



Private Bag 3016
Hamilton 3240
New Zealand

0800 651 156
www.lic.co.nz

Market Announcement
20 May 2020

LIC EARNINGS FORECAST DOWNGRADED FOR 2020/21 YEAR REFLECTS IMPACT OF COVID-19

Livestock Improvement Corporation (NZX: LIC) confirms that its underlying earnings guidance for the year ended 31 May 2020 remains unchanged at \$21 million to \$25 million.

However, LIC has downgraded its underlying earnings forecast for its next financial year: year-ended 31 May 2021. The cooperative announced an underlying earnings (NPAT excluding items such as bull valuation and nil paid share movements) range of \$21 million - \$27 million on 29 January 2020. As a result of expected impacts of COVID-19, Board Chair Murray King said that range has today been downgraded.

“Based on the impacts of COVID-19 on forecast milk price, credit tightening for farmers and increased compliance costs for the next season on New Zealand dairy farmers and LIC, the Board has updated its market range for the year ended 31 May 2021 to \$16 million to \$22 million.”

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

Ends

For investor relations questions, please contact:

Gillian Brennan
Company Secretary
Gillian.Brennan@lic.co.nz
+ 64 27 2955215

For media enquiries, please contact:

Jo Jalfon
Communications Manager
Jo.Jalfon@lic.co.nz
+64 27 297 1904

About LIC

LIC is a farmer-owned co-operative that provides a range of services and solutions to improve the productivity and prosperity of farmers. This includes dairy genetics, information technology, herd testing, DNA parentage verification and farm advisory services through FarmWise®. Subsidiary business LIC Automation also provides integrated automation systems and unique milk testing sensors that present real-time data while a cow is being milked. With origins dating back to 1909, LIC has a long history of world-leading innovations for the dairy industry. Today the New Zealand-based co-operative employs more than 700 permanent staff, swelling to 2000 during the 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 re-invested for new solutions and research and development. www.lic.co.nz