



13 November 2017

2017 full year financial results and highlights

- **Statutory net profit after tax of \$116.0m, up \$64.4m from the pcp**
- **Underlying profit after tax of \$57.7m, up \$16.5m from the pcp**
- **Underlying EBIT of \$70.4m, up \$14.3m from the pcp**
- **Underlying return on capital of 26.8%**
- **Operating cash flow \$81.6m for the year**
- **Cancellation of all Hybrids resulting in a simplified capital structure**
- **Fully franked final dividend of 7.5 cents per share, plus fully franked special dividend of 7.5 cents per share**

Elders Limited (ASX:ELD) today released its full year results for the 12 months to 30 September 2017, delivering improved underlying profit and above target return on capital, both in excess of the Eight Point Plan FY17 target. Elders also announced a fully franked final dividend of 7.5 cents per share, plus a fully franked special dividend of 7.5 cents per share, equating to total dividends of 15 cents per share.

Statutory net profit after tax of \$116.0 million compares with a \$51.6 million profit in the previous year, resulting from strong underlying profits and the non-cash impairment reversal of the Elders brand name. Underlying net profit after tax has improved \$16.5 million on the prior corresponding period to \$57.7 million.

A \$14.3 million improvement at the underlying earnings before interest and tax (EBIT) level, to \$70.4 million, was due to improved profitability across the product range and strategic acquisitions.

Elders' chief executive officer Mark Allison said the FY17 results and dividends reflect a milestone in the Company's progress under the direction of the Eight Point Plan.

"As we move out of the first three years of the Eight Point Plan and reset to lead into the next growth phase, it is evident that the business is committed to our strategic priorities and a resolve to realise our objective of continuous, solid, high quality growth which underpinned the company's achievements in FY17," Mr Allison said.

"It is pleasing that we have been able to declare a final and special dividend, which are Elders' first shareholder dividends since 2008."

"Balanced growth was achieved across the portfolio, with the Retail business posting a \$7.8 million increase in margin due to normalised summer cropping conditions and geographical expansion," he said.

Elders enhanced its Retail capability with the acquisition of Ace Ohlsson, a New South Wales based horticultural operation.

"Cattle and sheep prices remained strong, which combined with the benefit from footprint expansion, resulted in an \$11 million margin improvement."



“Margins for the Real Estate business improved by \$2.7 million with low interest rates and high livestock prices continuing to generate demand for large cattle farming and broadacre cropping properties. Elders’ real estate presence in the south west of Western Australia was strengthened by the acquisition of Southern Districts Estate Agency during the year.”

“The 30% purchase of the StockCo livestock financing business and an additional 10% of Elders Insurance (taking Elders’ total ownership of Elders Insurance to 20%) boosted margins for Financial Services to \$35.1 million, up \$8.9 million.”

“Elders’ Feed and Processing Services improved 17% on last year through increased utilisation at Killara Feedlot and continued success in paddock procurement strategies, with an increase of \$1 million in underlying profit.”

Operating cash inflow of \$81.6 million for the year was up \$32.9 million on the prior corresponding period, underpinned by strong cash conversion of operating profits and variability of livestock activity leading up to balance date. Both investing and financing cash outflows were higher than last year through increased acquisition activity and a focus on simplifying the Company’s capital structure.

Elders completed realisation and cancellation of its Hybrid securities in the first half of this financial year, simplifying the capital structure.

The Company’s underlying return on capital continued to be above the 20% benchmark at 26.8% through continued strong Agency earnings and increased Retail margins.

Mr Allison said the Eight Point Plan is essential in articulating Elders’ vision and ensuring the operations adhere to the strategic roadmap.

“Exiting from the non-core Live Export business (while maintaining our important involvement in the trade through the sourcing of livestock) is not only driving cost efficiencies but has allowed us to invest in areas, such as technical and digital services, which are much more aligned with our growth agenda.”

“I’m pleased with the dedication and hard work of our teams across our Australian, Chinese and Indonesian businesses, and thank our clients and shareholders for their support.”

“Looking ahead to 2020, Elders is focused on growth and development, improving our service offering for clients and delivering value to our shareholders.”



ENDS

Further information

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Conference call and presentation

Details for the conference call and webcast slide presentation are as follows:

Conference call

Phone: 1800 908 299
Quote conference ID: 526930

Webcast slide presentation

[Register, view and listen to webcast](#)

This webcast will stream the audio, so if you do not wish to ask a question, you do not have to call into the conference call. Note: the slide presentation will not be available until the presentation is scheduled to begin but you can use this link to test your browser.