



## PRESS RELEASE

### TATUA FINANCIAL RESULTS FOR THE YEAR ENDED 31 JULY 2020

The Tatua Board of Directors and Executive met on 30 September 2020 to consider the financial results for the 2019/20 financial year and decide on the final payout to our supplying shareholders.

The emergence of Covid-19 very early in 2020 marked an unprecedented financial year. We acknowledge the hardship faced by many businesses and individuals as a result of the virus and know we are fortunate to be part of an industry that has continued to operate in the Covid-19 environment.

Notwithstanding the challenges of Covid-19, we are pleased to report that Tatua has had another positive year, achieving record Group revenue of \$381 million, and earnings of \$151 million.

We processed 15.15 million kilograms of milksolids supplied by our Tatua shareholders, which as a co-operative, is our divisor for earnings.

Our Group earnings of \$151 million equates to \$9.96 per kilogram of milksolids, before retentions for reinvestment and taxation. This is an improvement on the previous year earnings of \$9.66 per kilogram of milksolids.

We have confirmed a cash payout to supplying shareholders of \$8.70 per kilogram of milksolids. In addition, we have retained earnings for reinvestment of \$1.26 per kilogram of milksolids - equivalent to \$19.1 million before tax.

In deciding our payout, we have sought to balance the needs of our shareholder's farming businesses with the requirement for continued investment in Tatua's longer-term sustainability. For the 2019/20 financial year, this has included a combined investment in wastewater treatment and engineering support services of \$20.3 million.

Our gearing (debt divided by debt plus equity) averaged 27.0% for the year, which was fractionally lower than the previous year average. Gearing at the end of our July financial year was 23.9%. This has strengthened our resilience and our ability to create new opportunities.

We have a team of people at Tatua, including those in our offshore subsidiaries, who have shown exceptional commitment in taking care of each other and the business through one of the most challenging and uncertain times we can recall. Our result is a credit to them.

Despite the Covid-19 uncertainty that continues to exist, we remain cautiously optimistic in our outlook for another productive year.

Kind regards

A handwritten signature in black ink that reads "S. B. Allen".

**Stephen Allen**  
**CHAIRMAN**  
0274 719 791

A handwritten signature in black ink that reads "Brendhan Greaney".

**Brendhan Greaney**  
**CHIEF EXECUTIVE OFFICER**  
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