Monday 18 May 2020

2020 Half-Year Results Investor Presentation

Attached is the investor presentation in connection with the financial results for the 6 month period ended 31 March 2020.

Elders CEO, Mark Allison, and CFO, Richard Davey, will deliver this presentation by webcast and simultaneous teleconference at 10.00am (AEST) today.

As advised on the Company's announcement to ASX on Thursday 14 May 2020, you can register to view and listen to the live commentary of the presentation. For details, refer to that announcement.

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The Board of Elders Limited

Elders Limited

1H20

Results Presentation

18 May 2020

DISCLAIMER AND IMPORTANT INFORMATION

Forward looking statements

This presentation is prepared for information 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

1H20 KEY HIGHLIGHTS

Strong first half across key focus areas

Safety	▪ 1 lost time injury (LTI), consistent with prior year with target of zero ▪ LTI frequency rate at 2.2, compared to 1.2 the pcp ▪ Enhanced emphasis on employee and community safety, health and wellbeing in COVID-19 environment ▪ An executive committee was formed in March 2020 to guide the response to COVID-19
Financial Performance[1]	▪ $52.1m Underlying EBIT (+53%) ▪ $11.8m Operating Cash Flow (+$24.9m) ▪ 17.7% Return on Capital (+0.6%) ▪ 1.9x Leverage (-0.9x) ▪ 31.5 cents Earnings per Share (+30%)
Strategy	▪ Delivering earnings uplift and capital reduction through business improvement initiatives ▪ Successful integration of AIRR and Titan acquisitions and delivery of expected benefits and synergies for the first half ▪ Ongoing business development activities to expand our business, enhance diversification and fill strategic gaps in geography, products and services ▪ Development of third Eight Point Plan progressing to guide our priorities through to FY23

[1]Proforma as if AASB 16 Leases did not apply to enable a more meaningful comparison with the prior corresponding period (pcp) – impacts of AASB 16 Leases on page 18 and 19

DELIVERY AGAINST OUR FY20 PRIORITIES

Implementation of second Eight Point Plan

Safety Performance[1]

- 1 lost time injury (LTI), consistent with prior year; target is zero LTIs
- LTI frequency rate at 2.2, compared to 1.2 the pcp
- 95 days lost, compared to 3 the pcp
- Continued emphasis on employee and community safety, health and wellbeing in COVID-19 environment

Operational Performance[2]

- $48.1m underlying NPAT, up $19.8m
- $56.5m underlying EBITDA, up $20.1m
- $52.1m underlying EBIT, up $18.1m
- $11.8m operating cash in flow, up from an outflow of $13.1m
- Underlying ROC at 17.7% up from 17.1%
- Leverage ratio decreased to 1.9x from 2.8x
- 15.1x interest cover ratio, up from 10.2x
- Underlying EPS of 31.5 cents, up 30% from 24.3 cents

Key Relationships

- Worked closely with industry and clients to ensure continuity of operations and agricultural supply chains during COVID-19
- Implemented hardship relief to clients impacted by the summer bushfires via the Elders Bushfire Assistance Facility and donated $0.1m to the Foundation for Rural & Regional Renewal
- Continued engagement with Rural RDCs, government and tertiary institutions to enhance our agricultural research, development and extension initiatives through the Thomas Elder Institute
- Achieving greater productivity for clients through Thomas Elder Consulting

Efficiency and Growth

- Continued integration of AIRR and Titan to deliver EBIT growth and strategic presence in key geographical areas
- Continued growth of new Livestock and Wool in Transit (LIT/WIT) delivery guarantees associated with Elders' Agency Services
- Maintained focus on footprint expansion through acquisitions of Rural Products and Agency businesses and personnel, partly attributable to fall-out from industry consolidation
- Continued to extract benefits from Business Improvement led initiatives

[1] Excludes AIRR: AIRR safety integration expected to occur from 1 July
[2] Proforma as if AASB 16 Leases did not apply to enable a more meaningful comparison with the pcp – impacts of AASB 16 Leases on page 18 and 19

1H20 FINANCIAL PERFORMANCE: SUMMARY

Strong performance across the board

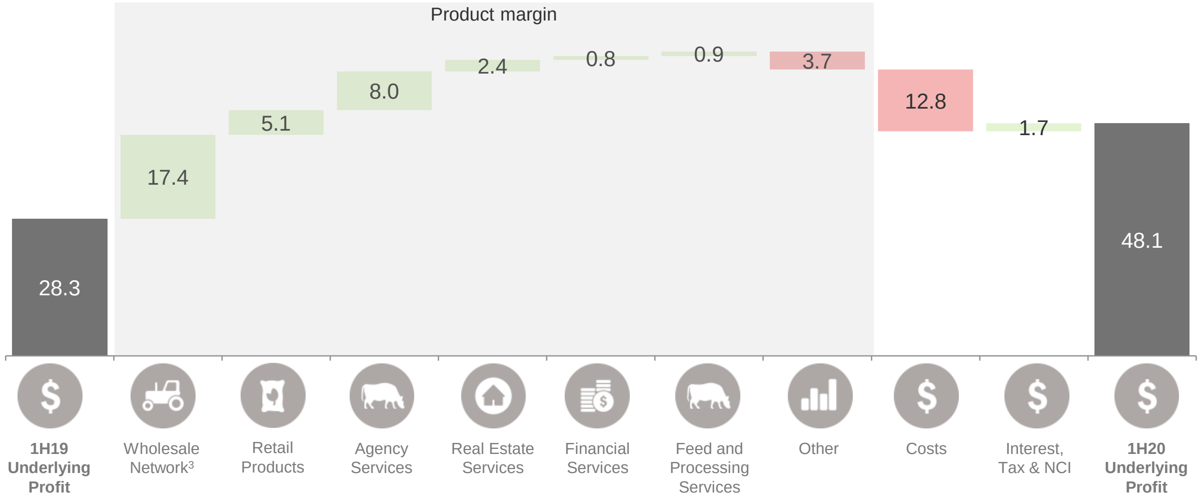
Financial Metric	1H20 Result ($m) Pre-AASB 16[1]	1H19 Result ($m)	Year-on-Year Change		
			Direction	$m	%
Sales revenue	925.2	732.9	⬆	192.3	26%
Underlying EBITDA	56.5	36.4	⬆	20.1	55%
Underlying EBIT	52.1	34.0	⬆	18.1	53%
Underlying profit after tax	48.1	28.3	⬆	19.8	70%
Statutory profit after tax	52.5	27.4	⬆	25.1	92%
Net debt	201.8	204.9	⬇	3.1	(2%)
Operating cash flow	11.8	(13.1)	⬆	24.9	190%
Total capital	728.1	450.4	⬆	277.7	62%
Underlying return on capital (%)[2]	17.7%	17.1%	⬆	n.a.	0.6%
Underlying earnings per share (cents)	31.5	24.3	⬆	7.2	30%
Leverage ratio (times)	1.9	2.8	⬇	(0.9)	32%

[1] Proforma as if AASB 16 Leases did not apply to enable a more meaningful comparison with the pcp – impacts of AASB 16 Leases on page 18 and 19
[2] Return on capital = Rolling 12 months Underlying EBIT / (working capital + investments + property, plant and equipment + intangibles (excluding brand name) – provisions)

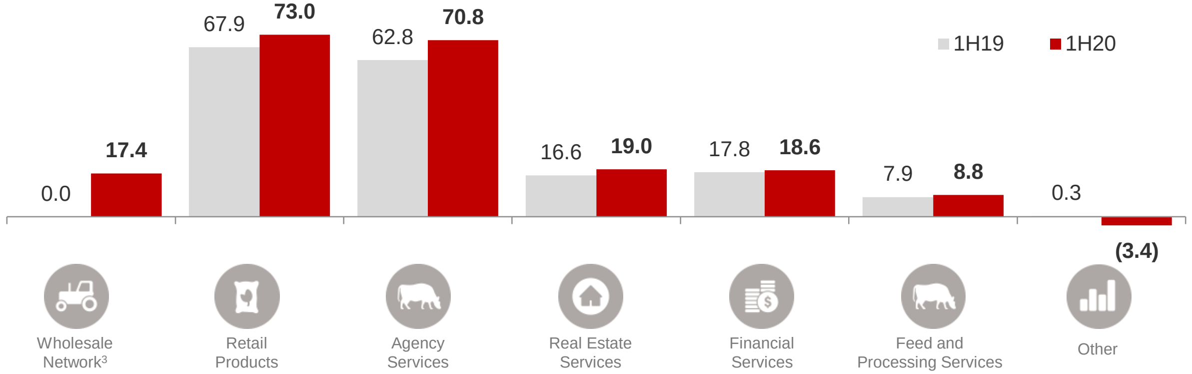
1H20 FINANCIAL PERFORMANCE: PRODUCT

Additional earnings from AIRR acquisition and outperformance across most products and services

Change in product margin ($million)[1, 2]



Product margin by year ($million)[1, 2]



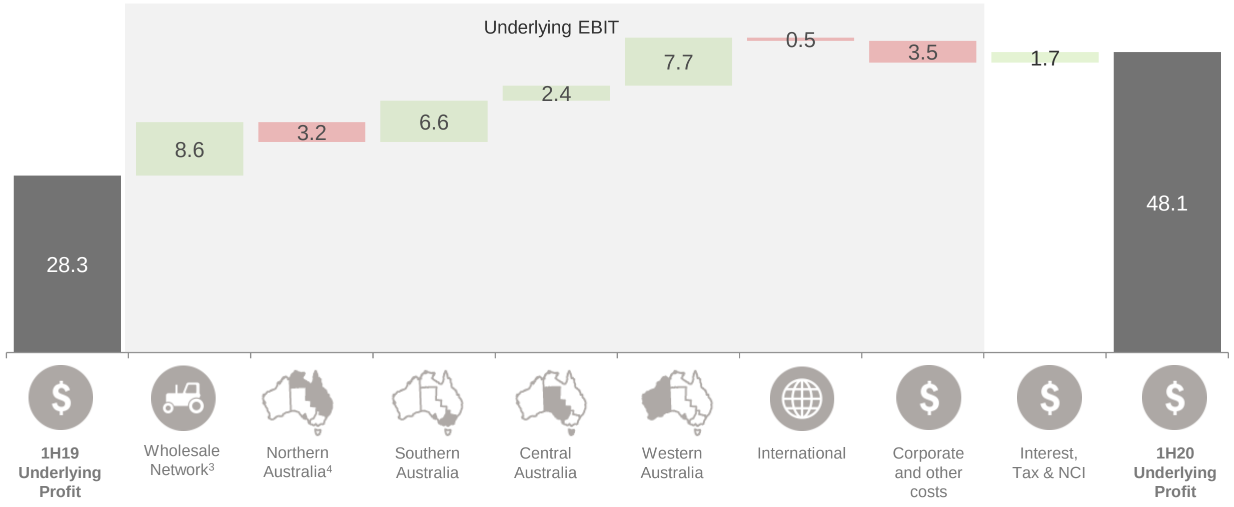
- Wholesale Network is up with AIRR acquisition contributing $17.4 million in gross margin
- Retail Products gross margin boosted by recent winter crop confidence and Titan, partially offset by poor summer crop season
- Agency upside mostly in Livestock margin, primarily driven by high prices for both cattle and sheep
- Real Estate gross margin favourable to the pcp predominantly due to increased broadacre turnover
- Financial Services margin is up due to acquisition of Livestock in Transit (LIT) delivery warranty products, offset by lower Rural Bank gross margin in line with the new distribution agreement
- Feed and Processing Services upside mostly from increased feed and improved commodity procurement
- Other includes the accrual of the new network incentive program, which commenced this financial year
- Costs up on the pcp due to AIRR acquisition, geographical footprint growth and additional corporate initiatives, offset by savings from new Rural Bank distribution agreement

[1] Proforma as if AASB 16 Leases did not apply to enable a more meaningful comparison with the pcp – impacts of AASB 16 Leases on page 18 and 19
[2] Acquisition earnings are reflected within product margins
[3] Wholesale Network represents AIRR margin

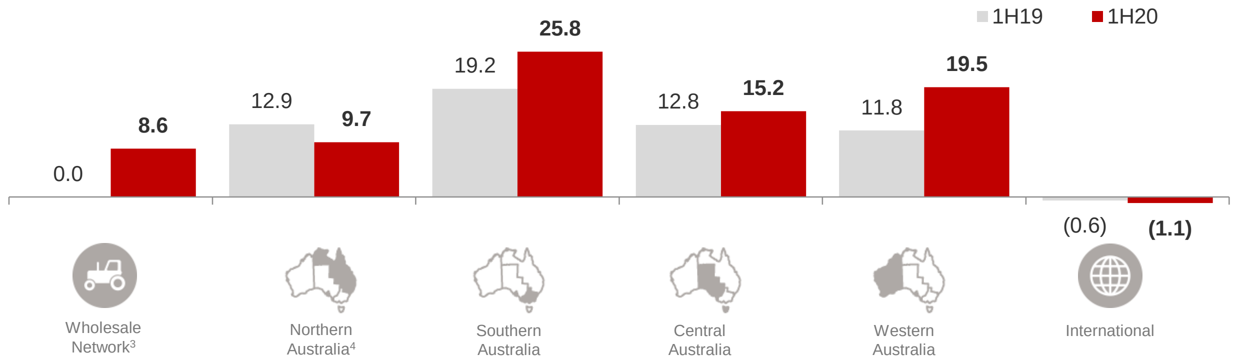
1H20 FINANCIAL PERFORMANCE: GEOGRAPHY

Lower contribution from Northern Australia and increased corporate costs has been offset by acquisitions during the year

Change in underlying EBIT by geography ($million)[1, 2]



Change in underlying EBIT by geography by year ($million) [1, 2]



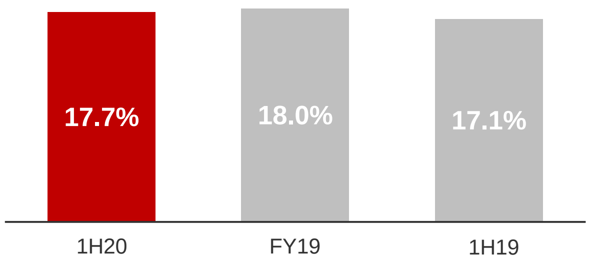
- Wholesale Network is up with AIRR acquisition contributing $17.4 million in gross margin and ($8.8 million) in SG&A
- Northern Australia is back on the pcp mainly in line with reduced summer cropping
- Southern Australia uplift predominantly in Livestock margin with strong prices and higher cattle volumes
- Central Australia is mostly favourable in Livestock, with cattle and sheep margin benefitting from higher prices and volumes
- Western Australia is up on the pcp mostly due to increased Retail sales and favourable sheep margin
- Corporate and other costs increased primarily due to investment in new corporate areas (Strategy and Business Improvement functions) and unfavourable half year statutory adjustments

[1] Proforma as if AASB 16 Leases did not apply to enable a more meaningful comparison with the pcp – impacts of AASB 16 Leases on page 18 and 19
[2] Acquisition earnings are reflected in corresponding geographies
[3] Wholesale Network represents AIRR underlying EBIT
[4] Northern Australia includes Killara feedlot

1H20 FINANCIAL PERFORMANCE: CAPITAL[1]

Return on capital is up on LY mainly due to improved Livestock and Retail returns

Underlying Return on Capital[2]



$ million	1H20	1H19		Change
Wholesale Network	48.5	-	↑	48.5
Retail Products	230.9	214.2	↑	16.7
Agency Services	54.2	48.6	↑	5.6
Real Estate	1.5	1.5		-
Financial Services	30.2	14.0	↑	16.2
Feed & Processing Services	49.4	44.8	↑	4.6
Other	(32.6)	(26.8)	↓	(5.8)
Working capital (average)	**382.1**	**296.3**	↑	**85.8**
Other capital[3]	*231.1*	*107.3*	↑	*123.8*
Total capital (average)[3]	**613.2**	**403.6**	↑	**209.6**
Total capital (at balance date)[3]	*668.5*	*383.1*	↑	*285.4*

Elders' underlying return on capital is 17.7%, up on the pcp by 0.6%:

- Retail Products improved with a strong finish to the half
- Agency Services and Real Estate is favourable due to improved earnings on similar capital
- Investment in Financial Services (StockCo advances and LIT/WIT)
- This is partially offset by lower return on investment in Wholesale Network for the first 5 months

Average[4] working capital increased by $85.8 million to $382.1 million for the half. This relates to:

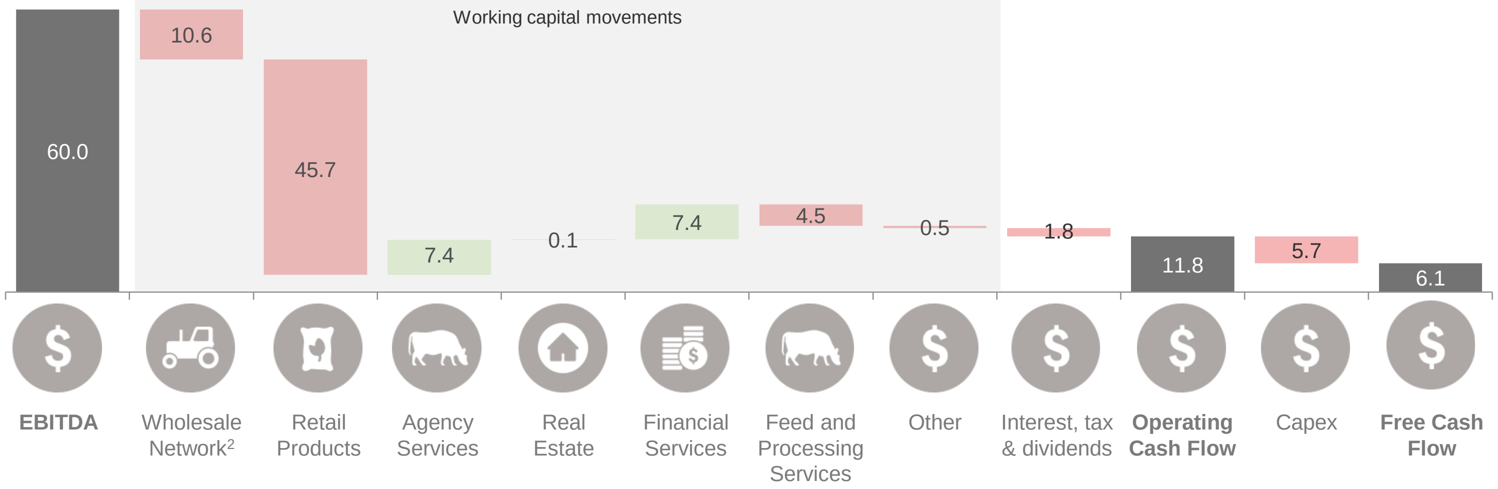
- Wholesale Network working capital of $48.5 million due to AIRR acquisition
- Increases in Retail Products and Livestock on average to support higher earnings
- Investment in Financial Services (StockCo advances)
- Higher value of cattle at Killara feedlot

[1] Proforma as if AASB 16 Leases did not apply to enable a more meaningful comparison with the pcp – impacts of AASB 16 Leases on page 18 and 19
[2] Return on capital = Rolling 12 months Underlying EBIT / (working capital + investments + property, plant and equipment + intangibles (excluding brand name) – provision
[3] Excludes Elders brand name only
[4] Average is calculated on a monthly basis on year to date balances

Elders

1H20 FINANCIAL PERFORMANCE: CASH FLOW[1]

Positive inflow for the half with seasonal Rural Products working capital build



$ million	Wholesale Network[2]	Retail Products	Agency Services	Real Estate	Financial Services	Feed & Processing	Other	Total
EBITDA	10.1	25.7	29.4	8.8	7.2	6.6	(27.8)	**60.0**
Movement in assets and liabilities	(10.6)	(45.7)	7.4	0.1	7.4	(4.5)	(0.5)	**(46.4)**
Interest, tax & dividends							(1.8)	**(1.8)**
Operating cash flow	(0.5)	(20.0)	36.8	8.9	14.6	2.1	(30.1)	**11.8**

Operating cash inflow of $11.8 million reflected EBITDA of $60.0 million, offset by increased working capital relating to:

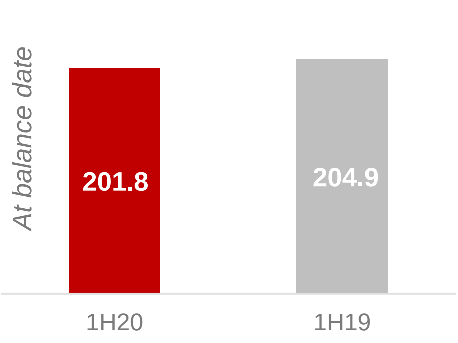
- Wholesale Network working capital, due to AIRR acquisition
- Higher Retail Products debtors due to increased sales activity
- Lower Agency working capital
- Financial Services upside with $8.0 million repayment of StockCo advances
- Higher value of cattle at Killara feedlot

[1] Proforma as if AASB 16 Leases did not apply to enable a more meaningful comparison with the pcp – impacts of AASB 16 Leases on page 18 and 19
[2] Wholesale Network represents AIRR results

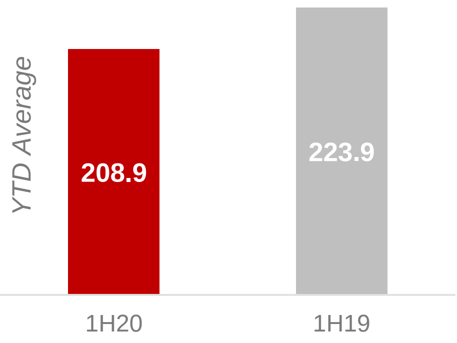
1H20 FINANCIAL PERFORMANCE: NET DEBT[1]

Significant headroom in financial covenants

Net debt, at balance date
AUD millions



Net debt, YTD average
AUD millions



Key Ratios	1H20	1H19		Change
Leverage (R12 average net debt to EBITDA)	1.9	2.8	⬇	(0.9)
Interest cover (R12 EBITDA to R12 net interest)	15.1	10.2	⬆	4.9
Gearing (R12 average net debt to closing equity)	31.3%	61.0%	⬇	(29.7%)

Net debt

Whilst our profit has increased on the prior year, we have achieved an improvement on our net debt levels ($3.1 million and $15.0 million lower respectively) at both balance date and average[2].

Key ratios

All our key ratios are favourable to the pcp:

- Leverage is down due to higher EBITDA on comparable debt, as well as earnings associated with investment purchase funded through equity
- Interest cover is favourable on the pcp due to lower interest rates and higher EBITDA

Financial covenants[3]

There is significant headroom in our financial covenants.

- Leverage is 0.95 (covenant < 2.5 times)
- Interest cover is 17.23 (covenant > 3.5 times)
- Net worth is $614.4 million (covenant > $250 million)
- Undrawn facilities at balance date was $151 million

[1] Proforma as if AASB 16 Leases did not apply to enable a more meaningful comparison with the pcp – impacts of AASB 16 Leases on page 18 and 19
[2] Average is calculated on a monthly basis on year to date balances
[3] Calculated pursuant to definitions in group syndicated facilities: Rolling 12 months EBITDA and interest actuals, end of month net debt and net worth
Underlying EBITDA excludes Rural Products debtor interest, Indonesia Feedlot & Live Export restructure costs
Net debt excludes Rural Products trade receivables funding, but includes contingent funding of $7.2m ($6.2m LY) in bank guarantees
Net worth comprises of net assets less non-controlling interest

FY20 MARKET OUTLOOK

Following rainfall events, there is now a positive outlook for winter crop. Global COVID-19 implications will continue to create some ongoing uncertainty in both market demand and agricultural supply chains.

Rural Products

- Recent rainfall has delivered a break in a number of drought affected areas across the Eastern States, which has lifted farmer confidence and has seen strong demand for crop inputs
- Fertiliser is flowing into Australian ports, with shortages only due to the favourable seasonal conditions lifting demand
- Some AgChem suppliers are experiencing interruptions due to COVID-19, which is being closely monitored but China supply chain has returned to normal
- Animal Health products observing minimal supply impacts from COVID-19 to date, with majority of products manufactured locally

Agency Services

- Livestock supply chains continue to operate without major disruption from COVID-19, with digital solutions in place to facilitate transactions if in-person methods (e.g. saleyards, clearing sales) become disputed
- Historically low cattle supplies and strong restocking demand will reduce slaughter numbers and exports, driving cattle prices up
- Sheep prices to remain high in the medium term, with flock rebuilding likely to be slow
- Wool export to China is operationally sound, however impact of reduced end-market demand in Europe and North America will likely continue to place downward pressure on price and volume

Real Estate Services

- Residential properties and property management earnings are expected to decline in line with the wider real estate market due to COVID-19 related restrictions and broader economic impacts
- Broadacre properties earnings are expected to be impacted, but to a lesser extent than residential

Financial Services

- Financial Services to benefit from a full year of earning from Livestock in Transit (LIT) delivery warranty product launched in June 2019
- Full year impact of the new Rural Bank distribution agreement is anticipated to be a marginal increase in EBIT on the pcp

Feed and Processing

- Whilst Killara feedlot utilisation is expected to remain at high levels with limited impact from COVID-19, high end cattle may experience price pressures due to decreased demand for restaurant quality meat and exports
- Elders Fine Foods performance is anticipated to recover as China begins to re-open post COVID-19 lockdown

Costs and Capital

- Costs are expected to increase in line with footprint growth and continued Eight Point Plan investment

OUR SECOND EIGHT POINT PLAN: FY18 to FY20

We continue to focus on executing against our second Eight Point Plan

1 VALUES, PERFORMANCE & BRAND
To deliver our plans through a values, safety and performance based culture and by leveraging Elders' iconic brand.

2 RURAL PRODUCTS
To deliver capital light, profitable growth of our retail and wholesale businesses by offering innovative products and superior customer experience, combined with targeted upstream investment.

3 AGENCY SERVICES
To grow agency services profit contribution through targeted acquisitions and recruitment, new product development and execution of our digital livestock, wool and grain strategy.

4 REAL ESTATE SERVICES
To deliver profitable growth of the real estate services portfolio through driving business improvement, recruitment and acquisition for all real estate services.

STRATEGIC INTENT:
To achieve sustainable EBIT growth through to 2020 at 20% ROC, by providing value creating products and services both in Australia and internationally.

5 FINANCIAL SERVICES
To deliver financial services portfolio growth through strong and profitable partnerships, targeted upstream investment and development of innovative finance solutions.

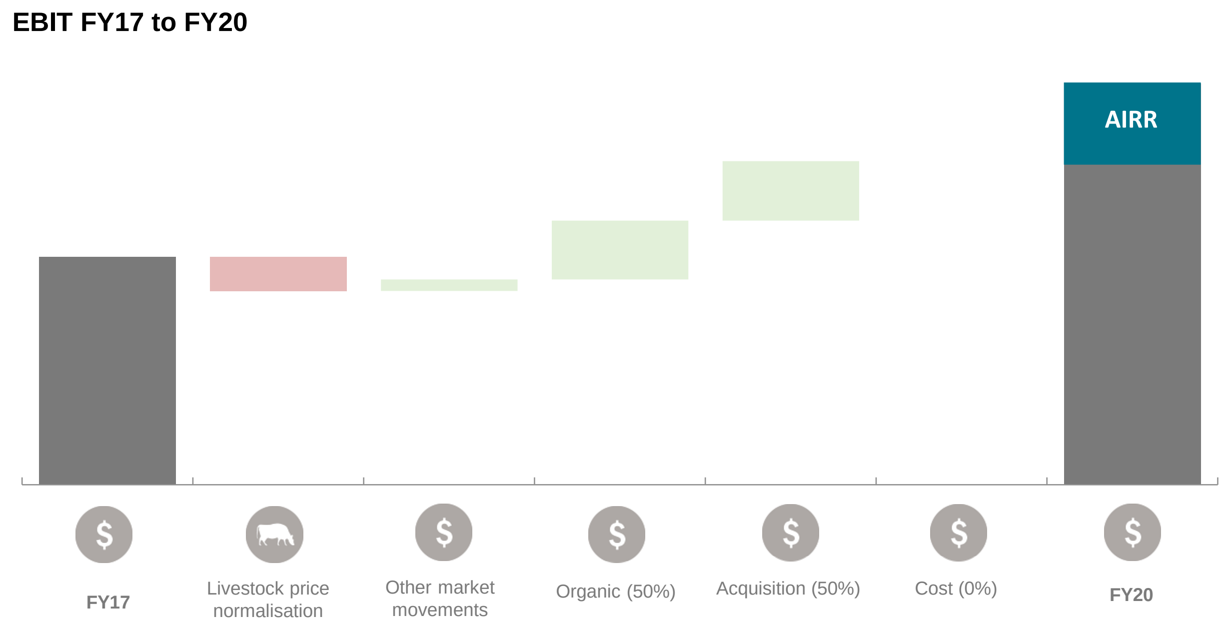
6 DIGITAL & TECHNICAL SERVICES
To help our clients improve their productivity and profitability through adoption of industry leading research, technology and data based insights.

7 FEED & PROCESSING SERVICES
To deliver continuous improvement in EBIT and ROC for Killara Feedlot and Elders Fine Foods.

8 COST, CAPITAL EFFICIENCY & GROWTH
To deliver ongoing efficiency gains and profitable, capital light growth through continuous improvement, innovation, financial discipline and business development.

EIGHT POINT PLAN: FY18 to FY20

Deliver 5-10% growth through the cycles above 20% ROC (15-18% ROC post AIRR)



- Consistent with assumptions, Livestock prices eased post FY17
- Market share gains to offset Livestock price movement
- EBIT improvement in the period to FY20 is anticipated to be derived from:
  - Organic and acquisition growth
  - Continued focus on controlling base costs to offset inflationary increases
- Australian Independent Rural Retailers (AIRR) acquisition settled 13 November 2019, with over 10 months' earnings in FY20

AIRR ACQUISITION

Operational performance, progress on integration and synergies

8 Warehouses and 5 Retail locations

- Financial performance of $8.6m EBIT for H1, is above expectations prior to acquisition
- Strong performance, despite sustained drought conditions in the first quarter
- Q2 performance ahead of the pcp, in line with recent widespread rainfall and strong demand for crop protection products
- No supply implications from COVID-19 on financial performance

Delivery of acquisition synergies

- On track to realise full year synergies of $3m - $5m
- Increased margins from consolidated buying across Elders group
- Improved utilisation of AIRR warehouses to reduce stock holdings in Elders Branch Network
- Wider product range available to Elders Branch Network

Implementation of other initiatives

- Grow reliable member base
- Private label expansion in animal health and merchandise
- Promote digital strategy through launch of Tucker Click and Collect across member stores

‘Light touch’ integration on track

- AIRR members and customers have remained loyal, with no loss of business since acquisition
- Further growth opportunities being progressed

[1] Quarterly performance based on the financial performance period beginning 1 October and ending 30 September
[2] Q1 represents the period 13th November 2019 (acquisition date) to 31 December 2019
[3] Proforma financial performance is un-audited

Elders

OUR SECOND EIGHT POINT PLAN: BALANCED GROWTH

We remain focused on balanced growth by organic and acquisitive means, while continuing to maintain our cost base and invest for the future

Organic 50%

- Capture more margin through backward integration and stronger buying power post AIRR acquisition
- Maximise cross-sell and add-on opportunities like Livestock in Transit Warranty (LIT), financing and agronomy advice and consulting services
- Continue to attract new clients via targeted acquisition campaigns leveraging industry consolidation fall-out
- Invest in the development of our people, including our new branch incentive scheme and training academy
- Continue to deliver earnings uplift and capital reduction through business improvement initiatives
- $3-5 million annualised earnings uplift and $10-20 million capital reduction from Business Improvement pipeline

Acquisition 50%

- Continue to evaluate acquisition opportunities to expand our business, focusing on those that enhance diversification and fill strategic gaps in geography, products and services
- Maintain disciplined approach to ensure acquisitions meet required financial hurdles including EPS accretion
- Actively manage product and service portfolio and reallocate capital from non-performing assets to quality assets and investments
- $3-5 million uplift in annualised earnings from Business Development pipeline

Manage Cost

- Derive efficiency gains through active cost management to offset inflationary increases
- Tightly manage integration of acquisitions to ensure that increasing scale translates to improved purchasing power and back-office efficiencies
- Develop and implement process efficiency improvement opportunities
- Optimise cost and capital allocation project
- Improvement to IT environment through platform modernisation

Enabling capabilities

- Drive and resource values-based leadership through the organization, with unyielding zero harm approach
- Maintain robust and conservative financial discipline throughout business
- Build deeper understanding of our customers, their needs and how well we are delivering against those needs
- Continued investment in modernising our IT platforms to “future proof” our business while improving efficiency and customer experience

OUR THIRD EIGHT POINT PLAN: FY21 to FY23

Development of key priorities and enablers has been progressed

OUR STRATEGIC PRIORITIES

1. **Win market share** across all business units through customer centricity, sales force effectiveness and strategic acquisitions
2. Capture increased **Rural Products gross margin** through optimised pricing, backward integration and supply chain efficiency
3. Expand our complementary service offerings, including **financial services** and **consulting**
4. Increase our participation in downstream value added market segments via our **feed and processing** services
5. Develop and deliver an authentic and industry leading **sustainability** program

OUR ENABLERS

6. Modernise our **IT and data platforms** to drive efficiency, improve experience and support deeper customer understanding
7. Attract, retain and develop the best **people** in agriculture and provide a **safe** working environment
8. Maintain unflinching **financial discipline** and commitment to cost and capital efficiency

AASB 16 LEASE ACCOUNTING STANDARD IMPACT

Adopted 1 October 2019

Profit & Loss[1]	Operating expenses	⬇	$16.8m
	Depreciation	⬆	$16.0m
	Interest Expense	⬆	$1.3m
	EBIT Impact	⬆	$0.8m
Balance Sheet	Right of Use Assets	⬆	$118.5m
	Lease Liability	⬆	$119.0m
Cash Flow[1]	Operating Cash Flow	⬇	$15.5m
	Financing Cash Flow	⬆	$15.5m
	Net Cash Flow		$nil
Key Metrics	Basic EPS*	⬇	0.3 cents
	Return on Capital	⬇	3.0%
	Leverage#	⬆	0.2x
	Net Debt	⬆	$117.9m

Using the 'modified retrospective approach', whereby no comparative period information is restated

Recognised Right of Use Asset as equal to the calculated Lease Liabilities

EBIT Impact:

- Previously leased premises and motor vehicle expenses included in Operating Expenses $16.8m
- Replaced by Depreciation on Right of Use Assets $16.0m and Interest Expense on Lease Liabilities $1.3m
- Elders expects the net impact on EBIT over the life of each lease assessed under AASB 16 to be immaterial

Elders held the following balances at 31 March 2020:

- Right of Use Asset: $118.5m
- Lease Liability: $119.0m

Net debt increases, however not including in banking covenant ratios

No net cashflow impact as cash flows are reallocated in the Cash Flow Statement from operating activities to financing activities, reflecting repayment of the Lease Liabilities

[1] Figures exclude impact of previously held finance leases
* Calculated on 6 months of Reported NPAT
# Based on an annualised FY20 EBITDA

1H20 FINANCIAL PERFORMANCE (INCL. AASB 16)

Minimal impact on earnings; material impact on ROC and net debt

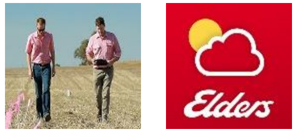
Financial Metric	1H20 Statutory	1H20 Adjustment	1H20 Pre-AASB 16	1H19 Statutory
Sales revenue	925.2	-	925.2	732.9
Underlying EBITDA	73.3	16.8	56.5	36.4
Underlying EBIT	52.8	0.8	52.1	34.0
Underlying profit after tax	47.6	(0.5)	48.1	28.3
Statutory profit after tax	52.0	(0.5)	52.5	27.4
Net debt	319.7	117.9	201.8	204.9
Operating cash flow	27.4	15.5	11.8	(13.1)
Total capital	845.5	117.4	728.1	450.4
Underlying return on capital (%)[1]	14.7%	(3.0%)	17.7%	17.1%
Underlying earnings per share (cents)	31.2	(0.3)	31.5	24.3
Leverage ratio (times)	2.1	0.2	1.9	2.8

[1] Return on capital = Rolling 12 months Underlying EBIT / (working capital + investments + property, plant and equipment + intangibles (excluding brand name) – provisions)

APPENDIX

BUSINESS MODEL*

Diversification by product, service, market segment, geography and channel

Rural Products		Agency Services	Real Estate Services	Financial Services	Digital and Technical Services	Feed and Processing Services
Retail Products	Wholesale Products					
						
Farm Supplies	Farm Supplies	Livestock	Farmland	Agri Finance	Fee for Service (148 agronomists)	Killara Feedlot
Fertiliser	Pet Supplies	Wool	Residential	StockCo (30%)	Auctions Plus (50%)	Elders Fine Foods
		Grain	Property Management	Elders Insurance (20%)	Elders Weather	
			Franchise	LIT % WIT Delivery Warranty	Clear Grain Exchange (30%)	
$1.2b retail sales	$0.2b wholesale sales	9.5m head sheep	$1b farmland sales	$3.0b loan book[2]	Auctions Plus: 694k head sheep	Killara: 63k head
695k tonnes fertiliser	$0.2b agency sales[1]	1.7m head cattle	$0.7b residential sales	$1.7b deposit book[2]	Auctions Plus: 78k head cattle	China: $13.7m sales
216 stores	340 member stores	289k wool bales	126 franchises	$60.7m StockCo book[2]	Elders Weather: 233m hits	
	+190 APVMA registrations[4]		9,300 properties under management	$737.3m gross written premium[2]	Clear Grain Exchange: 71k grain tonnes	

FY19 gross margin contribution

43%	nil[5]	33%	10%	9%	n/a[3]	4%

*Based on FY19 full year statistics

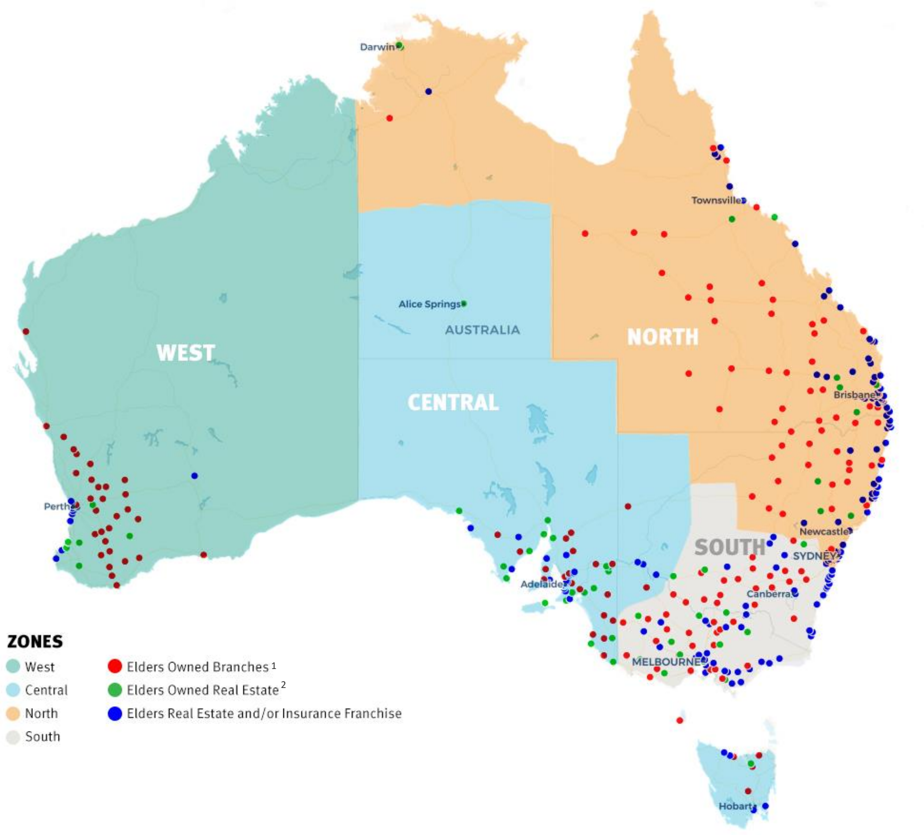
[1]As part of the implementation and application of AASB15 Revenue from contracts with customers, only the margin is recognised as sales revenue for these transactions
[2]Principal positions are held by Rural Bank, StockCo and Elders Insurance (QBE subsidiary) respectively
[3]Existing agronomic activity presented within Retail margin, Elders Weather in Other margin, and Auctions Plus and Clear Grain Exchange in Agency margin
[4]50+ APVMA registrations in the name of AIRR group entities and access to 140+ registrations through sourcing arrangements
[5]AIRR acquisition settled 13 November 2019 with over 10 months earning in FY20

Elders

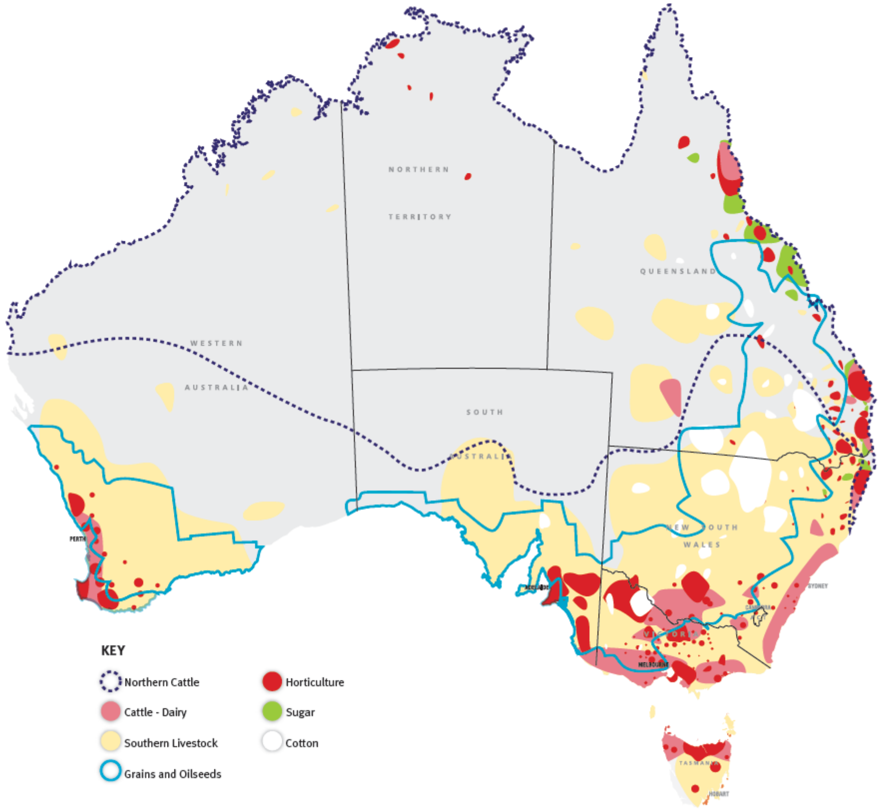
POINTS OF PRESENCE

We have over 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 AIRR wholesale business.

Elders Zones and Points of Presence



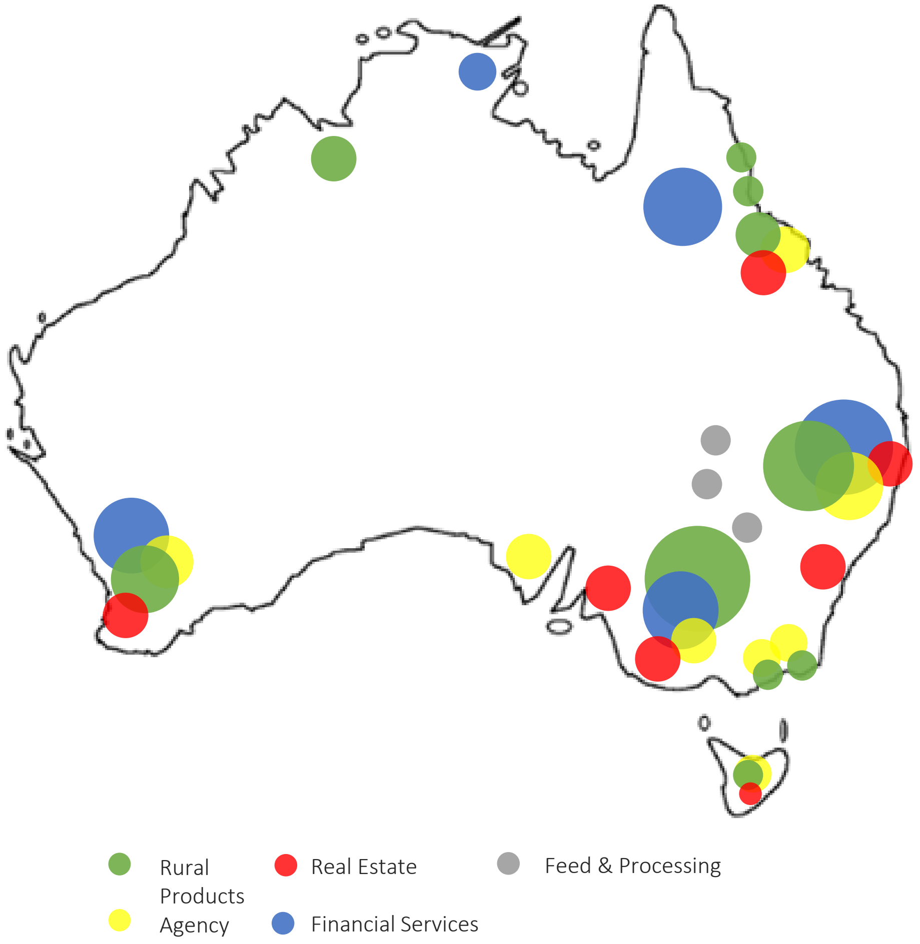
Agricultural Land Use in Australia



[1] Elders Owned Branches refers to sites that offer Rural Supplies. Many of these sites will also offer Real Estate services (company owned or franchise) and Insurance services (franchise only)
[2] Elders Owned Real Estate locations may also have Elders Insurance franchise located at the same premises

STRATEGIC OPPORTUNITIES

Significant growth opportunities to gain share by serving new customers, in new geographies with our multiple product and service portfolio



There are a range of opportunities available to assist us to win greater share of existing customers needs, and meet the product and service needs of new customers

Rural Products

- Opportunity to increase market share and presence in high value cropping areas (e.g. horticulture, irrigation)
- Continue growth of Thomas Elders Consulting offering of highly specialised agronomy services

Agency

- Remain focused on livestock production advice and dairy
- Continue to expand livestock services by targeted footprint and agency growth
- Expand grain network accumulation

Real Estate

- Grow the presence of company owned sites in regional centres and continue growth of franchise footprint

Financial Services

- Drive uptake of Livestock in Transit delivery warranty (only 50% of vendors are currently opted in)
- Support growth in Elders Insurance gross written premiums and StockCo and Rural Bank balances via referrals and cross-promotion

Feed and Processing

- Maintain controlled growth in the Killara feedlot throughput
- Invest in infrastructure to deliver efficiencies

[1]Share of farms served is calculated by dividing the count of active Elders Rural Producer accounts (in FY2020) located in a Natural Resource Management Region (NRMR) by the count of farms listed in the NRMR as published by the ABS in the Farm Management and Demographics Report (2017-18). NRMRs are administrative regions used by the Department of Agriculture and Water resources to deliver environment and sustainable agriculture programs.

AIRR OVERVIEW

AIRR is a national wholesale platform with scale

Overview

- Established in 2006
- Member based buying and marketing group for independent rural merchandise and pet and produce stores
- National wholesale business with network of eight warehouses
- 6,000 products (SKUs) from more than 650 suppliers
- 1,500 customers with 340+ member stores
- Acquired The Hunter River Company which has a portfolio of over 50 animal health product Australian Pesticides and Veterinary Medicines Authority ("APVMA") registrations

8 Warehouses and 5 Retail locations

Member brands

- Mixed rural merchandise retailers
- Over 240 locations nationwide

- Pet, equine and small animal feed and healthcare retailers
- Over 100 locations nationwide

Product brands

Apparent[1]

- Private label range of agricultural chemicals

Independents Own

- Animal health, feed and general merchandise products

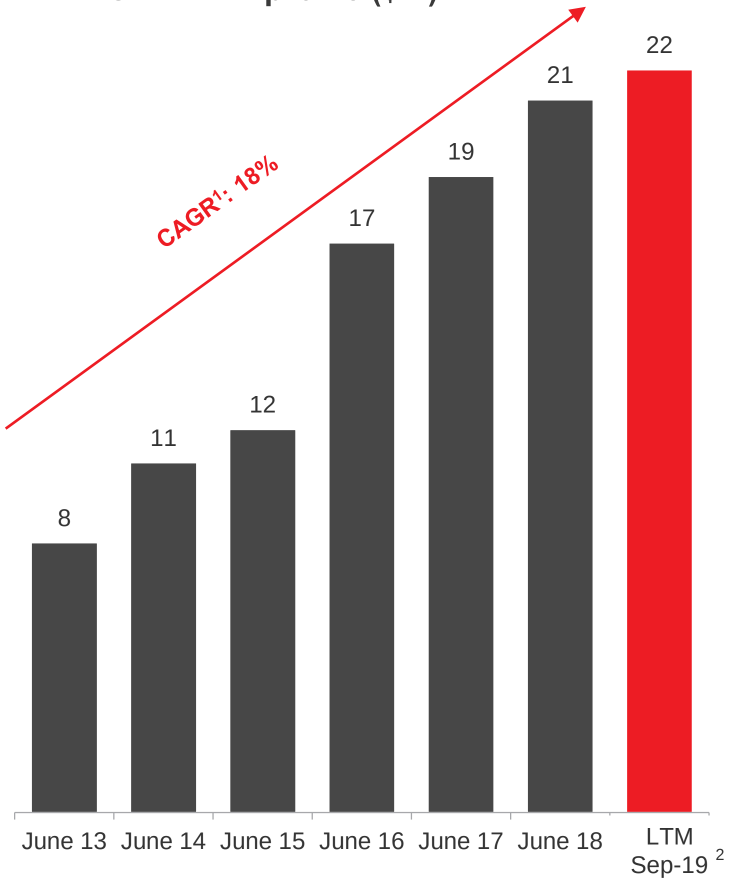
Source: AIRR company reports and presentations.

[1]Apparent brand used under exclusive licence.

AIRR OVERVIEW (CONT.)

Strong track record of quality growth and financial discipline

AIRR's EBITDA profile ($m)



AIRR's growth strategy

- Grow AIRR and Tuckers member base
- Leverage buying, marketing and selling strengths to create sales and margin growth
- Expand AIRR warehouse footprint by creating further satellite warehouses
- Increase private label sales by growing Independents Own product range
- Expand range of exclusive products, improve bulk buys and distribution agreements
- Drive further alignment and partnership with key suppliers to capture market opportunities

Source: Company reports and presentations.
[1]CAGR is defined as compound annual growth rate
[2]Based on AIRR forecast EBITDA for the 12 months to 30 September 2019

1H20 RESULTS BY BUSINESS SEGMENTATION

Rural Products and Agency Services account for nearly 80% gross margin before SG&A costs

	Northern Australia	Southern Australia	Central	Western Australia	International Geographies	Other	1H20 Margin ($m)	Avg. Working Capital ($m)
Wholesale (AIRR)	Farm and Pet Supplies						17.4	48.5
Retail Products	Farm Supplies and Fertiliser						73.0	230.9
Agency Services	Livestock, Wool, and Grain						70.9	54.2
Real Estate Services	Farmland, Residential, Property Management, Franchise						19.0	1.5
Financial Services	Agri Finance and Insurance						18.5	30.2
Feed & Processing Services	Killara Feedlot				China		8.8	49.4
Other							(3.4)	
1H20 Margin ($m)	55.4	65.3	42.6	44.5	(0.3)	(3.4)	204.1	

[1] The financial performance of AIRR locations that operate in the retail sector are included in the Wholesale segment

RURAL PRODUCTS

Continued growth in margin since FY14, spread across all three geographies

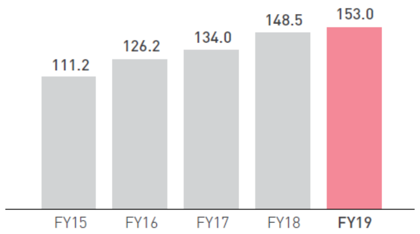
Business description

Elders is one of Australia's leading suppliers of rural farm inputs including seeds, fertilisers, agricultural chemicals, animal health products and general rural merchandise. We also provide professional production and cropping advice with over 159 agronomists nationwide, including 7 agronomists operating through Thomas Elder Consulting. Elders also holds over 190 Australian Pesticides and Veterinary Medicines Authority (APVMA) registrations which supports our backward integration strategy.

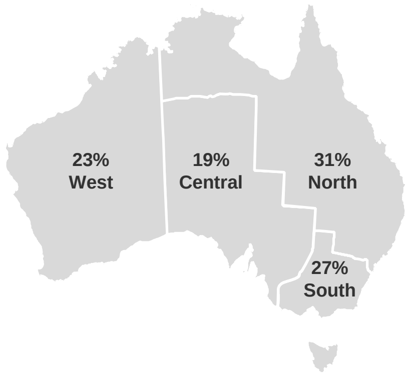
Strategic focus (per second Eight Point Plan)

- Capital light, return on capital driven business model
  - Focus on business improvement to drive margin growth and inventory management
  - Establish 'best practice' procurement initiatives through a comprehensive review of the supply chain
  - Deliver synergies associated with proposed AIRR acquisition and the backward integration model
- Product focus
  - Establish a new wholesale channel through the proposed acquisition of AIRR
  - Better capture customer metrics to improve product ranging initiatives
- People
  - Roll out a new incentive model to drive organic growth and financial targets
  - Launch new reporting and dashboard tools to assist business performance
  - Establish a structured training program for managers in our branch network

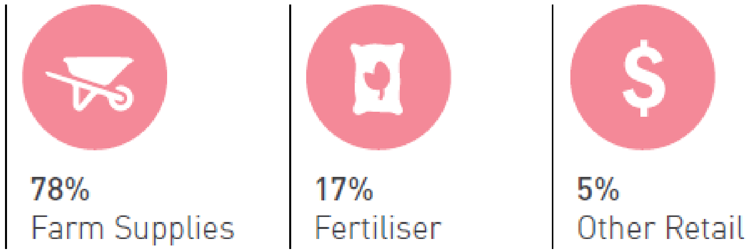
Rural Products margin
AUD millions



FY19 margin split by geography
Percent



FY19 share of Rural Products margin by product
Percent



AGENCY SERVICES

South geography accounts for over 50% of margin; reduction in margin from FY17 onward due to easing cattle prices

Business description

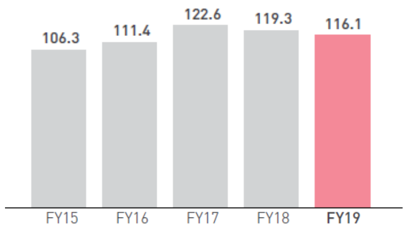
Elders provides a range of marketing options for livestock, wool, and grain.

- **Livestock:** our livestock agents and employees operate across Australia conducting on-farm sales to third parties, regular physical and online public livestock auctions and direct sales to Elders-owned and third-party feedlots and livestock exporters.
- **Wool:** we are one of the largest wool agents for the sale of Australian greasy wool and operate a brokering service for wool growers. Our team of dedicated wool specialists assists clients with wool marketing, in-shed wool preparation, ram selection and sheep classing.
- **Grain:** Our grain marketing model provides pricing from multiple buyers and offers a cutting edge commodity origination platform, maximising choice for growers.

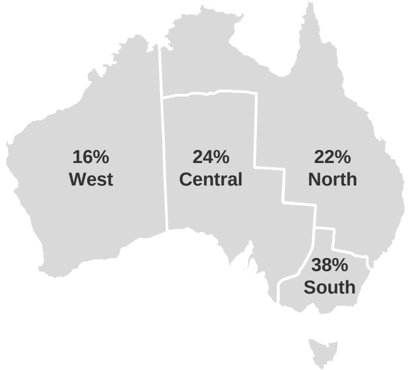
Strategic focus (per second Eight Point Plan)

- Operating model
  - Invest in Livestock, Wool and Grain product development to improve and expand offering
  - Continue footprint expansion through targeted acquisitions
- People
  - Geographical expansion through recruitment of key operatives with aligned values
  - Relaunch Elders Trainee program to build long term capability
  - Leverage 30% shareholding in CGX to improve grain value proposition and grow revenue

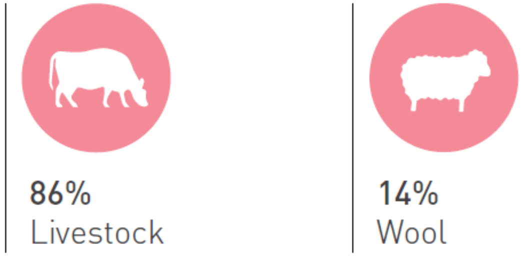
Agency Services margin
AUD millions



FY19 margin split by geography
Percent



FY19 share of Agency Services margin by product
Percent



REAL ESTATE SERVICES

Continued increase in margin from FY14 onward, with a fair spread across all geographies

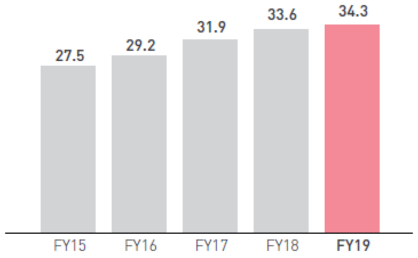
Business description

Elders' real estate services include company owned rural agency services primarily involved in the marketing of farms, stations and lifestyle estates. It also includes a network of residential real estate agencies providing agency and property management services in major population centres and regional areas through company owned and franchise offices. Other services include water and home loan broking.

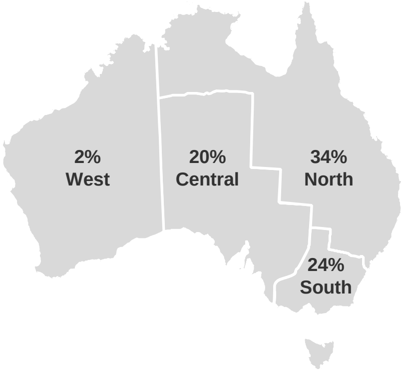
Strategic focus (per second Eight Point Plan)

- Operating model
  - Continue to grow company owned farmland agency, residential agency and property management presence in major regional centres
  - Continue to grow market share in water broking
  - Productivity and efficiency initiatives in our property management business
  - Continued enhancement of digital marketing and lead generation activity
  - Potential laddered branding strategy into additional markets
- People
  - Ongoing recruitment of high performing real estate sales representatives and water brokers
  - Recruitment of home loan brokers and real estate franchisees
  - Increased productivity through technology initiatives and training

Real Estate Services margin
AUD millions



FY19 margin split by geography
Percent



FY19 share of Real Estate Services margin by product
Percent

84%
Agency

16%
Property Management

FINANCIAL SERVICES

Consistent growth in EBIT contribution since FY15; FY19 margin decreased ($6 million) in line with new Rural Bank distribution agreement, offset by personnel cost savings of $6 million

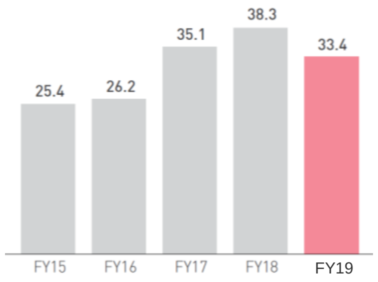
Business description

Elders distributes a wide range of banking and insurance products and services through its Australian network. We work together with a number of third parties to deliver these offerings; Rural Bank and StockCo for banking and livestock funding products and Elders Insurance (a QBE subsidiary) for general insurance. Collectively, these relationships enable us to offer a broad spectrum of products designed that help our customers grow their business and manage cash flow and risk.

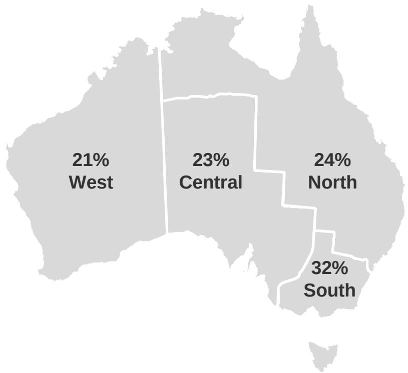
Strategic focus (per second Eight Point Plan)

- Deeper, more productive partnerships
  - Embed new Rural Bank distribution agreement and operating model and support growth in loan and deposit facilities through cross-promotion and referral
  - Collaborate with StockCo to expand and improve product offering
  - Engage in joint marketing and referral campaigns with Elders Insurance to grow gross written premiums
- Expanded Elders issued product offerings
  - Develop and enhance new and existing on balance sheet finance products to help growers fund inputs and manage cashflow
  - Grow Livestock and Wool in Transit revenue through increased uptake
  - Expand Elders finance footprint and capability through recruitment and training

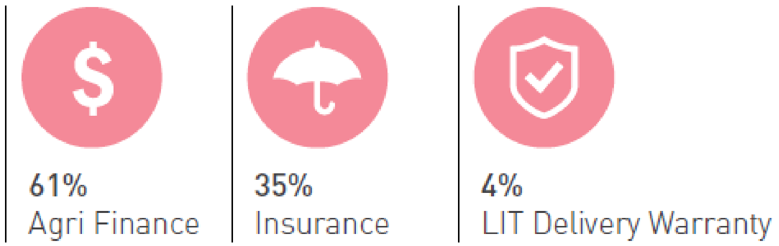
Financial Services margin
AUD millions



FY19 margin split by geography
Percent



FY19 share of Financial Services margin by product
Percent



FEED AND PROCESSING SERVICES

Fluctuations in results since FY14, however FY19 was the best performing year to date

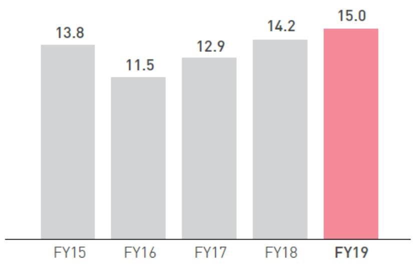
Business description

In Australia, Elders operates Killara Feedlot, a beef cattle feedlot near Tamworth in New South Wales. Elders imports, processes and distributes premium Australian meat in China.

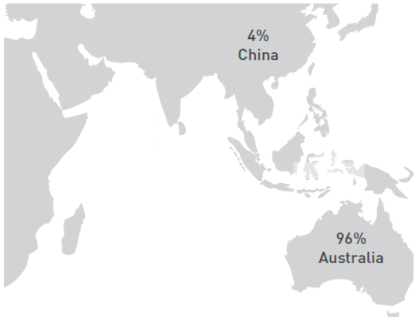
Strategic focus (per second Eight Point Plan)

- Robust systems
  - Further develop management systems and operational competencies in China
- Return on capital focus
  - Continued focus on procurement strategies and expansion opportunities at Killara
  - Allocation of capital based on approved business case discipline

Feed & Processing margin
AUD millions



FY19 margin split by geography
Percent



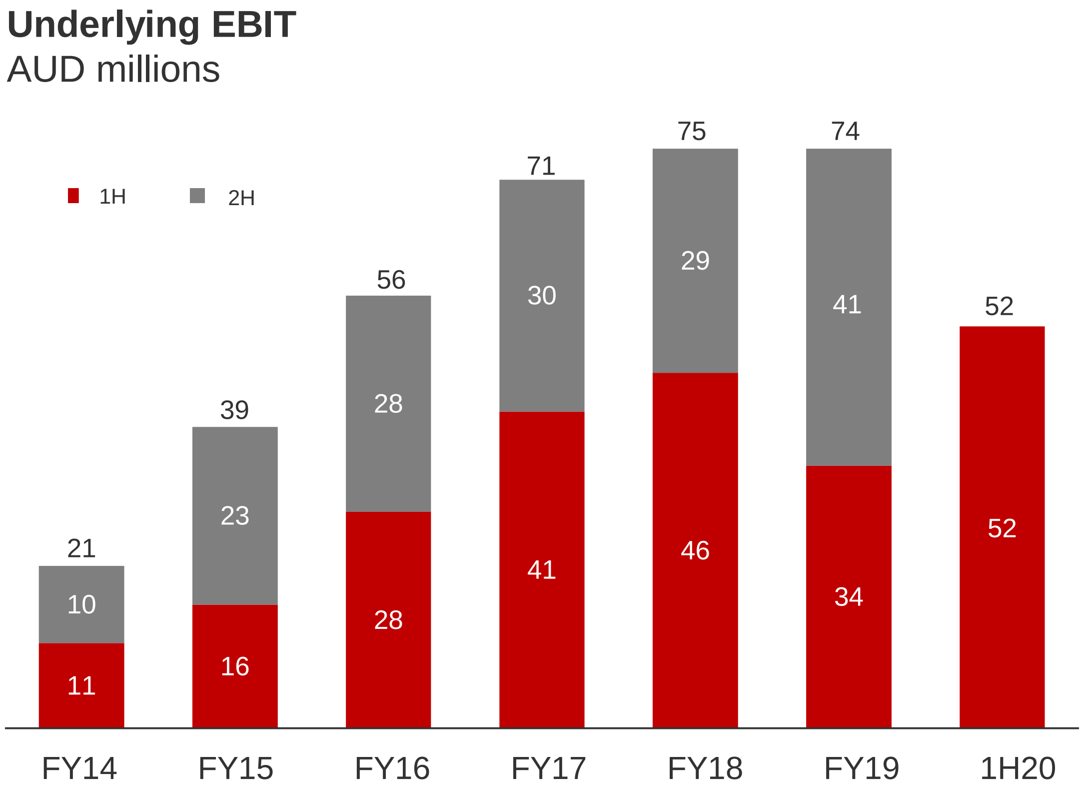
FY19 share of Feed & Processing margin by product
Percent

96%
Killara (Aus)

4%
China

ELDERS FINANCIAL PROGRESS SINCE FY14

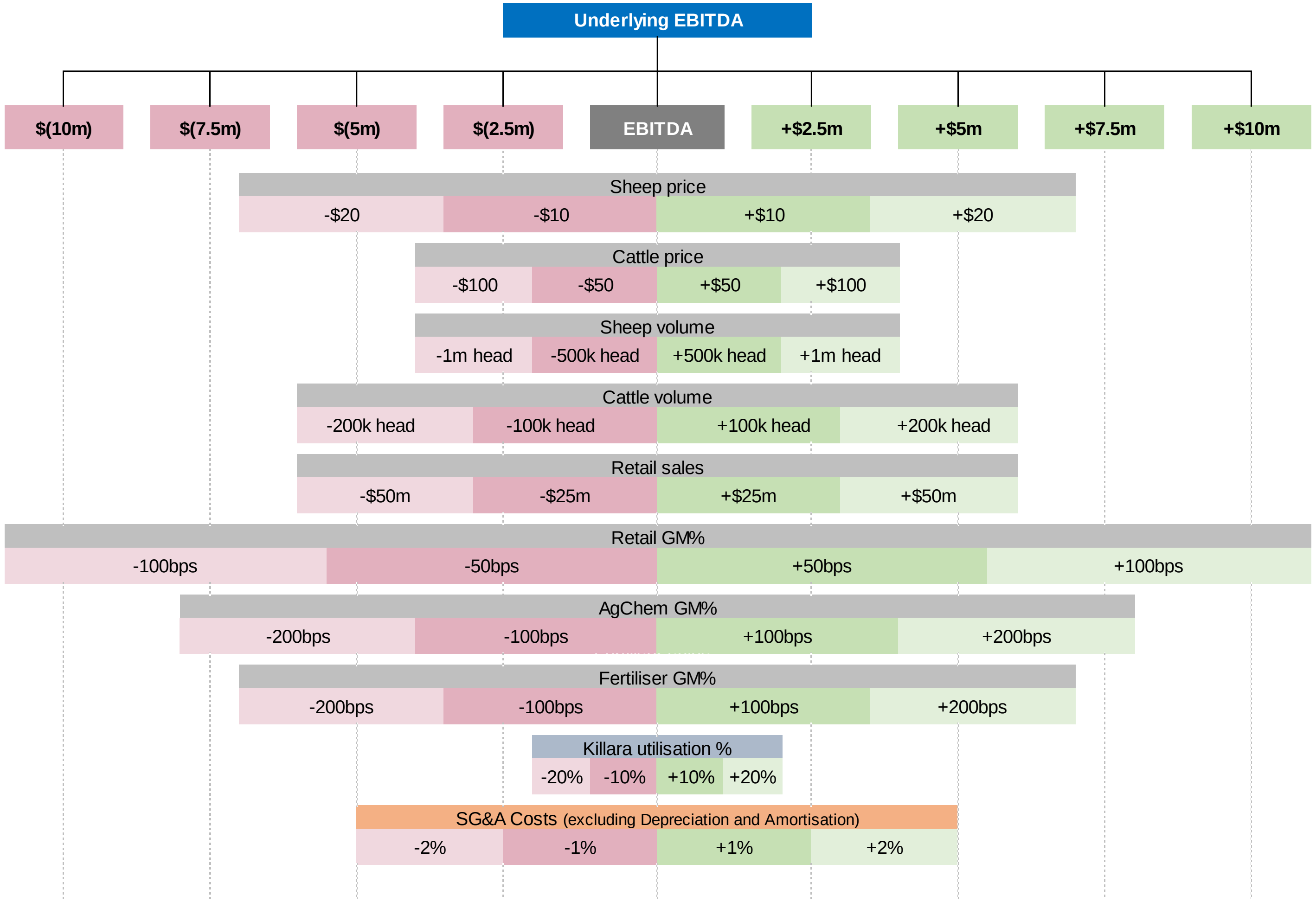
Under the first and second Eight Point Plan, underlying EBIT has almost tripled



Results performance has been driven by:

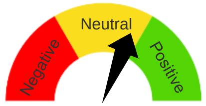
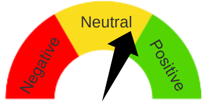
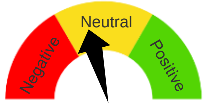
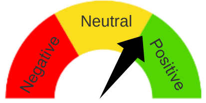
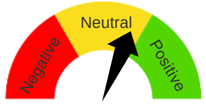
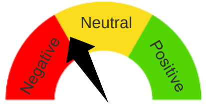
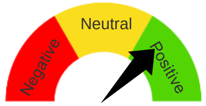
- Resetting of operational strategy, focusing on running a pure-play agribusiness
- Favourable livestock prices
- Footprint expansion, acquisitions and investments, such as: AIRR, Ace Ohlsson, Titan, SDEA, Kerr & Co, CGX, Insurance and StockCo etc
- Market share gains
- Price book management and improved supplier terms and consolidation
- Active portfolio management, and increased investment and feedlot utilisation at Killara
- Delivery of Eight Point Plan

PROFIT SENSITIVITY



Based on FY19 full year statistics

INDUSTRY AND MARKET OUTLOOK (LONG TERM)

Market	*Summary of Outlook*	*Long Term Market Outlook*	*Relevance to Elders*
Agricultural production & exports	▪ The value of Australian agricultural production has increased steadily over recent years. It is estimated to be $59 billion in 2019-20, and remain constant until 2024-25. ▪ Farm exports are expected to decrease to $43m and remain at these levels until 2025.		*High*
Cattle	▪ Australian beef production is projected to decrease with lower slaughter rates and a rebuild of the national herd, and increased China demand will lift prices in 2019-20. ▪ Live export volumes are expected to increase in 2019-20 due to demand from China, however gradually decrease in the medium term due to global competition.		*High*
Sheep & Wool	▪ The Australian sheep flock will contract due to dry seasonal conditions and high saleyard prices provide an incentive to turn off. The flock is expected to rebuild in the medium term. Sheep prices are expected to remain higher than the 5 year historical average. ▪ In the short term shorn wool production will decrease due to seasonal conditions before stabilising in the medium term. Wool prices are forecast to fall in 2019-20 due to demand as Chinese buyers are delaying purchases, however will recover in the medium term as demand quality improves.		*High*
Dairy	▪ The Australian dairy herd will decrease in the short term in part due to rising input costs. Global butter prices are expected to fall in 2019-20 following increases in milk production in key exporting regions. ▪ Dairy exports will decrease as higher domestic consumption is projected to reduce supplies.		*Low*
Grains & Oilseeds	▪ Area planted to grains is expected to increase in 2020-21 on the back of drought affected levels of 2019-20, and will remain flat for the medium term assuming favourable conditions. ▪ Wheat and barley prices will ease, as productivity improvements increase yields at a level that outweighs demand. Uncertain barley outlook for China. ▪ Oilseed plantings will remain largely unchanged in the medium term with world supply aligning with demand.		*High*
Sugar & Cotton	▪ In the short term, cotton production is expected to increase reflecting recovery from drought affected levels, this is expected to continue for the medium term. Returns to cotton growers are projected to increase to $661/bale in 2024-25. ▪ Sugar production & area planted will remain relatively unchanged due to increasing interest in horticulture. Sugar prices will rise in 2019-20 due to production levels and remain largely unchanged in the medium term as increased health awareness reduces per person sugar consumption.		*Medium*
Horticulture	▪ 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*

Source: ABARES Agricultural Commodities Outlook, March 2020