



NZX: SML  
ASX: SM1

2 June 2023

## Synlait intends to divest Dairyworks and Talbot Forest Cheese

Synlait Milk Limited (Synlait) intends to divest its Dairyworks and Talbot Forest Cheese businesses.

Synlait's Board and Management are undertaking a strategy and capital structure refresh, including an asset review. To ensure greater focus and execution of Synlait's overall business strategy, the company intends to evaluate the divestment of Dairyworks and Talbot Forest Cheese.

Synlait has a clear competitive advantage, or right to win, in its Advanced Nutrition and Foodservice businesses. It also has a disciplined and well-run Ingredients business. The divestment of Dairyworks and Talbot Forest Cheese will enable Synlait to focus solely on growing the highest margin segments of its value-add, B2B Advanced Nutrition and Foodservice businesses, where Synlait has world class capability and capacity in terms of its current asset bases and know-how at Dunsandel and Pokeno.

Synlait CEO Grant Watson commented: "Dairyworks is an excellent business. It delivers cheese products to various channels under a portfolio of well-known household brands. Despite having extremely strong capability across consumer, brand, customer, and procurement, Dairyworks is not core to Synlait's diversified growth strategy and does not leverage our core right to win competencies in Advanced Nutrition and Foodservice."

"Synlait needs to focus on the business units where we have a clear right to win. Although the performance of Dairyworks has met expectations the intended divestment of Dairyworks, and Talbot Forest Cheese, will enable us to help deliver against an increasingly focussed strategy."

Dairyworks CEO Tim Carter commented: "Synlait has enabled Dairyworks to build its growth aspirations over a short period of time. We now need to transition to having a greater reach globally, and this requires an owner which will continue to help us unlock further export markets, while continuing to grow and support the great, core market we have developed here in New Zealand and Australia."

Synlait has engaged investment banking firm Jarden to advise on the divestment. Should a divestment occur, the proceeds will be used to pay down debt.

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)