Synlait

Full Year Results Investor Presentation

For the 12 months ended 31 July 2026

Looking back | First half performance

The series of challenges that impacted HY26.

Three core issues affected HY26

- Manufacturing plan adjustments
- Lower Ingredients returns
- Deferred tax assets

Financial performance impacted

- **($34.7M)** Total group EBITDA
- **($80.6M)** Total group NPAT
- **$472.1M** Net debt[1]

The roadmap to recovery

- **Stabilise** – Fix the fundamentals
- **Simplify** – Reduce complexity with focus on Dunsandel
- **Scale** – Accelerate growth

[1] Due to the seasonal nature of operations, Synlait's working capital requirements are typically higher at half year, often resulting in higher net debt.

Progressing Synlait's recovery roadmap

Actions delivered to stabilise and simplify Synlait since HY26.

Operations and assets

- Optimised production planning to enable consistent execution for current season.
- Completed the sale of our North Island assets and refocused on Dunsandel.
- Strengthened frontline leadership to deliver more visible and disciplined execution across all plants.
- Uplifted the reliability of key lines.
- Completed 17 major projects during winter shut to strengthen long-term asset stability.
- Installed hot wash bay, new redlines and air showers, HVAC systems and x-ray unit.
- Delivered preventative maintenance across critical plants.

Quality

- Strengthened protocols and processes to align with evolving regulatory expectations in key markets, including China.
- Improved processes and testing to reduce out of spec events.
- Embedded a company-wide food safety culture, Synlait Care.
- Delivered operational improvements through named quality leaders, including stronger FDA compliance positioning and expanded 24/7 quality coverage.
- Achieved accreditation for cereulide testing — the first independent laboratory in New Zealand to do so.

People

- Embedded the Synlait Spirit framework.
- Strengthened learning and development programme, with clear guidance on accountability and conduct.
- Uplifted leadership capability.
- Refreshed engagement survey approach.
- Introduced new performance management system.
- Launched health, safety and wellbeing strategy.
- Enhanced critical risk assurance framework.
- Reviewed emergency management protocols.

Revenue

- Reset the revenue function with strengthened business development unit to support diversified, sustainable growth.
- Broadened the infant formula customer pipeline across more international markets.
- Prioritised Advanced Nutrition growth aligning it with capacity, value, capability, and reliable delivery.
- Advanced value growth opportunities through targeted development of finished wellbeing and adult nutrition products.
- Reviewed ingredients specifications to reduce manufacturing complexity, and strengthen pricing discipline.
- Strengthened the foundation for recovery by aligning growth with capability and profitability.

Synlait's operations stabilised in the second half

	1H FY26	2H FY26	FY26 average	FY25 average	Year-on-year improvement
Manufactured in spec (MIS)	91%	95%	93%	88%	**+5 pts**
Production plan attainment	89.7%	102.6%	95.5%	91.7%	**+3.8 pts**

Operational stability helped improve 2H financial performance

	1H FY26	2H FY26[1]	FY26	Half-on-half growth
Reported EBITDA	($34.7m)	$42.8m	$8.1m	**+$77.5m**
Underlying EBITDA	$4.1m	$42.2m	$46.3m	**+$38.1m**
Reported NPAT	($80.6m)	$5.2m	($75.4m)	**+$85.8m**
Underlying NPAT	($27.3m)	$5.7m	($21.6m)	**+$33.0m**

[1] Figures influenced by the sale of North Island assets.

Results at a glance

▼ $42.6M
$8.1M
Total group EBITDA

▼ $60.9M
$46.3M
Total underlying group EBITDA[1]

▼ 14%
$215.0M
Net debt[2]

▼ $348.8M
($183.3M)
Operating cash flow

▼ $35.6M
($75.4M)
Total group NPAT

▼ $22.4M
($21.6M)
Total underlying group NPAT[1]

▲ 6%
$1.94B
Total group revenue

▼ 64%
$37.7M
Total group gross profit

Results include North Island operations, unless otherwise stated[3]

FY26 milk price

$9.69 Base milk price + **$0.38** Average Synlait milk incentive[4] = **$10.07** Synlait total average milk payment

All comparisons are against FY25.

1 Underlying figures exclude North Island operations and gain on sale from North Island assets.
2 Net debt includes cash, bank debt, transaction costs, and the shareholder loan from Bright Dairy; it excludes lease liabilities.
3 The financial statements include both continuing and discontinued operations, with appropriate classification and disclosure. This will result in differences in the figures presented in this presentation.
4 This comprises Lead With Pride, winter milk, secured milk, A1 protein free and customer sustainability premiums. Customer Sustainability Partnership incentives of $1.5m were paid in April 2026, and were for the FY25 season.

Financial Performance

Andy Liu, CFO

Synlait's FY26 result

Operational and commercial pressures shaped FY26, with improved stability supporting second-half progress.

Volume

Consumer and Foodservice volume growth more than offset lower Advanced Nutrition delivery.

Price and product mix

Relatively lower-margin Advanced Nutrition sales and unfavourable Ingredients mix, partly offset by increased Foodservice pricing.

Cost

Operational disruption reduced fixed-cost recovery and increased manufacturing and milk transport costs. Higher milk price premiums also contributed. Quality costs, although improved, remained high. Performance improved through the second half.

Other margin and income

Predominantly unrealised FX losses from year-end exchange rate movements, partly offset by Abbott TSA income.

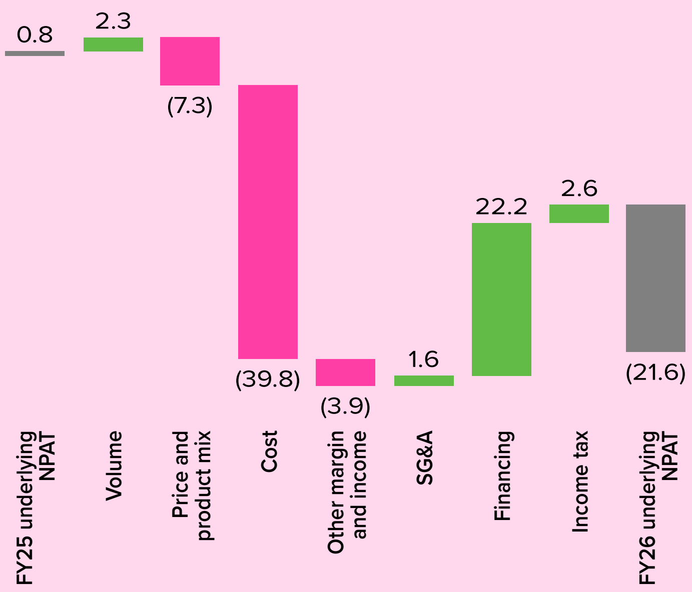
SG&A

Continued cost discipline delivered $1.6 million of savings in SG&A. The closure of the Palmerston North office, a leaner leadership team and commercial structure, together with tighter expenditure controls reduced the cost base. This was achieved despite inflation and oil-related cost pressures, while maintaining targeted investment in our people, systems and core capabilities.

Financing costs

Despite negative operating cash flow, financing expenses reduced through improved bank pricing, lower base rates, lower debt following the North Island sale and the introduction of lower-cost CNH funding.

Underlying NPAT movement ($ millions)[1]



Reconciliation of reported to underlying EBITDA & NPAT ($ millions)

	FY25	FY26
Reported EBITDA	**50.7**	**8.1**
Adjustments and discontinued operations[2]	56.5	38.3
Underlying EBITDA	**107.2**	**46.3**
Reported NPAT including North Island	**(39.8)**	**(75.4)**
Adjustments and discontinued operations[2]	(40.6)	(53.8)
Underlying NPAT	**0.8**	**(21.6)**

Main FY26 adjustments ($ millions)

Tactical raw milk sales	37.0
Third-party manufacturing	12.6
Input material losses	9.6
One-off milk incentive	6.4
North Island gain on sale	(26.0)

[1] Underlying NPAT movements are displayed excluding the North Island.
[2] Further details can be found in the appendix.

Business unit revenue and performance

Advanced Nutrition

Revenue decreased 1%, driven by a year-on-year reduction in lactoferrin volumes and infant volumes produced exclusively in the North Island.

Gross profit declined 78% driven by:

- Operational disruption and production plan changes reduced manufacturing efficiency.
- Enhanced quality controls affected short-term production efficiency.
- Catch-up production increased manufacturing costs.
- Lower lactoferrin production and sales reduced contribution due to raw milk sales

Ingredients

Revenue down 15% to $574.7m because of lower volumes through the year.

Gross profit down 26% to $9.7m driven by:

- Peak season capacity constraints shifted production towards whole milk powder when stream returns were unfavourable.
- Frequent production plan changes forcing commodity sales phasing into weaker spot markets, limiting Synlait's ability to achieve positive stream returns.
- There were some offsetting tailwinds through the back end of the financial year, with a higher proportion of SMP/AMF sales with positive relative stream returns.

Consumer

Revenue is up 32% due to Dairyworks growth and an increase in commodity prices.

Gross profit up 32% to $51.7m driven by:

- Growth across export and private-label channels.
- Good butter price achievement.
- Improved manufacturing recoveries and inventory management.

Foodservice

Revenue increased 62% as growth continued across overseas UHT cream markets. Foodservice delivered its first full year of positive gross profit, improving by $15.6m to $11m, driven by:

- Volume growth 43%.
- Increased pricing achieved with key customers.
- Fat prices softening in FY26, positively impacting margins.
- New branded product launched in China.
- Expansion across key Southeast Asian markets.

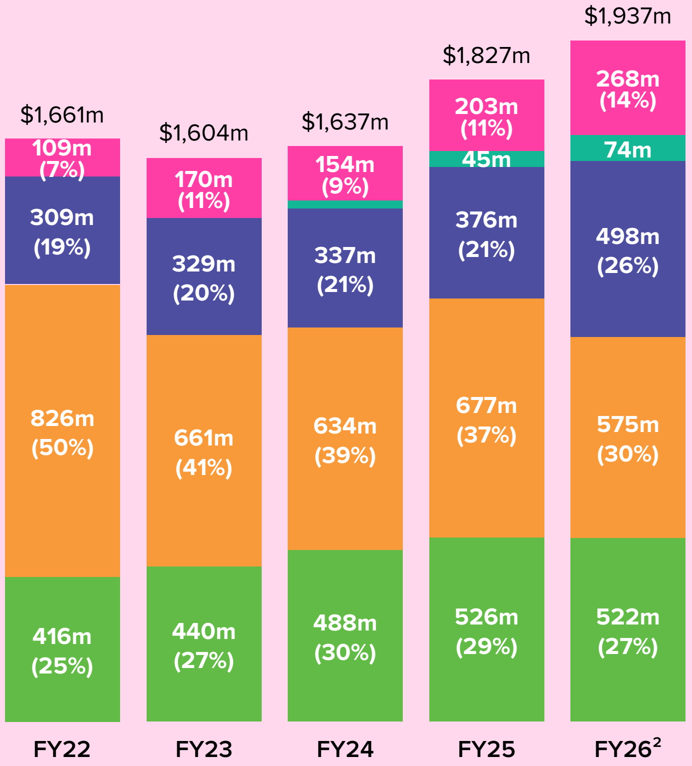
Other

Revenue up 32%, reflecting tactical raw milk sales to manage surplus milk and capacity.

[1] FY23 and FY24 total revenue includes a minor Foodservice revenue component that is not separately illustrated on the graph.

[2] These FY26 numbers have been stated inclusive of the North Island to improve comparability on this page.

Business unit revenue including North Island[1]



Underlying business unit performance including North Island

Gross Profit ($ millions)	FY22	FY23	FY24	FY25	FY26[2]
Advanced Nutrition	108.8	80.7	73.9	95.0	20.9
Ingredients	28.8	26.4	(13.5)	13.1	9.7
Consumer	19.9	27.5	30.6	39.0	51.7
Foodservice	-	(4.3)	(5.4)	(4.6)	11.0
Total	**157.4**	**130.4**	**85.6**	**142.5**	**93.3**

North Island discontinued operations vs continuing operations

The divestment of the North Island assets has been successfully completed, simplifying Synlait's operations and improving efficiency.

$ million	FY25 Reported including North Island	FY25 Reported Continuing Operations	FY25 North Island Reported	FY26 Reported including North Island	FY26 Reported Continuing Operations	FY26 North Island Reported
Revenue	1,827.4	1,590.2	237.3	1,936.7	1,682.3	254.4
Gross profit	105.3	111.4	(6.0)	37.7	32.7	5.0
Other income	14.0	9.5	4.5	13.1	11.2	1.9
Sales and distribution costs	(58.3)	(48.5)	(9.8)	(51.7)	(44.6)	(7.1)
General and administration costs	(67.4)	(54.5)	(12.9)	(62.9)	(55.0)	(7.8)
Gain on sale of North Island assets	-	-	-	26.0	-	26.0
EBIT	**(6.3)**	**17.9**	**(24.2)**	**(37.8)**	**(55.7)**	**17.9**
Net financing costs	(48.0)	(40.1)	(7.9)	(29.5)	(25.8)	(3.7)
NPBT	**(54.4)**	**(22.2)**	**(32.2)**	**(67.3)**	**(81.5)**	**14.2**
Income tax	14.5	5.5	9.0	(8.1)	(10.0)	1.9
Reported NPAT	**(39.8)**	**(16.7)**	**(23.1)**	**(75.4)**	**(91.5)**	**16.1**
Depreciation	57.0	40.5	16.5	45.9	41.3	4.5
Reported EBITDA	**50.7**	**58.4**	**(7.7)**	**8.1**	**(14.3)**	**22.4**
EBITDA % of revenue	*2.8%*	*3.7%*	*(3.2%)*	*0.4%*	*(0.9%)*	*8.8%*

North Island assets were fully integrated into Synlait's operations. A structured allocation model provides indicative site-level performance based on management assumptions.

Utilisation of these assets improved during the eight months prior to sale compared with FY25, reflecting higher production volumes as Synlait addressed the impact of FY25 manufacturing challenges. This temporary increase in activity reduced the level of operating losses but did not change the historically loss-making position of the North Island operations.

FY26 North Island results displayed include $26.0m gain on sale of North Island assets, and the associated tax benefit of $1.9m. Without this, North Island results remain loss making.

Cash flow and net debt

Operating cash flows

Operating cash flows decreased by $348.8m year-on-year due to:

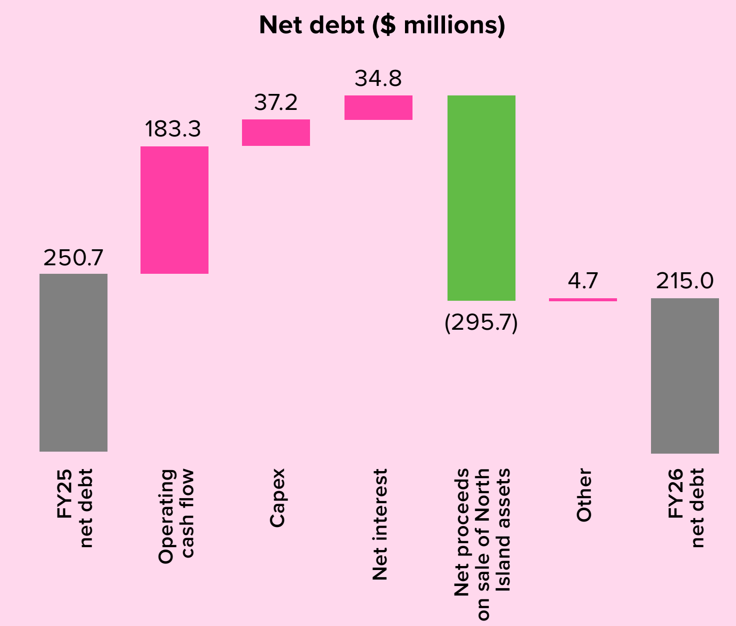
- Weaker operating performance.
- Higher receivables, including tactical milk sales remaining to be collected.
- Changes in customer demand and sales mix that increased working-capital requirements.
- Higher inventory to support customer delivery and business growth.

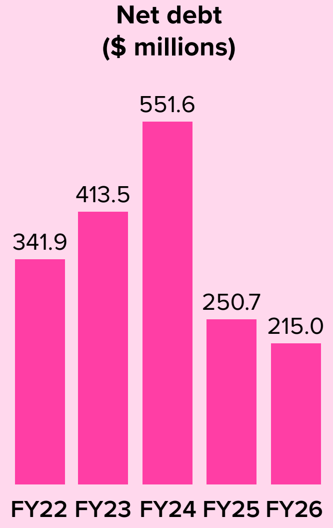
Investing cash flows

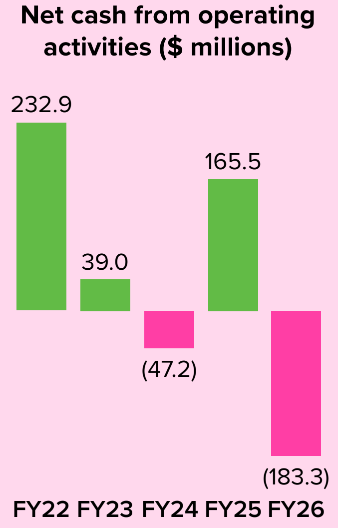
- Cash inflows from sale of North Island assets of $295.7m.
- Net cash outflows from investing activities increased by $12.4m compared to the prior year, reflecting targeted investment to ensure the Dunsandel facility is well-positioned to support future growth and operational excellence.

Net debt

- North Island assets sale proceeds strengthened the balance sheet and reduced net debt to $215.0m. The focus now is converting operational progress into cash generation and further debt reduction.







Business Update

Leon Fung, Acting CEO

Advanced Nutrition

This strategic product category delivers high-value, formulated products in bulk and consumer-ready formats, tailored to all ages – from early life to adult nutrition.

FY26 business achievements

- Built a structured business development pipeline to support diversification beyond major existing customers.
- Secured signed purchase orders from a new Middle Eastern infant nutrition customer for commercial supply commencing in 2027. This is a significant opportunity for Synlait with potential to scale.
- Maintained commercial momentum with a strategic Southeast Asian infant nutrition customer despite historical manufacturing constraints.
- Strengthened the Business Development function within the Revenue Office.
- Commercialised Nutrabase™, creating a new platform for adult nutrition products, generating multiple private-label opportunities, and validating demand across Southeast Asia.
- Implemented a structured opportunity pipeline and stage-gate process.
- Established Project Lotus as a specialty nutrition growth platform leveraging high value ingredients such as lactoferrin.
- Developed alternative route-to-market and third-party packing partnerships to accelerate commercialisation and reduce barriers to growth.
- Improved focus on opportunities aligned to capability and margin.
- Advanced specialty ingredients and premium nutrition platforms.

Closing comments

New Middle East customer secured for FY27 commercial supply, with additional Southeast Asian infant nutrition opportunities progressing through validation and evaluation stages. FY26 has been a year of building strong foundations, creating new growth opportunities, and strengthening our position in key markets. Looking ahead, our focus remains on converting this momentum into sustainable growth that will diversify our revenue streams and increase Synlait's resilience.

Future focus areas

Deliver pipeline growth

- Grow Middle East infant nutrition customer contract.
- Secure Southeast Asian infant nutrition opportunities.
- Convert additional Nutrabase™ infant nutrition prospects.
- Grow differentiated offerings incorporating Synlait intellectual property, formulation capability, and access to specialty ingredients.

Scale Nutrabase™

- Drive broader commercial rollout of Nutrabase™ across Southeast Asia through private-label and strategic launch partners.
- Expand from bulk base powder supply into higher value consumer-ready nutrition solutions.

Accelerate growth platforms

- Commercialise specialty supplement offerings.
- Scale specialty ingredient platforms.

Diversify revenue

- Broaden customer and market exposure.
- Expand in Southeast Asia and the Middle East.
- Increase participation in premium nutrition categories.

Ingredients

Synlait's high-quality milk pool and manufacturing capabilities support a flexible Ingredients portfolio spanning milk powders, milk fats and specialty ingredients for global food and nutrition customers.

FY26 business achievements

- Embedded a disciplined value-over-volume approach through enhanced pricing governance, customer profitability modelling, and strengthened sales policy controls.
- Progressed portfolio simplification and specification rationalisation to reduce complexity, improve manufacturing efficiency, and support stronger returns.
- Increased commercial optionality through enhanced sales phasing, hedging, and risk-management capability.
- Strengthened integration between market intelligence, commercial planning, and manufacturing to improve responsiveness and customer service.
- Advanced higher-value ingredient opportunities leveraging Synlait's infant-formula-grade manufacturing capability, quality credentials, and grass-fed milk supply.
- Leveraged existing customer relationships to support growth opportunities across both Ingredients and Advanced Nutrition portfolios.

Closing comments

FY26 performance was significantly impacted by manufacturing instability and an unfavourable product mix. With operational stability achieved, our focus is now shifting to extracting greater value from available milk through pricing discipline, portfolio optimisation, customer diversification, and higher-value ingredient opportunities.

Future focus areas

- Drive earnings growth through disciplined pricing, premium capture and optimised customer, product and channel mix.
- Align demand with manufacturing capability by simplifying specifications and prioritising attractive, executable opportunities.
- Increase utilisation of Synlait's infant-formula-grade manufacturing capability to support premium ingredient returns.
- Accelerate participation in higher-value infant-grade and differentiated ingredient opportunities.
- Develop customer-led technical, formulation, and supply solutions that strengthen strategic partnerships and reduce pure commodity exposure.
- Expand participation in Southeast Asia and Middle East growth markets where demand for premium dairy ingredients continues to increase.

Foodservice

Manufactured from our certified grass-fed milk pool, Synlait's UHT cream delivers increased stability and is sold for out-of-home consumption in a range of settings – including bakeries, cafés and beverage chains.

FY26 business achievements

- Foodservice delivered its first materially profitable year, supported by 43% volume growth, improved pricing and broader geographic market penetration.
- Expanded Synlait's Foodservice footprint across Southeast Asia, including growth in the Philippines and Indonesia.
- Expanded Synlait's Shanghai office, increasing capacity to support customers, accelerate growth and strengthen market presence in China.
- Improved profitability through price increases, distribution expansion and stronger margin performance across the portfolio.
- Launched Synlait-branded UHT whipping cream products in China, establishing a new platform for future brand growth.
- Secured a new customer-owned brand manufacturing partnership, broadening routes to market and contributing to FY26 volume growth.
- Restructured the sales and marketing team to support growth and strengthen distributor and end-user management.
- Continued customer activation through bakery festivals, industry events and market engagement.
- Used Synlait's high-quality milk pool, farmer relationships and grass-fed certification to strengthen customer confidence and market differentiation.
- Maintained strong product performance across stability, taste, whipping yield and suitability for applications using acidic fruits.

Closing comments

With continued momentum in UHT volumes, a growing customer base, and a clear market focus, Foodservice is well positioned to deliver sustainable growth and strengthen Synlait's presence in key international markets in FY27.

Future focus areas

- Continue growing Foodservice volumes and market share while maintaining profitable returns.
- Continue expansion across Southeast Asia and priority international markets through Synlait's growing distributor and customer network.
- Build on the launch of Synlait-branded UHT cream in China and expand branded offerings into additional priority markets.
- Expand wallet share with key customers through a broader Synlait product portfolio.
- Explore opportunities to provide Ingredients products through Foodservice customer channels while maintaining a coordinated global approach.
- Continue building sales and marketing capability to support sustainable growth and strong customer service.
- Increase digital and brand engagement through enhanced business-to-business communications, local market platforms and the WeChat channel.
- Leverage Synlait's product quality, grass-fed certification and New Zealand provenance to strengthen differentiation in premium Foodservice markets.

Consumer

A range of fresh milk, butter, cream and cheese products produced and sold under the Dairyworks, Rolling Meadow, Alpine, Pams and Value brands.

FY26 business achievements

- Material volume growth (over 5,000 MT vs. FY25) in cheese shipped to Australia across key accounts including Woolworths and Costco in addition to new demand in to the Australian Foodservice channel.
- Dairyworks brands (Alpine, Dairyworks and Rolling Meadow) continue to drive category growth momentum delivering 10.9% volume growth and 16.6% value growth in the latest MAT, outperforming other natural cheese brands.
- Dairyworks' portfolio is driving 100% of the Natural Cheese segment growth and is offsetting volume declines across competitor and private label brands.
- More than 55% of Dairyworks' growth is being driven by value added segments (grated, slices and snacking), demonstrating the continued shift towards convenient higher value formats in the category.
- Innovation is a key contributor to Dairyworks performance. The recently launched Dairyworks Protein range (the first protein cheese in the New Zealand market) has already contributed 50% of total Natural Cheese Snacking segment growth having only been in the market since June. Dairyworks is also bringing new users into the value add segments – with over 57% of new Dairyworks American style Colby Jack Cheese Slice sales coming from new shoppers entering the slice segment.
- Talbot Forest continues to be the fastest growing speciality cheese brand in NZ Grocery (17.6% volume growth and 19.5% dollar growth) according to the latest MAT versus a year ago. Talbot Forest is now also the largest Yellow Speciality Cheese brand in the market.
- Costco continues to be a significant growth channel, increasing by 133% YOY, driven by Dairyworks and Alpine products which are sold across both New Zealand and Australia. Growth is set to continue with new snacking innovation launching in October 2026.
- Tested the China market with a small range of products for selected convenience stores (7 Eleven and Lawson) launching in October 2026. Further opportunities under the Dairyworks brand are being explored.
- A refreshed Dairyworks brand and product range will launch across Southeast Asia in October 2026. The new bespoke range of smaller pack formats is designed to specifically meet the needs of the consumer in the ever-evolving Asian market.
- Launched Burtfields Butter brand with US butter into Foodstuffs stores nationwide, with volumes selling out in record time and bringing lapsed consumers back into the butter category at a time where cost of living pressures continue to put pressure on the overall category performance.

Future focus areas

- Implementation of Project Hedgehog over the December-January period (a significant capital spend driving greater efficiency into the plant).
- Further incremental volume growth via expansion in Australia and Southeast Asia markets.
- New Product Development focused on meeting the consumer need in the selected export markets.
- Optimisation focus throughout our operation and supply chain.

Closing comments

With strong brands, a growing pipeline of innovation, and opportunities to expand into new markets and value-added categories, Dairyworks is well positioned to continue driving growth, strengthening market leadership, and delivering sustainable value for the business.

Milk Supply

Our farmer relationships are fundamental to Synlait's success and provide the foundation for delivering high-quality milk products, supporting sustainable growth, and creating shared value across the supply chain.

FY26 business achievements

- Delivered farmers the second highest milk price in Synlait's history of $10.07 per kgMS (including incentives).
- Paid market leading incentives over and above base milk price of an average of $0.38 per kgMS.
- Strengthened trust and engagement with farmer suppliers and rural professionals.
- Paid a new customer-funded incentive of $0.02 per kgMS for customer sustainability partnerships focussed on GHG reductions, projected growth to $0.04 in FY27.
- Digitised the milk collection process which has enabled real-time tanker arrival times for farmers.
- Continued Synlait's Whakapuāwai's on-farm biodiversity project with more than 385,000 native plants now distributed across Canterbury.
- Continuously improved existing on-farm programmes and extended the support available to farmers.
- Built stronger, more connected relationships between farmers and the on-farm support team.
- Strengthened Synlait's value proposition, through leading on-farm support, and deepening farmer engagement.

Future focus areas

- Continue to grow customer sustainability partnerships, by engaging new customers and farmers.
- Further progress the digital offering.
- Continue to lift on-farm support.
- Continue investing in new farm programmes that deliver value to farmers, customers and Synlait.

Closing comments

The success of our business starts with the strength of our farmer relationships. By continuing to collaborate, we create long-term value and ensure a successful future for farmers and Synlait alike.

Looking ahead

"We love being part of Synlait. The company has always taken a leading approach to sustainability and it's great to work alongside other farmers who share those values."

Rory, Vuyo, Gavin and Kylie Bay from Bluff Farm in North Canterbury.

Maintaining momentum

The next steps in delivering Synlait's recovery roadmap.

Operations and assets

- Continue the delivery of this season's simple production plan.
- Continue embedding clear accountability across line teams.
- Accelerate capability building for shift leaders and operators on the floor.
- Maintain momentum on quality improvements, with ongoing education, coaching, and procedure refinement.
- Continue leadership development across all levels of operations.
- Strengthen asset care practices and build operator capability to identify and flag defects early.
- Deepen the integration of support functions (maintenance, process technical, quality) with manufacturing teams.

Quality

- Recruitment of a new Chief Quality Officer to lead the next phase of Synlait's quality transformation.
- Continue building capability across the Quality team through training, coaching, and clearer expectations.
- Continue driving down total cost of quality to reduce losses and improve bottom line impact.
- Strengthen root cause analysis to identify quality issues and implement sustainable solutions.
- Progress capital investment to maintain export access to key markets, and reduce regulatory risk.
- Complete construction of the quasi-clean warehouse.

People

- Continue leadership development for aspiring and senior leaders.
- Strategic resourcing for key talent pools.
- Redefining Synlait's employee value proposition.
- New onboarding process and programme.
- Critical learning development for operations and SAMR registration.
- Embed Synlait Safe mindsets in leadership and frontline routines.
- Assign critical-control ownership, establish verification schedules and commence routine assurance.

Revenue

- Delivering the strategy for the Scale horizon of our recovery roadmap.
- Streamline the revenue function to enhance how it identifies opportunities, makes commercial decisions and delivers for customers.
- Continue the strategic diversification of revenue streams across customers, markets and our position in the value chain.
- Explore identified demand and its potential to grow.
- Optimise customer demand and customer mix to create a product portfolio aligned to maximum returns from current plant capability and milk pool.

Key focus areas

Synlait has plans to navigate any challenges ahead.

Focus area	Activity
Operational excellence	Continue focus on deepening frontline capability to ensure Synlait maintains stability and delivers continuous operational excellence.
Leadership and strategy	Maintain strength of executive team through appointment of new Chief Quality Officer and permanent CEO. Deliver reset strategy to scale growth from Dunsandel site in 2027.
a2MC volume shift to Pōkeno	Synlait's reset Revenue Strategy is driving business development with a pipeline of customers to backfill this volume by FY28. A new Middle East customer has already been onboarded and we are working with a pipeline of potential customers with annual demand indications significantly higher than the expected capacity resulting from the volume shift.
Revenue	New Revenue Strategy to diversify Synlait's income streams by customer, geography and high-value products across Advanced Nutrition, Ingredients, Foodservice and Consumer categories. A focus on protecting margins and ensuring all commercial arrangements add value for Synlait.
Refinancing our bank facilities	We have a pathway to reduce net debt ahead of the refinancing of Synlait's banking facilities which mature in 2027. We are actively working with our syndicate and retain its support. We are also well-supported by Bright Dairy with the $130m shareholder loan now due for repayment in 2028.
China market registration	An experienced cross-functional team has been activated to deliver the successful renewal of regulatory approvals required for Synlait to continue manufacturing infant formula for China. The project is well-planned and on track.
Evolving regulatory and quality requirements	Our strengthened Quality Strategy has uplifted product release checks, testing, cleaning, hygiene and site standards, with 24/7 quality coverage and stronger root cause problem solving. We are actively recruiting for a new Chief Quality Officer.
Stakeholder confidence	Protecting farmer and customer confidence by delivering on Synlait's contractual commitments while adding value through personalised service and deepening partnerships.
Sustainability	Continued focus on supporting best practice dairy farming on our owned and supplier farms and showcasing how Synlait, from day one, has taken a different approach to sustainability than other processors.

Transitional period (TP26) guidance

Synlait's balance date for financial reporting is changing from 31 July to 31 December.

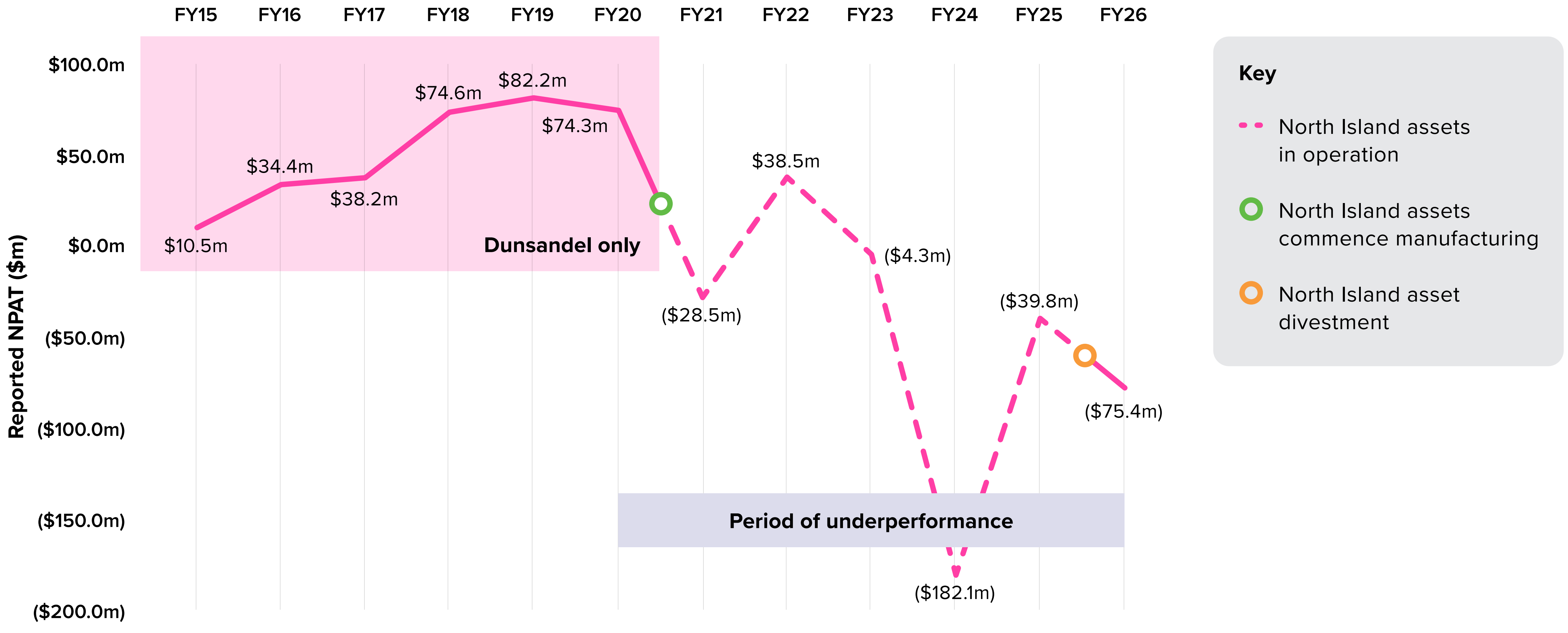
We are now in a five-month transitional period from 1 August 2026 to 31 December 2026, known as TP26.

Synlait is still in a recovery phase and TP26 will be influenced by the timing of production, sales, working capital movements and other seasonal factors.

Given the short and non-comparable nature of the transitional period, Synlait is not providing guidance for TP26.

An important reminder of Synlait's potential

Historically, Synlait's financial performance was strongest when it was a South Island focused business.



Key takeaways | Synlait is stronger, streamlined and more resilient

2H turnaround delivered

Underlying EBITDA $42.2m in 2H versus $4.1m in 1H.

Operational recovery achieved

Our focus is now on delivering continuous excellence.

Simpler and stronger business

North Island assets sold, net debt $215m and refinancing achieved.

Revenue diversification is underway

New Middle East customer onboarded with pipeline of others being progressed.

We are well placed to progress our recovery

Appendices

North Canterbury farmer Louise Bailey and son Blake planting a native tree during Synlait's Family Day in May.

Key financial metrics including North Island

Key financial metrics[1] Currency as stated (in millions)	FY22	FY23	FY24	FY25	FY26
Income statement					
Revenue	1,661	1,604	1,637	1,827	1,937
Gross profit	147	144	56	105	38
EBITDA[2]	132	91	(4)	51	8
EBIT[2]	65	31	(183)	(6)	(38)
NPAT	**39**	**(4)**	**(182)**	**(40)**	**(75)**
Net cash from/(used in) operating activities	**233**	**39**	**(47)**	**166**	**(183)**
Balance sheet					
Capital employed	1,090	1,204	1,156	1,040	923
Net operating assets[3]	995	1,205	1,125	1,008	862
Return on net operating assets	6%	3%	(16%)	(1%)	(4%)
Net return on capital employed (pre-tax)	6%	3%	(15%)	(1%)	(4%)
Debt/debt + equity (excl. derivatives)	30%	34%	47%	24%	23%
Net debt/EBITDA[4]	3x	5x	(133x)	5x	27x
Earnings per share	**18c**	**(2c)**	**(83c)**	**(7c)**	**(13c)**
Average FX conversion rate (NZD:USD)	**0.6732**	**0.6446**	**0.6268**	**0.5963**	**0.5938**
Base milk price	9.30	8.22	7.83	10.16	9.69
Total milk price (kgMs)	**9.59**	**8.49**	**8.11**	**10.66**	**10.07**

Figures are for the year ended 31 July. Figures do not include adjustments unless otherwise stated (marked 1).

[1] The group uses several non-GAAP measures when discussing financial performance. Management believes these measures provide useful insight on the performance of the business, to analyse trends and to assist stakeholders in making informed decisions.

[2] EBIT is calculated by excluding financing costs and income tax, with EBITDA also excluding depreciation, amortisation, and non-cash impairment accordingly.

[3] Net operating assets includes current assets, property, plant, and equipment, right-of-use assets, and intangible assets. It deducts trade payables and excludes capital work in progress, derivative balances, loans and borrowings, goodwill, and tax balances.

[4] Net debt calculation excludes lease liabilities.

Synlait's FY26 result

Reconciliation of reported to underlying EBITDA & NPAT ($ millions).

	FY25	FY26
Reported EBITDA	**50.7**	**8.1**
Items affecting comparability		
Onerous contract expense on North Island milk sales[1]	4.7	-
Costs relating to power outage	5.6	-
Insurance proceeds net of claim preparation costs	-	(6.4)
One-off milk incentive	-	6.4
Manufacturing challenges[2]	43.5	1.4
Losses relating to tactical raw milk sales	-	37.0
Cost related to third party manufacture to clear customer order backlog	-	12.6
Losses relating to input material	-	9.6
North Island divestment transaction cost	2.7	-
North Island discontinued operations	-	3.6
Gain on sale of North Island assets	-	(26.0)
Total EBITDA adjustment	**56.5**	**38.3**
Underlying EBITDA	**107.2**	**46.3**

Reported NPAT including North Island	**(39.8)**	**(75.4)**
Reported tax expense	14.5	(8.1)
Reported NPBT including North Island	(54.4)	(67.3)
EBITDA adjustments as above	56.5	38.3
North Island discontinued operations ITDA	-	6.3
Underlying NPBT	**2.1**	**(22.7)**
Tax at 28%	(0.6)	6.4
Other tax expense	(0.8)	(5.2)
Underlying NPAT	**0.8**	**(21.6)**

[1] Related to Synlait ceasing North Island milk collection, with the existing contracted farms' milk collected and processed by Open Country Dairy. Part of the loss results from Synlait's committed 5 cents one-off incentive for 2024/2025 dairy season.
[2] Related to resolved manufacturing challenges which resulted in additional one-off costs.

Underlying gross profit by business unit including North Island

		Advanced Nutrition	Ingredients	Consumer	Foodservice	Total
FY26	Production volume (MT)	45,294	82,960	59,711	12,135	**200,099**
	Revenue ($ millions)	522	575	498	74	**1,669**
	Gross profit ($ millions)	20.9	9.7	51.7	11.0	**93.3**
FY25	Production volume (MT)	39,997	107,519	56,100	8,471	**212,087**
	Revenue ($ millions)	526	677	376	45	**1,624**
	Gross profit ($ millions)	95.0	13.1	39.0	(4.6)	**142.5**
% change	Production volume (MT)	13%	(23%)	6%	43%	**(6%)**
	Revenue ($ millions)	(1%)	(15%)	32%	62%	**3%**
	Gross profit ($ millions)	(78%)	(26%)	32%	n.m.	**(35%)**

Figures are for the year ended 31 July. Figures do not include adjustments unless otherwise stated (marked 1).

Debt facilities and banking covenants

Synlait refinanced its banking facilities on 30 June 2026, with nine banks in the syndicate. The refinance was fully executed on 30 June 2026.

Synlait's revised syndicated bank facilities are with ANZ, China Construction Bank, Bank of China, HSBC, Bank of Communications, Industrial and Commercial Bank of China, Shanghai Rural Commercial Bank, China Merchants Bank and Bank of Beijing.

The new bank funding arrangements total NZ$320 million and comprise of:

- a secured overdraft facility of NZ$15 million.
- a secured seasonal working capital A of NZ$53 million.
- a secured seasonal working capital B of NZ$30 million.
- a secured seasonal working capital C of NZ$63 million.
- a secured term loan facility A of NZ$12 million.
- a secured term loan facility B of NZ$65 million.
- a secured term loan facility C of NZD/CNH of NZ$3 million.
- a secured term loan facility D of NZ$24 million.
- a secured term loan facility E of NZ$15 million.
- a secured NZD/CNH facility of NZ$15 million.
- a secured NZD/CNH facility of NZ$25 million.

The seasonal working capital facilities, term loan facility A, term loan facility C and both NZD/CNH A and B facilities mature on 30 June 2027 and include extension options exercisable by the relevant lenders. The aggregate limits under the seasonal working capital facilities reduce to NZ$86 million from 1 March 2027 and NZ$26 million from 1 June 2027. Certain term loan facilities mature 12 months after first drawdown. The overdraft facility is repayable on demand.

Synlait has key financial covenants in place with its banking syndicate.

The key financial covenants are:

- net senior leverage ratio of 3.0x, first tested on 30 June 2027.
- working capital ratio of 1.50x to 28 February 2027 and 1.75x thereafter.
- interest cover ratio of 2.5x for each quarter to and including 30 June 2027 (3.0x thereafter).
- shareholders' funds in excess of NZ$450 million at all times.
- quarterly minimum EBITDA milestones.

Shareholder loan.

In addition to the above, Synlait entered into a replacement of the $130 million shareholder loan from Bright Dairy International Investment Limited, a related company of Bright Dairy Holding Limited, for a further 24-month term, maturing July 2028.

Reminder | Balance date change

Synlait's balance date for financial reporting is changing from 31 July to 31 December.

We are now in a five-month transitional period from 1 August 2026 to 31 December 2026. Thereafter, Synlait's financial reporting periods will be for a full twelve months ending on 31 December each year.

Our audited financial statements for the five-month period to 31 December 2026 will include comparative figures for the five-month period to 31 December 2025.

The company is currently working through the approach to reporting for this transitional period and will update the market once final decisions are made.

Disclaimer

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