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Market Statement

21 June 2024

LIC provides earnings guidance update for FY24

Livestock Improvement Corporation (NZX: LIC) is providing updated earnings guidance for FY24 related to a change in New Zealand income tax legislation.

In August 2023 LIC updated expected underlying earnings for 2023-24 to be in the range of \$17-22 million (NZX: 18 August). The co-op now estimates underlying earnings for FY24 to be in the range of \$13-15 million. This change is due to a one-off, non-cash impact from a change in tax legislation enacted in March 2024 that removed the ability to depreciate commercial buildings for tax purposes from the 2024-25 income tax year. LIC assessed the impact of this change and sought technical accounting and tax advice. The application of the tax change has created a one-off, non-cash accounting adjustment of approximately \$4 million to increase tax expense at year-end, with a corresponding increase in LIC's deferred tax liability balance.

ENDS

Contact

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- For media enquiries, contact Steph Slattery (LIC Communications Manager): steph.slattery@lic.co.nz, phone 027 256 2057

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 900 permanent staff, swelling to over 2,000 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