment in our Eight Point Plan and the first phases of our System Modernisation program will increase our cost base
- despite ongoing low interest rate environment, interest rates are expected to increase throughout 2022

[1]Department of Agriculture, Water and the Environment, ABARES Australian Crop Report: March edition

[2]Department of Agriculture, Water and the Environment, ABARES Agricultural Outlook: March edition

Closing Summary

Closing Summary

Strong financial performance in 1H22 expected to continue in 2H22, with full year EBIT guidance in the range of 30 to 40% above FY21 underlying EBIT and a target of 90% cash conversion

Supply chain challenges have been mitigated by holding higher inventory levels, but residual risk of margin squeeze due to pricing volatility of some products

Our brand is strong with high customer trust and net promoter score

Continued focus on improving safety and sustainability outcomes

Optimistic about growth in FY23 :

- strong bolt on acquisition pipeline
- capturing market share via expanding points of presence and serving our customers well via a highly engaged, enabled and diverse workforce
- expanding own brand product range to leverage success of backward integration strategy
- systems modernisation program will start to deliver benefits
- mid-term market and ag commodity outlook remains positive

Appendix

Business Model[1]

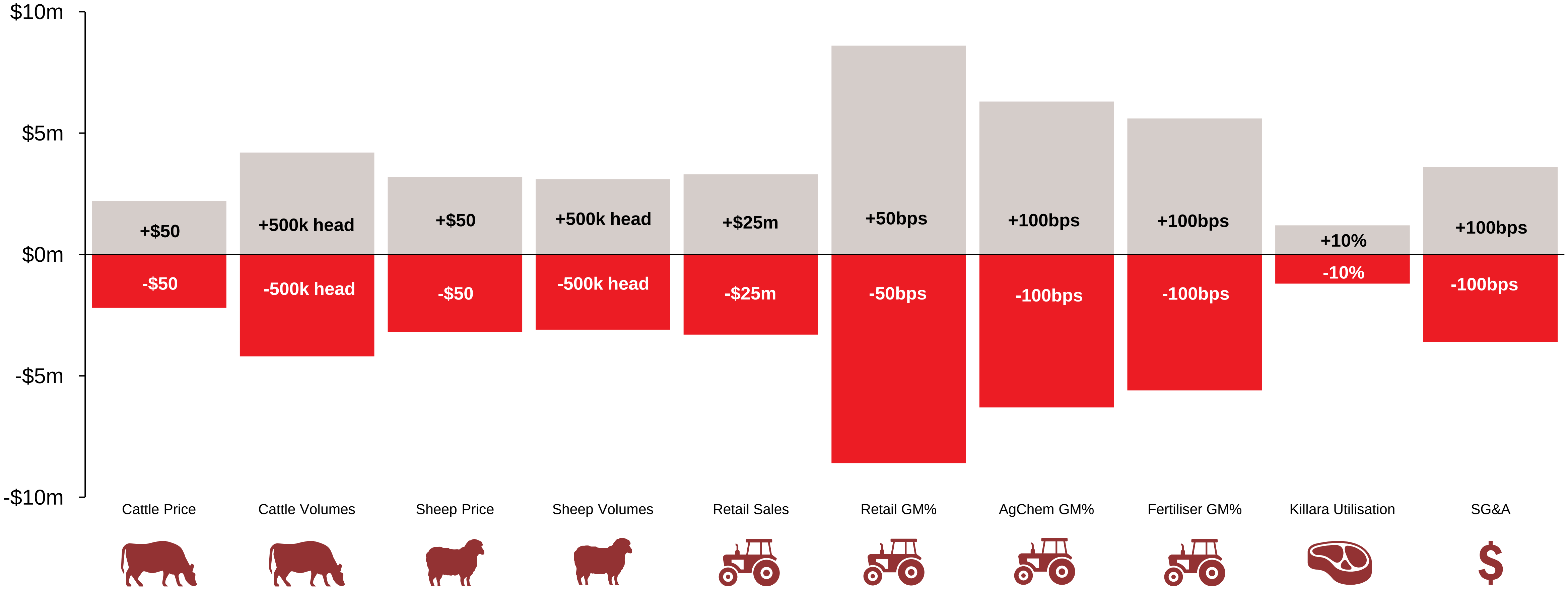
Diversification by product, service, market segment and geography

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	Farmland	Agri Finance	Killara Feedlot	Fee for Service (170+ agronomists)
Fertiliser	Pet Supplies	Wool	Residential	StockCo (30%)	Elders Fine Foods	AuctionsPlus (50%)
		Grain	Property Management	Elders Insurance (20%)		Elders Weather
			Franchise	LIT & WIT Delivery Warranty		Clear Grain Exchange (30%)
Key metrics						
$1.7b retail sales	$0.3b wholesale sales	9.4m head sheep	$1.6b farmland sales	$3.0b loan book $1.6b deposit book $24m livestock funding $98.0m StockCo book	60k Killara cattle head	AuctionsPlus 144k head cattle 1.2m head sheep
223 stores	372 member stores	1.6m head cattle	$1.5b residential sales		$18m China sales	
424 APVMA registrations		371k wool bales	10.5k properties under management	$0.9b GWP		7.6m Elders Weather users
978 tonnes fertiliser				41% LIT penetration rate		CGX 0.2m tonnes
Gross margin						
$223.6m	$61.2m	$140.0m	$50.7m	$41.3m	$12.6m	Included in products
Working capital						
$246.1m	$83.8m	$53.8m	$4.1m	$32.3m	$59.7m	Other – ($34.6m)

[1]Based on FY21 statistics

Profit Sensitivity[1]

Movements in market factors are mostly mitigated by our diversified portfolio



[1]Based on FY21 statistics

Elders Capital Management Framework

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

CAPITAL MANAGEMENT FRAMEWORK

Deliver growth
(EBIT and EPS growth 5-10%)

Focus on returns
(Return on Capital > 15%)

Effective working capital management
(Target cash conversion > 90%)

Optimise operating efficiency
(Falling cost : earn ratio)

Operating cash flow

Align investment with 8PP
(Systems Modernisation, People and Sustainability)

Balance sheet strength and flexibility
(Target leverage of 1.5 – 2.0x)

Consistent Dividends
(Target payout range 40-60%)

Excess cash flow

VALUE CREATION

Acquisitions
(EPS accretive pre-synergies)

Divestments
(To reallocate capital on a risk, return basis)

Investment in organic growth
Customer focussed with new expanded service offerings, winning market share and backward integration

CAPITAL MANAGEMENT

Buy-backs
(Distribution of excess cash, assessed when appropriate)

Additional dividends
(Higher payout ratio considered where capital required to fund EPS growth is low)

Debt reduction
(Resulting in improved net debt ratios)

KEY FEATURES OF OUR CAPITAL MANAGEMENT FRAMEWORK

Compelling Total Shareholder Return (TSR)

- Our Eight Point Plan (8PP) commits to deliver compelling returns to our shareholders with EBIT and EPS growth of 5-10% through the cycles at 15% ROC.
- Reward our shareholders with consistent dividends in the range of 40-60%.

Financial discipline

- We strive to maintain unflinching financial discipline by managing working capital effectively with a target cash conversion of 90% and striving to deliver a falling cost : earnings ratio each year.

Investment aligned with our 8PP strategy

- Deliver Systems Modernisation Program to improve customer experience, people engagement and drive process and administration efficiency to better accommodate change.
- Commitment to Sustainability targets.
- Excess cash is invested in **value creation** to support EPS growth, only when Elders strict investment hurdles are met.

Balance sheet strength and flexibility

- Achieve investment grade risk, delivering low cost of funding, while providing flexibility for value creation opportunities.
- **Capital Management** options are considered when opportunities to deploy free cash flow, pursuant to Elders strict investment hurdles, are limited.


Elders
Elders