17 May 2021

Correction to Appendix 4D for the Period Ended 31 March 2021

Elders Limited (**ASX:ELD**) advises the Appendix 4D released earlier this morning contained an error.

The 2021 interim dividend franked amount per security is 4 cents (i.e. a franking rate of 20%).

Attached is the revised Appendix 4D and Financial Statements correcting the error.

Further Information:
Mark Allison, Managing Director & Chief Executive Officer, 0439 030 905

Authorised by:
Peter Hastings, Company Secretary

Elders Limited

ABN 34 004 336 636

HALF YEAR REPORT
APPENDIX 4D

31 MARCH 2021

ELDERS LIMITED
APPENDIX 4D (RULE 4.2)
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF YEAR ENDED 31 MARCH 2021

Attached is the report for the half year ended 31 March 2021. The consolidated profit after tax attributable to parent entity shareholders was $68.2 million (2020: $52.0 million).

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 March 2021 half year financial statements.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 September 2020 and considered together with public announcements made by Elders Limited during the half year ended 31 March 2021 in accordance with the continuous disclosure obligations of the ASX listing rules.

				6 months March 2021
	Result			$000
Revenue	up	22%	to	1,100,502
Profit after tax for the half year attributable to members	up	31%	to	68,191

Dividends

	Amount per security	Franked amount per security
Interim dividend	20 cents	4 cents
Previous corresponding period	9 cents	9 cents

Net tangible assets	**March 2021**	March 2020
	$	$
Net tangible asset[1] backing per ordinary security (156,353,652 ordinary shares)	**1.92**	1.46

1 Assets for the purpose of net tangible assets includes right-of-use assets associated with leases recognised in accordance with AASB 16

ELDERS LIMITED
DIRECTORS’ REPORT

The Board of Directors of Elders Limited submits its report in respect of the half year ended 31 March 2021.

DIRECTORS’ REPORT

The Directors of Elders in office during the half year and at the date of this report are:

I Wilton (Chair)
R Clubb
D Eilert
M C Allison
M Quinn
R Murphy (appointed 28 January 2021)

OPERATING AND FINANCIAL REVIEW[1]

Elders is focused on creating value for all its stakeholders in Australia and internationally. We achieve this through approximately 2,200 employees across Australia and in China.

In Australia, Elders works closely with primary producers to provide products, marketing options and specialist technical advice across rural, wholesale, agency and financial product and service categories. Elders is also a leading Australian rural and residential property agency and management network. This network includes both company owned and franchise offices operating throughout Australia in both major population centres and regional areas. Our feed and processing business operates a top-tier beef cattle feedlot in New South Wales and a small premium meat distribution model in China.

At the date of this report, COVID-19 remains a global pandemic as declared by the World Health Organisation. Elders has considered the impact of COVID-19 when preparing the consolidated financial statements and related note disclosures and continues to monitor the effect of the COVID-19 outbreak on our employees, demand for Elders’ products and services, customers and supply chains. In 1H21 and to date, Elders has experienced minimal impact on its people, operational and financial performance as a result of COVID-19. Elders did not access any government support such as JobKeeper during the half year ended 31 March 2021.

1 Operating and Financial Review is presented in Australian dollars and is rounded in millions, unless otherwise stated. Rounding differences may be present to the Financial Report due to individual amounts rounded to the nearest thousand dollars.

ELDERS LIMITED
DIRECTORS' REPORT

Profit and Loss

Profit: Reported and Underlying

$million	1H21	1H20	Change	Change %
Sales	**1,100.5**	**900.2**	**200.3**	**22%**
Branch Network	92.4	64.7	27.7	43%
Wholesale Products	15.3	8.6	6.7	78%
Feed and Processing Services	1.9	5.0	(3.1)	(62%)
Corporate Services and Other Costs	(35.8)	(25.4)	(10.4)	41%
Underlying EBIT	**73.8**	**52.8**	**21.0**	**40%**
Finance Costs	(4.5)	(4.5)	-	-
Underlying profit before tax	**69.3**	**48.3**	**21.0**	**43%**
Tax	(0.7)	0.1	(0.8)	(800%)
Non-Controlling Interests	(1.5)	(0.9)	(0.6)	67%
Underlying profit to shareholders	**67.0**	**47.6**	**19.4**	**41%**
Items excluded from underlying profit	**1.2**	**4.4**	**(3.2)**	**(73%)**
Reported profit after tax to shareholders	**68.2**	**52.0**	**16.2**	**31%**
Underlying EBITDA	94.3	73.6	20.7	28%
Underlying earnings per share (cents)	42.9	31.2	11.7	38%

The statutory result included several items that are unrelated to operating financial results. Measurement and analysis of financial results excluding these items is considered to give a meaningful representation of like-for-like performance from ongoing operations ("underlying profit"). Underlying profit is a non-IFRS measure and is not audited or reviewed.

Items excluded from underlying profit are:

$million	1H21	Commentary
Tax asset adjustments	1.2	Recognition of tax losses
	1.2	

Key movements in profit by product:

- 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
- 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 margin has 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 is lower than pcp mostly at Killara Feedlot, driven by pricing pressures on feeder cattle
- Branch Incentive increase 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

Chart 1 – Change in product margin ($million)

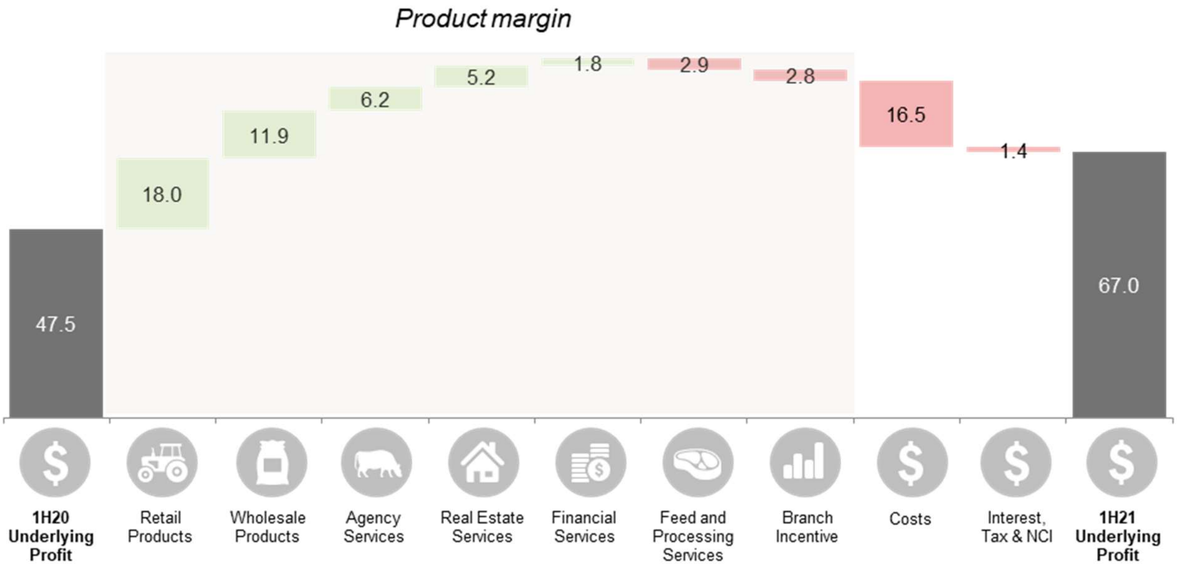
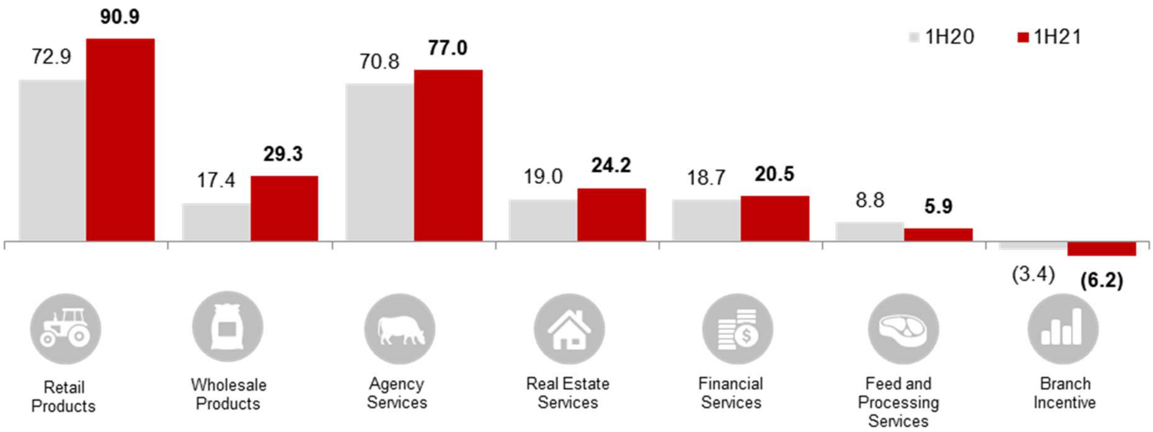


Chart 2 – Product margin by year ($million)



Key movements in profit by geography are:

- 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 EBIT 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 result due to increased Retail Products margins, partially offset by lower cattle and sheep volumes
- Western Australia is 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

Chart 3 – Change in underlying profit by geography ($million)

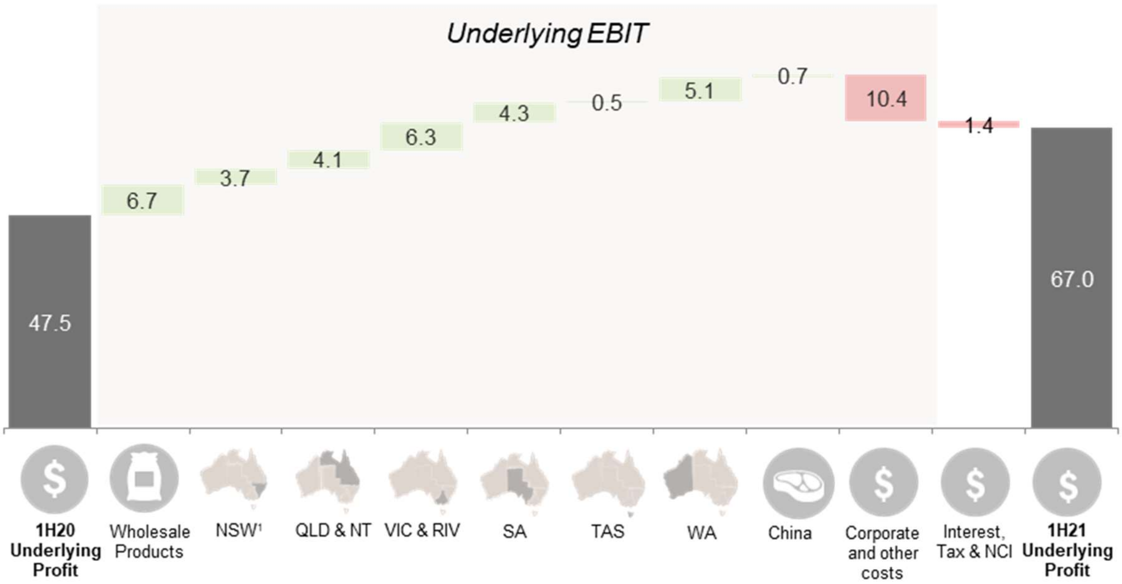
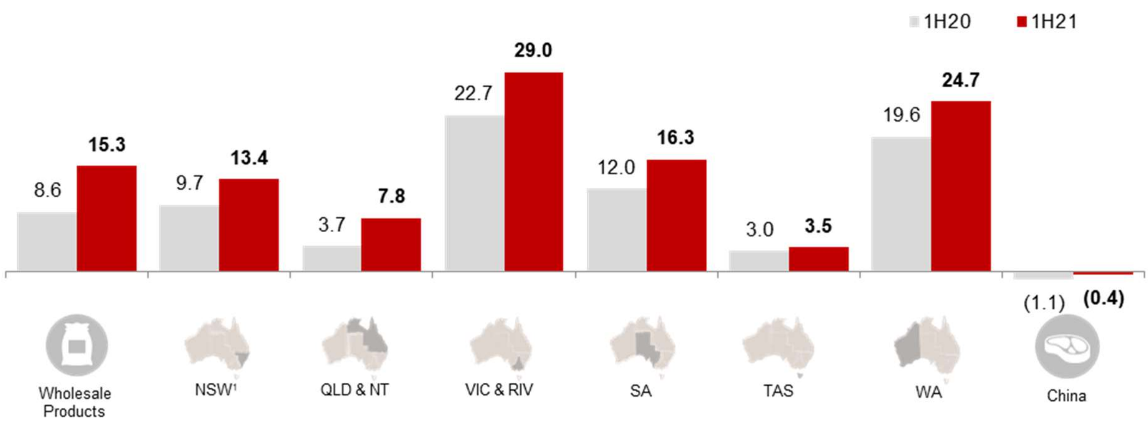


Chart 4 – Underlying profit by geography by year ($million)



1 New South Wales includes Killara Feedlot

Balance Sheet

$million	1H21	1H20	Change	Change %
Inventory	345.5	260.0	85.5	33%
Livestock	52.8	38.3	14.5	38%
Trade and other receivables	693.9	674.2	19.7	3%
Trade and other payables	(649.4)	(580.0)	(69.4)	12%
Working capital	**442.8**	**392.5**	**50.3**	**13%**
Property, plant and equipment	33.3	31.3	2.0	6%
Right of use asset	89.9	118.5	(28.6)	(24%)
Investments, including assets held for sale	60.5	54.6	5.9	11%
Intangibles	315.7	297.0	18.7	6%
Provisions	(59.9)	(48.2)	(11.7)	24%
Capital (net operating assets)	**882.3**	**845.7**	**36.6**	**4%**
Borrowings: working capital and other facilities	(199.3)	(263.4)	64.1	(24%)
Lease liabilities	(94.2)	(119.0)	24.8	(21%)
Cash and cash equivalents	29.6	62.7	(33.1)	(53%)
Net debt	**(263.9)**	**(319.7)**	**55.8**	**(17%)**
Tax assets	**104.5**	**89.1**	**15.4**	**17%**
Shareholders' equity	**723.0**	**614.9**	**108.1**	**18%**
Underlying return on capital (1)	20.1%	18.0%	2.1%	N/A
R12 average capital (excluding brand name)	709.9	510.7	199.2	39%

Working capital

$million	1H21	1H20	Change	Change
Wholesale Products	95.5	74.0	21.5	29%
Retail Products	267.2	234.7	32.5	14%
Agency Services	23.4	38.2	(14.8)	(39%)
Real Estate Services	0.8	1.0	(0.2)	(20%)
Financial Services	28.4	23.1	5.3	23%
Feed and Processing Services	62.7	52.8	9.9	19%
Other	(35.2)	(31.3)	(3.9)	12%
Working capital (balance date)	442.8	392.5	50.3	13%
Working capital (YTD average)	483.0	384.7	98.3	26%

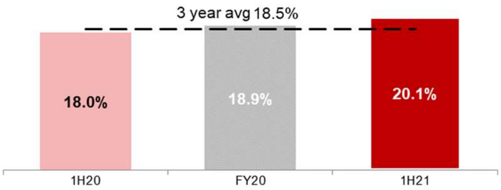
Working capital as at March 2021 is $442.8 million, $50.3 million higher than the pcp. Average working capital increased by $98.3 million to $483.0 million for the half. This largely relates to:

- increases in Retail Products working capital at balance date and average ($32.5 million and $35.0 million respectively), predominantly due to debtors, which is typical for this time of year, as well as increased inventory to support Q3 sales, which is more than offset by favourable creditors
- Wholesale Products working capital up $21.5 million (at balance date) and $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), however Livestock at balance date is lower than the pcp (down $18.2 million) attributable to receipts received from large clients during March
- unfavourable Feed and Processing Services movement mostly relating to higher cattle inventory

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)

Return on capital

Chart 5 – Underlying return on capital



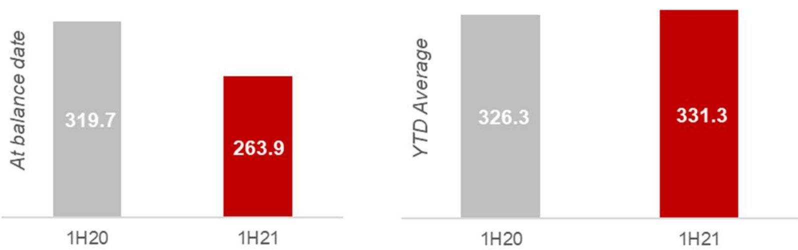
Elders' underlying ROC was 20.1% at March 2021, up 1.2% from September 2020. Movements are attributable to:

- 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%[1], which is above our 15.0% target for the completion of the third Eight Point Plan period.

Net debt

Chart 6 – Net debt



Key ratios - rolling 12 months (2)	**1H21**	**1H20**	**Change**	**Change**
Leverage (average net debt to EBITDA)	1.5	1.9	(0.4)	(21%)
Interest cover (EBITDA to net interest)	27.4	15.1	12.2	81%
Gearing (average net debt to closing equity)	30.8%	31.2%	(0.5%)	N/A

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 pcp 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 pcp.

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

- leverage is 0.2 times (covenant < 2.5 times)
- interest cover is 29.3 times (covenant > 3.5 times)
- net worth is $723.2 million (covenant > $250 million)

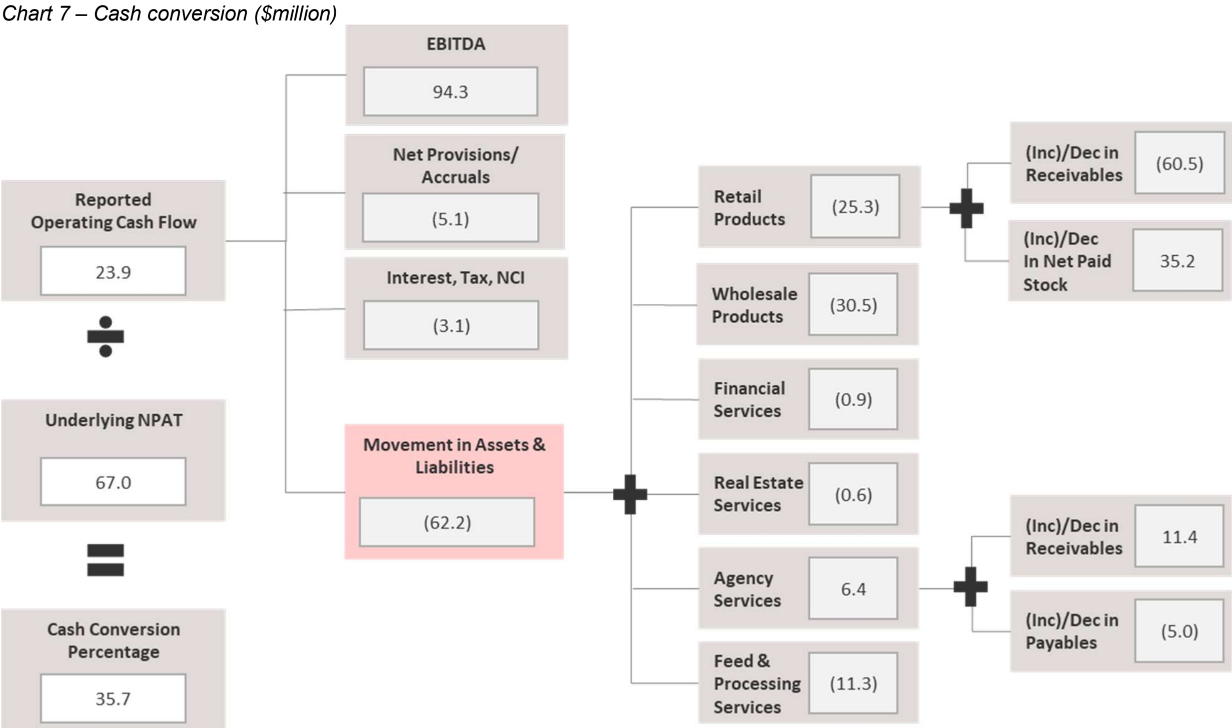
1 3-year average ROC is calculated on the 12 months to 31 March 2019, 31 March 2020 and 31 March 2021

2 Excludes the impact of AASB 16 Leases

Cash Flow

$million	1H21	1H20	Change	Change
Operating cash flow	23.9	27.4	(3.5)	(13%)
Investing cash flow	(25.3)	(106.4)	81.1	(76%)
Financing cash flow	(19.8)	134.4	(154.2)	(115%)
Total cash flow	(21.2)	55.4	(76.6)	(138%)

Chart 7 – Cash conversion ($million)



Operating cashflow of $23.9 million is comprised of EBITDA of $94.3 million 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, 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

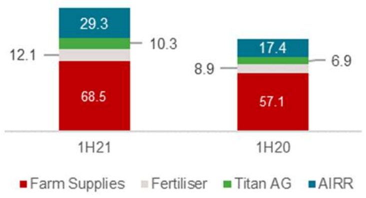
Operating cash flow is slightly down $3.5 million on the pcp, driven largely by increased Rural Products working capital.

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

REVIEW OF OPERATIONS

Rural Products (incl. Wholesale)

Gross Margin ($m)



Rural Products margin increased $29.9 million (33%) on the pcp. Retail has contributed $18.0 million from increased sales activity and higher margins through backward integration throughput and improved pricing techniques. AIRR also had strong performance in the first half, contributing $11.9 million of upside to date.

Continued market share gains and favourable conditions contributed strong summer cropping results early in the year, while second quarter rainfall replenished soil moisture, boosting winter crop confidence and increased demand particularly for chemical and Titan AG products.

Agency Services

Gross Margin ($m) [1]

Agency margin was up $6.2 million (9%) on the pcp, which is mostly attributable to Livestock (up $4.9 million). This relates mostly to strong prices in both cattle and sheep, driven by competition and limited domestic supply. Volumes are back on the pcp in line with favourable conditions for restocking.

Wool margin is up $1.2 million on the pcp mainly due to increased bales sold. This is contributed by recoveries in wool prices, due to stronger demand, incentivising growers to trade. Wool production also continues to improve fleece weights with favourable conditions across wool-growing regions, offsetting the reduced number of sheep shorn nationally.

Real Estate Services

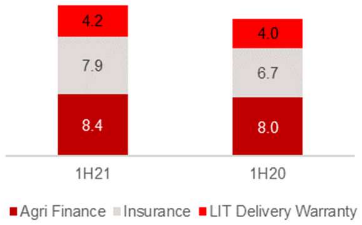
Gross Margin ($m)

Real Estate margin increased $5.2 million (27%) on the pcp, with sales turnover up across most service offerings.

Margin from residential and farmland property has contributed most of the uplift (up 70% and 13% respectively) and is favourable across most geographies. Property management has also outperformed the pcp, offset by lower water broking activities.

Financial Services

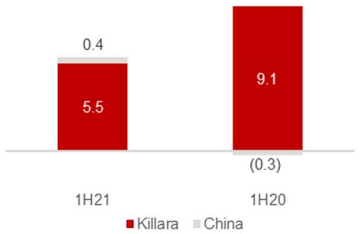
Gross Margin ($m) [1]



Financial Services margin is up $1.8 million (10%) on the pcp. Insurance benefitted from increased gross written premiums and favourable equity earnings from Elders Insurance. Growth in our Livestock in Transit (LIT) delivery warranty product and new livestock funding product has also contributed to the overall uplift, partially offset by our Agri Finance business.

Feed and Processing Services

Gross Margin ($m)



Killara feedlot is back by $3.6 million (40%) on the pcp, mainly due to losses on sale of principally-traded cattle, with feeder cattle price pressure on margin.

Post-major COVID 19 disruptions, we are seeing recoveries in our China business, with margin up $0.7 million (254%) on the pcp. This is driven largely by increased sales.

1 includes equity earnings from investments

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

- 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 Services[1]

- 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

- High levels of demand for farmland is expected to continue, fuelled by favourable commodity price outlook, low interest rates and good seasonal conditions[1]
- 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 areas[1]

Financial Services

- 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 and Processing Services[1]

- 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 and Capital

- 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

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

ROUNDING OF AMOUNTS

The financial report is presented in Australian dollars and under the ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

AUDITOR INDEPENDENCE

The Auditors' review of the financial report is in accordance with the declaration on page 24 – "Auditor Independence Declaration to the Directors of Elders Limited."

This report has been made in accordance with a resolution of Directors.

I Wilton
Chair

M C Allison
Managing Director

Adelaide
17 May 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 MARCH 2021

	Note	6 months March 2021 $000	6 months March 2020 $000
Sales revenue	4	**1,100,502**	900,210
Cost of sales		**(864,281)**	(699,028)
Gross profit		**236,221**	201,182
Equity accounted profits		**5,375**	3,041
Distribution expenses		**(131,724)**	(125,695)
Administrative expenses		**(36,082)**	(25,709)
Finance costs		**(4,535)**	(4,482)
Other items of expense	4	**-**	(3,107)
Profit before income tax benefit		**69,255**	45,230
Income tax benefit	5	**453**	7,644
Profit after income tax benefit		**69,708**	52,874
Net profit for the period		**69,708**	52,874
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		**-**	152
Net gains on cash flow hedges		**123**	-
Other comprehensive profit for the period, net of tax		**123**	152
Total comprehensive income for the period		**69,831**	53,026
Profit for the period is attributable to:			
Non-controlling interest		**1,517**	915
Owners of the parent		**68,191**	51,959
		69,708	52,874
Total comprehensive income for the period is attributable to:			
Non-controlling interest		**1,517**	915
Owners of the parent		**68,314**	52,111
		69,831	53,026
Reported operations			
Basic earnings per share (cents per share)	11	**43.7 ¢**	34.1 ¢
Diluted earnings per share (cents per share)	11	**43.5 ¢**	33.7 ¢

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	March 2021 $000	September 2020 $000
Current assets			
Cash and cash equivalents		**29,568**	50,741
Trade and other receivables		**693,911**	601,834
Livestock		**52,805**	44,734
Inventory		**345,542**	255,930
Total current assets		**1,121,826**	953,239
Non current assets			
Other financial assets		**1,269**	1,269
Equity accounted investments		**59,217**	56,473
Property, plant and equipment		**33,262**	32,268
Right-of-use assets		**89,931**	100,802
Intangibles		**315,710**	306,247
Deferred tax assets		**105,447**	103,767
Total non current assets		**604,836**	600,826
Total assets		**1,726,662**	1,554,065
Current liabilities			
Trade and other payables		**641,345**	517,120
Interest bearing loans and borrowings	6	**174,310**	158,691
Lease liabilities		**32,306**	28,500
Current tax payable		**904**	1,034
Provisions		**56,862**	65,485
Total current liabilities		**905,727**	770,830
Non current liabilities			
Other payables		**8,017**	7,177
Interest bearing loans and borrowings	6	**25,000**	25,000
Lease liabilities		**61,914**	76,001
Provisions		**3,030**	2,731
Total non current liabilities		**97,961**	110,909
Total liabilities		**1,003,688**	881,739
Net assets		**722,974**	672,326
Equity			
Contributed equity		**1,646,709**	1,645,561
Reserves	7	**(29,321)**	(27,670)
Retained earnings		**(896,085)**	(946,890)
Total parent entity equity interest		**721,303**	671,001
Non-controlling interests		**1,671**	1,325
Total equity		**722,974**	672,326

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 MARCH 2021

	6 months March 2021 $000	6 months March 2020 $000
Cash flow from operating activities		
Receipts from customers (inclusive of GST)	**5,026,955**	4,227,292
Payments to suppliers and employees (inclusive of GST)	**(4,999,982)**	(4,199,576)
Dividends received	**2,631**	3,459
Interest and other costs of finance paid	**(4,215)**	(4,138)
Income taxes (paid)/received	**(1,467)**	408
Net operating cash flows	**23,922**	27,445
Cash flow from investing activities		
Payments for property, plant and equipment	**(2,621)**	(4,692)
Payments for intangibles	**(1,643)**	(1,326)
Payments for acquisitions through business combinations, net of cash acquired	**(21,448)**	(100,793)
Proceeds from sale of property, plant and equipment	**454**	417
Net investing cash flows	**(25,258)**	(106,394)
Cash flow from financing activities		
Proceeds of borrowings	**15,619**	163,192
Dividends paid	**(19,163)**	(11,988)
Partnership profit distributions/dividends paid	**(1,171)**	(1,021)
Repayments of lease liabilities	**(15,122)**	(15,815)
Net financing cash flows	**(19,837)**	134,368
Net (decrease)/increase in cash held	**(21,173)**	55,419
Cash at the beginning of the financial period	**50,741**	7,313
Cash at the end of the financial period	**29,568**	62,732

The accompanying notes form an integral part of this consolidated statement of cash flows.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 MARCH 2021

$000	Issued capital	Reserves	Retained earnings	Non-controlling interest	Total equity
As at 1 October 2020	**1,645,561**	**(27,670)**	**(946,890)**	**1,325**	**672,326**
Profit for the period	**-**	**-**	**68,191**	**1,517**	**69,708**
Other comprehensive income:					
Net gains on cash flow hedges	**-**	**123**	**-**	**-**	**123**
Total comprehensive income for the period	**-**	**123**	**68,191**	**1,517**	**69,831**
Transactions with owners in their capacity as owners:					
Dividends paid	**-**	**-**	**(19,163)**	**-**	**(19,163)**
Dividend reinvestment plan	**1,148**	**-**	**(1,148)**	**-**	**-**
Partnership profit distributions/dividends paid	**-**	**-**	**-**	**(1,171)**	**(1,171)**
Cost of share based payments	**-**	**1,151**	**-**	**-**	**1,151**
Transfer of employee equity benefits	**-**	**(2,925)**	**2,925**	**-**	**-**
As at 31 March 2021	**1,646,709**	**(29,321)**	**(896,085)**	**1,671**	**722,974**
As at 1 October 2019	1,562,377	(27,230)	(1,043,490)	1,226	492,883
Profit for the period	-	-	51,959	915	52,874
Other comprehensive income:					
Exchange differences on translation of foreign operations	-	152	-	-	152
Total comprehensive income for the period	-	152	51,959	915	53,026
Transactions with owners in their capacity as owners:					
Issued capital	80,388	-	-	-	80,388
Dividends paid	-	-	(11,988)	-	(11,988)
Dividend reinvestment plan	1,994	-	(1,994)	-	-
Partnership profit distributions/dividends paid	-	-	-	(1,021)	(1,021)
Cost of share based payments	-	1,610	-	-	1,610
Transfer of employee equity benefits	-	(766)	766	-	-
As at 31 March 2020	1,644,759	(26,234)	(1,004,747)	1,120	614,898

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2021

NOTE 1 CORPORATE INFORMATION

The consolidated financial report of Elders Limited for the half year ended 31 March 2021 was authorised for issue on 17 May 2021 in accordance with a resolution of the Directors. Elders Limited (the Parent) is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the company are described in the Directors' Report and note 10. References in this consolidated financial report to 'Elders' are to Elders Limited and each of its controlled entities unless the context requires otherwise.

NOTE 2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

(a) Basis of preparation

The half year consolidated financial statements for the six months ended 31 March 2021, have been prepared in accordance with AASB 134 Interim Financial Reporting.

The half year consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Elders' annual financial statements as at 30 September 2020.

(b) Changes to Elders accounting policies

The accounting policies adopted in preparation of the half year consolidated financial statements are consistent with those followed in the preparation of Elders' annual financial statements for the year ended 30 September 2020, except for the adoption of the hedge accounting principles which are summarised below.

From 1 October 2020, Elders adopted the hedge accounting principles contained within AASB 9 Financial Instruments. As a result, the way Elders accounts for the movements in fair values for derivative financial instruments, primarily cash flow hedges, has changed. For all effective cash flow hedges entered into from 1 October 2020, Elders now recognises the movements in fair value of the derivative financial instruments in equity and only recognises the cumulative difference in the statement of comprehensive income when the hedged item is recognised. Amounts accumulated in equity are included within the initial cost of the asset where the hedged item subsequently results in the recognition of a non-financial asset such as inventory. Any ineffective portion of a cashflow hedge is recognised immediately in the profit and loss. Hedge effectiveness is determined at the inception of the hedge relationship, and prospectively assessed to ensure economic relationships remain between the hedging instrument and hedged item.

Effective 1 October 2020, at inception of a hedge relationship Elders documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. Elders also documents its risk management objective and strategy for undertaking its hedge transactions.

Elders uses cash flow hedges to offset foreign currency exposures on purchases of AgChem products from international suppliers, denominated in US Dollars. The cash flow hedges are not speculative investments. As at 31 March 2021, Elders held designated cash flow hedges with a notional value of $62.6 million with a fair value liability of $1.5 million. The maturity dates for designated cash flow hedges ranges from April to December 2021.

Elders has not elected to early adopt any accounting standard, interpretation or amendment that has been issued, but is not yet effective.

NOTE 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Elders' consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the result of which forms the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgement, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial result or the financial position reported in future periods.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable the future taxable profit will be available to utilise those temporary differences. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

Accounting for rebates
Elders receives rebates associated with the purchase of retail goods from suppliers. These vary in nature and include price and volume rebates. Rebates received, in line with the relevant contractual arrangements, are recognised as a reduction to cost of sales when the sale of the particular product occurs. Inventory on hand is recognised net of rebates.

Elders pays rebates associated with the sales of wholesale goods to suppliers. These vary in nature and include price and volume rebates. Rebates paid, in line with the relevant contractual arrangements, are recognised as a reduction to sales revenue when the sale of the particular product occurs.

Impairment of non-financial assets other than brand names and goodwill
Elders assesses impairment of all assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include product performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. It is Elders' policy to conduct bi-annual internal reviews of asset values, which are used as sources of information to assess for indicators of impairment. Assets have been tested for impairment in accordance with the accounting policies, including the determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

Impairment of brand names and goodwill
Elders assesses impairment of assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include product performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. It is Elders' policy to conduct bi-annual internal reviews for indicators of impairment. If indicators exist, assets are tested for impairment through determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

Elders determines whether the brand names and goodwill are impaired or whether it is appropriate to reverse any previous impairments on an annual basis. This requires an estimation of the recoverable amount of the associated cash-generating units, using a value in use discounted cash flow methodology, to which the brand names or goodwill is allocated.

Impact of COVID-19
At the date of this report, COVID-19 remains a global pandemic as declared by the World Health Organisation. Elders has considered the impact of COVID-19 when preparing the consolidated financial statements and related note disclosures and continues to monitor the effect of the COVID-19 outbreak on our employees, demand for Elders' products and services, customers and supply chains. For the half year ended 31 March 2021 and to date, Elders has experienced minimal impact on its people, operational and financial performance as a result of COVID-19. Elders did not access any government support such as JobKeeper during the half year ended 31 March 2021.

NOTE 4 REVENUE AND EXPENSES

	6 Months March 2021 $000	6 Months March 2020 $000
Sales revenue		
Sale of goods and biological assets	**916,418**	731,861
Debtor interest associated with sales	**3,577**	3,773
Earnings on advances	**1,457**	2,339
Commission revenue	**179,050**	162,237
	1,100,502	900,210
Specific expenses: depreciation and amortisation		
Depreciation and amortisation	**(5,269)**	(4,045)
Depreciation of right-of-use assets	**(15,234)**	(16,390)
	(20,503)	(20,435)
Other items of expense		
Acquisition/divestment costs	**-**	(3,107)
	-	(3,107)

NOTE 5 INCOME TAX

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at Elders' effective income tax rate is as follows:

	6 months March 2021 $000	6 months March 2020 $000
Accounting profit before tax	**69,255**	45,230
Income tax expense at 30% (2020: 30%)	**(20,777)**	(13,569)
Adjustments in respect of current income tax of previous years	**360**	(246)
Share of equity accounted profits	**1,612**	912
Non-deductible other expenses	**(482)**	(1,237)
Recognition of previously unrecognised tax losses	**20,098**	22,358
Other	**(358)**	(574)
Income tax benefit as reported in the statement of comprehensive income	**453**	7,644

Tax losses

Elders has tax losses for which no deferred tax asset is recognised in the statement of financial position of $22.4 million (September 2020: $42.7 million) which are available indefinitely for offset against future taxable profits subject to continuing to meet relevant statutory tests.

NOTE 6 INTEREST BEARING LOANS AND BORROWINGS

	March 2021 $000	September 2020 $000
Current		
Trade receivables and other working capital funding	**169,980**	155,224
Unsecured loans	**4,330**	3,467
	174,310	158,691
Non current		
Secured loans	**25,000**	25,000
Total interest bearing loans and borrowings	**199,310**	183,691

NOTE 7 RESERVES

Reconciliation of carrying amounts at beginning and end of period:

	Business combination reserve $000	Employee equity benefits reserve $000	Foreign currency translation reserve $000	Hedge reserve $000	Total $000
As at 1 October 2020	**(27,495)**	**5,311**	**(5,486)**	**-**	**(27,670)**
Transfer to statement of comprehensive income	**-**	**-**	**-**	**123**	**123**
Cost of share based payments	**-**	**1,151**	**-**	**-**	**1,151**
Transfer to retained earnings	**-**	**(2,925)**	**-**	**-**	**(2,925)**
As at 31 March 2021	**(27,495)**	**3,537**	**(5,486)**	**123**	**(29,321)**
As at 1 October 2019	(27,495)	5,009	(4,744)	-	(27,230)
Exchange differences on translation of foreign operations	-	-	152	-	152
Cost of share based payments	-	1,610	-	-	1,610
Transfer to retained earnings	-	(766)	-	-	(766)
As at 31 March 2020	(27,495)	5,853	(4,592)	-	(26,234)

NOTE 8 DIVIDENDS

On 18 December 2020, Elders paid a fully franked dividend of 13 cents per share. These distributions totalled $20.3 million (2019: $14.0 million). The cash outflow was $19.2 million (2019: $12.0 million), with the difference reinvested by shareholders.

NOTE 9 CONTINGENT LIABILITIES

There are no additional contingent liabilities other than that disclosed in note 26 of the 30 September 2020 financial statements.

NOTE 10 SEGMENT INFORMATION

Identification of reportable segments

Elders has identified its operating segments to be Branch Network, Wholesale Products, Feed and Processing Services and Corporate Services and Other Costs. These operating segments are the basis on which internal reports are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining allocation of resources. Discrete financial information about each of these operating businesses is reported to the Chief Executive Officer on at least a monthly basis. Elders operates predominantly within Australia. All other geographical operations are not material to the financial statements.

Type of product and service

- Branch Network includes the provision of a range of products and services through a common distribution channel, including agricultural retail products, agency services, real estate services and financial services.
- Wholesale Products includes the AIRR business based in Shepparton, Victoria, supported by a network of eight warehouses to supply independent retail stores throughout Australia.
- Feed and Processing Services includes Killara feedlot, a beef cattle feedlot near Tamworth in New South Wales. In China, Elders imports, processes and distributes premium Australian meat.
- Corporate Services and Other Costs segment includes the general investment activities not associated with the other business segments and the administrative corporate office activities, including centrally held costs not allocated to the other segments.

Accounting policies and intersegment transactions

The accounting policies used by Elders in reporting segments internally are the same as those contained in note 2 to the financial statements. Segment results have been determined on a consolidated basis and represent the earnings before corporate financing costs and income tax expense. The majority of Elders revenue is recognised at a point in time and attributable to the sale of retail products, wholesale products, and provision of agency services and real estate services, with the exception being certain financial services revenue which is recognised over a period of time.

	Branch Network	Wholesale Products	Feed and Processing Services	Corporate Services and Other Costs	Total
6 months ended March 2021	**$000**	**$000**	**$000**	**$000**	**$000**
Sale of goods and biological assets	666,237	175,914	74,012	255	916,418
Debtor interest associated with sales	3,577	-	-	-	3,577
Interest receivable from related party advances	1,457	-	-	-	1,457
Commission revenue	179,050	-	-	-	179,050
Sales revenue	850,321	175,914	74,012	255	1,100,502
Equity accounted profits	5,375	-	-	-	5,375
Earnings before interest, tax, depreciation and amortisation	107,034	19,027	2,575	(34,343)	94,293
Depreciation and amortisation	(1,728)	(2,141)	(690)	(710)	(5,269)
Depreciation on right-of-use assets	(12,869)	(1,546)	(33)	(786)	(15,234)
Segment result	92,437	15,340	1,852	(35,839)	73,790
Interest expense					(3,016)
Unwinding of discount expense in regards to liabilities					(320)
Interest on lease liability					(1,199)
Finance costs					(4,535)
Profit before income tax benefit					69,255
As at 31 March 2021					
Segment assets	1,106,167	308,736	86,958	224,801	1,726,662
Segment liabilities	562,826	93,027	8,544	339,291	1,003,688
Net assets	543,341	215,709	78,414	(114,490)	722,974

NOTE 10 SEGMENT INFORMATION

	Branch Network	Wholesale Products	Feed and Processing Services	Corporate Services and Other Costs	Total
6 months ended March 2020	$000	$000	$000	$000	$000
Sale of goods and biological assets	560,265	96,554	74,745	297	731,861
Debtor interest associated with sales	3,773	-	-	-	3,773
Interest receivable from related party advances	2,339	-	-	-	2,339
Commission revenue	162,237	-	-	-	162,237
Sales revenue	728,614	96,554	74,745	297	900,210
Equity accounted profits	3,041	-	-	-	3,041
Earnings before interest, tax, depreciation and amortisation	80,849	11,212	5,543	(27,457)	70,147
Depreciation and amortisation	(1,638)	(1,591)	(555)	(261)	(4,045)
Depreciation on right-of-use assets	(14,719)	(1,066)	-	(605)	(16,390)
Segment result	64,492	8,555	4,988	(28,323)	49,712
Interest expense					(2,828)
Fair value adjustment of financial instruments					(149)
Unwinding of discount expense in regards to liabilities					(195)
Interest on lease liability					(1,310)
Finance costs					(4,482)
Profit before income tax benefit					45,230
As at 30 September 2020					
Segment assets	969,071	265,616	79,805	239,573	1,554,065
Segment liabilities	485,566	74,297	13,511	308,365	881,739
Net assets	483,505	191,319	66,294	(68,792)	672,326

NOTE 11 EARNINGS PER SHARE

	March 2021	March 2020
Weighted average number of ordinary shares ('000) used in calculating basic EPS	**156,185**	152,470
Dilutive share rights ('000)	**634**	1,669
Adjusted weighted average number of ordinary shares used in calculating dilutive EPS ('000)	**156,819**	154,139

	March 2021 $000	March 2020 $000
Reported operations		
Basic and dilutive		
Net profit attributable to members (after tax)	**68,191**	51,959
Reported operations earnings per share:		
Basic earnings per share (cents per share)	**43.7 ¢**	34.1 ¢
Diluted earnings per share (cents per share)	**43.5 ¢**	33.7 ¢

NOTE 12 BUSINESS COMBINATIONS – CHANGES IN THE COMPOSITION OF THE ENTITY

During the current period, Elders acquired a number of small retail and real estate businesses for a total consideration of $16.1 million, including $4.1 million of deferred consideration. These transactions resulted in the recognition of $8.7 million of goodwill.

The cash outflow for payments for acquisitions through business combinations, net of cash acquired of $21.4 million represents cash paid in respect of businesses acquired during the period of $11.9 million and repayment of deferred consideration relating to acquisitions from prior periods of $9.5 million.

NOTE 13 RELATED PARTIES

During the half year ended 31 March 2021, Elders received a repayment of $5.0 million on its advance to StockCo Holdings Pty Ltd (March 2020: $8.0 million). As at balance date, Elders has a total receivable from StockCo Holdings Pty Ltd of $15.1 million (September 2020: $20.2 million) and recognised earnings on advances of $1.5 million (March 2020: $2.3 million) during the period. Elders also received trail and exclusivity fees of $1.0 million (March 2020: $1.1 million).

During the half year ended 31 March 2021, Elders made lease payments (comprising principal and interest) associated with its AIRR property lease contracts totalling $1.2 million (March 2020: $0.9 million) to related entities of the Managing Director of AIRR Holdings Limited. At 31 March 2021, there is a right-of-use asset of $8.5 million and lease liability of $8.5 million (March 2020: right-of-use asset of $11.2 million and lease liability of $11.2 million) associated with these property lease contracts. Such transactions are on arm's length commercial terms and procedures are in place to manage any actual or potential conflicts of interest.

Details of other related party relationships are included within note 27 of the 30 September 2020 annual financial statements.

NOTE 14 SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since 31 March 2021, which are not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may significantly affect the operations of Elders, the results of those operations or the state of affairs of Elders in subsequent financial periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Elders Limited, the Directors declare:

In the opinion of the Directors:

(a) the financial statements and notes of Elders are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of its financial position as at 31 March 2021 and of its performance for the half year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

I Wilton
Chair

M C Allison
Managing Director

Adelaide
17 May 2021

Auditor's Independence Declaration

As lead auditor for the review of Elders Limited for the half-year ended 31 March 2021, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elders Limited and the entities it controlled during the period.

M. T. Lojszczyk
Partner
PricewaterhouseCoopers

Adelaide
17 May 2021

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Independent auditor's review report to the members of Elders Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Elders Limited (the Company) and the entities it controlled from time to time during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 March 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Elders Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 March 2021 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

M. T. Lojszczyk
Partner

Adelaide
17 May 2021