



MACQUARIE  
ACN 002 574 923

# Macquarie Private Wealth



## Elders

### Business Description

Elders Limited (ELD, formerly Futuris Corporation) is a leading Australian agribusiness. The Rural Services business provides a range of services through a network of 380 points of presence. Services include farm supplies, livestock, wool, property and financial services. Forestry establishes, funds and manages hardwood plantations. ELD also owns a legacy automotive business that has interests in the manufacture of various automotive components.

### Strategy Analysis

Elders operates principally in three very different sectors - Rural Services, Forestry and Automotive. The sale of a non-rural assets is continuing with ELD shifting its focus to the agri-service business and will increasingly focus on these activities going forward. The decision has been taken to conduct a staged exit from forestry and the automotive business is considered non-core. The company plans to divest this business when the automotive market recovers. Elders reported net loss of \$395.35m for the year ended 30 September 2011. Revenue from ordinary activities were \$2,313.97m, up 15% from last year. Basic and Diluted EPS were (88.1) cents compared to (51.1) cents last year. The net operating cash outflow was \$23.76m compared to an outflow of \$110.47m in the pcp. No dividend was declared.

27 January 2012

### Recommendation

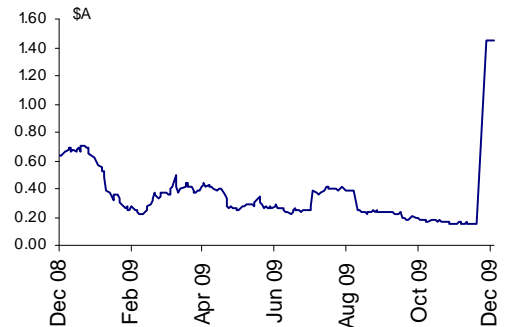
Recommendation: Neutral  
Relative to: Small Ind (ex Fins)

### Investment Fundamentals

ASX code: ELD  
Stock price: \$0.24  
Market cap: \$108m

	Y/E 30/09/2012	2012e	2013e	2014e	2015e
Reported e	\$m	13.9	20.2	22.7	27.5
Adjusted e	\$m	13.9	20.2	22.7	27.5
EPS adjusted	¢	3.1	4.5	5.1	6.1
EPS growth	%	195.9	45.2	12.5	20.8
PE	x	7.7	5.3	4.7	3.9
PE relative	x	0.5	0.5	0.5	0.5
DPS	¢	0.0	0.0	0.0	
Yield	%				
Franking	%	0.0	0.0	0.0	

### Share Price



Source: ASX and Company accounts

### Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Rural Services	83.3	0.6	0.2	-51.0%	
Automotive Components	13.7	5.3	4.6	-65.0%	
Forestry	2.5	-197.0	-651.7	-58.0%	
Investment & Other	0.5	-7.3	-127.2	-32.0%	
<b>Total</b>	<b>100.0</b>	<b>-198.4</b>	<b>-774.1</b>		
<b>Results by Geography</b>				Dividend Reinvestment Plan	Yes
Australia	100.0	100.0	100.0	Shareholder Discounts	No
<b>Total</b>	<b>100.0</b>				

### Company contact details:

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