



NZX: SML
ASX: SM1

24 January 2025

Return to profitability with HY25 guidance provided; further financial commitment to secure milk supply announced

Synlait Milk Limited's (Synlait) business recovery plan is on track. The company is providing financial guidance for the six months ending 31 January 2025 (HY25) and a further financial commitment to secure its milk supply.

Acting CEO Tim Carter commented: "The Synlait team has worked extremely hard to lift productivity and performance in the past six months. Today's announcement demonstrates the huge progress being made and, while we cannot take our foot off the pedal, we are pleased to announce we expect to return to profitability at our upcoming half year result."

"Farmers are an important backbone to our business. To further recognise that, we have increased our commitment to existing and new South Island suppliers with additional premiums in place for each of the following three seasons. We are confident this will secure our milk supply which is critical to our future."

The premiums being announced today are in addition to those announced in September 2024¹.

HY25 guidance range announced

Synlait advises that it expects earnings before interest, taxes, depreciation, and amortization (EBITDA) for the six months to 31 January 2025 to be in the range of \$58 million to \$63 million.²

This significant performance uplift is driven by:

- New business development driving growth in Advanced Nutrition products.
- Strong performance of the Ingredients business driven by improved management of foreign exchange and an optimised product mix.
- Continued cost control, driven by reduced consultancy spend, headcount reductions, and improved optimisation for the North Island assets.

Synlait will release its HY25 result on Monday 24 March 2025.

Further financial commitment to retain and grow milk supply

Synlait is enhancing its financial package to retain and grow its secured milk supply in the South Island – a step that reflects the Board's confidence in Synlait's future.

It also further demonstrates Synlait's leadership position in New Zealand's dairy industry and how the company works in partnership with farmers to deliver significant additional value for their milk.

¹ <https://www.nzx.com/announcements/439061>

² HY24 EBITDA was \$19.9 million

Synlait

In summary, Synlait will:

- Pay the following new secured milk premiums to all South Island farmers committed to a future with Synlait without a cease notice in place:

- \$0.10 / kg MS for each of the 2025/2026, 2026/2027 and 2027/2028 seasons.

The new premiums will be paid on top of Synlait's base milk price and in addition to the incentives for specialty milk and Lead With Pride™.

- Amend milk supply agreements to enhance cashflow security for all farmers by:
 - Guaranteeing, from the current season, an average Synlait milk price that matches the market base milk price (at a minimum).
 - Guaranteeing, from the 2025/2026 season, to match the market advance rate (at a minimum).

Synlait will still make the additional payments announced in September 2024³.

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³ <https://www.nzx.com/announcements/439061>

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