

12 February 2026

## **THE NEW ZEALAND MERINO COMPANY LIMITED (NZMC) HALF YEAR UPDATE – SIX MONTHS TO 31 DECEMBER 2025 (H1 2026)**

The New Zealand Merino Company (NZMC) is enjoying strong demand for all wool types as supply chains have emptied and supply constraints have taken hold.

Reduced strong wool supply means the volume of wool sold during the six months ended 31 December 2025 totalled 51,400 bales, down from 53,700 in the corresponding period last year.

Finer wool continues to show resilience with consistency of supply meaning that bales sold are in-line with the same period last year. Challenges continue with strong wool, with growers preferencing meat returns over wool.

Across all wool types, 73.5% of bales sold went into contracts, an increase from 59.1% in H1 FY25. Strong demand for certified cross-bred wool, resulted in 97% of strong wool going into contract in H1 FY26 (up from 93% last year).

### **Expansion of global supply base and supply chain innovation**

As signalled in the year-end results announcement, NZMC has been looking to secure additional supply to meet customer needs. During H1 2026, the Company has activated agreements with two South African brokers to meet this demand.

These arrangements complement our New Zealand and Australian supply base by improving access to wool types required by brand partners and enhancing supply consistency. Through these agreements, NZMC now has access to wool from approximately 200 South African ZQ certified growers.

The first shipment of wool has been sent up to the Chinese-based bonded warehouse during the half. This evolution in the way NZMC gets wool to market will result in reduced lead times and allow us to meet evolving brand needs.

### **Product development**

NZMC expanded its collaboration with TextileGenesis, enabling full traceability across 100% of ZQ and ZQRX wool volumes. This provides verified supply chain data to brand partners and maintains visibility in the supply chain, further enhancing the level of trust that our partners have in ZQ.

NZMC continues to make progress to further enhance its integrity systems across ZQ and ZQRX programmes. NZMC is updating its ZQ standards with grower consultation scheduled for Q4.

### **Brand led value creation**

NZMC is progressing work to align its brand and market positioning with its vision to be the world's leading wool company.

Elevating global presence and creating emotional resonance with the brand, reminding consumers that not all wool is created equally, is a key part of the Company's brand revitalisation.



By uniting our purpose-driven story with a globally recognisable brand platform, NZMC is enhancing its market influence, expanding premium demand, and reinforcing its long-term value creation strategy.

The Company will continue to communicate with shareholders as it works through the brand revitalisation.