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Market Statement

18 August 2023

LIC provides earnings guidance update for FY23

Livestock Improvement Corporation (NZX: **LIC**) is providing updated earnings guidance for FY23, as a result of the reduced Farmgate Milk Price range and uncertainty in relation to farmer spending.

LIC previously released their expected underlying earnings for 2023-24 to be in the range of \$22-28 million (NZX: 20 July). The co-op now expects underlying earnings for FY23 to be in the range of \$17-22 million, assuming no further milk price changes or significant climate events take place.

Board Chair Murray King said earnings were anticipated to be lower than initially forecasted, however the co-op remains committed to ensuring farmers can continue their investment to breeding the most efficient cows for their herd.

“Although it is early into the season, the lower forecast milk payout has created a challenging economic landscape for many dairy farmers across New Zealand.

“Our farmers will be reviewing their cost structures and as their co-operative we are doing the same. The Board is committed to protecting the long-term sustainability of the co-op and the efficiency of our farmers’ herds, while ensuring that we continue to deliver exceptional value on farm.”

LIC will continue to update the market in line with its continuous disclosure obligations.

ENDS

Contact

- For shareholder enquiries, phone 0800 264 632
- For media enquiries, contact Amy Wickliffe (LIC Senior Communications Advisor): amy.wickliffe@lic.co.nz, phone 027 225 0298.

About LIC

LIC is a farmer-owned co-operative and world leader in pasture based dairy genetics and herd management. LIC exists to deliver superior genetics and technological innovation to help its shareholders sustainably farm a profitable animal. With origins dating back to 1909, LIC has a long history of developing and delivering world-leading innovations for the dairy industry. The co-op continues to be one of the sector’s biggest private investors in research and development. Today the New Zealand-based co-op employs more than 700 permanent staff, swelling to 2000 during the spring peak dairy mating season. LIC also has offices in the United Kingdom, Ireland, and Australia. All LIC profit is returned to its farmer owners/shareholders in dividends, or reinvested for new solutions, research and development. www.lic.co.nz