



The a2 Milk Company Limited

2023 ANNUAL MEETING

We pioneer the future of Dairy for good

16 November 2023

Disclaimer

This presentation dated 16 November 2023 should be read in conjunction with, and subject to, the explanations and views in documents previously released to the market by The a2 Milk Company Limited (the “Company”), including the Company’s Annual Report for the 12 months ended 30 June 2023 and accompanying information released to the market on 21 August 2023.

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All values are expressed in New Zealand dollars unless otherwise stated.

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WELCOME

DAVID HEARN





Agenda

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CHAIR SPEECH

DAVID HEARN



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MD & CEO ADDRESS

DAVID BORTOLUSSI

Strong performance in a very challenging market

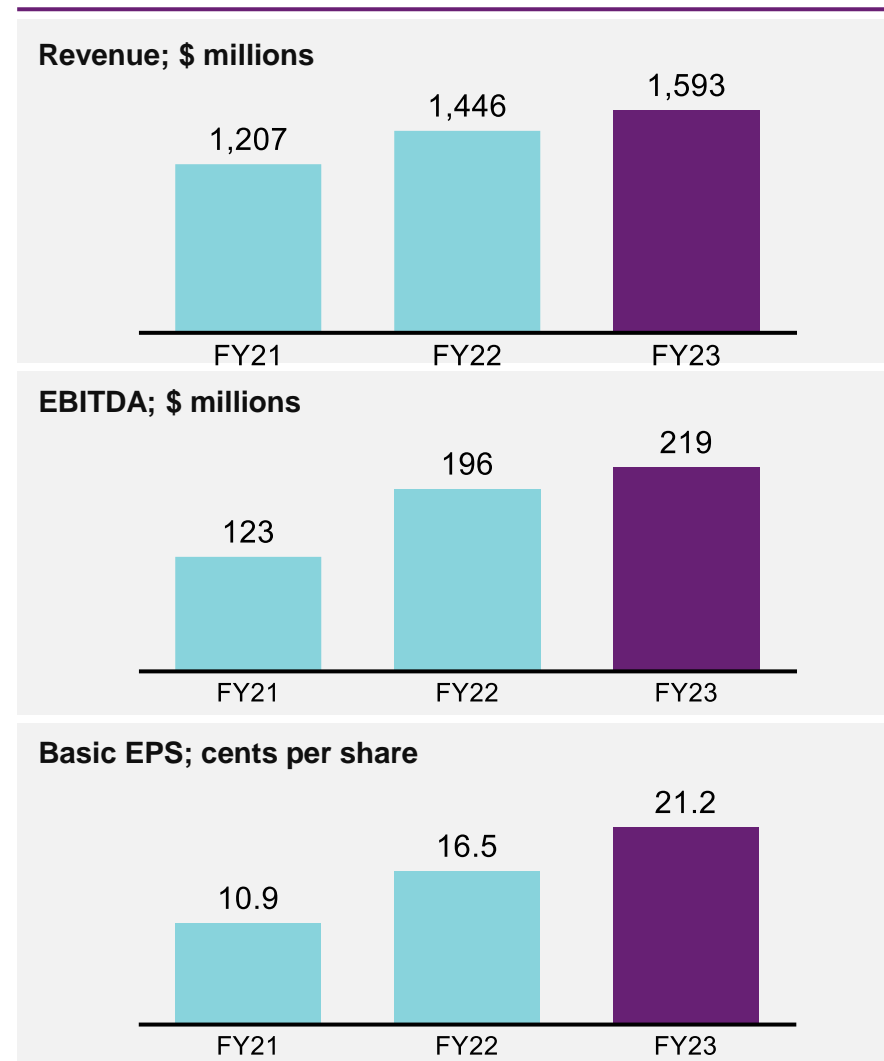
- 1 FY23 result in line with the **Company's guidance** with double digit revenue and earnings growth
- 2 Result driven by **strong growth in China segment** with sales up **38%** and **record market share** in China label IMF
- 3 China **brand health reached new highs** supported by record levels of marketing investment increasing by 13% to \$260m
- 4 **Total IMF sales up over 8%** in a market that **declined by 14%** making a2MC a top-3 share gainer in the market overall
- 5 **Successful SAMR re-registration** of China label IMF product provides continued access to the domestic market



FY23 double digit revenue and earnings growth driven by China segment

- **FY23 group results in line with the Company's guidance**
 - **Revenue** growth of 10.1% to \$1,592.9 million
 - **EBITDA**¹ up 11.8% to \$219.3 million, EBITDA margin of 13.8%
 - **NPAT** incl. non-controlling interests² up 26.2% to \$144.8 million, \$155.6 million attributable to owners of the Company up 26.9%
 - **EPS** up 28.7% to 21.2 cents (basic earnings per share)
- **Revenue growth driven by China segment**
 - **China & Other Asia** segment sales up 37.9%
 - **ANZ** sales down 30.2% due to intentional change in strategy, **USA** sales up 27.1% and **MVM** sales up 9.2%
 - **IMF** sales up 8.4% with China label sales up 27.8%, English label sales down 6.1% due to sharp decline in the Daigou channel with CBEC up 51.0%
 - **Liquid milk** sales in ANZ and USA up 7.1% and 27.1% respectively
- **Lower growth in 2H23 consistent with the Company's expectations**

Key financials



¹ Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-GAAP measure and does not have a standardised meaning prescribed by GAAP. However, the Company believes that, in combination with GAAP measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business.

² The non-controlling interest represents China Animal Husbandry Group's 25% interest in MVM, a loss of \$10.8 million.

Significant China label IMF growth and shift to China & Other Asia segment from ANZ

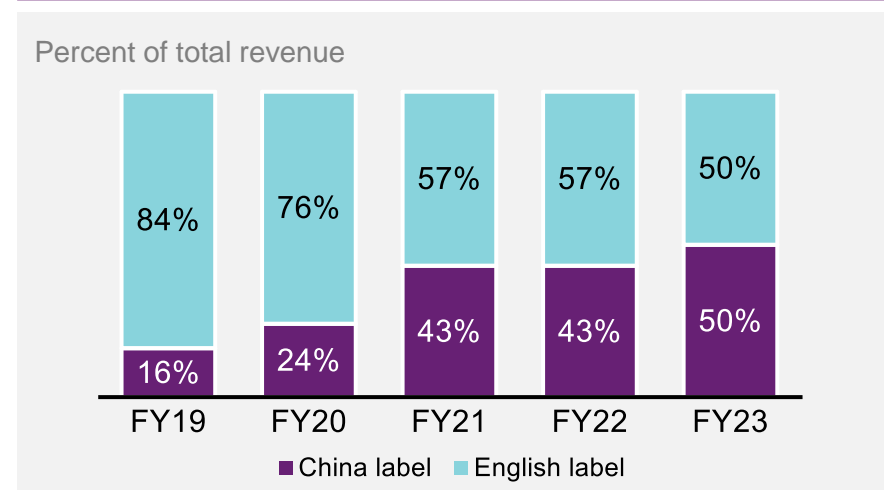
\$ million		ANZ	China & Other Asia	USA	MVM ¹	Corporate	Total Group
FY23	Revenue	371.7	1,002.2	105.1	113.9	-	1,592.9
	EBITDA	93.5	254.1	(23.3)	(26.5)	(78.5)	219.3
	EBITDA %	25.2%	25.4%	nm	nm	-	13.8%

FY22	Revenue	532.7	726.5	82.7	104.4	-	1,446.2
	EBITDA	173.2	145.1	(36.7)	(18.8)	(66.6)	196.2
	EBITDA %	32.5%	20.0%	nm	nm	-	13.6%

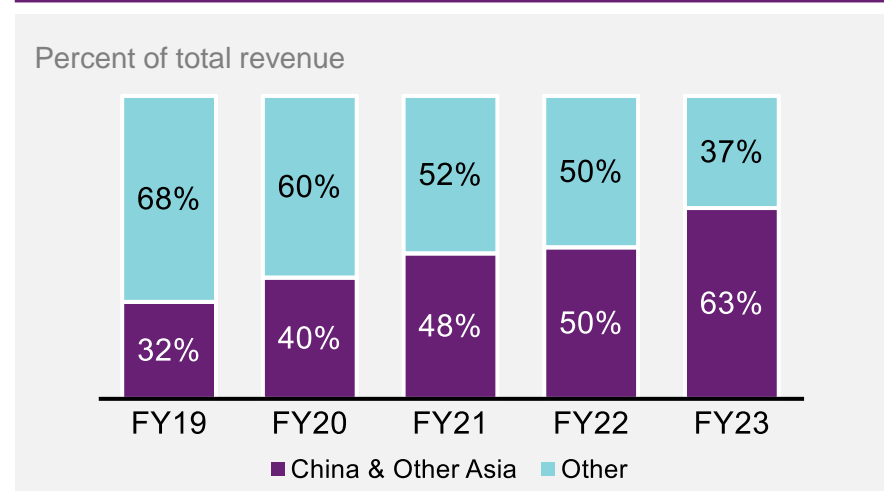
% Change	Revenue	(30.2%)	37.9%	27.1%	9.2%	-	10.1%
	EBITDA	(46.0%)	75.1%	36.4%	(40.9%)	(17.8%)	11.8%

¹ MVM excludes intercompany sales. FY22 results are for the 11 months since acquisition on 30 July 2021.

IMF sales mix



Segment revenue mix



High quality FY23 result underpinned by many operational achievements



Operational highlights during FY23

- Reached new highs in China **brand health**
- Achieved record **market share** in China label IMF (MBS and DOL)
- Received **SAMR approval** under new GB standard
- Increased **English label share** in CBEC and Daigou+O2O channels
- Grew sales and improved online **platform rankings**
- Ramped up **innovation** to support growth in all categories and markets
- Improved / maintained **business health** key indicators
- Extended distribution and **strategic partnership with CSF**
- Achieved Enforcement Discretion and progressed long term **FDA approval** process
- Accelerated **Supply Chain transformation** and MVM utilisation
- Advanced **Sustainability** programme significantly and announced interim Scope 3 goal for 2030

a2 源乳® 营养根基

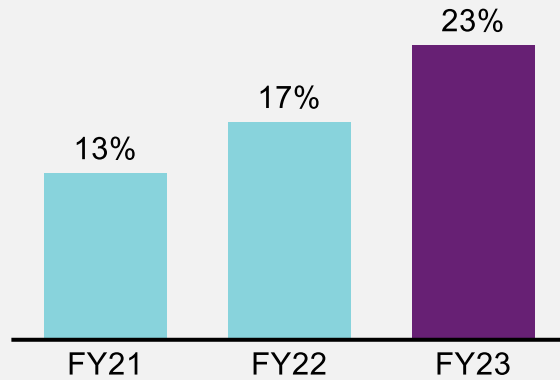
*奶粉以基料或牛奶为主要原料。The a2 Milk Company® 出品的配方奶粉均以真正a2牛奶®制成。

[1] He et al. Nutrition Journal (2017) 16:72. DOI 10.1186/s12937-017-0275-0

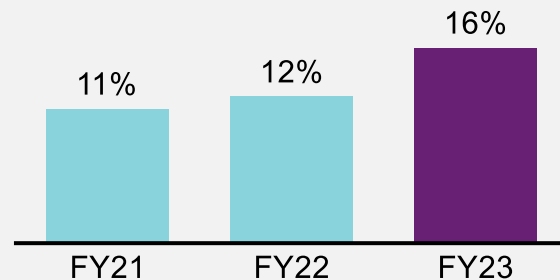
Growth strategy driving significant China brand health and market share increases

a2MC China brand health metrics¹

Unprompted awareness

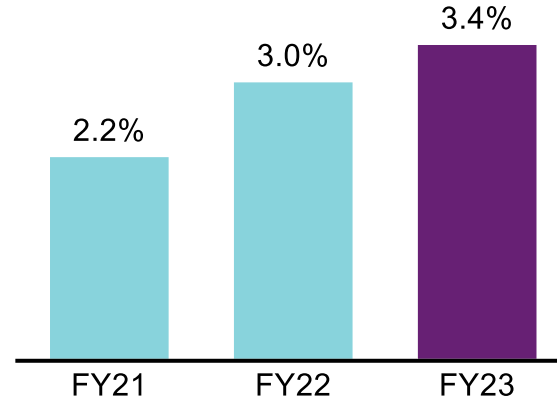


Brand used most often

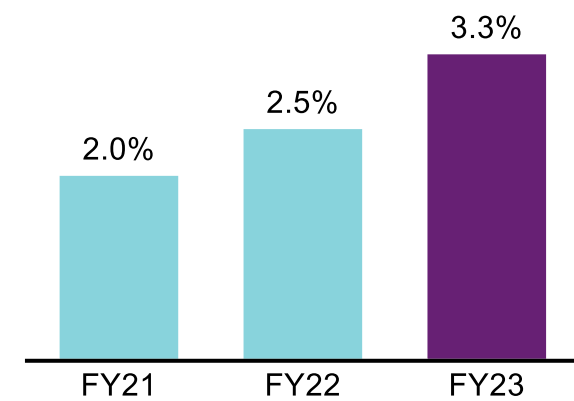


a2MC China label IMF market share

MBS value share²

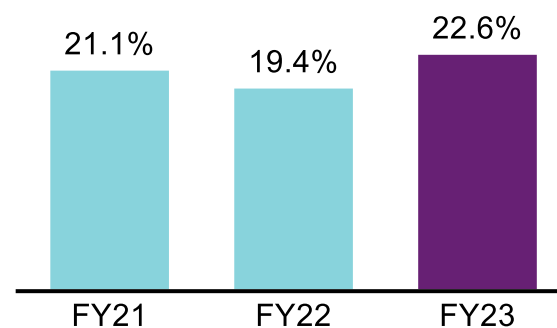


DOL value share³

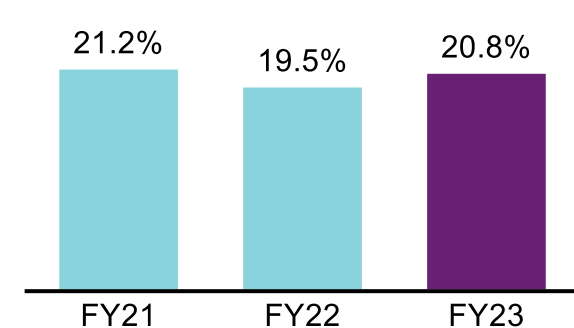


a2MC English label IMF market share

CBEC value share³



O2O and Daigou value share⁴



¹ a2MC internal data based on the Company's brand health tracking. Average brand health metrics for each financial year based on 3 surveys in FY21 and FY22, and 2 surveys in FY23. Sample skews to a2MC target consumers ie higher income earners based in Provinces / cities that are the focus of sales and marketing activities.

² Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value).

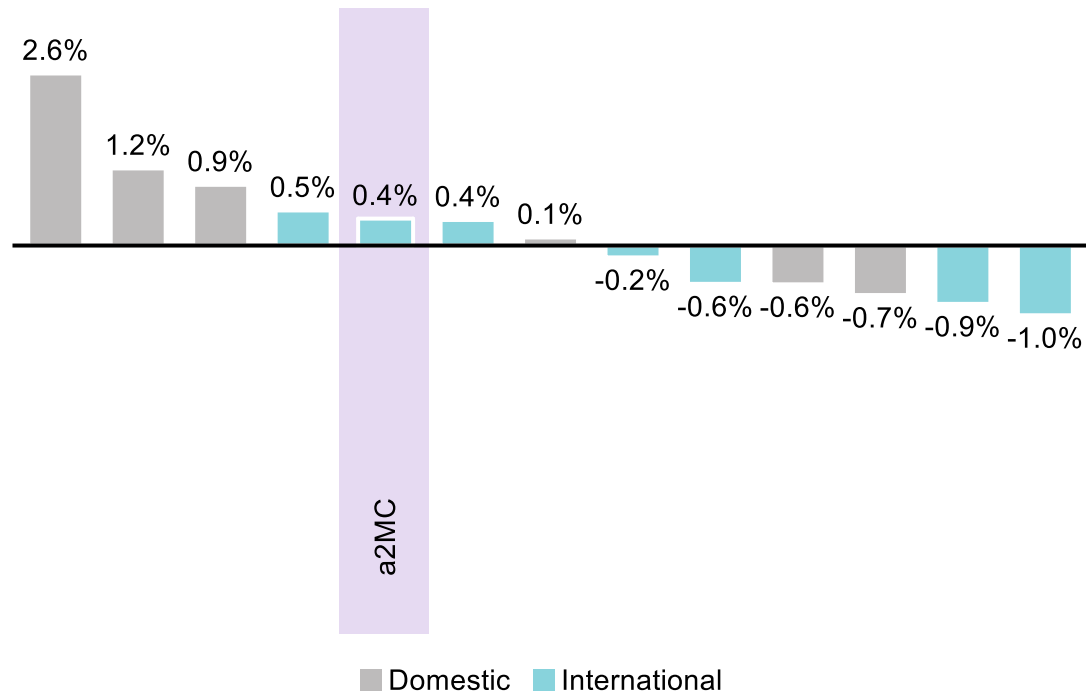
³ Smart Path China IMF online market tracking for DOL and CBEC (by value).

⁴ Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key & A + BCD cities). Note: Due to sample size, data classification and associated volatility reasons, the Company focuses more on its combined O2O and Daigou channel market share.

Resulting in a2MC being a leading share gainer in MBS and DOL channels

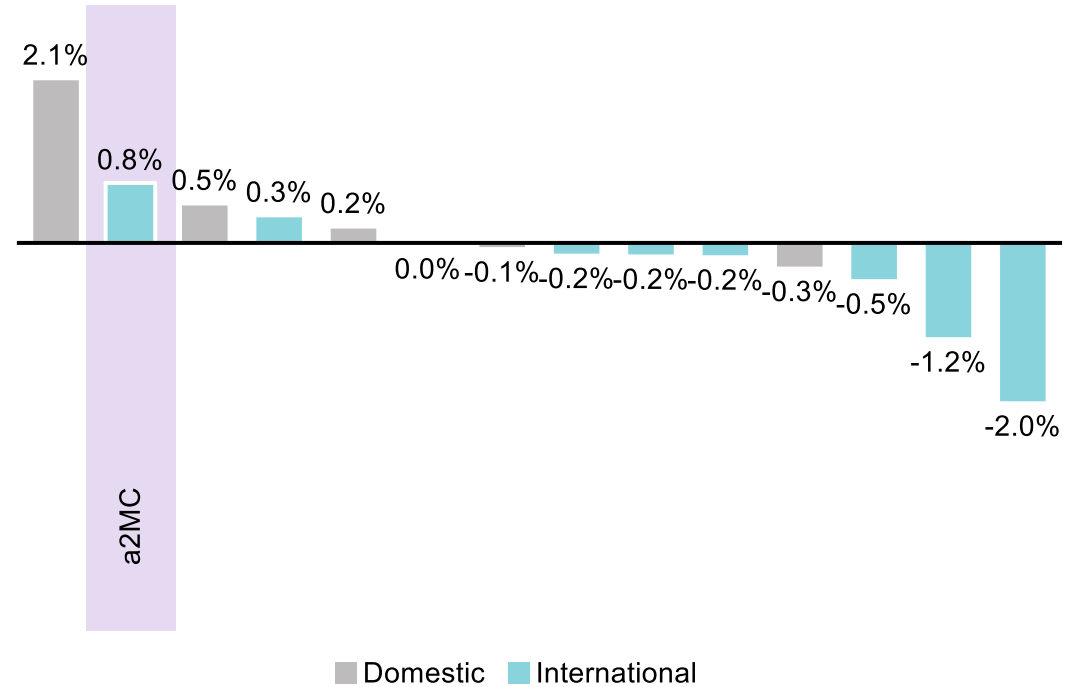
Market share movements by IMF brand in MBS channel

Change in MBS value share in FY23 (% pts)¹



Market share movements by IMF brand in DOL channel

Change in DOL value share in FY23 (% pts)²



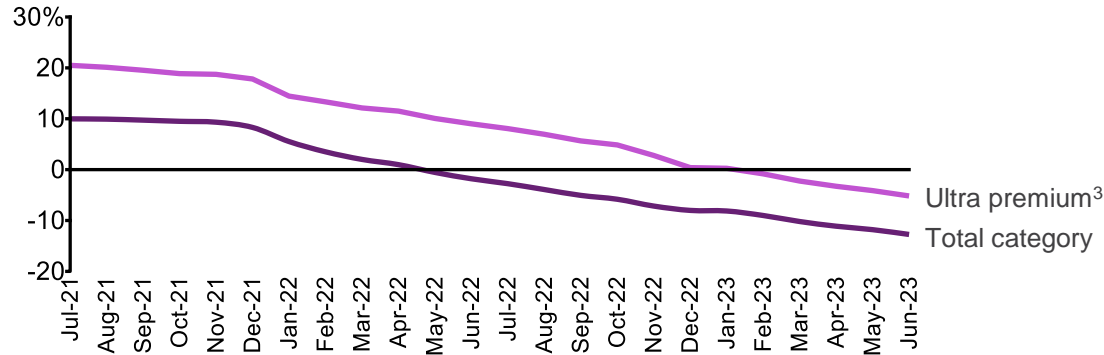
¹ Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value). MAT Jun-22 to MAT Jun-23.

² Smart Path China IMF online market tracking: domestic online platform sales (by value). MAT Jun-22 to MAT Jun-23.

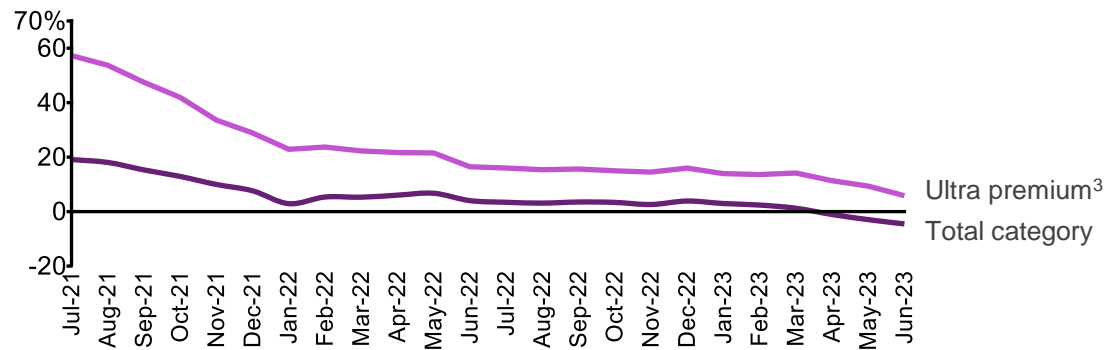
China label IMF has been very challenging recently driven by cumulative impact of fewer newborns and market-wide new GB transition

China label IMF market declines in store and online

Nielsen MBS channel value growth vs pcp (rolling MAT)¹

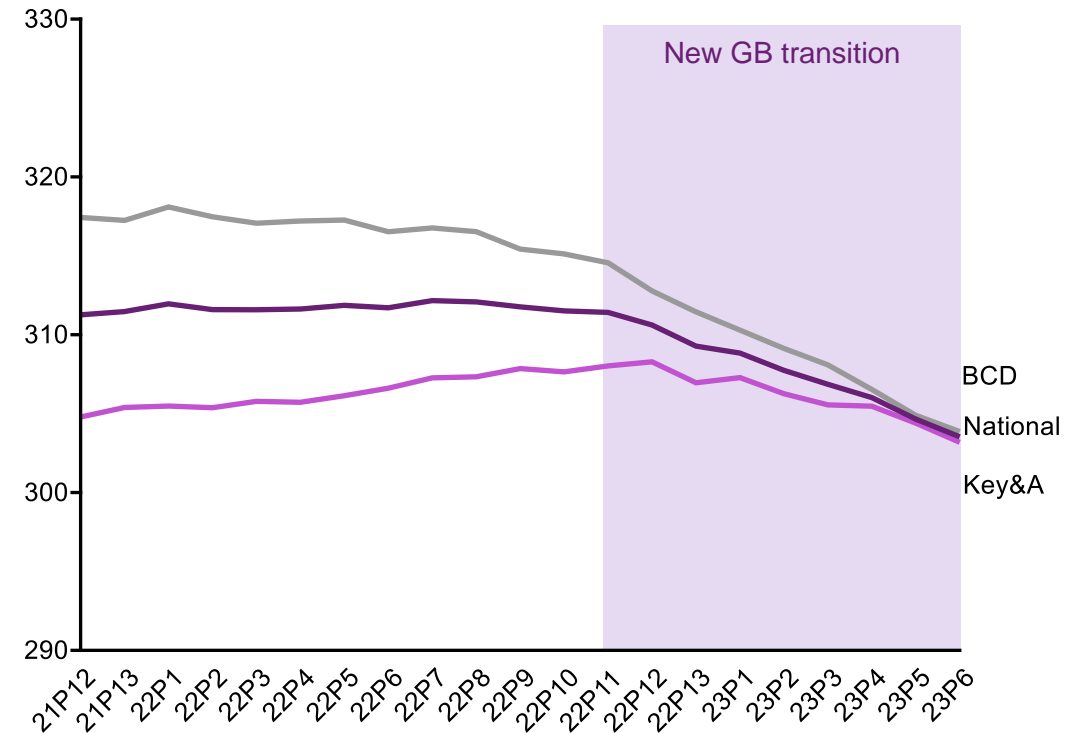


Smart Path DOL channel value growth vs pcp (rolling MAT)²



IMF market prices under more pressure during GB transition

Average IMF ASP/kg in RMB (rolling MAT)⁴



¹ Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value).

² Smart Path China IMF online market tracking: domestic online platform sales (by value).

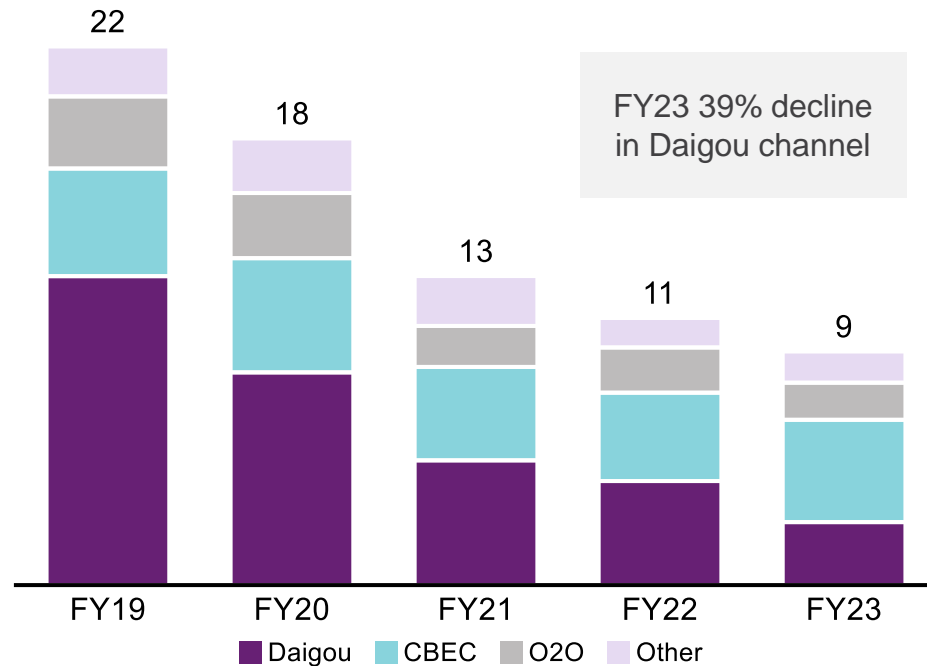
³ Ultra premium price segment based on Stage 1 average selling price ≥390RMB/kg

⁴ Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key & A + BCD cities).

English label IMF market impacted by sharp decline in Daigou channel

English label market decline driven by Daigou channel...

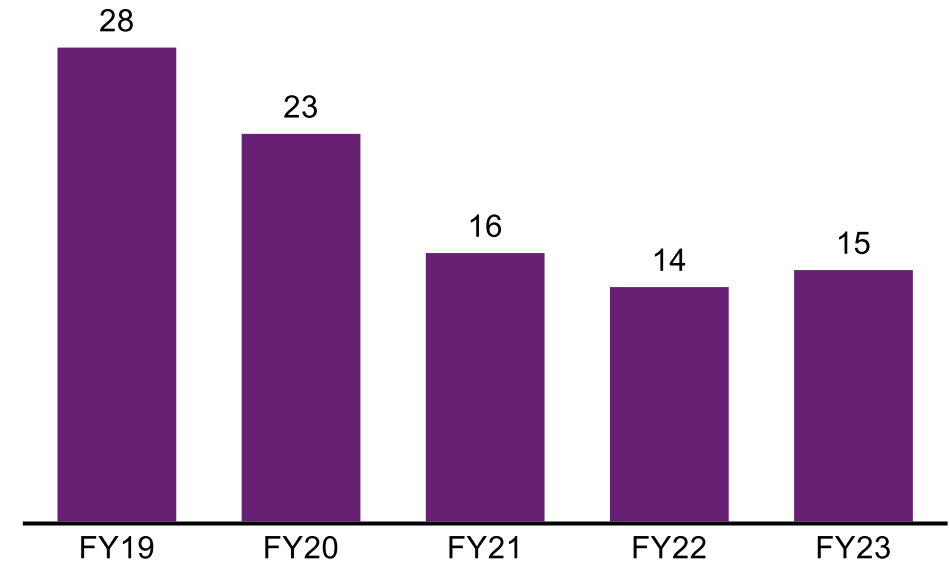
English label market value; RMB billions



Daigou % of market	FY19	FY20	FY21	FY22	FY23
	57	48	40	39	27

...but English label share of total IMF market stabilising

English label share of total China IMF market value¹; Percent



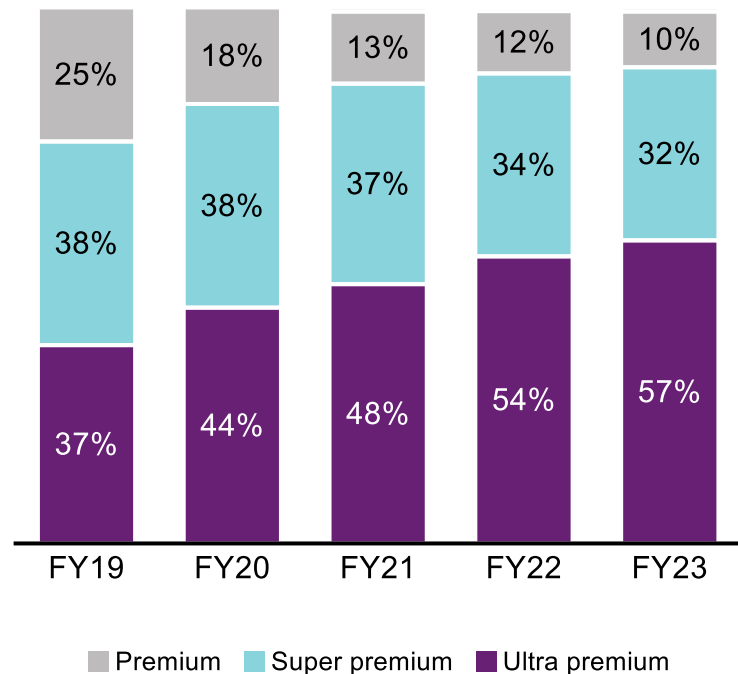
a2MC share in CBEC and Daigou + O2O channels improved in FY23 (refer page 11)

Source: Kantar Worldpanel 0-6 years old Baby & Kids panel; National IMF market tracking (Key & A + BCD cities) which covers most but not all of the market.
¹ English label IMF value market share expressed as a percent of English label + China label IMF market value.

However, key segment trends continue to support a2MC growth strategy

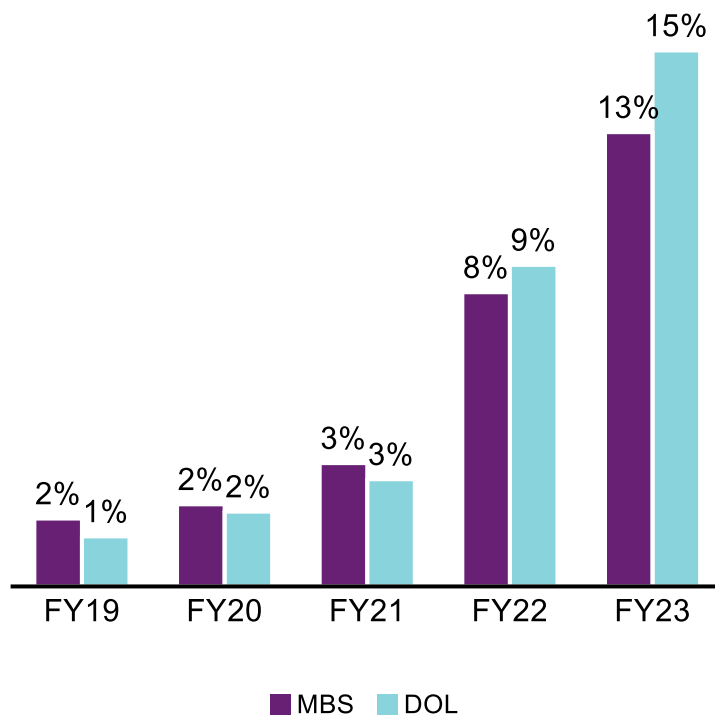
a2MC China label competes in the ultra premium segment

MBS value sales by price segment^{1,2,3}



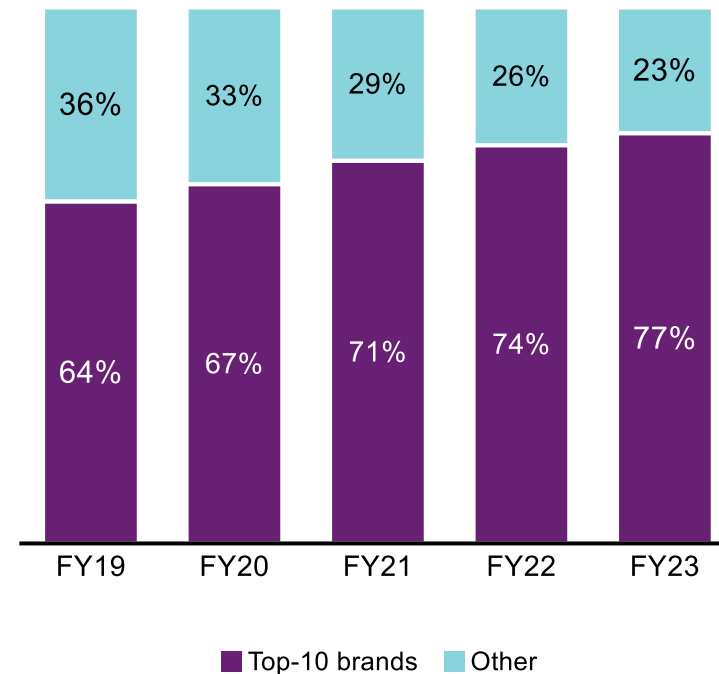
A2 protein segment continues to gain share in the category

A2 protein segment % value share of channel^{1,4}



Brand concentration increasing

MBS value sales mix¹



Note: Periodic data upgrades at Nielsen result in minor variations in data from time to time. All data has been restated with the most recent available Nielsen report.

¹ Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value).

² Price segments based on Stage 1 average selling price: Ultra premium >=390RMB/KG; Super premium 290-390RMB/KG; Premium 190-290RMB/KG; Mass <=190RMB/KG.

³ Numbers within the chart may not add to the total due to rounding.

⁴ Smart Path China IMF online market tracking: domestic online platform sales (by value).

Continued growth expected in FY24 in a very challenging market

See full outlook statement including market conditions, business and category sales, key financials and key risks in results commentary and outlook announcement dated 21 August 2023

Outlook provided at full year results

- Expecting low single-digit **revenue growth** in FY24
- Expecting **EBITDA margin %** to be broadly in line with FY23
- Operational **cash conversion** is expected to be higher in FY24

Annual meeting update

- **No change** to FY24 outlook provided at full year results
- Launch of **new China label product is progressing well**, including inventory transition, marketing activities and consumer reaction
- **Double 11** performance overall in line with plan



Growth strategy unchanged except for BOLD values refresh

Purpose	We pioneer the future of Dairy for good				
Vision	An A1-free world where Dairy nourishes all people and our planet				
Goals	PEOPLE Create a safe, diverse, inclusive and engaging place for our people to thrive, support our farmers and contribute to our communities	PLANET Protect our planet and cows, rethink packaging, achieve net zero and become nature positive	CONSUMERS Bring the unique benefits of pure and natural <i>a2 Milk™</i> to as many consumers as possible	SHAREHOLDERS Create long-term, enduring value for shareholders and a trusted, transparent relationship	
Strategic priorities	1	2	3	4	5
	Invest in people and planet leadership <ul style="list-style-type: none"> - Invest in our people to enable them to thrive - Take direct action to lead the industry in GHG emissions reduction, farming practices and sustainable packaging 	Capture full potential in China IMF <ul style="list-style-type: none"> - Gain more control over CL and EL distribution and get closer to our consumer - Increase investment in our brand, digital marketing and e-commerce 	Ramp-up product innovation <ul style="list-style-type: none"> - Expand our CL and EL IMF product portfolios - Enter adjacent product categories in relevant markets to drive growth 	Transform our supply chain <ul style="list-style-type: none"> - Expand CL registered market access - Utilise MVM and invest in New Zealand capability - Develop China supply capability over time 	Accelerate path to profitability <ul style="list-style-type: none"> - Take action to realise potential in USA - Expedite insourcing of <i>a2™</i> product and 3rd party volume to significantly increase MVM utilisation
Enablers	Quality & Service		Brand strength		Science & Innovation
Values	B Bold passion	O Ownership & agility	L Leading constructively	D Disruptive thinking	

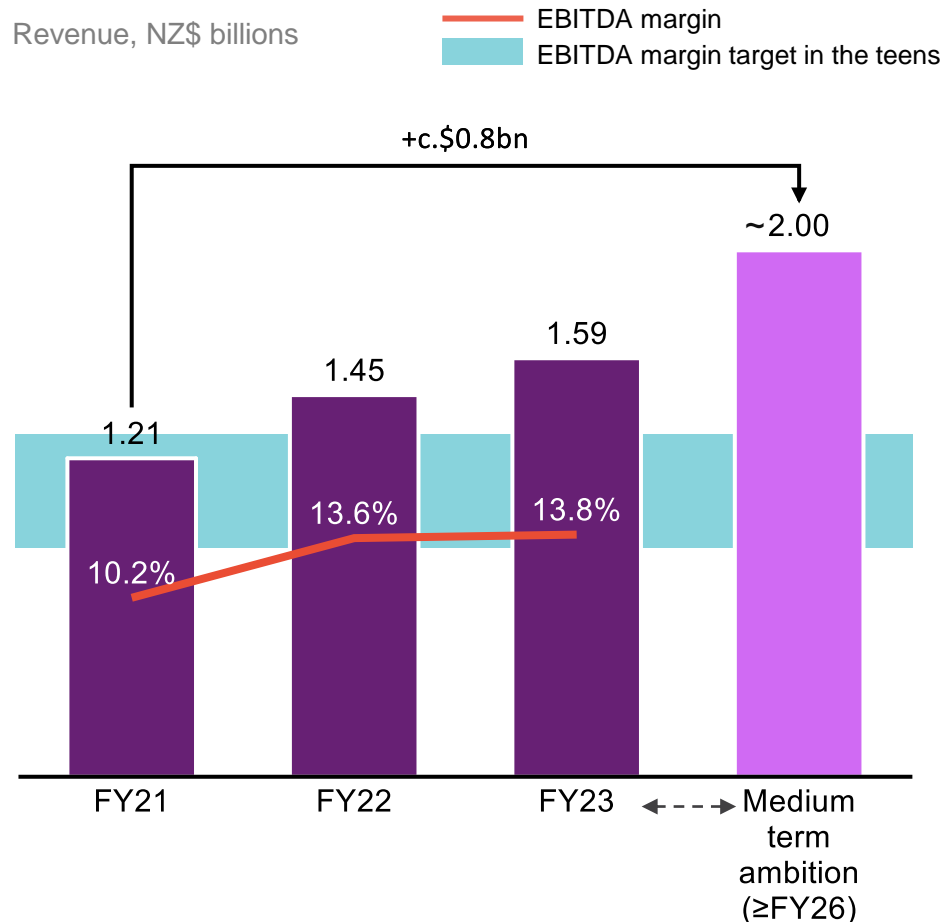
Significant progress made towards achieving goals reflected in measures of success

PEOPLE	PLANET	CONSUMERS				SHAREHOLDERS
		BRAND HEALTH	MARKET SHARE	INNOVATION	SUPPLY CHAIN	
1	2	3	4	5	6	7
<ul style="list-style-type: none"> Safety TRIFR ● Engagement ● Diversity & inclusion ● 	<ul style="list-style-type: none"> GHG emissions reduction ● Environmental plans on farms ● Animal welfare programmes ● Sustainable packaging ▲ 	<ul style="list-style-type: none"> China unprompted brand awareness ● AU household penetration ▲ USA household penetration ▲ 	<ul style="list-style-type: none"> MBS share ● DOL share ● CBEC share ● O2O + Daigou share ● Australian fresh milk share ▲ USA premium milk share ▲ 	<ul style="list-style-type: none"> China other dairy / nutritionals growth ▲ Emerging markets development ▲ USA sales from new products ● ANZ sales from new products ● 	<ul style="list-style-type: none"> Access to ≥3 CL registrations ▲ CL inventory management ● EL inventory management ● Quality outcomes ● Supply chain efficiency ▲ 	<ul style="list-style-type: none"> Medium term sales ambition of ~\$2.0b (≥FY26)¹ ● EBITDA margin goal in the 'teens' targeting year-on-year improvement¹ ● USA profitability during FY25 / FY26 ● MVM profitability during FY26 ●

Note: Progress as at FY23 Results announcement (21 August 2023).
¹ Refer to following page.

On track to achieve ambition to grow sales to \$2 billion and improve EBITDA margins in the 'teens' over the medium term

Medium-term revenue and EBITDA margin ambition



Areas of planned revenue growth

Market / category	Growth ambition (FY21 to ≥FY26) ¹	Tracking
China label IMF	\$0.4	On track
English label IMF	\$0.3	Work in progress
China and other nutritionals	\$0.2	Work in progress
Emerging markets	\$0.1	Work in progress
ANZ	\$0.1	On track
USA	\$0.1	On track
Non-specific risk	\$(0.4)	
Net growth	~\$0.8bn	On track

● On track ▲ Work in progress

Commentary

- Market conditions from FY21 to FY23 have been more challenging than expected
 - English label IMF market value down 25%²
 - China label IMF market value down 16%²
- Significant progress has been made in executing growth strategy resulting in market share gains
- \$2 billion revenue goal now requires a 3-year CAGR of 7.9% if achieved by FY26
- EBITDA margin goal in the 'teens' and targeting year-on-year improvements

Refer to Investor Day materials communicated to the market on 27 October 2021 for further information on medium-term ambition, strategy, risks and opportunities

¹ Incremental revenue ambition growth bridge from \$1.21 billion in FY21 to ~\$2.0 billion in ≥FY26 provided in Investor Day materials in October 2021. Provided for tracking purposes and should not be added to FY23 actual revenue result of \$1.59 billion.

² Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key&A + BCD cities).

Successful SAMR re-registration critical to capturing full potential of China IMF opportunity

- Received **approval from SAMR** on 6 June 2023 for re-registration of the Company's China label IMF product *a2 至初®* under new GB standard
- SAMR approval will allow Synlait to manufacture *a2 至初®* for a2MC **until September 2027**
- **Production commenced** in late June and is on track with transition in market planned to occur in 2Q24
- Re-registration allows **continue to access** the registered domestic market that accounts for **~85% of the China IMF market**, with English label IMF accounting for the remaining ~15%
- Overall, the registration process is likely to lead to a significant **reduction in the number of China label competitor products**
- **a2MC thanks** SAMR, MPI, its China strategic partners (CNADC and CSF), and its manufacturing partner (Synlait) and its major shareholder (Bright Dairy) for their support throughout the process



New China label IMF product a2 至初® available on flagship stores with market wide launch to commence post Double 11 sales event

Pre-launch flagship store availability

Inventory phase-in / phase-out

New product launch

New product available from 10 October

TMall flagship store



Douyin / TikTok flagship store



- Ceased production of old product in February 2023
- Commenced production of new product in June 2023 and ramped up in 1Q24
- Air freighted new product for pre-launch
- Commenced new product shipping to distributors in October 2023 and retailers from November 2023
- Soft changeover of product occurring from Double 11
 - Stage 3 first
 - Other stages after

Buy with Confidence pre-campaign in 1Q24



New product launch campaign post Double 11



Innovation has been ramped up significantly to support future growth

**a2 Platinum® refreshed range
launched in 1Q23 in ANZ and China**



**a2 Milk® Lactose free
launched in 1Q23 in Australia**



**a2™ Nutrition for Mothers™ 孕产妇配方奶粉 CL
launched in 1Q23 in China**



**a2 Smart Nutrition® EL
relaunched in 2Q23 in ANZ and China**



**a2 Milk® Full cream EL in a tub
launched in 2Q23 in ANZ and China**



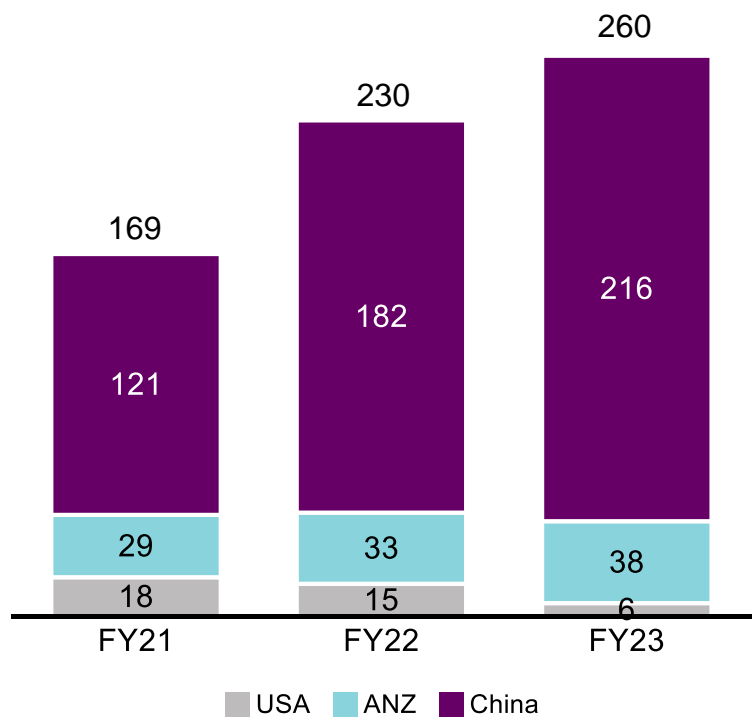
**a2 Milk® Grassfed
launched in 3Q23 in the USA**



Increased brand investment to record levels to support significant marketing activity

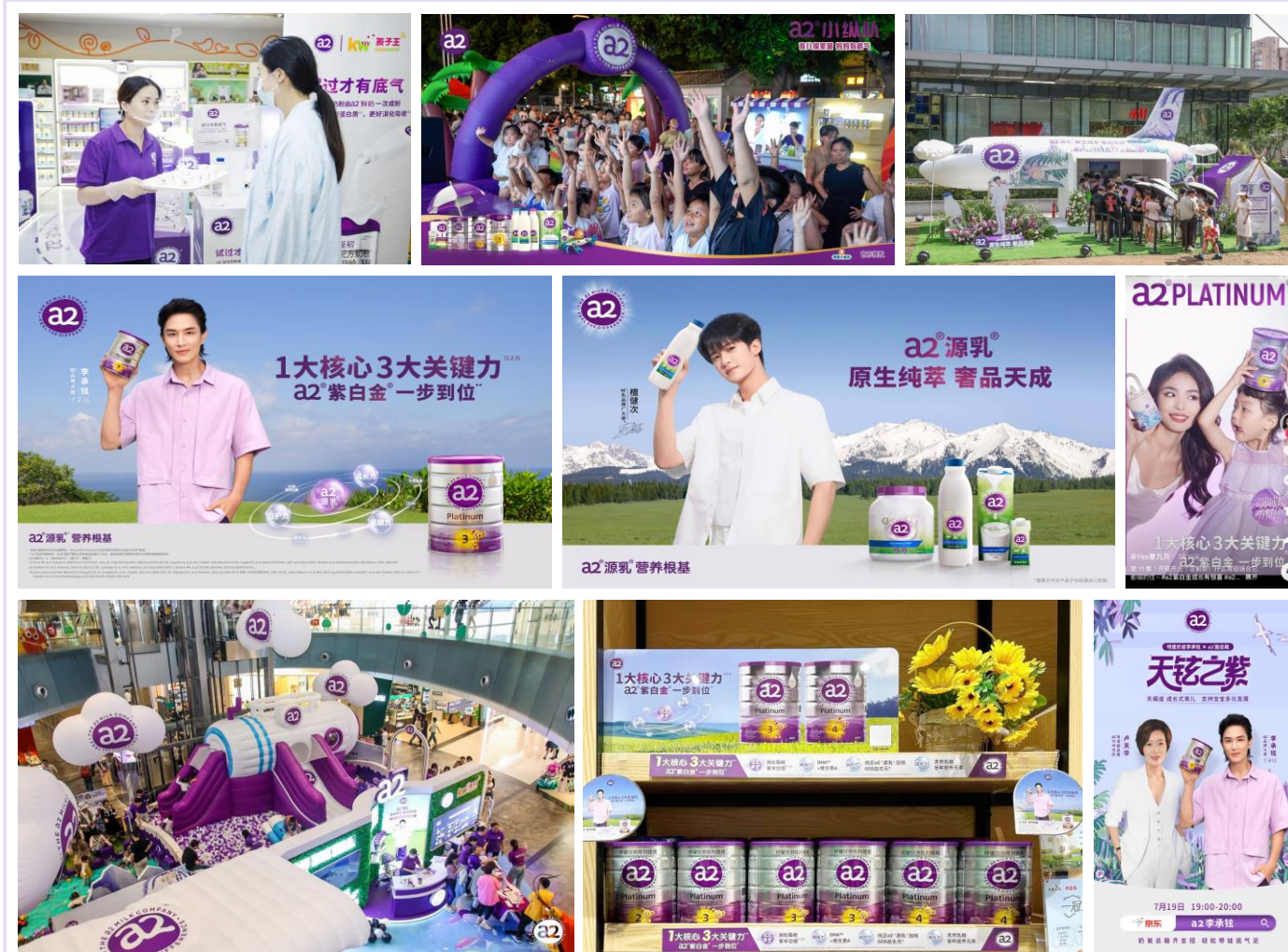
Marketing investment

\$ million



% of sales revenue	FY21	FY22	FY23
	14.0%	15.9%	16.4%

Marketing activity examples



Further progress made in transforming our supply chain

- **Accelerated supply chain transformation strategy** following Chopin Zhang's appointment as Chief Supply Chain Officer
 - Increased raw A1 protein free milk supply to MVM
 - Completed insourcing of a2 Milk® Whole & Skim milk powder
 - Production commenced for insourcing Stage 4 English Label IMF product with MVM and a new supply partner
 - Completed production trials for a new EL IMF range with MVM and a new supply partner for launch in 2H24
 - Commenced development of an additional new EL IMF range with MVM and a new supply partner for launch in 1H25
- **Accelerating MVM's path to profitability** by FY26 or earlier is a key strategic priority for the Company
- **Exploring M&A, joint venture and alliance opportunities** to increase market access and gain additional CL registrations, supported by strong balance sheet

Mataura Valley Milk – Southland, New Zealand



Meaningful progress towards achieving sustainability goals

Investing to significantly reduce GHG emissions

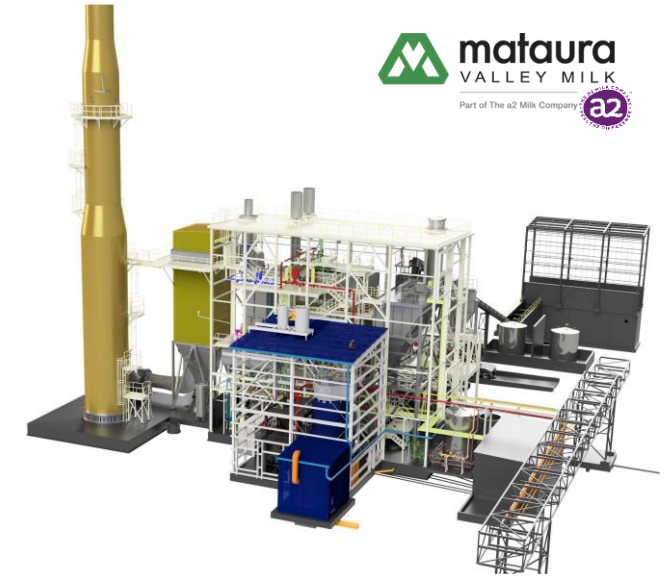
- Commenced installation of **100% renewable energy boiler** (high-pressure electrode) at MVM which will move a2MC close to Scope 1 and 2 net zero
- Commenced on-farm **methane inhibitor study** in Victoria, Australia (Scope 3)

Expanded climate & nature targets and progressed Thriving Farms programmes

- Introduced **interim on-farm Scope 3 GHG emissions reduction target** – 30% reduction by 2030 (intensity basis)
- Introduced initial nature target for **nitrogen loss** to waterways (intensity basis)
- Conducted pilot assessments for **nature risk** and opportunity analysis
- Established research partnership with **Lincoln University**
- Commenced pilot trials of **measurement tools** for water quality & GHG emissions
- Increased **farmer grants** for sustainable dairy farming projects in ANZ

Committed to making meaningful change in packaging

- Developed a sustainable **packaging** roadmap aligned to APCO targets
- Exploring options for inclusion of **recycled HDPE** in milk containers



MVM boiler installation project



FORMAL BUSINESS

DAVID HEARN



Notice of Meeting and voting instructions



The a2 Milk Company

2023 Notice of Annual Meeting

Resolution 1

Auditor's Fees and Expenses

Ernst & Young, the current auditor of the Company, will be automatically reappointed under section 207T of the Companies Act 1993. Resolution 1 authorises the Directors to fix the fees and expenses of Ernst & Young as the Company's auditor in accordance with section 207S of the Companies Act 1993.

Resolution 2

Election of Director – Kate Mitchell

Kate was appointed as a Director by the Board, under clause 17.2(a) of the Company's constitution, with effect from 1 June 2023. Kate will retire from office at the meeting and offers herself for election as required by the Company's constitution and NZX Listing Rule 2.7.1.

The other members of the Board unanimously support Kate's election.

The Board considers Kate to be an Independent Director.

Resolution 3

Grant of performance rights to David Bortolussi, Chief Executive Officer and Managing Director

The approval of shareholders is sought, on an advisory basis and for the purpose of ASX Listing Rule 10.14 and for all other purposes, to permit the Chief Executive Officer and Managing Director, David Bortolussi, or an associate named in this Notice of Meeting, to acquire 690,066 performance rights (**Rights**), as calculated below, by grant under the Company's Long Term Incentive Plan (**LTI Plan**).

The LTI Plan is one component of David Bortolussi's total remuneration package and Rights will be granted for no consideration. The LTI plan is designed to reward performance in support of the achievement of the Company's growth strategy, targeting long-term revenue and EPS growth as key drivers of shareholder value creation.

If shareholder approval is obtained, the Rights will be issued by grant as soon as practicable after the 2023 Annual Meeting. ASX Listing Rule 10.15.7 requires the issue to occur no later than three years after the date of the meeting.

If shareholders do not approve the proposed issue of Rights to David Bortolussi, the Board will instead provide David with alternative remuneration arrangements which are equivalent (taken overall) to the proposed Rights, which may include Rights that are required to be satisfied following vesting only from shares purchased on-market, or payment of a cash amount equivalent to the value of the Rights.

Shareholder approval to the grant of Rights to David Bortolussi and any subsequent issue or transfer of shares following vesting is not required under the NZX Listing Rules (as those actions comply with, and are permitted by, NZX Listing Rule 4.6.1).

Financial Statements and reports

“To receive and consider the Company’s financial statements for the year ended 30 June 2023, together with the Directors’ and Auditor’s reports.”



Resolution 1: Auditor's Fees and Expenses

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That the Directors of the Company be authorised to fix the fees and expenses of the Company’s auditor, Ernst & Young, for the ensuing year.”

Resolution 2: Election of Director – Kate Mitchell

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

"That Kate Mitchell, who was appointed a Director of the Company by the Board during the year, and who will retire at the meeting in accordance with the Company's constitution, be elected as a Director of the Company."



Resolution 3: Grant of performance rights to David Bortolussi, Chief Executive Officer and Managing Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That, on an advisory basis and for the purpose of ASX Listing Rule 10.14 and for all other purposes, the acquisition of 690,066 performance rights by the Company’s Chief Executive Officer and Managing Director, David Bortolussi, or an associate named in the Notice of Meeting, by grant under the Company’s Long Term Incentive Plan be approved.”

QUESTIONS



CHAIR ELECT SPEECH

PIP GREENWOOD



CLOSE

DAVID HEARN



[1,2] 更易消化吸收

a2[®]
源乳[®]

The
a2 Milk
Company

至初[®]

幼儿配方奶粉
(12-36月龄, 3段)

国食注字 YP20175062 净含量: 850克

倍乘自护力

高纯度^[4]
乳铁蛋白

原生营养群

HMO^[5]
OPN
OPO

3



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