

Livestock Improvement Corporation (LIC)

Interim Results Market Statement

22 January 2026

Strong farmer focus on herd improvement supports positive half year result for LIC

Livestock Improvement Corporation (LIC) today announced a strong half year result for the FY25/26 year underpinned by volume growth across key segments and improved underlying earnings year on year.

CE David Chin says increasing demand for sexed semen, animal health services and GeneMark Genomics reflects the increasing focus of farmers on genetic gain and their continued confidence in LIC's products and services.

"We're seeing encouraging growth in areas that matter most to our farmers. As a generational co-operative we remain focused on delivering long-term productivity gains for farmers and supporting sustainable genetic progress for the New Zealand dairy herd."

Summary of financials*:

- Total Revenue: up 5.2% at \$195.2 million
- Net Profit After Tax (NPAT): \$33.8 million, down 13.5% from the same period last year
- Underlying Earnings: \$36.8m, up 9.3% from the same period last year

Underlying Earnings forecast range at year-end: \$20-24 million, no change from the market update in November 2025 Net Profit After Tax (NPAT) was lower than the prior year, primarily due to the absence of last year's bull team revaluation gain and the costs incurred within the period for the multi-year investment to replace older technology and customer-facing systems.

Board Chair Corrigan Sowman says while system investment has impacted short-term profitability, it positions LIC well for the future by improving resilience, capability and customer experience.

"The co-operative's balance sheet remains strong, allowing us to invest into technology and infrastructure to support delivery of our future business strategy."

ENDS

This statement has been authorised for release by the Board of Directors.



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*Notes to financial information:

- LIC's half-year result incorporates the majority of revenues from core artificial breeding (AB) and herd testing services, but not a similar proportion of total costs so are not indicative of the second half, nor the full year, result.
- These numbers should be read in conjunction with the financial details in the Interim Report and 2025 Annual Report.
- Figures have not been audited, with the exception of 31 May 2025 comparatives.
- Underlying Earnings: this is NPAT excluding bull valuation and nil paid share valuation movements and is considered useful to investors as it is the basis on which LIC has historically reported and determination of dividends. Non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.
- Bull team valuation: LIC's elite bull team is its largest biological asset, valued at \$101.2 million at half-year (no change from May 2025). This valuation comprises a model that looks at future revenue streams and costs associated with the current bulls owned, discounted back to current value.
- Market guidance is provided on the basis that no significant events, including climate events, or milk price change takes place between now and year-end.
- During the period LIC embarked on a multi-year investment into customer facing systems and process improvements. This is an important initiative to replace aging systems and improve customer experience, making the co-operative easier to work with. The investment is predominantly into Software as a Service (SaaS) tools, the costs of which are generally expensed as incurred, rather than amortised over future financial periods. As a result, Net Profit After Tax (NPAT) has been negatively impacted by \$3.0m implementation costs incurred in six months to 30 November 2025 and this expenditure has been excluded from LIC's Underlying Earnings.

About LIC: lic.co.nz