

Monday, 26 May 2025

FY25 Half Year Results

Elders announces \$64.3 million underlying earnings before interest and tax (EBIT), and an interim dividend of 18.0 cents per share (50% franked).

Australian agribusiness Elders (**ASX:ELD**) today released its half year results for the six months to 31 March 2025.

Elders' HY25 performance saw a recovery from a challenging prior corresponding period, with most products and services achieving an uplift year on year. Higher livestock prices were a key driver, improving sentiment and production margins in the livestock industry. Key acquisitions in Real Estate Services and strict cost management supported improved earnings from last year. This is despite gross margin decline from Retail Products due to ongoing dry conditions across parts of the country, which has potential to push demand for some winter crop inputs to the second half.

Elders is committed to safety and improved outcomes for our people. In the first half, Elders experienced three lost time injuries and a reduction in Total Recordable Injuries Frequency Rate to 6.0, down from 9.8 last year.

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

Financial Metric	HY25 \$m	HY24 \$m	Year-On-Year Change	
Sales revenue	1,413.1	1,341.8	71.3	5%
Underlying EBIT	64.3	38.4	25.9	67%
Underlying profit before tax	49.7	21.6	28.1	130%
Underlying profit after tax	38.2	14.4	23.8	166%
Statutory profit after tax	33.6	11.6	22.0	190%
Underlying return on capital (%) ¹	12.7%	11.4%	1.3%	-
Operating cash flow	31.2	48.7	(17.5)	(36%)
Underlying earnings per share (cents)	21.4	9.1	12.3	135%
Total dividends per share (cents)	18.0 (50% franked)	18.0 (50% franked)	-	-

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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 margin was impacted by increased localised competition, exacerbated by dry conditions particularly in South Australia and western Victoria. The most significant decrease is attributable to crop protection gross margin, resulting from lower sales and lower gross margin percent. Strong sales performance in fertiliser and animal health partially offset the impact from crop protection.

Wholesale Products margin improved compared to the previous period, supported by an uplift in sales, and improved gross margin percent due to product mix skewed towards smaller packs.

Agency Services gross margin increased, benefiting from a strong livestock result, with significant uplifts in price and volume for both cattle and sheep, as greater de-stocking occurred in drier regions. Ongoing earn per bale improvement is driving an uplift in Wool gross margin. Benefits from Elders Wool have been slightly offset by reduced bales sold, as producers await a market recovery.

Real Estate Services margin grew significantly on the prior period. The IPST Holdings (previously operated as Knight Frank Tasmania) acquisition was a key driver, as was organic growth with favourable results nationally, across broadacre, residential and property management.

Financial Services gross margin increased on the prior period, with outperformance across most categories. Gross margin from livestock related products have increased in line with the improved livestock result, while earnings from the establishment of the Elders Finance employed broker model have commenced. This was partially offset by the cessation of the Rural Bank relationship agreement and associated earnings.

Feed and Processing Services margins improved largely attributable to increased cattle throughput, as well as efficiencies gained through the recent investment in a modern feed mill. This resulted in higher average daily gains and a reduction in downtime.

FY25 Outlook

An average winter crop is forecast, despite a late start to sowing in parts of the country, which is partially mitigated by our extensive geographical presence. Favourable conditions are expected across many parts of the country, while South Australia and parts of Victoria have remained dry for a prolonged period, prompting widespread dry sowing in these regions. Some sales foregone in the first half may occur in the second half with potential greater post emergent demand due to widespread dry sowing.

The outlook and fundamentals for Australian livestock remain sound with little impact anticipated from currently proposed tariffs. There is potential for cattle and sheep saleyard prices to rise in the second half, in the event that supply volumes reduce following increased de-stocking in dry regions during the first half of FY25. International demand for protein remains historically high. The outlook for the regional residential property market remains positive and may benefit from further reduction in interest rates and increased uptake of new products and services offerings via the Elders Finance brokerage model. Elders notes the Australian Competition and Consumer Commission will release their findings on the proposed acquisition of Delta Agribusiness Pty Ltd (Delta) on 29 May 2025.

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

"Elders has made steady progress on its financial and operational goals in the first half of FY25, reporting a 67% increase in underlying EBIT from the same time last year," said Mr Allison.

"Performance was impacted by prolonged dry conditions in some key cropping regions, causing lower rural products sales, but balanced by high demand and prices for livestock, which drove a significant improvement from the prior corresponding period and a strong first half overall. Livestock prices and demand are expected to remain strong, and a return to average seasonal conditions for the 2025 winter crop is forecast. These are all positive indicators for our business going into the second half."

"Our focus remains on continuing to be a trusted source of advice and support to our farming clients across all areas of our service offering. We are continually looking for opportunities to best serve customers through

a complementary, diversified offering, such as our carbon farming consultancy service, or our expanded Elders Finance offering announced earlier this year."

Investor Briefing

An investor briefing (webcast conference call) on these results will be held today at 10.00am AEDT.

Participants can register for the conference by navigating to <https://s1.c-conf.com/diamondpass/10047318-116f8y.html>. Elders encourages all shareholders to join the webcast and teleconference.

Please note that 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 nearly 3,000 employees across Australia.

The principal activities of Elders during the year were:

- *the provision of retail products and associated services to the rural sector*
- *the provision of wholesale products to independent rural and regional farm supplies retailers*
- *the provision of livestock and wool agency services*
- *storage and handling of wool*
- *feedlotting of cattle*
- *the provision of real estate sales agency services (both company-owned and franchised) and property management services*
- *arrangements for the provision of financial services to rural and regional customers, including a 20% investment in Elders Insurance (Underwriting Agency) Pty Ltd*
- *the provision of digital and technical services and investments in the AuctionsPlus and Clear Grain Exchange online trading platforms*
- *formulation, blending, and importation of, and selling, own-brand agricultural chemicals and animal health products*

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.

Further information:

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Authorised by:

Elders Limited Board of Directors

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