Elders Limited

FY19 Year End Results Presentation

11 November 2019

DISCLAIMER AND IMPORTANT INFORMATION

Forward looking statements

This presentation is prepared for informational purposes only. It contains forward looking statements that are subject to risk factors associated with the agriculture industry many of which are beyond the control of Elders. Elders' future financial results will be highly dependent on the outlook and prospect of the Australian farm sector, and the values and volume growth in internationally traded livestock and fibre. Financial performance for the operations is heavily reliant on, but not limited to, the following factors: weather and rainfall conditions; commodity prices and international trade relations. Whilst every endeavour has been made to ensure the reasonableness of forward looking statements contained in this presentation, they do not constitute a representation and no reliance should be placed on those statements.

Non-IFRS information

This presentation refers to and discusses underlying profit to enable analysis of like-for-like performance between periods, excluding the impact of discontinued operations or events which are not related to ongoing operating performance. Underlying profit measures reported by the Company have been calculated in accordance with the FINSIA/AICD principles for the reporting of underlying profit. Underlying profit is non-IFRS financial information and has not been subject to review by the external auditors, but is derived from audited accounts by removing the impact of discontinued operations and items not considered to be related to ongoing operating performance.

FY19 YEAR END RESULTS PRESENTATION AGENDA

FY19 FINANCIAL PERFORMANCE: SUMMARY

Underlying profit after tax in line with FY18, confirming the resilience of Elders' business model across the agricultural cycle

Financial Metric	FY19 Result ($m)	FY18 Result ($m)	Year-on-Year Change		
			Direction	*$m*	*%*
Sales revenue	**1,667.3**	1,599.4	↑	67.9	4%
Underlying EBITDA	**78.8**	78.9	↓	0.1	0%
Underlying EBIT	**73.7**	74.5	↓	0.8	1%
Underlying profit after tax	**63.6**	63.6	↔	-	0%
Statutory profit after tax	**68.9**	71.6	↓	2.7	4%
Net debt	**94.3**	173.4	↓	79.1	46%
Operating cash flow	**11.2**	(12.1)	↑	23.4	193%
Average total capital (year to date)[1]	**407.3**	317.8	↑	89.5	28%
Underlying return on capital (%)	**18.2%**	24.2%	↓	n.a.	6%
Underlying earnings per share (cents)	**52.6**	55.0	↓	2.4	4%

[1] *Excludes brand name.*
[2] *Return on capital = Underlying EBIT / (working capital + investments + property, plant and equipment + intangibles (excluding brand name) – provisions).*

DELIVERY AGAINST OUR FY19 PRIORITIES

During the past year, we remained focused on investing in our Eight Point Plan

Safety Performance

- 9 lost time injuries (LTI), compared to 5 last year, target is zero LTIs
- LTI frequency rate at 2.2, compared to 1.2 last year
- 134 days lost, compared to 51 last year
- Continued emphasis on employee and community safety, health and wellbeing

Operational Performance

- $63.6m underlying NPAT, consistent with pcp and upper end of guidance
- $78.8m underlying EBITDA, down $0.1m
- $73.7m underlying EBIT, down $0.8m
- Underlying ROC at 18.2%, down from 24.2%
- Leverage ratio increased to 2.4 from 2.0
- Interest cover ratio consistent at 11.6

Key Relationships

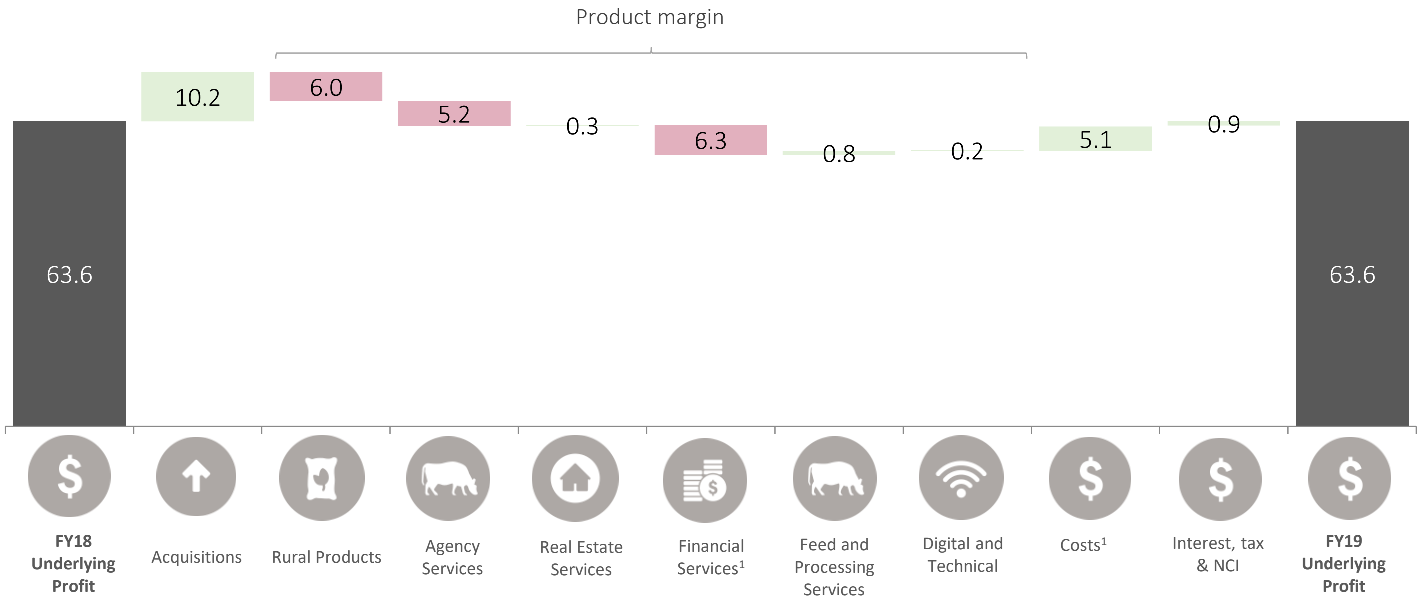
- New and extended relationship agreement with Rural Bank to provide our clients access to quality banking services
- Strengthened the "Elders Give It" program through continued Royal Flying Doctor Service partnership and further community involvement
- Formal engagement with Rural Research Centres, 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 and our expanded digital offerings

Efficiency and Growth

- Acquisition of Australian Independent Rural Retailers (AIRR) to provide EBIT growth and strategic presence in key geographical areas
- Major business restructure to drive performance and focus heading into the final year of the second Eight Point Plan
- Launched new Livestock and Wool in Transit (LIT/WIT) delivery warranty products associated with Elders' Agency Services
- Continued footprint expansion through acquisitions of Rural Products and Agency businesses
- Divestment of Indonesian retail business

FY19 FINANCIAL PERFORMANCE: PRODUCT

Earnings from recent acquisitions offsetting lower Rural Products margin due to reduced summer cropping and reduced Agency margin from lower wool volumes

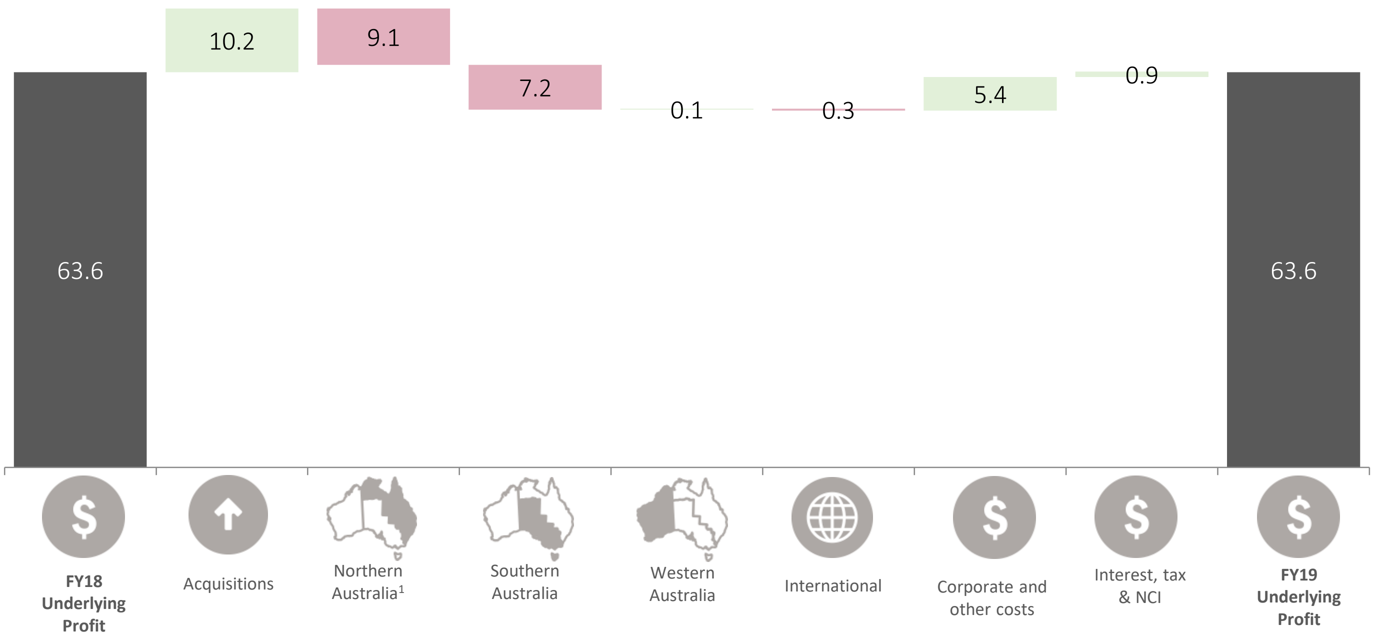


- **Acquisitions** predominantly include earnings from TitanAg and Livestock in Transit (LIT) delivery warranty products
- **Rural Products margin** mainly down due to reduced summer cropping
- **Agency margin** impacted by lower wool bales sold across all geographies in line with the overall fall in the market.
- **Financial Services** consistent year on year, with margin downside ($6 million) offset by cost savings of $6 million, with new Rural Bank distribution agreement, which became effective on 4 March 2019
- **Feed and Processing Services** upside mostly from increased Feedlot utilisation and throughput
- **Costs** down due to new Rural Bank distribution agreement and lower short term incentives, offset by geographical footprint growth and increased investment in technology, digital and technical areas

[1] As a result of a change to the Rural Bank distribution agreement effective 4 March 2019, the impact on Elders' financial results is a reduction in Financial Services gross margin, offset by lower costs

FY19 FINANCIAL PERFORMANCE: GEOGRAPHY

Lower contribution from Northern and Southern Australia has been offset by acquisitions during the year



- **Acquisitions** predominantly include earnings from TitanAg and Livestock in Transit (LIT) delivery warranty products
- **Northern Australia** impacted by dry conditions with reduced activity across mainly Wool and Rural Products
- **Southern Australia** down on prior year mainly due to lower Wool volumes and higher costs
- **Western Australia** upside resulting mostly in Agency and Real Estate margin, offset by lower Rural Products
- **Corporate and other costs** savings primarily from lower short term incentives, offset by increased investment in technology, digital and technical areas

[1] *Northern Australia includes Killara feedlot*

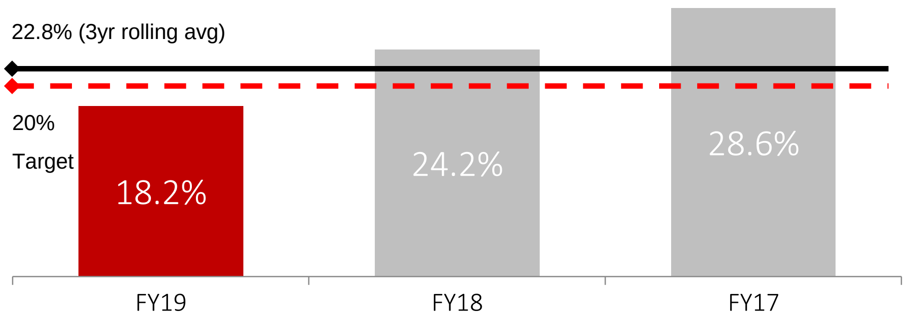
FY19 FINANCIAL PERFORMANCE: CAPITAL

ROC below 20% target, above on a rolling 3 year average

- Underlying return on capital was 18.2% as a result of:
  - Lower earnings due to reduced wool volumes and poor summer cropping season
  - Increase in Rural Products and Livestock capital balances
  - Capital deployed in acquisitions, including TitanAg and Livestock in Transit (LIT)

- Average working capital increased by $51.7 million to $288.6 million for the year. This increase reflects seasonal conditions with:
  - Additional stock net of creditors from the backward integration investment TitanAg
  - Increased Rural Products balances due to lower stockturns and higher debtor days
  - Higher Livestock debtors with debtor days up in the first six months

Underlying Return on Capital[1]



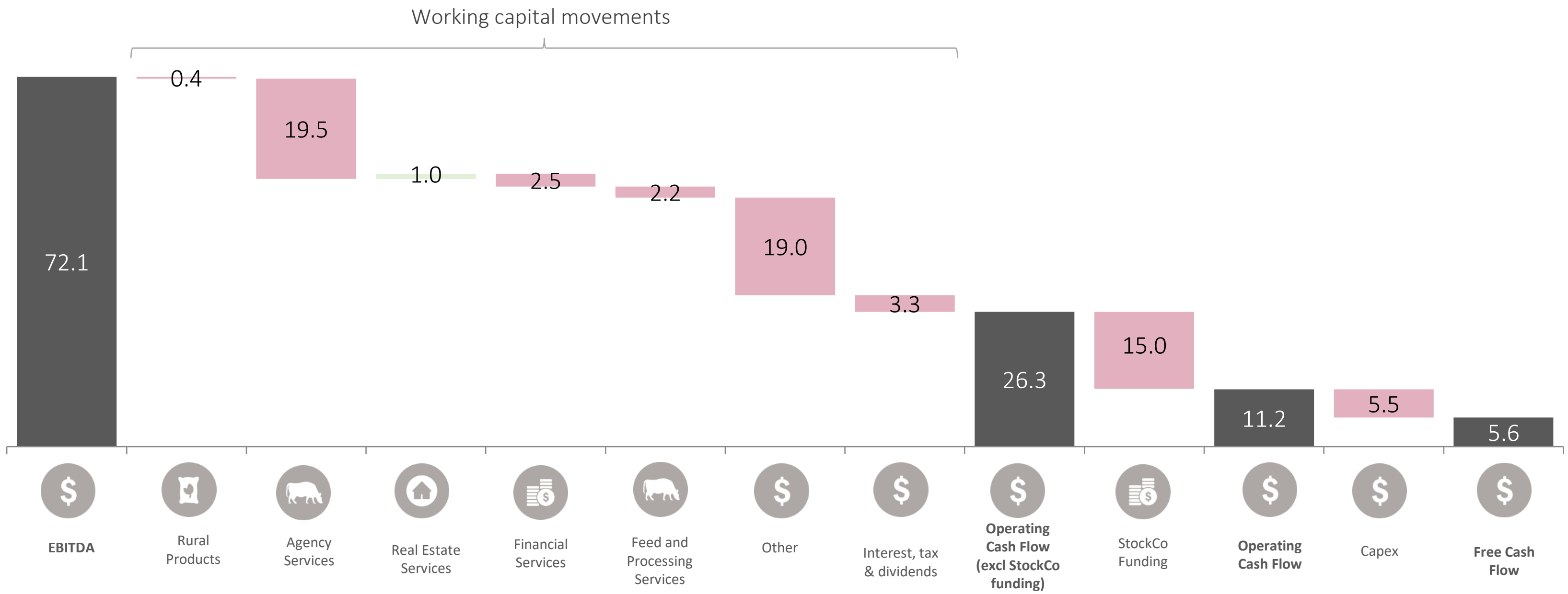
Average Capital

$ million	FY19	FY18	Change
Rural Products	207.8	175.3	32.5
Agency Services	43.2	33.8	9.4
Real Estate	1.3	1.2	0.1
Financial Services	18.9	13.1	5.8
Feed & Processing Services	45.1	41.1	4.0
Other	(27.8)	(27.5)	(0.3)
Working capital (average)	**288.6**	**236.9**	**51.7**
Other capital[2]	*118.7*	*80.9*	*37.8*
Total capital (average)[2]	**407.3**	**317.8**	**89.5**
Total capital (at balance date)[2]	*434.1*	*354.5*	*79.6*

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

FY19 FINANCIAL PERFORMANCE: CASH FLOW

Key drivers of operating cash flow in FY19 include the impact of acquisitions, and seasonal influences such as early timing of spring sales



$ million	Rural Products	Agency Services	Real Estate	Financial Services	Feed & Process	Other	**Total**
EBITDA	55.9	24.5	13.9	10.5	6.2	(38.5)	**72.1**
Movements in assets and liabilities	(0.4)	(19.5)	1.0	(2.5)	(2.2)	(19.0)	**(42.6)**
Related party advances				(15.0)			**(15.0)**
Interest, tax and dividends						(3.3)	**(3.3)**
Operating cash flow	55.5	4.9	14.9	(6.9)	4.0	(61.1)	**11.2**

Commentary on Drivers

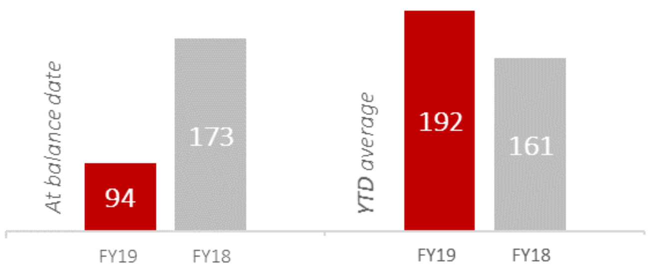
Operating cash inflow of $26.3 million (excluding StockCo funding) reflected an EBITDA of $72.1 million, offset by increased working capital relating to:

- Higher Livestock debtors with early timing of spring sales
- Other relates to payment of provisions including leave and incentives

FY19 FINANCIAL PERFORMANCE: NET DEBT

Average debt up due to increased acquisition activity and Rural Products capital usage

Net Debt



Key Ratios	FY19	FY18	Change
Leverage (average net debt to EBITDA)	2.4	2.0	0.4
Interest cover (EBITDA to net interest)	11.6	11.5	0.1
Gearing (average net debt to closing equity)	38.9%	52.3%	(13.4%)

Net debt at balance date was $79 million lower than the prior year. This was mainly due to proceeds received from equity raised, net of transaction and capital raise costs, for the Australian Independent Rural Retailers (AIRR) acquisition of $130 million, offset by:

- Increased capital associated with acquisition activity, mainly in TitanAg and the Livestock in Transit (LIT) product
- Higher Livestock debtors with early timing of spring sales
- Increased StockCo advances (livestock funding investment) through provision of short term funding

Average net debt was $31 million higher than prior year due to:

- Additional stock net of creditors from the backward integration investment TitanAg
- Increased Rural Products balances due to lower stockturns and higher debtor days
- Higher Livestock debtors with debtor days up in the first six months

FY20 MARKET OUTLOOK

We expect the full year impact of our acquisitions to lift company results

Rural Products	▪ Reduced summer cropping as dry conditions persist across north eastern and southern Australia, whilst winter cropping will increase but remain below long term average ▪ TitanAg earnings to grow into second full year of strategy ▪ Completion of Australian Independent Rural Retailers (AIRR) acquisition to provide entry to wholesale market and increased product diversification
Agency Services	▪ Wool margin to increase with significant wool bales held in store in September ▪ Australian beef production and export volumes are projected to decrease due to reduced slaughter rates and a rebuild of the national herd, while low cattle supply and strong demand in China will increase prices ▪ Uplift in Australian sheep flock to be supported by strong sheep prices, which are forecasted to rise to historical highs due to strong saleyard competition and increased demand from China
Real Estate Services	▪ Demand for farmland property to remain strong ▪ Gains expected from residential and property management
Financial Services	▪ Financial Services to benefit from a full year of earning from Livestock in Transit (LIT) and Wool in Transit (WIT) delivery warranty products ▪ Full year impact of the new Rural Bank distribution agreement is anticipated to be a marginal increase in EBIT on last year
Feed and Processing	▪ Killara feedlot earnings continue to be maintained through high utilisation, easing feed costs and improved efficiencies
Costs and Capital	▪ Costs are expected to increase in line with footprint growth & continued Eight Point Plan investment ▪ Increased investment in both digital and technical area and information technology to continue

STRATEGIC PRIORITIES

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 financesolutions.

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: 3 YEARS TO FY20 GOAL

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

EBIT FY17 to FY20

- 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, and
  - continued focus on controlling base costs to offset inflationary increases
- Australian Independent Rural Retailers (AIRR) acquisition expected to be settled 13 November 2019 with over 10 months earning in FY20

BALANCED GROWTH PLAN TO FY20

Organic 50%

- Capture more margin through backward integration and stronger buying power post Australian Independent Rural Retailers (AIRR) acquisition
- Maximise cross-sell and add-on opportunities like Livestock in Transit Warranty (LIT), financing and agronomy advice and consulting services
- Attract new clients via targeted acquisition campaigns leveraging industry consolidation fall-out
- Invest in the development of our people: new branch incentive scheme and training academy
- $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

Maintain Cost

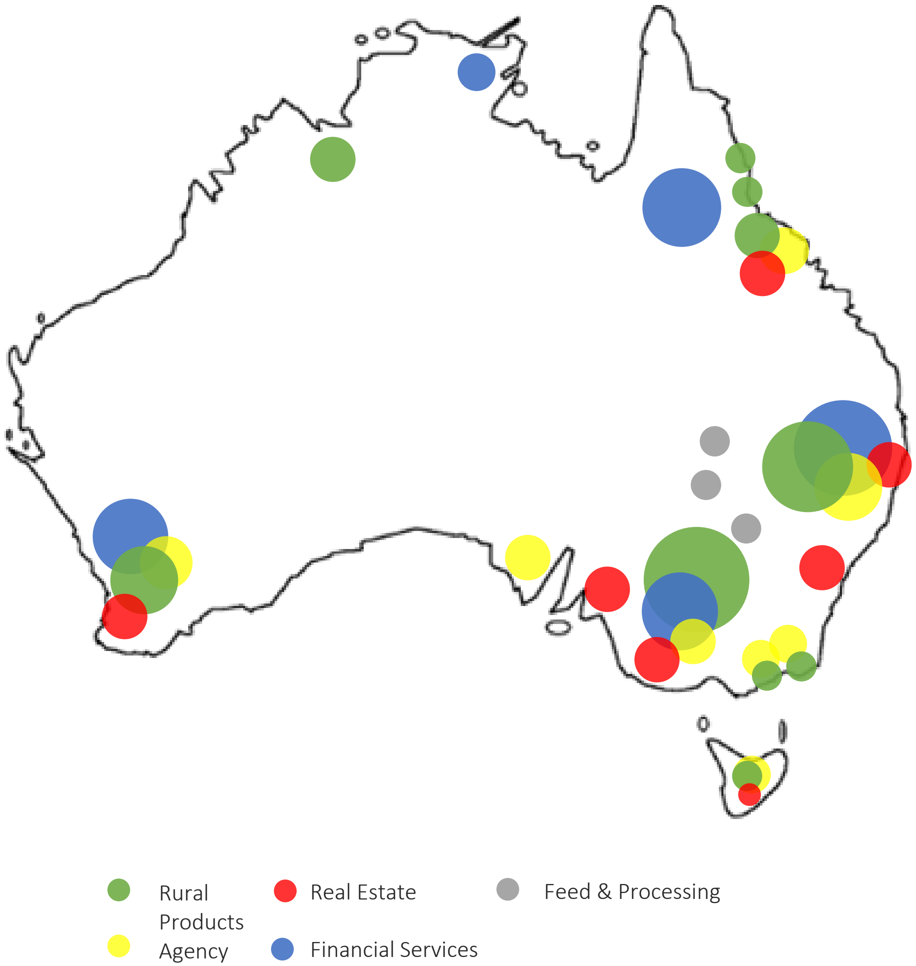
- Derive efficiency gains through active cost management to offset inflationary increases
- Tightly manage integration of acquisitions to ensure that increasing scale translates to improved purchasing power and back-office efficiencies
- Develop and implement process efficiency improvement opportunities
- Optimise cost and capital allocation
- 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
- Invest in modernising our IT platforms to “future proof” our business while improving efficiency and customer experience

STRATEGIC OPPORTUNITIES

Stable platform geared for the next wave of growth, under the second Eight Point Plan, including 20 new branches



Key gaps in market, geographical, product and service areas to be filled through organic growth and acquisition, with 20 new branches by 2020

Rural Products

- Increased market share and presence in high value cropping areas, such as horticulture, viticulture, and irrigated farming
- Grow highly specialised agronomy services through Thomas Elder Consulting
- Product commercialisation through Thomas Elder Institute and tertiary alliances

Agency

- Increased focus on livestock production advice and dairy
- Targeted footprint and agent growth in livestock services
- Expand grain network accumulation

Real Estate

- Increase company owned presence in major regional centres and also expand franchise footprint

Financial Services

- Increased uptake of Livestock in Transit warranty (<50% of livestock sales covered)
- Growth in Elders Insurance gross written premiums (metro focus)
- Growth in StockCo and Rural Bank facility balances nationally

Feed and Processing

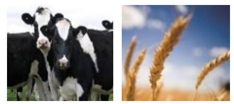
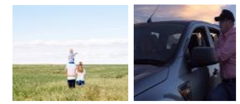
- Controlled growth in Killara feedlot throughput
- Investment in infrastructure to deliver efficiencies




APPENDIX

BUSINESS MODEL

Six major divisions make up the Elders business model

Rural Products						
Retail Products	**Wholesale Products**	**Agency Services**	**Real Estate Services**	**Financial Services**	**Digital and Technical Services**	**Feed and Processing Services**
						
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; 78k head cattle	Killara: 63k head
695k tonnes fertiliser	$0.2b agency sales[1]	1.7m head cattle	$0.7b residential sales	$1.7b deposit book[2]	Elders Weather: 233m hits	China: $13.7m sales
216 stores	340 member stores	289k wool bales	9,300 properties under management	$60.7m StockCo book[2]	Clear Grain Exchange: 71k grain tonnes	
	+190 APVMA registrations[4]		126 franchises	$737.3m gross written premium[2]		
	Post AIRR acquisition					

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, 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 expected to be settled 13 November 2019 with over 10 months earning in FY20.*

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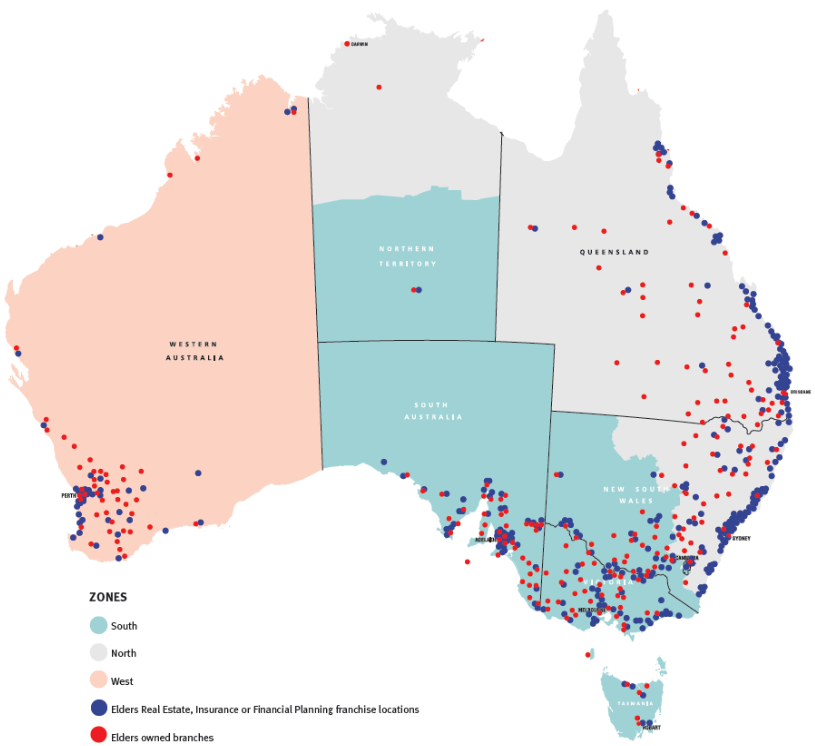
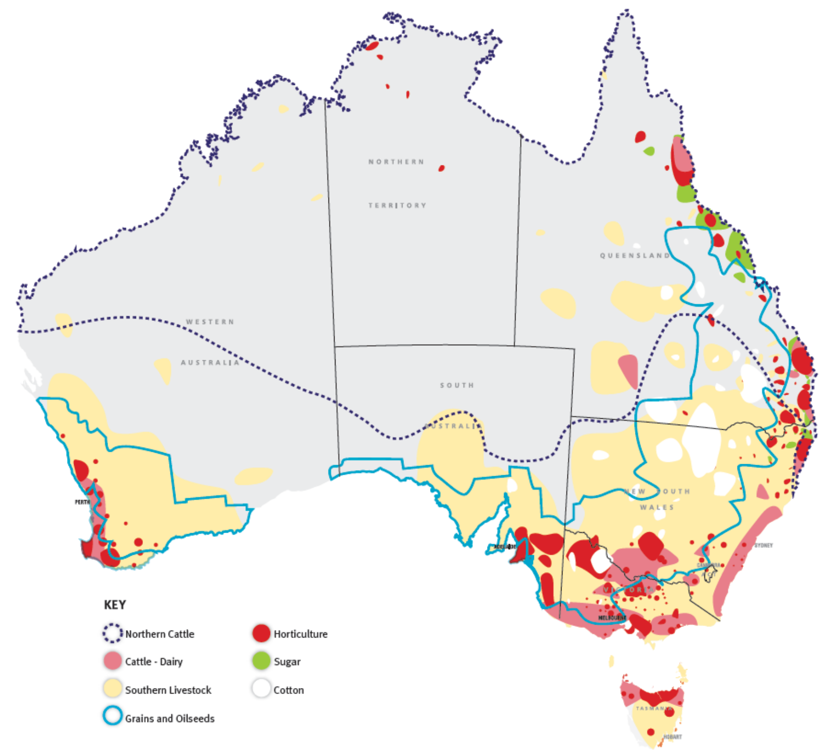
POINTS OF PRESENCE

Over 460 points of presence in Australia and overseas (including AIRR); Key produce areas covered throughout, with target expansion to be driven by recruitment and acquisition





AUSTRALIAN INDEPENDENT RURAL RETAILERS (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

- Head Office
- Warehouses
- Retail stores

Member brands

AIRR always there.

- Mixed rural merchandise retailers
- Over 240 locations nationwide

TUCKERS PET & PRODUCE

- 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.

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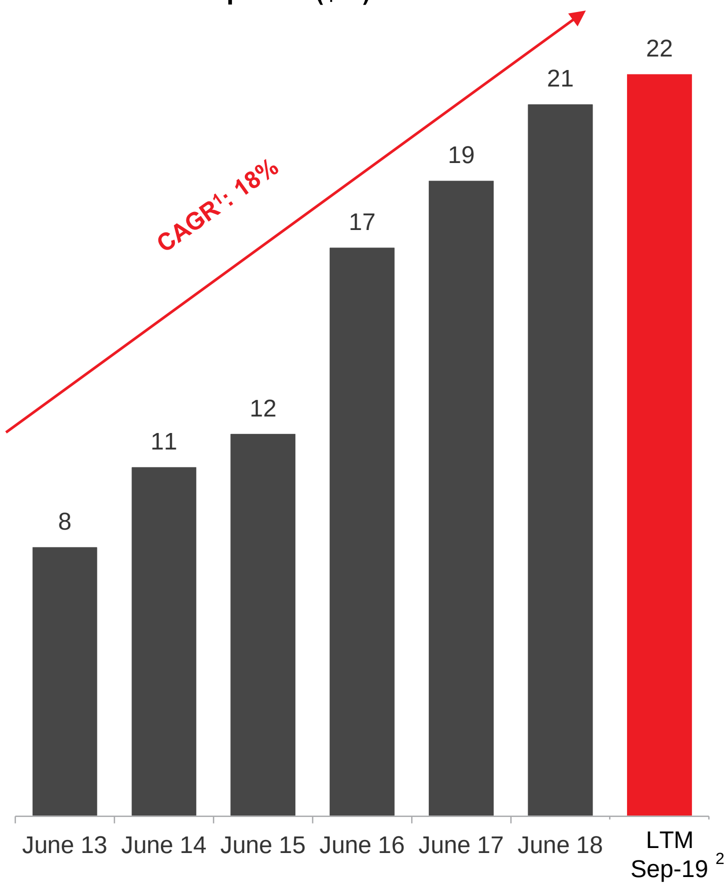
AUSTRALIAN INDEPENDENT RURAL RETAILERS (AIRR) OVERVIEW CONT.

Strong track record of quality growth and financial discipline

AIRR's EBITDA profile ($m)



AIRR's growth strategy

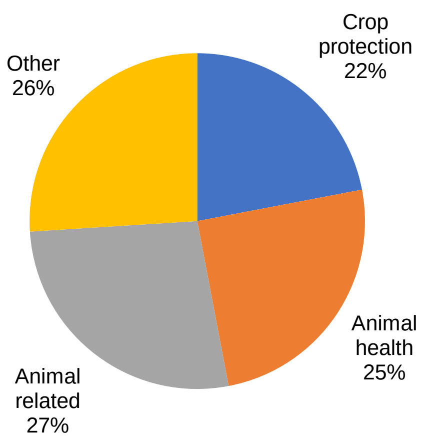
- ✓ Grow AIRR and Tuckers member base
- ✓ Leverage buying, marketing and selling strengths to create sales and margin growth
- ✓ Expand AIRR warehouse footprint by creating further satellite warehouses
- ✓ Increase private label sales by growing Independents Own product range
- ✓ Expand range of exclusive 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.

AUSTRALIAN INDEPENDENT RURAL RETAILERS (AIRR) DIVERSIFICATION

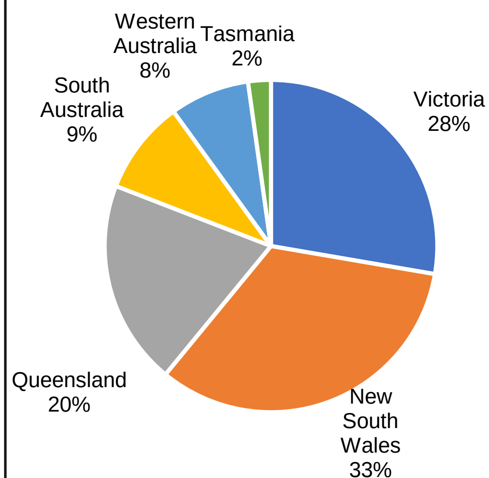
By product, customer and geography

FY18 Sales by Product Category



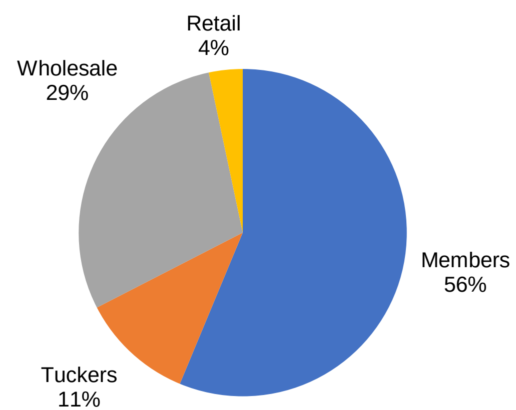
Product diversification decreases exposure to weather related cycles

FY18 Revenue by Geography



Geographic mix reflects national wholesale platform

FY18 Revenue by Customer Type



Top 20 customers represent 22% of sales

Source: Company reports and presentations.

FY19 RESULTS BY BUSINESS SEGMENTATION

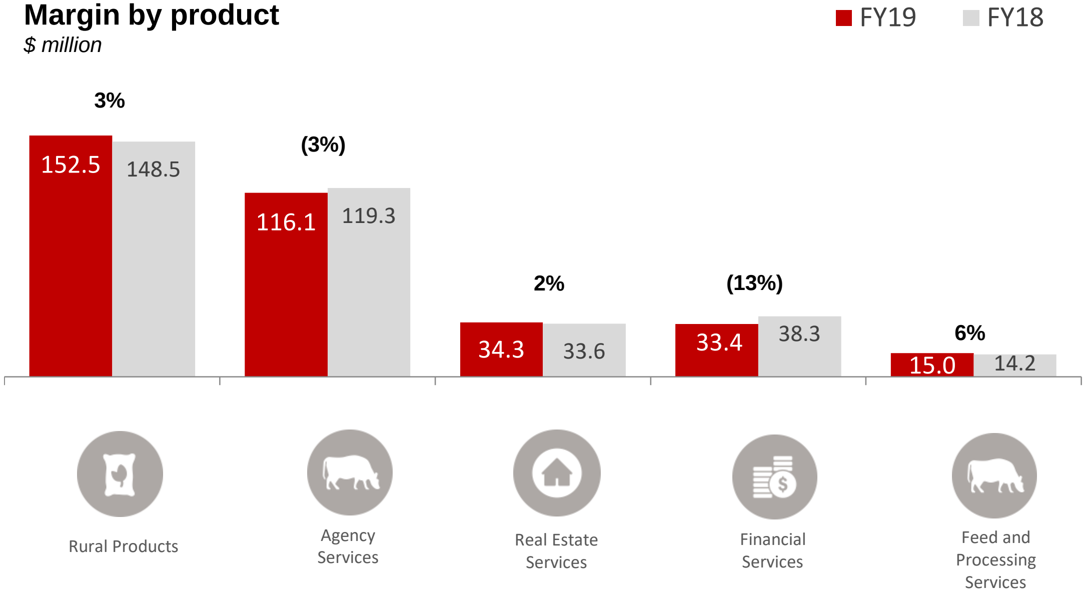
Rural Products and Agency Services account for over 75% of margin

	Northern Australia	Southern Australia	Western Australia	International Geographies	Digital & Technical	FY19 Margin ($m)	Avg. Working Capital ($m)
Rural Products	Farm Supplies and Fertiliser					**152.5**	**207.8**
Agency Services	Livestock, Wool, and Grain					**116.1**	**43.2**
Real Estate Services	Farmland, Residential, Property Management, Franchise					**34.3**	**1.3**
Financial Services	Agri Finance and Insurance					**33.4**	**18.9**
Feed & Processing Services	Killara Feedlot			China		**15.0**	**45.1**
Digital & Technical					Elders Weather	**0.8**	**-**
FY19 Margin ($m)	**122.0**	**159.5**	**69.1**	**0.6**	**0.8**	**352.1**	

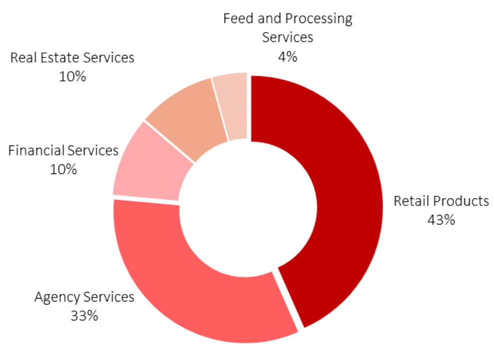
FY19 PERFORMANCE BY PRODUCT

Acquisitions offsetting impacts of dry conditions

Margin by product
$ million



Margin by product
%

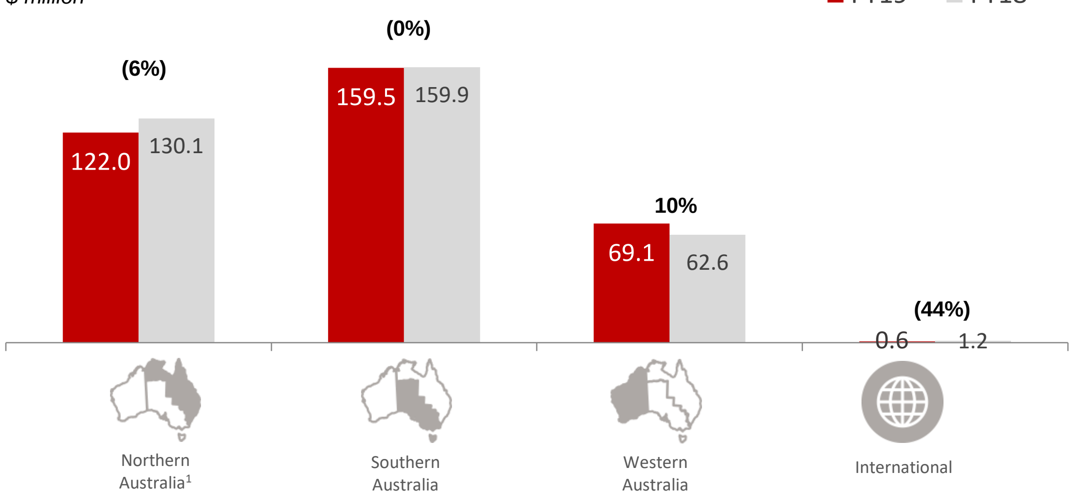


- **Rural Products:** Improved mostly from the acquisition of TitanAg, offset by dry conditions in key areas
- **Agency:** Mainly attributable to lower Wool activity, with lower wool bales sold across all geographies in line with the overall fall in the market
- **Real Estate Services:** Uplift mainly in the Southern and Western geographies
- **Financial Services:** EBIT consistent year on year, with margin downside ($6 million) offset by cost savings of $6 million in line with new Rural Bank distribution agreement
- **Feed and Processing Services:** Upside mostly from increased Feedlot utilisation and throughput

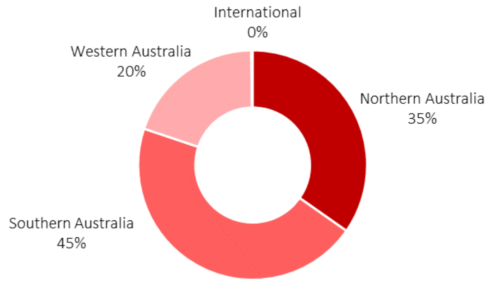
FY19 PERFORMANCE BY GEOGRAPHY

Decline in Northern and Southern Australia has been offset by contribution of acquisitions during the year

Margin by geography
$ million



Margin by geography
%



- **Northern Australia:** Impacted by dry conditions with reduced activity across mainly Wool and Rural Products
- **Southern Australia:** Acquisitions offset by lower Wool volumes and higher costs
- **Western Australia:** Upside across most products, with acquisitions boosting Rural Products result
- **International:** Lower margins offset by cost savings

[1] *Northern Australia includes Killara feedlot*

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 specialists operating through Thomas Elder Consulting. Elders also holds over 190 Australian Pesticides and Veterinary Medicines Authority (APVMA) registrations which supports our backward integration strategy.

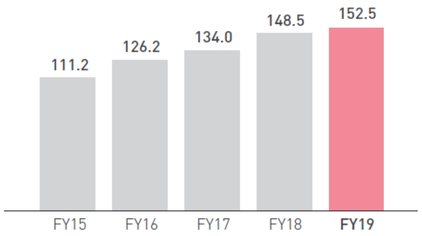
Strategic focus

1. 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

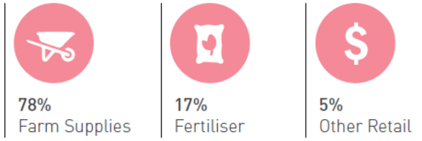
2. Product focus
   - Establish a new wholesale channel through the proposed acquisition of AIRR
   - Better capture customer metrics to improve product ranging initiatives

3. 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 structure training program for managers in our branch network

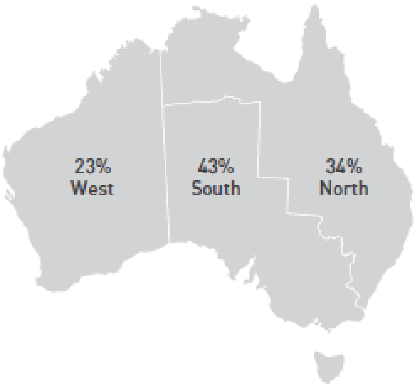
Rural Products margin ($m)



FY19 Margin by product (%)



FY19 Margin split by geography (%)



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.

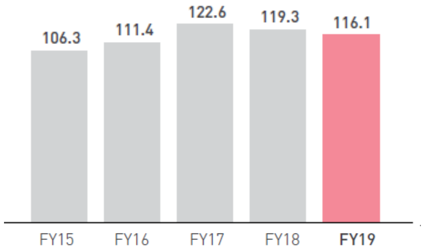
- **Grain**: Our grain marketing model provides pricing from multiple buyers and offers a cutting edge commodity origination platform, maximising choice for growers.

Strategic focus

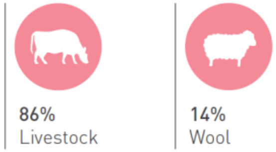
1. Operating model
   - Invest in Livestock, Wool and Grain product development to improve and expand offering
   - Continue footprint expansion through targeted acquisitions

2. 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 ($m)



FY19 Margin by product (%)



FY19 Margin split by geography (%)

REAL ESTATE SERVICES

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

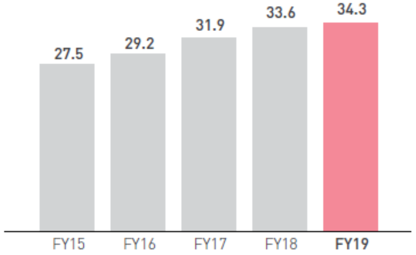
Business description

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.

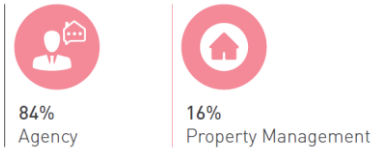
Strategic focus

1. 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
   - Enhance 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
2. 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

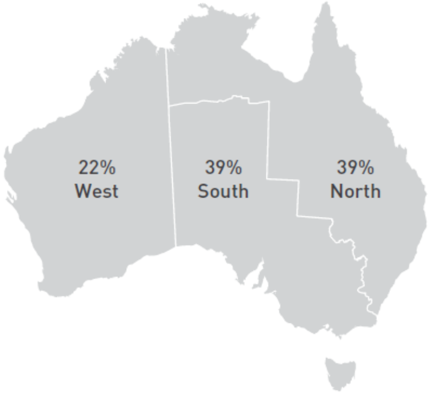
Real Estate Services margin ($m)



FY19 Margin by product (%)



FY19 Margin split by geography (%)



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

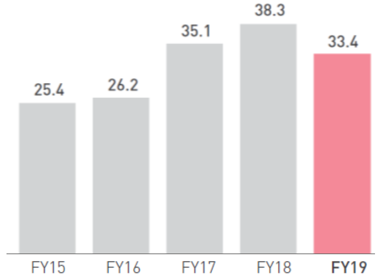
Elders distributes a wide range of banking and insurance products and services through its Australian network. We work together with a number of partners to deliver these offerings; Rural Bank and StockCo for banking and livestock funding products and Elders Insurance (a QBE subsidiary) for general insurance. 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

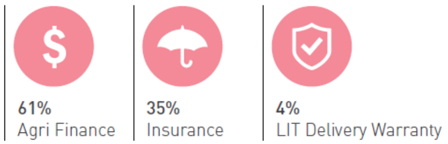
1. Deeper, more productive partnerships
   - Embed new Rural Bank distribution agreement and operating model and support growth in loan and deposit facilities through cross-promotion and referral
   - Collaborate with StockCo to expand and improve product offering
   - Engage in joint marketing and referral campaigns with Elders Insurance to grow gross written premiums

2. Expand 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

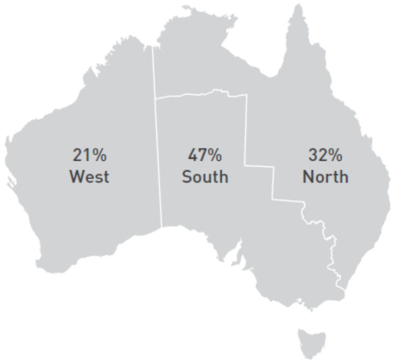
Financial Services margin ($m)



FY19 Margin by product (%)



FY19 Margin split by geography (%)



FEED & PROCESSING SERVICES

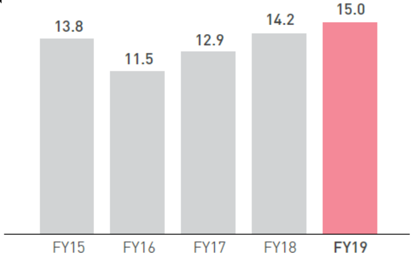
Fluctuations in results since FY14, however FY19 was the best performing year to date

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.

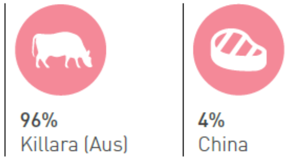
Strategic focus

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

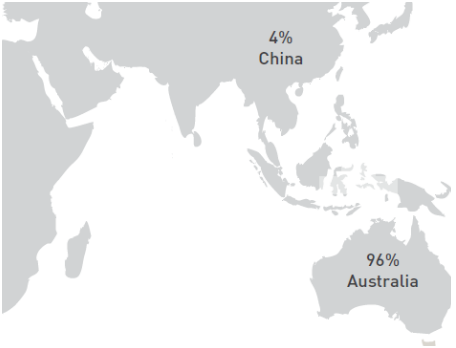
Feed & Processing Services margin ($m)



FY19 Margin by product (%)

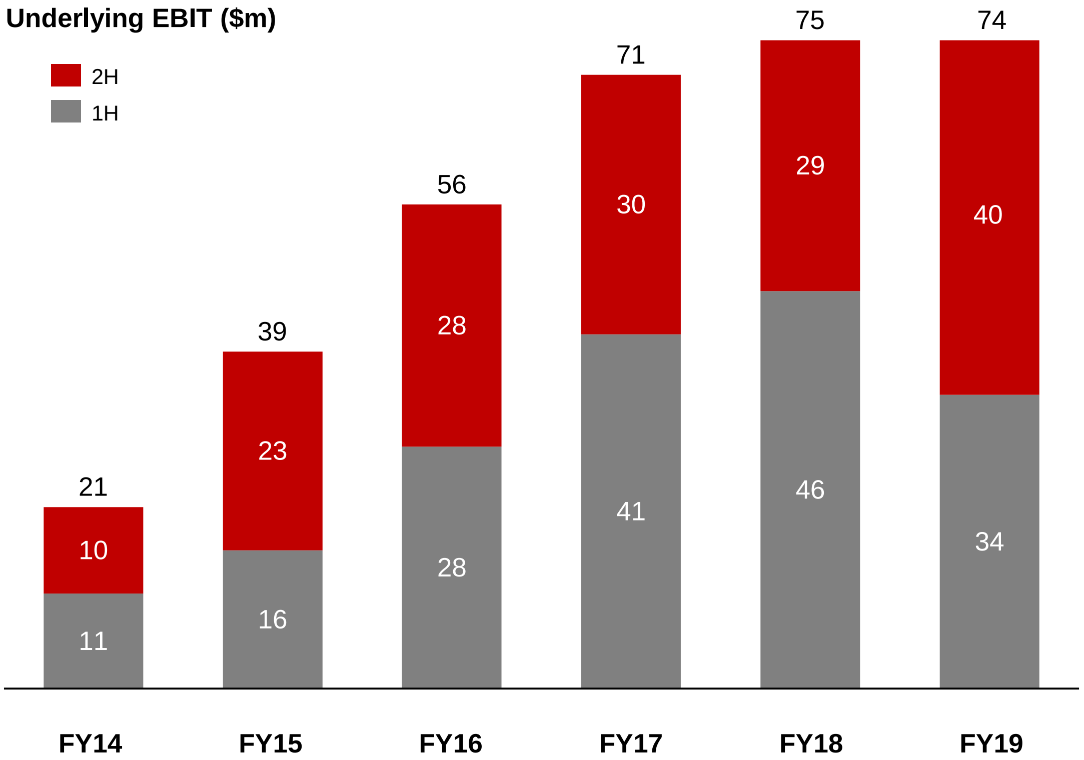


FY19 Margin split by geography (%)



ELDERS FINANCIAL PROGRESS SINCE FY14

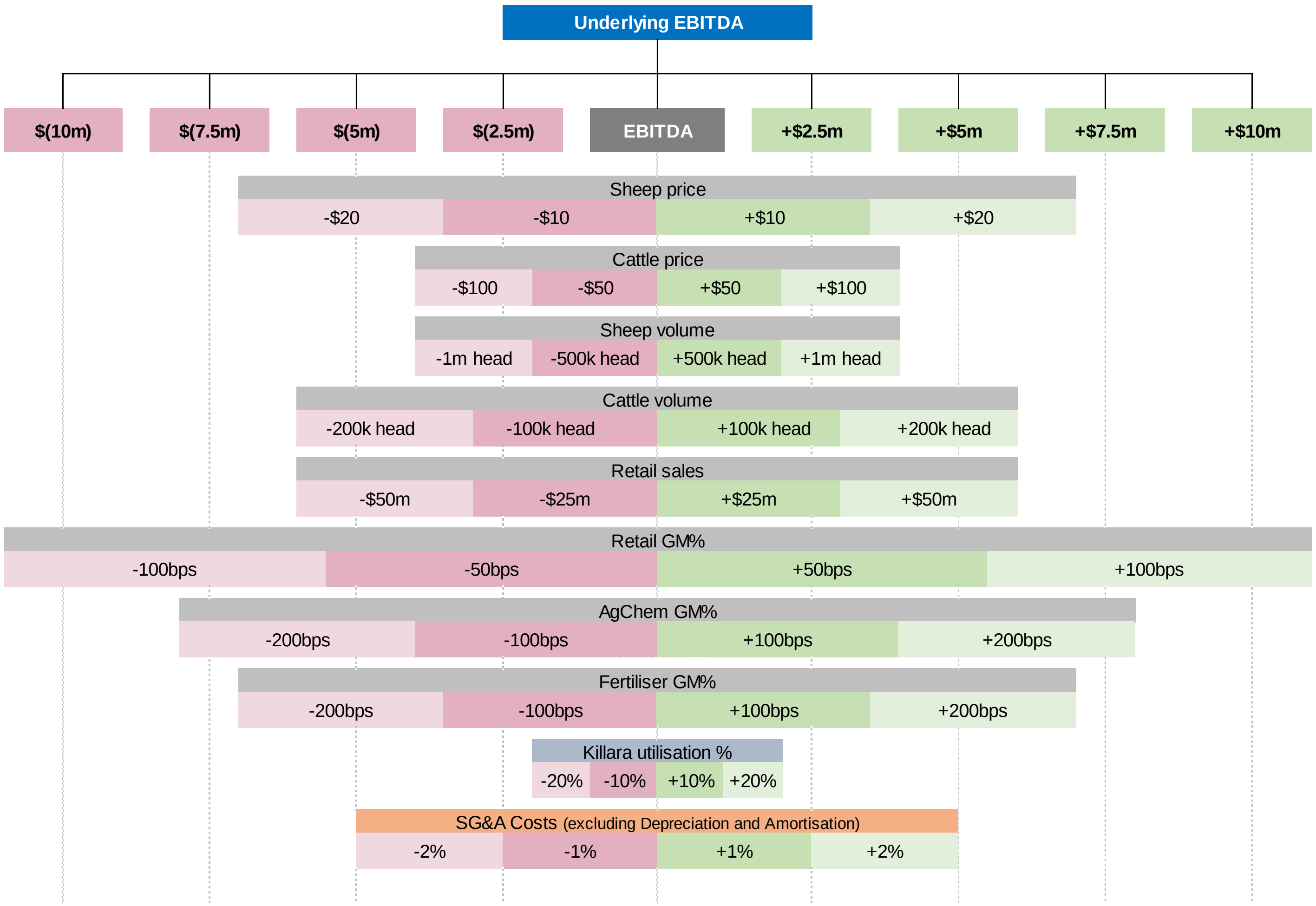
Underlying EBIT has more than tripled since FY14, and has remained steady between FY18 and FY19



Results driven by:

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

PROFIT SENSITIVITY

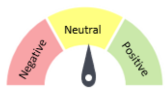


Based on FY19 full year statistics

INDUSTRY OUTLOOK

Seven key markets that the Elders business is operationally present within

Agricultural production & exports

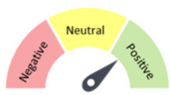


- The value of **Australian agricultural production** has increased steadily over recent years. It is estimated to be **$59 billion** in 2019-20, increasing to a forecast **$69 billion i**n 2023-24.
- **Farm exports** will grow by $5 billion from 2016-17 to 2023-24, to **$54 billion**.

Cattle

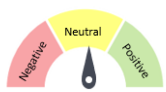
- **Australian beef production and export volumes** are projected to decrease with lower slaughter rates and a rebuild of the national herd. Cattle supply and increased China demand will increase prices in 2019-20. Live export volumes are expected to decrease in 2019-20 and gradually increase in the medium term.

Sheep & Wool



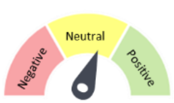
- The **Australian sheep flock** will increase in the short term due to high prices providing an incentive to expand flocks. The flock is expected to continue rebuild in the medium term. Sheep prices are expected to remain higher than the 5 year historical average.
- In the short term **shorn wool production** will decrease due to seasonal conditions before stabilising in the medium term. Wool prices are forecast to fall in the medium term due to demand as China-US trade tensions resulting in Chinese buyers delaying purchase.

Dairy



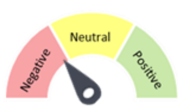
- The **Australian dairy herd** will decrease in the short term in part due to rising input costs. Global butter and cheese prices are expected to fall in 2019-20 following increases in milk production in key exporting regions. Dairy exports will decrease as higher domestic consumption is projected to reduce supplies.

Grains & Oilseeds



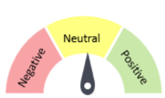
- **Area planted to grains** is expected to remain flat in the medium term, with profitability of pulse and oilseed crops limiting planting. Wheat and barley prices will ease, as productivity improvements increase yields at a level that outweighs demand.
- **Oilseed plantings** will remain largely unchanged in the medium term with world supply aligning with demand.

Sugar & Cotton



- In the short term**, cotton production** will be down due to dry conditions and limited water availability for irrigated crops. This is expected to continue for the medium term. Returns to cotton growers are projected to increase to $716/bale in 2023-24.
- **Sugar production & area planted** will remain relatively unchanged due to growers increasing interest in horticulture. Sugar prices will increase in 2019-20 due to production levels and largely remain unchanged in the medium term. This is due to increased health awareness reducing per person sugar consumption.

Horticulture

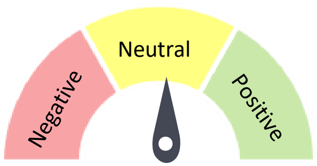


- Gross value of **Australian horticulture** is projected to increase to $13.3 billion by 2023-24 (2016-17: $10.4 billion), largely driven by increased fruit and nut production due to rising demand in China. Domestic prices are forecast to fall as competition in the Australian market intensifies.

Source: ABARES Agricultural Commodities Outlook March & September 2019

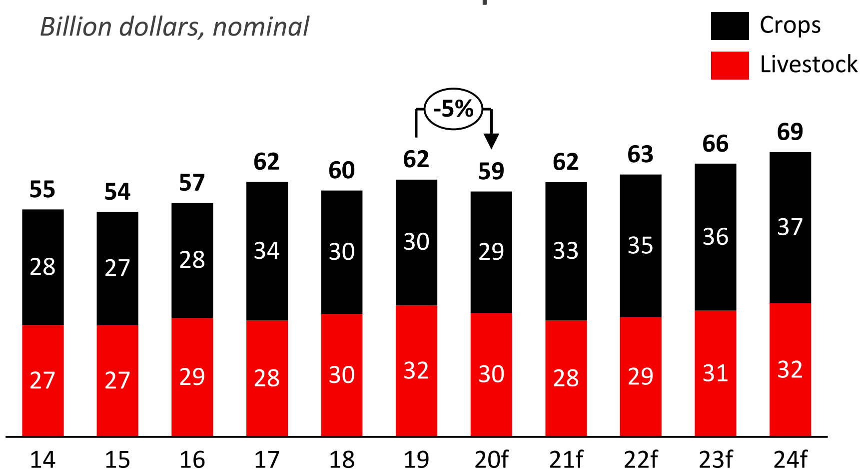
Note: 2014-2020f data is revised quarterly and obtained from ABARES Agricultural Commodities Outlook September 2019, 2021f-2024f is revised annually and obtained from ABARES Agricultural Commodities Outlook March 2019.

AGRICULTURAL PRODUCTION & EXPORTS



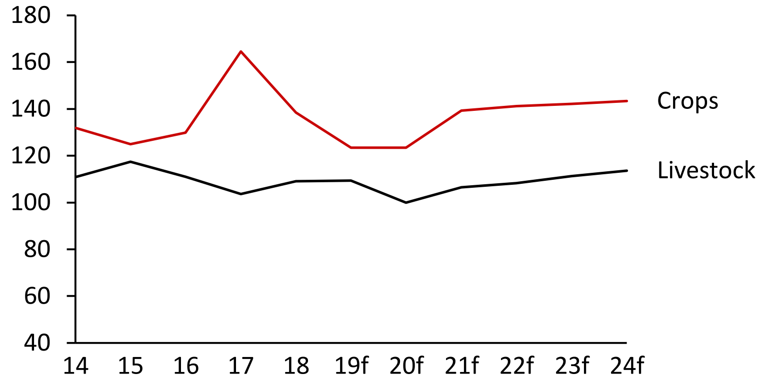
Gross value of Australian farm production

Billion dollars, nominal



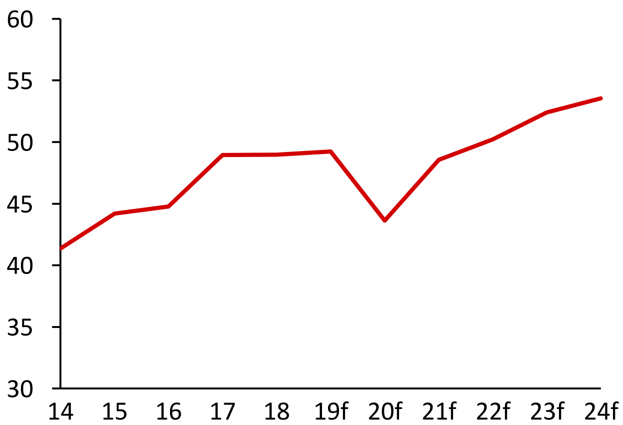
Gross volume of Australian farm production

Index reference year 1997-98



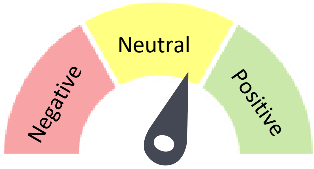
Gross value of Australian Agricultural Exports

Index reference year 1997-98



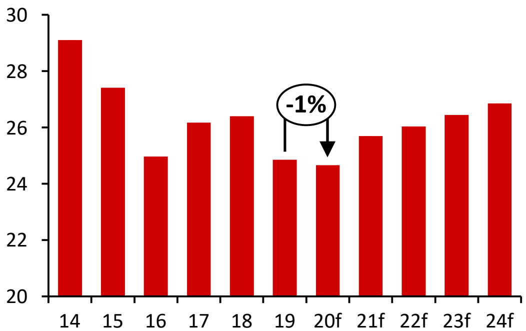
- The value of **Australian agricultural production** is expected to decrease by 5% in 2019-20 to **$59 billion,** due to reduced livestock slaughterings, wool and decreased summer crop production, particularly cotton and grain sorghum. Assuming a return to normalised seasonal conditions, agricultural production will grow slowly over the medium term, increasing to a forecast **$69 billion** in 2023-24.
- **Farm exports** will grow by $5 billion from 2016-17 to **$54 billion in** 2023-24.

Source: ABARES Agricultural Commodities Outlook March & September 2019



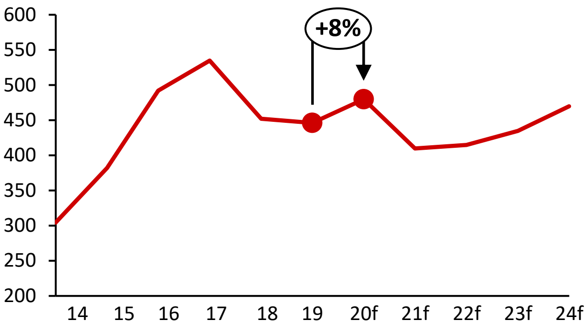
CATTLE OUTLOOK

Australian Cattle herd
Million heads



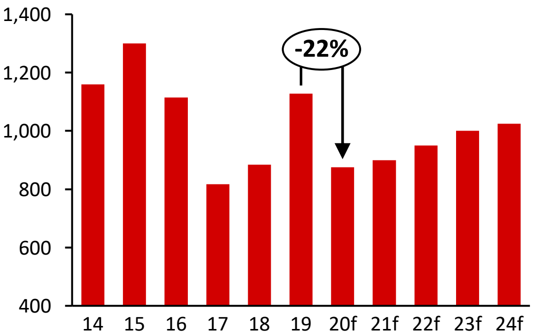
- There has been increased turn off of cattle and halted herd rebuilding due to drought conditions in Queensland and New South Wales, with a 1% decline in the cattle herd forecast for 2019-20.
- Assuming seasonal conditions improve, over the medium term herd rebuilding is expected to resume. However this will be restricted by a relatively low breeding cow inventory.

Average saleyard cattle price
c/kg



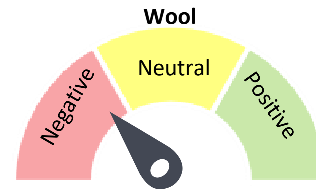
- Cattle prices are expected to increase in 2019-20 to a weighted average of 480c/kg, reflecting lower cattle supply and increased Chinese demand.
- From 2021-22 global supply is expected to slow which will place upward pressure on beef prices.

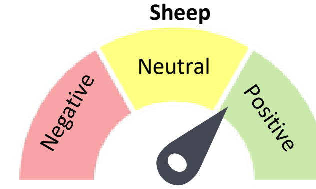
Live Cattle exports
Thousand heads



- Live exports of Australian feeder and slaughter cattle are forecast to decrease by 22% to 875,000 heads in 2019-20, mostly due to lower supply of cattle.

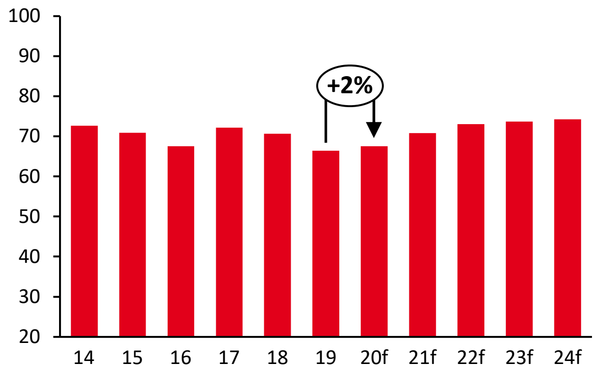
Source: ABARES Agricultural Commodities Outlook March & September 2019





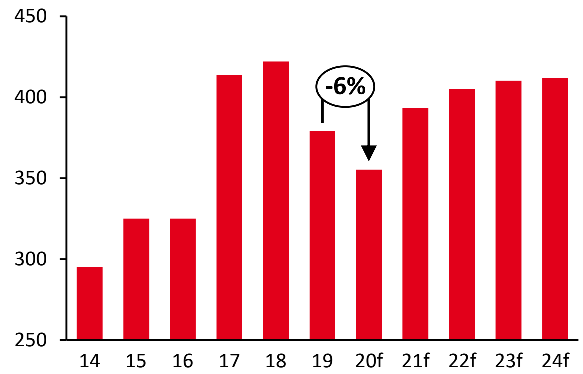
SHEEP AND WOOL OUTLOOK

National Sheep flock
Million heads



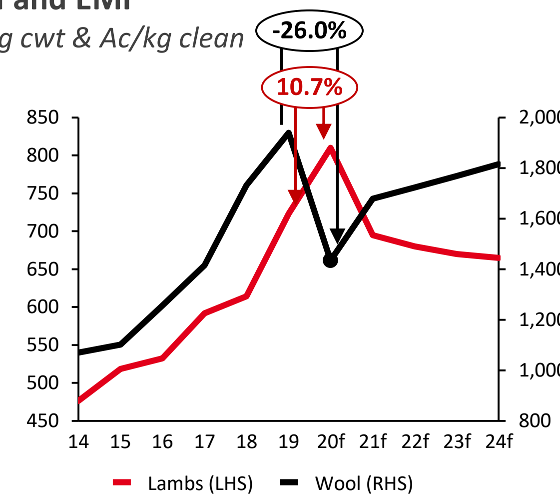
- In 2018-19 the national sheep flock fell to its lowest level since 1904-5. In 2019-20 it is expected to increase by 2% to 60m head. Flock rebuild will be constrained by high cost of restocker animals and dry conditions forecast in the short term.
- In the medium term, the sheep flock will begin to recover with lambs becoming breeding stock rather than getting turned off, especially if seasonal conditions improve.
- Export demand for sheep meat will remain strong and continue to grow over the medium term, particularly in China. Live sheep exports are forecast to decrease, with the assumption shipments will be limited to the cooler months in the Northern Hemisphere.

Shorn wool production
Thousand tonnes greasy



- Shorn wool production is forecast to decrease in 2019-20, on the back of poor seasonal conditions in key wool producing regions causing a decline in the number of sheep shorn and a reduction in the average cut per head.
- Over the medium term, wool production is expected to grow slowly, in line with rebuild of the national sheep flock.

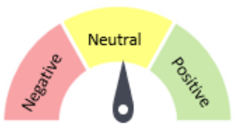
NTLI and EMI
Ac/kg cwt & Ac/kg clean



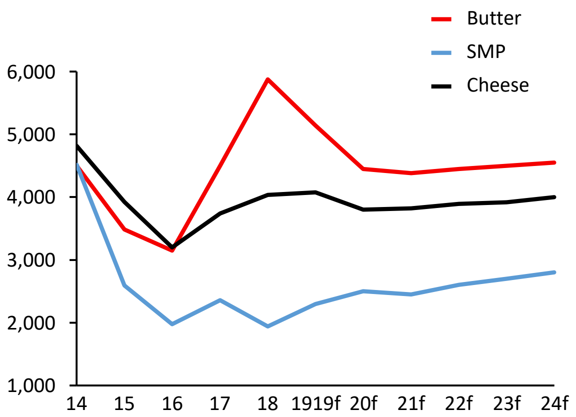
- Sheep and lamb prices are forecast to increase by 12% in 2019-20. This reflects strong competition at saleyards from restockers, lower Australian supplies and strong demand in major export markets, particularly China. Prices will fall slightly in the medium term as production recovers, however will still remain above historical averages.
- The EMI is forecast to decrease by 26% to $1,435 in 2019-20. This has resulted in high levels of wool passed in for sale predominately due to US-China trade tensions resulting Chinese buyers delaying wool purchases.

Source: ABARES Agricultural Commodities Outlook March & September 2019

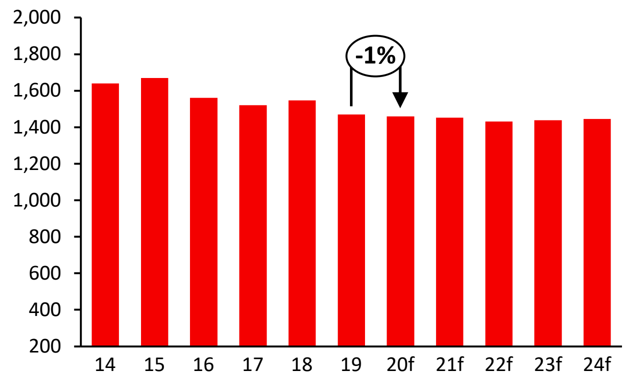
DAIRY OUTLOOK



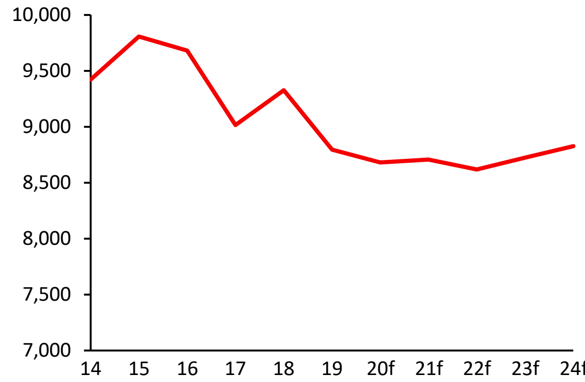
Global dairy prices
USD/tonne (nominal)



Australian Dairy Herd
Million heads



Australian Milk Production
Mega Litres



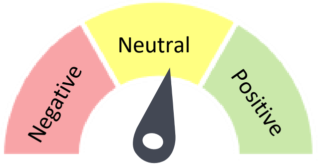
- Global butter and cheese prices are expected to fall in 2019-20 following increases in milk production in key exporting regions, particularly New Zealand and USA. Skim milk powder prices will increase due to strong Asian import demand.
- In real terms, global prices will continue to decrease in the medium term until 2023-24, as world supplies are expected to grow faster than demand.

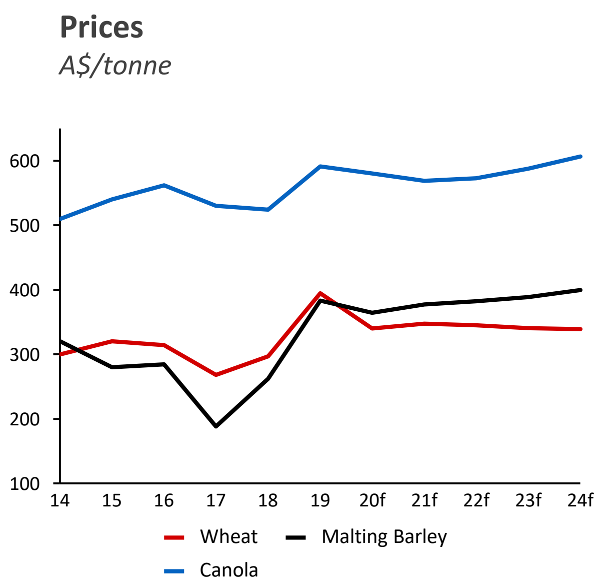
- Australian herd numbers are expected to decrease in 2019-20 reflecting poor seasonal conditions and rising input costs.
- Over the medium term the falling farmgate prices will continue to put pressure on dairy farms and the herd is expected to continue to fall until 2021-22 and then remain stable.

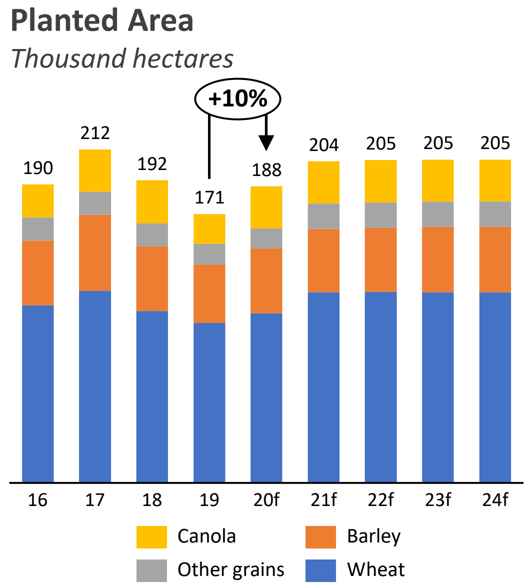
- Australian milk production is expected to fall by 1% in 2019-20, due to poor seasonal conditions.
- In the medium term, milk production will remain below 9 billion litres as yield increases resulting from improved productivity are unlikely to offset the reduced herd size.
- Total Australian dairy exports are forecast to fall in real terms through to 2023-24, mainly due to higher domestic consumption projected to reduce the supplies of milk that can be used for exportable products. Australian dairy imports will increase over the medium term.

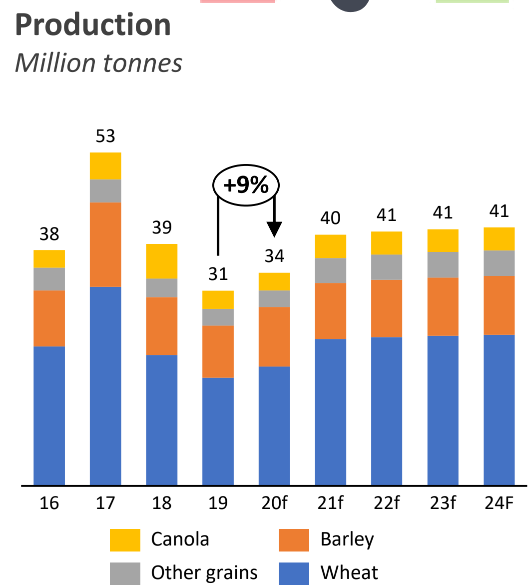
Source: ABARES Agricultural Commodities Outlook March & September 2019

GRAINS AND OILSEEDS OUTLOOK









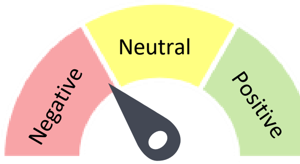
- Grain and oilseed prices are expected to decrease across the board in 2019-20, due to rising global production in key exporting regions, including Australia.
- In the medium term, wheat prices are predicted to ease with productivity improvements increasing yields (and hence supply) at a level that outweighs increases in demand.
- Canola prices are anticipated to fall in the medium term due to substitution effects in major importing markets, such as the EU, before rising slightly.

- Planted area to wheat and barley in Australia is expected to increase in 2019-20, due to return to improved seasonal conditions in some areas from drought affected levels in 2018-19.
- Assuming a return to normal seasonal conditions, planted area for wheat and barley in the medium term will remain relatively flat, as profitability of pulse and seed production will limit planting.
- The area planted to canola increased in 2019-20, due to return from unfavourably dry conditions in 2018-19. In the medium term plantings will stabilise at historical average levels.

- Production of wheat, barley and coarse grains is expected to increase on drought affected levels in 2018-19 in all areas except for Northern NSW and Southern Queensland where the drought persists.
- In the medium term, production of wheat will increase due to productivity gains. Australian Sorghum and Barley production is also expected to increase as a result of assumed return to average seasonal conditions.
- Canola production will increase by 6% 2019-20. Production will remain steady in the medium term, however will still be the second lowest production since 2010-11.

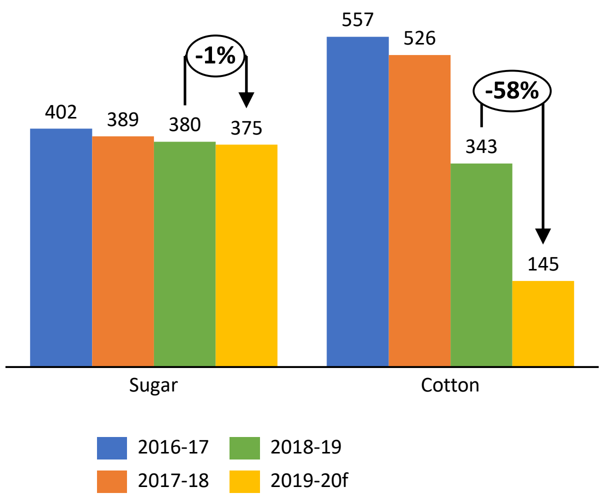
Source: ABARES Agricultural Commodities Outlook March & September 2019

SUGAR AND COTTON OUTLOOK



Planted Area

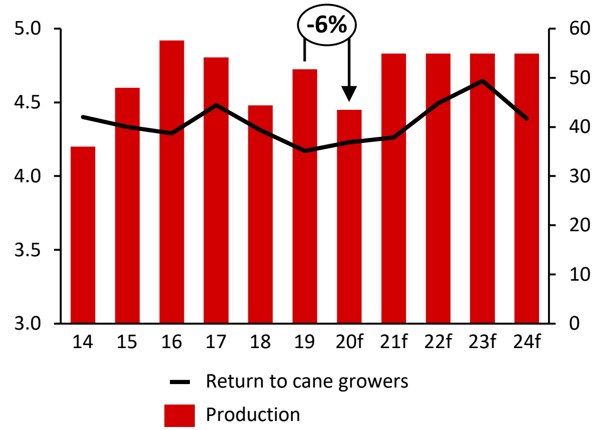
Thousand hectares



- The planted area to sugar is expected to remain largely unchanged due to limited suitable land and Queensland farmers increasingly turning away from sugar to horticulture.
- Cotton planted area will decrease by 58% in 2019-20, to be at its' lowest since 2007-8. This is largely due to significantly reduced water levels in irrigation dams and low levels of stored soil moisture.

Sugar production & cane grower returns

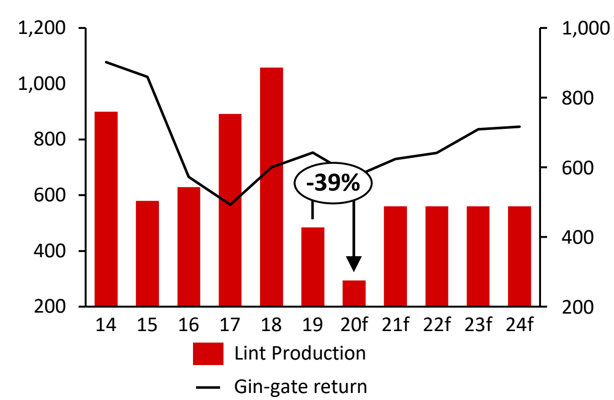
Thousand tonnes *A$/tonne (real)*



- Australian Sugar production is projected to decrease in 2019-20, reflecting high carry over stocks
- Returns to cane growers are projected to increase in 2019-20 and steadily increase until 2022-23, largely reflecting global production particularly in Brazil, being less than expected consumption.
- The expectation is world sugar consumption will grow at a moderate rate as population increases but health awareness reduces the rate of per person consumption.

Cotton production & gin-gate returns

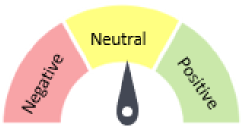
Thousand tonnes *A$/tonne (nominal)*



- Cotton production is forecast to decrease by 39% in 2019-20 reflecting decreased plantings, this is expected to continue for the medium term. Production growth will be constrained by the availability of water.
- As a result of a forecast decline in world production, returns to cotton growers are projected to increase in the medium term, up to $716/bale in 2023-24.

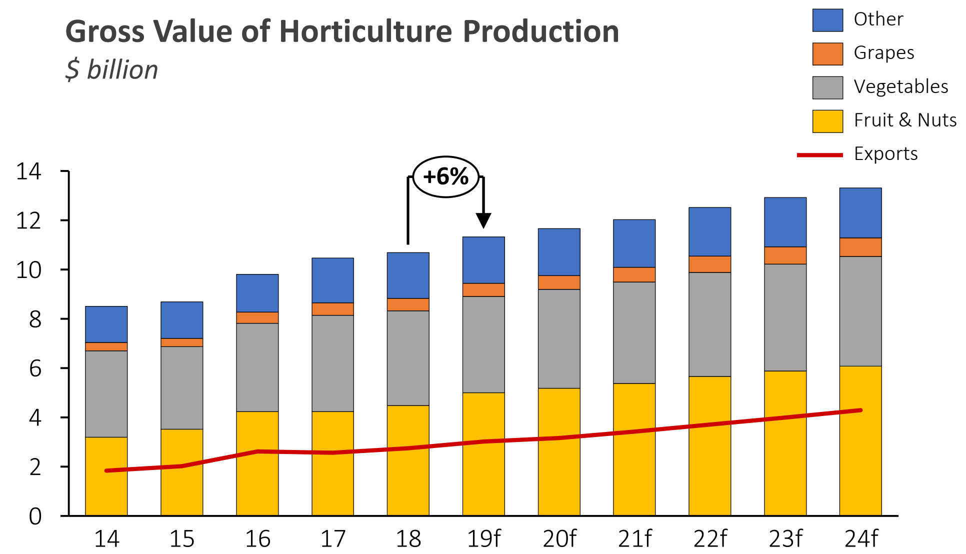
Source: ABARES Agricultural Commodities Outlook March & September 2019

HORTICULTURE

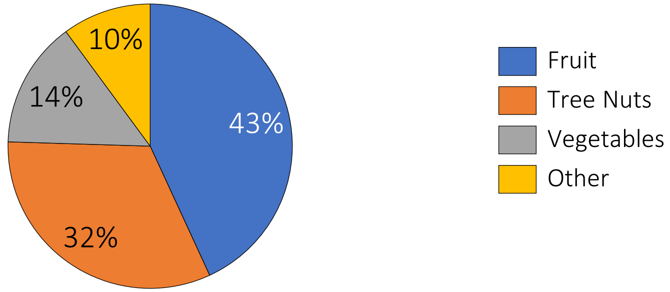


- The gross value of horticulture production is projected to increase to $11.3bn (6%) in 2018-19, underpinned by favourable growing conditions in some areas and domestic and export demands.
- Over the medium term production is expected to steadily increase, particularly for berries, avocados and almonds. However increased irrigation costs may limit or delay planned expansion in the southern Murray-Darling Basin.
- Production increases in Chile are expected and there is anticipated downward pressure on prices over the medium term due to additional global supply.
- Vegetable production is expected to increase over the projection period, reflecting expansion of under-cover farming and consumer demand of year-round availability.
- China was the largest export market for fruit in 2017-18 ($336m), and accounted for 27% of all fruit exports by value, which is up from 14% in 2016-17.

Gross Value of Horticulture Production
$ billion



Australia Horticulture Exports
By value, 2018-19f




Elders