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## Synlait provides half year performance update

Synlait Milk Limited (Synlait) is providing an update on its financial performance for the six months ended 31 January 2026 (HY26).

The current financial year will deliver a valuable reset for Synlait, with the sale of the company's North Island assets due for completion on 1 April 2026. The sale will substantially strengthen the company's financial position, with the proceeds used to significantly reduce debt.

The sale will enable Synlait to centre its core operations on Canterbury, with renewed focus on delivering continuous operational excellence and customer diversification to support longer-term profitability, however, it is clear the company's recovery will take time.

While the manufacturing challenges experienced at Dunsandel have now been largely resolved, Synlait continues to face related cost and operational impacts. The need to rebuild inventory across product segments required significant adjustments to Synlait's manufacturing plans this dairy season, relative to a normal year. To enable these adjustments, additional raw milk sales were made during HY26, which weighed heavily on margins and operating costs.

The company's first half performance has also been impacted by lower relative returns from our commodities portfolio. In addition, Synlait has taken a conservative approach and not recognised further deferred tax assets arising from unused tax losses beyond those recorded at 31 July 2025. Synlait has not been impacted by the ARA ingredients associated with recent infant formula recalls.

Given the above, Synlait is expecting underlying EBITDA of between breakeven to \$5 million for HY26, with a reported EBITDA loss expected of -\$28 million to -\$33 million<sup>1</sup>. For the same period, the company is forecasting an underlying net loss after tax of -\$33 million to -\$38 million with a reported net loss after tax of between -\$77 million and -\$82 million<sup>2</sup>.

As noted in Synlait's FY25 financial statements, an insurance claim has been accepted relating to the losses Synlait incurred as a result of the manufacturing challenges. While the claim is expected to recover a portion of these losses, the final amount and timing of reimbursement remain subject to further assessment and settlement processes. The company will provide further updates in due course.

Synlait has not yet closed its books for the half year, and this preliminary update remains subject to an audit review process being completed.

<sup>1</sup> Synlait's underlying EBITDA for HY25 was \$68.5 million, reported EBITDA for the same period was \$63.1 million.

<sup>2</sup> Synlait's underlying NPAT for HY25 was \$8.7 million with a reported NPAT of \$4.8 million.



Synlait is actively engaging with its banking syndicate while working towards the completion of the North Island asset sale on 1 April 2026.

CEO Richard Wyeth commented: "We are very disappointed with the six-month result and the impact it has had on the pace of our financial turnaround. However, we have made progress with real momentum in our operations, a renewed Canterbury-based ELT, and the North Island sale set to fundamentally strengthen Synlait. Our strategy is being reset, and we are confident it will provide a pathway to return Synlait to success, although this will take at least 12 months."

More information will be provided when the company releases its half year result on Monday 23 March 2026.

**For more information contact**

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