

Monday 17 May 2021

2021 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 2021.

Elders CEO, Mark Allison, and Group Financial Controller, Vanessa Trengove, 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 11 May 2021, you can register to view and listen to the live commentary of the presentation. For details, refer to that announcement.

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Elders Limited

1H21 Results Presentation

17 May 2021



Disclaimer and Important Information

Forward looking statements

This presentation is prepared for informational purposes only. It contains forward looking statements that are subject to risk factors associated with the agriculture industry 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

Key Highlights

Financial Performance

Third Eight Point Plan Progress

Sustainability

Market Outlook

Appendix

Questions



1H21 Key Highlights

Robust year to date across the business



Safety

- 2 lost time injuries (LTI), compared to 1 last year, with target of zero
- LTI frequency rate at 0.8 compared to 2.2 last year
- 57 days lost, compared to 95 last year
- In 1H21 and to date, Elders has experienced minimal impact on its people, operational and financial performance as a result of COVID-19
- COVID safety protocols are embedded in the business



Financial Performance

- \$73.8 million Underlying EBIT (+40%)
- \$23.9 million Operating Cash Flow (-\$3.5 million)
- 20.1% Return on Capital (ROC) improvement of 1.2%, mainly due to margin growth exceeding impact of capital growth
- 1.5x Leverage Ratio at the lower end of our targeted range of 1.5x-2.0x
- 42.9 cents YTD Earnings per Share (+38%)
- Elders will pay an interim dividend of \$0.20 per share, 20% franked, compared to \$0.09 on the pcg
- Elders did not access any government support such as JobKeeper during the half year ended 31 March 2021



Strategy

- On track to deliver first year of the third Eight Point Plan (EPP)
- Retail Products margin increased through higher sales in line with improved seasonal conditions and market growth, as well as benefits from additional backward integration throughput and improved pricing techniques
- Continued to grow our footprint through acquisition of Rural Products and Agency Services businesses and personnel
- Completed Service Design phase for Systems Modernisation program

1H21 Operating Highlights

Implementation of third Eight Point Plan



Operating Safely

- 2 lost time injuries (LTI), compared to 1 last year, with target of zero
- LTI frequency rate at 0.8 compared to 2.2 last year
- 57 days lost, compared to 95
- Inaugural safety week has been held and the continued development in systems, processes and keeping safety top of mind has benefitted the business with the injury severity reducing significantly



Sustainability

- Modern Slavery Statement and Ethical Contracting Framework launched to support responsible sourcing
- Action plan to full alignment with TCFD Recommendations on track, with analysis of climate change risks and opportunities underway
- Over \$700,000 in sponsorships and donations to local communities, charities and supporting the agriculture industry



Efficiency & Growth

- Preserved and captured further gross margin through strategic initiatives
- Successful integration of AIRR and progressed maturity of Titan AG
- Maintained focus on footprint expansion through acquisitions of Rural Products and Agency businesses and personnel
- Continued growth in Financial Services offerings



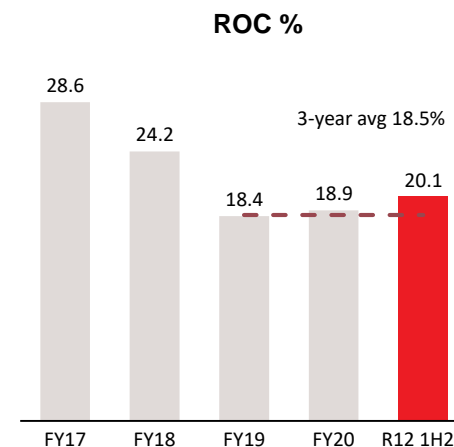
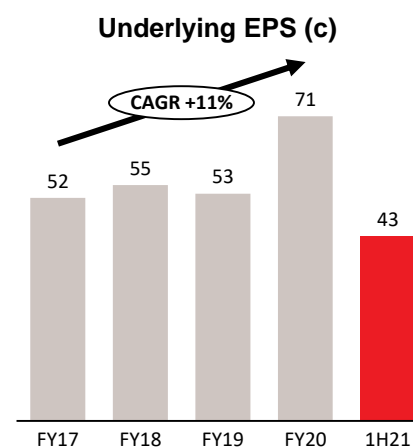
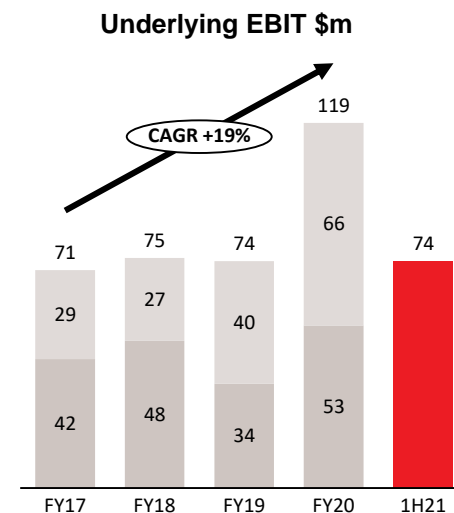
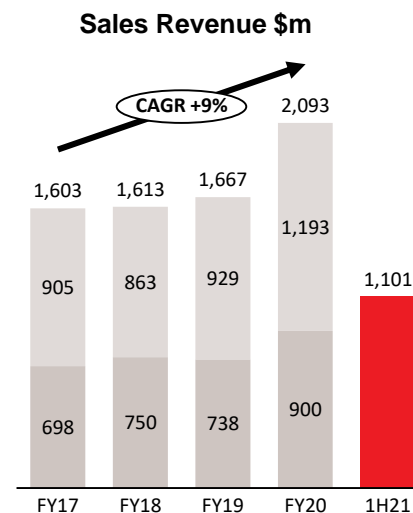
Core Relationships

- Worked closely with industry and clients to ensure continuity of operations and agricultural supply chains during COVID-19
- Continued engagement with Rural RDCs, government and tertiary institutions to enhance our agricultural research, development and extension initiatives through the Thomas Elder Institute

1H21 Financial Performance: Summary

Strong performance across our key metrics

Financial Metric	1H21 Result (\$m)	1H20 Result (\$m)		Year-on-Year Change	
				\$m	%
Sales revenue	1,100.5	900.2	↑	200.3	22%
Underlying EBITDA	94.3	73.6	↑	20.7	28%
Underlying EBIT	73.8	52.8	↑	21.0	40%
Underlying profit after tax	67.0	47.5	↑	19.5	41%
Statutory profit after tax	68.2	52.0	↑	16.2	31%
Net debt	263.9	319.7	↓	55.8	(17%)
Operating cash flow	23.9	27.4	↓	(3.5)	(13%)
Total capital (balance date)	882.3	845.7	↑	36.6	4%
Underlying return on capital (%) ¹	20.1%	18.0%	↑	n.a	2.1%
Underlying earnings per share (cents)	42.9	31.2	↑	11.7	38%
Leverage ratio (times) ²	1.5	1.9	↓	(0.4)	(21%)



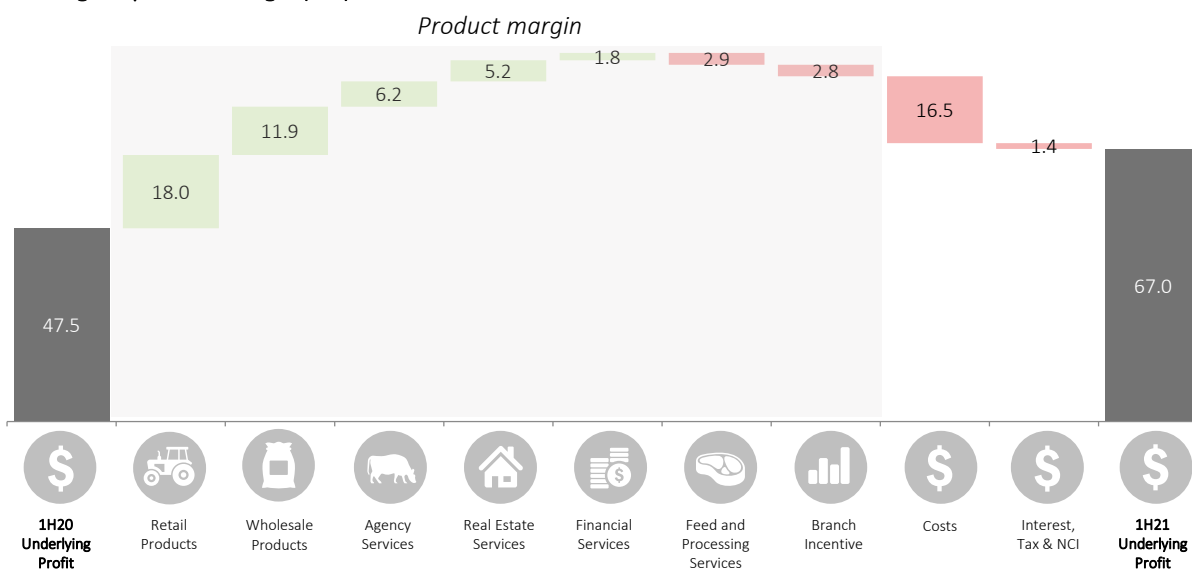
¹ Return on capital = Rolling 12 months Underlying EBIT / (working capital + investments + property, plant and equipment + intangibles (excluding Elders brand name) – DTL on acquisitions – lease liabilities – provisions)

² Excludes the impact of AASB 16 Leases

1H21 Financial Performance: Product

Favourable performance across most products, partially offset by increased costs in line with strategic initiatives

Change in product margin (\$m)



Product Margin by Year (\$m)

	1H21	90.9	29.3	77.0	24.2	20.5	5.9	(6.2)
1H20	72.9	17.4	70.8	19.0	18.7	8.8	(3.4)	
% change	25%	68%	9%	27%	10%	(33%)	82%	



Retail Products

Increased through higher sales in line with improved seasonal conditions and market growth, as well as benefits from additional backward integration throughput and improved pricing techniques



Wholesale Products

Benefitted from a strong first half, with AIRR recognising an additional \$11.9 million in gross margin due to increased sales, with performance above expectations



Agency Services

Upside mostly in Livestock, primarily driven by high prices



Real Estate Services

Favourable predominantly due to increased Residential and Broadacre turnover



Financial Services

Improved on the previous corresponding period (pcp), mainly in our Insurance business due to strong earnings on our equity accounted investments, as well as interest income earned on our new livestock funding product



Feed and Processing Services

Lower than pcp mostly at Killara Feedlot, driven by pricing pressures on feeder cattle



Branch Incentive

In line with EBIT upside across the business



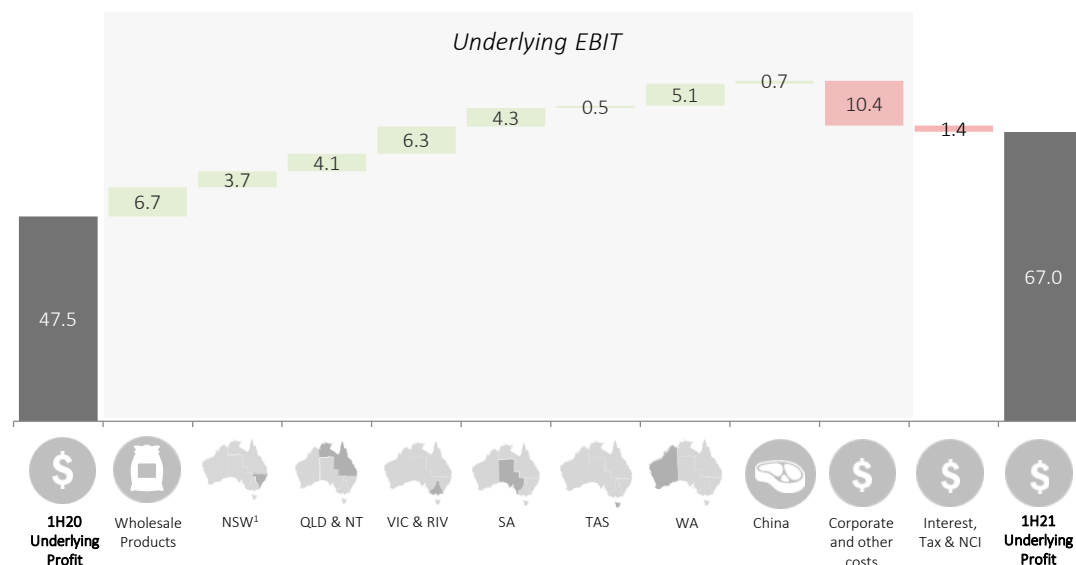
Costs

Up on last year due to acquisitions, higher insurance costs, investment in strategic areas and Systems Modernisation expenses

1H21 Financial Performance: Geography

Improvement across all areas with increased investment in strategic initiatives

Change in underlying profit by geography (\$m)



Underlying profit by geography by year (\$m)

	1H21	15.3	13.4	7.8	29.0	16.3	3.5	24.7	(0.4)
1H20		8.6	9.7	3.7	22.7	12.0	3.0	19.6	(1.1)
% change		81%	36%	114%	28%	36%	17%	26%	64%

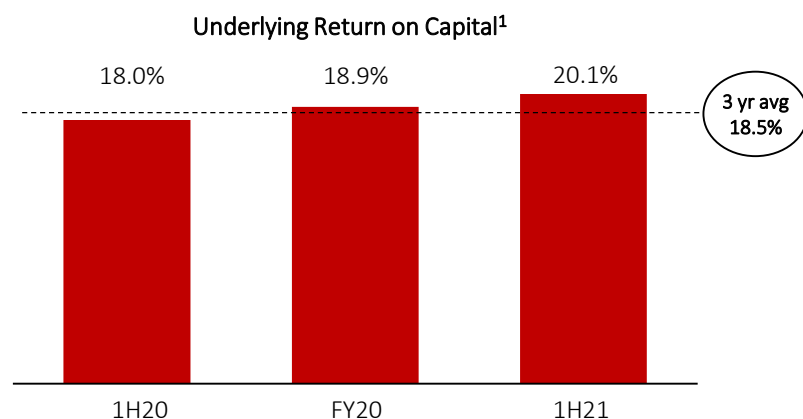
¹ New South Wales includes Killara Feedlot

	Wholesale Products	Benefitted from a strong first half, with AIRR contributing an additional \$6.7 million of EBIT due to increased sales, with performance above expectations
	New South Wales	Increase largely driven by strong Retail Products results, partially offset by feeder cattle price pressures at Killara Feedlot
	Queensland and Northern Territory	Uplift across most products, including acquisition growth
	Victoria and Riverina	Upside mainly resulting from increased Retail Products sales for AgChem and Fertiliser due to confidence in winter crop outlook
	South Australia	Profiting principally in Retail Products with both sales and margin increases, as well as additional earnings from the YP Ag acquisition
	Tasmania	Favourable results from increased Retail Products margins, partially offset by lower cattle and sheep volumes
	Western Australia	Up across most products, with higher Retail Products sales, improved broadacre and residential turnover and strong livestock prices and volumes
	Corporate and other costs	Increased due to higher insurance costs, investment in strategic areas and Systems Modernisation expenses

1H21 Financial Performance: Capital

Return on Capital (ROC) 3-year average at 18.5% is outperforming third Eight Point Plan target

ROC increased to 20.1% (up 1.2% on FY20)



Movements are attributable to:

- higher Rural Products earnings, providing ROC accretion despite associated capital needs
- increased Agency Services capital, resulting from higher turnover
- improved earnings in Real Estate Services on similar capital
- lower Feed and Processing Services ROC, contributed by margin pressures and higher inventory driven by strong cattle prices

We achieved a 3-year average ROC of 18.5%⁴, which is above our 15.0% target for the completion of the third Eight Point Plan period.

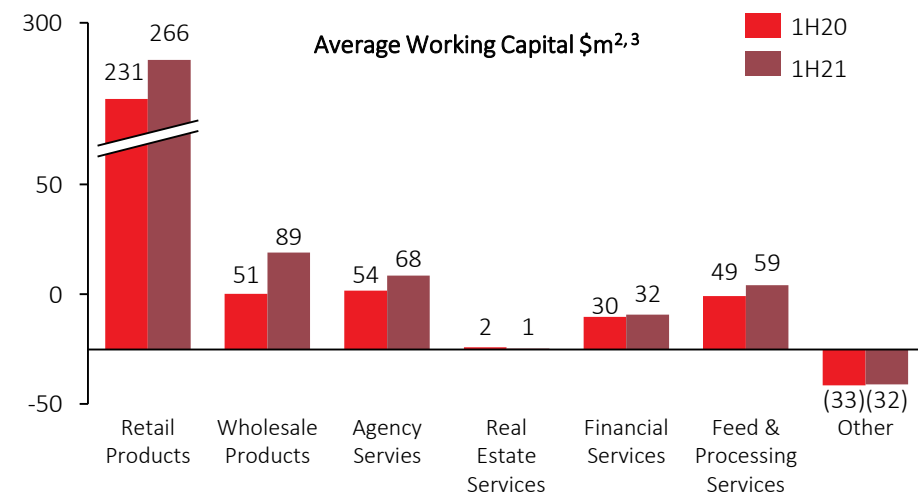
¹ Return on capital = Rolling 12 months Underlying EBIT / (working capital + investments + property, plant and equipment + right of use assets + intangibles (excluding Elders brand name) – DTL on acquisitions – lease liabilities – provisions)

² Excludes Elders brand name only

³ Average is calculated on a monthly basis on year to date balances

⁴ 3-year average ROC is calculated on the 12 months to 31 March 2019, 31 March 2020 and 31 March 2021

Average Working Capital \$483.0m (up \$98.3m)



This largely relates to:

- increases in Retail Products predominantly due to debtors in line with higher sales activity
- Wholesale Products working capital up \$38.0 million on average, as the AIRR acquisition benefitted from strong seasonal conditions, which resulted in a higher debtor balance
- higher Livestock turnover increasing Agency Services average working capital over the half (up \$10.6 million)
- unfavourable Feed and Processing Services movement mostly relating to higher cattle inventory

1H21 Financial Performance: Operating Cash Flow

Cash conversion at 35.7% on underlying profit after tax

\$million	1H21	1H20	Change
Operating cash flow	23.9	27.4	(3.5)
Investing cash flow	(25.3)	(106.4)	81.1
Financing cash flow	(19.8)	134.4	(154.2)
Total cash flow	(21.2)	55.4	(76.6)

Operating cashflow of \$23.9 million

- EBITDA of \$94.3 million (including impact of AASB 16 leases), offset by:
- Net provisions/accruals outflow of \$5.1 million, including payment of FY20 incentives
- Movements in assets and liabilities of \$62.2 million



Retail Products growth of \$25.3 million due to higher debtors, which is typical for this time of the year, as well as increased inventory to support Q3 sales, which is more than offset by favourable creditors



Wholesale Products up \$30.5 million resulting from higher debtors pertaining to sales



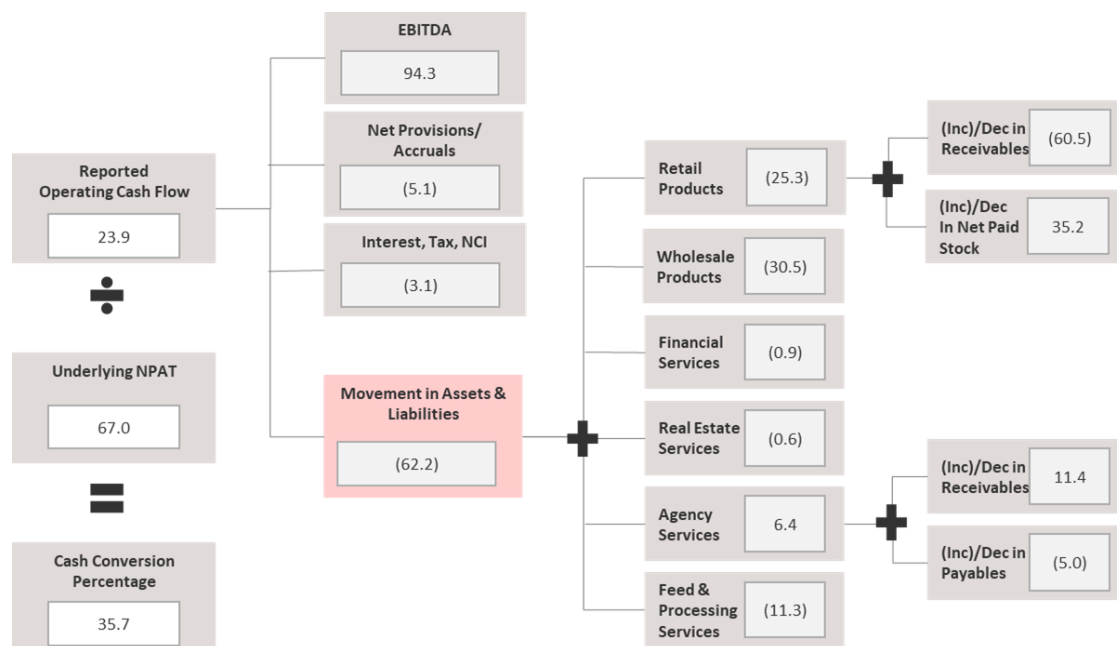
Despite higher Livestock turnover increasing Agency Services' average working capital throughout the first half, the decrease of \$6.4 million is attributable to receipts received from large clients during March



Unfavourable Feed and Processing Services movement mostly relating to higher cattle inventory

Operating cash flow is slightly down \$3.5 million on the pcp, driven largely by increased Rural Products working capital.

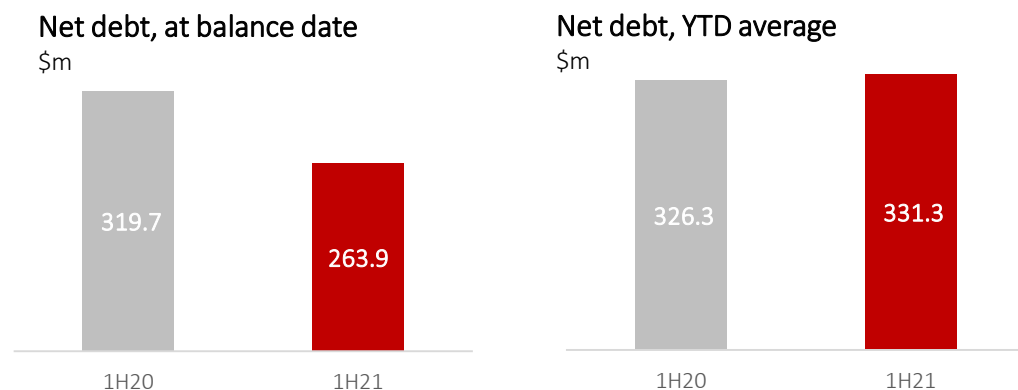
Movements in investing and financing cash flows relate to the purchase and funding of the AIRR acquisition in 1H20.



1H21 Financial Performance: Net Debt

Decreased leases debt and less investing cash flow driving lower net debt at balance date

Net Debt



- Net debt at balance date is down \$55.8 million to \$263.9 million. This is mainly due to less debt relating to AASB 16 Leases, as well as lower investing cash flows, with the pcip including the acquisition of AIRR
- Conversely, average net debt is up \$5.0 million to \$331.3 million, relating to increases in the trade receivables facility in line with higher Retail Products debtors, offset by lower lease liabilities
- Excluding the impact of AASB 16 Leases all net debt ratios have improved on the pcip

Financial Covenants¹

Undrawn facilities at balance date were \$236 million with significant headroom in our banking covenants:

- leverage is 0.2 (covenant < 3.5 times)
- interest cover is 29.3 (covenant > 3.5 times)
- net worth is \$723.2 million (covenant > \$250 million)

Key Ratios – rolling 12 months ²	1H21	1H20	Change
Leverage (average net debt to EBITDA)	1.5	1.9	(0.4)
Interest Cover (EBITDA to net interest)	27.4	15.1	12.2
Gearing (average net debt to closing equity)	30.8%	31.2%	(0.6%)

¹ Calculated pursuant to definitions in group syndicated facilities

² Excluding impact of AASB 16 Leases

1H21 Financial Performance: Dividend Policy & Tax

Elders will pay an interim dividend of \$0.20 per share, 20% franked, for the first half of 2021

Interim Dividend

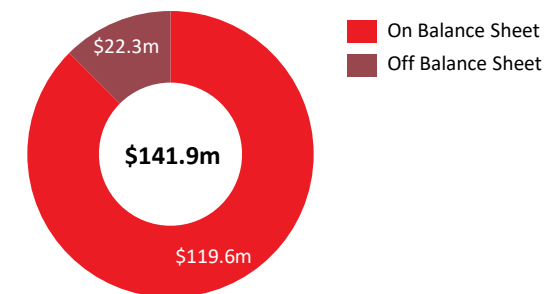
- Elders' Dividend Policy (Policy) was reinstated in FY17, providing for a payout ratio of up to 35% of underlying NPAT
- In light of the continued strong performance of the business, the policy has been revised (with effect from 1H21) to provide for a payout ratio of between 40%-60% of underlying NPAT
- The Company paid a final dividend of \$0.13 per share for the period ended 30 September 2020 following an interim dividend of \$0.09 per share, both 100% franked. The pay-out ratio for FY20 was 31.4% (pre-tax)
- Elders will pay an interim dividend of \$0.20 per share for the first half of FY21, 20% franked. This equates to a payout ratio of 45.8% of NPAT. The increase in the dividend from \$0.13 to \$0.20 more than offsets the post-tax impact of the reduction in franking percentage

Franking Credits

- Elders no longer has sufficient franking credits to pay fully franked dividends due to its significant carried forward tax losses. Elders forecasts that it will fully exhaust its carried forward tax losses around 2025 and then be in a position to pay fully franked dividends
- However, it is forecast that franking credits from non-wholly owned interests such as B&W Rural and Elders Insurance will likely support continuation of partial franking until Elders recommences payment of corporate tax across the group
- Current forecasts indicate that a partial franking rate of 20% is sustainable based on dividend trajectory and the current number of ordinary shares on issue

Tax Losses

- Elders has carried forward tax losses of \$141.9m (tax effected), \$119.6m on balance sheet and \$22.3m off balance sheet. It is anticipated that all losses will be on balance sheet by 30 September 2021 and losses will be fully utilised around 2025 based on consistent financial performance



Tax Contribution to the Australian Economy

- Whilst Elders only pays a small amount of corporate taxes due to a significant amount of carried forward tax losses, it has contributed to the Australian economy with the payment of Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST)
- Please refer to our 2020 Tax Transparency Report for more details

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 and 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

Third Eight Point Plan Progress

On track to deliver first year of the third Eight Point Plan (EPP)

 Win market share	<ul style="list-style-type: none"> Continued to grow our footprint through acquisition of Rural Products, Agency Services and Real Estate businesses and personnel, including six greenfield sites established in 1H21 Six bolt-on acquisitions completed in 1H21, to deliver \$2.5-\$3.5 million annual EBIT and a strong pipeline for further acquisitions Capitalising on current competitive environment through recruitment of high quality personnel and building new client relationships 	 Develop a sustainability program	<ul style="list-style-type: none"> Sustainability embedded in Executive management meeting agendas Modern Slavery Statement and Ethical Contracting Framework launched to support responsible sourcing Action plan to full alignment with TCFD Recommendations on track Carbon footprint analysis and investigation of opportunities for reducing GHG emissions underway in line with climate change initiatives Engagement with key stakeholders, including major customers, on sustainability credentials Over \$700,000 in sponsorships and donations
 Capture more gross margin in Rural Products	<ul style="list-style-type: none"> Margin increase gaining traction through backward integration via successful integration of AIRR and progressed maturity of the Titan AG business Improved pricing techniques and back office efficiencies AIRR synergies on track to deliver above expectations 	 Systems Modernisation Program	<ul style="list-style-type: none"> New CIO appointed during the year Systems Modernisation will be a five year program and is currently in project initiation phase, which will be approved by the Board in the second half For the current 8PP: <ul style="list-style-type: none"> - Year 2 we are anticipating 15% of spend - Year 3 we are anticipating 36% of spend Over the five year period, on average 30% of opex and 70% of capex is expected
 Strengthen and expand our service offerings	<ul style="list-style-type: none"> Enhanced Animal Health product lines and brands through Pastoral AG and Hunter River Continued growth of our Financial Services offerings through our Livestock in Transit delivery warranty and new livestock financing products Strengthened customer solutions offerings Creating customer and partner production value through Thomas Elder Institute (TEI), Thomas Elder Markets (TEM) and Thomas Elder Consulting (TEC) 	 People and Safety	<ul style="list-style-type: none"> New CFO appointed post balance date 2 lost time injuries (LTI), compared to 1 last year, with target of zero LTI frequency rate at 0.8 compared to 2.2 last year 57 days lost, compared to 95 Launch of Thomas Elder Academy, internal program to upskill our network and promoting our key business priorities
 Optimise our feed and processing businesses	<ul style="list-style-type: none"> Improvements across the business through developments in technology, innovation and expansion Maintaining a target of 100% occupancy to drive efficiency and throughput On track to achieve key environmental and sustainability targets 	 Costs, capital and efficiency	<ul style="list-style-type: none"> Investment in strategic priorities, while improving cost to earn ratio 20.1% Return on Capital (ROC) improvement of 1.2%, mainly due to margin growth exceeding impact of capital growth 1.5x Leverage Ratio at the lower end of our targeted range of 1.5x-2.0x

Sustainability

We are committed to developing a sustainability program that is authentic and industry leading

OUR PRINCIPLES



WE PROVIDE OUR CUSTOMERS AND CLIENTS WITH THE GOODS AND SERVICES THEY NEED



WE DO OUR PART TO LOOK AFTER THE ENVIRONMENT AND THE ANIMALS IN OUR CARE



WE OPERATE ETHICALLY AND TO THE HIGHEST STANDARD



WE SUPPORT OUR PEOPLE, THE INDUSTRIES AND COMMUNITIES IN WHICH WE OPERATE

OUR PARTNERS



PEOPLE



CUSTOMERS



COMMUNITIES



SUPPLIERS



SHAREHOLDERS

OUR ACTIONS

CHAMPIONING THE WORK

Championing the work our people do, engaging with them on business improvement and continuing to invest in their professional development and safety

FACILITATING ACCESS

Facilitating access to new and existing markets and adoption of new products, services, methods and technology

PROVIDING MEANINGFUL SUPPORT

Providing meaningful support to our communities through partnerships, donations and engagement with local people and businesses

WORKING WITH SUPPLIERS







Working with suppliers that share our values and provide quality goods and services to our people and customers

ENGAGING WITH OUR SHAREHOLDERS

Engaging with our shareholders to ensure we are meeting their expectations and recognised for what we do well

1H21 Market Outlook

Following ongoing favourable rainfall events, a positive outlook for winter crop is forecast. COVID-19 remains a disruptor to global and domestic markets, however the business and broader industry continues to be adaptable

Rural Products 	<ul style="list-style-type: none"> Continued rainfall has lifted farmer confidence and we expect to see further strong demand for crop inputs in the second half of the year, particularly fertiliser and crop protection products Commodity price increases will put some pressure on margin, but it is expected this will be more than offset by enhanced pricing techniques and other point of sale efficiencies Despite global supply chain disruptions, significant financial and operational impacts are not expected due to mitigating measures in place, such as early procurement of inventory
Agency Services¹ 	<ul style="list-style-type: none"> Cattle prices expected to ease from record prices in line with global beef prices, however restocking may support prices remaining firm Sheep prices are forecast to fall in the medium term as the global supply of red meat increases, though increases in lamb slaughter and production are expected to keep our earnings stable Wool prices will remain volatile until containment or vaccination measures to control COVID-19 are in place allowing supply and demand fundamentals to return
Real Estate Services 	<ul style="list-style-type: none"> High levels of demand for farmland is expected to continue, fuelled by favourable commodity price outlook, low interest rates and good seasonal conditions¹ The residential property market supply is down by 25%², whilst demand is up 35%², which is resulting in significant price appreciation across Australia and strong demand for rental properties People are seeking lower density living and lifestyle options, which is driving demand and substantial price increases in regional areas²
Financial Services 	<ul style="list-style-type: none"> Continued benefits from livestock financing expected with growth of new <\$100,000 livestock funding product to complement the existing StockCo offer Significant room for continued growth in Livestock in Transit product with further opt-ins Continued growth in Insurance and Agri-Finance offerings through marketing and promotion with partners QBE and Rural Bank
Feed & Processing¹ 	<ul style="list-style-type: none"> A challenging remainder of the year for Killara Feedlot will continue to see difficulty sourcing animals at reasonable prices and volumes to service major export markets; this however should be partially offset by easing feed costs
Costs & Capital 	<ul style="list-style-type: none"> Costs are expected to increase in line with footprint growth, continued investment in our Eight Point Plan and the first phases of our Systems Modernisation program

Sources:

¹ Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), Agricultural outlook, Agricultural commodities vol.10 no.4

² CoreLogic Residential Real Estate Property Data March 2021

Appendix

FY20 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					
						
Farm Supplies	Farm Supplies	Livestock	Farmland	Agri Finance	Killara Feedlot	Fee for Service (170+ agronomists)
Fertiliser	Pet Supplies	Wool	Residential	StockCo (30%)	Elders Fine Foods	Auctions Plus (50%)
		Grain	Property Management	Elders Insurance (20%)		Elders Weather
			Franchise	LIT & WIT Delivery Warranty		Clear Grain Exchange (30%)
\$1.4b retail sales	\$0.2b wholesale sales	9.6m head sheep	\$1.3b farmland sales	\$3.0b loan book ¹	Killara 65k head	865k head sheep
219 stores	370 member stores	1.8m head cattle	\$0.9b residential sales	\$1.7b deposit book ¹	China \$14.4m sales	Auctions Plus 113k head cattle
419 APVMA registrations		145k wool bales	111 franchises	\$76.2m StockCo book ¹		Elders Weather 1.2m active users
809k tonnes fertiliser			9,371 properties under management	\$727.6m gross written premium ²		Clear Grain Exchange 51k grain tonnes
FY20 gross margin contribution						
40%	10% ⁴	29%	9%	8%	3%	n/a ²

*Based on FY20 full year statistics





¹Principal positions are held by Rural Bank, StockCo and Elders Insurance (QBE subsidiary) respectively

²Existing agronomic activity presented within Retail margin, Elders Weather in Other margin, and Auctions Plus and Clear Grain Exchange in Agency margin

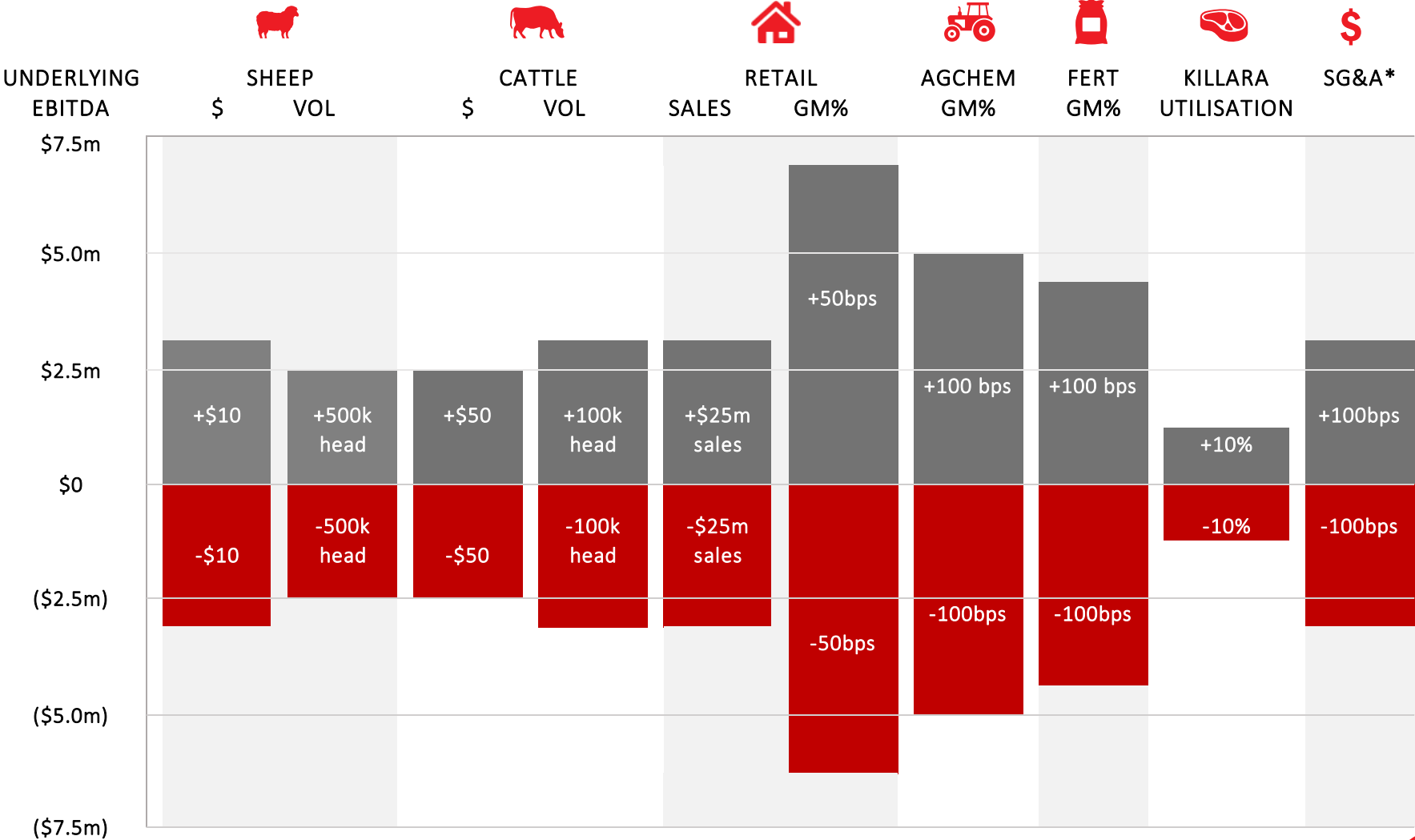
³AIIR acquisition settled 13 November 2019 with over 10 months earnings in FY20

1H21 Results by Business Segmentation

Retail and Wholesale Products plus Agency Services have the largest influence on Elders margin

	RURAL PRODUCTS		AGENCY SERVICES	REAL ESTATE SERVICES	FINANCIAL SERVICES	FEED & PROCESSING SERVICES	OTHER	1H21 Margin (\$m)
	RETAIL PRODUCTS	WHOLESALE PRODUCTS						
			 	 	 	 	 	
NSW	Farm Supplies and Fertiliser	Farm and Pet Supplies	Livestock, Wool and Grain	Farmland, Residential, Property Management and Franchise	Agri Finance and Insurance	Killara Feedlot		37.7
QLD & NT								31.2
VIC & RIV								58.2
SA								37.1
TAS								8.1
WA								45.8
CHINA						China		0.4
OTHER								(6.2)
1H21 Margin (\$m)	90.9	29.3	77.0	24.2	20.5	5.9	(6.2)	241.6
Avg. Working Capital (\$m)	265.8	89.1	67.9	1.3	32.4	58.5	(32.0)	

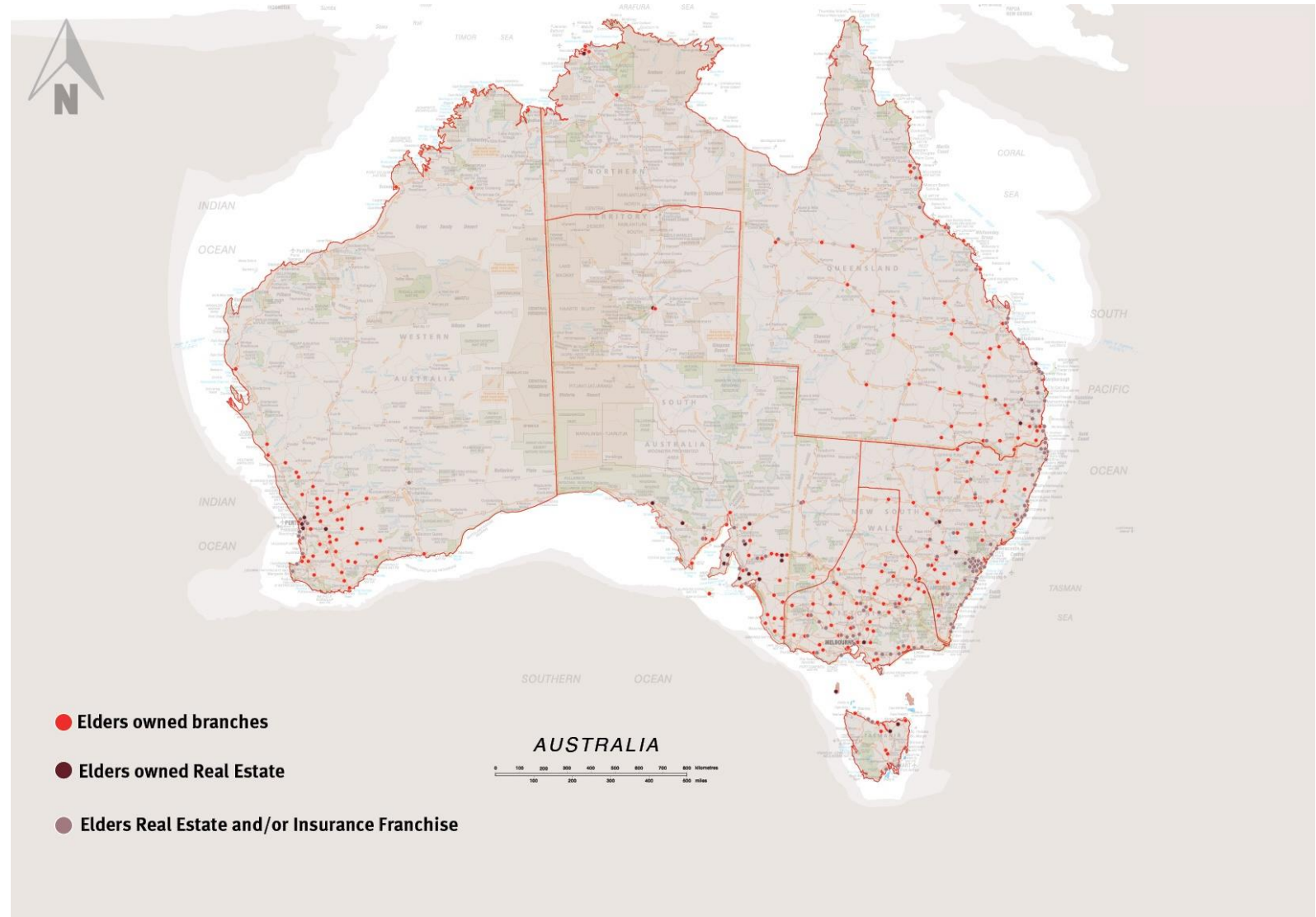
Profit Sensitivity



Based on FY20 Full year statistics
*SG&A excludes depreciation & amortisation

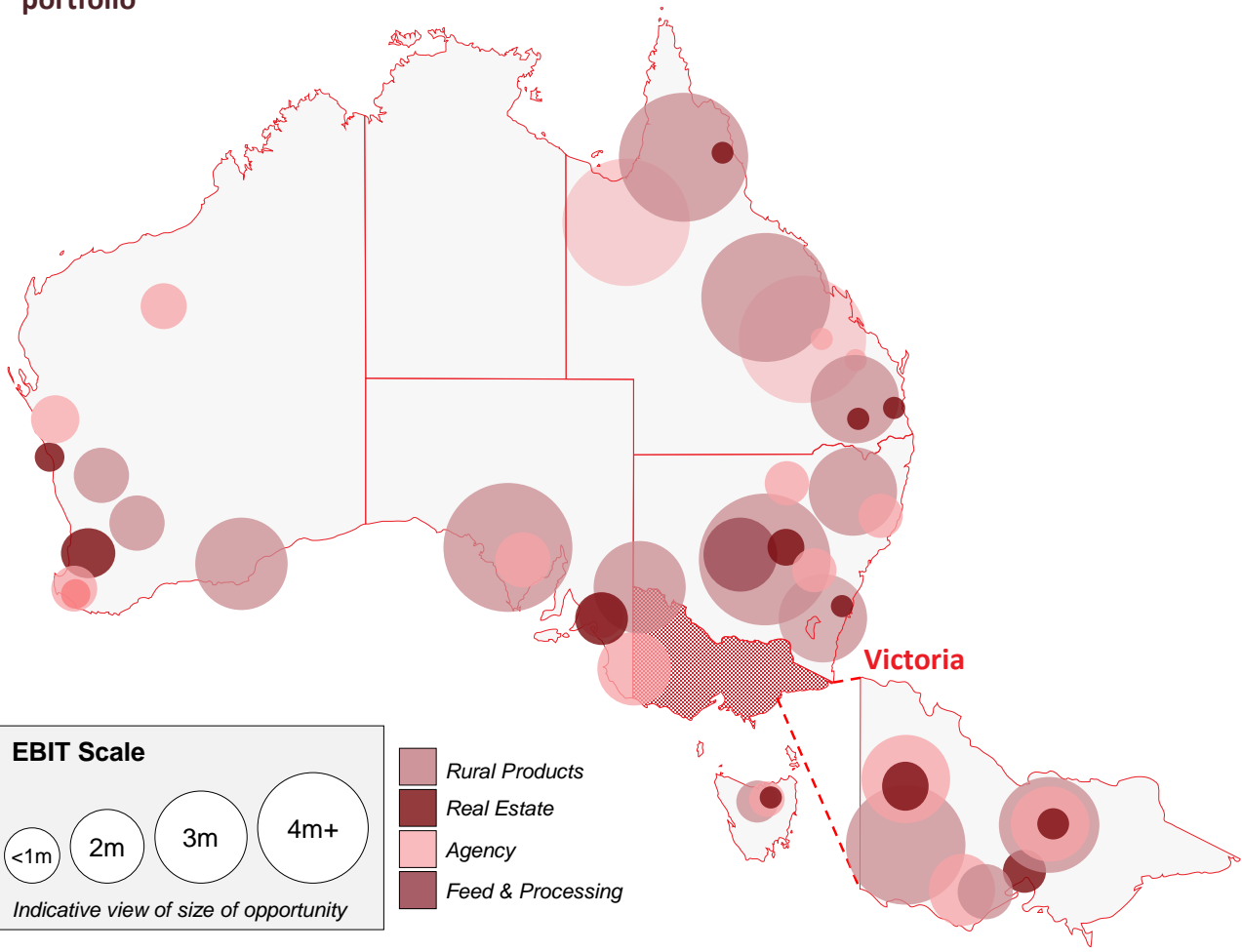
Points of Presence

We have approx. 500 points of presence in Australia, catering to the needs of a variety of agricultural regions. We also supply a further 350+ sites with product through our wholesale members



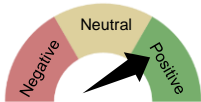

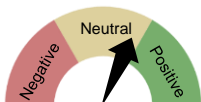



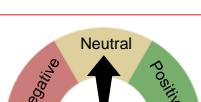

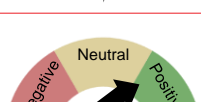

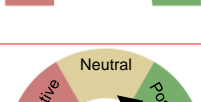

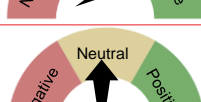

Strategic Opportunities

Significant growth opportunities to gain share by capturing new customers and expanding offering to existing customers, in new geographies, with our multiple product and service portfolio



	Retail Products	Focus on increasing market share and presence in high value areas, including Western Victoria, South Coast WA, Northern Queensland and Central NSW
	Agency Services	Growth in targeted locations through footprint expansion and personnel gains
	Real Estate Services	Expansion of owned sites and franchise locations, particularly in Greater Perth and regional Victoria
	Financial Services	Develop Livestock funding and insurance products, alongside our general insurance partnership in all regions
	Feed & Processing Services	Opportunities to expand offerings in central NSW region

Industry and Market Outlook (Long Term)

Market	Summary of Outlook	Long Term Market Outlook	Relevance to Elders
AGRICULTURAL PRODUCTION & EXPORTS	<ul style="list-style-type: none"> The gross value of Australia's agricultural production is estimated to hit a record \$66 billion in 2020-21 primarily due to winter crop 2021-22 is forecast to fall to \$63.3 billion, with the medium term outlook to 25/26 for production to remain above \$60 billion Farm exports are expected to increase in 21/22, driven by higher cotton, wool and dairy exports 		 High
CATTLE	<ul style="list-style-type: none"> Prices are expected to stabilise in the first half of 2021 before trending down through 2021-22 due to slower restocking activity, with prices forecast to continue falling through to 25/26 but well above long term average Live export and chilled beef volumes are forecast to marginally rise in 2021-22, from a low base, as Australian cattle becomes marginally more competitive in the world market 		 High
SHEEP & WOOL	<ul style="list-style-type: none"> Prices forecast to remain high and steady during 2021-22 due to ongoing supply shortages and strong global demand National flock rebuilding through to 2025, with resulting positive impact on supply and downward pressure on prices in the medium term In the short to medium term, wool price growth is expected to be dampened by the over supply of wool due to low auction offerings relative to volumes in 2019-20 		 High
DAIRY	<ul style="list-style-type: none"> Farmgate milk prices to increase as global supply growth remains less than global demand growth Increased dairy herd size will improve prices paid by domestic milk processors Stability in world process is forecast for the medium term 		 Low
GRAINS & OILSEEDS	<ul style="list-style-type: none"> Australian barley prices are expected to rise in 21/22 due to falling domestic production and stable export demand. Medium term prices are projected to increase further over the outlook period (2025-26) Oilseed prices are forecast to increase due to global demand increases (especially feed demand) greater than supply growth Australian production of canola is forecast to be lower in 2021-22 when compared to 2020-21, but above the long term average due to improved seasonal conditions and an increase in area planted 		 High
SUGAR & COTTON	<ul style="list-style-type: none"> Cotton production and prices are both forecast to increase as water availability increases planted area and yield and global demand returns to pre COVID-19 levels by 2022 Sugar production and process are both forecast to increase due to rainfalls improving yields and a global sugar shortage 		 Medium
HORTICULTURE	<ul style="list-style-type: none"> Gross value of Australian horticulture is projected to increase to \$12.8m in 2024-25 (2018-19: \$11m), largely driven by increased fruit and nut production due to rising demand in China Domestic prices are forecast to increase as production levels recover 		 Medium

