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17 August 2026
NZX/ASX Market Release

FY26 Results Media Release

The a2 Milk Company ("the Company", "a2MC") today reported its full year[1] financial and operational results for the year ended 30 June 2026.

FY26 Results[2,3]

1. Delivered FY26 results in line with, or slightly ahead of, updated April guidance with double digit revenue growth
   - Achieved Infant Milk Formula (IMF) growth of 5% in a flat China IMF market
   - Generated high growth in Other Nutritionals of 42%[4] through innovation in kids, seniors, UHT and supplements
   - Maintained strong Liquid Milk growth of 22% through market share gains in ANZ and USA
2. Managed supply chain disruption[5] in 4Q26 which had a material impact on China label IMF product availability, performance and supply chain costs, which impacted 2H26 Group sales and earnings, with recovery actions underway
3. Continued to ramp up innovation with new products in recent years contributing over 50% of sales growth in FY26 and significant new product launches planned in 1H27 in IMF, Other Nutritionals and Liquid Milk to support future growth
4. Advanced supply chain transformation through divestment of MVM and acquisition of a2 Pōkeno earlier in FY26, with capital investment, capability build, product development and transition initiatives all on track or ahead of plan
5. Declared $300 million special dividend while retaining a strong balance sheet to support future growth and declared an increase in full year ordinary dividends with improved payout ratio

Key financials[2,3,6]

- Group revenue up 12.4% to $1,974.9 million
- China & Other Asia segment revenue up 11.2%, ANZ up 10.2% and USA up 28.6%
- EBITDA of $284.4 million, with underlying[7] EBITDA up 5.4%
- Net profit after tax (NPAT) of $207.5 million, with underlying[7] NPAT up 7.0%
- Basic earnings per share (EPS) of 28.6 cents, with underlying[7] EPS up 6.8% to 32.5 cents
- Closing cash of $784.5 million, with operating cash conversion of 68%[8]
- Increase in total full year dividends from 20.0 cps to 21.0 cps, unimputed and fully franked with a ~74% payout ratio
- FY27 outlook of mid single digit percent revenue growth and approximately 15% EBITDA margin percent (see "FY26 Results Commentary and Outlook" announcement)

Results CEO commentary

The a2 Milk Company's Managing Director and CEO, David Bortolussi said:

- *"FY26 was another year of strong execution by our team, we delivered revenue growth of 12% with all markets and categories in growth."*

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[1] All references to full year (FY), halves (H) and quarters (Q) relate to the Company's financial year, ending 30 June.
[2] All references to financials and related metrics are on a continuing operations basis (ie exclude Mataura Valley Milk), unless otherwise stated.
[3] All comparisons are with the 12 months ended 30 June 2025 (FY25), unless otherwise stated.
[4] Excludes FY26 a2 Pōkeno external ingredient sales of $23.8 million.
[5] Supply chain disruption refers to the temporary shortfall in *a2*™ IMF product availability in China in 4Q26, resulting from strong demand in the preceding quarter, air and sea freight constraints, Synlait production backlog, extended product release times due to enhanced testing, and additional customs clearance requirements and testing measures. Refer to separate announcements *Trading, Supply Chain and Outlook Update (13 April 2026), Supply chain and FY26 results update (7 July 2026)* and *FY26 Results Commentary and Outlook* for further commentary on 4Q26 supply chain disruption.
[6] All figures are in New Zealand Dollars (NZ$), unless otherwise stated.
[7] Underlying results represent the Group's reported results excluding a2 Pōkeno losses which reflect temporarily low production volumes ahead of the *a2 Platinum*™ transition in 1H27 and one-off transformation costs associated with the transaction, separation, integration and transition. a2 Pōkeno's FY26 losses are as follows: EBITDA loss of $23.2 million and NPAT loss of $28.3 million.
[8] Operating cash conversion defined as net cash flow from operating activities before interest and tax divided by EBITDA.

- *"Our infant milk formula business was resilient in FY26 delivering 5% growth despite a flat China market and supply chain disruption in the fourth quarter."*
- *"We delivered strong double digit growth in English label infant milk formula led by a2 Platinum™, with high growth in our recently launched a2 Genesis™ product and successful expansion into Vietnam."*
- *"While our China label infant milk formula performance was impacted by product availability issues late in the year, the key contributing factors have been resolved, and we are focused on executing our recovery plan."*
- *"Other Nutritionals is emerging as an increasingly important growth platform, with revenue up 42% as recent innovation across kids, seniors and UHT continue to scale and leverage the strength of the a2™ brand."*
- *"Our Liquid Milk performance highlights the increasing relevance of the a2 Milk™ proposition, with growth and share gains across our ANZ and USA markets."*
- *"Our focus on product innovation over recent years is paying off, contributing over 50% of the Group's sales growth with more new products being launched in FY27"*
- *"The successful acquisition and transformation of a2 Pōkeno is a significant step in strengthening our supply chain and enabling growth with the launch of two new China label infant milk formula products planned for the first half of FY27."*
- *"The payment of a $300 million special dividend and increased ordinary dividends this year demonstrates effective capital management and our commitment to shareholder returns."*
- *"Despite the impacts of supply chain disruption, we are expecting mid single digit percent revenue growth and improved earnings next year supported by the robustness of our business model and growth strategy."*

Authorised for release by the Board of Directors

David Bortolussi
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