a2MC 2025 Annual Meeting

Chair Speech: Pip Greenwood

With the formalities taken care of, it is now my pleasure on behalf of the Board to update our shareholders on The a2 Milk Company's progress over the last year.

2025 marks the significant milestone of the Company's 25th anniversary, this is a moment to reflect on our journey, celebrate our achievements, and look ahead with ambition.

From pioneering the A2-type protein proposition to becoming a trusted brand across China, Australia, New Zealand, the USA and emerging international markets, our commitment to quality, innovation and sustainable growth continues to define us.

FY25 has been another year of strong execution. Despite ongoing macroeconomic challenges and evolving market dynamics, we remained focused on delivering against our growth strategy and our results continue to reaffirm the strength of our brand, the quality of our execution, and the dedication of our talented team.

Our financial performance was outstanding with group revenue up 13.5% and earnings per share up 20.9% in FY25. We continue to make meaningful progress against our medium-term financial and non-financial goals and remain on track to achieve the vast majority of our targets.

This year saw the introduction of a dividend policy. Total dividends of 20 cents per share were announced for FY25, representing a payout ratio of 71% and equating to approximately $145 million being returned to our shareholders.

In sustainability, we continued to advance our goals of protecting the planet, caring for our cows, rethinking packaging, progressing towards net zero, and contributing to a nature-positive future. We are committed to supporting the planet and the communities in which we operate.

Our people are at the heart of our success. We continue to foster a safe, diverse and inclusive environment where our team feels valued and supported. On behalf of the Board, I'd like to thank our incredible team across Australia, China, New Zealand and the USA for their dedication and hard work in contributing to our strong FY25 results.

Since the end of the financial year, we have made significant progress in our supply chain transformation strategy with the acquisition of a world-class nutritional manufacturing facility in Pokeno and the divestment of our interest in Mataura Valley Milk. David Bortolussi will speak to these transactions in more detail in his address shortly.

These transactions strengthen our strategic position and provide greater certainty over future capital needs.

As a result, the Board was pleased to announce its intention to declare a special dividend of $300 million, subject to regulatory approval in connection with Pokeno's two existing China IMF products. We expect to provide further details on the special dividend within the next twelve months.

Turning to governance, board renewal and succession planning have been a key focus since I commenced my role as Chair. Last year, we welcomed Tonet Rivera and Lain Jager to the Board, bringing deep expertise in global IMF supply chain and international agribusiness leadership. More recently, Grant Dempsey joined the Board bringing extensive strategic and financial leadership experience. Lain and Grant will be standing for election today, and you will hear from them later in the meeting.

These changes reflect our commitment to ensuring the Board has the diverse perspectives and capabilities needed to support the Company's strategic ambitions. My fellow Directors and I remain focused on growing shareholder value and serving our shareholders with purpose.

Before I close, I'd like to address my own re-election as a Director as I am standing for re-election today. I've had the privilege of serving on the Board since 2019 and as Chair since November 2023. I'm proud of the progress we've made and excited about the opportunities ahead.

I bring extensive commercial and governance experience, including my current role as Chair of Westpac New Zealand and Director of Westpac Banking Corporation. I've previously served on the boards of Spark New Zealand, Fisher & Paykel Healthcare, Vulcan Steel, and Russell McVeagh, where I also served as Chair and interim CEO. I remain committed to realising the Company's strategic ambitions and representing the interests of our shareholders.

Thank you for your continued support and investment in The a2 Milk Company.

I will now invite David Bortolussi to address the meeting.

Managing Director & CEO Address: David Bortolussi

Good morning everyone and thank you for joining us today at our Annual Meeting.

My name is David Bortolussi, I am the Managing Director and CEO of The a2 Milk Company.

Over the past year, we have continued to deliver strong financial results, and made substantial progress in transforming our supply chain. These outcomes are driven by execution of our growth strategy, and the exceptional work of our talented teams around the world.

Today, I will share with you our operational and financial highlights from the past year, a slight adjustment to our strategy following recent transactions, progress on our supply chain transformation, and an update to our FY26 outlook.

Firstly, let me recap on a2's journey to date. From humble beginnings in 2000, when the company was first formed in New Zealand, by scientist Dr. Corrie McLachlan and his business partner Howard Paterson, we have grown into a global business operating in Australia, China, New Zealand, North America, South Korea and Vietnam, and have a product portfolio that spans all life stages, from infants and kids, through to adults and now seniors.

It's fitting that we celebrate our 25th year since formation by:

- acknowledging the achievements of our team, past and present, that have built The a2 Milk Company into what it is today;
- reporting record sales, with sales growth across all our markets and categories; and
- recently announcing a major step forward in our supply chain transformation, which I will speak to later.

It's been a remarkable journey to date, which all of us should be proud of, and I want to thank our shareholders that have supported the Company along the way.

More recently, we reported a strong FY25 result to the market in August.

We continued to execute our growth strategy, which saw us deliver record sales of $1.9 billion, and double-digit growth in Revenue, EBITDA and EPS.

We moved from a top-5, to top-4 brand position in the China infant milk formula (or IMF) market, driven by strong performance in both English and China label. We launched new products for infants, kids and seniors, and expanded into new markets.

As shareholders, you will be aware, that last year at our Annual Meeting, we introduced a dividend policy, for the first time in our Company's history. Since then, we have declared and paid, dividends totalling 20 cents per share, for the FY25 year, equating to a payout ratio of 71%. This marked an important milestone, in our journey to deliver sustainable returns to shareholders.

Moving to our FY25 financial results.

We delivered full year revenue growth of 13.5%.

Importantly, earnings grew at a faster rate. EBITDA was up 17% and NPAT and EPS were up 21%, with strong cash conversion.

On the right hand side of the slide, you can see that we have driven significant growth since FY21 when we refreshed our growth strategy, achieving a CAGR in Revenue, EBITDA and EPS, of 12%, 22% and 27% respectively.

Looking at our geographic segment and product category performance on the next page.

Our growth continues to be driven by our China and Other Asia segment, led this year by English Label IMF and Other Nutritionals. Since FY21, we have grown our China and Other Asia sales by a CAGR of 22%.

Our ANZ segment sales were flat, with growth in our Australian liquid milk business, offsetting declines in the Daigou channel.

Our US business continued its strong growth, and MVM experienced a significant increase in external ingredient sales, mainly due to higher GDT pricing and milk volumes.

From a category perspective, our total IMF sales grew by 10%, with English label the standout performer, up 17%, driven by growth in our CBEC and O2O channels, and a shift in the market towards English label. China label was up 3.3% with record market share, which was a very good result, in a market that declined by 5.6%, and also having to manage supply constraints.

Liquid milk sales grew by 14% in total, with ANZ up 10% and the US up 22%.

Other Nutritionals continued to grow at a fast rate, up 23%, supported by our new kids and seniors milk powder products launched during the year.

Turning to market share, our overall China IMF market share, continued to reach record levels, resulting in a2MC rising to the No. 4 brand position, in the world's largest IMF market, with 8% overall market share. This is a major milestone for our Company, which launched its first IMF product only 12 years ago, competing against the global leaders in the category, and strong domestic players.

We continued to ramp up our innovation, with key new product launches during the year, in the infant, kids and seniors nutrition segments. Early results are encouraging, and we are hopeful that a2 Genesis™, Kids Advance and our Seniors range, will be key growth drivers in FY26 and beyond.

As we look ahead, we remain committed to investing in product innovation as a core pillar of our growth strategy, to deliver benefits to our consumers at every life stage, from the infant and toddler years, to health ageing.

We progressed our emerging markets strategy, expanding the reach of our English label products into Vietnam, through the launch of a2 Platinum™ in the first half, and a2 Gentle Gold™ in the second half.

The launches are showing positive early signs, driven by our focus on building brand awareness, expanding our distribution across MBS stores, and activating in trade to promote trial and adoption.

As we continue to expand our footprint in emerging markets, we're also deepening relationships in our most established, and strategically important market – China. I'm pleased to share that recently, we expanded our long-standing strategic partnership with China State Farm, to now include English label IMF products in the CBEC channel, starting with a2 Genesis™ from early next year.

This marks a significant milestone in our relationship with China State Farm, which began in 2013. Over the past 12 years, we have worked closely with China State Farm, to build our China label IMF business, helping us grow to over 100 distributors, and reach around 30,000 mother and baby stores across China, as well as key online platforms. Their expertise and operational capability, have been critical to our success in the world's largest IMF market.

This expansion has been well over 12 months in the making, and was formally recognised at a signing ceremony, at the China International Import Expo in Shanghai, a couple of weeks ago. It reflects not only the strength of our partnership, but also the broader relationship between China and New Zealand.

Moving now to our investment in A1 protein free science, which is central to our a2 Milk brand proposition. Over the past year, we have continued to build on that foundation, with the results of three new studies released, in relation to maternal nutrition, infant nutrition and seniors cognition, further expanding knowledge of the unique benefits of a2 Milk.

Shifting focus to sustainability. We have a clear roadmap in place to guide us toward achieving planet positive outcomes, and net zero by 2040.

Over the year we have reduced emissions significantly, supported on-farm initiatives, and improved packaging performance.

Moving now to a brief strategy update. We have updated our growth strategy after completing our supply chain transformation transactions. Firstly, we have adjusted our Transform Supply Chain priority, to focus on execution of our important transformation program at a2 Pokeno, and on building capability to support our innovation and growth. Secondly, we have placed more emphasis on entering new markets, and called this out as one of our key priorities.

Moving to the next slide, we are tracking well towards our medium-term financial and non-financial goals, and remain on track to achieve the majority of our targets.

Our strong FY25 performance, has brought us much closer, to our medium-term revenue ambition of $2 billion, and our supply chain transformation will support a more significant increase in EBITDA margins in FY26.

Our English label IMF and ANZ liquid milk businesses are back on track, and our emerging market outlook has improved, following the launch of IMF in Vietnam this year which we are excited about.

I'll now turn to the progress we've made in transforming our supply chain, which is a key enabler of our future growth.

In August we announced two transactions that will transform our supply chain and market access, enabling us to build a better, higher growth, lower risk, end-to-end business, with significant value creation potential.

The first transaction, relates to the acquisition of a fully integrated nutritional manufacturing facility, located in Pokeno, here in New Zealand, that I will refer to as a2 Pokeno. Importantly, it has two existing China label IMF registrations, and already produces two of our English label IMF products.

The second transaction we announced relates to the divestment of MVM to Open Country Dairy to optimise our asset footprint.

There is a clear strategic rationale for these transactions. In essence, the combined transactions:

- Enable growth and share gains in China, through market access and innovation;
- Accelerate the development of a world-class nutritional manufacturing capability; and
- Capture attractive financial returns, through vertical margin capture and incremental brand contribution

In terms of financial returns, by FY30, the combined transactions, will deliver over $100 million of additional brand sales, and over $60 million of additional EBITDA, through incremental brand contribution and vertical margin capture.

We have been working on this strategy for several years and have considered many options. Without doubt, the transactions we have completed, are our preferred strategic, operational and financial outcome.

Turning to our newly acquired a2 Pokeno facility which is strategically located in the Waikato region. This world-class site, has proven capability in IMF manufacturing, and is already producing two of our English label products.

Importantly, we've secured a long-term agreement with Fonterra, for A1 protein-free milk, ensuring supply flexibility, and supporting our long term growth ambitions.

We will be investing significantly in the facility, and expanding of our team, to enable our growth.

The next page highlights the strategic rationale for the acquisition of a2 Pokeno. Of the top ten players in the China IMF market, a2MC is the only brand in the top-10, with a single China label product, with the competition having between 5-21 registrations – it is obviously challenging to capture the full potential of our brand in a large and complex market with one product.

The acquisition of a2 Pokeno, is expected to increase our China label IMF product registrations from 1 to 3 in the near term, which will enable us to expand our product portfolio, develop differentiated consumer and trade propositions, to increase market share, including in lower-tier cities.

An expanded China label portfolio, will help us maximise our IMF opportunity in China, by providing greater access to the largest segment of the China IMF market, with China label accounting for approximately 81% of the total market.

In the short term, we'll transition existing products to our A1 protein-free milk base, and are in the process of seeking regulatory approval to bring them under the a2MC brand, while planning for future innovation and a third registration slot.

Since announcing these transactions, we've made significant progress.

We successfully completed the acquisition of the a2 Pokeno facility and the divestment of MVM.

We're advancing regulatory processes to bring existing China label registrations under the a2MC brand – we have achieved MPI's approval of our updated RMP and have applied for GACC approval.

We have already completed some blending and canning batches for a2 Platinum at a2 Pokeno in collaboration with Synlait ahead of transition in 1Q27. And have commenced short-term and long-term product development trials.

We have made strong progress on our capital investment program at Pokeno and awarded several key contracts, and have commenced our IT integration and ERP upgrade project.

We have been hiring people in manufacturing leadership and operational roles and over time will add more that 100 new roles, providing significant development opportunities to our existing and future team members.

At the same time, we've ensured a smooth operational separation of MVM.

So, to conclude this section, we are excited to secure a world-class asset to help us build our supply chain of the future, and at this early stage, our transformation program is tracking in-line, and in some cases, ahead of plan.

Turning now to FY26 and the Company's outlook.

I'm pleased to say that we've started the financial year strongly with IMF, Other Nutritionals and Liquid Milk product categories all trading ahead of expectations.

In addition, changes to actual and forecast currency rates reflecting NZD depreciation are expected to inflate sales and expenses, with the impact to EBITDA not expected to be material.

Having regard to these factors, today we increased our FY26 guidance for revenue growth from high single-digit percent to low double-digit percent.

We have also reconfirmed EBITDA % margin guidance to be approximately 15 – 16%, and increased our Net profit after tax guidance to now be slightly up on FY25 reported.

Lastly, we increased our guidance for capital expenditure to reflect the accelerated progress of the a2 Pokeno capital investment programme.

Finally, turning to capital management. The transactions discussed today provide us with clarity in relation to our future capital needs.

As noted by our Chair in her address, the Board intends to declare a special dividend of $300 million, subject to obtaining regulatory approvals, to bring the new China label registered products under the a2MC brand, which is expected to take up to twelve months from when we announced the acquisition.

The special dividend is expected to be unimputed and fully franked.

That brings me to the end of my presentation.

In closing, we have delivered a strong FY25 result, executed two transactions and a milk supply agreement that substantially supports our growth strategy, and have demonstrated disciplined capital management.

It’s been a massive year for our team, and I want to thank them all for their exceptional contribution and impact. We’re only a small team of just of 500 people, that has achieved extraordinary things.

I look forward to answering any questions you may have after the formal business section of the Annual Meeting or after the meeting closes if you prefer.

Thank you very much for your time, and I’ll now hand back to our Chair.