Monday 13 November 2023

2023 Full Year Results Presentation

Attached is the Elders Limited (**ASX:ELD**) presentation of the financial results for the 12-month period ended 30 September 2023.

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Authorised by:
Elders Limited Board of Directors

Full Year Results Presentation for FY23

13 November 2023

Presented by
Mark Allison
Managing Director and CEO

Paul Rossiter
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.

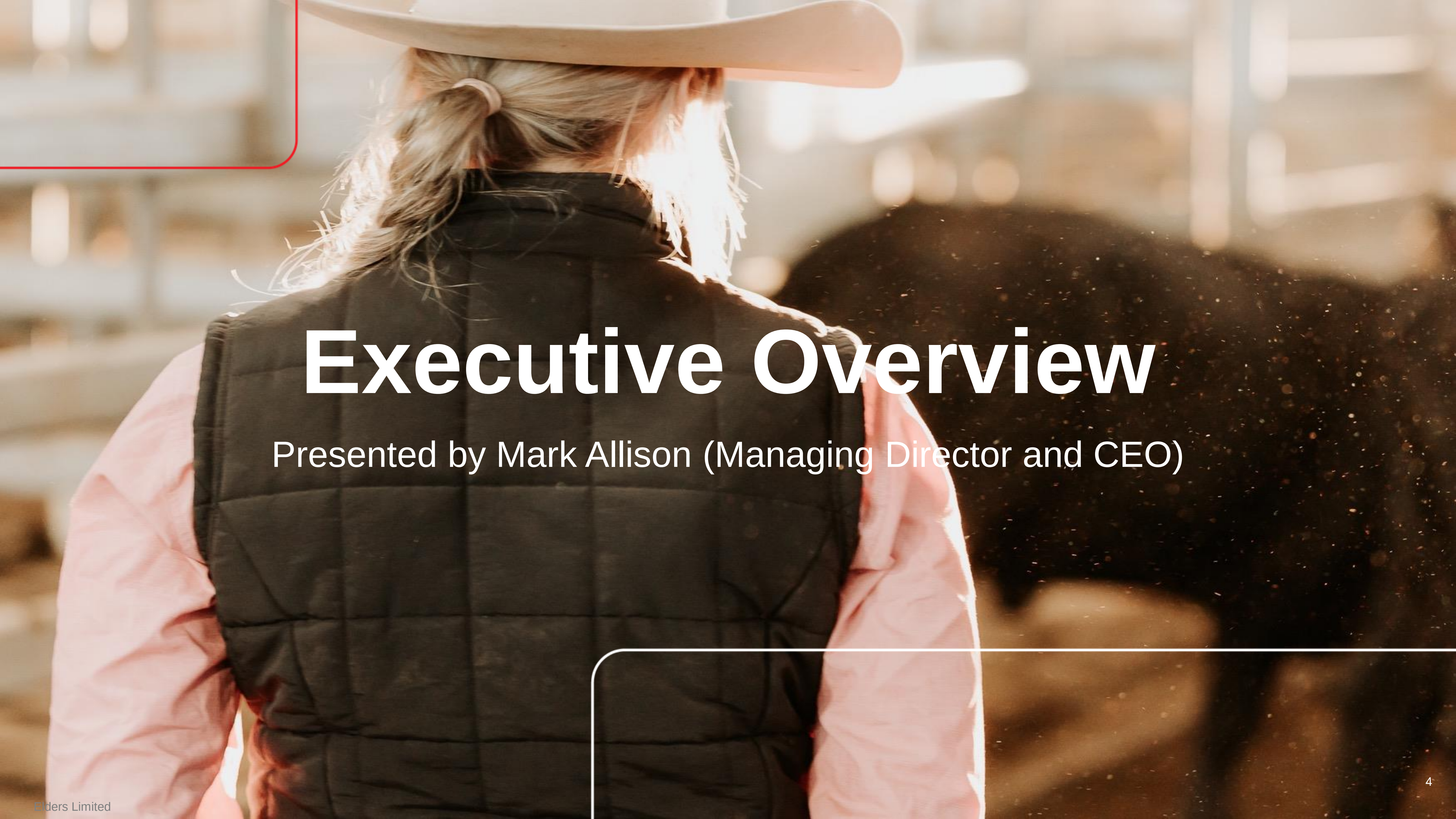
Forward looking statements

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



Executive Overview

Presented by Mark Allison (Managing Director and CEO)

Key Investment Drivers

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

EPS Growth

- Compelling value proposition for shareholders through the cycles
- 57% EPS CAGR over the three Eight Point Plans
- ROC greater than 15% and dividend payout of between 40-60%

Geographic, product and channel diversification

- Multi-faceted agribusiness
- Diversified product offerings and location
- Supply chain consolidation

Attractive market and company outlook

- $63b total farm inputs market (5.8% Elders market share)
- Operational efficiencies
- Continued organic and acquisitive growth

Transformational initiatives benefits

- Cost and capital efficiencies
- Systems Modernisation benefits expected from FY25
- Rural Products supply chain optimisation benefits expected from FY24

Significant pipeline of new opportunities

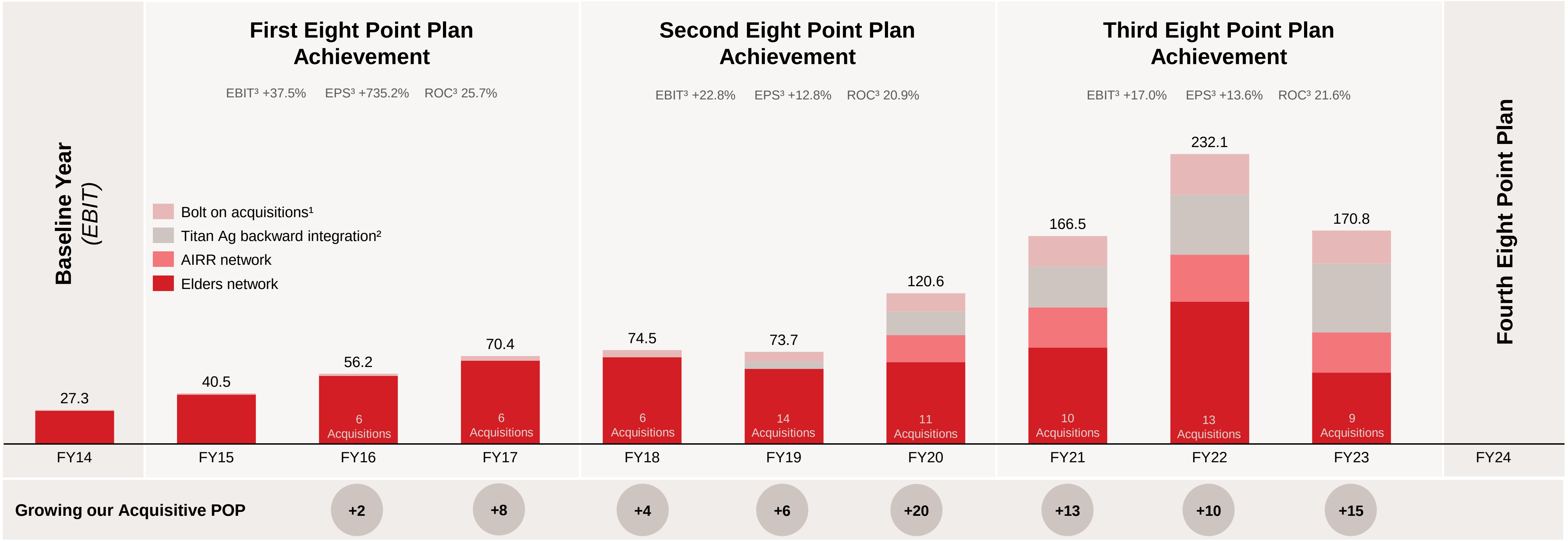
- Points of presence growth
- Bolt on acquisition synergies
- Accelerated member growth for wholesale network

Robust balance sheet supporting growth

- Resilient balance sheet
- Leverage headroom available to fund future growth
- Shareholder returns focus

Earnings Growth and Resilience

Second highest EBIT result in the last 10 years notwithstanding volatility across several key markets



Seasonal backdrop

- 2015 – 2017 El Niño
- 2017 – 2019 Drought
- 2019 – 2023 La Niña
- 2023 >>> El Niño

1. Bolt on acquisitions do not include acquisition growth from investments with no points of presence (e.g. Livestock in Transit ("LIT") Delivery Warranty, StockCo, Elders Insurance etc.)
2. Growth in the underlying business is understated to the extent that the percentage of sales of own brand products has increased. The uplift in earnings from increased maturity in this strategy, for example, is applied to Titan AG despite being influenced and driven by the underlying business
3. Average EBIT and EPS growth and average ROC over the Eight Point Plan period

Operational Highlights

3
lost time injuries

10.1
total recordable injuries frequency rate

48
net promoter score

#1
most trusted agribusiness brand amongst farmers fourth year in a row

43%
women in the workforce

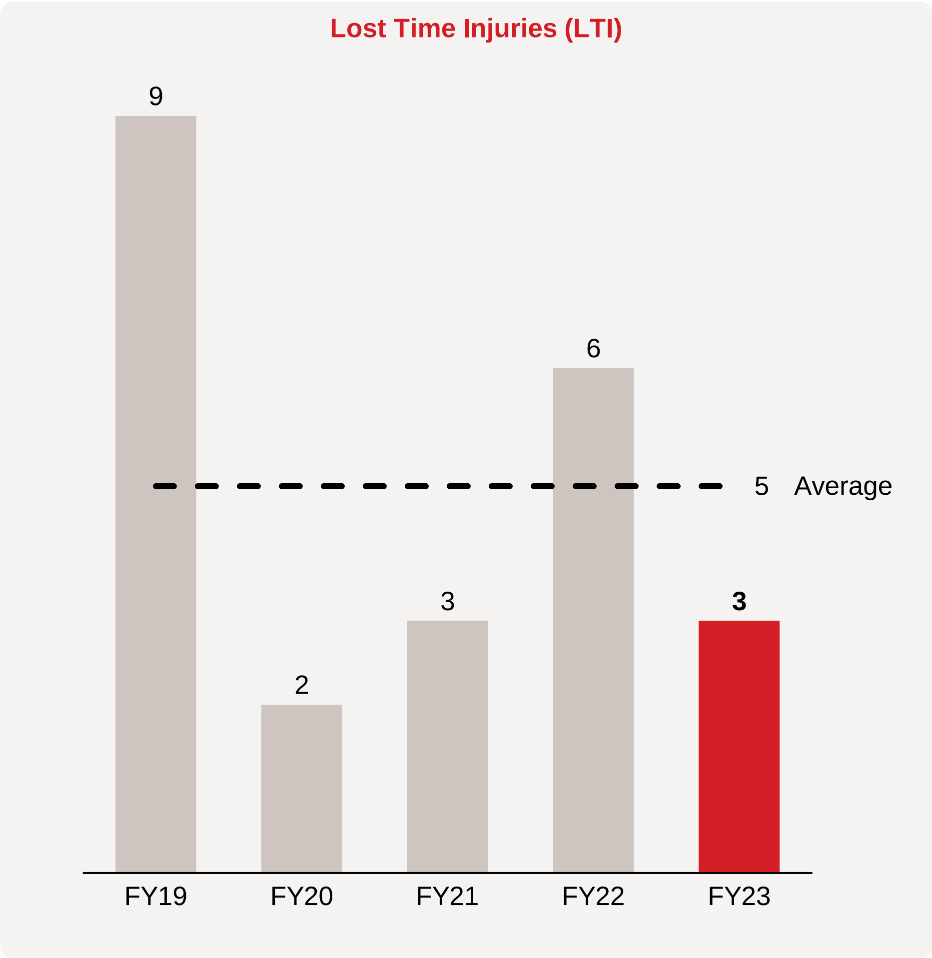
20%
women in senior positions

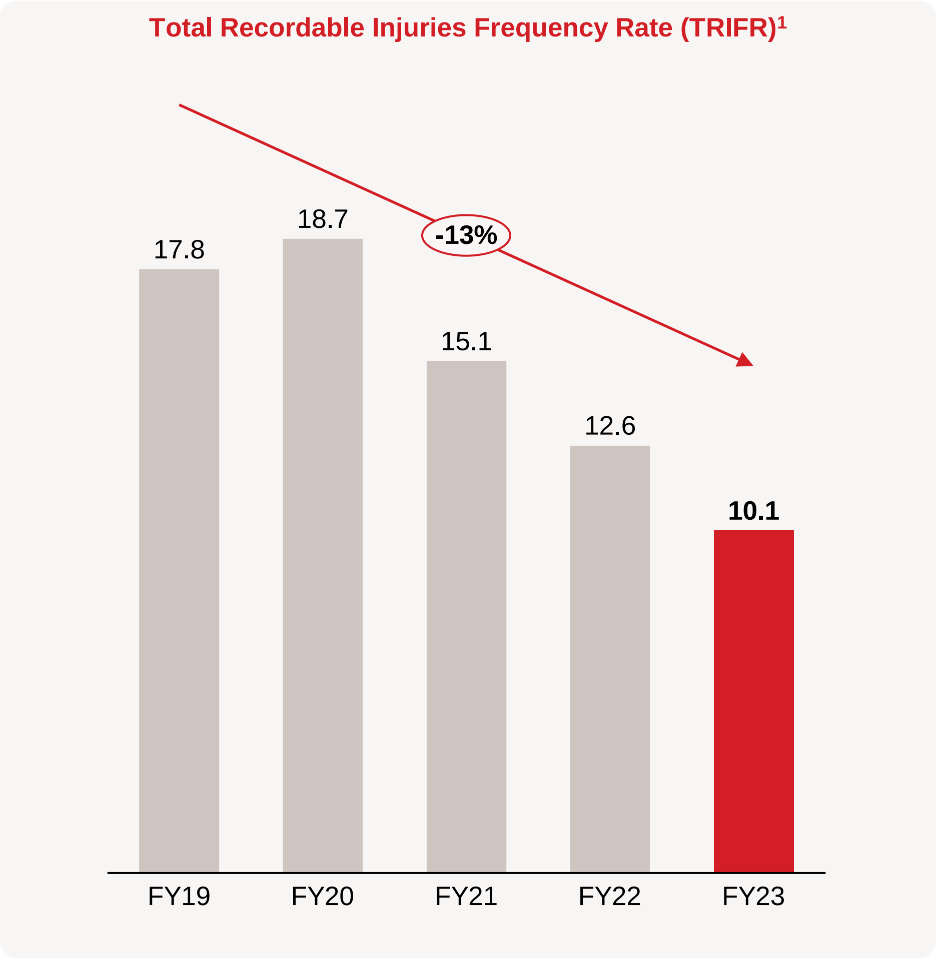
77%
employee engagement

21
additional points of presence

Safety, Health and Wellbeing

Nothing is so important that it cannot be done safely





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

Sustainability Performance

CLIMATE TARGETS[1]

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

TARGET	FY23	FY22
100% renewable electricity in all Australian sites by 2025	Target achieved through on-site solar generation and purchase of LGCs[2]	
50% reduction in Scope 1 and 2 emissions intensity (tCO2e/$m revenue) by 2030, against a baseline year of 2021[3] (subject to commercially viable technology being available to address feedlot cattle emissions)	**17.9** *(25% reduction against baseline year[3])*	**18.8** *(21% reduction against baseline year[3])*
Net zero Scope 1 and 2 emissions by 2050[4] (tCO2e)	59,551	64,772

OUR PROGRESS

- Launched the Elders Sustainability Framework
- Established Thomas Elder Sustainable Agriculture to support Elders' innovation efforts and empower farmers with future-focused agricultural solutions
- Joined the Big Bag Recovery program, an Australian government accredited product stewardship scheme that facilitates the recycling of large bags
- Targeted solar and LED lighting site upgrades to reduce emissions
- Solar farm development at Killara Feedlot near completion

1. *Scope 1: direct emissions from owned or controlled sources. Scope 2: indirect emissions from the generation of purchased electricity*
2. *Large-scale Generation Certificates*
3. *2021 Baseline year tCO2e/$m was 23.86*
4. *Targets based on Elders' financial year ending 30 September*

Financial Highlights

Resilient financial result despite market volatility

$170.8m

Underlying EBIT

-26% YOY
second highest EBIT
in the last 10 years

16.0%

Return on Capital

R12 EBIT/ R12 avg net operating assets

from 26.2%
exceeding target benchmark
of 15% per Eight Point Plan

163%

Cash Conversion

YTD Operating cash flow / YTD U'NPAT

from 75%
exceeding 90% in line with our capital
management framework

1.4x

Leverage Ratio

Balance date net debt / R12 EBITDA

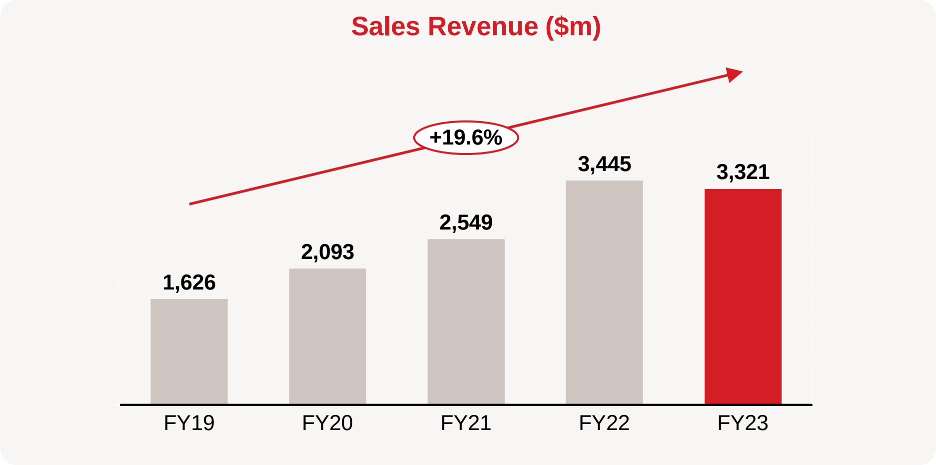
from 0.7x
within our target range per our capital
management framework

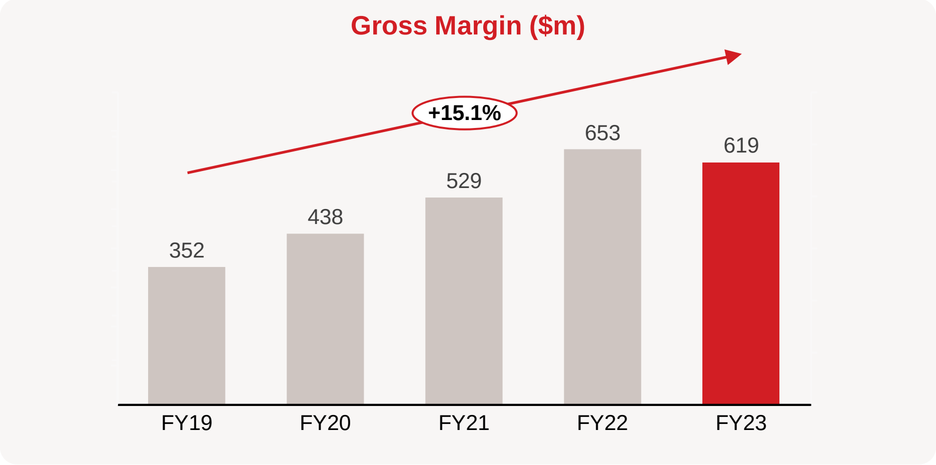
Financial Results

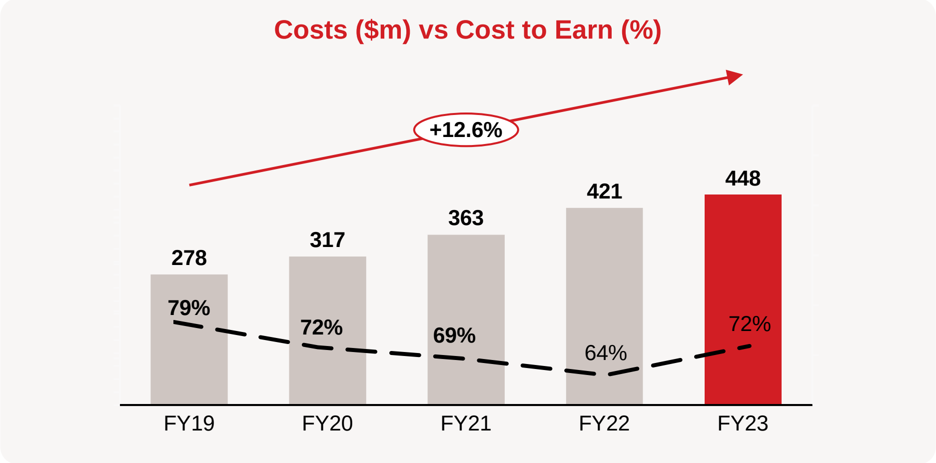
Presented by Paul Rossiter (CFO)

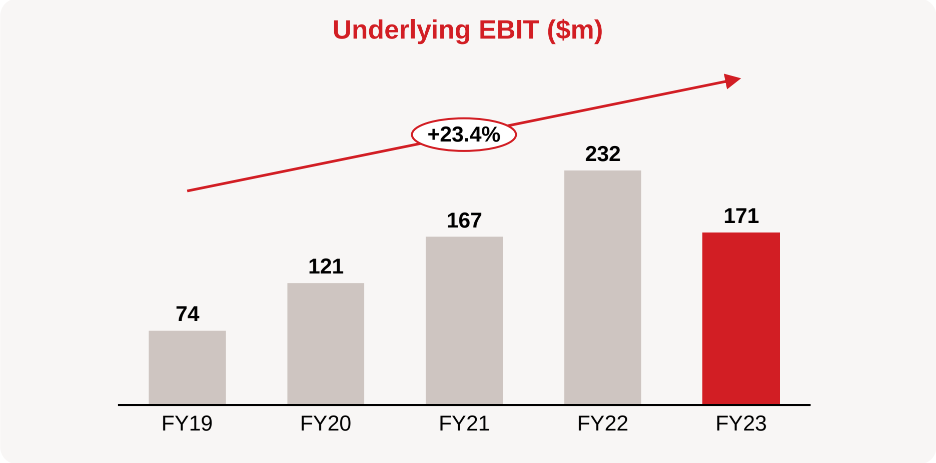
Five Year Financial Performance

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





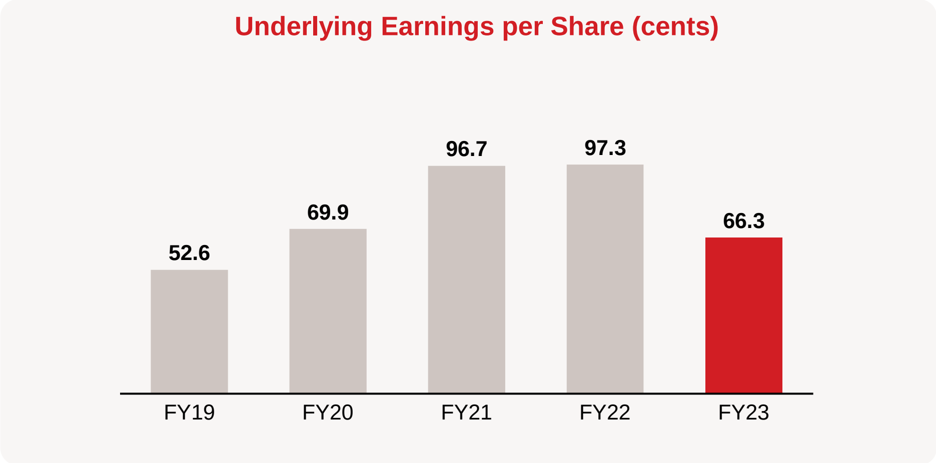


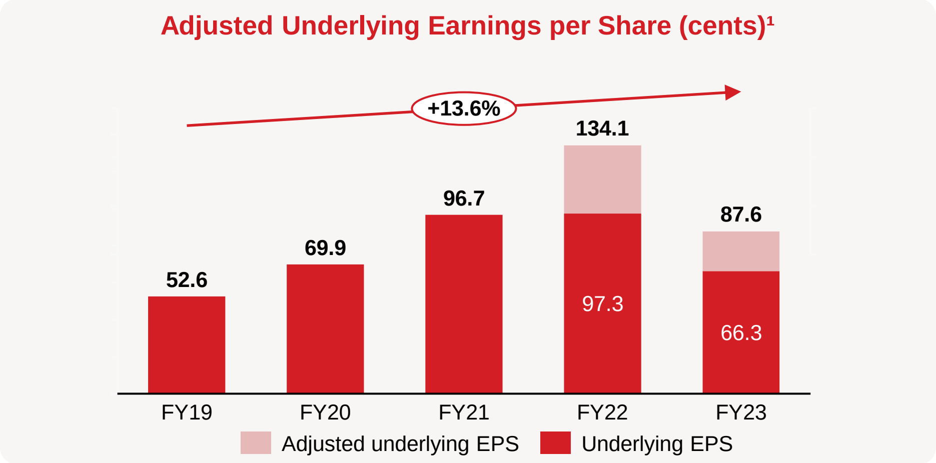


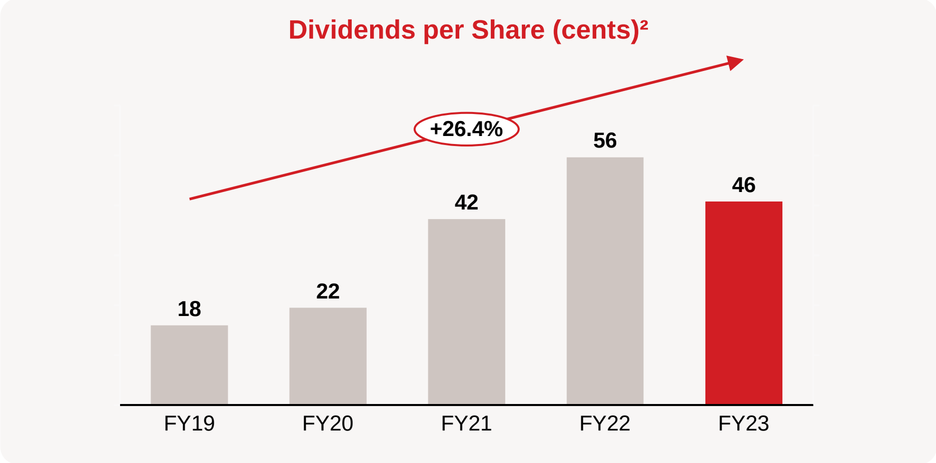
CAGR calculated on full year performance

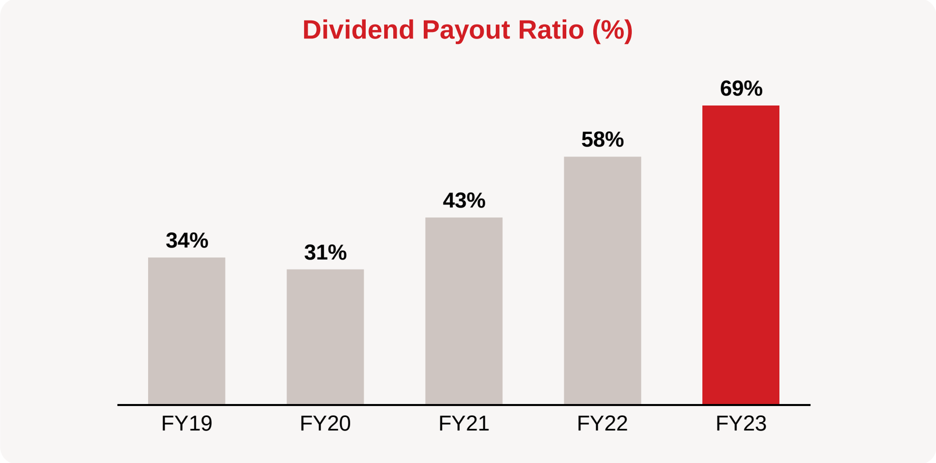
Five Year Shareholder Returns

Compelling shareholder value proposition over time









CAGR calculated on full year performance

1. Adjusted for underlying tax expense recognised from 1 October 2021
2. FY19 and FY20 dividends were fully franked, FY21 was partially franked at 20%, FY22 and FY23 dividends were partially franked at 30%

FY23 Financial Summary

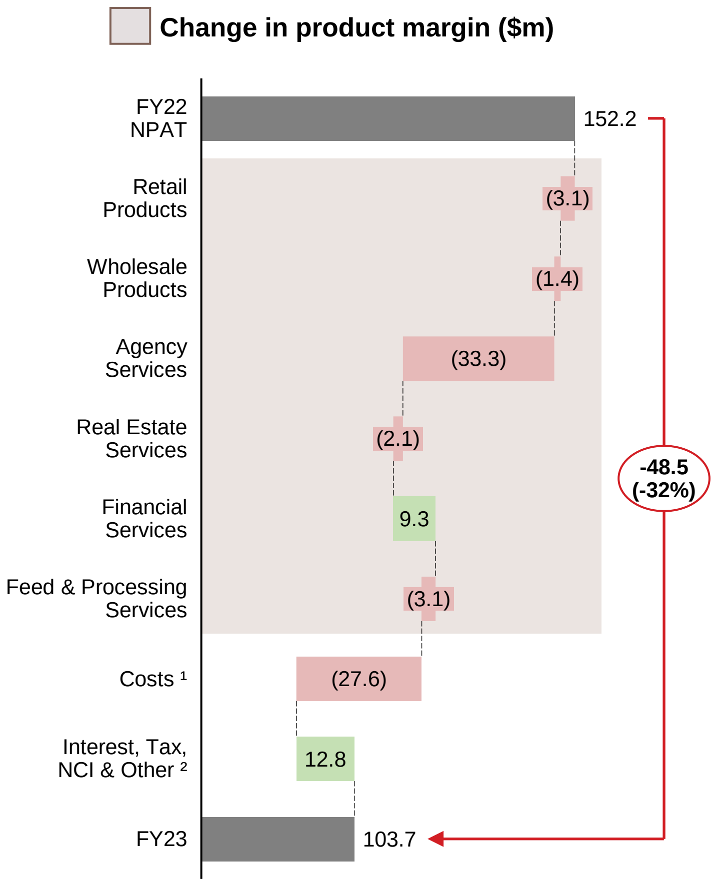
Resilient performance despite volatility across multiple markets

Key metrics ($m)	FY23	FY22		Var	Var %
Sales revenue	3,321.4	3,445.3	⬇	(123.9)	(4%)
Gross margin	619.0	652.7	⬇	(33.7)	(5%)
Gross margin %	*18.6%*	*18.9%*	⬇	(0.3%)	n/a
Costs	448.2	420.6	⬆	27.6	7%
Underlying EBIT	170.8	232.1	⬇	(61.3)	(26%)
Underlying net profit after tax	103.7	152.2	⬇	(48.5)	(32%)
Return on capital (%) [1]	16.0%	26.2%	⬇	(10.2%)	n/a
Net debt (excl. AASB 16)	259.7	161.4	⬆	98.3	61%
Leverage ratio (times) [2]	1.4	0.7	⬆	0.7	100%
Operating cash flow	169.2	113.7	⬆	55.5	(49%)
Cash Conversion (%)	163.1%	74.7%	⬆	88%	n/a
Underlying earnings per share (cents)	66.3	97.3	⬇	(31.0)	(32%)
Dividend per share (cents) [3]	46.0	56.0	⬇	(10.0)	(18%)

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 30%

Product Performance

Mixed results across the product portfolio compared with exceptional market and other conditions in FY22



FY22	FY23
310.0	306.9
73.1	71.7
147.0	113.7
61.6	59.5
44.2	53.5
16.8	13.7
(420.6)	(448.2)
(79.9)	(67.1)
152.2	103.7

Retail Products

- Progression of backward integration strategy via Titan AG
- Volume growth, offset by softening input prices compressing gross margin

Agency Services

- Declining livestock prices adversely impacting gross margin
- Volumes traded unable to offset impact of price declines

Financial Services

- Improved insurance performance
- Uptake of own balance sheet livestock lending

Feed and Processing Services

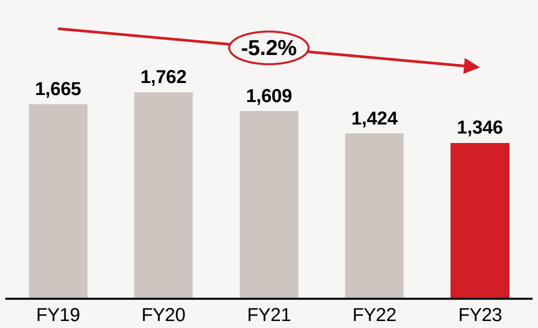
- Lag effect of higher cattle prices reduced margins in FY23
- Reduced number of cattle head processed through the Feedlot

1. Cost drivers detailed on slide 22
2. NCI – Non controlling interests

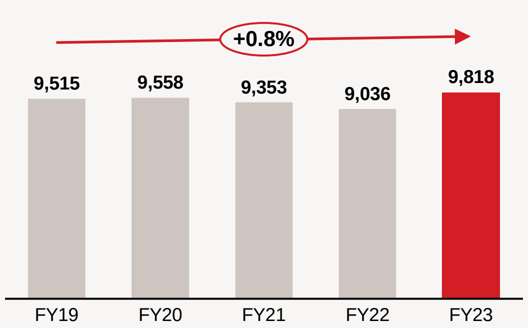
Key Performance Indicator Trends

Elders diversified business model provides earnings resilience against market volatility

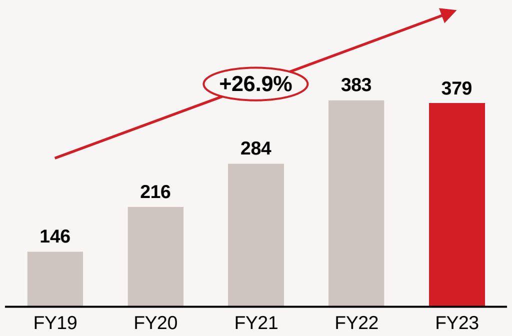
Agency Services: Cattle Volume (‘000)



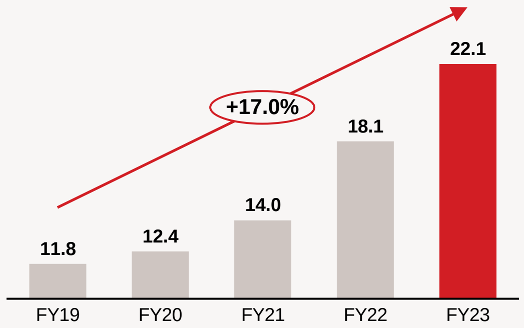
Agency Services: Sheep Volume (‘000)



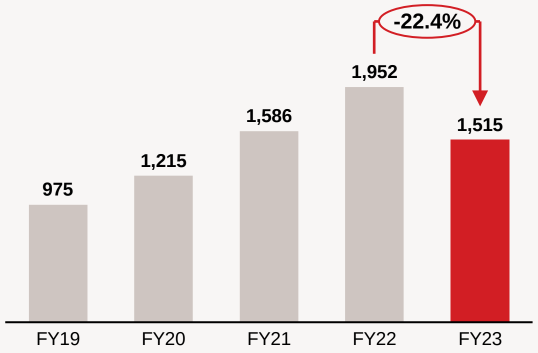
Rural Products: Gross Margin ($m)



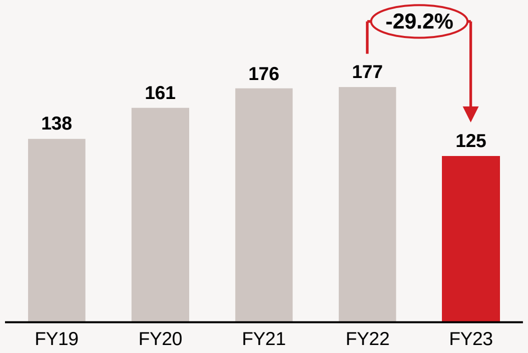
Real Estate Services: Property Management Gross Margin ($000)



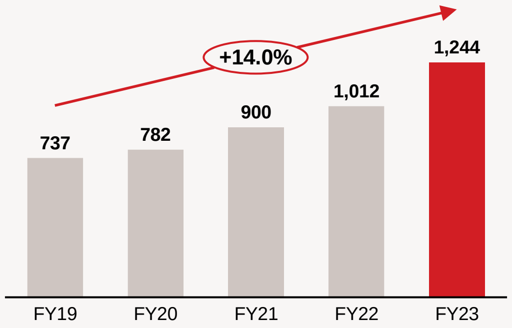
Agency Services: Cattle Price ($)[1]



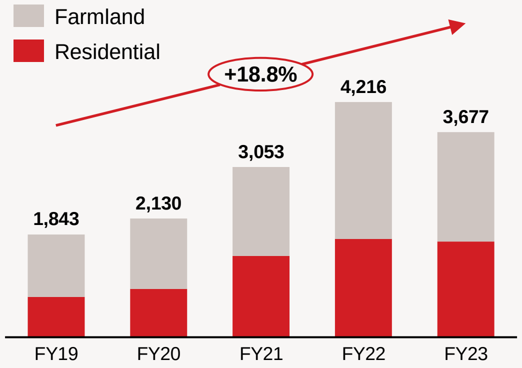
Agency Services: Sheep Price ($)[1]



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



Real Estate Services: Turnover ($000)

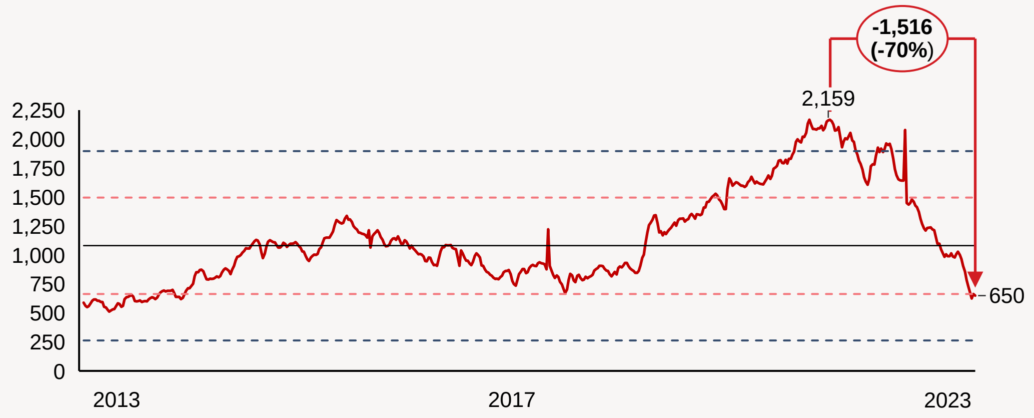


1. Cattle and sheep prices are internal averages, not externally verifiable
2. Principal positions are held by Elders Insurance Underwriting Agency (Elders 20% equity investment)

Industry Backdrop – Livestock

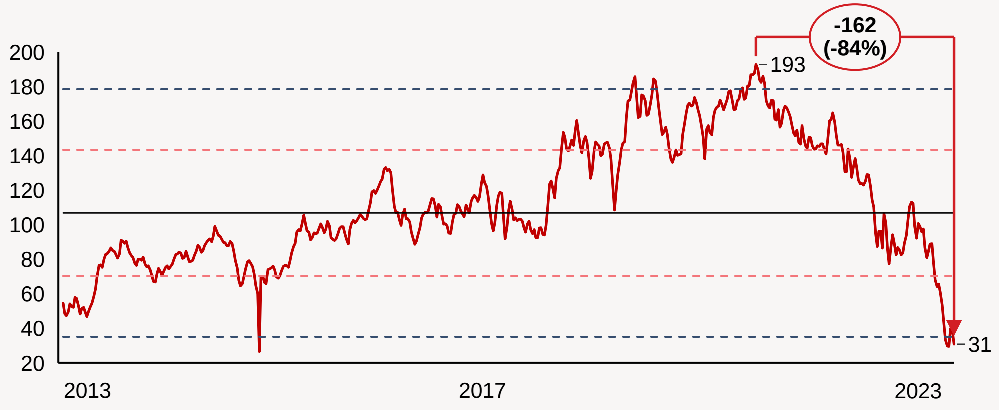
Historically high volatility in cattle and sheep prices has adversely impacted Agency Services gross margin

EYCI ($/Head)



- FY23 experienced the fastest revision in EYCI prices this century (- 64%), with the index trading one standard deviation below the 10-year mean
- The price revision was driven by:
  - Disruptions to the live export market, following a small number of cases of Lumpy Skin Disease in Indonesia
  - Increased supply with herd destocking following BOM of El Niño and potential drier outlook for parts of Australia
- US Import prices and demand for Australian lean beef remains strong driven by the long-running American herd destocking

Mutton ($/Head)



- Mutton prices have fallen 77% since September 2022, and is trading at two standard deviations below the 10-mean
- Prices were impacted by high stock turn-off following herd build over the last three years and weaker global demand

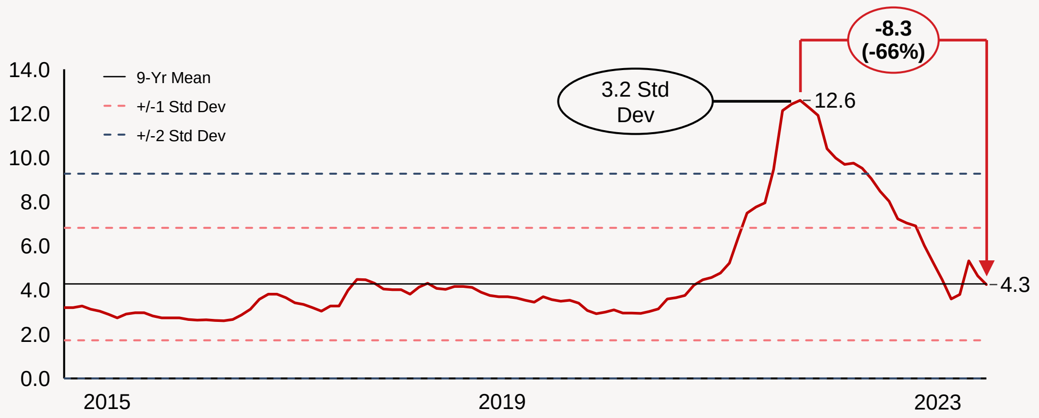
10-Yr Mean 1 Std Dev 2 Std Dev

1. EYCI – Eastern States Young Cattle Indicator
Source: Reproduced courtesy of Meat and Livestock Australia Limited - www.mla.com.au

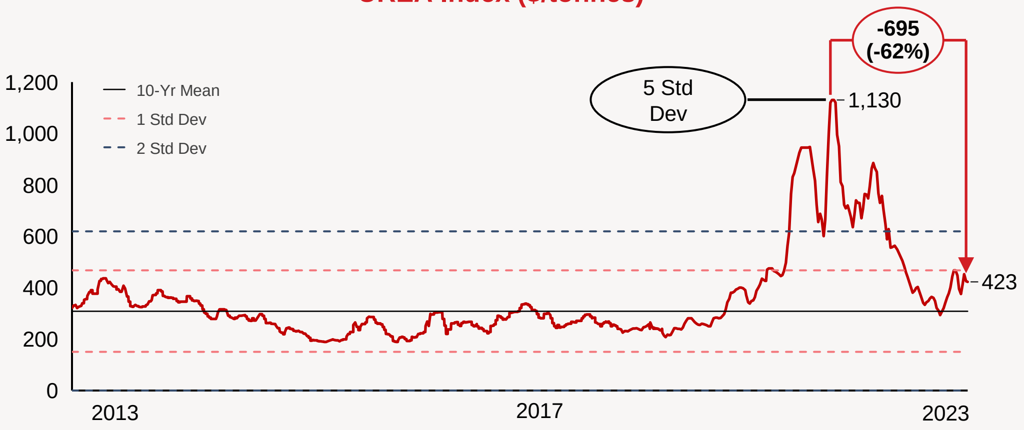
Industry Backdrop – Rural Products

Sales volume growth has partially offset the impact from significant market volatility

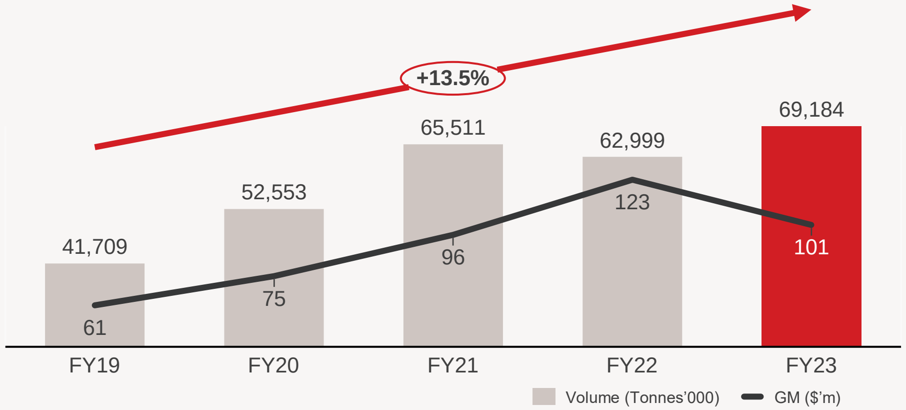
Glyphosate 95% ($/kg)



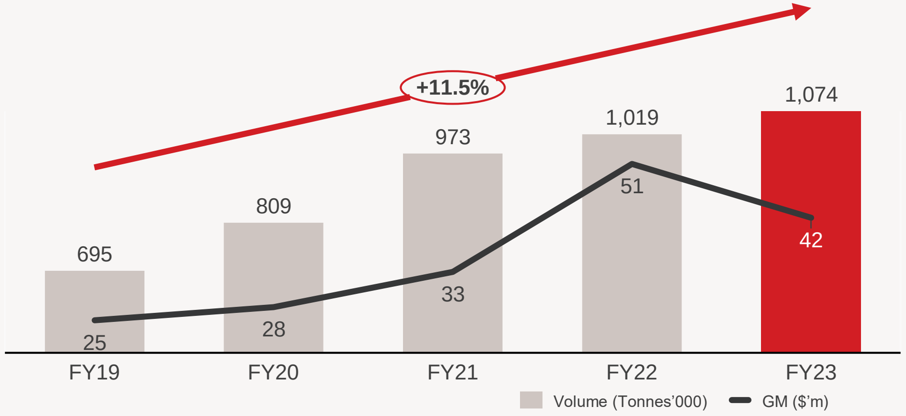
UREA Index ($/tonnes)[2]



Elders Cropping Inputs 5 Year Trend[1]



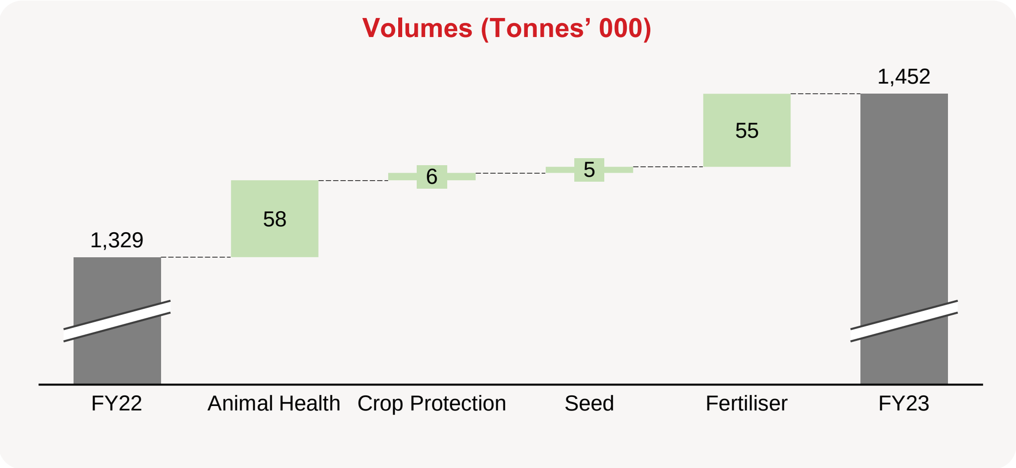
Elders Fertiliser 5 Year Trend

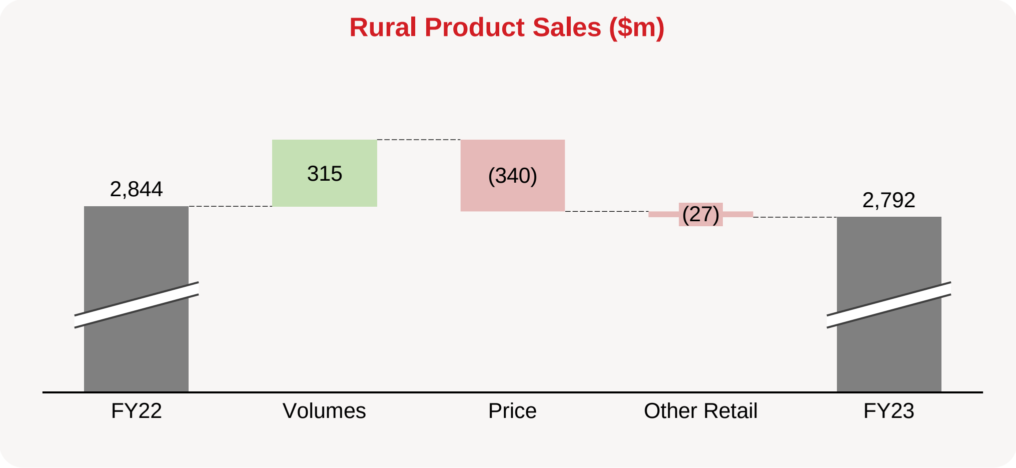


1. Excludes the benefits of our backward integration
2. Source: Reproduced courtesy of Refinitive

Continued Volume Growth Across Key Products

Continued sales volume growth, indicative of market share traction, offset by softening input prices





Animal Health

- Organic growth driven by herd rebuild and increased parasite burdens
- Significant multinational corporation pricing pressure benefited our backward integration portfolio

Crop Protection

- Viticulture and horticulture organic market growth driven by increased points of presence and favorable grower conditions
- Improved input procurement maximised herbicide buying interest

Seed

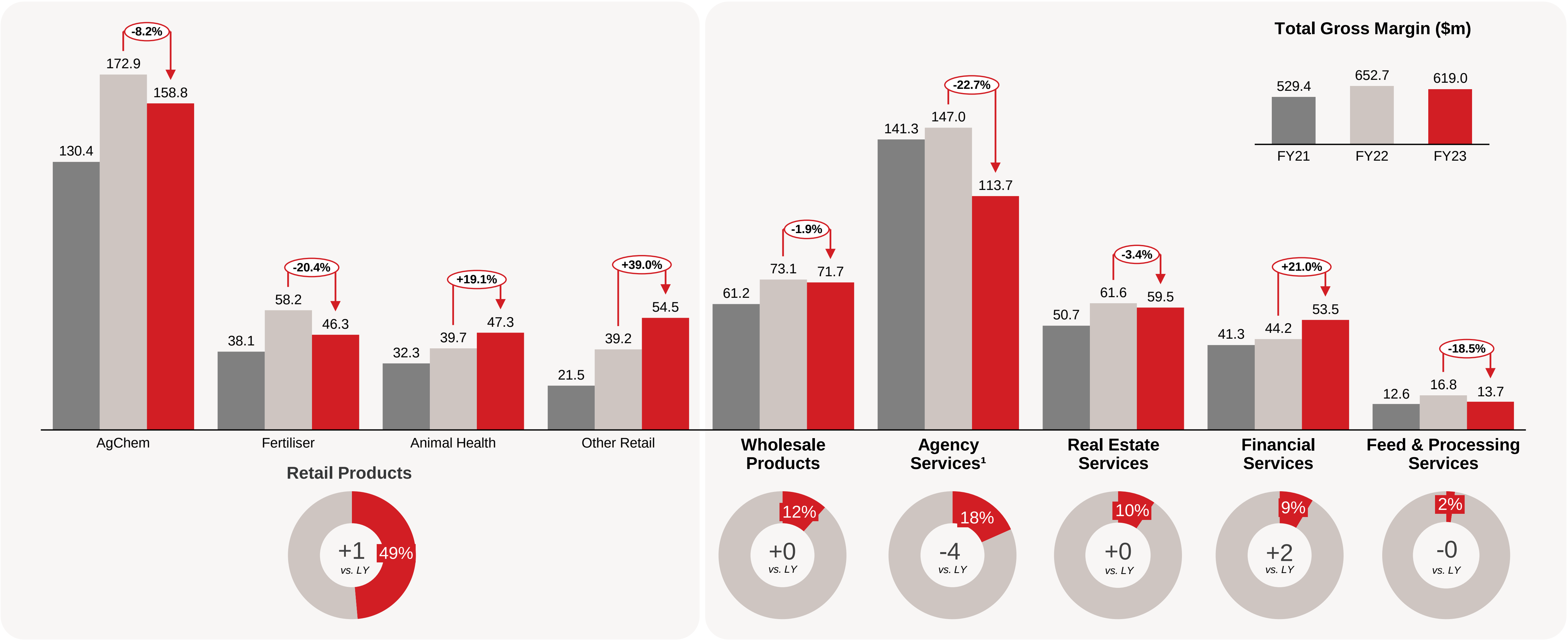
- Canola and cotton volumes benefiting from strong canola market prices
- Demand for processing potatoes and new wheat varieties supported greater volume growth

Fertiliser

- Organic market share growth despite challenges with supply
- Falling prices supporting customer demand

Gross Margin Diversification

Continued focus on product diversification through organic and acquisition growth

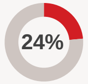


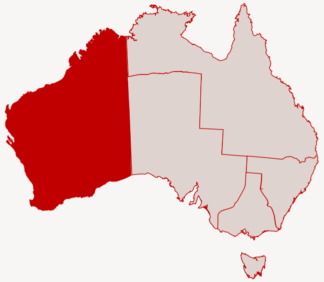
1. Agency split: Sheep – 37%; Cattle – 48%; Wool and Grain – 15%

Pie charts represent percentage of total FY23 gross margin

Geographical Diversification

Geographical diversification mitigates regional risk events

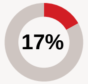


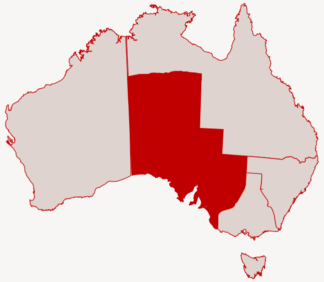


WESTERN AUSTRALIA

$50.5m

-21% YOY

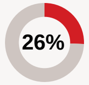


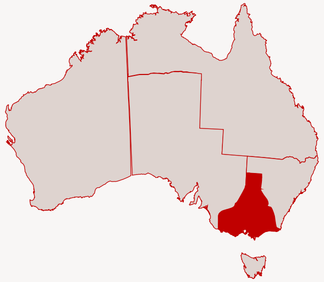


SOUTH AUSTRALIA

$36.4m

-17% YOY

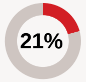


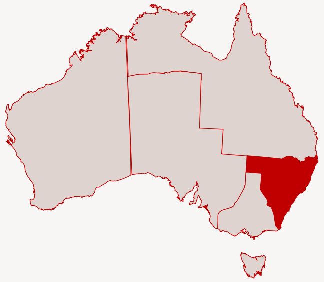


VICTORIA AND RIVERINA

$57.1m

-31% YOY

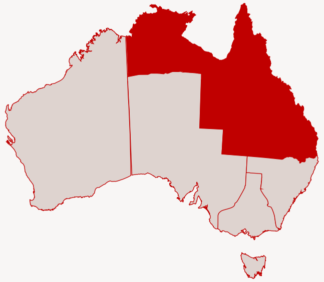




NEW SOUTH WALES

$44.6m

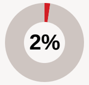
-15% YOY

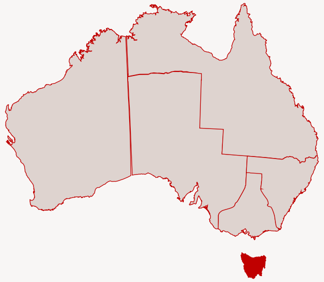


QUEENSLAND AND NORTHERN TERRITORY

$21.0m

-39% YOY





TASMANIA

$5.0m

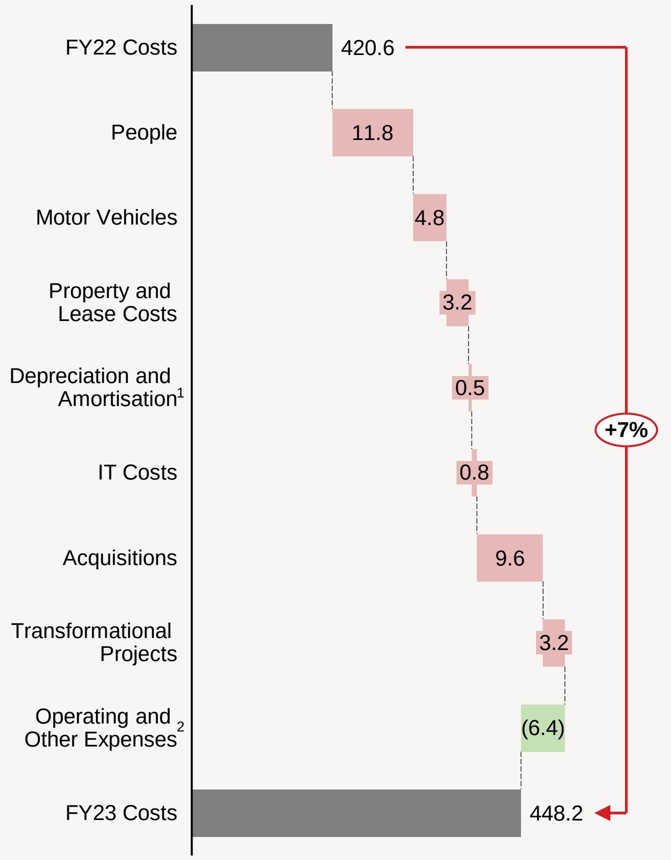
-28% YOY

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

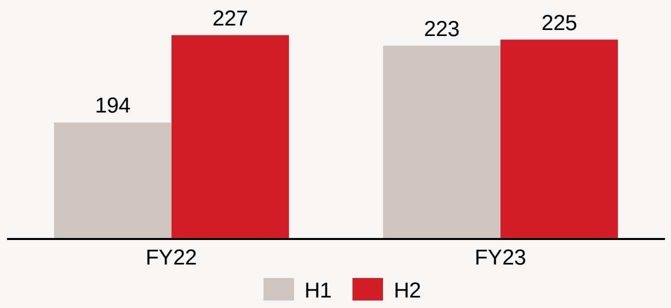
Cost Drivers

Disciplined focus on cost management in FY24

Costs ($m)



Underlying Cost Base ($m)



- Costs held flat from FY22 H2 to FY23 H2
- Discretionary spend has been controlled through tighter management of internal travel and entertainment, as well as reliance on external consultants
- Commitment to controlled cost base in FY24, despite inflationary cost environment, organic growth and transformational project spend

Commentary

People:
- 65 additional FTE (29 graduates, 36 network and business growth)
- Wage growth
- Offset by lower performance incentives

Motor Vehicles:
- 61 additional motor vehicles (non-acquisition)
- Rising fuel costs

Acquisitions:
- Nine acquisitions in FY23
- 94 additional FTE
- 52 additional motor vehicles

Transformational Projects:
- Systems Modernisation +$1.2m, including +7 FTE
- Elders Wool Handling +$2.0m, including +18 FTE

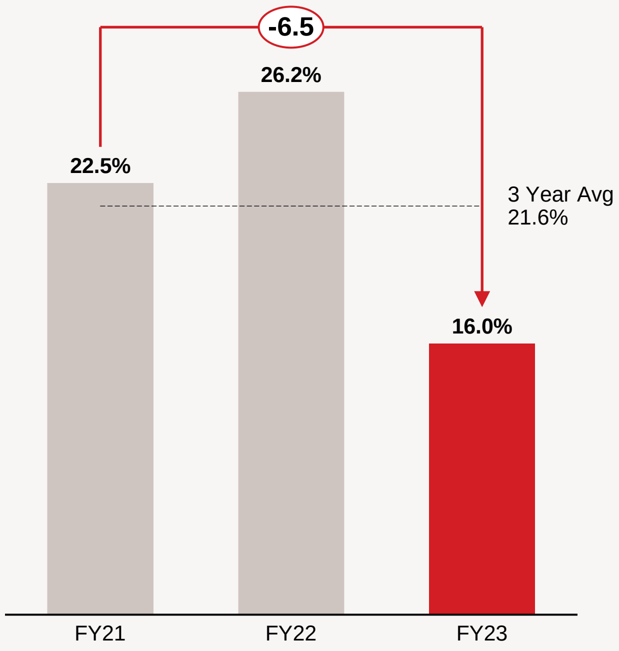
Operating and Other Expenses
- Continued focus on discretionary spend

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.

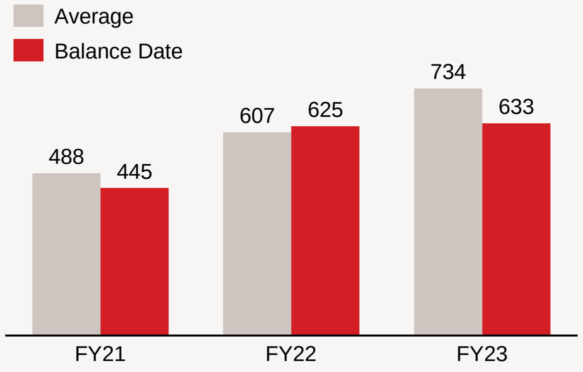
Capital Allocation

Return on capital exceeds target benchmark of 15% despite significant decline from livestock earnings

Return on Capital (%)[1]

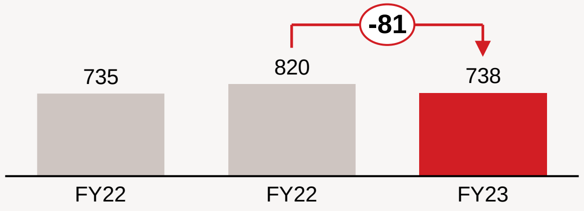


Working Capital at Balance Date ($m)

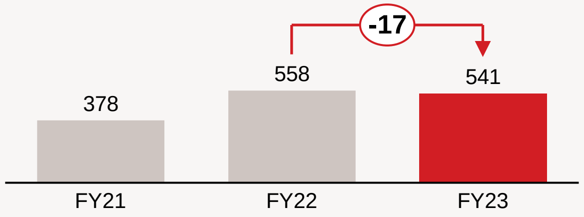


- FY23 average working capital elevated by quickening supply chains ahead of winter crop inputs build
- Average working capital expected to decline in FY24 due to lower livestock and crop protection prices
- FY24 will see tailwinds from stabilised supply chains and focus on procurement efficiency

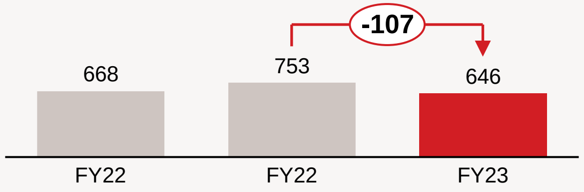
Trade and Other Receivables ($m)



Inventory[2] ($m)



Trade and Other Payables ($m)

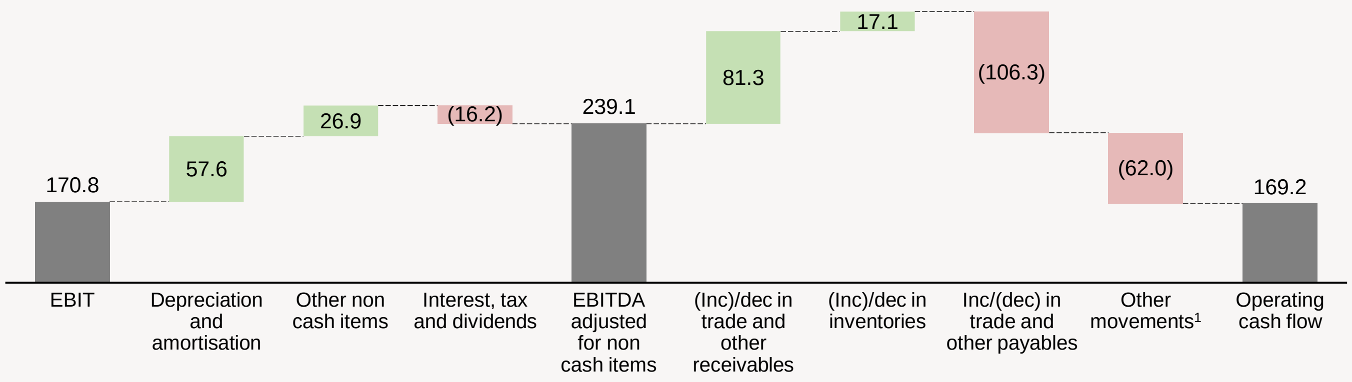


1. Return on capital three-year average is calculated on the 12 months to 30 September 2021, 30 September 2022 and 30 September 2023
2. Including Livestock

Cash Flow

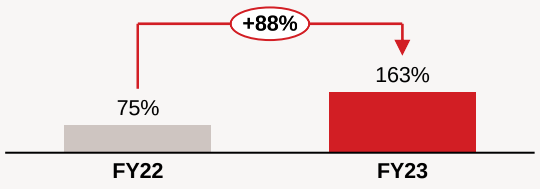
Strong cash returns benefiting from lower market prices and focus on capital efficiency

Operating Cash Flow ($m)

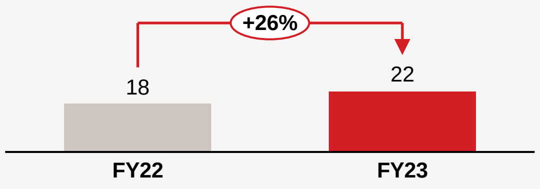


Key metrics ($m)	FY23	FY22	Var
Underlying EBITDA adjusted for non cash items	**239.1**	**327.7**	**(27%)**
Movements in assets and liabilities	(69.9)	(214.0)	67%
Cash from operating activities	**169.2**	**113.7**	**(49%)**
Investing cash flows	(132.1)	(45.1)	(193%)
Financing cash flows	(33.5)	(98.7)	(66%)
Net cash flow	**3.6**	**(30.2)**	**112%**

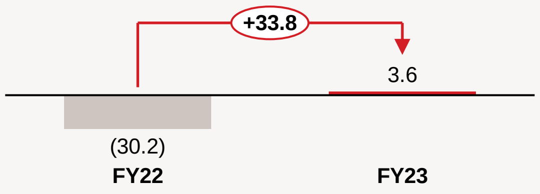
Cash Conversion (%)[2]



Working Capital to Sales (%)[3]



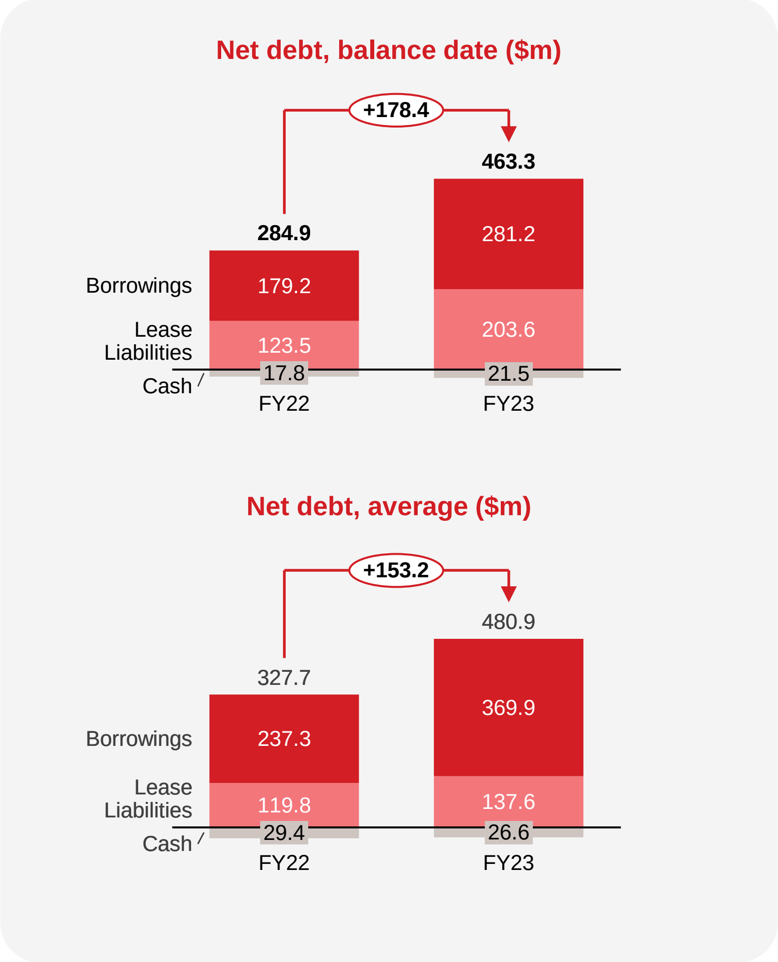
Net Cash Flow ($m)

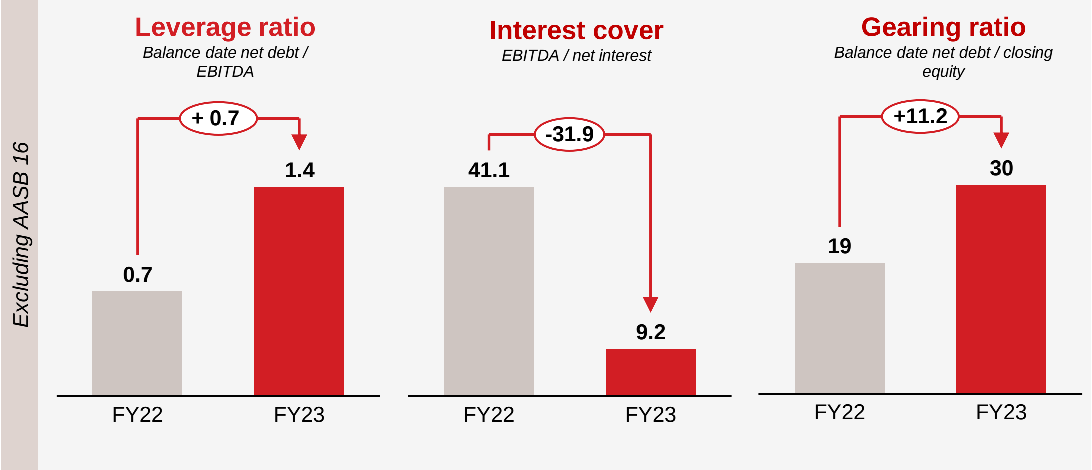


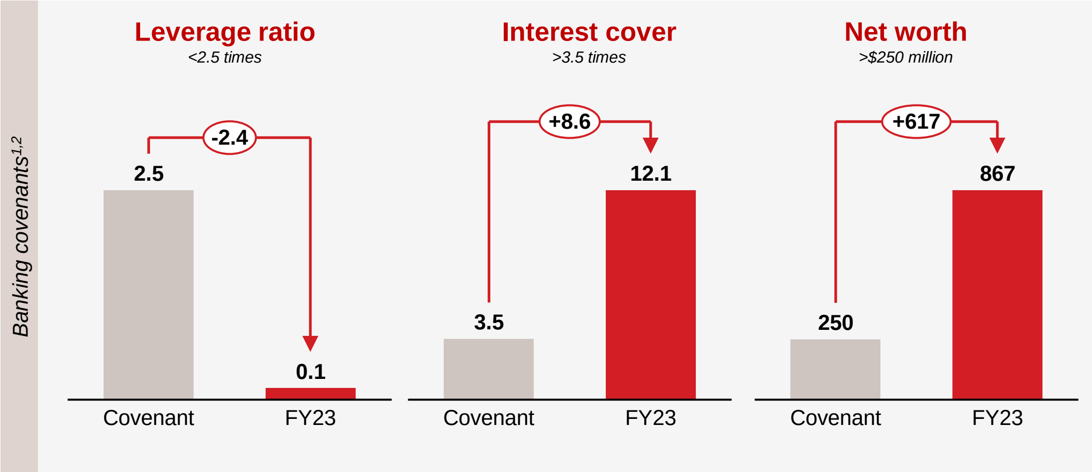
1. Other movements includes provisions and balances acquired via acquisitions
2. Cash conversion is calculated on a YTD basis, operating cash Flow / U'NPAT
3. Working capital to sales is calculated on a rolling 12-month basis

Net Debt and Financial Ratios

Strong balance sheet provides flexibility for future growth







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 $314.2 million out of total available facilities of $600 million and significant headroom in our banking covenants

Strategy

Presented by Mark Allison (Managing Director and CEO)

Eight Point Plan Evolution

Three generations of the Eight Point Plan strategy since FY14, delivering compelling shareholder value proposition

FY15 to FY17

Financial metrics[1]:

EBIT +37.5%

EPS +735.2%

ROC 25.7%

Supported by:

20% Insurance acquisition

Ace Ohlsson acquisition

Clear Grain Exchange (CGX) 20% acquisition

FY18 to FY20

Financial metrics[1]:

EBIT +22.8%

EPS +12.8%

ROC 20.9%

Supported by:

Backward integration strategy via Titan AG and AIRR acquisitions

LIT Delivery Warranty

Additional 10% CGX

New Rural Bank distribution agreement

FY21 to FY23

Financial metrics[1]:

EBIT +17%

EPS +13.6%

ROC 21.6%

Supported by:

Rural Products supply chain extension

YP Ag acquisition

Sunfam acquisition

Emms Mooney acquisition

1. Financial metrics: EBIT and EPS reflects the average growth and ROC is the average over the Eight Point Plan periods

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: Run

Optimising the existing business

Deepening customer relationships

- Increasing sources of insights on clients' needs and drivers of loyalty
- Continue to be the most trusted agribusiness brand amongst farmers
- Focus on capturing new customers, retaining repeat customers, and cross-selling our product and service offerings
- Giving back to the communities where we live and work

Investing in our people

- By September 2025:
  >25% women in senior positions
  >40% women in senior executive positions
- Increase the overall diversity of Elders' workforce
- Maintain the feeling of belonging by allowing people to be themselves at work (Employee Engagement Survey)
- Investment in training of junior staff via trainee, graduate and academy programs
- Ongoing attraction, recruitment and retention of high performing staff

Financial discipline

- EBIT and EPS growth 5 to 10% through the cycles
- ROC greater than 15%
- Falling cost to earn ratio
- Cash conversion greater than 90%
- Leverage ratio between 1.5 to 2.0 times

Our Strategic Priorities: Transform

Future-proofing our business

STREAMLINING OUR SUPPLY CHAIN

Gross margin efficiency and reduced safety stock in Rural Products

PLANNING	Reduce working capital and safety stock
SOURCING	Optimise gross margin predictability through timely and structured Rural Products input procurement
OPERATIONAL PLATFORMS	Improve transaction speed, optimise data analytics and enhance customer experience

$50m average capital release in FY24

Streamlined integrated supply chain

MODERNISING OUR SYSTEMS

Modernising our platforms to deliver more efficient business processes and an enhanced client experience

Wave 1 (Completed)

	FY22 $m	FY23 $m
CAPEX	4.4	8.0
OPEX - underlying	4.4	4.0
OPEX - non underlying	0.7	5.4
Total	**9.5**	**17.4**

Wave 2 (Ongoing)

	FY23 $m	Budget $m
CAPEX	2.3	24 - 27
OPEX – underlying	2.0	-
OPEX - non underlying	-	16 – 18
Total	**4.3**	**40 – 45**

>15% ROC from FY24[1]

Future-proof the business

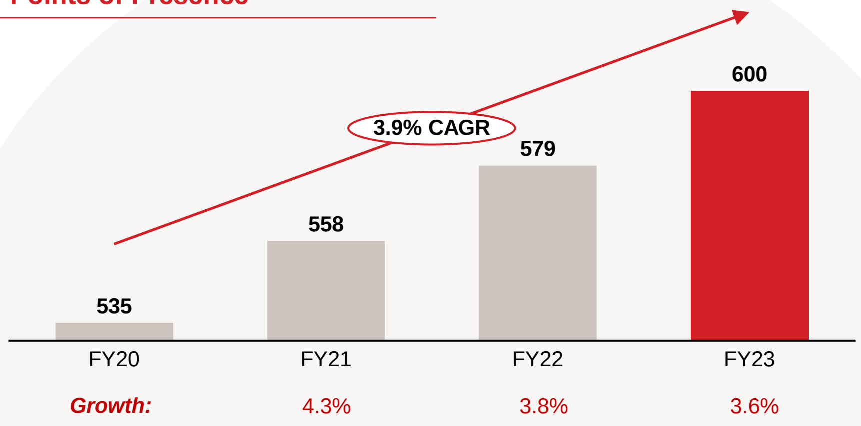
1. Systems Modernisation and wool supply chain expected to deliver a ROC greater than 15% incrementally from FY24 onwards
2. Rural Products supply chain optimisation estimated to deliver EBIT of $10-$18m and capital release of $50-$80m across multiple years (source external consultant September 2022)

Our Strategic Priorities: Innovate & Grow

Expanding and innovating our portfolio

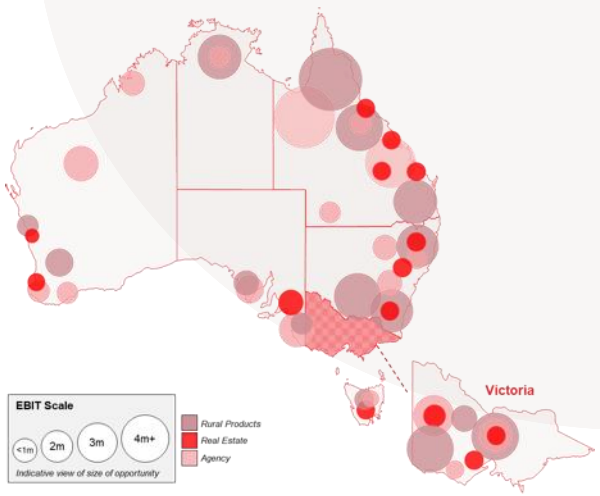
Portfolio

Elders' Points of Presence

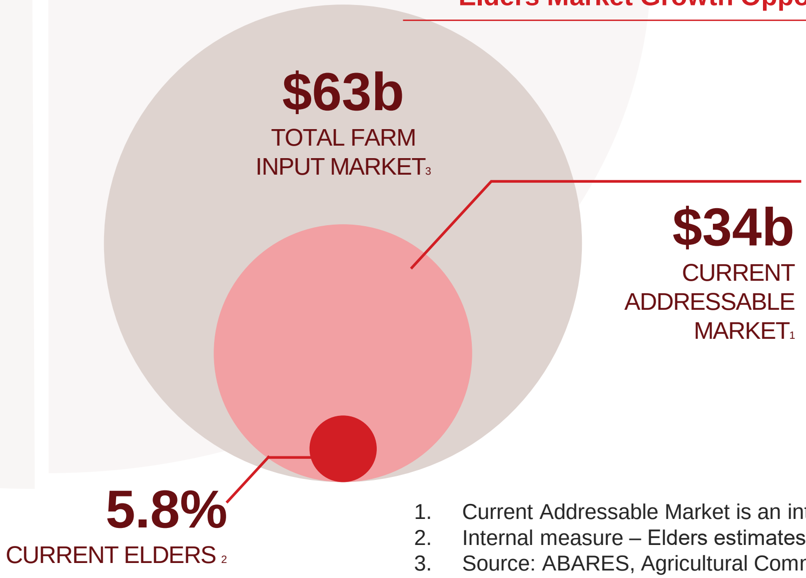


- **Growing our portfolio** of products, services, geographic footprint and channels
  - 21 additional points of presence
- **Enhancing margins** through value chain expansion and integration
- **Significant room to grow** across all products and services

Strategic Geographic Locations



Elders Market Growth Opportunity



1. Current Addressable Market is an internally calculated amount based on product
2. Internal measure – Elders estimates it has a 5.8% market share of the "Total Australian farm costs market" of $63b
3. Source: ABARES, Agricultural Commodities – Farm Costs and Returns Australia, June 2023

Our Strategic Priorities: Innovate & Grow

Innovating to create sustainable solutions for our customers and communities

Sustainable Solutions

OUR PRINCIPLES

We provide our customers and clients with the goods and services they need	We support our people and industries and communities in which we operate	We do our part to look after the environment and animals in our care	We operate ethically and to the highest standard

OUR PRIORITIES

1 HEALTH AND SAFETY
Prioritise the safety and wellbeing of our people

2 SUSTAINABLE FARMING
Enable customers to achieve sustainability and productivity goals amid diverse and demanding conditions, leveraging innovation and technology

3 EMPLOYEE ATTRACTION AND RETENTION
Invest in our people and cultivate diversity, inclusion and growth for collective empowerment and success

4 CLIMATE CHANGE
Reduce our carbon footprint and support our customers in climate adaptation and resilience

5 ANIMAL WELFARE
Safeguard the wellbeing of animals in our care and collaborate with our industry to promote livestock welfare and responsible stewardship

6 CORPORATE GOVERNANCE
Secure our standing as the most trusted agribusiness brand by upholding ethical operations

7 COMMUNITY IMPACT AND INVESTMENT
Support rural and regional Australia to positively impact our communities

8 WASTE MANAGEMENT
Collaborate with industry to minimise waste for positive environmental outcomes.

Market Outlook

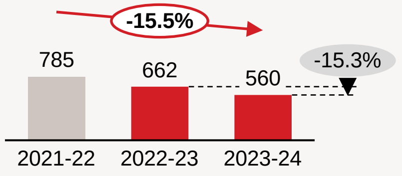
Presented by Mark Allison (Managing Director and CEO)

ABARES September 2023 Market Outlook

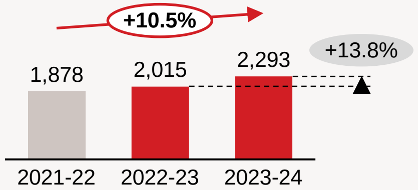
Strong livestock volume outlook moderated by subdued prices and weaker crop outlook

Beef and Veal[1]

Average saleyard prices (c/kg)



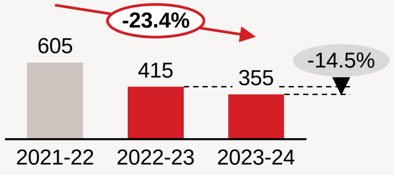
Production (kt)



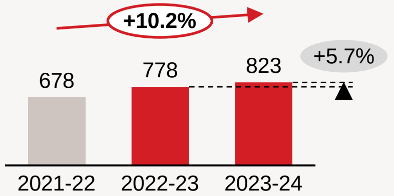
- Moderating beef prices due to increased supply (local and global), higher turn-off rates and lower restocking demand
- Beef production to rise 14% due to drier conditions, lower pasture availability and increased livestock turn-off rate
- Global beef prices are expected to fall due to increased global supply

Sheep[1]

Average saleyard prices (c/kg)



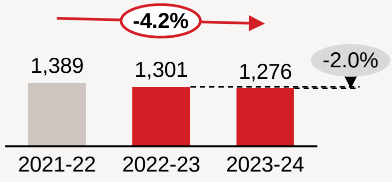
Production (kt)



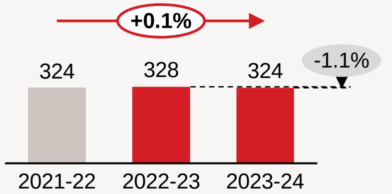
- Lamb and sheep prices are expected to remain suppressed by higher production as drier forecasted conditions incentivise stock turn-off
- Live sheep volumes are expected to weaken in 2023-24 due to subdued export prices following higher global supply

Wool[1]

Eastern Market Indicator (c/kg)



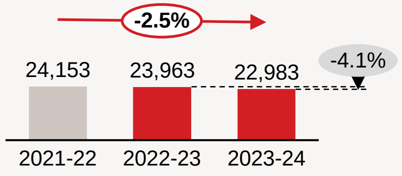
Sheep shorn for wool production (kt)



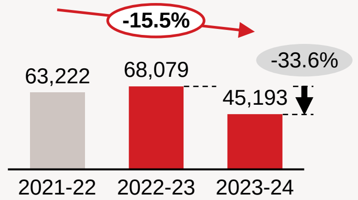
- Wool production is expected to increase driven by greater sheep shorn as margins improve on lower shearing costs
- The average wool cut per head is expected to decline to 4.58/kg heading into 2024 owing to drier conditions
- However, Sheep flock compositions are shifting towards meat breads in the short term as farmers chase margins

Winter Cropping[2]

Area planted ('000 ha)



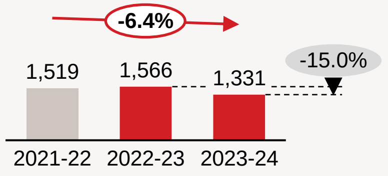
Crop production (kt)



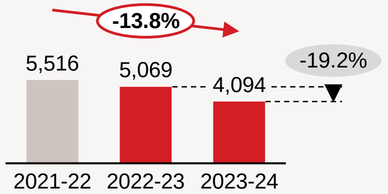
- Winter crop production is expected to fall below the 10-year average due to below average rainfall in key states
- Yields are forecast to be below average owing to drier conditions in key northern cropping regions
- Wheat and canola production set to fall 36% and 38% respectively, with barley production down 26%

Summer Cropping[2]

Area planted ('000 ha)



Crop production (kt)



- Negative summer crop outlook as Queensland and northern New South Wales experienced below average rainfall
- Dryland crops may be impacted by lower soil moisture levels
- Total summer crop production remains above the long-term average, however there is a potential for El Niño conditions

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

Market Outlook

Favourable cropping outlook with expectations of reduced volatility from livestock and cropping input prices

RURAL PRODUCTS

- Dry and El Niño outlook expected to see more caution from growers and potential decrease in crop plantings
- Improving margin predictability as the volatile commodity price environment normalises
- Acquisition of Eureka! will enhance our toll formulation capabilities and income diversification
- Demand for summer crop inputs is expected to remain strong

AGENCY SERVICES

- Cattle and sheep volumes are expected to remain strong underpinned by currently high herd and flock numbers
- Livestock prices are expected to remain under pressure as a result of higher volumes
- Wool prices are expected to remain steady

REAL ESTATE

- Interest rate pressures may see potential for subdued demand for regional residential properties
- Broadacre turnover is expected to soften due to livestock market headwinds
- Earnings to benefit from a full 12-months of earnings from Emms Mooney

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

FEED AND PROCESSING SERVICES

- Margin improvement benefiting from lower cattle prices
- Supply chain supported by backgrounding operations
- Expansion in grass operations via additional land acquisition

COSTS AND CAPITAL

- Maintain unflinching financial discipline for cost and capital efficiency
- Cost savings expected to mitigate interest rate and inflationary pressures
- Continued investment spend on acquisition growth and on our transformational initiatives

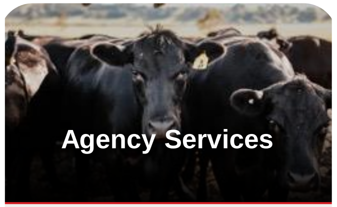
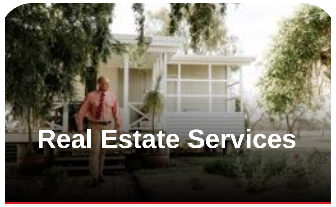
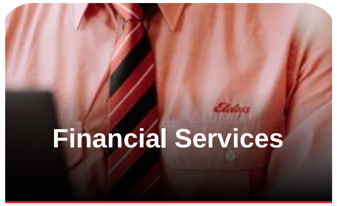
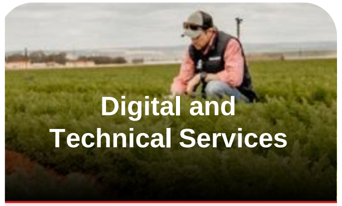
1. Eastern States Young Cattle Indicator, National Livestock Reporting Service, (MLA.com)
2. National Mutton Indicator, National Livestock Reporting Service, (MLA.com)

Questions

Appendix

Business Model

Geographic and product diversification mitigate impact of individual market volatility

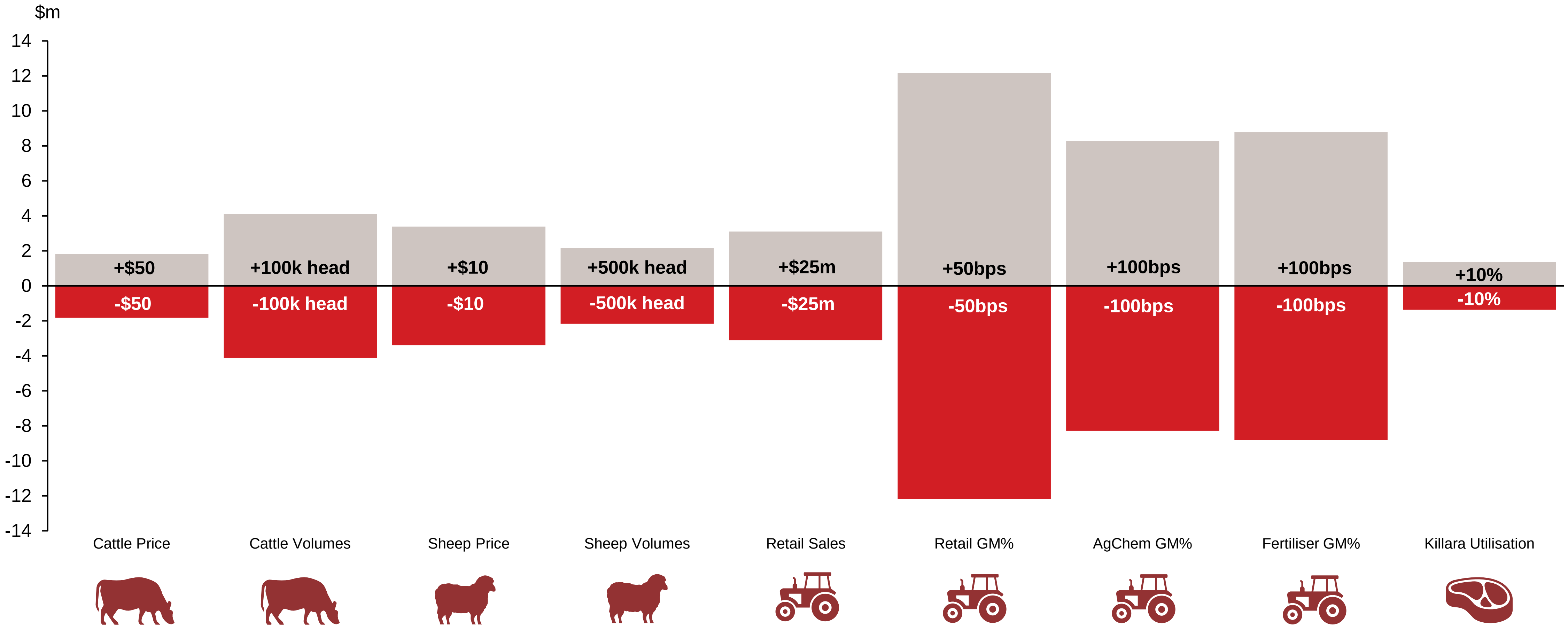
     

	Rural Products – *Retail*	Rural Products – *Wholesale*	Agency Services	Real Estate Services	Financial Services	Feed and Processing Services	Digital and Technical Services
Product and service offerings	**Rural Products**	**Rural Products**	**Livestock**	**Broadacre**	**Agri Finance**	**Killara Feedlot**	**Fee for Service** (256 agronomists)
	Fertiliser	**Pet Supplies**	**Wool**	**Residential**	**Elders Insurance** (20%)		**AuctionsPlus** (50%)
	Agcrest (33%)		**Grain**	**Property Management**	**LIT Delivery Warranty and Livestock Funding Products**		**Elders Weather**
				Franchise	**Home and Commercial Finance**		**Clear Grain Exchange** (30%)
Key metrics	$2.4b retail sales	$0.5b wholesale sales	9.8m head sheep	$2.0b broadacre sales	$3.1b loan book $1.4b deposit book $42.2m own balance sheet lending $108.0m StockCo book	57k Killara Feedlot cattle head exited	AuctionsPlus 104k head cattle 841k head sheep
	242 stores	382 member stores	1.3m head Cattle	$1.7b residential sales	$1.2b insurance gross written premiums		7.8m Elders Weather unique visitors
	>450 APVMA registrations		350k wool bales	13.6k properties under management	44% LIT penetration rate		0.8m CGX tonnes influenced
	1.1m tonnes fertiliser						
Gross margin	$306.9m	$71.1m	$113.7m	$59.5m	$53.5m	$13.7m	Included in products
Working capital	$463.8m	$116.1m	$40.8m	$1.3m	$10.4m	$54.5m	Other – ($54.1m)

Statistics and financial information based on FY23 full year

Gross Margin Sensitivity

Geographic and product diversification mitigates the impact of individual market volatility



Elders Capital Management Framework

Elders Eight Point Plan aspires 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) [1]

Consistent Dividends
(Target payout range 40-60%)

EXCESS CASH FLOW

Value Creation			Capital Management		
Acquisitions	**Divestments**	**Investment in organic growth**	**Buy-backs**	**Additional dividends**	**Debt reduction**
EPS accretive pre-synergies	To reallocate capital on a risk, return basis	Customer focused with new expanded service offerings, winning market share and backward integration	Distribution of excess cash, assessed when appropriate	Higher payout ratio considered where capital required to fund EPS growth is low	As required to maintain balance sheet strength and flexibility

1. Excluding AASB 16 Leases

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