

2024 Half-Year Results

Elders reports \$38.4 million underlying earnings before interest and tax (EBIT) and announces an interim dividend of 18.0 cents per share (50% franked). Elders reaffirms full year underlying EBIT guidance of between \$120 million and \$140 million.

Australian agribusiness Elders (**ASX:ELD**) today released its half year results for the six months to 31 March 2024.

Elders' HY24 performance was influenced by challenging seasonal conditions, cautious client sentiment, softening crop input prices and lower livestock prices.

Trading in the second quarter improved, compared to the first quarter, following an uplift in client sentiment, supported by un-forecast, widespread rainfall across many regions in eastern and southern Australia. Livestock prices recovered strongly throughout the half in line with improved seasonal conditions, which have also assisted the outlook for the 2024 winter crop and Elders' second half.

Elders is committed to safety and improved outcomes for our people. In the first half, Elders experienced one lost time injury, compared to three in the prior year and a reduction in total recordable injury frequency rate to 9.8, down from 10.1 last year.

The Directors have determined to pay an interim dividend of 18.0 cents per share, 50% franked.

Financial Metrics	HY24 \$m	HY23 \$m	Year-On-Year Change	
			Absolute	%
Sales revenue	1,341.8	1,657.3	(315.6)	(19%)
Underlying EBIT	38.4	82.8	(44.4)	(54%)
Underlying profit before tax	21.6	72.0	(50.4)	(70%)
Underlying profit after tax	14.4	50.6	(36.2)	(72%)
Statutory profit after tax	11.6	48.8	(37.3)	(76%)
Underlying return on capital (%) ¹	11.4%	16.9%	(5.5%)	-
Operating cash flow	48.7	(86.9)	135.6	156%
Underlying earnings per share (cents)	9.1	32.3	(23.2)	(72%)
Total dividend per share (cents)	18, 50% franked	23, 30% franked	(5.0)	(22%)

¹ Return on capital = Rolling 12 months Underlying EBIT / (working capital + investments + property, plant and equipment + intangibles (excluding Elders brand name) – DTL on acquisitions – lease liabilities – provisions)

Retail Products was impacted by crop protection and fertiliser sales which were back on the prior year, driven by lower input prices, partially offset by an uplift in animal health and seed categories. Pleasingly, Elders achieved volume growth across all products, indicative of market share growth in this business unit.

Wholesale Products achieved margin uplift in animal health products, partially offset by lower crop protection sales which continues to be adversely impacted by lower input prices compared to the prior period.

Agency Services margin decreased because of lower livestock prices compared to the prior period, partially offset by improved volumes evident across cattle and sheep. The result was despite improvement in cattle and sheep prices experienced since the end of FY23 (61% and 42% respectively).

The contribution from Agency Services improved significantly in the second quarter supported by a material recovery in cattle and sheep prices.

Real Estate Services margin grew predominantly due to improved residential turnover and property management earn which benefited from acquisitions and ongoing rent roll growth.

Financial Services earnings uplift due to the improved performance of Elders Insurance business (20% Elders) and Elders Home Loans. This was partially offset by our Livestock in Transit (LIT) Delivery Warranty margin, which continues to be subdued in line with reduced livestock turnover.

Feed and Processing Services margin uplift benefited from increased occupancy and throughput, with gross margin per head up compared to the prior year.

FY24 Outlook

Elders expects better trading conditions during the second half of FY24, as client sentiment continues to improve following a return to average seasonal conditions. This improved sentiment is forecast to positively impact the outlook for winter crop and livestock production.

Elders will continue to invest in strategic initiatives, in line with our Eight Point Plan strategy, while maintaining a focus on cost and capital efficiency.

A return to average seasonal conditions in the second half, with generally favourable soil moisture profiles and improving client sentiment following the end of El Niño, is expected to have a positive impact on the Rural Products business.

The outlook for Agency Services is forecast to remain positive for the remainder of FY24. Livestock prices are forecast to stabilise, supported by the improving seasonal outlook and strong demand from international markets. Elders' wool handling facilities in Perth and Melbourne are now operational with continued volume uplift forecast in the second half of FY24.

In Real Estate, softer broadacre market conditions are expected to improve in line with the recent increase in livestock prices. Residential markets are forecast to remain robust assuming interest rates remain stable. Property management is expected to remain strong, supported by recent acquisitions.

Financial Services is expected to continue benefiting from equity accounted investments, in particular Elders Insurance and ongoing uptake of livestock funding.

Elders' Managing Director and CEO, Mr Allison, said, "As outlined in our trading update on 8 April 2024, Elders was impacted in the first half by below average seasonal conditions which resulted in subdued client sentiment and lower crop protection and livestock prices against the prior period. Earnings improved in the second quarter, in line with a more favourable operating environment, and we are confident in a stronger second half with a return to average seasonal conditions and improved outlook for winter crop and livestock production."

"As a leading agribusiness we expect fluctuations in our operating environment; our response remains to focus on the controllable. This includes a commitment to a tightly managed cost base and a geographically diverse multi-product portfolio, to deliver strong earnings and value for shareholders through the cycles."

In line with its announcement to ASX dated 8 April 2024, Elders expects FY24 underlying EBIT to be between \$120 million and \$140 million².

² This guidance is subject to a range of variables including: the potential of supply chain disruptions as a result of external events, including geopolitical events; unexpected and un-forecast changes to seasonal conditions and severe weather events; and unexpected and un-forecast changes in commodity prices.

Investor Briefing

An investor briefing (webcast conference call) on these results will be held today at 10.00am AEST. Participants can register for the conference by navigating to:

<https://s1.c-conf.com/diamondpass/10038742-m1huz3.html>.

Retail Investor Briefing

A second conference call and webcast specifically for retail shareholders will be held at 6.00pm AEST on 21 May 2024. Participants can register for the retail investor conference by navigating to:

<https://s1.c-conf.com/diamondpass/10039092-jbgft6.html>.

Please note that registered participants will receive their dial in number upon registration.

About Elders Limited

Elders is focused on creating value for all its stakeholders in Australia and internationally. We achieve this with the expertise and commitment of more than 2,800 employees across Australia.

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

Elders is invested in the ongoing prosperity and wellbeing of rural and regional communities across Australia and remains committed to investing in, and developing, a resilient business. Elders is focused on future-proofing the Australian agriculture industry through sustainable initiatives across the areas of environment, people and community.

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Authorised by:

The Board of Elders Limited