



NZX: SML  
ASX: SM1

17 July 2024

## Synlait FY24 guidance withdrawal

Synlait Milk Limited (Synlait) is withdrawing its full year 2024 (FY24) guidance.

The previously announced guidance stated that Synlait's earnings before interest, taxes, depreciation, and amortisation (EBITDA) performance was to be at the lower end of the \$45 million to \$60 million range, excluding a non-cash adjustment for the product costing method change of approximately \$17 million.

The company's immediate FY24 performance has been impacted by unforeseen year-end timing differences between July and August for manufacturing and shipping, along with additional costs incurred in relation to the strategic review and deleveraging plan due to the extended timeframes to execute. Because of this, Synlait advises that its final EBITDA result will be below the current FY24 guidance, but continuing uncertainty means that it is not able to provide an updated outlook.

The Board is committed to resetting Synlait's balance sheet to help it return to a position where it can deliver on the growth potential seen in its core Advanced Nutrition and Foodservice businesses. To achieve this, considerable steps are being taken to complete the deleveraging plan. The first step was completed on Monday 15 July 2024 with the \$130 million payment made to Synlait's banks. The Board continues to progress plans for a proposed equity capital raising and bank refinancing.

In addition to reducing debt, the business recovery plan for this financial year and next focuses on accelerating volume growth and optimising cost and operational performance. Synlait's priority is to deliver on this broader plan.

Synlait remains on track to meet its minimum adjusted EBITDA for FY24 for bank covenant purposes, as announced on 3 July 2024.<sup>1</sup>

### For more information contact:

Hannah Lynch

Head of Strategy & Corporate Affairs

P: +64 21 252 8990

E: [hannah.lynch@synlait.com](mailto:hannah.lynch@synlait.com)

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<sup>1</sup> Synlait has agreed with its banking syndicate that the minimum adjusted EBITDA for bank covenant purposes will add back several one-off costs that impact the previously announced EBITDA guidance.