

Monday, 18 November 2024

## FY24 Full-Year Results

**Elders announces \$128.0 million underlying earnings before interest and tax (EBIT), and declares a final dividend of 18.0 cents per share (70% franked).**

Australian agribusiness Elders (**ASX:ELD**) today released its results for the 12 months to 30 September 2024.

Elders recorded a resilient FY24 earnings result, with improved second half trading partially offsetting the negative earnings impact from the first quarter which resulted from low livestock prices, lower crop protection margin and subdued client sentiment. Our product, channel and geographical diversification allowed Elders to partially overcome market headwinds, while investment continues in our transformational projects to support underlying EBIT growth and operational efficiency.

Elders' commitment to safety resulted in a decrease in lost time injuries to two, compared to three in the prior year. Similarly, Elders recorded a reduction in Total Recordable Injuries Frequency Rate to 9.0, down from 10.1 last year.

The Directors have determined to pay a final dividend of 18.0 cents per share, 70% franked.

Financial Metric	FY24 \$m	FY23 \$m	Year-On-Year Change	
Sales revenue	3,131.3	3,321.4	(190.1)	(6%)
Underlying EBIT	128.0	170.8	(42.8)	(25%)
Underlying profit before tax	93.4	147.9	(54.5)	(37%)
Underlying profit after tax	64.0	103.7	(39.7)	(38%)
Statutory profit after tax	45.1	100.8	(55.8)	(55%)
Underlying return on capital (%) <sup>1</sup>	11.3%	16.0%	(4.7%)	-
Operating cash flow	82.9	169.2	(86.3)	(51%)
Underlying earnings per share (cents)	40.7	66.3	(25.6)	(39%)
Total dividends per share (cents)	36.0 (60% franked)	46.0 (30% franked)	(10.0)	(22%)

<sup>1</sup>

*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** recorded a sales uplift in the animal health category, offset by weaker fertiliser and crop protection sales which were predominantly impacted by lower prices. Elders achieved volume growth across most products, which has contributed to market share growth in this business unit.

**Wholesale Products** achieved margin growth with animal health products benefiting from the recovery in livestock prices following the first quarter lows.

**Agency Services** margin increased, driven by an improvement in cattle and sheep prices since the end of FY23 (21% and 59% respectively) and continued volume improvements across both cattle and sheep. When measured from the end of FY24 Q1, cattle and sheep prices increased 22% and 56%, respectively.

**Real Estate Services** margin grew predominantly due to recent acquisitions, most notably the business previously known as Knight Frank in Tasmania, and improved broadacre demand following the recovery in the livestock market. Property management earnings benefitted from rental inflation and organic portfolio growth.

**Financial Services** earnings improved with a significant uptake in Elders' own livestock funding offerings, along with considerable progress in the transition to an expanded broker model with regionally based lending brokers.

**Feed and Processing Services** margins recovered from negatively impacted trading conditions in Q1, with improvements in feeder cattle prices and lower feed prices benefiting the second half of FY24.

### **Progress on Elders' Fourth Eight Point Plan**

In FY24, Elders' Eight Point Plan guided the business toward achieving a resilient financial result, despite lower earnings in the first quarter. Managing Director and CEO Mark Allison said Elders' consistent application of the Eight Point Plan principles is key to the business delivering shareholder value through the cycles.

"This year we entered our fourth Eight Point Plan and refocused our attention on achieving growth while maintaining strict financial discipline," said Mr Allison.

"We continued to grow by expanding our network, adding 21 points of presence, and investing in projects of strategic significance, like our Systems Modernisation project, and our new wool handling business."

### **FY25 Outlook**

Elders is optimistic about the 2024 summer crop with favourable moisture profiles in many dry land areas, and average seasonal conditions across irrigated cropping regions. A gradual improvement in Rural Product margin is expected assuming continued stability in crop protection prices, following significant volatility in FY23. Elders expects to see benefits from acquisition growth and ongoing advancement of its backward integration strategy, including enhancements to its toll formulation capabilities, and further efficiencies from the formation of an enhanced procurement function.

Elders expects price stability in livestock markets providing a tailwind against the prior period. Livestock volumes might be impacted in FY25 from dry conditions in South Australia and Victoria in FY24.

In Real Estate, the full year earnings from acquisitions and continued improvement in market conditions are forecast to support increasing gross margin. Interest rate pressures remain a headwind for regional residential property demand.

Financial Services forecasts continued uptake of livestock funding products, while ongoing benefit is expected from the Elders Finance brokerage model.

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

"Elders' FY24 performance has reaffirmed for us the importance of 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," said Mr Allison.

“Our resilient financial result in FY24 reflects our commitment to achieving long-term consistent and methodical growth, driven by financial discipline and decision making that is true to our core as a pure-play agribusiness.

“Investing in the right initiatives and our people is a key focus to drive sustainable growth at Elders and will remain a focus in FY25.”

### **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/10042126-39hfdd.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 nearly 3,000 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 diversified business incorporating grain-fed beef distribution, grass-fattening operations, cow manure processing and irrigated corn production in Quirindi 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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### **Further information:**

[Click here](#) to view this announcement on the Investor Hub

Mark Allison, Chief Executive Officer and Managing Director, 0439 030 905

Paul Rossiter, Chief Financial Officer, 0402 261 400

### **Media Enquiries:**

Meagan Burbidge, Senior Communications Advisor, 0417 841 092

### **Authorised by:**

Elders Limited Board of Directors



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