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Synlait announces FY25 result, entry into agreement to sell North Island assets and Annual Meeting

Synlait Milk Limited (Synlait) has announced its financial results for the 12 months ended 31 July 2025 and the entry into a binding conditional agreement to sell its North Island assets.

Synlait Chair George Adams commented: "Today is a defining moment for Synlait. We are delighted to announce the entry into this agreement to sell our North Island assets to our valued customer, and global healthcare leader – Abbott."

"For Synlait, the divestment will deliver us approximately NZ\$307 million. The sale will strengthen the company's financial position, with the proceeds used to significantly reduce debt. We are equally pleased Abbott will onboard the vast majority of our people who work in these assets at completion – that is a great outcome."

"This valuable reset presents Synlait with a rich opportunity to move beyond crises to planning a real and vibrant future. This is a turning point we have fought hard for and are ready to embrace."

Synlait CEO Richard Wyeth commented: "The North Island sale is a much-needed step change for Synlait. In short, this sale will deliver a stronger, simpler, and more secure Synlait. It enables us to, in time, explore opportunities to diversify what we do and better enable Synlait to reach its full potential."

North Island sale and Annual Meeting details

Global healthcare leader, Abbott, has been a customer of Synlait since 2020.

The two companies have now negotiated the sale and purchase of Synlait's North Island assets – these are the Pōkeno manufacturing facility, along with the company's Auckland sites (assets held at the blending and canning facility on Richard Pearce Drive and the warehouse facility on Jerry Green Street), and associated inventory and leasehold arrangements.

The sale price is approximately US\$178 million (NZ\$307 million)¹.

Targeted completion is 1 April 2026 with the sale subject to various conditions, including Abbott obtaining consent under the Overseas Investment Act 2005 and Synlait obtaining shareholder approval, amongst other regulatory and customary consents.

Synlait's majority shareholder, Bright Dairy Holding Limited (Bright Dairy), owns 65.25% of the company, and has stated that it will irrevocably vote in favour of the transaction. This means the shareholder approval

¹ The sale price is denominated in US dollars, so final consideration is subject to exchange rate movements. Final proceeds will also be subject to completion adjustments, as well as a US\$14 million holdback from the purchase price, in case of certain claims under transaction documents, including warranty claims. The holdback is released to Synlait in stages over three years from completion.



condition will be satisfied. The Board of Directors fully supports the North Island sale and unanimously recommends that shareholders vote in favour of resolution.

The Notice of Meeting, which can be viewed on Synlait's [website](#), contains detailed information on the sale, the reasons for it, and how to vote and attend the Annual Meeting, which will be on Friday 21 November 2025.

FY25 results overview²

Synlait CEO Richard Wyeth commented: "The numbers we are presenting today reflect the impact of manufacturing challenges at Dunsandel. These issues, which are now largely behind us, were complex and impacted our ability to continually deliver product on time, in spec, and at scale."

"Synlait's assets are world-class and our people's response was positive. Were it not for these challenges, which resulted in costs, our result today would have reflected further progress in Synlait's business recovery."

Today's adjusted bottom line is a net profit after tax of \$0.8 million (unadjusted (\$39.8 million)). This is a significant improvement on FY24³, with the results showing signs of encouragement:

- A 55% reduction in our net debt from \$551.6 million to \$250.7 million. As noted above, the North Island sale will strengthen the company's financial position, with the proceeds used to significantly reduce debt.
- Improvements in trading performance resulting in FY25 unadjusted EBITDA increasing by \$54.8 million on FY24.
- A turnaround in our Ingredients business from a loss of (\$13.5) million to a gross profit of \$13.1 million.
- A 29% increase in our Advanced Nutrition business gross profit to \$95 million.
- A 92% lift in Foodservice production volumes, with improved margins although further gains are required to deliver profitability. We sold 8.4 million 1-litre bottles of cream last year.
- A 28% uplift in our Consumer business unit gross profit to \$39 million. This was driven by growth in export markets including entry to Thailand and Vietnam.
- A new record milk price for the 2024/2025 season of \$10.16 per kilo of milk solids, which will see Synlait's estimated contribution to New Zealand's rural economy in excess of one billion dollars, including payments to our farmers.⁴

Full Year 2026 (FY26) guidance

FY26 presents a valuable reset for Synlait, with the entry into an agreement to sell its North Island assets. The sale will strengthen the company's financial position, with the proceeds used to significantly reduce debt. The targeted completion date for the sale is 1 April 2026.

² All comparisons are to FY24.

³ Synlait's FY24 result was a net loss after tax of (\$182.1 million). Adjusted net loss after tax of (\$60.4 million).

⁴ Taking into account the Lead With Pride™ incentives and secured milk premiums, Synlait's South Island farmers will earn an average of \$0.50 per kgMS above that base milk price.



The sale enables Synlait to refocus on its core operations in Canterbury, with a renewed emphasis on operational stability at its Dunsandel facility, which will assist in driving longer-term profitability. Continued growth in the company's Dairyworks business will also support this focus.

Given the scale of the strategic reset, the company will not provide further financial guidance for FY26, as it concentrates on executing the North Island sale and building a simpler and more focused Synlait in Canterbury.

The Board is committed to making the most of the strategic opportunities ahead and aims to have an updated strategic plan in place by March 2026.

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