

SYNLAIT PUBLISHES HALF YEAR 2024 RESULT



Dear Synlait Shareholders

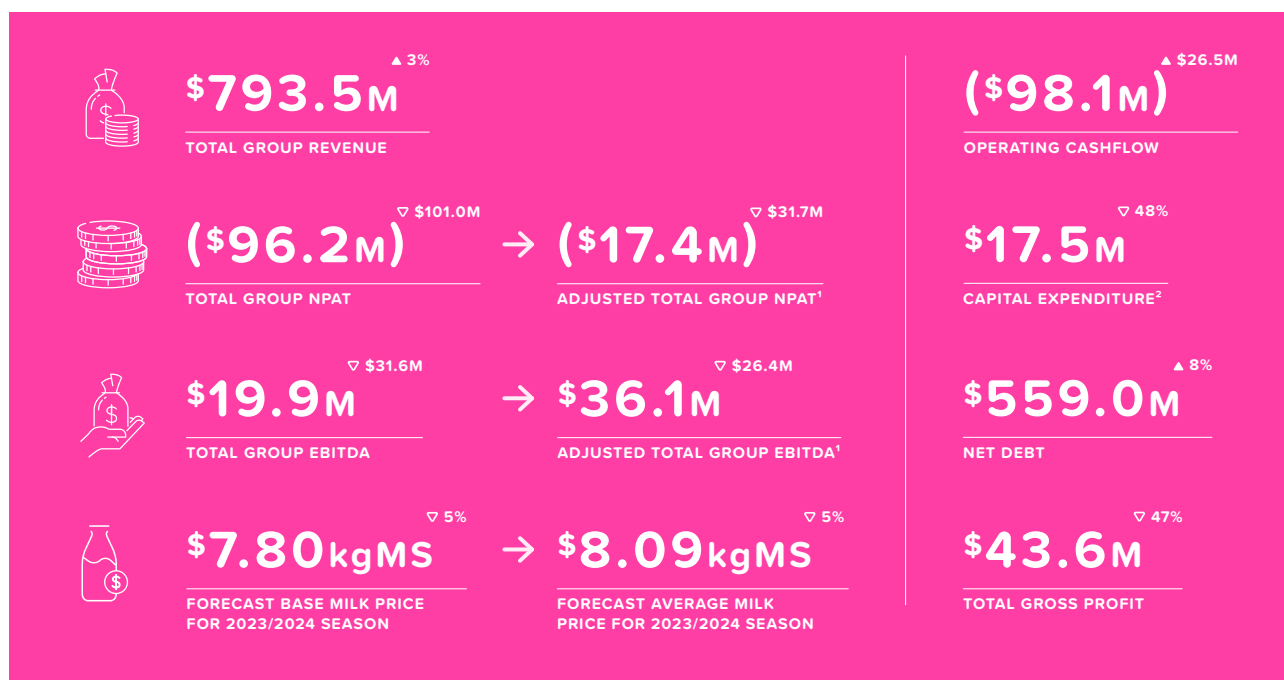
Synlait has announced its financial results for the six months ended 31 January 2024.

It has been a challenging half-year for Synlait as we continue to reset the company to achieve our strategic objectives while working to reduce our elevated debt levels.

The delivery of our half-year results brings together several reset initiatives, with the announcement of an amendment to our banking facilities and a strategic review of our North Island assets. These balance sheet reset initiatives are underpinned by a letter of support from our largest shareholder, Bright Dairy. Bright Dairy's support, coupled with the banking amendments, offers Synlait additional stability and confirms that our largest shareholder and banking syndicate remain very supportive.

Our strategic focus is on Advanced Nutrition and Foodservice, where we have a clear competitive advantage to deliver diversified, high-value growth. It is supported by a well-run Ingredients business enabled by our market-leading Lead With Pride™ on-farm excellence programme. We have built a world-class and highly flexible asset base, and we are well positioned ahead of emerging customer demand trends. Combined with our refreshed leadership team, we now have all of the pieces in place to execute on this strategy and deliver strong returns for our shareholders.

HERE IS A SUMMARY OF OUR RESULTS:



All comparisons are against HY23 (except for milk price which is against FY23) and include the results of Dairyworks which has been treated as a discontinued operation.

¹ Refer to the Investor Presentation for a reconciliation of adjusted NPAT and EBITDA.

² Based on cash outflow for investing activities.

Synlait

Three non-cash items also significantly impacted the HY24 result. We recorded an impairment charge of \$50.3 million, driven by the underutilisation of our North Island manufacturing facilities. There was also a \$31.1 million adjustment recorded to write down the net assets of Dairyworks to fair value less costs of disposal to reflect the value of non-binding offers received. Finally, there was a change in the basis of inventory overhead allocation methodology. The change was initially treated and forecasted as a policy change based on external accounting advice received; it was revised to be reflected as a change in estimate based on a technical interpretation of the accounting standards by our auditor, resulting in HY24 NPAT experiencing a non-cash adverse impact of \$8.4 million.

The adjusted half-year result was impacted by a less favourable market environment for the ingredients business, unfavourable FX, lower Advanced Nutrition volumes, and higher inventory write-downs, operational expenditure, and financing costs.

The investor presentation and financial statements released with this announcement, provide a further summary of Synlait's financial performance. For more information, click on the links below to access these documents:


- [Synlait HY24 Announcement](#)
- [Synlait HY24 Chair & CEO Review](#)
- [Synlait HY24 Investor Presentation](#)
- [Synlait HY24 Financial Statements](#)

We hope these reports provide you with more clarity around our plans and progress to reset Synlait, deleverage the balance sheet, and return our company to sustainable, profitable growth across diversified channels, categories, and geographies.

Thank you for your continued support and patience.



Paul McGilvary
Acting Chair



Grant Watson
CEO