

LANDCORP FARMING LIMITED

Full-year results for announcement to the market

28 August 2020

Reporting Period	12 months to 30 June 2020
Previous Reporting Period	12 months to 30 June 2019

	12 months to 30 June 2020	12 months to 30 June 2019	Percentage change
	<i>Amount (millions)</i>	<i>Amount (millions)</i>	
Revenue	\$NZ 251	\$NZ 241	4%
EBITDAR	\$NZ 65	\$NZ 34	91%
Net loss after tax	\$NZ (24)	\$NZ (11)	(118%)
Total comprehensive income	\$NZ (79)	\$NZ (65)	(22%)

Comments

<p>(i) a brief explanation of any of the above figures necessary to enable them to be understood</p>	<p>The \$10m increase in Revenue is largely due to an 85c rise in the weighted average milk price and strong milk production despite challenging climatic conditions in the North Island.</p> <p>The \$31m increase in EBITDAR (“earnings before interest, tax, depreciation, amortisation and revaluations”) is due to a combination of a \$15m increase in milk revenue and the impact of the new lease accounting standard NZ IFRS 16. Under this standard, \$15m of rent expenses are replaced by additional depreciation (\$11m) and interest expenses (\$12m) below EBITDAR.</p> <p>Key components of the increase in the net loss after tax of \$13m are the increase in EBITDAR of \$31m offset by a number of other movements including the \$23m impact of the new accounting standard noted above. In addition, there is an increase of \$10m in revaluation losses on biological assets such as livestock and forestry reflecting lower market prices and an increase of \$12m in impairment losses on property, plant and equipment.</p> <p>The \$14m reduction in Total Comprehensive Income reflects increased revaluation losses on land and buildings of \$61m compared to \$47m in the prior year. These losses are indicative of a general softening in the rural property market.</p>
<p>(ii) in respect of each half-year period, commentary on the outlook for the remainder of the financial year, including whether the SOE considers it will achieve the financial performance targets in its SCI.</p>	<p>N/A</p>