



7 July 2026

NZX/ASX Market Release

Supply chain and FY26 results update

The a2 Milk Company Limited (the Company, a2MC) provides a supply chain update in relation to its China infant milk formula (IMF) business and an update on its preliminary unaudited FY26 results.

Supply chain update

On 13 April 2026, the Company provided a Trading, Supply Chain and Outlook update that noted shortfalls of China label IMF product at distributors and retailers that would materially impact in-market product availability during 4Q26. These product shortfalls were due to a number of factors, including strong demand in the preceding quarter, freight challenges, Synlait production backlog, extended product release times, and additional customs clearance requirements and testing measures.

The Company confirms that China label IMF product availability was materially impacted by these factors in 4Q26, which necessitated a large proportion of existing users to switch to alternative brands, with some users switching to *a2*[™] English label products. The product availability impact on English label IMF product was limited and largely concentrated on *a2 Genesis*[™], which was affected by planned production downtime at a2 Pokeno and a change in China importation requirements.

The contributing factors to the product availability issues have now substantially been resolved, and product flows to distributors and retailers have materially improved across China label and English label products with stock levels returning to target levels. The Company is now focused on various sales and marketing initiatives to encourage previous China label IMF users to return while accelerating new user recruitment with its retail and distribution partners.

Preliminary FY26 results

The supply chain issues materially impacted China label IMF sales in 4Q26, with FY26 sales down approximately 14% on FY25. All other a2MC product categories, including English label IMF, Other Nutritionals and Liquid Milk, have performed strongly and are significantly up on FY25.

Based on preliminary unaudited financial results (which are subject to finalisation and external audit), the Company expects to deliver FY26 results in line with, or slightly ahead of, the guidance range previously announced on 13 April 2026 (**April Guidance**) (expressed on a continuing operations basis):

- Revenue of approximately \$1.97 billion, up over 12% on FY25 (April Guidance was low to mid double-digit¹ growth)
- EBITDA % margin to be at the high end of the April Guidance of 14.0% to 14.5%
- NPAT to be slightly up on FY25 reported² (April Guidance was similar to down) with Underlying³ NPAT expected to be up
- Cash conversion to be approximately 70% (April Guidance was 50%)

The Company will release its FY26 audited results and FY27 outlook commentary on 17 August 2026.

Authorised for release by the Board of Directors

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¹ Double-digit refers to the range 10-20%.

² FY25 continuing operations revenue was \$1,757 million and FY25 reported NPAT was \$203 million.

³ Underlying results represent the Group's reported results excluding a2 Pokeno losses which reflect temporarily low production volumes ahead of the a2 *Platinum*[™] transition in 1H27 and one-off transformation costs associated with the transaction, separation, integration and transition.