



Synlait

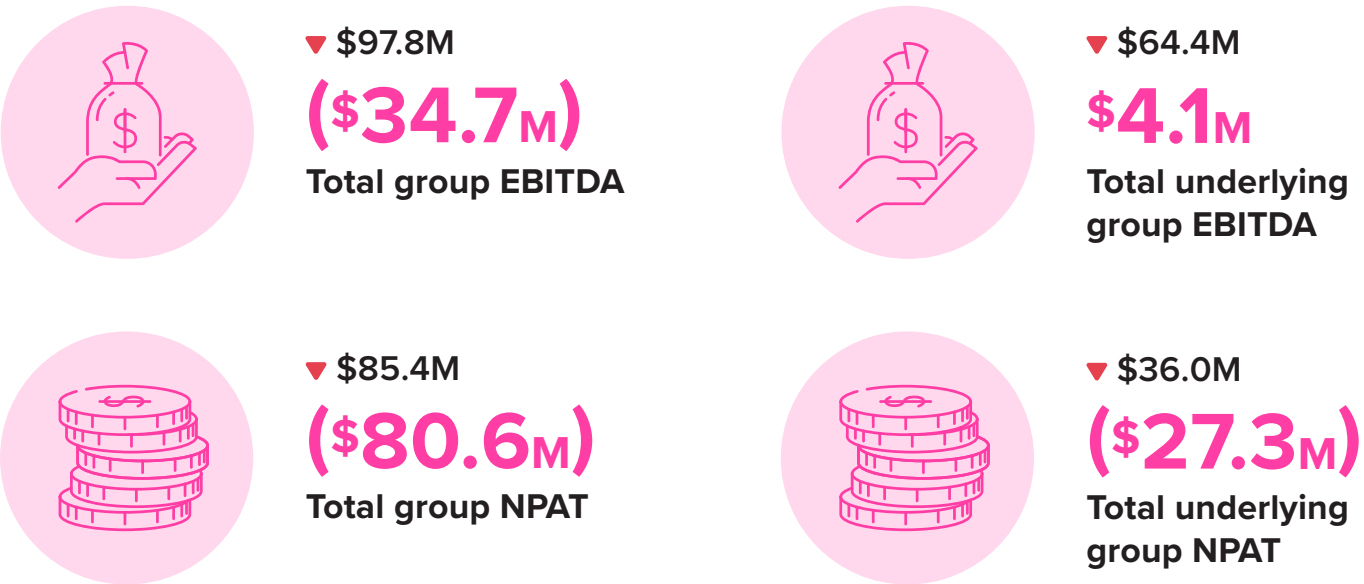


Half Year Results & Future Roadmap

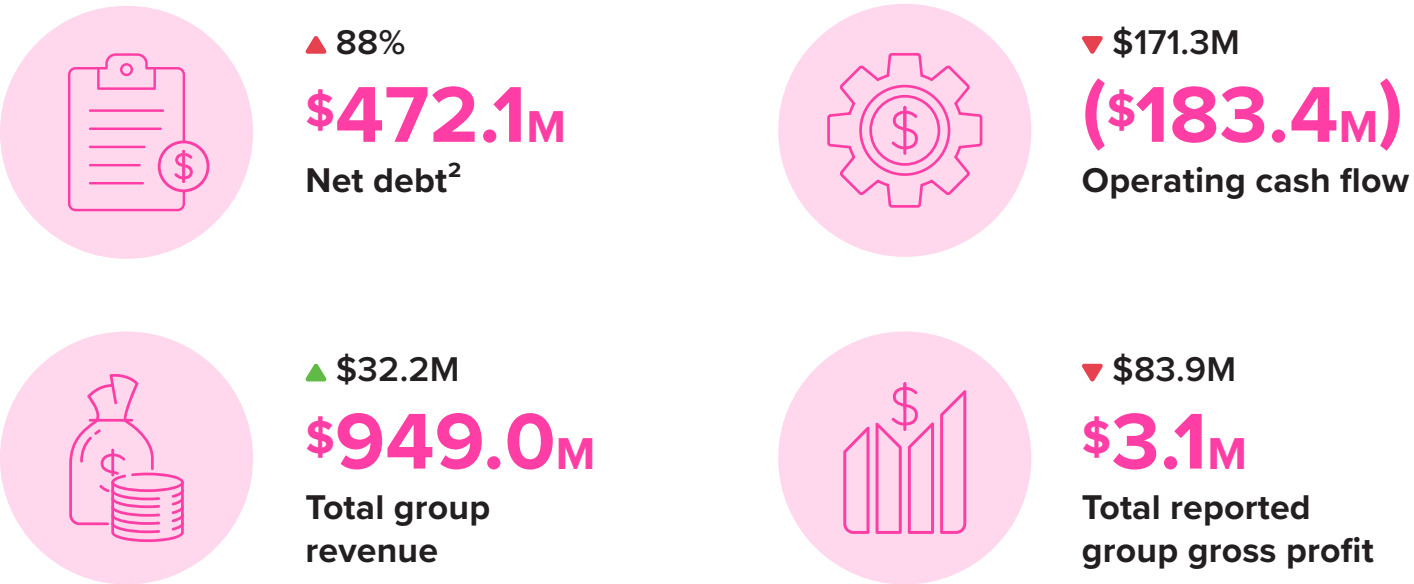
Chair and CEO Review

For the six months ended 31 January 2026

Results at a glance



Results include North Island operations, unless otherwise stated¹



Forecast FY26 milk price



All comparisons are against HY25 (except net debt which is against FY25).

¹ The financial statements include both continuing and discontinued operations, with appropriate classification and disclosure. This will result in differences to the figures presented in this presentation.

² Net debt includes cash, bank debt, transaction costs, and the shareholder loan from Bright Dairy. It excludes lease liabilities.

³ This comprises Lead With Pride™, Winter Milk, a2 and customer sustainability premiums.

⁴ Farmers committed to supply Synlait without a cease notice in place are eligible for additional secured milk premium payments in FY26, FY27 and FY28. When averaged out over the entire milk pool, this averages \$0.08 per kg of milk solids.



George Adams, Chair

Richard Wyeth, CEO

Message from our Chair and CEO

Dear Shareholders,

As people known for honesty and straight talking, we are not going to attempt to dress things up. The numbers we are presenting today are frustratingly disappointing.

They are the result of a period where Synlait faced multiple headwinds and had little choice as to how to deal with them. They reflect a severe lack of optionality, not effort, and they do not define the company’s future – although recovery will take time.

We know you, like the long list of people who have supported Synlait over the past few years, are as hungry as we are for positive financial performance. Unfortunately, we cannot bring you that today.

Instead, we are bringing you the roadmap that seeks to reposition Synlait

for success. Our new recovery plan Stabilise, Simplify, Scale begins with delivering the sale of Synlait’s North Island assets. We are set to complete that next week.

Our goal is to lay a realistic pathway for Synlait’s recovery.

You can read more about the plan later in this review. First, it’s important we explain the result¹.

HY26 | Overview and impacts.

We set Synlait some very clear objectives for this financial year (FY26), known internally as Our Big 6. As you’ll read later in this review, these have all been progressed, as has our critical goal of delivering the sale of our North Island assets.

In addition, we expect an insurance claim will recover a portion of the losses Synlait incurred because of the FY25 manufacturing challenges. We will update you once we know more.

Today’s half year result clearly does not reflect the efforts going into the business. At a macro level it is impacted by three core issues:

- 1. The need to adjust our manufacturing plan.
- 2. Lower returns for our Ingredients business.
- 3. A decision on tax assets.

Issues one and two delivered a dairy processor’s perfect storm. We have taken the opportunity to plainly lay out what happened on the next page.

The third point is that we have taken a conservative approach in not recognising further deferred tax assets arising from unused tax losses beyond those recorded at 31 July 2025.

In summary, it was a lack of viable choices that shaped Synlait’s first half performance. At every stage, your Board and executive leadership team (ELT) carefully analysed, costed, and weighed up our limited options.

Even with the benefit of hindsight, there is little we could have done differently that would have improved this result.

Suffice to say, improving Synlait’s commercial optionality is a critical focus for our future.

¹ The reporting period covers the six months ended 31 January 2026. All comparisons are to HY25 (unless otherwise stated) and include Dairyworks.

The series of challenges.

1. **Inventory shortfall**
Manufacturing challenges in the second half of FY25 resulted in a need to rebuild customer inventory.
2. **Manufacturing plan adjustment**
We adjusted our manufacturing plan to enable our teams to focus on catch-up production.
3. **Tactical milk sales**
The revised plan resulted in Synlait having surplus milk, particularly during peak season. Following an assessment of the plan to rebuild customer inventory, Synlait sold the excess milk.
4. **Pivoting under pressure**
A number of the milk sales didn't go to plan, requiring Synlait's Dunsandel teams to pause catch-up production to process the unsold milk. Whole milk powder (WMP) is then the only ingredient that can be made due to dryer configurations.

5. **Global downturn in WMP pricing**
To create the perfect storm, WMP prices decreased sharply at the end of 2025 (calendar year) resulting in today's Ingredients portfolio losses.

It is important to note that Synlait is still working on rebuilding customer inventory.

The progress we have made.

Our Big 6 have remained Synlait's core focus areas with progress having been made in each area:

1. **Operational Stability**
We have some exceptionally talented people in our frontline teams – deepening this talent pool is now our priority. Our new Chief Operating Officer, Rich Hickson, joined us in February and has a strong track record of operational transformation and infant formula production.
2. **Quality Performance**
Hila Mory, Chief Quality Officer, delivered a new Quality Strategy that has strengthened department leadership and overhauled our

operating model – from policy settings and training to environmental controls and hygiene practices. A new initiative, Synlait Care, has been launched. We have seen a measurable uplift in all core quality metrics.

It has been a challenging period for the infant formula sector globally due to the well-publicised ARA issue. Synlait has implemented enhanced ARA testing, which is extending release times and impacting working capital. Synlait is actively managing supply chain impacts.

3. **Strengthening Culture**
Our renewed ELT is now in place, based in Dunsandel. A new People, Culture and Safety Strategy has delivered a more robust performance framework that sees our Synlait Spirit values aligned to employee experience. We now have clear behavioural expectations that are designed to shift to a proactive high-performance, values-led culture. Our company-wide learning and development training programme is being reset with a focus on our operational teams.

4. **Customer Satisfaction**
New Chief Revenue Officer, Hamish Yates, joined the business in December 2025 and has reset Synlait's Revenue Strategy. This has seen a shift from key account management to a customer-centric business culture with work going into streamlining customer onboarding and growing Synlait's offering. We are preparing for the transition of The a2 Milk Company's English-label a2 Platinum® production to their Pōkeno facility, which will enable new global customer opportunities to progress. Synlait remains committed to supporting The a2 Milk Company's growth in their China-label 至初 product, which is registered to be manufactured at Synlait's Dunsandel facility.

5. **Financial Resilience**
CFO Andy Liu has worked closely with Synlait's banking syndicate to manage cashflow challenges during the half. Their support has been appreciated. The sale of the North Island assets will strengthen Synlait's balance sheet.

6. **Financial Performance**
HY26's financial performance has not matched the efforts going into the business. Removing cost from the business has been a core focus, this includes the closure of Synlait's Palmerston North facility which is estimated to save over \$2 million per year going forward. The North Island sale will remove loss-making assets from our business while our strategy reset creates a pathway to uplift Financial Performance in the medium term.

“Synlait faced multiple issues and we had little choice in how to deal with them. Building commercial optionality into our future is critical.”

Richard Wyeth, CEO

Stabilise, Simplify, Scale

Three interconnected horizons delivered at pace.



The realistic roadmap to recovery.

Today we share with you our new roadmap to recovery – Stabilise, Simplify, Scale. Our plan has three interconnected horizons as shown on the left side of this page.

There is a lot to do to cement Synlait’s recovery and we are excited about paving the road ahead.

“Behind our roadmap to recovery sits a real determination to ensure the coming 12 to 24 months will be seen as a period where Synlait under promised and over delivered.”

George Adams, Chair

The best takeaway from HY26 is that it does not reflect our future.

Synlait is about to undergo a period of change. The North Island sale is intended to reset and strengthen our company. Our relationships with key customers are also shifting.

With Abbott, we will retain a close relationship as we transition our worldclass North Island facilities to their ownership. A third party manufacture (TPM) agreement has been agreed with Abbott for the production of certain base powders after the completion date.

We have always taken great pride in our relationship with The a2 Milk Company. Synlait’s ability to manufacture large volumes of high-quality infant formula has helped fuel their impressive growth in the China, Australia and New Zealand markets.

As The a2 Milk Company transitions volumes to their Pōkeno facility, we will find some much-needed optionality in our business. Having manufacturing capacity will enable us to forge ahead with business development

opportunities that we have had to put on hold. In time, we expect this will deliver revenue diversification that will strengthen Synlait.

Looking ahead to the second half, and as noted in our full-year results in September 2025, the company will not provide FY26 financial guidance. The Board has withdrawn guidance for the remainder of the financial year.

Our renewed, Canterbury-based ELT is ambitious, as is your Board. We will only consider further growth opportunities when we are confident Synlait is well-positioned to fund and deliver them. Before then our focus must be on building additional commercial optionality into the business and making the most from our existing assets.

Our goal is to be able look back at the next 12 to 24 months and recognise it as a period where Synlait under promised and over delivered. Thank you for your support while we do that,

George Adams
Chair

Richard Wyeth
CEO

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