



**Allied Farmers Ltd**

201 Broadway, Stratford, 4332

PO Box 304, Stratford 4352

**Phone:** 06 765 6199

**Web:** <http://www.alliedfarmers.co.nz>

**Email:** [headoffice@alliedfarmers.co.nz](mailto:headoffice@alliedfarmers.co.nz)

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[announce@nzx.com](mailto:announce@nzx.com)

## Market Update

Allied Farmers Limited (“Allied Farmers” NZX: **ALF**) forecasts a net profit before tax (NPBT) for the interim period ending 31 December 2021 (**HY22**) in a range of \$1.0m to \$1.2m. This is a significant uplift on the result for the prior interim period (HY21) of \$0.546 NPBT, where New Zealand Farmers Livestock’s (**NZFL**) performance was negatively impacted by Covid-related pricing on veal processing returns.

The HY22 result is driven by a significant improvement in veal processing returns, and an inaugural half year contribution from NZ Rural Land Management Limited Partnership.

The following table summarises the pre-tax contribution over the previous interim periods from ALF’s investments:

Interim Period (1 July – 31 December)	NZ Farmers Livestock (livestock agency + finance) (\$m)	Farmers Meat Export (veal processing) (\$m)	NZ Rural Land Management (asset management) (\$m)	Parent Company Costs (\$m)
2017	0.5	0.1	-	(0.3)
2018	0.6	0.9	-	(0.2)
2019	0.7	1.0	-	(0.4)
2020	0.6	0.2	-	(0.3)
2021F	0.1	1.2	0.3	(0.4)

As in previous years, the returns from the veal processing operations within NZFL continue to be a major influence on half year performance. However, investors are reminded that typically NZFL’s second half year profit is driven by factors distinct from the veal processing results that drive first half year profit. The second half is strongly influenced by livestock trading and herd sale activity, much of which will occur in the later part of the second half especially given the Covid lockdown interruption experienced in the first half period.

Accordingly, it is not possible for ALF to forecast full year profits based on first half performance at this stage of the financial year.

**Mark Franklin**  
Chairman