

26 August 2025

**THE NEW ZEALAND MERINO COMPANY LIMITED (NZMC) ANNOUNCES ANNUAL RESULT  
YEAR ENDED 30 JUNE 2025**

**Key points**

- EBIT<sup>1</sup> of \$1.23 million, up \$3.86 million on last year
- NPAT of \$0.16 million, up \$3.45 million on last year
- Net operating cashflow up \$9.85 million on last year, to \$15.75 million
- No trade facility debt at 30 June 2025, down from \$10.00 million of borrowings a year ago
- 85,000 bales sold, with 69% into contract, down from 115,000 bales last year
- No dividend declared for year-ended 30 June 2025, in-line with dividend policy

The 2025 financial year has delivered an improved result for NZMC, with a return to profitability despite the continued challenges facing the wider industry.

A year into the three-year EpicFibre strategy, NZMC has made progress on right-sizing the cost base of the business, invested in systems and resources to drive efficiencies, effectively managed business reputation and commercial risk, and refocused back on the core business of wool.

**Business performance**

The volume of wool sold by NZMC totalled 85,000 bales, down from 115,000 last year, with the percentage of bales going into contract increasing to 69.2%, up from 54.9% in the prior year.

NZMC has recorded an EBIT result of \$1.23 million for the year ended 30 June 2025, up \$3.86 million on last year, driven by continuing improvements in supply-chain pull-through and a focus on strong cost management.

The improved trading performance, cash management and lower bank interest rates have resulted in a significant reduction in the cost of borrowing, with bank interest costs<sup>2</sup> down 66% to \$0.57 million.

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<sup>1</sup> EBIT is profit before income tax with net finance costs added back

<sup>2</sup> Bank interest costs exclude interest on lease liabilities



Net profit after tax (NPAT) was \$0.16 million, up from a loss of \$3.29 million last year.

Cash from operations improved in the year, with a net cash inflow of \$15.75 million (up 167% from a net cash inflow of \$5.91 million in the prior year). The improved operating cash flow allowed NZMC to repay its trade finance facility, reducing trade facility borrowings to zero from \$10.00 million of borrowings a year ago. Cash and cash equivalents at 30 June 2025 totalled \$3.88 million, up from \$0.86 million at 30 June 2024.

### **Dividend**

In line with the current dividend policy, the Board determined that there will not be a dividend paid this year.

### **Outlook**

The industry continues to face challenges with reduced clip sizes globally and environmental headwinds, especially in Australia, impacting production. However, NZMC remains committed to advocating for the brilliance of wool and the positive impact that it can have on people and planet. Over the next 12 months the company will continue to invest in systems, people and processes to deliver scalable growth, drive demand, create greater product differentiation and secure global supply.

“This year’s result is pleasing after a period of significant challenge in the wool industry, it is heartening to see the impact of our efforts.” said Chair, Kate Mitchell. “However, we must remain cognisant of the work still ahead of us.

Ms Mitchell continued, “There are still strong headwinds facing the wool industry, and global economic uncertainty is unlikely to ease in the near term. While we have met the first goal of our EpicFibre strategy with a return to profitability, we must stay the course as we turn our attention to growth and long-term resilience”.

Following the challenges of the last 18 months, NZMC is seeing increasing market demand and is seeking additional supply to meet customer needs. Internationally, there is growing consumer desire for products made from certified wool, and brand customers are expanding their order volumes. The Company is well placed to meet these market needs.

ENDS