



8 June 2017

Presentation to the ExchangeSA 2017 Listed Companies Conference

Attached is a presentation to be delivered today by Elders' CEO, Mark Allison, to the ExchangeSA 2017 Listed Companies Conference.

Peter Hastings
Company Secretary

A woman with dark hair in a ponytail, wearing a pink long-sleeved shirt and a dark cap, is seen from the side, feeding a cow with a bundle of hay. The cow is white with brown patches. The background is a clear blue sky.

Mark Allison, CEO Elders Limited

8 June 2017



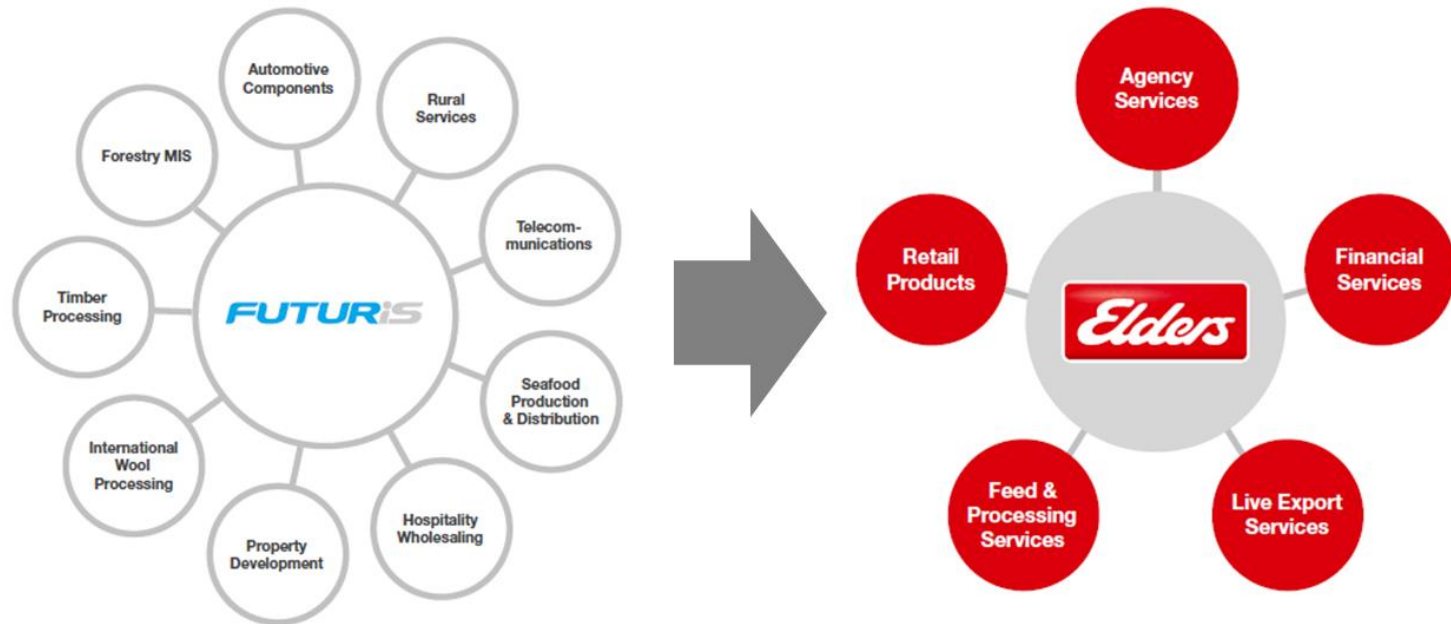
Live it.

Agenda

- The Elders journey
- Financial performance
- Key growth activities to FY17
- Summary

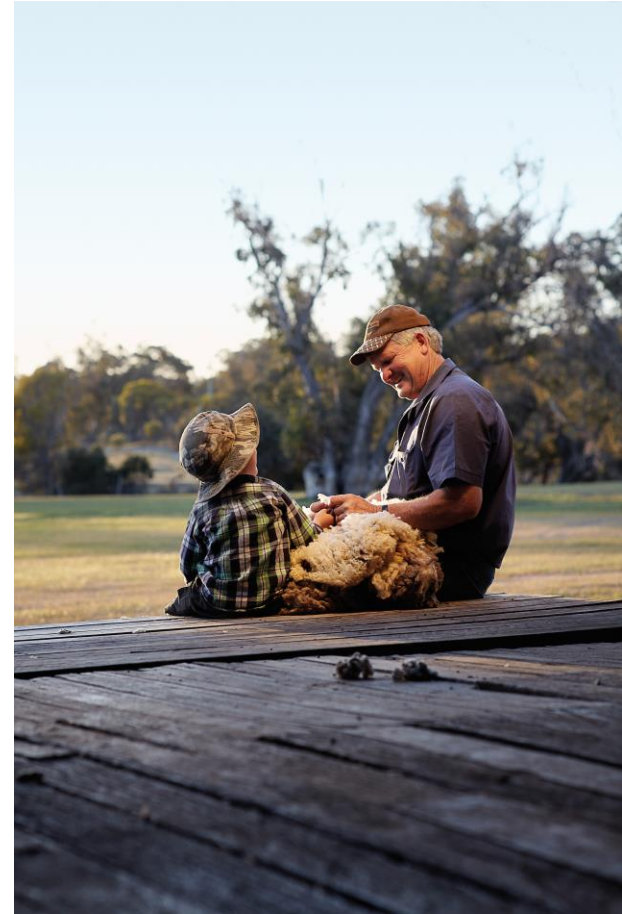
Elders transformation

- Elders has transitioned from a complex and highly geared conglomerate to an agribusiness focused company with lower costs and substantially lower debt
- Elders is an Australian agribusiness that seeks to create real value for all its stakeholders in Australian and international markets



Our journey

- ☑ FY08 to FY13 – Survival
- ☑ FY13 to FY15 – Turnaround
- ☑ FY16 to FY20 – Growth



Elders today

- ✓ Iconic Australian agribusiness company
- ✓ 178 years old
- ✓ 1,900 employees
- ✓ 440 points of presence in Australia, Indonesia, Vietnam and China
- ✓ Servicing over 40,000 primary producers across Australia and international markets



Our business model

Retail Products



Farm Supplies

Fertiliser

\$1b retail sales

629k tonnes fertiliser

Agency Services



Livestock

Wool

Grain

9.0m head sheep

1.6m head cattle

367k wool bales

0.4m grain tonnes

Real Estate Services



Farmland

Residential

Property
Management

Franchise

\$889m Farmland sales

\$568m Residential sales

6,950 Properties under
management

134 franchisees

Financial Services



Agri Finance

Insurance

\$2.8b loan book *

\$1.5b deposit book *

\$44m StockCo book *

\$610m gross written
premium *

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

Digital & Technical Services



Fee for Service

Auctions Plus (50%)

Elders Weather

Auctions
Plus

578k head
sheep

93k head
cattle

Elders
Weather

64.4m hits

Feed & Processing Services



Killara Feedlot

Elders Indonesia

Elders China

Killara

53k head

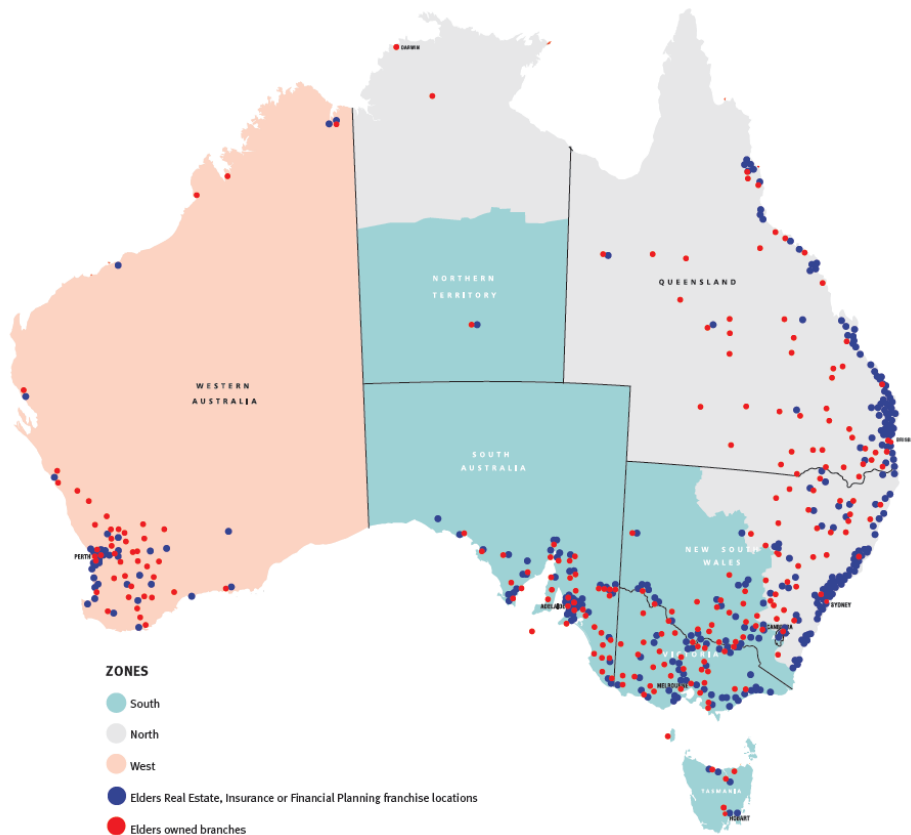
Indonesia

16k head

China

\$15m sales

Points of presence



- Over 440 points of presence in Australia and overseas including full service branches, real estate and insurance franchises
- Key produce areas covered through our footprint
- Focus on improving reach into horticulture and sugar segments

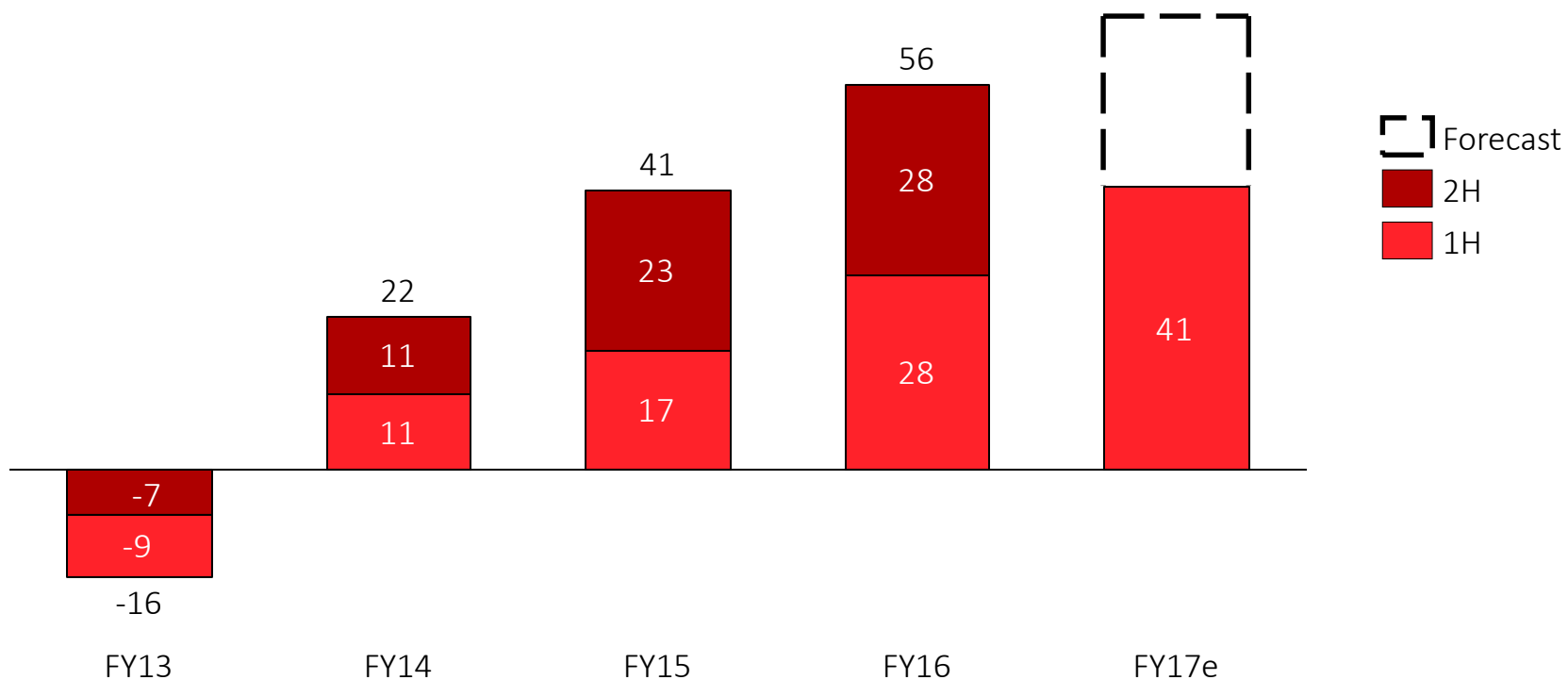
Eight point plan

Our strategic vision for becoming an efficient user of capital and a business that generates returns for its stakeholders



Elders financial progress

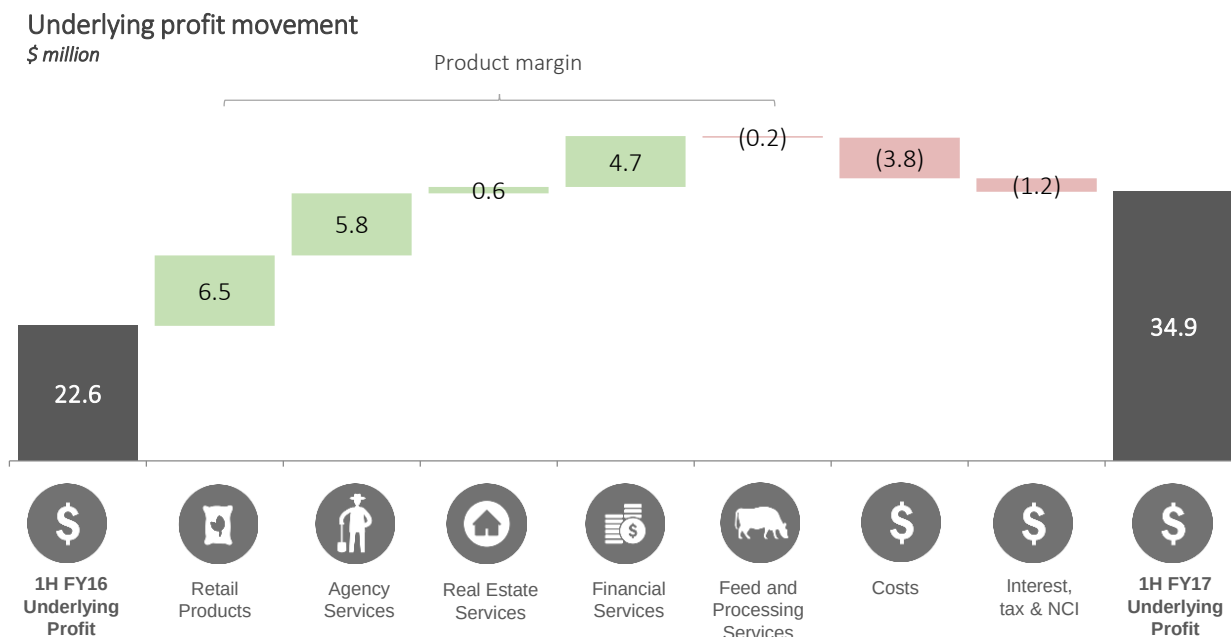
EBIT*
(\$ Million)



*Note: Excluding live export

Performance by product

Margin improvement across product range



- Retail benefited from improved summer cropping conditions and geographical expansion
- Agency uplift with continued strong livestock prices and benefit from footprint growth
- Real Estate earnings improved with high farm land property turnover
- Financial Services boosted by StockCo and Elders Insurance acquisitions
- High input costs continue to adversely impact the overseas Feed and Processing businesses
- Higher costs to drive Eight Point Plan initiatives, including acquisitions and footprint growth
- Tax and non-controlling interests higher due to improved performance in partnerships

Strengthened iconic brand and company culture

- Launched Elders *Live it* campaign
- Developed *Elders Insiders* – our online community platform
- Increased strategic sponsorship of community events and associations
- Launched *Stand Up Speak Up* – recording a 29% increase in safety engagement score
- Launched online performance platform with 98% completion
- Expanding our footprint through strategic organic and acquired growth in Australia and Asia



Increased geographical coverage with strategic growth across our retail, agency and real estate portfolios

Identified strategic gaps across the portfolio

- Retail
- Agency
- Real Estate
- Financial Services
- Feed and Processing

Toowoomba real estate

- Franchise real estate acquisition
- Residential and rural sales and property management

Northern NSW

- Organic growth of broadacre farm supplies through selective recruitment of key staff in existing branches
- Strengthened brand and client engagement

Ace Ohlsson, NSW

- Farm supplies acquisition
- 5 branches across horticultural regions along the east coast
- Dominant position in Sydney markets

Tasmania

- Organic growth of broadacre farm supplies and livestock business through selective recruitment of key high performing staff
- Strengthened brand and client engagement

MSS, Northern Riverina

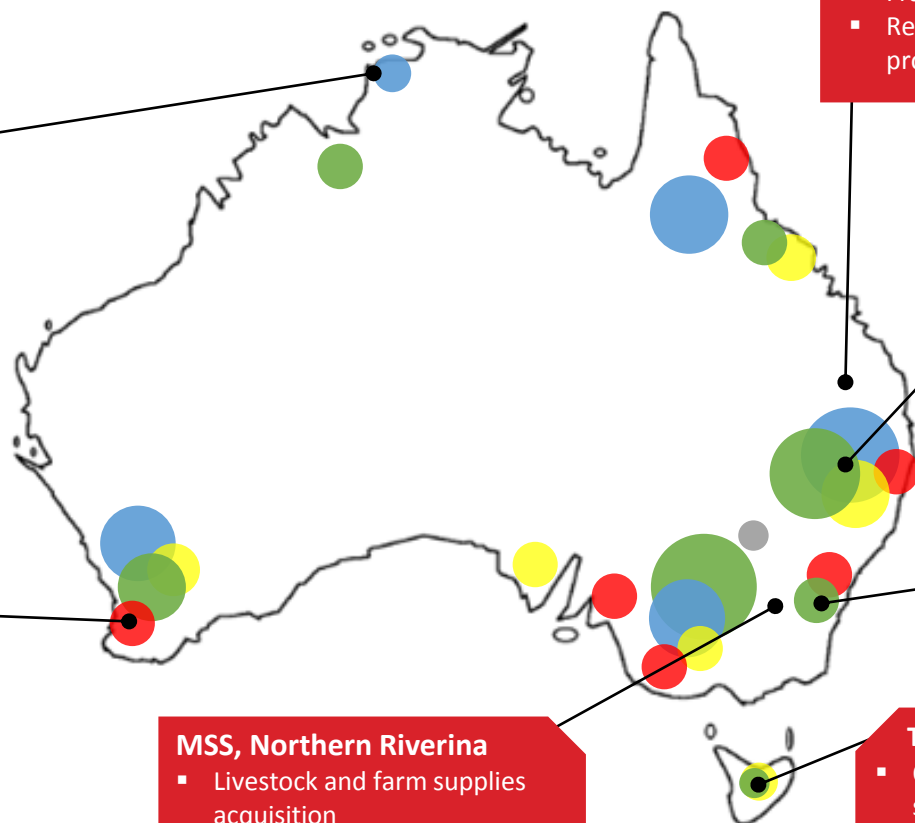
- Livestock and farm supplies acquisition
- Complimentary to Elders existing footprint, ensuring full regional coverage

Darwin

- Real estate acquisition, boutique property management

SDEA, South west WA

- Real estate acquisition
- Residential, rural and commercial sales and property management, across 3 branches



Invested in our Financial Services business

Buying back into Insurance

- 150 insurance franchisees
- Between 2009 and 2014 Elders sold its ownership interests in Elders Insurance Underwriting Agency (EIUA) to QBE
- Elders re-acquired an initial 10% equity from QBE in July 2014, and a further 10% in December 2016
- Improving the alignment between EIUA's network and Elders branch network, whilst delivering a share of the insurance company's earnings back to Elders

Acquired 30% equity in StockCo

- Australia's largest specialist livestock financier
- Funding over \$250 million of livestock purchases since 2014
- Strengthening alliances with a strategic partners

A promotional image for Elders Agri Finance. It features a black and white photograph of several black cattle in a green field. In the top left corner, there is a red rectangular logo with the word "Elders" in white script. Overlaid on the right side of the image is the text "Agri Finance solutions to suit your needs" in a large, bold, white sans-serif font. Below this text, there are two columns of bullet points listing financial services: Term Loans, Seasonal overdraft facilities, Term Deposits, Equipment finance, Farm Management Deposits, and Livestock funding - up to 100% of purchase price. At the bottom of the image, a line of text reads "For more information contact Gill Copping at Elders Lucindale".

Elders

**Agri Finance
solutions
to suit your
needs**

- Term Loans
- Seasonal overdraft facilities
- Term Deposits
- Equipment finance
- Farm Management Deposits
- Livestock funding - up to 100% of purchase price

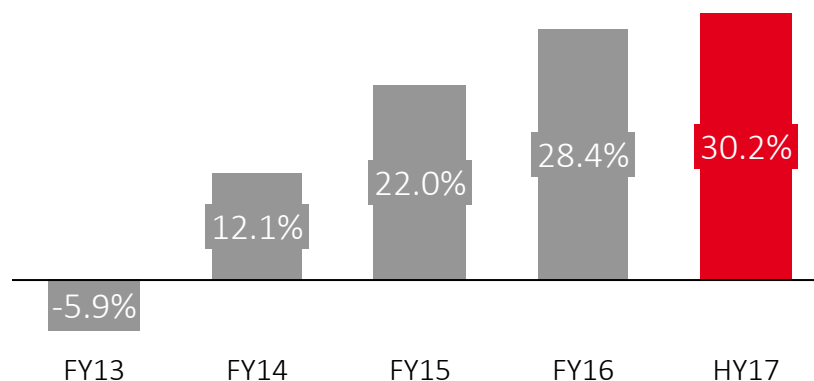
For more information contact Gill Copping at Elders Lucindale



An efficient user of capital, generating higher returns on investment

- Implemented a disciplined and methodical approach to capital allocation and management
- Generating a return on capital in excess of 20%
- Underlying return on capital drivers:
 - Increased profitability of the Retail business
 - Continued strong Agency earnings, particularly Livestock, which requires minimal working capital
 - Reallocation of capital to parts of business with higher earnings

Underlying Return on Capital*



Working Capital

\$ million	Mar-16	Mar-17	Change
Retail Products	119.3	134.9	13%
Agency Services	30.2	64.2	113%
Financial Services	(1.5)	5.6	Nm
Feed & Processing Services	48.4	54.8	13%
Live Export Services	45.1	8.1	-82%
Other	(35.4)	(36.0)	-2%
Working capital (balance date)	206.1	231.6	12%
Working capital (average)	227.5	235.5	4%

*Note: Excludes Live Export

Balanced growth plan to FY20

Organic 40%

- Drive continuous business improvement
- Capture growth opportunities across our product and services portfolio
- Explore opportunities to expand our offering and leverage the Elders brand into new markets to capture new clients and customers
- Continuously drive and resource values based leadership through the organisation
- Investment in the development of our leaders and people
- Build deeper understanding of our customers to deliver profitable value add products and services

Acquisition 40%

- Continue to evaluate strategically aligned opportunities to expand our business
- Identify innovative solutions to target geographical and strategic gaps
- Maintain a disciplined approach to ensure acquisitions meet required financial hurdles
- Reallocation of capital from non-performing assets will occur if financial and quality targets are not met

Cost 20%

- Efficiency gains through active cost management
- Reallocation and reduction of unproductive costs
- Develop and implement improved processes and approaches
- Maintain robust and conservative financial discipline

Summary

- On track to complete Eight Point Plan FY17 commitments
 - Zero term debt
 - \$60m EBIT (through the cycles)
 - 20% ROC (through the cycles)
 - Capital structure simplified (preference share resolution)
 - Investor grade and dividend paying by FY17
- Established stable platform for growth
- Targeting consistent and quality 5-10% EBIT growth at a minimum of 20% ROC through to FY20
- Drive and enhance the development of our digital and technical service capabilities
- Remain agile and flexible to take advantage of, and fully optimise industry rationalisation and consolidation opportunities



Live it.

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.



Live it.