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## FY25 Results Commentary

The Directors of Allied Farmers Limited (“Allied Farmers” or “Allied Group”) (ALF:NZX) are pleased to report an unaudited net profit before tax for the year to 30 June 2025 of \$4.065 million (FY24 \$7.315 million), with an unaudited net profit after tax attributable to Allied Farmers’ shareholders of \$2.87 million (FY24 \$5.206 million).

FY25 profit was lower than the previous comparable period due to the one-off \$4.2 million gain on the book value of the sale and licence back by NZ Farmers Livestock Limited of its interest in the Frankton saleyards, of which \$2.85 million was attributable to Allied Farmers’ shareholders.

Excluding this one-off gain in FY24, Allied Group’s FY25 profit after tax of \$3.84 million is substantially higher than FY24 adjusted profit after tax of \$2.690 million, primarily due to NZ Farmers Livestock Limited’s earnings being significantly improved from the comparative period. NZ Rural Land Management Limited (**NZRLM**) earnings were similar to FY24, and improved contributions were obtained from Allied Farmer’s investments and a rural loan.

## Five Year Earnings Summary

Financial Year Ending 30 June	FY25	FY24	FY23	FY22	FY21
Allied Farmers Net Profit After Tax (NPAT) - consolidated	\$3,840	6,919	4,278	3,532	2,576
Allied Farmers Net Profit After Tax (NPAT) - attributable to Allied Farmers shareholders - \$ 000’s	2,870	5,206	3,338	2,876	2,021
Allied Farmers Earnings Per Share – cents per share	9.96	18.07	11.59	9.98	8.57

Commentary on the results for NZRLM and NZFL business units are set out in the following sections.

Allied Farmers’ basic earnings per share (**EPS**) decreased by 44.6% to 9.96 cents per share (FY24 18.07 cps), and Net Tangible Assets (**NTA**) per share, based on 67.8% direct ownership of NZFL and 100% ownership of NZRLM, equals \$0.51 per share (FY24 \$0.40 per share).

During FY25 the Board continued to review its allocation of assets across the rural sector, with a focus on ensuring the optimal deployment of Allied Farmers’ capital for long term value growth and tax loss utilisation.

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The significance of tax losses means that shareholders' interests are best served by deploying earnings into growth opportunities that can utilise the tax losses. Accordingly, Allied Farmers' continues its policy of not paying dividends, including in relation to FY25.

In September 2024, Allied Farmers Limited (through an SPV) acquired land and buildings in the Waikato from the mortgagee for \$10.5 million. In return the SPV assumed a mortgage debt of equivalent amount. The loan is secured over the 4 properties with a GSA over the SPV, but there is no exposure to Allied Farmers as the securities are against the SPV only.

Also in September 2024, Allied Farmers advanced \$3 million to a substantial farming dairy farming operation in South Canterbury to fund its working capital. The loan was refinanced in March 2025, and is secured by a second ranking GSD over the assets of the borrower and related entities of the borrower, and a guarantee from a related entity of the borrower.

As at 30 June 2025, Allied Farmers held 3,933,110 shares in NZ Rural Land Company Limited (**NZL**) (~2.7% of NZL shares on issue). During FY25 NZL re-commenced paying shareholder dividends.

**New Zealand Rural Land Management (NZRLM) - 100% owned:**

NZRLM is the external manager of NZX listed NZL. NZL currently owns 17,077 hectares of forestry estates, and pastoral and horticultural land.

NZRLM's FY25 revenue was largely in line with FY24, comprised of fees associated with status quo portfolio management, successfully executed NZL transactions, and overall portfolio performance.

In March 2025 NZL acquired a 305 ha, high yielding dairy farm located in Canterbury. As part of the consideration for this acquisition NZL sold two pastoral farms. These transactions generated transaction fees for NZRLM, while also increasing its recurring revenue base from portfolio management. NZRLM also received a retrospective performance fee for the value gain on NZL's assets for the 12-month period ended 31 December 2024 (NZL's balance date). This fee is in-line with the change in the Net Asset Value (NAV) of NZL's portfolio during this period and is paid in NZL shares.

**New Zealand Farmers Livestock Limited (NZFL) – 67.8% owned:**

NZFL, like most farming businesses, has seen a substantial improvement in trading conditions during FY25, to achieve a very strong result despite some softening of the veal business performance.

In a marked shift, particularly in the second half of the year, most livestock categories are now seeing very high prices relative to recent years. Cattle and sheep tallies have increased year on year. Offshore market returns, processor schedules, forecast milk solids payouts and farmer confidence have supported this progress. On-farm conditions have also been favourable in many areas and allowed farmers to hold stock where that could improve returns.

NZFL's agency business is now operating in a very buoyant environment, with much-improved farmer confidence, and a pleasing increase in young stock rearing. Dairy confidence and activity are seeing early

herd sale progress at elevated prices now, and very strong cow prices. Redshaw Livestock is also benefitting from the appreciable improvement in sheep and beef fortunes.

The veal business was a significant contributor, but impacted by deteriorating skin prices and some cost inflation. Skin prices have deteriorated further. Veal pricing has held up well. We continue to refine this business, including dealing with some challenge to tallies with a move to more feeder calf options early in 2025/26. While farming capacity and commercial constraints limit this movement, we note that increased feeder calf numbers should help NZFL's agency business performance in coming years.

Livestock Finance, based around our Heartland-supported and own lending offerings, has continued a steady improvement in earnings contribution, and remains a valued diversification of earnings, and support to our clients and to core agency activity.

The business has continued to focus on improving productivity, cost structure, capital efficiency and driving our developing digital platform and presence. MyLiveStock remains a NZ-controlled and integrated digital platform serving our clients and supporting a growing online focus.

Potential impacts from the ongoing US tariff, geopolitical uncertainties and related movements remain unclear, but the start to FY26 remains very positive for NZFL, despite the further softening in the veal business noted earlier.

The Board wishes to thank and acknowledge the hard work and initiative of our NZFL and NZRLM teams over the last year.

### **Shelley Ruha – Chair**

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