



Thursday, 13 December 2018

2018 AGM Chairman's Address

Attached is a copy of the Chairman's Address to the 2018 Elders Limited Annual General Meeting being held today in Adelaide.

Peter Hastings
Company Secretary



Address by the Chairman, Mr Hutch Ranck

2018 Annual General Meeting of Elders Limited

Good morning ladies and gentlemen, and welcome to Elders' Annual General Meeting. I also welcome shareholders joining us online via live video stream.

It gives me great pleasure to address you today. This meeting has a special significance for me as it will be my final AGM as Director and Chairman of your Company. The Company's journey over the ten years I have been a director has presented many challenges, but ultimately it has been rewarding.

Shortly, our Managing Director and Chief Executive Officer, Mark Allison will summarise our operational and safety results, our progress against the second phase of our strategic Eight Point Plan, and the highlights of growth achieved across our diversified portfolio.

Before I hand over to Mark, I would like to touch on a few of Elders' achievements from the last year.

I am proud to announce that the 2018 financial results reflect our disciplined approach to the implementation of the second Eight Point Plan, reporting \$74.6 million in underlying earnings before interest and tax and a return on capital of 24.2 percent.

One of the most significant highlights of the past year is your Company re-entering the S&P/ASX 200 index. This outcome was in response to our commitment to re-engineer the business to improve the quality and stability of earnings and return on capital - so that it once again became an investment prospect for a broad universe of investors.

I am pleased to also report that we announced a fully franked final dividend of nine cents per share, which brings dividends payable in connection with FY18 to eighteen cents a share. This compares with fifteen cents a share in FY17 which was the first year of dividends in nine years. We will continue to work hard to run the business in such a way as to maximise returns to shareholders as well as pursuing growth opportunities.

These results, and the overall success of Elders is very much dependant on the health and wellbeing of its employees. Elders is committed to the safety of its people. The Company believes the only acceptable safety performance is one which is injury and incident free. Our lost time injuries this year were five, down from six in the previous year.

A number of measures have been undertaken to target an injury free workplace, including broadening our safety and community programmes to emphasise mental health- which, in rural Australia, is often affected by difficult seasonal conditions.

Elders is doing this through the Give It program and the Employee Assistance Program, which we extend, in times of real need, to segments of our client base. It comes as no surprise that eighty six percent of Elders' employees consider that mental health is the one of the largest safety risk factors in regional Australia.

By these measures, all of our employees keep an eye out for each other and for members of the communities in which we operate.

Turning now to leadership at a Board level.....



As outlined in the 2018 Annual Report, at the conclusion of today's Annual General Meeting, I will retire as a Director and Chairman of your Board. I will be succeeded as Chairman by recently appointed Non-Executive Director, Michael Carroll, subject to Mr Carroll being elected a director by shareholders at today's AGM.

Following ten years on the Board, five of these years as your Chairman, it gives me great pleasure to report that each of your directors possess skills and experiences, which result in a balanced, effective and efficient Board to lead Elders through the next growth phase and into the future.

The Board this year welcomed two new Non-Executive Directors who are great additions to your Board.

Diana Eilert was appointed as Non-Executive Director in November 2017 and was subsequently elected by shareholders at our last AGM. Diana has added significant value through her extensive listed company director experience – particularly in digital technologies, retailing and real estate.

We believe technology that provides productivity improvements to Australia's growers and producers is key to ongoing profitability and sustainability of our customers. The Board considers these skills in the digital area imperative to fulfilling our digital and technical objectives.

In September 2018, Elders also appointed Michael Carroll to the board. Michael shares a long-standing passion for agriculture and brings relevant industry experience - which we are confident will greatly contribute to Elders' ongoing performance particularly as the company continues its growth initiatives.

Michael comes from a multi-generational farming family and has a deep understanding of both producer and customer needs which is a highly valuable skill set, and one that is shared by some of his fellow directors. In addition to the core agricultural experience, Michael also possesses solid financial skills having served part of his executive career in the financial services sector.

Both Michael and Diana's skill sets are highly relevant to Elders as we continue to implement the Eight Point Plan, including our growth and digital and technical agendas, through to 2020. The appointments are in line with our objective of ensuring the Company's board of directors is comprised of highly talented individuals with a diverse range of skills, experiences and backgrounds, which result in a board effectively equipped to guide the Company's success.

I know I speak on behalf of your Directors and the management team when I say it is an absolute honour to be entrusted with responsibility for running your Company. It is not something we take for granted.

From a corporate governance perspective, our practices continue to be very sound and are subject to continual improvement. We believe that a well governed company, including one that puts its compliance obligations and the need to identify and manage risk at the centre of its practices, is very likely to be a sustainable company.

This approach is a hallmark of the way we do business at Elders, allowing us to capitalise on opportunities and manage downsides.

During my ten-year term as a director of Futuris and then Elders, the Company experienced challenges and difficulties brought on by the GFC and high levels of debt. It has been extremely gratifying to be part of a team that divested the automotive and forestry divisions, and that has been able to return Elders to its roots in Agriculture and attain a sustainable financial position.

Our consistent improvement, year on year, reflects the vision and commitment of our management team and the hard work of our employees across Australia, China and Indonesia.



I take this opportunity to thank you as our shareholders – it has been a pleasure serving you since 2008.

In closing, I extend my gratitude and appreciation to all employees wearing the pink shirt with pride, as well as our clients, suppliers, business partners and financiers.

I would like to take this opportunity to thank my fellow directors, and in particular, our Managing Director, for their valuable contribution and dedication to Elders' future. I'm saddened that my personal journey with Elders is over but I know your Company is in safe hands and I will watch with great interest from the sidelines.

I am extremely humbled to have been your Chairman through what has been an incredible five years and I look forward to watching the Company grow throughout this phase of the Eight Point Plan and beyond.

Thank you.