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ASX: SM1

24 May 2021

Synlait FY21 guidance update

Synlait Milk Limited (Synlait) has updated its full year (FY21) guidance.

Board and Management have undertaken a review of the impact of previously disclosed risks affecting Synlait's performance, and as a result, the company has altered its full year forecast based on:

- an expectation of ongoing shipping delays, which will result in the sale of some ingredient products occurring post the FY21 balance date;
- achieving lower prices for ingredient products than Synlait would normally expect to achieve relative to prevailing market prices through a combination of sales phasing and volume pressure; and
- the adoption of a more conservative approach to year-end inventory volumes and valuation.

Synlait now expects to make a net profit after tax loss of between \$20 million to \$30 million in FY21.

Synlait's banking syndicate continues to be supportive and has granted a waiver of relevant covenants in FY21. The company is working constructively with the syndicate to ensure it has the appropriate funding for FY22. Synlait does not intend to undertake a capital raising.

Synlait CEO John Penno commented: "I am disappointed to share this news with our investor base. As a team we are focused on closing out this year as well as we can, then resetting, and delivering a much-improved financial performance in FY22."

Conference call at 11.00am (NZ time) today

Synlait CEO John Penno and CFO Rob Stowell will hold a conference call at 11:00am NZST / 9:00am AEST time today to discuss this announcement. The conference call numbers for participants can be accessed at: <https://s1.c-conf.com/diamondpass/10014135-thin1w.html>

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