



## Market Announcement

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5 December 2024

### Fonterra lifts FY25 forecast Farmgate Milk Price, holds earnings guidance

Fonterra Co-operative Group Ltd today raised the midpoint of the 2024/25 season forecast Farmgate Milk Price by 50 cents to \$10.00 per kgMS.

The new forecast range of \$9.50-\$10.50 per kgMS reflects the ongoing strength of the global market.

“We’re committed to providing farmers the highest sustainable milk price, so I’m pleased to announce another lift in the forecast for the season,” says Fonterra CEO Miles Hurrell.

“We’re seeing a recovery of demand in Greater China as domestic milk production rebalances and demand from Southeast Asia continues to be strong.

“Looking at supply, milk production out of the US and Europe continues to be impacted by local factors, while production out of most regions of New Zealand has increased.

“We’re continuing to monitor factors that may influence global supply and demand dynamics, including any potential impact from heightened geopolitical uncertainty,” says Mr Hurrell.

### Earnings guidance unchanged

Fonterra’s forecast earnings for FY25 remain unchanged at 40-60 cents per share.

“Our forecast earnings range reflects an expectation our underlying operating profit will be stable as we offset the higher cost of milk in the second half of the financial year through improved sales volumes, product mix and pricing.

“It also reflects the change in Fonterra’s tax status, which is effective from this financial year and will reduce our reported earnings per share,” says Mr Hurrell.

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### About Fonterra

*Fonterra is a co-operative owned and supplied by [thousands of farming families](#) across Aotearoa New Zealand. Through the spirit of co-operation and a can-do attitude, Fonterra’s farmers and employees share the goodness of [our milk](#) through innovative [consumer](#), [foodservice](#) and [ingredients](#) brands. [Sustainability](#) is at the heart of everything*

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we do, and we're committed to leaving things in a better way than we found them. We are passionate about supporting our communities by [Doing Good Together](#).

**Non-GAAP financial information**

*Fonterra uses several non-GAAP measures when discussing financial performance. Non-GAAP measures are not defined or specified by NZ IFRS.*

*Management believes that these measures provide useful information as they provide valuable insight on the underlying performance of the business. They may be used internally to evaluate the underlying performance of business units and to analyse trends. These measures are not uniformly defined or utilised by all companies. Accordingly, these measures may not be comparable with similarly titled measures used by other companies. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS.*

*Non-GAAP measures are not subject to audit unless they are included in Fonterra's audited annual financial statements.*

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