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LANDCORP FARMING LIMITED

Full-year results for announcement to the market 20 August 2026

Reporting Period	12 months to 30 June 2026
Previous Reporting Period	12 months to 30 June 2025

	12 months to 30 June 2026	12 months to 30 June 2025	Percentage change
	Amount (millions)	*Amount (millions)*	
Income	$NZ 439	$NZ 348	26%
Net operating profit	$NZ 113	$NZ 49	131%
Net profit (loss) after tax	$NZ 160	$NZ 120	33%
Total comprehensive income	$NZ 194	$NZ 132	47%

Year-End

Comments

(i) a brief explanation of any of the above figures necessary to enable them to be understood	**Pāmu reported Net Operating Profit (NOP) of $113 million and Net Profit After Tax (NPAT) of $160 million for the year ended 30 June 2026, compared with NOP of $49 million and NPAT of $120 million in the prior year. Reflecting this strong financial performance, Pāmu has declared a dividend of $15 million. The result reflects improved on-farm performance, favourable market conditions, and several years of focus on operational excellence, productivity and cost management.** Total revenue was $439 million, an increase of $91 million (26%) on FY2025 revenue of $348 million. Milk revenue increased to $169 million, up $17 million on FY2025. The increase reflects both higher production ($19.5 million), with milk solids up 1.8 million kilograms, and a stronger farmgate milk price ($1 million) offset by increased payments to sharemilkers ($3.5 million). Bovine milk production increased by 13%, supported by a continued focus on farming excellence, favourable growing conditions, and the implementation of technology initiatives to improve farm performance. Livestock revenue of $184 million was $45 million higher than the prior year, driven by increased production ($7 million) and strong commodity prices ($38 million). A continued focus on farming fundamentals, animal performance and operational execution resulted in more than one million kilograms of additional carcass weight being sold during the year. Revenue from other business activities increased by $25 million to $73 million. Carbon credit revenue contributed $31 million (FY2025: $23 million), reflecting a higher volume of credits allocated, partially offset by lower gains on the sale of credits. The remaining increase was primarily driven by a full year of consolidation of Spring Sheep Dairy and the first year of commercial blueberry production within the horticulture business. Total operating expenses increased by $38 million to $297 million. This included a $17 million increase in farm working and maintenance expenses and a $5 million increase in other costs with the remaining increase due to full year consolidation of Spring Sheep Dairy. The increase in farm working and maintenance expenses largely reflects higher levels of production activity across the business, including increased feed, fertiliser and animal health expenditure to support record dairy production and growth in percentage of beef on dairy calves reared

	Feed costs increased due to higher dairy production volumes and the replenishment of feed reserves following the drought conditions experienced in FY2025. Animal health costs increased from greater calf rearing activity with the percentage of calves reared increasing from 65.5% in FY25 to 72.0% in FY26. Fertiliser expenditure increased due to both greater application rates and higher market prices. The remaining cost increase was driven by farm price inflation estimated at 4% and increased repairs and maintenance expenses which were previously capitalised. Excluding the full year consolidation of Spring Sheep Dairy other expenses increased by $5 million, principally reflecting the implementation of Halter technology and the Crown Landcorp Holdings management fee being payable this year following the strong performance of the Holdings farms. Despite ongoing inflationary pressures corporate costs reduced by $1.3 million compared with the prior year, demonstrating continued focus on cost control and efficiency. Pāmu recorded a fair value loss of $3 million on milk futures, compared with a loss of $14 million in FY2025. The milk futures programme is designed to reduce exposure to milk price volatility and provide greater certainty over earnings and cash flows. While market movements were unfavourable during the year, the programme remains an important risk management tool that supports long-term financial stability. NPAT for the year was $160 million, compared with $120 million in FY2025. In addition to the $64 million improvement in NOP, the Company recorded a fair value gain of $108 million on biological assets (FY2025: $96 million), primarily reflecting strong red meat prices and increased dairy payout expectations. While these valuation movements contributed significantly to reported earnings, they are inherently cyclical and not a substitute for underlying operating performance and cash generation. The Company has benefited from two consecutive years of significant fair value gains, which are expected to reverse over time. During the year, Pāmu undertook a revaluation of part of its farm portfolio, resulting in a $33 million increase in property values. Of this movement, a $1 million gain was recognised through profit or loss as a fair value adjustment on property, plant and equipment, while a $32 million gain was recognised through Other Comprehensive Income. Total Comprehensive Income for the year was $194 million, compared with $132 million in FY2025. This result includes the farm revaluation gain noted above, together with fair value movements on carbon credits and share investments.

	The result reflects the strength of the company's diversified business, improved operational performance and a disciplined approach to capital and balance sheet management. During the year, net debt reduced by $36 million, further strengthening the company's financial position and providing greater resilience through market cycles. This improved financial flexibility supports investment in future opportunities. Pāmu enters FY2027 well positioned to build on this momentum.
(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.	Pāmu is currently forecasting a full-year Net Operating Profit for the 2026/27 financial year in the range of $77 to $87 million, with a mid-point of $82 million. This remains consistent with the Net Operating Profit target stated in our Statement of Corporate Intent. The outlook reflects the continued focus of Pāmu on operational excellence and its ability to respond effectively to changing market and operating conditions. Dairy and livestock commodity prices remain key factors, with Fonterra's current milk price forecast range of $8.00 to $10.50 per KgMS reflecting ongoing uncertainty in dairy market. Pāmu is also facing continued on-farm inflationary cost pressure and adapting to changing economic and environmental conditions. Pāmu is targeting a 9.0% year-on-year increase in red meat production while maintaining milk production at last year's record level. This forecast range recognises the risks presented by material adverse weather events, volatility in commodity prices, currency and other markets and geopolitical tensions remain.