Fonterra Co-operative Group

2024 Annual Results

25 September 2024

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Results at a glance

Continuing operations' operating profit (EBIT)	Net earnings (Profit after tax)	Continuing operations' earnings per share	Farmgate Milk Price
$1,560m	$1,128m	70cents	$7.83
↓ from 1,755m	↓ from 1,577m	↓ from 75c	↓ from $8.22

Gearing ratio	Earnings per share	Dividend
24.0%	67cents	55cents
↓ from 28.8%	↓ from 95c	↑ from 50c

Return on capital

11.3%

↓ from 12.4%

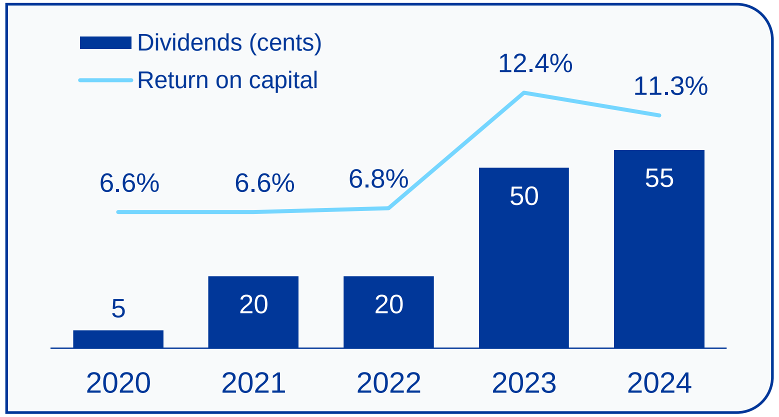
Step change in performance over the last two years

Return on capital

- **11.3% return on capital**
  - Significantly above 5-year average and above FY24 target range

Dividends

- **55 cents per share**
  - Full year dividend of 40c made up of 15c interim dividend and 25c final dividend
  - Special dividend of 15c reflecting capital management efficiency and robust balance sheet

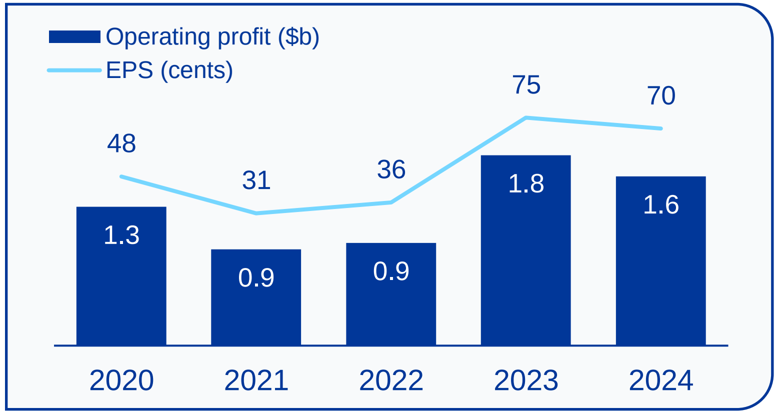


Operating profit

- **$1.6b operating profit (EBIT)** from continuing operations
  - Ingredients EBIT of $898m, down $657m; price relativities easing from prior year record high
  - Foodservice EBIT of $463m, up $138m; improved margins and higher allocation of milk solids
  - Consumer EBIT of $199m, up $324m; improved margins and lower operating expenses

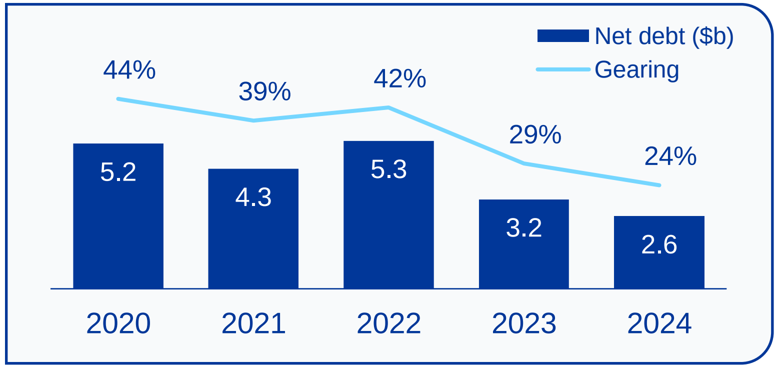
Profit after tax

- **70c earnings per share from continuing operations**
  - Equivalent to profit after tax of $1.17b
- (3) cents per share from discontinued operations



Resilient Co-op

- **Resilience** provides optionality and flexibility for future investments and mitigates volatility
- Balance sheet strength
  - $2.6b net debt, $0.6b lower due to strong underlying operating performance and lower working capital. Year-end inventory was down 25k MT (4%), equivalent to $0.2b
  - Gearing ratio of 24.0% reflecting lower net debt and higher equity due to strong earnings
- Continued investment in essential and sustainability capital projects and strategic opex, including enterprise systems, energy and wastewater projects



Good progress on strategy

Focus on innovation

- Developed and implemented an AI based fault detection system that improved butter and powder packaging efficiency, reducing plant downtime
- Manufacturing innovation using steam infusion technology to increase run time and yields for UHT cream
- Collaborated with QSR customers to develop a soft style mozzarella that improved quality of home delivered pizzas
- Inaugural Horizon Awards to celebrate the innovation of our people across the co-op with 240 entries

Strategic review complete

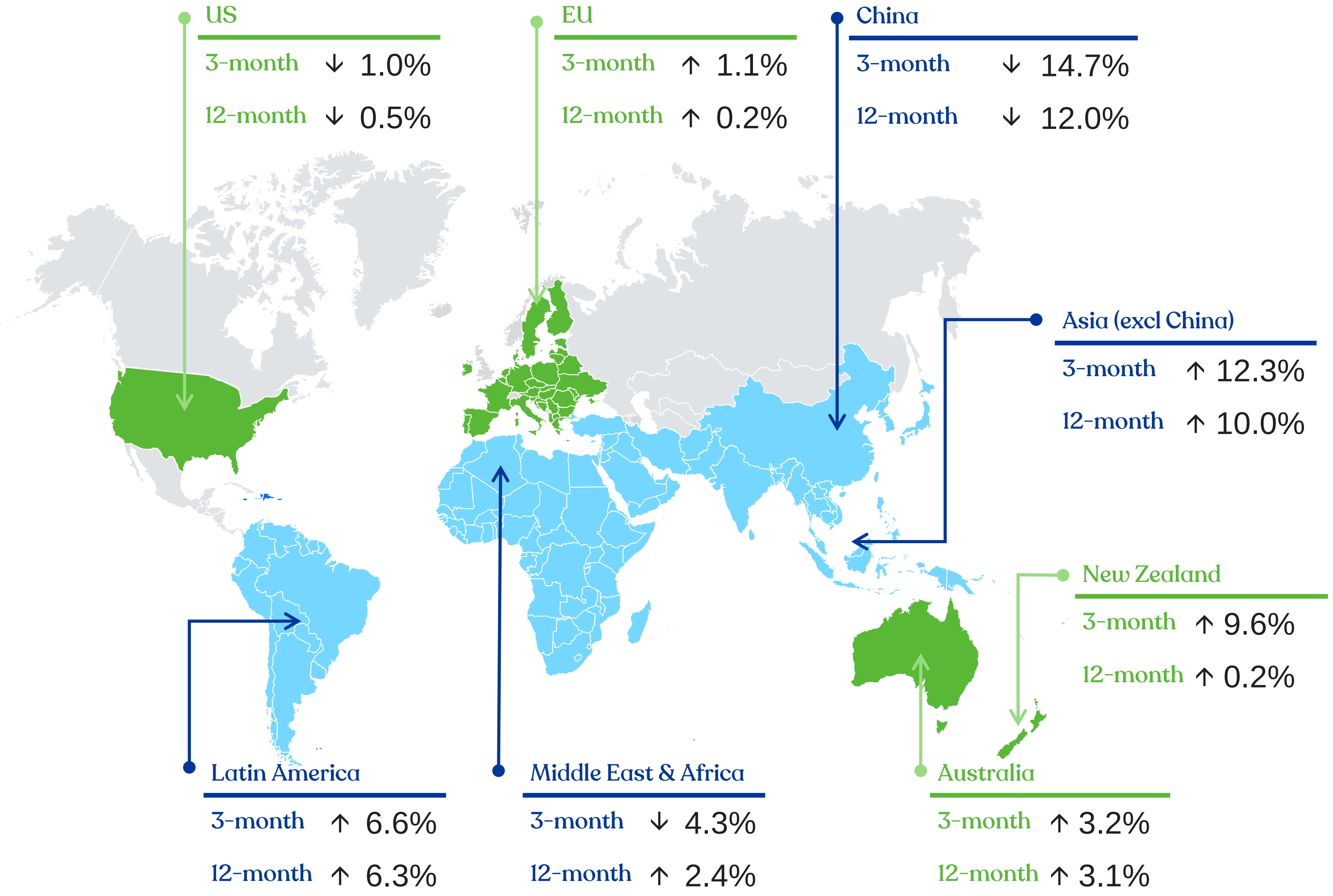
- Announced the potential divestment of some or all of our global Consumer business plus Fonterra Oceania and Fonterra Sri Lanka
  - Appointed advisors to assist with assessing our divestment options
- Announced three new investments for the future
  - $75m in a high-value protein hub at Studholme
  - $150m to build a new UHT cream plant at Edendale
  - $150m to build a new cool store at Whareroa site in Taranaki

Making good progress on sustainability

- Collaboration with customers to support and accelerate best practice in sustainability
- 18.5% reduction in Scope 1 & 2 emissions across our operations
- 12.4% reduction in water use and the implementation of Water Improvement Plans at all our global sites
- Announced a target 30% intensity reduction in on-farm emissions by 2030 (from a 2018 baseline) to support the emissions reduction profile of products

Variable milk supply and strong demand from key importing regions

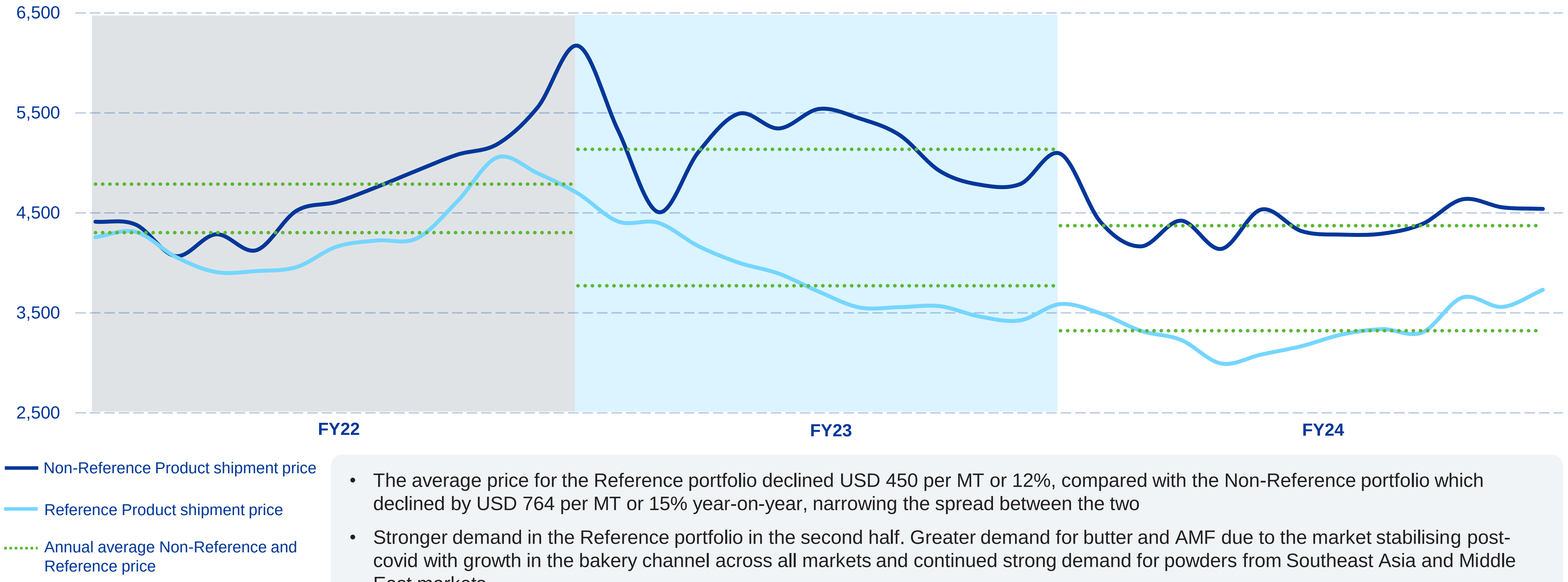
- Outlook for dairy trade is positive
  - Continued strong demand from key import regions, particularly Southeast Asia, and Middle East and Africa
  - China import demand impacted by prioritisation of domestic milk supply
  - EU production recovered due to stable milk price and lower on-farm costs
  - US production impacted by lower herd sizes due to favourable beef prices
  - Australia production increased due to better weather conditions, high milk prices and lower on-farm costs
  - New Zealand current season production has started strong due to favourable weather conditions and early calving
- Lower production by litres in US offset by improved milk solids yield per cow
- Slower domestic demand growth and lower milk price in China impacting its local milk supply growth



Note: Refer to additional information for source data and date ranges

Revenue price relativities unfavourable compared to prior year

Fonterra Revenue Reference and Non-Reference Price Relativities (USD/MT)

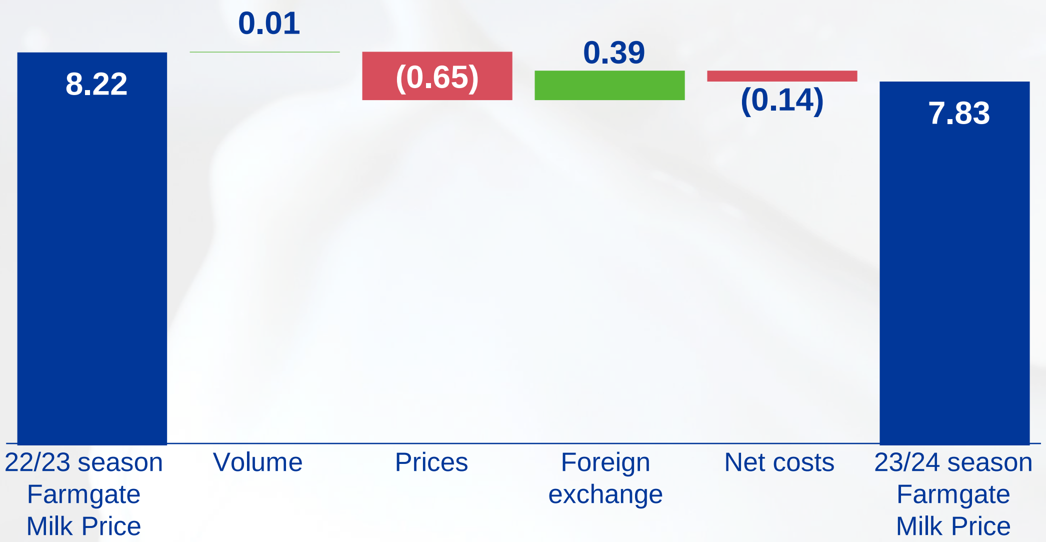


- The average price for the Reference portfolio declined USD 450 per MT or 12%, compared with the Non-Reference portfolio which declined by USD 764 per MT or 15% year-on-year, narrowing the spread between the two
- Stronger demand in the Reference portfolio in the second half. Greater demand for butter and AMF due to the market stabilising post-covid with growth in the bakery channel across all markets and continued strong demand for powders from Southeast Asia and Middle East markets
- Non-Reference pricing has remained relatively stable through FY24 after a significant decline in Q1

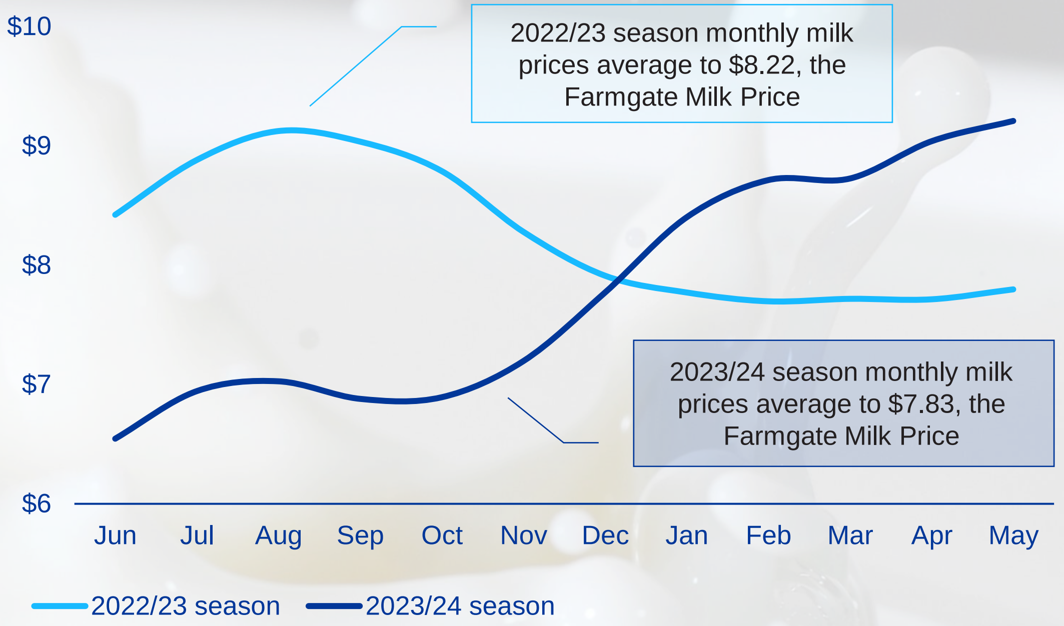
Note: Refer to additional information for source data and date ranges

Lower average global commodity prices and different monthly profile

Milk Price drivers ($ per kgMS)



Monthly Milk Prices ($ per kgMS)



- Reference Product prices that informed the 2023/24 season were lower than prior season
- The lower product prices were partially offset by favourable currency hedge movements, as the NZD:USD trended downwards
- 14 cents, or $147 million, of inflationary increases in the cost of most inputs, with significant increases in the cost of energy, staff costs, packaging and motor vehicle

- 38% of milk was collected and manufactured in September to November, and product prices informing monthly milk prices during this period were 19% lower than prior season
- FY24 Foodservice and Consumer gross margins during Q1 – Q3 are higher relative to prior year due to lower cost of milk at start of financial year
- Monthly Milk Prices in April and May over $9 impacted Q4 gross margin

Continued focus on total cash return to farmers

- Higher FY24 dividend reflects higher earnings over the last two years and a robust balance sheet
- Strong balance sheet enabled further improvement in advance rate payments
  - In 2023/24, early season payments increased to 75% of the total forecasted milk price, up from the historical 65%
  - In 2024/25 milk payments for early in the season have increased to 85%

1. Cash returns announced in a calendar year

Drivers of operating performance

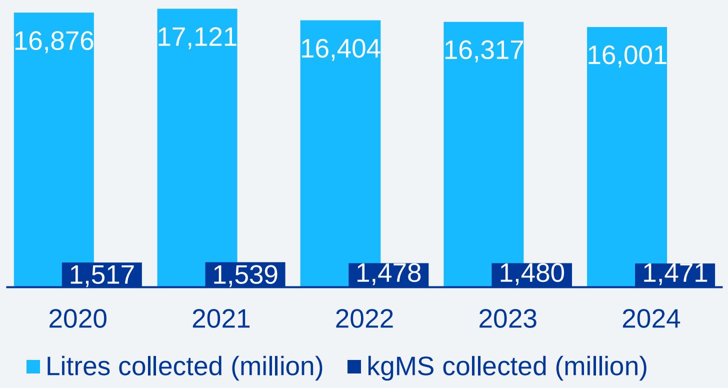
Improved productivity from our New Zealand supplier base

- Higher average production per farm mainly due to improved production per cow and an increase in average farm size
- Focus on quality over quantity resulted in greater solid availability in milk
- Milk collected from 8,141 shareholding and 110 non-shareholding farms around New Zealand. Supplying farms numbers lower due to:
  - smaller farms converting to other land uses
  - increase in competitor activity
- Non-shareholding farms largely made up of farms supplying MyMilk and expected to steadily decline as the Co-operative no longer accepts new applications for MyMilk with the introduction of flexible shareholding structure
- Majority of farmers who exited MyMilk programme before the end of 2023/24 season, joined the Co-operative as supplying shareholders

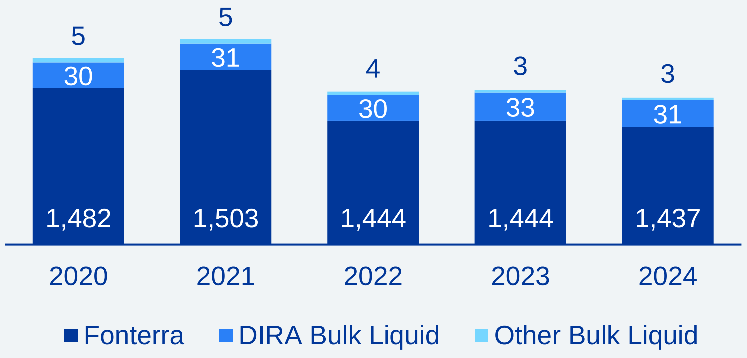
1. Includes shareholding farms that were supplying milk as at 31 July

Timeliness of milk collection maintained, marginally higher cost

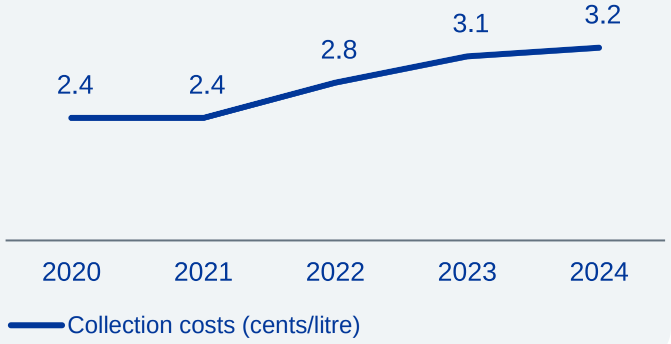
Litres and milk solids collected



New Zealand milk solids processed and Bulk Liquid sales (million kgMS)

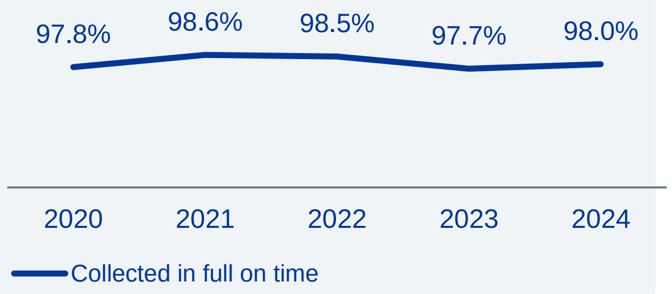


Cost of collecting milk



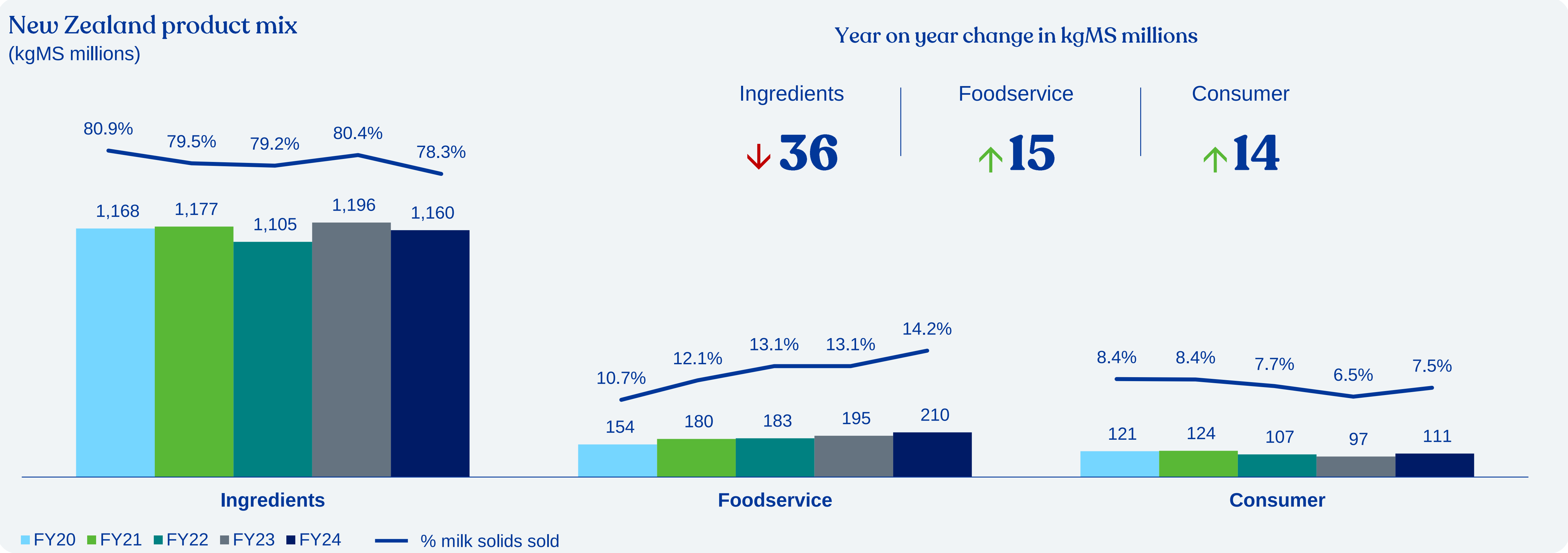
- Cost of collecting milk increased due to rising Road User Charges after the temporary reduction ended in June 2023, partially offset by favourable diesel prices
- Inflation impacted staff and vehicle maintenance costs
- Use of data and analytics to monitor fuel efficiency by tanker and driver enabled targeted training to improve efficiency

Timeliness of collecting milk



- "Collected in full on time" (CIFOT) is the measure of how well we have performed in collecting our farmer owners' milk within our planned collection windows
- Performance has remained strong and stable
- The rollout of milk vat monitoring technology has enhanced our planning and management of milk collection

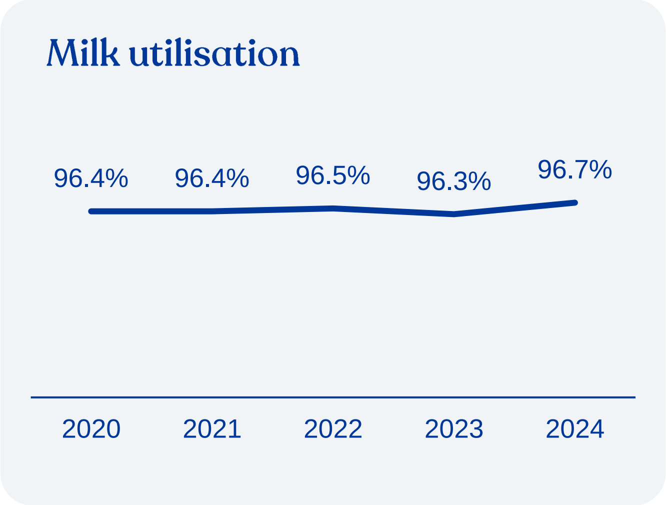
Improved product mix as more solids sold through Foodservice and Consumer

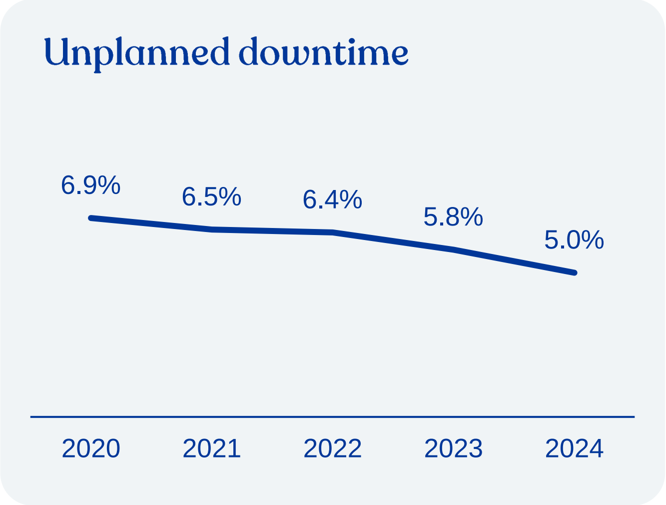


- Higher proportion of solids allocated to Foodservice and Consumer to capture higher margins in these channels
- Increased allocation of solids in Foodservice was due to higher demand in Greater China, particularly UHT cream
- A higher proportion of Ingredients was sold in FY23 due to the additional inventory carried over from FY22

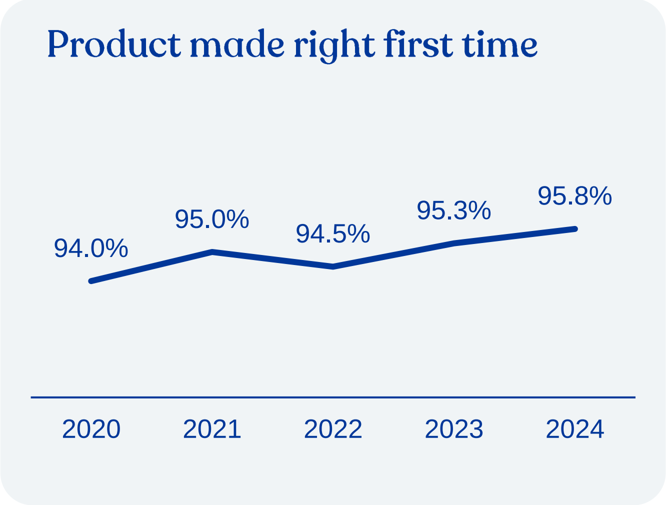
Note: Data presented as sales by channel

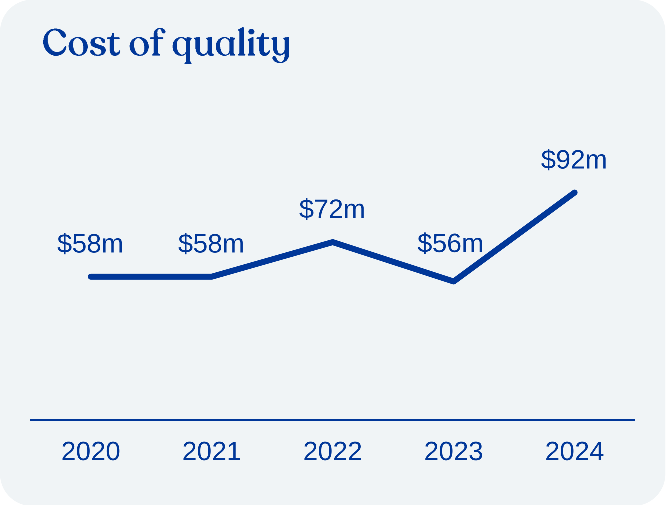
Continuous improvement in our milk processing performance





- **Milk utilisation** (the proportion of milk solids made into products) improved due to favourable product mix and improved operational performance
  - Favourable product mix due to increased production of skim and cream products that have lower processing losses
- **Unplanned downtime** has improved through implementing robust maintenance strategies
  - Strategic projects such as Run to Target have improved manufacturing efficiencies, lifting performance and operational efficiency through standardised activity across operations

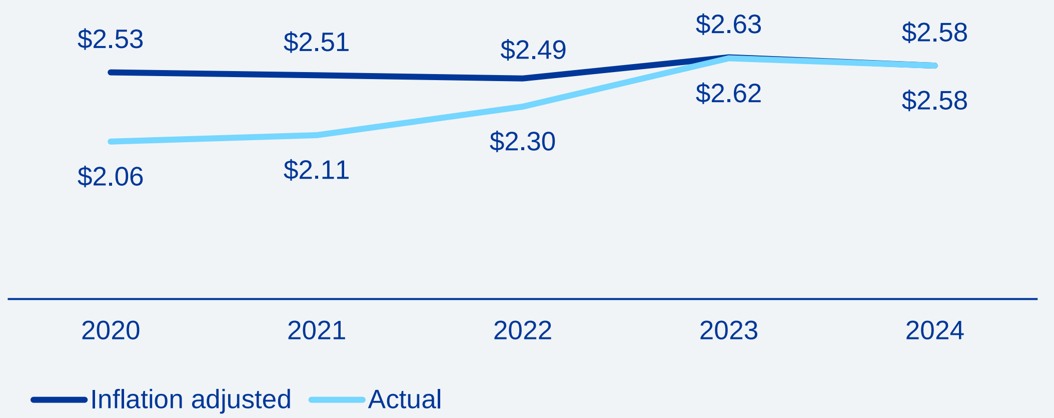




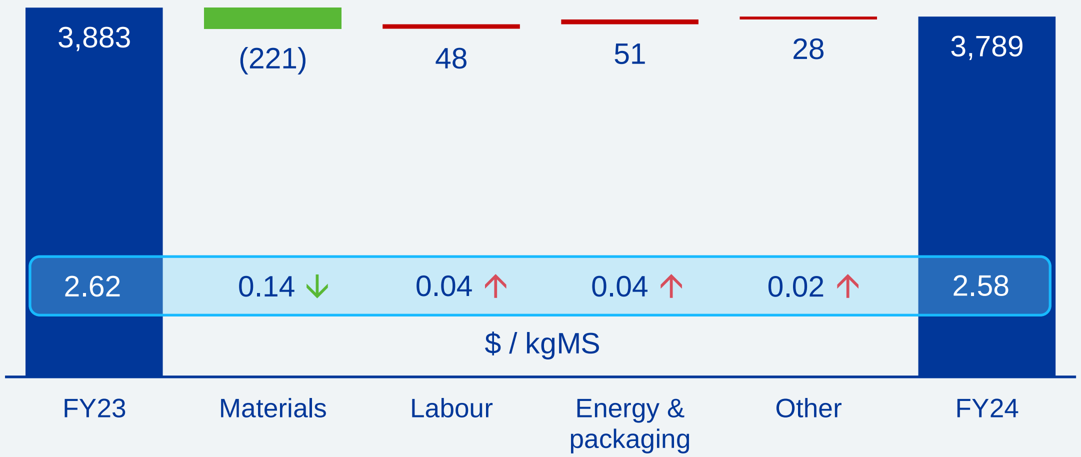
- **Product made right first time** measures the percentage of products that pass grading tests immediately after manufacturing
  - improved to 95.8% mainly due to process improvements which includes efficiencies through Run to Target programme
- **Cost of quality** is one of our key measures of the effectiveness of our manufacturing activity
  - two events relating to a sensory matter and product discounts which resulted in a $29m impact

Improvement in Core Operations manufacturing cash costs per kgMS in FY24

Core Operations manufacturing cash costs
($/kgMS)



Movements in Core Operations manufacturing cash costs
($ million)

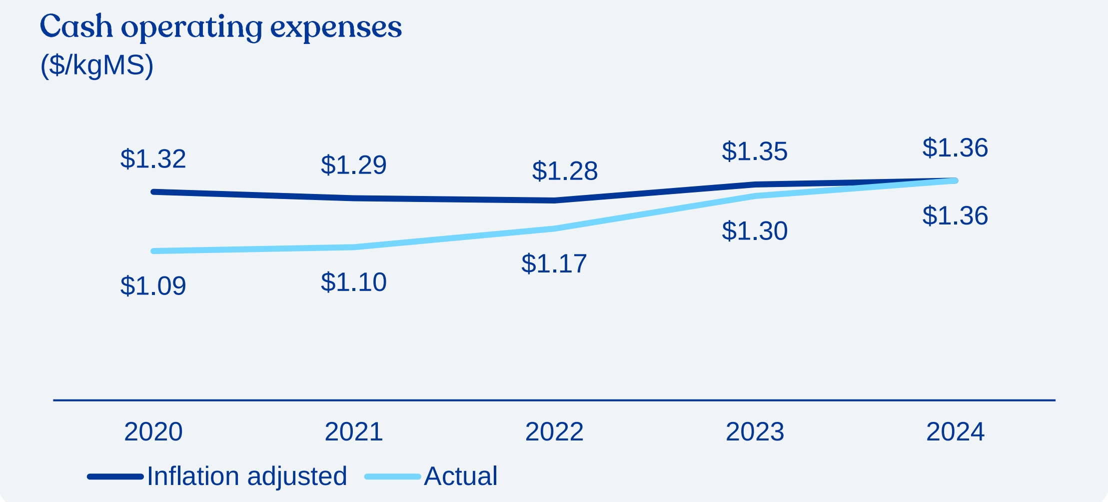


Core manufacturing costs	2020	2021	2022	2023	2024
Actual ($ million)	3,128	3,243	3,397	3,883	3,789
Cumulative inflation[1]	22.5%	19.2%	8.3%	0.3%	
Inflation adjusted ($ million)	3,834	3,864	3,678	3,893	3,789
Collections (kgMS million)					
New Zealand	1,517	1,539	1,478	1,480	1,471

- Achieved a 2% reduction in FY24 in line with target
- Key drivers of reduction in FY24 include:
  - procurement benefits for materials and inputs
  - shift in the product mix to lower cost products
  - efficiency gains through performance improvement programs partially offsetting inflation and labour cost increases
- Core Operations manufacturing costs per kgMS is the efficiency component of the Gross Profit from Core Operations metric – see slide 61

1. Real costs have been calculated using CPI and inflation in manufacturing components

Increase in cash operating expense per kgMS reflects investment in IT transformation



Channel	Allocation of collections (m kgMS)	Actual cash operating expenses	Cash operating expenses
Ingredients	1,195kgMS 35 kgMS ↓	$1,022m $7m ↓	$0.86/kgMS $0.02 /kgMS ↑
Foodservice	226kgMS 13 kgMS ↑	$460m $62m ↑	$2.04/kgMS $0.17 /kgMS ↑
Consumer	158kgMS 14 kgMS ↑	$666m $25m ↑	$4.22/kgMS $0.25 /kgMS ↓

Cash operating expenses ($m)	2020	2021	2022	2023	2024
Operational expenses	1,763	1,810	1,858	2,046	2,067
IT & Digital transformation	-	-	-	22	81
Total	1,763	1,810	1,858	2,068	2,148
Compound CPI	21.3%	17.5%	9.5%	3.3%	
Inflation adjusted	2,139	2,127	2,034	2,136	2,148
Collections (kgMS million)					
New Zealand	1,517	1,539	1,478	1,480	1,471
Australia	107	106	106	106	107
Total	1,624	1,645	1,584	1,586	1,578

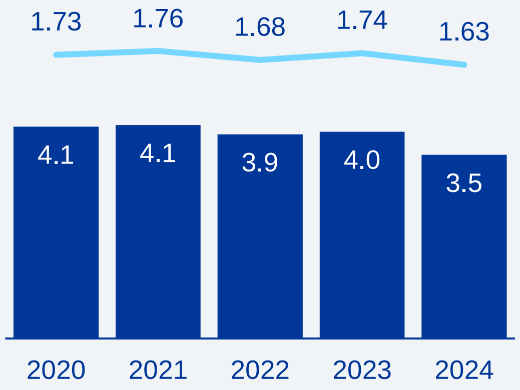
- Cash opex savings achieved largely offset the impact of inflation (3.3%) and product mix change to higher cost products
- Increase in total cash operating expenses reflect investment in IT and digital transformation that is expensed, rather than capitalised
- Foodservice cash opex per kgMS increased by $0.17 per kgMS due to increased selling and marketing, IT and staff costs to support business growth. Gross profit increased by $0.65 per kgMS
- Consumer cash opex has reduced by $0.25 per kgMS, as increased investment in selling and marketing resulted in a 9% lift in sales volumes and a lift in gross profit of $0.34 per kgMS

Note: Data is a 12-month rolling average for continuing operations. Comparative information has been represented for consistency with the current period

Financial Outcomes

Step change in Group performance over the last two years

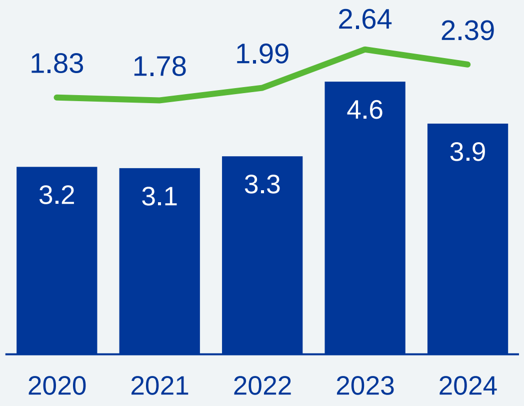
Sales volume (million MT)



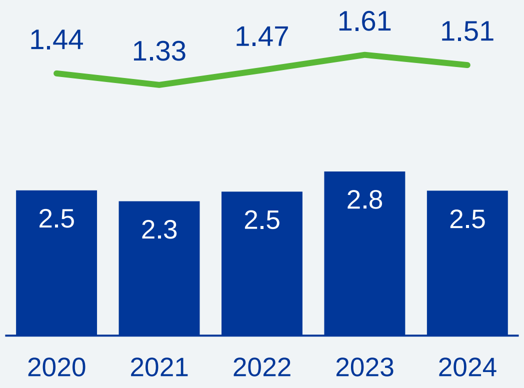
Revenue ($ billion)

Cost of goods sold ($ billion)

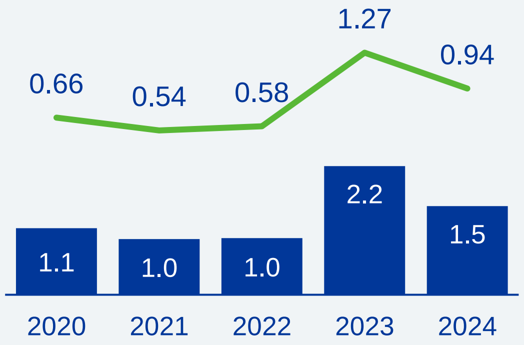
Gross profit ($ billion)



Operating expenses ($ billion)

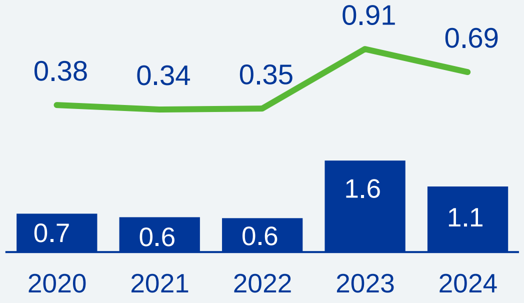


EBIT ($ billion)



Finance and tax expense ($ billion)

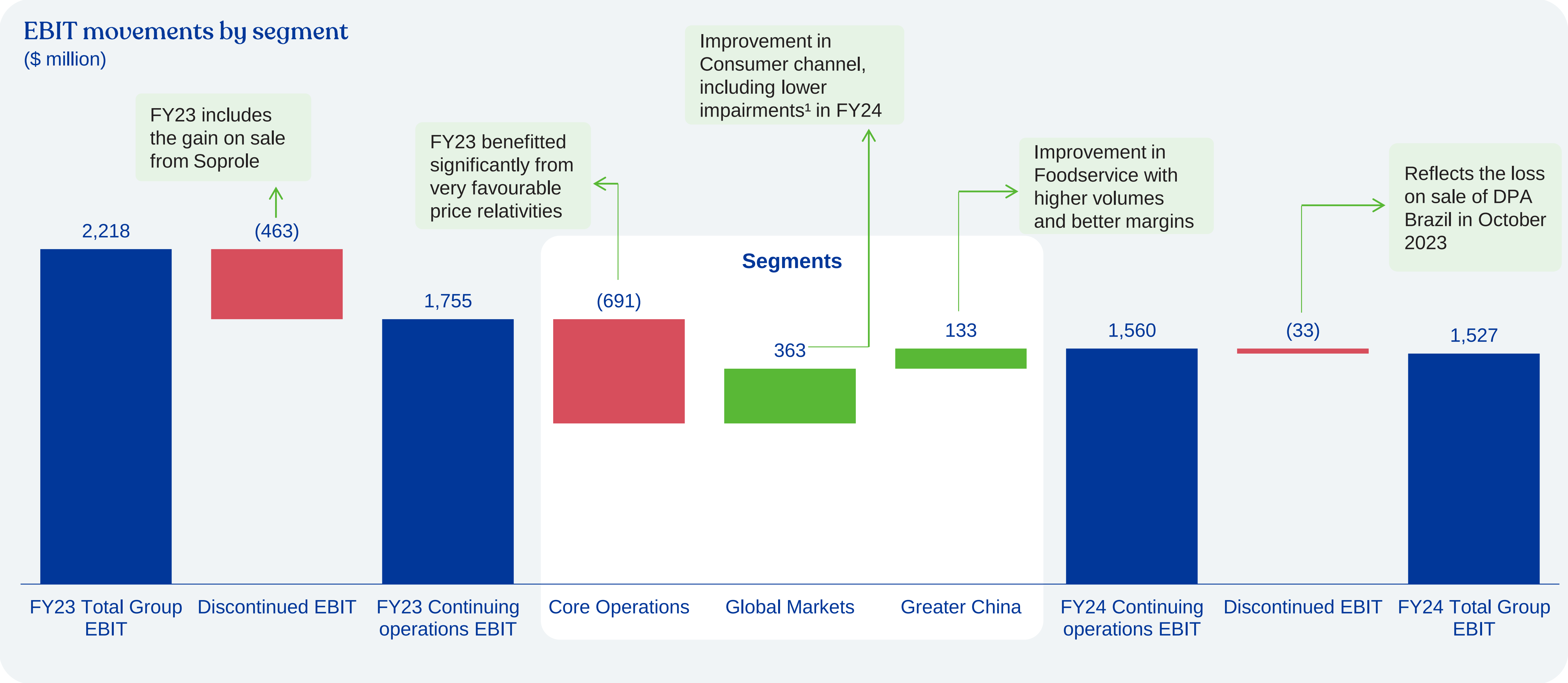
Profit after tax ($ billion)



Total Group $/kgMS   billion kgMS

1. Note: All figures are for the year ended 31 July. 'Other' not included in the charts and is the reconciliation difference in calculating EBIT from gross profit

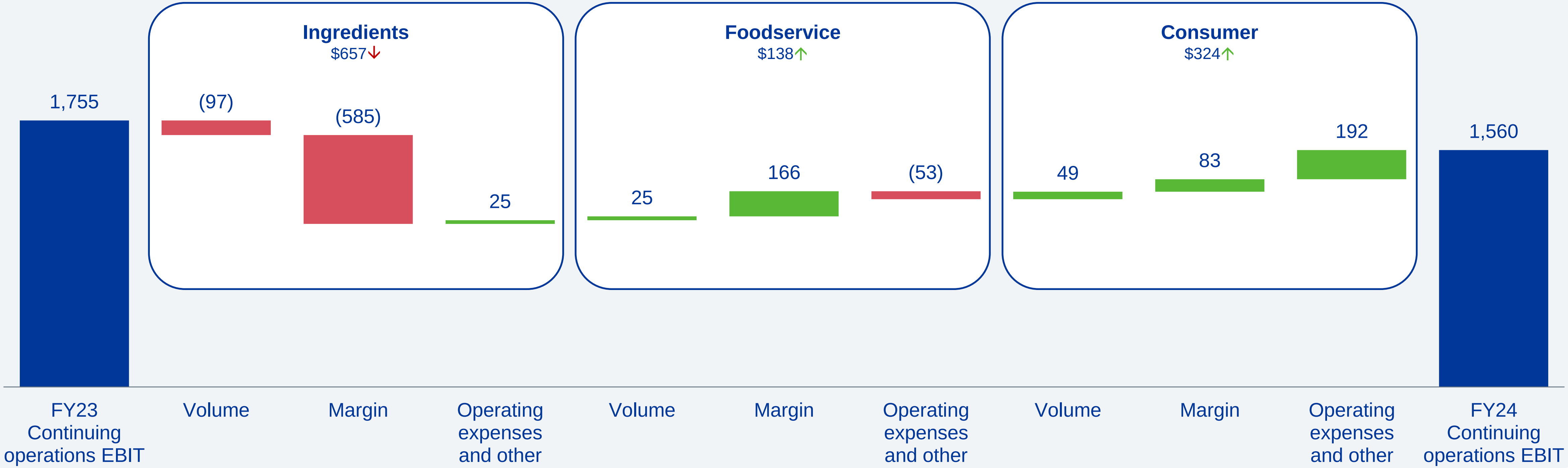
Improved operating earnings within markets offset by lower price relativities



Note: For the year ended 31 July
1. Net impact of impairments in Global Markets is $193m, with impairments of $5m in FY24 and $198m in FY23

Improvement in Foodservice and Consumer offset by lower Ingredients earnings

EBIT channel driver movements between FY23 and FY24 ($ million)



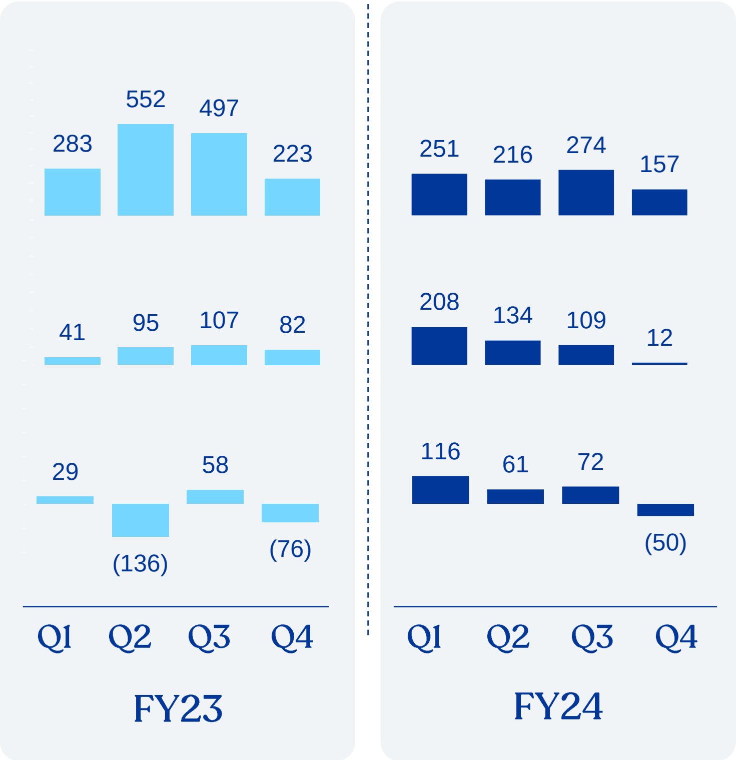
- Significant shift in composition of operating earnings between channels compared to prior year:
  - Ingredients earnings $657m lower, due to narrower price relativities impacting margins and allocation of milk to higher value channels
  - Foodservice earnings up $138m, due to increased sales volumes and higher margins as product prices maintained while input costs were lower
  - Consumer earnings up $324m, due to higher sales volumes and increased margins. Adjusting for net impairments of $213m (FY23, $244m and FY24, 31m), underlying operating earnings improved $111m in FY24

Note: For the year ended 31 July. Includes Core Operations attribution

Diversified across markets and products

	Core Operations	Global Markets	Greater China	Total
External sales volume (million kgMS)		1,164 - %	449 4% ↓	1,613 1% ↓
EBIT contribution from continuing operations				
Ingredients	$165m $658m ↓	$573m $13m ↑	$160m $12m ↓	$898m $657m ↓
Foodservice	$(22)m $19m ↓	$122m $57m ↑	$363m $100m ↑	$463m $138m ↑
Consumer	$(28)m $14m ↓	$247m $293m ↑	$(20)m $45m ↑	$199m $324m ↑
Total	$115m $691m ↓	$942m $363m ↑	$503m $133m ↑	$1,560m $195m ↓

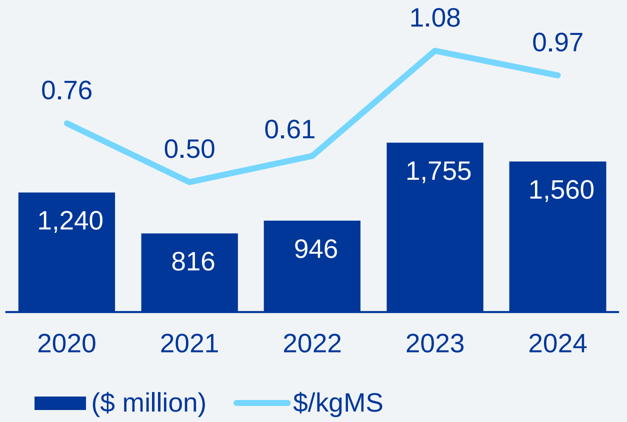
EBIT by quarter



Note: For the year ended 31 July. Prepared on a continuing operations basis. Comparative information has been re-presented for consistency with the current period

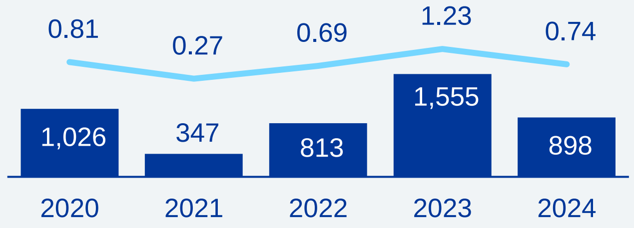
Earnings per kgMS reflect the step change in operating earnings

EBIT from continuing operations[1]



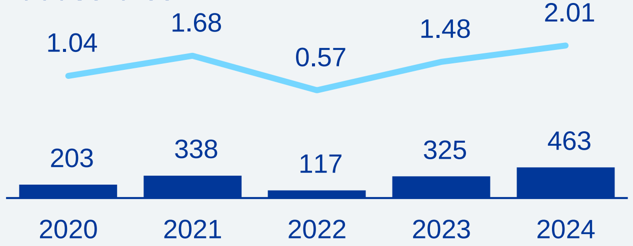
- EBIT per kgMS over the last 5 years reflects the overall lift in earnings on lower total kgMS
- In FY24 the change in EBIT per kgMS reflects the lower volumes and price relativities in Ingredients, partially offset by improved margins and volumes in Foodservice and Consumer
- The higher Consumer opex per kgMS in FY23 reflects the impairments

Ingredients[2]



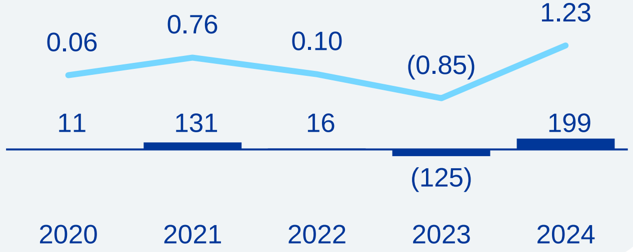
$ per kgMS sold	FY20	FY21	FY22	FY23	FY24
Revenue	10.82	10.72	13.11	13.77	12.36
Gross profit	1.18	0.90	1.42	2.10	1.61
Opex	0.74	0.70	0.85	0.90	0.93
EBIT[4]	0.81	0.27	0.69	1.23	0.74
kgMS sold	1,265	1,267	1,185	1,265	1,221

Foodservice[2]



Revenue	13.73	14.48	16.21	17.66	17.60
Gross profit	2.77	3.34	2.43	3.42	4.08
Opex	1.77	1.72	1.93	1.95	2.14
EBIT[4]	1.04	1.68	0.57	1.48	2.01
kgMS sold	195	201	204	219	230

Consumer[2]



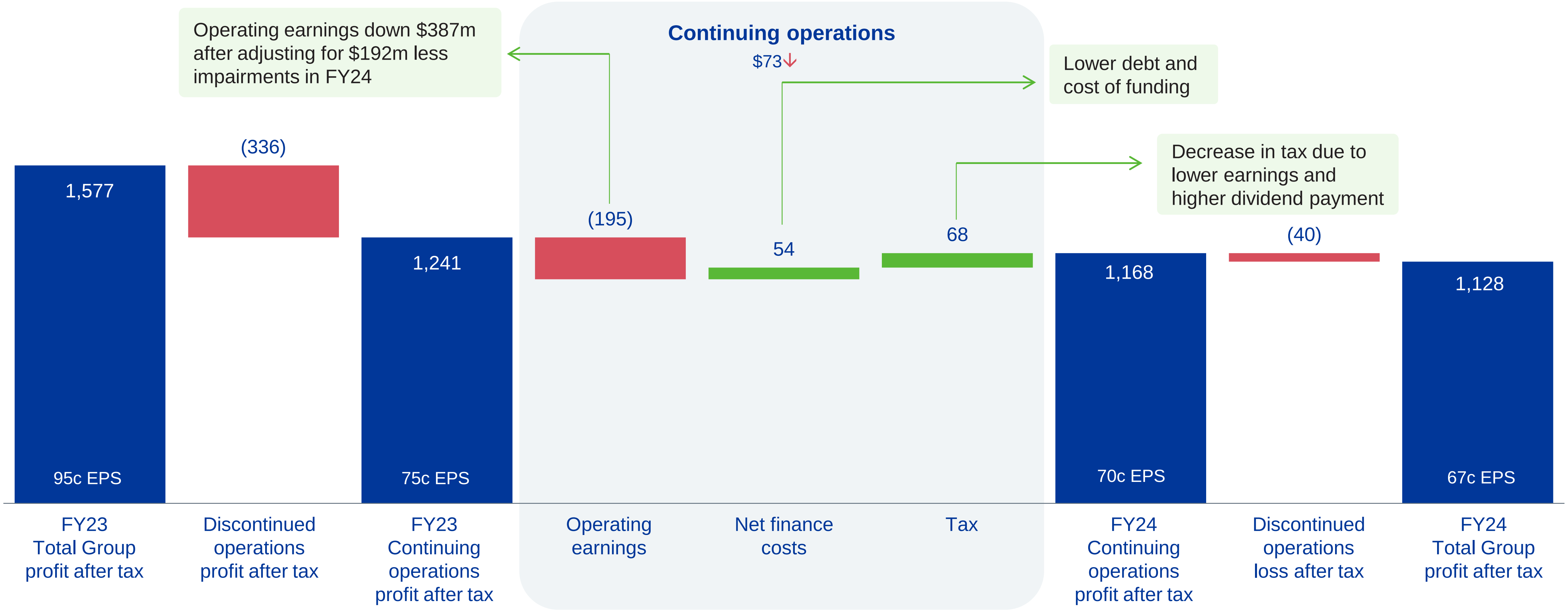
Revenue	16.65	18.27	19.66	22.36	22.80
Gross profit	4.40	5.15	4.70	5.29	5.66
Opex[3]	4.27	4.42	4.30	6.28	4.55
EBIT[4]	0.06	0.76	0.10	(0.85)	1.23
kgMS sold	180	172	156	148	161

Note: Figures are for the year ended 31 July and do not include normalisations. All tables exclude other operating income, net foreign exchange gains/(losses) and share of profit/loss on equity accounted investees
1. Soprole was classed as a discontinued operation in 2023. Consequently, 2020, 2021 and 2022 was re-presented
2. 2023 channel view has been re-presented for consistency with the current period
3. Impairment of $1.65 per kgMS and $0.19 per kgMS in FY23 and FY24, respectively
4. Other not included in the tables and is the reconciliation difference in calculating EBIT from Gross Profit

Lower operating earnings partially offset by lower finance costs and tax

FY23 to FY24 Profit after tax

($ million)

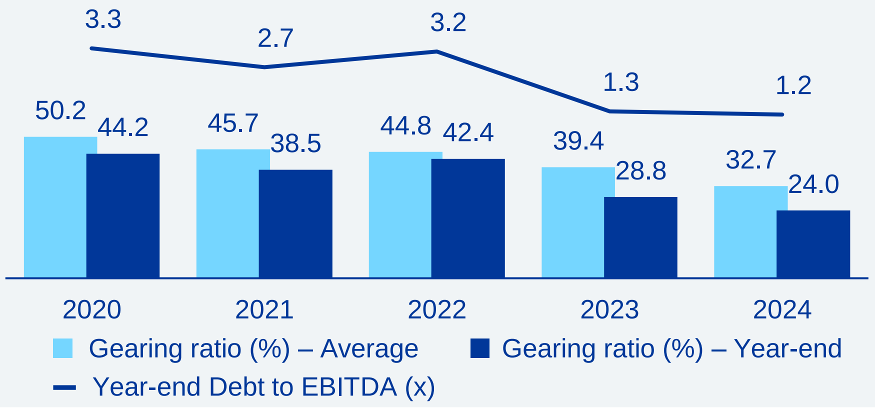


Note: For the year ended 31 July. Profit after tax presented in the graph includes profit attributable to non-controlling interests. EPS presented is for profit attributable to equity holders of the Co-operative

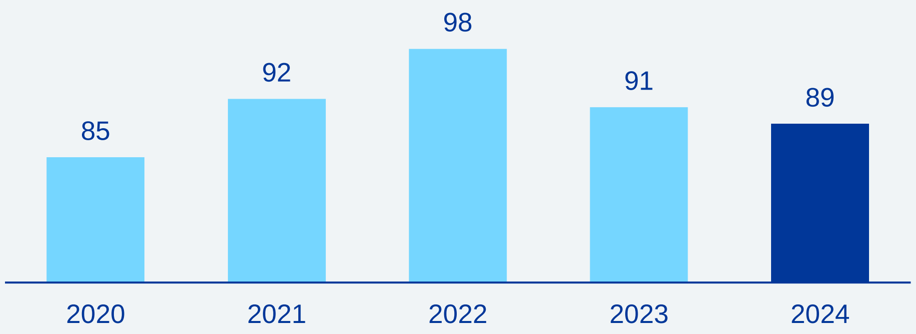
Strong balance sheet provides resilience and flexibility

Net debt ($ billion)

Leverage



Working capital days



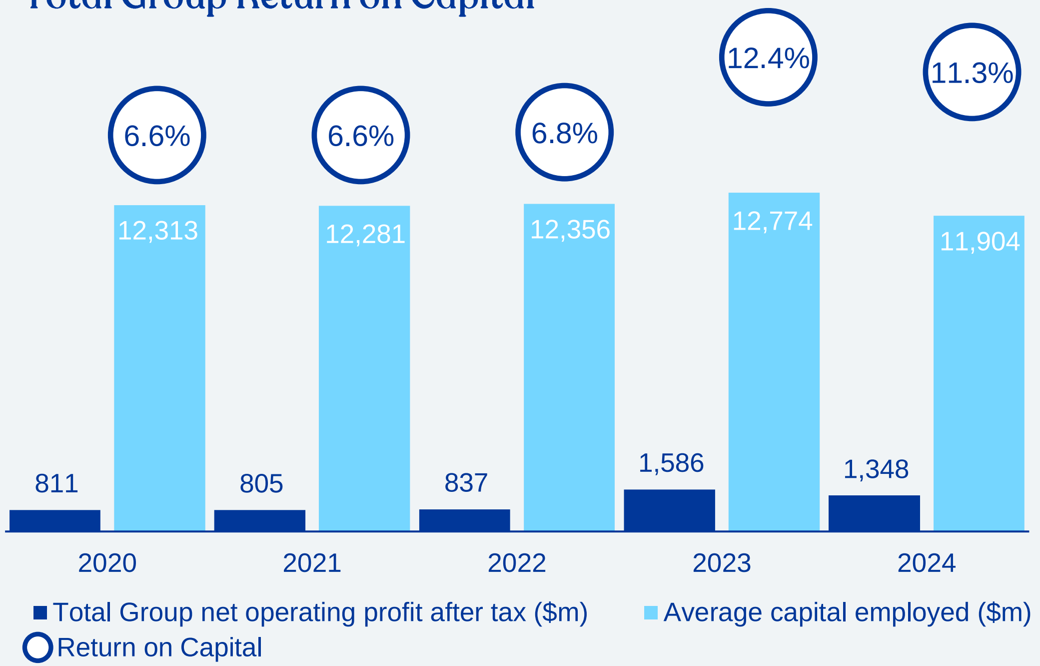
Credit rating

S&P Global Ratings	A-	Stable outlook
Fitch Ratings	A	Stable outlook

Figures presented for the Total Group

Return on capital above FY24 target range

Total Group Return on Capital



- Return on capital of 11.3% significantly above the 5-year average and above the FY24 target range of 8-9%
- Average capital employed reduced due to lower working capital and divestments and associated capital return

Return on Capital by channel[1]

Ingredients[2]

10.2%

↓ from 16.3%

($ million)	2022	2023	2024
Average capital employed	7,527	7,990	7,480
Net operating profit after tax	676	1,302	765
Return on Capital (%)	9.0%	16.3%	10.2%

Foodservice

19.6%

↑ from 15.7%

Average capital employed	1,649	1,774	1,984
Net operating profit after tax	91	279	388
Return on Capital (%)	5.5%	15.7%	19.6%

Consumer[2]

6.8%

↑ from (3.9)%

Average capital employed	2,492	2,477	2,386
Net operating profit after tax	(10)	(96)	162
Return on Capital (%)	(0.4)%	(3.9)%	6.8%

Note: Figures presented for the Total Group
1. Comparative information has been re-presented for consistency with the current period
2. Ingredients and Consumer channels include impairments in FY22, FY23 and FY24

Operating earnings by In Scope and Out of Scope

We are exploring divestment options for Consumer and associated businesses

In preparing the In Scope and Out of Scope breakdowns, we have applied the same principles and assumptions used in our externally published channel and segment reporting. They reflect existing transfer pricing arrangements and Core Operations is fully attributed to the Out of Scope businesses. These breakdowns are unaudited.

	In Scope	Out of Scope	Total
External sales volume (million kgMS)	231 6% ↑	1,382 2% ↓	1,613 1% ↓
EBIT contribution from continuing operations			
Ingredients	$(33)m $13m ↓	$956m $622m ↓	$923m $635m ↓
Foodservice	$57m $12m ↑	$406m $126m ↑	$463m $138m ↑
Consumer	$258m $126m ↑	$(28)m $14m ↓	$230m $112m ↑
Total	$282m $125m ↑	$1,334m $510m ↓	$1,616m $385m ↓

In Scope

Consumer

Oceania
- Fonterra Oceania

Sri Lanka

Southeast Asia
- Indonesia
- Malaysia
- Philippines
- Singapore
- Thailand
- Vietnam

Greater China
- China
- Taiwan
- Hong Kong

Rest of the World
- Americas
- Middle East
- Africa

Foodservice

Oceania
- FBNZ and Fonterra Australia Foodservice

Sri Lanka

Ingredients

Oceania
- Fonterra Australia Ingredients

Note: For the year ended 31 July, comparative is FY23. Prepared on a continuing operations basis
Comparative changes are to FY23, and excludes impairments

Outlook


Anchor
Since 1886
FP
FOOD PROFESSIONALS
Whipping Cream
Great versatility
UHT Cream
KEEP REFRIGERATED
DO NOT FREEZE
Net Content

Forecast 2024/25 season Farmgate Milk Price

Forecast Farmgate Milk Price

$8.25 – $9.75

per kgMS

Reference Product Prices

The range reflects:

- recent strengthening in GDT prices and constrained milk supply in key producing regions
- maintaining wide range given early stage of the season

Note: Refer to additional information for source data and date ranges

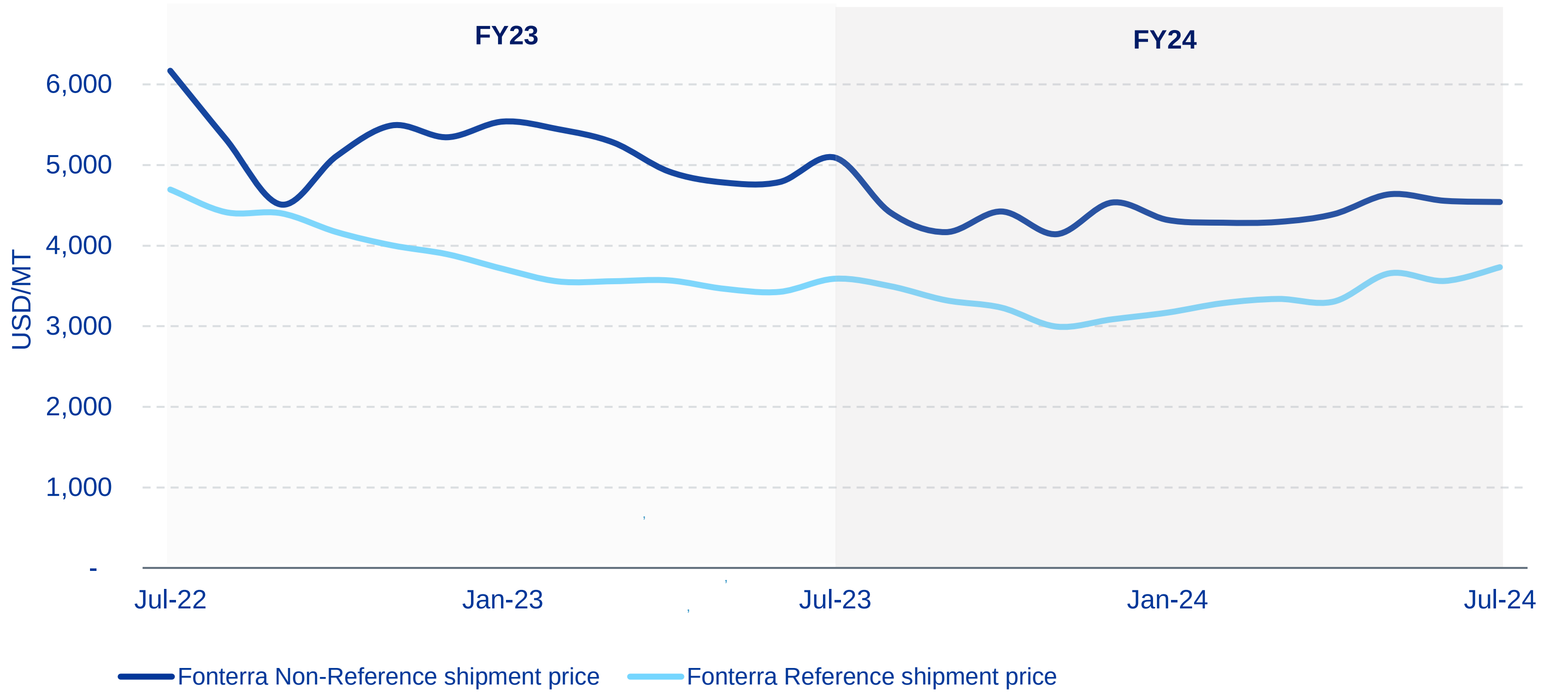
FY25 earnings outlook

FY25 forecast earnings

40 – 60c

per share

Reference and Non-Reference Product Prices



The range reflects:

- an expectation that underlying performance will be similar to last year. Consumer operating profit forecast to increase through improved margins; Ingredients and Foodservice performance expected to be stable
- higher investment in IT & digital transformation and a higher tax expense, which will generate imputation credits

Note: Refer to additional information for source data and date ranges

Change to tax status

What has changed?

- In FY24, Fonterra exhausted its New Zealand tax losses that have been used to offset its tax payable to date
- From FY25, Fonterra expects to be paying tax in New Zealand and as a result generating imputation credits
- To enable all shareholders to receive imputation credits, Fonterra is changing how it treats supply backed shares for tax purposes:
  - prior to FY25, dividends on supply backed shares were treated as a business expense paid by Fonterra to farmer suppliers. This tax deduction reduces the amount of tax payable by Fonterra but means imputation credits are not able to be attached to supply back shares
  - from FY25 onwards, dividends on supply backed shares will not be deducted for tax purposes by Fonterra. This change will increase the amount of tax payable by Fonterra but means that imputation credits will be able to be attached to dividends on all Fonterra shares and available to offset tax payable by shareholders

Impact of these changes

- These tax changes are not expected to impact the operating performance of the business, that is, no impact is expected on EBIT
- Fonterra's higher tax expense will correspondingly reduce the reported earnings per share, that is, profit after tax per share
- The imputation credits can be attached to dividends on all shares and will be available to be used to offset tax payable at the shareholder level
- The benefit of the imputation credits will also be passed through to the Fonterra Shareholders' Fund, and thereby to unit holders

An illustrative example is presented on the following slide

Illustrative example of change in tax status

	Before FY25 Tax losses No imputation credits	FY25 onwards No tax losses Imputation credits
Co-operative		
Profit before tax	**1,000**	**1,000**
Tax (28%)	-	(280)
Profit after tax	1,000	720
Earnings per share	100 cents	72 cents
Imputation credits	-	28 cents
Dividend Payout ratio	100%	100%
Shareholder		
Gross dividend	**100 cents**	**100 cents**
Imputation credits	-	28 cents
Cash dividend	100 cents	72 cents
Tax payable (28%)	(28) cents	(28) cents
Imputation credits		28 cents
Net cash for shareholder	**72 cents**	**72 cents***

No change in operating performance

Higher tax reduces profit after tax and EPS

Generated from tax paid by the Co-op

Gross dividend is assessable for tax. It is the sum of cash dividend and imputation credits

Imputation credits available to be offset against tax payable

Simplifying assumptions

- This example makes simplifying assumptions to illustrate the impact of paying more tax at the Co-op and generating imputation credits
- The example assumes:
  - there are 10,000 shares
  - 100% of profit after tax is paid as a cash dividend and can fully impute the dividend
  - Before FY25, tax losses offset all tax payable at the Co-op
  - FY25 onwards, the Co-op pays tax at 28%
  - The shareholder has an effective tax rate of 28% and can use imputation credits to offset tax payable
- An individual shareholder's tax position may result in a different outcome to this example

***Tax paying shareholder with 28% tax rate receives 72 cents in both cases**

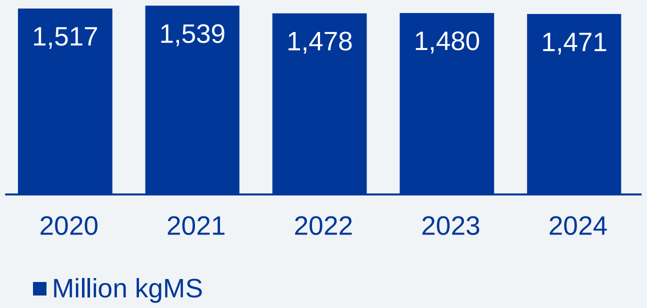
Before FY25, receives higher cash dividend but pays tax

FY25 onwards, receives lower cash dividend but can use imputation credit to offset tax payable

Appendix

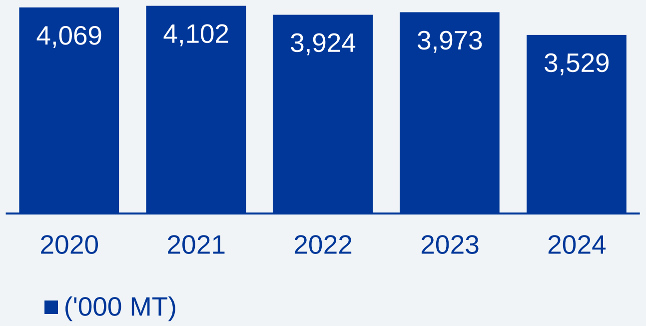
Total Group financial metrics

New Zealand milk collections

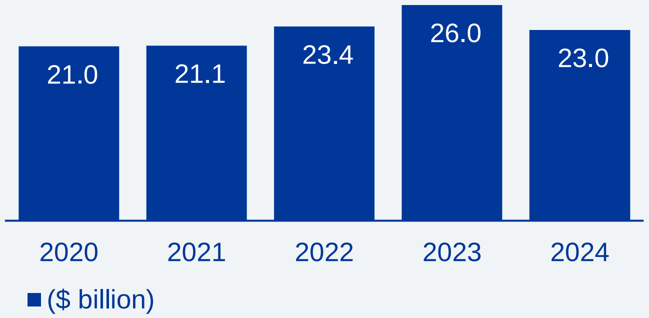


Total Payout[1]

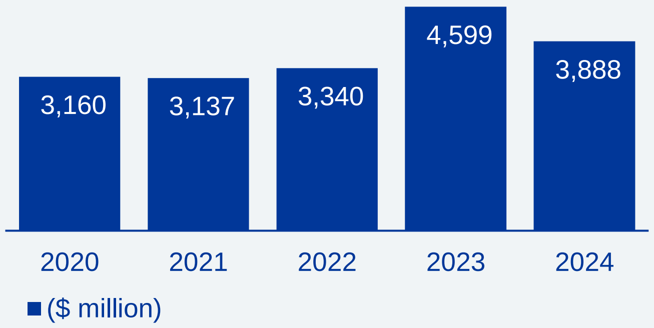
Sales volume



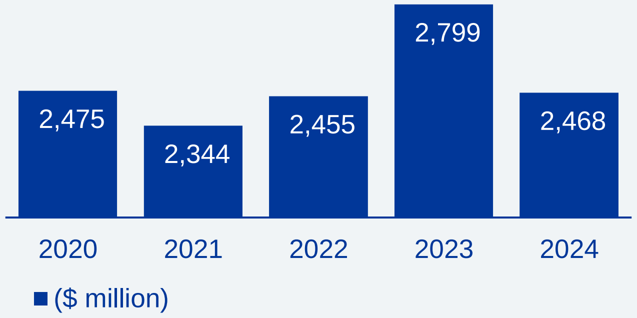
Revenue



Gross profit



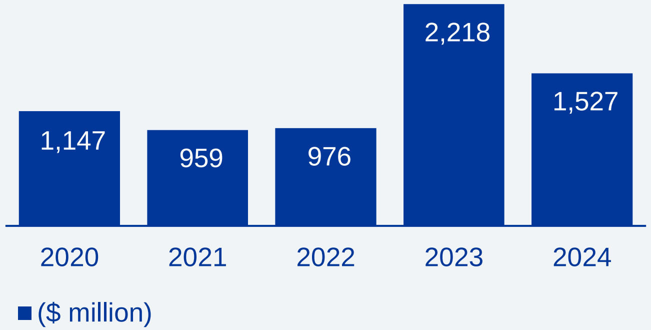
Operating expenses



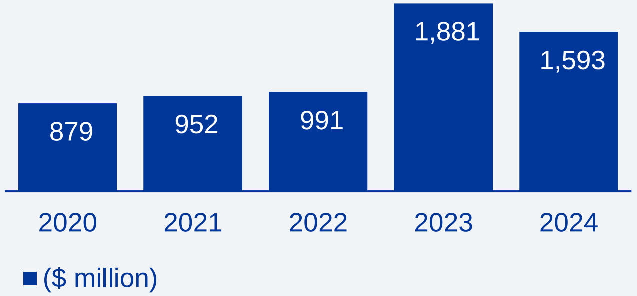
Note: Figures are for the year ended 31 July and do not include normalisations, unless otherwise stated
1. Total payout for 'a fully shared up supplier'

Total Group financial metrics

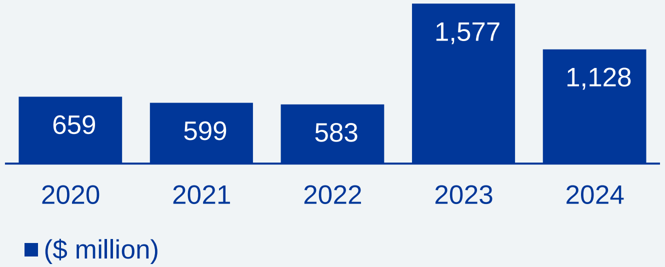
EBIT



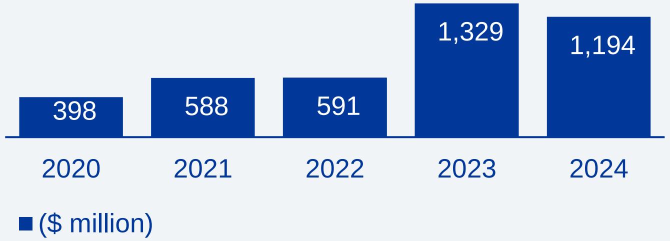
Normalised EBIT



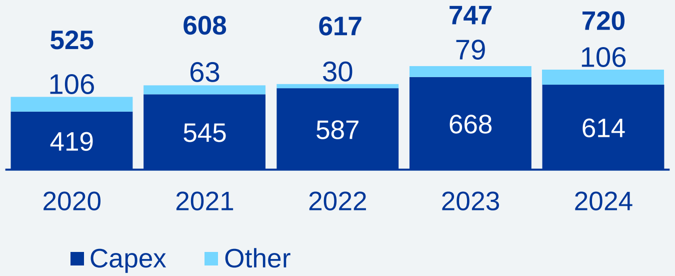
Profit after tax



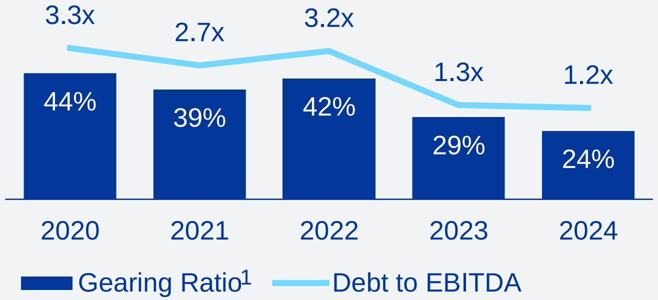
Normalised profit after tax



Capital invested ($ million)



Leverage

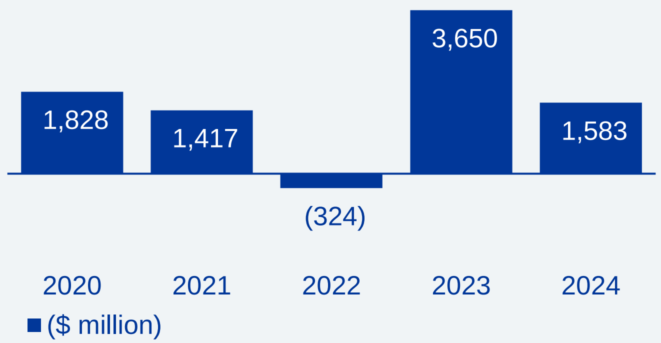


Note: Figures are for the year ended 31 July and do not include normalisations, unless otherwise stated

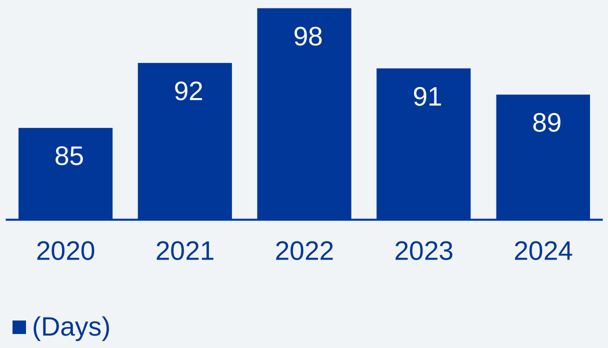
1. Gearing ratio is at 31 July

Total Group financial metrics

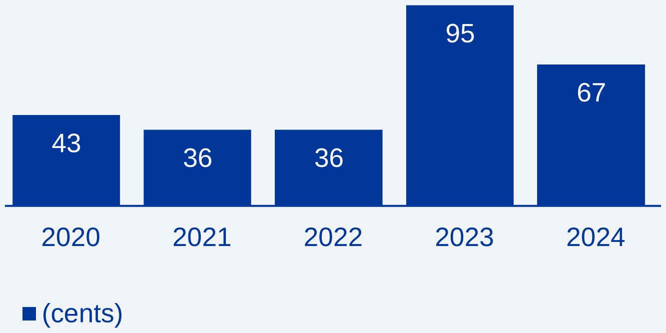
Free cash flow[1]



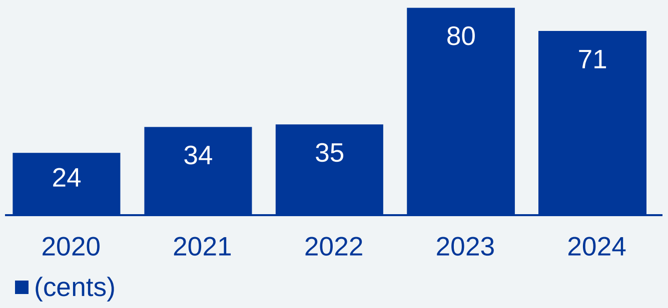
Working capital days[2]



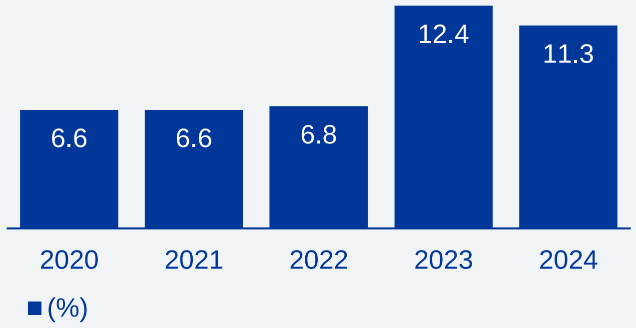
Earnings per share



Normalised earnings per share



Return on capital



Note: Figures are for the year ended 31 July and do not include normalisations
1. Comparative information has been re-presented for consistency with the current period
2. Working capital days are presented on a 13-month rolling average basis. Inventory has been restated to reflect the inclusion of emissions trading units which were previously held as intangible assets

Total Group performance

For the year ended 31 July	Total Group			Continuing operations[1]			Discontinued operations[1]		
NZD million	2023	2024	Δ%[2]	2023	2024	Δ%[2]	2023	2024	Δ%[2]
Sales volume ('000 MT)	3,973	3,529	(11)%	3,497	3,470	(1)%	476	59	(88)%
Sales volume (million kgMS)	1,631	1,613	(1)%	1,631	1,613	(1)%	-	-	-
Revenue	26,046	22,994	(12)%	24,580	22,822	(7)%	1,466	172	(88)%
Cost of goods sold	(21,447)	(19,106)	11%	(20,399)	(19,000)	7%	(1,048)	(106)	90%
Gross profit	4,599	3,888	(15)%	4,181	3,822	(9)%	418	66	(84)%
Gross margin (%)	17.7%	16.9%		17.0%	16.7%		28.5%	38.4%	
Operating expenses	(2,799)	(2,468)	12%	(2,496)	(2,369)	5%	(303)	(99)	67%
Other[3]	418	107	(74)%	70	107	53%	348	-	-
EBIT	2,218	1,527	(31)%	1,755	1,560	(11)%	463	(33)	-
Net finance costs	(261)	(164)	37%	(211)	(157)	26%	(50)	(7)	86%
Tax expense	(380)	(235)	38%	(303)	(235)	22%	(77)	-	-
Profit after tax[4]	**1,577**	**1,128**	**(28)%**	**1,241**	**1,168**	**(6)%**	**336**	**(40)**	**-**
Earnings per share (cents)	95	67	(29)%	75	70	(7)%	20	(3)	-
Normalisations[5]	(248)	66	-	-	-	-	(248)	66	-
Normalised profit after tax	**1,329**	**1,194**	**(10)%**	**1,241**	**1,168**	**(6)%**	**88**	**26**	**(70)%**
Normalised EPS (cents)	80	71	(11)%	75	70	(7)%	5	1	(80)%

1. Refer to note 1a and 2c of FY24 Financial Statements
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Consists of other operating income, net foreign exchange gains/(losses) and share of profit or loss of equity accounted investees
4. Includes amounts attributable to non-controlling interests
5. Normalisations in FY24 comprise of $(66)m in relation to the sale of DPA Brazil (FY23 comprises of $260m gain on sale of Soprole, and $(12)m in relation to exiting our Hangu China farm)

New Zealand and non-New Zealand sourced milk

For the year ended 31 July	Total[1]			New Zealand milk		Non-New Zealand milk	
NZD million	2023	2024	∆%[2]	2023	2024	2023	2024
Sales volume ('000 MT)	3,497	3,470	(1)%	3,071	3,028	426	442
Sales volume (million kgMS)	1,631	1,613	(1)%	1,488	1,481	143	132
Revenue	24,580	22,822	(7)%	21,791	20,222	2,789	2,600
Cost of goods sold	(20,399)	(19,000)	7%	(17,941)	(16,664)	(2,458)	(2,336)
Gross profit	4,181	3,822	(9)%	3,850	3,558	331	264
Operating expenses	(2,496)	(2,369)	5%	(2,252)	(2,109)	(244)	(260)
Other[3]	70	107	53%	69	93	1	14
EBIT	1,755	1,560	(11)%	1,667	1,542	88	18
Net finance costs and tax expense	(514)	(392)	24%	(464)	(356)	(50)	(36)
Profit after tax from continuing operations	**1,241**	**1,168**	**(6)%**	**1,203**	**1,186**	**38**	**(18)**
Profit after tax from discontinued operations	336	(40)	-	-	-	336	(40)
Gross margin	17.0%	16.7%		17.7%	17.6%	11.9%	10.2%
EBIT margin	7.1%	6.8%		7.6%	7.6%	3.2%	0.7%

1. Performance is prepared on a continuing operations basis. Comparative information has been re-presented for consistency with the current period
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Consists of other operating income, net foreign exchange gains/(losses) and share of profit or loss of equity accounted investees

Operating expenses

NZD million	2023	2024	%△[1]
Staff expenses[2]	962	985	2%
Storage and distribution	263	268	2%
Advertising and promotion	219	240	10%
Information technology	198	212	7%
IT & Digital transformation	22	81	268%
Technical and professional	153	198	29%
Depreciation & amortisation	180	187	4%
Impairments	248	34	(86)%
Other	251	164	(35)%
Continuing operations operating expenses	2,496	2,369	(5)%
Discontinued operations operating expenses	303	99	(67)%
Total Group operating expenses	**2,799**	**2,468**	**(12)%**

Research and development costs	2023	2024	%△[1]
Total Group research and development costs ($m)	119	107	(10)%

- Operating expenses from continuing operations decreased $127m
- Two significant changes in FY24 relative to FY23 were the lower level of impairments and the increased investment in IT and Digital transformation:
  - impairments were $214m lower in FY24; partially offset by
  - investment in IT and Digital transformation increased $59m, supporting future efficiencies and resilience of the enterprise systems
- Removing the impact of the changes in impairments and investment in IT & Digital transformation, operating expenses from continuing operations increased $28m, or 1.3%, with cost savings partially offsetting the impact of inflation

  Changes included:
  - staff expenses increased $23m, or 2%, due to inflationary pressures and redundancies costs;
  - advertising and promotion increased $21m and supported increased sales through the higher margin Foodservice and Consumer channels;
  - technical and professional fees increased $45m mainly related to upfront costs of delivering future efficiencies and initiatives; and
  - ‘Other’ expenses were down $87m due to various savings initiatives and lower doubtful debts. FY23 was higher than previous years and reflected higher travel and in-person engagement costs following easing of COVID restrictions
- Operating expenses for discontinued operations decreased $204m mainly due to the inclusion of Soprole in FY23 but not in FY24
- Research and development costs table shows a $12m decrease, mainly due to timing of expenses in FY24. These costs are included in both operating expenses and cost of good sold

Note: For operating expenses by function, refer to note 3a of the 2024 Annual Financial Statements

1. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
2. Staff expenses displayed do not align to reported staff expenses in Financial Statements due to additional breakdown of IT & Digital transformation displayed in the table

Staff expenses

NZD million	2020	2021	2022	2023	2024
Staff expenses in cost of goods sold	1,062	1,117	1,174	1,267	1,350
Staff expenses in operating expenses	901	880	860	963	995
Total	**1,963**	**1,997**	**2,034**	**2,230**	**2,345**
Global milk solids collected (million kgMS**)**	**1,624**	**1,645**	**1,584**	**1,586**	**1,578**

Continuing operations staff expenses per global milk solids collected

Continuing operations full time employees

- The number of full time equivalent (FTE) employees has reduced as the businesses continue to drive improved efficiencies and performance
- Total staff expenses have increased reflecting the impact of inflation
- Staff expenses per kgMS has increased reflecting the higher staff expenses and lower kgMS collected

Note: For operating expenses by function, refer to note 3a of the 2024 Annual Financial Statements

Total Group EBIT to normalised profit after tax reconciliation

NZD million	2023	2024
EBIT[1]	2,218	1,527
Net finance costs	(261)	(164)
Tax expense	(380)	(235)
Reported profit after tax	**1,577**	**1,128**
Normalisation adjustments[2]	(337)	66
Tax on normalisation adjustments	89	-
Normalised profit after tax	**1,329**	**1,194**
Less: Profit attributable to non-controlling interests	(40)	(54)
Normalisation adjustments attributable to non-controlling interests	-	3
Normalised profit after tax attributable to equity holder of the Co-operative	**1,289**	**1,143**
Normalised earnings per share (cents)	80	71
Final dividend per share (cents)	50	55

1. Includes continuing and discontinued operations
2. Refer to Non-GAAP Measures section in the Annual Report 2024

Normalised Items

	31 July 2023			31 July 2024	
NZD million	Hangu China farm	Soprole	**Total**	DPA Brazil	**Total**
Other operating income	-	349	**349**	-	**-**
Other operating expenses	(12)	-	**(12)**	(66)	**(66)**
Profit before net finance costs and tax	(12)	349	**337**	(66)	**(66)**
Net finance costs and tax	-	(89)	**(89)**	-	**-**
Profit after tax	(12)	260	**248**	(66)	**(66)**
Profit attributable to non-controlling interests	-	-	**-**	(3)	**(3)**
Profit after tax attributable to equity holders of the Co-operative	(12)	260	**248**	(69)	**(69)**

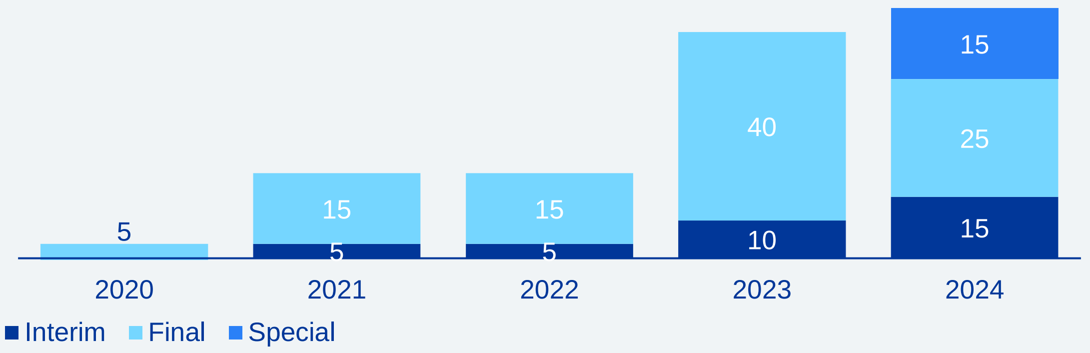
Earnings per share reconciliation

NZD million	2023	2024
Reported profit after tax	1,577	1,128
Less: Profit attributable to non-controlling interests	(40)	(54)
Reported profit after tax attributable to equity holders of the Co-operative	1,537	1,074
Reported earnings per share (cents)	95	67
Normalised profit after tax	1,329	1,194
Less: Profit attributable to non-controlling interests	(40)	(54)
Add: Normalisation adjustments attributable to non-controlling interests	-	3
Normalised profit after tax attributable to equity holder of the Co-operative	1,289	1,143
Normalised earnings per share (cents)	**80**	**71**

Dividend Calculation

NZD cents per share	2023	2024
Reported earnings[1]	95	67
Less: abnormal gains	(16)	-
Net earnings for dividend payment[2]	79	67
Dividend payment percentage (%) for Interim and Final	63%	60%
Total dividend	50	55
Interim dividend	10	15
Final dividend	40	25
Special dividend	-	15

Dividend per share (cents)



- Total dividend of 55 cents per share:
  - Interim dividend of 15 cents,
  - Final dividend of 25 cents
  - Special dividend 15 cents
- The 40 cent dividend (Interim and Final) reflects a payout ratio of 60%
- The FY24 15 cent special dividend reflects the higher earnings over the last two years, and strengthened balance sheet and our leverage metrics being well within target levels

1. Attributable to equity holders of the Co-operative, excludes non-controlling interest
2. Represents net earnings as specified in the Dividend Policy and is calculated as reported profit after tax less abnormal gains

Return on capital

For the 12 months ended 31 July NZD million	2023	2024
Total Group normalised EBIT	1,881	1,593
Finance income on long-term advances	11	14
Notional tax charge	(305)	(259)
Total Group normalised EBIT plus finance income on long-term advances less notional tax charge	1,587	1,348
Capital employed at 31 July	11,121	10,912
Impact of seasonal capital employed	1,653	992
Average capital employed	12,774	11,904
Return on capital	**12.4%**	**11.3%**

- FY24 return on capital of 11.3% significantly above the 5-year average and above FY24 target range of 8-9%
- The change relative to FY23 reflects:
  - lower after-tax earnings with the lower price relativities only partially offset by improved margins in Foodservice and Consumer and lower interest and tax; and
  - the lower earnings were partially offset by lower average capital employed as a result of lower working capital and divestments and the associated return of capital

Cash flow and change in net debt

NZD million	2023	2024
Cash generated from operations	2,744	2,201
Net change in working capital	774	112
A. Net cash flows from operating activities	3,518	2,313
Cash flows from investing activities		
Divestments and asset sales	841	11
Capital expenditure and other	(709)	(741)
B. Net cash flows from investing activities	132	(730)
Free cash flow (A+B)	**3,650**	**1,583**
Dividends paid to equity holders of the Co-operative	(403)	(884)
Capital return paid	-	(804)
Other financing cash flows	(273)	(236)
Capital return payable accrual/reversal	(804)	804
Other non-cash changes in net debt	(38)	139
Decrease/(increase) in net debt	**2,132**	**602**

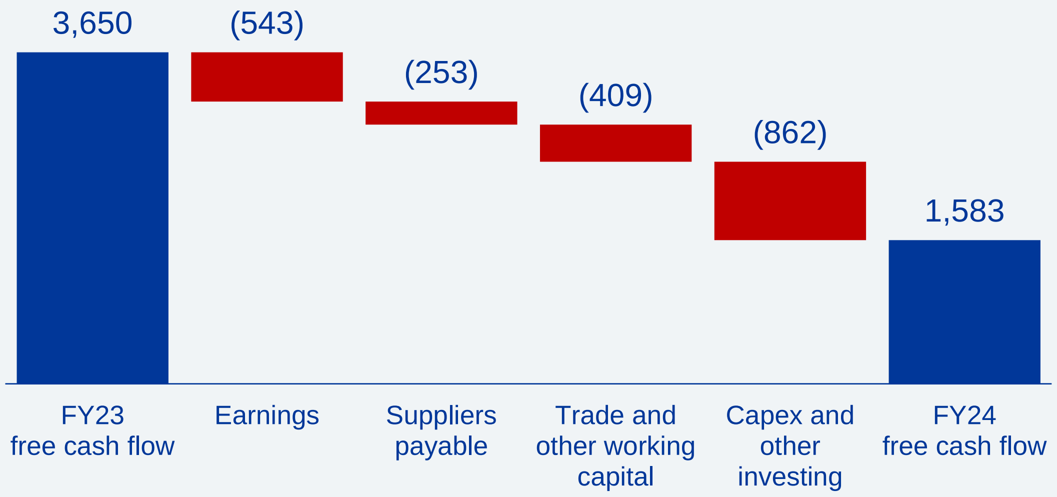
- Decrease in net debt of $0.6b reflects continued strong operating earnings, disciplined capital expenditure and lower working capital
- Free cash flow of $1.6b was $2.1b lower than last year, which largely reflects
  - underlying cash flows from earnings decreasing by $0.5b,
  - a reduction in working capital cash flows of $0.7b, and
  - a decrease in net cash from divestments of $0.8b due to sale of Soprole in 2023

Note: Comparative information has been re-presented for consistency with the current period

Free cash flow remains a key focus

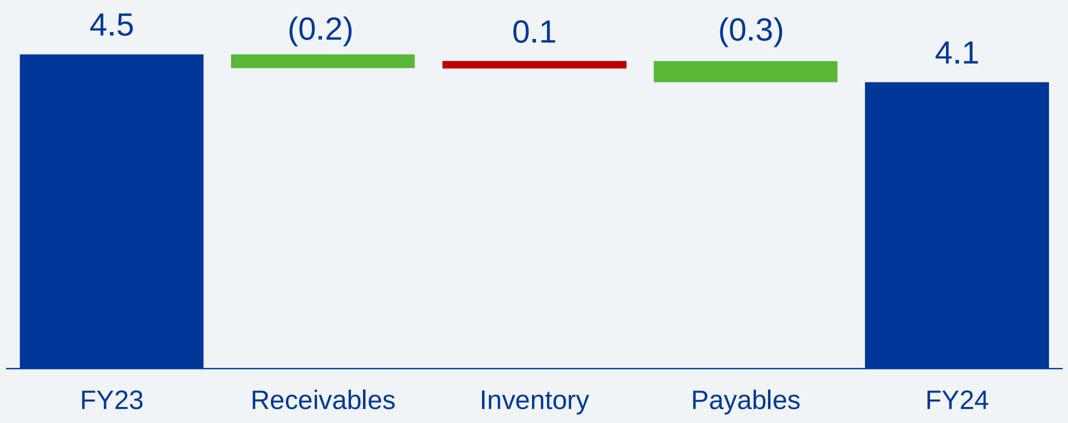
Movements in free cash flow

($ million)



Year-end trade working capital

($ billion)

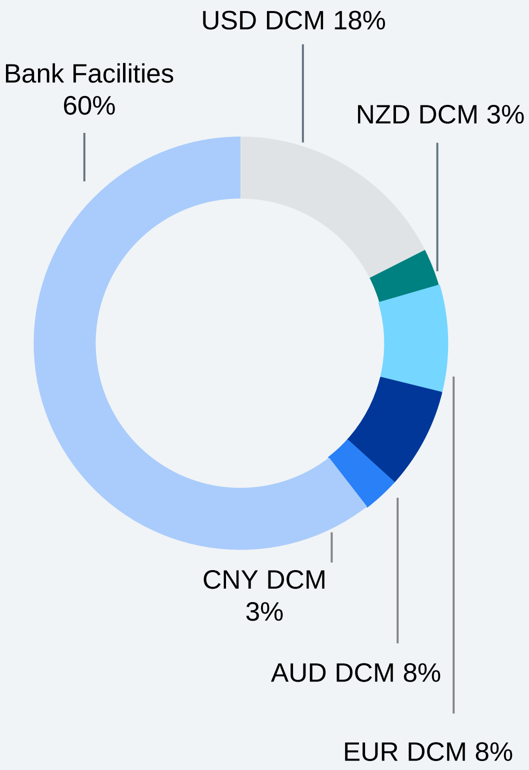


- The lower free cash flow in FY24 relative to FY23 reflects the lower cash earnings, change in working capital and less cash from divestments with FY23 including the sale of Soprole. Further details are provided on the previous slide
- Year-end trade working capital (excluding suppliers' payable) was down in FY24 with the main changes being:
  - lower Receivables reflecting a reduction in days sales outstanding (DSO) with lower overdues and less sales on extended terms; and
  - higher trade payables in offshore markets
- The volume of year-end inventory was down 25k MT, or 4%. The value at year-end was higher in FY24 due to the higher closing price per MT offsetting the lower volume

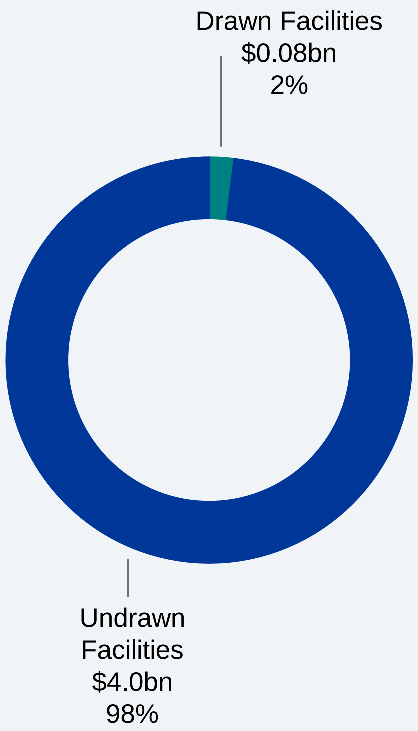
Note: Comparative information has been re-presented for consistency with the current period

Diversified and prudent funding position

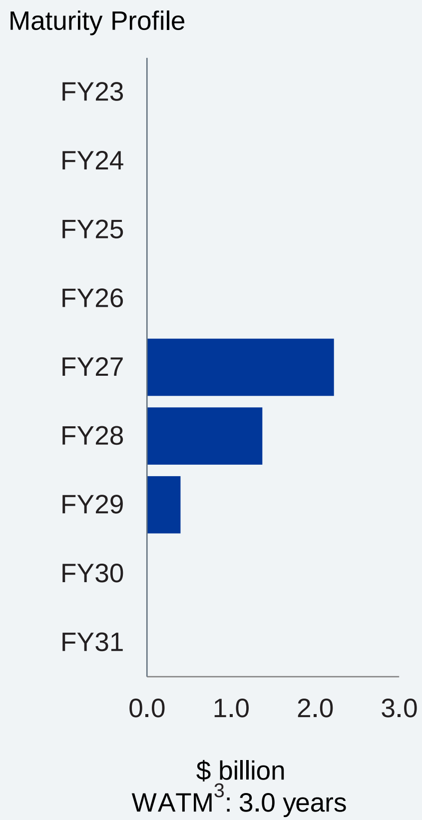
Diversified Profile[1]



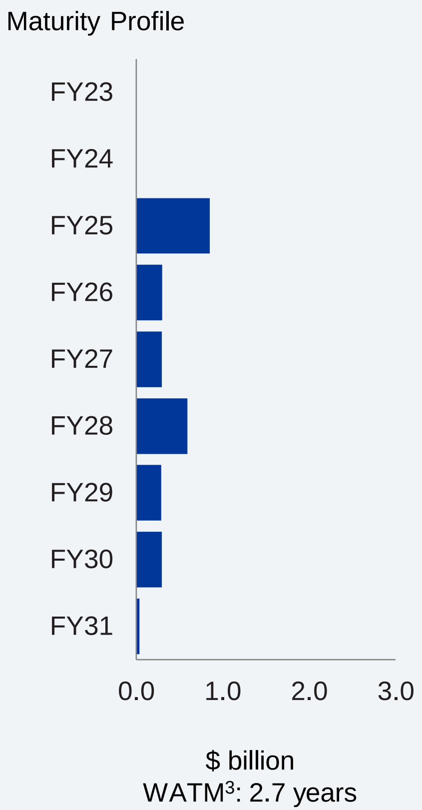
Prudent Liquidity



Bank Facilities



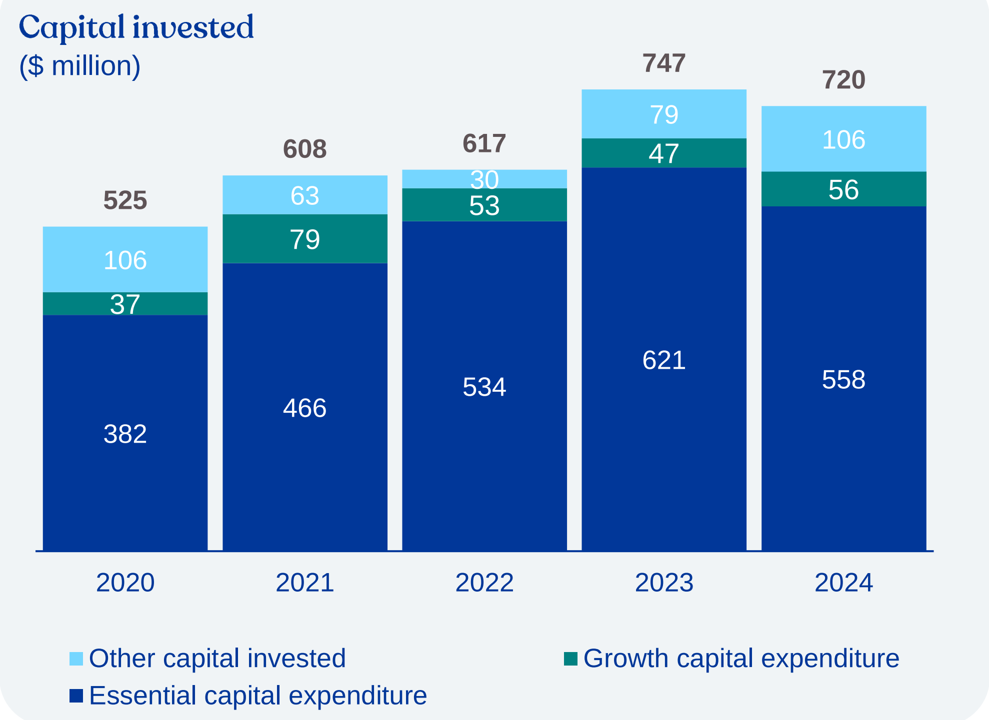
Debt Capital Markets[2]

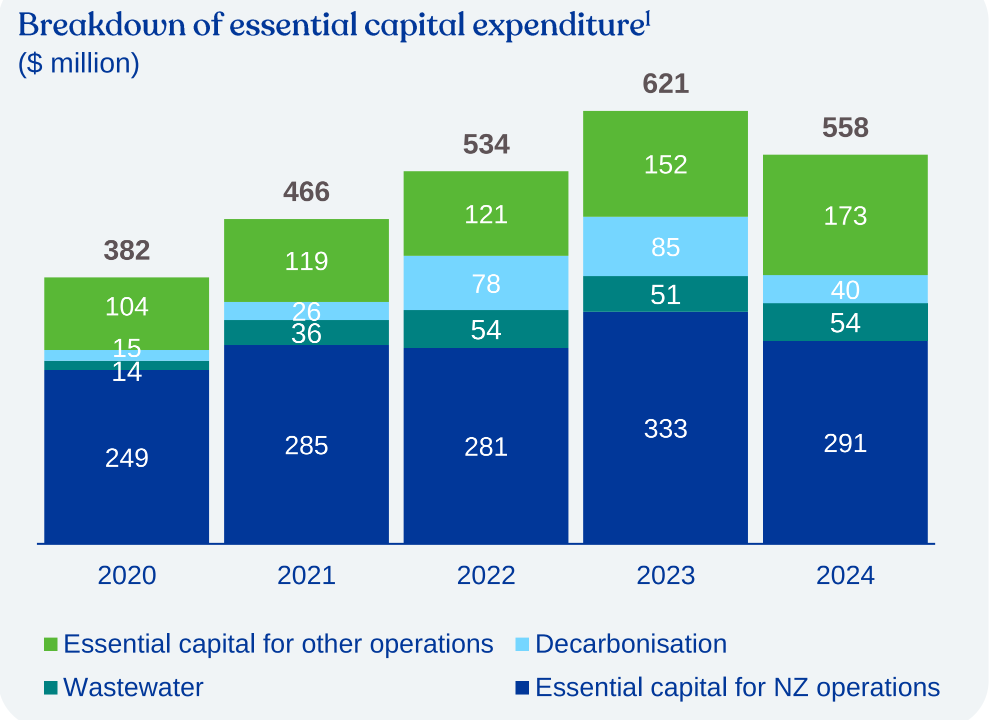


Note: Figures are for as at 31 July 2024

1. Includes undrawn facilities and commercial paper. DCM is debt capital markets
2. Excludes commercial paper
3. Weighted average term to maturity (WATM)

Capital invested





- Total Capital Invested was $720 million for the 2024 financial year, made up of capital expenditure of $614 million and other capital invested of $106 million
- Capital expenditure comprised $558 million of essential capital expenditure. This includes $40 million on decarbonisation projects to meet commitments to sustainability, $54 million on wastewater assets to improve environmental footprint and $464 million on maintaining and improving our asset network in New Zealand and globally
- $56 million was invested to support business growth for the Foodservice & Ingredients businesses, including capacity expansion for high value products such as lactoferrin, probiotics and hydrolysates
- Our “Other capital invested” included our Ki Tua Equity Investment Fund, right-of-use assets and other equity investments

1. Comparative information has been re-presented for consistency with the current period

Key capital expenditure projects across New Zealand

National

- Milk tanker replacements annual program
- Farm vats replacements annual program
- National distribution centers equipment replacements annual program

Lower North Island

Whareroa

- Improved milk powder manufacturing and process to reduce losses and manage product quality risk

Central North Island

Waitoa

- Investment in biomass boiler to replace coal

Tirau

- Upgraded infrastructure to better manage wastewater

Te Rapa

- Milk powder product transfer improvements

Hautapu

- Upgraded infrastructure to better manage wastewater
- Change from R22 based refrigeration to a sustainable alternative

Lichfield

- Upgrade refrigeration plant to improve performance

South Island

Stirling

- Invested in biomass boiler to replace coal

Edendale

- Investment in electrode boiler to replace coal

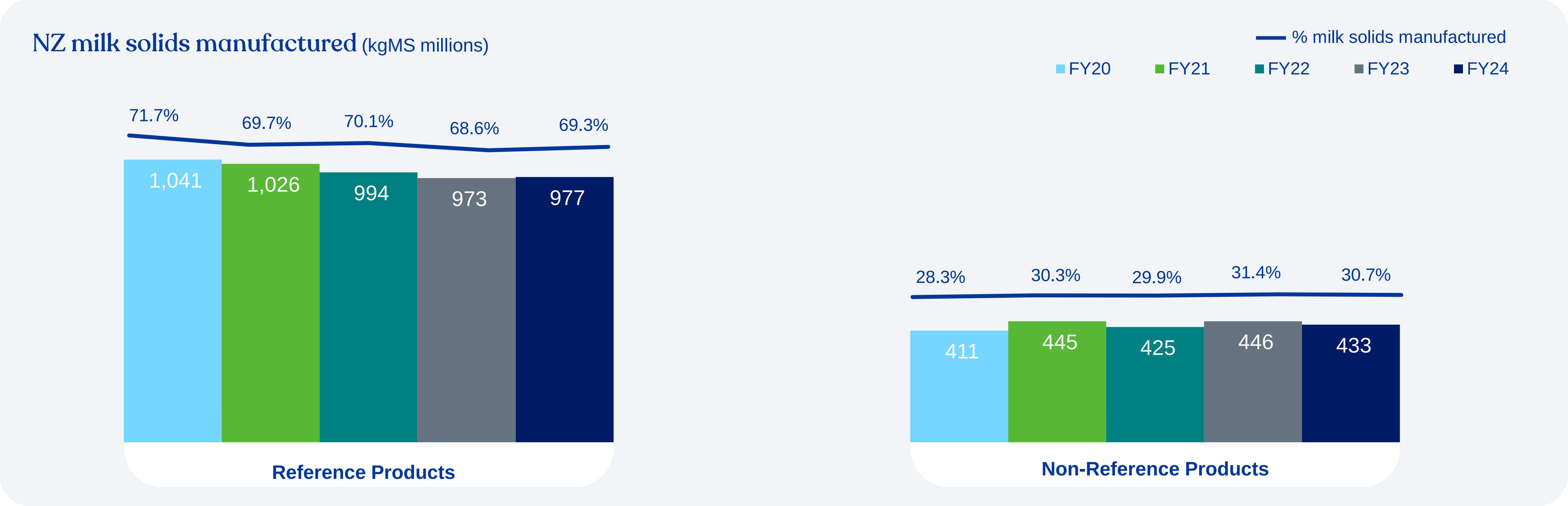
Asset health[1]

- Ongoing review and assessment of asset condition and risk profile, with targeted investment to improve condition and manage risk
- Implementing robust maintenance strategies with an emphasis on quality of execution to ensure regulatory compliance, and improve asset stability and performance

1. Asset health indicates the assessed condition of our manufacturing assets on a scale of 1 – 5, with 1 indicating the asset is in the best condition possible

Sites displayed are not a full representation of all Fonterra factories

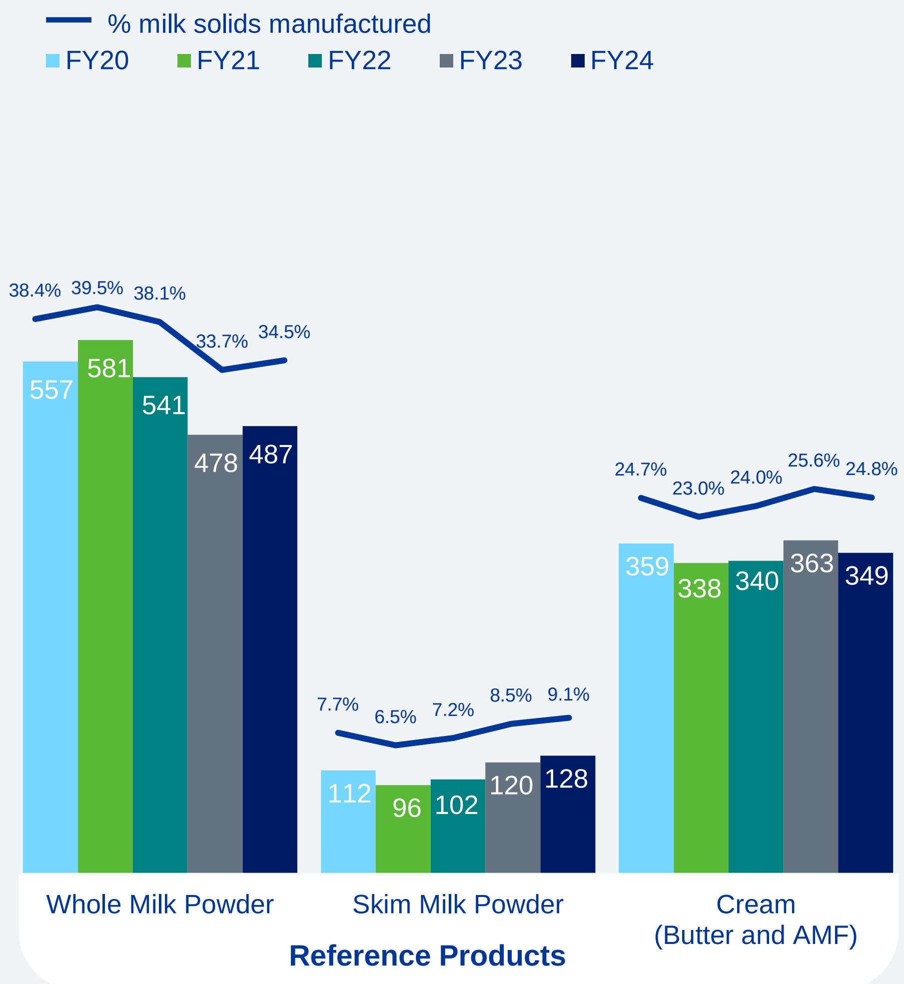
Long-term trend of increasing allocation of milk solids to higher value products



- Materially less milk was allocated to Reference portfolio in 2023 due to high whole milk powder inventory levels and strong domestic milk production in China. 2024 allocation is a return to a more gradual reduction in Reference portfolio allocation
- Long-term trend remains positive, allocating a greater proportion of milk solids to higher value products in the Non-Reference portfolio
- Lower milk collections over the past 5 years has meant total milk solids processed within the Non-Reference portfolio is relatively flat, despite the increased proportion of solids allocated

Breakdown of milk solids allocated to product groups

NZ milk solids manufactured (kgMS millions)



Whole Milk Powder:

- FY23 and FY24 production significantly lower than prior years due to a conscious product mix decision to allocate away from WMP into product streams with higher value and more stable demand
- Overall, WMP demand growth has remained relatively stable over the last 3 years and the outlook remains similar

Cream:

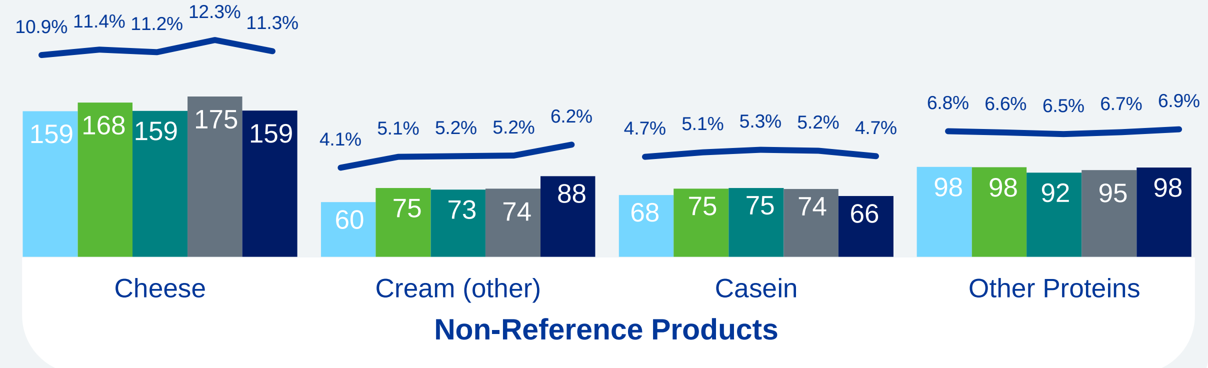
- Strong demand for cream in the Greater China Foodservice business, particularly UHT cream, has driven an increase in solids allocated to Non-Reference cream

Cheese:

- Reduced allocation of cheese due to the value of these portfolios reduces relative to the WMP and cream portfolios, and that have experienced better pricing during the year
- Strong demand relative to supply inside the US & EU have pushed prices higher in the regions with expectations for export demand to shift the way of Oceania, presenting a positive outlook for Oceania prices as we move past peak supply months

Casein:

- Held inventory going into the financial year. Production of casein is expected to remain at similar levels and near-term demand sentiment remains positive



Note: Excludes Butter Milk Powder, and other smaller Non-Reference commodity groups

Segment and Channel Performance

Ingredients performance

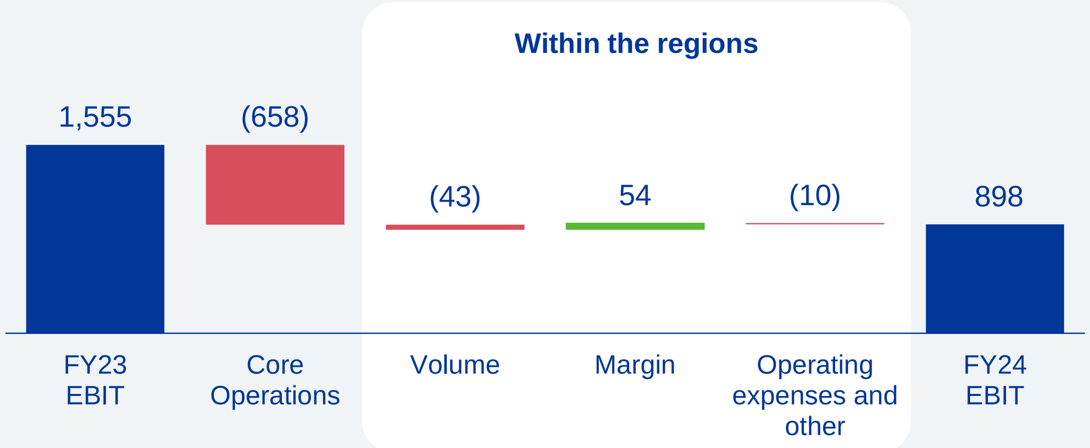
For the year ended 31 July	Total Ingredients[1]			Core operations		Global Markets		Greater China		Eliminations	
NZD million	2023	2024	Δ%[2]	2023	2024	2023	2024	2023	2024	2023	2024
Sales volume ('000 MT)	2,319	2,234	(4)%	2,191	2,119	1,732	1,690	632	579	(2,236)	(2,154)
Sales volume (million kgMS)	1,265	1,221	(3)%	1,260	1,217	943	927	332	298	(1,270)	(1,221)
Revenue	17,416	15,087	(13)%	15,692	13,355	13,516	11,648	4,460	3,598	(16,252)	(13,514)
Cost of goods sold	(14,765)	(13,118)	11%	(14,207)	(12,563)	(12,584)	(10,708)	(4,226)	(3,361)	16,252	13,514
Gross profit	2,651	1,969	(26)%	1,485	792	932	940	234	237	-	-
Operating expenses	(1,143)	(1,141)	-	(678)	(655)	(403)	(408)	(62)	(78)	-	-
Other[3]	47	70	49%	16	28	31	41	-	1	-	-
EBIT[4]	1,555	898	(42)%	823	165	560	573	172	160	-	-
Net finance costs and tax expense	(409)	(230)	44%	(221)	(87)	(149)	(111)	(39)	(32)	-	-
Profit after tax	**1,146**	**668**	**(42)%**	**602**	**78**	**411**	**462**	**133**	**128**	**-**	**-**
Gross margin	15.2%	13.1%		9.5%	5.9%	6.9%	8.1%	5.2%	6.6%	-	-
EBIT margin	8.9%	6.0%		5.2%	1.2%	4.1%	4.9%	3.9%	4.4%	-	-

1. Ingredients performance is prepared on a continuing operations basis and includes sales to other segments. Comparative information has been re-presented for consistency with the current period
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Consists of other operating income, net foreign exchange gains/(losses) and share of profit or loss of equity accounted investees
4. Includes corporate costs for Total, Core Operations, Global Markets and Greater China of $229m, $133m, $69m and $27m ($138m, $79m, $43m and $16m for the comparative period), respectively.

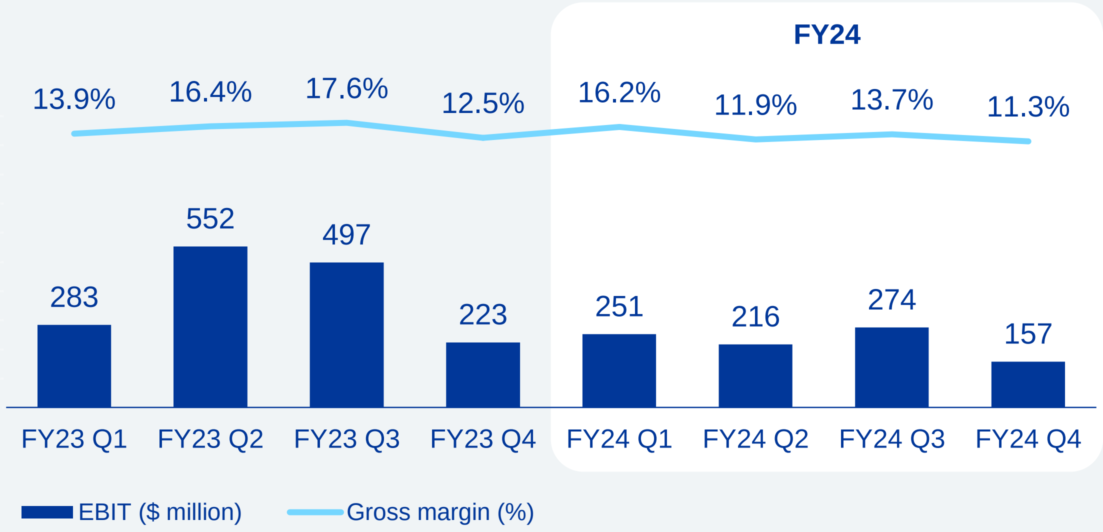
Ingredients operating performance

Key performance drivers

EBIT ($ million)



Quarterly performance



- Ingredients EBIT is down $657m, mainly due to:
  - lower margins achieved in Core Operations reflecting product prices declining at a higher rate for the Non-Reference portfolio relative to the Reference portfolio
  - the FY24 lactose price declining. As a result, the benefit to Core Operations of relatively higher lactose costs in the Milk Price calculation (due to requiring more lactose for standardisation of WMP, SMP and BMP) has significantly reduced
  - lower volumes within the regions due to providing less volume to the ONIL tender in Middle East and Africa and cream and Whole Milk Powder to China. This was partially offset by higher volumes of Skim Milk Powder to Atlantic and proteins to North Asia
- Gross margins tightened in the second half of FY24 reflecting the increase in the price of Reference Products relative to Non-Reference prices
- Higher margins within the regions, mainly due to improved demand for MPC in the US and cheese and proteins in Latin America partially offset by higher Australia milk price

Note: Prepared on a continuing operations basis. Comparative information has been re-presented for consistency with the current period

New Zealand-sourced Ingredients' product mix

	2023	2024	Change
Sales Volume ('000 MT)			
Reference Products	1,782	1,744	(2)%
Non-Reference Products	883	891	1%
Revenue (NZD)			
Reference Products ($ billion)	11.1	10.1	(9)%
Non-Reference products ($ billion)	7.1	6.4	(10)%
Reference Products ($ per MT)	6,257	5,764	(8)%
Non-Reference products ($ per MT)	8,089	7,145	(12)%
Cost of Milk (NZD)			
Reference Products ($ billion)	8.4	7.5	(11)%
Non-Reference Products ($ billion)	3.5	3.3	(6)%
Reference Products ($ per MT)	4,696	4,313	(8)%
Non-Reference Products ($ per MT)	3,974	3,693	(7)%

- Sales volume 30,000 MT lower due to:
  - 38,000 MT less of Reference products due to lower milk collections and less inventory sell down relative to prior year
  - 8,000 MT increase in higher value Non-Reference due to increased allocation of milk solids
- Product prices in the Non-Reference portfolio have declined from the highs of FY23 across most product groups, and by more, relative to the Reference portfolio, due to cream prices increasing in the reference portfolio
- Non-Reference portfolio cost of milk did not decline as much as the Reference Portfolio
  - The cream products in the Non-Reference portfolio are manufactured and sold on a shorter timeframe due to their shorter shelf life, therefore, they get expensed at a more current milk cost
  - The cost of fat, which is the primary component of the milk cost in cream products, has increased significantly over the past 12 months

Note: Table includes Ingredients' products that are on-sold to the Foodservice and Consumer channels and excludes bulk liquid milk. Bulk liquid milk for 2024 was 71,000 MT of kgMS equivalent (for the comparative period it was 73,000 MT of kgMS equivalent). Milk solids used in the Reference Products sold were 962 million kgMS and 458 million kgMS in the Non-Reference Products (for the comparative period 1,004 million kgMS in Reference Products and 442 million kgMS in Non-Reference Products)

Foodservice performance

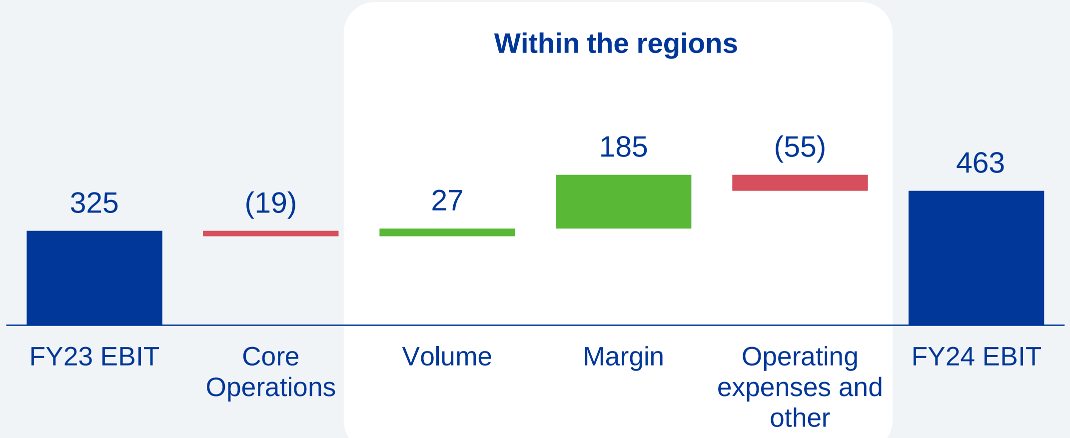
For the year ended 31 July	Total Foodservice[1]			Core operations		Global Markets		Greater China		Eliminations	
NZD million	2023	2024	Δ%[2]	2023	2024	2023	2024	2023	2024	2023	2024
Sales volume ('000 MT)	546	564	3%	334	354	280	281	274	292	(342)	(363)
Sales volume (million kgMS)	219	230	5%	156	174	98	96	124	137	(159)	(177)
Revenue	3,865	4,057	5%	1,994	2,213	1,845	1,805	2,236	2,377	(2,210)	(2,338)
Cost of goods sold	(3,116)	(3,117)	-	(1,908)	(2,148)	(1,582)	(1,463)	(1,836)	(1,844)	2,210	2,338
Gross profit	749	940	26%	86	65	263	342	400	533	-	-
Operating expenses	(427)	(494)	(16)%	(89)	(93)	(201)	(231)	(137)	(170)	-	-
Other[3]	3	17	467%	-	6	3	11	-	-	-	-
EBIT[4]	325	463	42%	(3)	(22)	65	122	263	363	-	-
Net finance costs and tax expense	(92)	(98)	(7)%	(9)	(8)	(23)	(26)	(60)	(64)	-	-
Profit after tax	**233**	**365**	**57%**	**(12)**	**(30)**	**42**	**96**	**203**	**299**	**-**	**-**
Gross margin	19.4%	23.2%		4.3%	2.9%	14.3%	18.9%	17.9%	22.4%	-	-
EBIT margin	8.4%	11.4%		(0.2)%	(1.0)%	3.5%	6.8%	11.8%	15.3%	-	-

1. Foodservice performance is prepared on a continuing operations basis and includes sales to other segments. Comparative information has been re-presented for consistency with the current period
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Consists of other operating income, net foreign exchange gains/(losses) and share of profit or loss of equity accounted investees
4. Includes corporate costs for Total, Core Operations, Global Markets and Greater China of $57m, $8m, $23m and $26m ($58m, $36m, $5m and $17m for the comparative period), respectively.

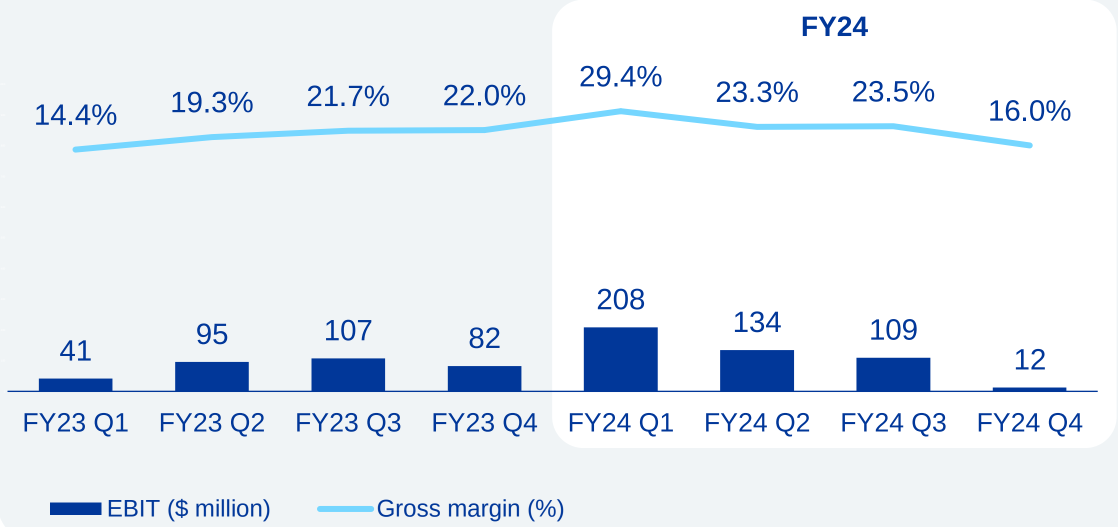
Foodservice operating performance

Key performance drivers

EBIT ($ million)



Quarterly performance



- Foodservice EBIT is up $138m, due to:
  - reduced margins within Core Operations as the rise in milk component costs during the second half outpaced the transfer price to in-market business units
  - sales volume growth of 3%, mainly driven by UHT cream sales in Greater China
  - favourable in-market margins predominately driven by the lower cost of milk, as well as the benefit from higher in-market pricing particularly in our Southeast Asia markets
- Lower cost of milk during the first half of FY24, coupled with favourable pricing resulted in a strong FY24 gross margin and EBIT relative to FY23
- Gross margins tightened in the second half of FY24 due to a combination of lower prices achieved in-market and higher cost of goods sold as cost of milk increased
- As expected, gross margins tightened further in the final quarter of FY24 reflecting the increasing price of Reference Products
- Following strong sales volumes in H1, H2 volumes reflect historical averages

Note: Prepared on a continuing operations basis. Comparative information has been re-presented for consistency with the current period

Consumer performance

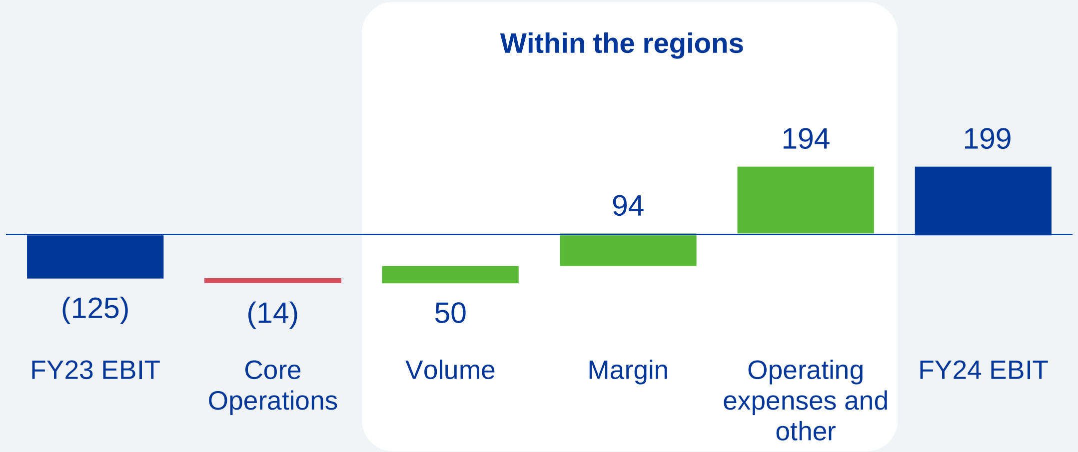
For the year ended 31 July	Total Consumer[1]			Core operations		Global Markets		Greater China		Eliminations	
NZD million	2023	2024	△%[2]	2023	2024	2023	2024	2023	2024	2023	2024
Sales volume ('000 MT)	632	672	6%	259	268	563	606	72	73	(262)	(275)
Sales volume (million kgMS)	148	161	9%	108	113	135	149	13	14	(108)	(115)
Revenue	3,299	3,678	11%	1,456	1,409	3,040	3,365	376	394	(1,573)	(1,490)
Cost of goods sold	(2,518)	(2,765)	(10)%	(1,398)	(1,363)	(2,399)	(2,604)	(294)	(288)	1,573	1,490
Gross profit	781	913	17%	58	46	641	761	82	106	-	-
Operating expenses	(926)	(734)	21%	(73)	(78)	(706)	(529)	(147)	(127)	-	-
Other[3]	20	20	-	1	4	19	15	-	1	-	-
EBIT[4]	(125)	199	-	(14)	(28)	(46)	247	(65)	(20)	-	-
Net finance costs and tax expense	(13)	(64)	(392)%	(4)	(2)	(22)	(67)	13	5	-	-
Profit after tax	**(138)**	**135**	**-**	**(18)**	**(30)**	**(68)**	**180**	**(52)**	**(15)**	**-**	**-**
Gross margin	23.7%	24.8%		4.0%	3.3%	21.1%	22.6%	21.8%	26.9%	-	-
EBIT margin	(3.8)%	5.4%		(1.0)%	(2.0)%	(1.5)%	7.3%	(17.3)%	(5.1)%	-	-

1. Consumer performance is prepared on a continuing operations basis and includes sales to other segments. Comparative information has been re-presented for consistency with the current period
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Consists of other operating income, net foreign exchange gains/(losses) and share of profit or loss of equity accounted investees
4. Includes corporate costs for Total, Core Operations, Global Markets and Greater China of $67m, $17m, $42m and $8m ($64m, $33m, $24m and $7m for the comparative period), respectively.

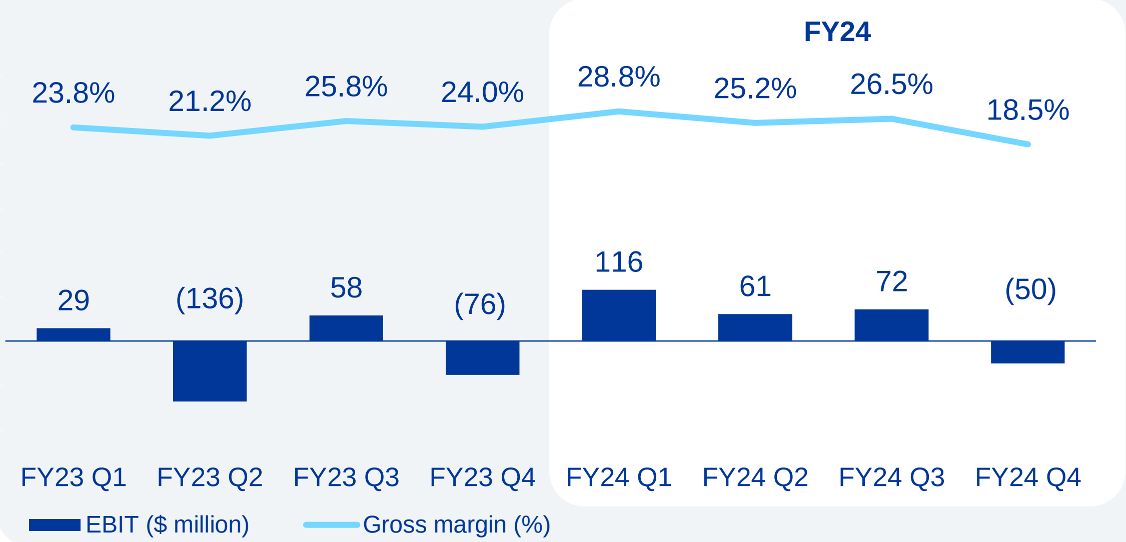
Consumer operating performance

Key performance drivers

EBIT ($ million)



Quarterly performance



- Consumer EBIT increased $324m, due to:
  - sales volume growth of 6%, with continued demand in Sri Lanka for consumer powders, and FBNZ demand increasing as competitors exit the mainstream yoghurt category and tourism returned in the Pacific
  - improved product mix and favourable pricing across most regions
  - lower operating expenses due to $213m less impairments in FY24
- Adjusting for impairments, Consumer EBIT increased by $111m

- Lower cost of milk during FY24 Q1, coupled with favourable pricing meant a strong FY24 Q1 gross margin and EBIT relative to FY23
- FY24 Q2 gross margins tightened relative to Q1 due to a combination of lower in-market prices and higher cost of milk
- FY24 Q3 gross margins increased due to an improved product mix with more premium products sold compared to Q2
- As expected, gross margins tightened in the final quarter of FY24 reflecting increasing price of Reference Products

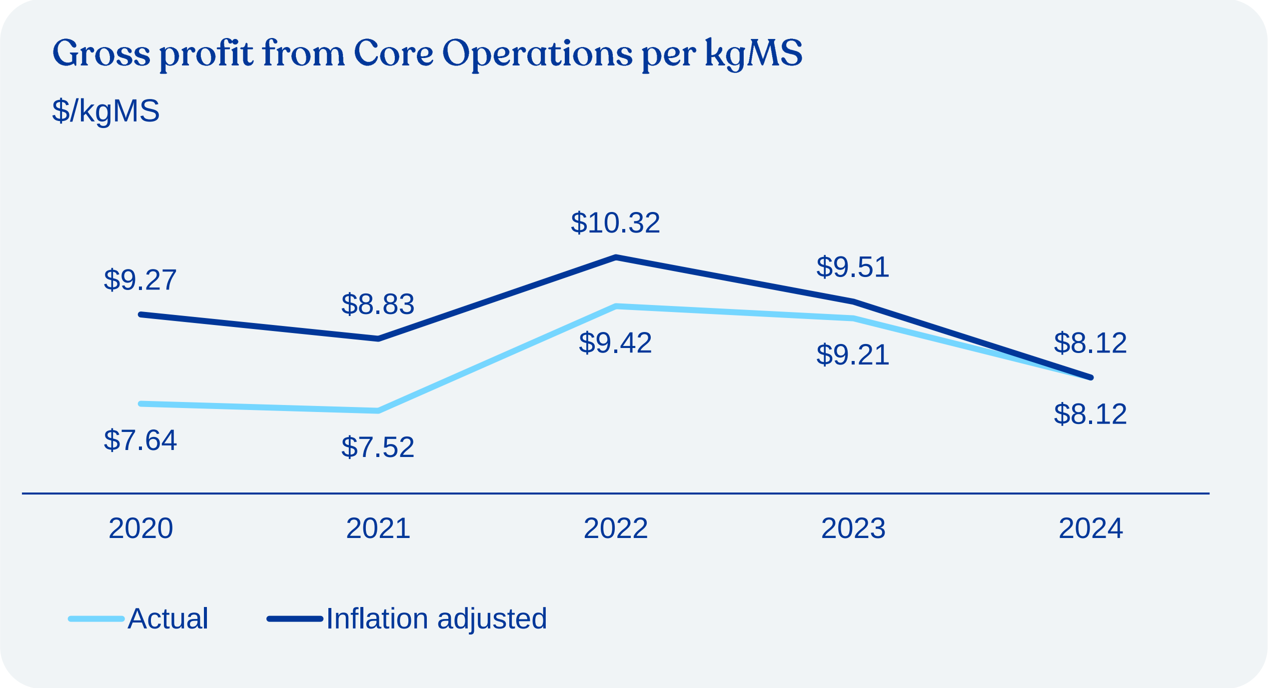
Note: Prepared on a continuing operations basis. Comparative information has been re-presented for consistency with the current period

Core operations performance

For the year ended 31 July	Total Core Operations[1]			Ingredients		Foodservice		Consumer	
NZD million	2023	2024	∆%[2]	2023	2024	2023	2024	2023	2024
Sales volume ('000 MT)	2,784	2,741	(2)%	2,191	2,119	334	354	259	268
Sales volume (million kgMS)	1,524	1,504	(1)%	1,260	1,217	156	174	108	113
Revenue	19,142	16,977	(11)%	15,692	13,355	1,994	2,213	1,456	1,409
Cost of goods sold	(17,513)	(16,074)	8%	(14,207)	(12,563)	(1,908)	(2,148)	(1,398)	(1,363)
Gross profit	1,629	903	(45)%	1,485	792	86	65	58	46
Operating expenses	(840)	(826)	2%	(678)	(655)	(89)	(93)	(73)	(78)
Other[3]	17	38	124%	16	28	-	6	1	4
EBIT[4]	806	115	(86)%	823	165	(3)	(22)	(14)	(28)
Net finance costs and tax expense	(234)	(97)	59%	(221)	(87)	(9)	(8)	(4)	(2)
Profit after tax	**572**	**18**	**(97)%**	**602**	**78**	**(12)**	**(30)**	**(18)**	**(30)**
Gross margin	8.5%	5.3%		9.5%	5.9%	4.3%	2.9%	4.0%	3.3%
EBIT margin	4.2%	0.7%		5.2%	1.2%	(0.2)%	(1.0)%	(1.0)%	(2.0)%

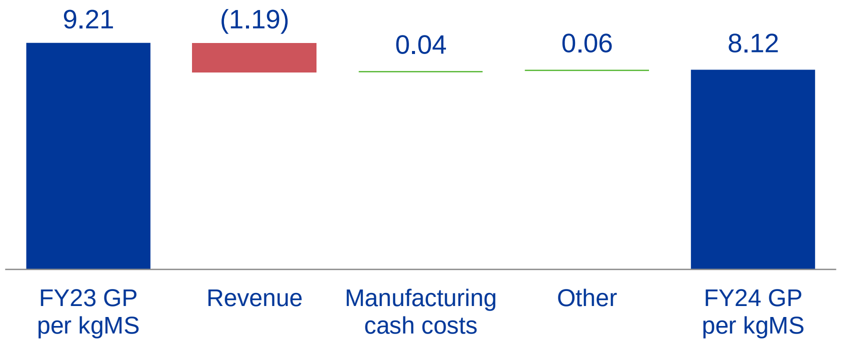
1. Core Operations performance is prepared on a continuing operations basis and includes sales to other segments. Comparative information has been re-presented for consistency with the current period
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Consists of other operating income, net foreign exchange gains/(losses) and share of profit or loss of equity accounted investees
4. Includes corporate costs for Total, Ingredients, Foodservice and Consumer of $158m, $133m, $8m and $17m ($148m, $79m, $36m and $33m for the comparative period), respectively.

Gross profit from Core Operations per kgMS



Gross profit from Core Operations	2020	2021	2022	2023	2024
Actual ($ million)	11,168	11,548	13,266	14,019	12,189
Compound CPI %	21.3%	17.5%	9.5%	3.3%	
Inflation adjusted ($ million)	13,551	13,568	14,526	14,482	12,189
Core Operations sales (kgMS)	1,461	1,536	1,408	1,523	1,501

- The gross profit from Core Operations per kgMS is calculated by dividing the gross profit from Core Operations (excluding Farm Source and cost of milk) by kgMS of Core Operations' sales
- This measure of 'gross profit' is effectively equivalent to revenue less the manufacturing and other costs included in COGS (as milk cost is excluded). Therefore, the change year-on-year reflects the change in the combination of:
  - commodity prices (reflected in Revenue per kgMS); and
  - manufacturing performance (reflected in Manufacturing costs per kgMS)
  - 'Other' including net recoveries, non-cash costs and COO farm returns.
- The chart below illustrates that almost all of the change from FY23 to FY24 is due to the change in commodity prices and a small improvement in Manufacturing costs per kgMS
- When evaluating the efficiency metrics, the change in Manufacturing cost per kgMS is shown separately – see slide 15



Australia performance

NZD million	2023	2024	%Δ [1]
Sales volume ('000 MT)	379	384	1%
Sales volume (million kgMS)	139	135	(3)%
Revenue	2,531	2,457	(3)%
Cost of goods sold	(2,237)	(2,188)	2%
Gross profit ($)	294	269	(9)%
Gross margin (%)	11.6%	10.9%	-
Operating expenses ($)	(219)	(198)	10%
Other[2] ($)	-	8	-
EBIT ($)	75	79	5%
Net finance costs and tax expense	(52)	(49)	6%
Profit after tax ($)	**23**	**30**	**30%**

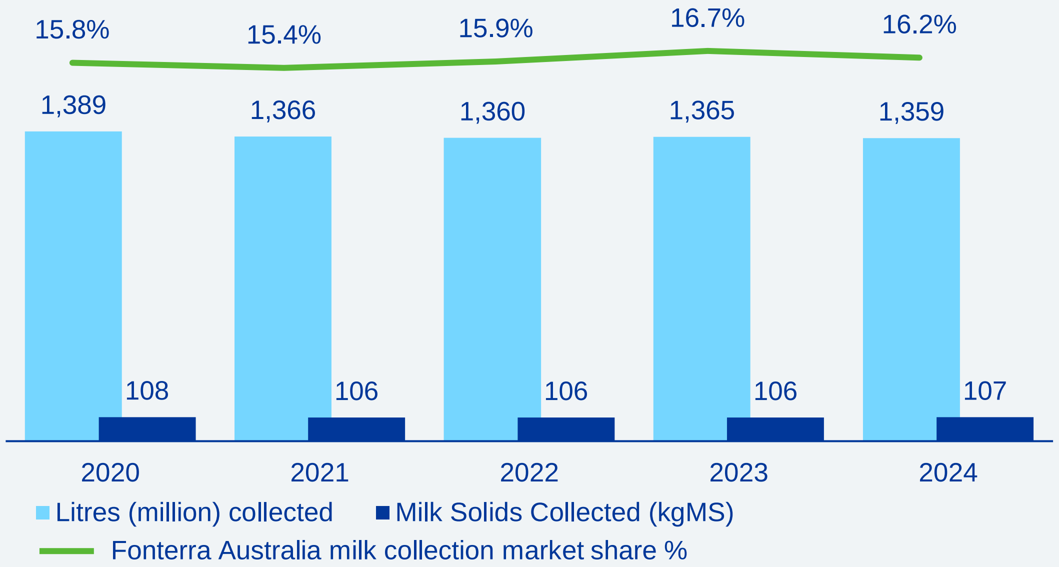
Note: Figures are prepared on a continuing operations basis.

1. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
2. Consists of other operating income and net foreign exchange gains/(losses)

- Gross profit was down reflecting the higher milk price and particularly its impact on Ingredients, partially offset by the continued strong performance in Consumer and Foodservice
- Revenue was down 3% due to channel mix and lower commodity prices
- Breaking down by channel:
  - Consumer revenue increased by 10% year-on-year, with sales volume increasing by 5.4% (MT) and 7.6% (kgMS), respectively
  - Foodservice maintained gross profit levels, up 0.4%, in a challenging market due to increases in inflation and less people eating out of home
  - Ingredients margins were adversely impacted due to the disconnect between global commodity prices and domestic Australian milk price through the year
- EBIT increased by 5% to $79 million due to sales volume increases and a reduction in one-off costs in operating expenses
- In FY23, operating expenses included the $27m impact of the class action settlement agreement with Fonterra Australia milk suppliers in relation to milk price in the 2015/16 season
- Focused on production efficiency at manufacturing sites throughout the year. For example, Overall Equipment Effectiveness (OEE) increased by 9% in FY24 at the Cobden site (South West Victoria), which produces our Western Star range of products
- Investment in automation at manufacturing sites across Victoria and Tasmania reduced manual handling and improved efficiency
- Energy-saving initiatives delivered a 9% reduction in gas consumption in FY24

Australia milk collection, and milk and product market share

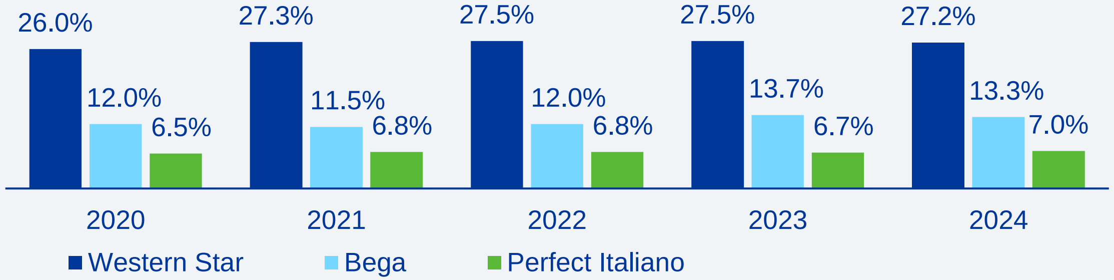
Australia milk collections



- Stable Australian milk collection market share and milk collection volume throughout the year
- Optimised volumes of milk collected to meet the accurate level of demand, while managing the volatility in the global commodity prices
- Continued to provide additional value to dairy farmers in Australia through Fonterra's Farm Source model
- Focused attention on supporting farmers to understand the benefits of operating sustainably, with more than 50% now completing Farm Environment Plans

Fonterra Australia key consumer brands

(by value market share[1])



- Fonterra held the #1 position for volume and value in key branded consumer products throughout FY24
- 43% of Australian households buy Western Star, with a pack sold every second across the country
- Bega cheese is the #1 branded cheese in Australia, followed by Perfect Italiano at #2

1. Nielsen RMS, Total AU grocery scan MAT Aug-20 to MAT Aug-23. Comparative information has been re-presented for consistency with the current period

Global Markets performance

For the year ended 31 July	Total Global Markets[1]			Ingredients		Foodservice		Consumer	
NZD million	2023	2024	Δ%[2]	2023	2024	2023	2024	2023	2024
Sales volume ('000 MT)	2,575	2,577	-	1,732	1,690	280	281	563	606
Sales volume (million kgMS)	1,176	1,172	-	943	927	98	96	135	149
Revenue	18,401	16,818	(9)%	13,516	11,648	1,845	1,805	3,040	3,365
Cost of goods sold	(16,565)	(14,775)	11%	(12,584)	(10,708)	(1,582)	(1,463)	(2,399)	(2,604)
Gross profit	1,836	2,043	11%	932	940	263	342	641	761
Operating expenses	(1,310)	(1,168)	11%	(403)	(408)	(201)	(231)	(706)	(529)
Other[3]	53	67	26%	31	41	3	11	19	15
EBIT[4]	579	942	63%	560	573	65	122	(46)	247
Net finance costs and tax expense	(194)	(204)	(5)%	(149)	(111)	(23)	(26)	(22)	(67)
Profit after tax	**385**	**738**	**92%**	**411**	**462**	**42**	**96**	**(68)**	**180**
Gross margin	10.0%	12.1%		6.9%	8.1%	14.3%	18.9%	21.1%	22.6%
EBIT margin	3.1%	5.6%		4.1%	4.9%	3.5%	6.8%	(1.5)%	7.3%

1. Global Markets performance is prepared on a continuing operations basis and includes sales to other segments. Comparative information has been re-presented for consistency with the current period
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Consists of other operating income, net foreign exchange gains/(losses) and share of profit or loss of equity accounted investees
4. Includes corporate costs for Total, Ingredients, Foodservice and Consumer of $134m, $69m, $23m and $42m ($72m, $43m, $5m and $24m for the comparative period), respectively.

Greater China performance

For the year ended 31 July	Total Greater China[1]			Ingredients		Foodservice		Consumer	
NZD million	2023	2024	∆%[2]	2023	2024	2023	2024	2023	2024
Sales volume ('000 MT)	978	944	(3)%	632	579	274	292	72	73
Sales volume (million kgMS)	469	449	(4)%	332	298	124	137	13	14
Revenue	7,072	6,369	(10)%	4,460	3,598	2,236	2,377	376	394
Cost of goods sold	(6,356)	(5,493)	14%	(4,226)	(3,361)	(1,836)	(1,844)	(294)	(288)
Gross profit	716	876	22%	234	237	400	533	82	106
Operating expenses	(346)	(375)	(8)%	(62)	(78)	(137)	(170)	(147)	(127)
Other[3]	-	2	-	-	1	-	-	-	1
EBIT[4]	370	503	36%	172	160	263	363	(65)	(20)
Net finance costs and tax expense	(86)	(91)	(6)%	(39)	(32)	(60)	(64)	13	5
Profit after tax	**284**	**412**	**45%**	**133**	**128**	**203**	**299**	**(52)**	**(15)**
Gross margin	10.1%	13.8%		5.2%	6.6%	17.9%	22.4%	21.8%	26.9%
EBIT margin	5.2%	7.9%		3.9%	4.4%	11.8%	15.3%	(17.3)%	(5.1)%

1. Greater China performance is prepared on a continuing operations basis and includes sales to other segments. Comparative information has been re-presented for consistency with the current period
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Consists of other operating income, net foreign exchange gains/(losses) and share of profit or loss of equity accounted investees
4. Includes corporate costs for Total, Ingredients, Foodservice and Consumer of $61m, $27m, $26m and $8m ($40m, $16m, $17m and $7m for the comparative period), respectively.

Global Markets end-to-end performance

For the year ended 31 July	Total Global Markets[1]			Ingredients		Foodservice		Consumer	
NZD million	2023	2024	∆%[2]	2023	2024	2023	2024	2023	2024
Sales volume ('000 MT)	2,517	2,526	-	1,686	1,655	272	272	559	599
Sales volume (million kgMS)	1,162	1,164	-	933	923	95	93	134	148
Revenue	17,926	16,665	(7)%	13,218	11,628	1,758	1,737	2,950	3,300
Cost of goods sold	(14,911)	(13,978)	6%	(11,176)	(10,142)	(1,486)	(1,353)	(2,249)	(2,483)
Gross profit	3,015	2,687	(11)%	2,042	1,486	272	384	701	817
Operating expenses	(1,882)	(1,741)	7%	(904)	(898)	(221)	(254)	(757)	(589)
Other[3]	63	89	41%	40	59	3	12	20	18
EBIT[4]	1,196	1,035	(13)%	1,178	647	54	142	(36)	246
Net finance costs and tax expense	(366)	(276)	25%	(312)	(171)	(24)	(33)	(30)	(72)
Profit after tax	**830**	**759**	**(9)%**	**866**	**476**	**30**	**109**	**(66)**	**174**
Gross margin	16.8%	16.1%		15.4%	12.8%	15.5%	22.1%	23.8%	24.8%
EBIT margin	6.7%	6.2%		8.9%	5.6%	3.1%	8.2%	(1.2)%	7.5%

1. Global Markets performance is prepared on a continuing operations basis. Comparative information has been re-presented for consistency with the current period
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Consists of other operating income, net foreign exchange gains/(losses) and share of profit or loss of equity accounted investees
4. Includes corporate costs for Total, Ingredients, Foodservice and Consumer of $238m, $146m, $29m and $63m ($163m, $95m, $17m and $51m for the comparative period), respectively.

Greater China end-to-end performance

For the year ended 31 July	Total Greater China[1]			Ingredients		Foodservice		Consumer	
NZD million	2023	2024	∆%[2]	2023	2024	2023	2024	2023	2024
Sales volume ('000 MT)	980	944	(4)%	633	579	274	292	73	73
Sales volume (million kgMS)	469	449	(4)%	332	298	124	137	13	14
Revenue	6,654	6,157	(7)%	4,198	3,459	2,107	2,320	349	378
Cost of goods sold	(5,488)	(5,022)	8%	(3,589)	(2,976)	(1,630)	(1,764)	(269)	(282)
Gross profit	1,166	1,135	(3)%	609	483	477	556	80	96
Operating expenses	(614)	(628)	(2)%	(239)	(243)	(206)	(240)	(169)	(145)
Other[3]	7	18	157%	7	11	-	5	-	2
EBIT[4]	559	525	(6)%	377	251	271	321	(89)	(47)
Net finance costs and tax expense	(148)	(116)	22%	(97)	(59)	(68)	(65)	17	8
Profit after tax	**411**	**409**	**-**	**280**	**192**	**203**	**256**	**(72)**	**(39)**
Gross margin	17.5%	18.4%		14.5%	14.0%	22.6%	24.0%	22.9%	25.4%
EBIT margin	8.4%	8.5%		9.0%	7.3%	12.9%	13.8%	(25.5)%	(12.4)%

1. Greater China performance is prepared on a continuing operations basis. Comparative information has been re-presented for consistency with the current period
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Consists of other operating income, net foreign exchange gains/(losses) and share of profit or loss of equity accounted investees
4. Includes corporate costs for Total, Ingredients, Foodservice and Consumer of $114m, $68m, $39m and $7m ($95m, $41m, $43m and $11m for the comparative period), respectively.

Discontinued operations performance

For the year ended 31 July	Total Discontinued Operations			China Farms		DPA Brazil		Soprole	
NZD million	2023	2024	∆%[1]	2023	2024	2023	2024	2023	2024
Sales volume ('000 MT)	476	59	(88)%	1	-	224	59	251	-
Sales volume (million kgMS)	-	-	-	-	-	-	-	-	-
Revenue	1466	172	(88)%	15	-	599	172	852	-
Cost of goods sold	(1,048)	(106)	90%	(27)	-	(405)	(106)	(616)	-
Gross profit	418	66	(84)%	(12)	-	194	66	236	-
Operating expenses	(303)	(99)	67%	(12)	-	(137)	(99)	(154)	-
Other[3]	348	-	-	(1)	-	-	-	349	-
EBIT	463	(33)	-	(25)	-	57	(33)	431	-
Net finance costs and tax expense	(127)	(7)	94%	-	-	-	-	-	-
Profit after tax	**336**	**(40)**	**-**	**(25)**	**-**	**16**	**(40)**	**345**	**-**
Gross margin	28.5%	38.4%		(80.0)%	-	32.4%	38.4%	27.7%	-
EBIT margin	31.6%	(19.2)%		(166.7)%	-	9.5%	(19.2)%	50.6%	-

1. Percentages as shown in the table may not align to calculations of percentages based on numbers in the table due to rounding of figures.
2. Consists of other operating income and net foreign exchange gains/(losses)
3. Depreciation is not recognised in discontinued operations from the date at which the operations are classified as held for sale

Flexible Shareholding Metrics

Flexible shareholding metrics

As at 31 July 2024, the Co-operative was within the specified thresholds for all three Flexible Shareholding metrics

Total shares on issue above the Share Standard

13.13%

↑ from 12.22%

- The percentage of Co-operative Shares on issue above or below the combined Share Standard of all Shareholders
- The threshold range is set at total Co-operative Shares on issue being within +/- 15% of the Share Standard

Shares held by Ceased Shareholders and Permitted Transferees

10.19%

↑ from 9.23%

- The percentage of shares held by shareholders who have ceased supplying milk to the Co-operative, and/or transferred their shares to a non-supplying person or entity in accordance with the permitted transferee rules
- The threshold is set at no greater than 25%

Shares held for the Fonterra Shareholders' Fund

6.67%

No change

- The size of the Fonterra Shareholders' Fund has been capped at 10% of shares on issue to protect farmer ownership and control of the Co-operative

Note: Movements are compared to figures as at 31 July 2023, the first publication of Flexible Shareholding metrics in the 2023 Business Performance Report

Shareholder distribution & share compliance requirements

Shareholder Distribution

Shareholder	# of shares held as at 31 July 2024	% of total shares on issue
Supplying Shareholders	1,329,997,797	82.65%
Secondary Shareholders	3,196,485	0.20%
Associated Shareholders	1,514,150	0.09%
Ceased Shareholders	144,441,902	8.98%
Permitted Transferees	19,609,511	1.22%
Custodian shares, on behalf of the Fund	107,410,984	6.67%
Custodian shares, on behalf of the Market Makers	3,019,726	0.19%
Total shares on Issue	1,609,190,555	100.00%

Share compliance requirements

	Season						
# of shares:	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
To be bought	4,673,907	4,846,891	5,091,789	4,647,601	3,632,126	1,819,316	-
To be sold	4,092,502	-	22,818	45,381	755,875	-	-

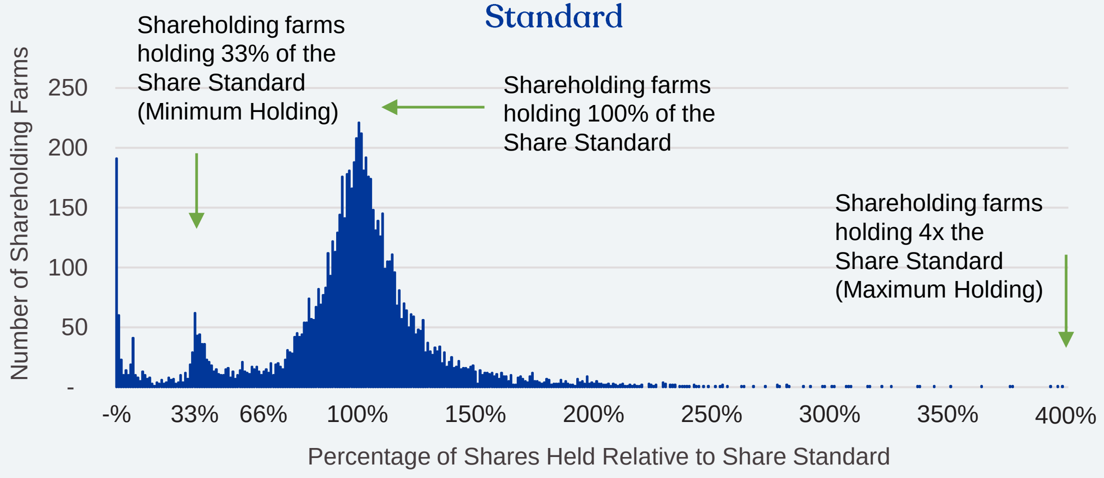
	Season (continued)						
# of shares:	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	**Total**
To be bought	-	-	-	-	-	-	**24,711,629**
To be sold	-	-	-	-	-	158,881,103	**163,797,679**

Shareholdings relative to Share Standard

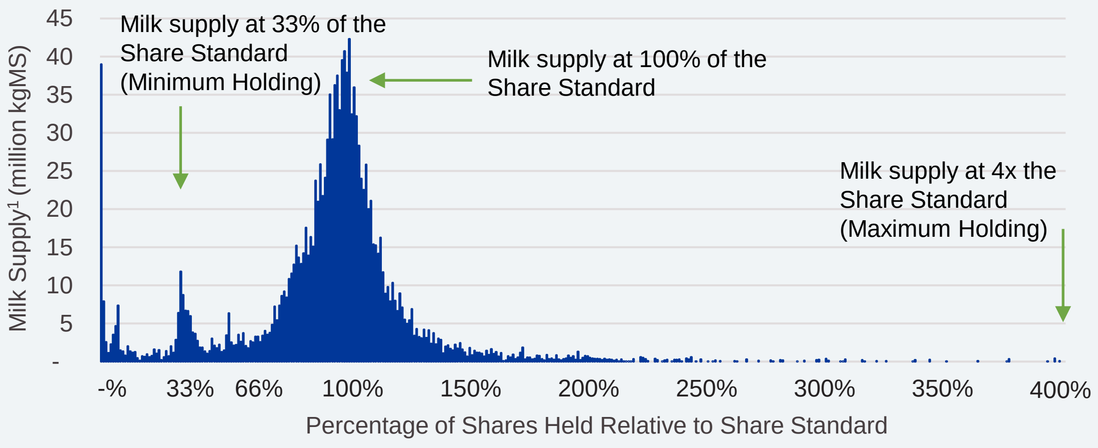
Shareholding relative to Share Standard

	< 33%	33% - 79%	80% - 120%	> 120%	Total
# of shareholding farms	562	1,033	5,137	1,426	**8,158**
Milk Supply[1] (kgMS)	101,180,361	201,632,511	949,852,792	171,735,512	**1,424,401,176**

Shareholdings by shareholding farms relative to 1:1 Share Standard



Shareholdings by milk supply relative to 1:1 Share Standard



Note:
- Shareholding farms presented exclude Ceased Shareholders, Permitted Transferees, Associated Shareholders, shareholding farms over 4x the Share Standard and includes entering supply shareholders
- Shareholdings can be less than 33% of Share Standard, under Flexible Shareholding new supplying entities have six years to reach 33% of Share Standard

1. Milk Supply is derived from each shareholding farm's Share Standard

Additional Information

FY24 Integrated Scorecard

		FY22 Actual	FY23 Actual	FY24 Actual	FY24 Scorecard
People	Serious harm	8	5	3	4
	Gender diversity (Band 12+)	37.6%	39.5%	40.1%	40.0%
	Culture Measure	–	79	79	–[1]
Nature	GHG emissions (Scope 1,2)[2]	(11.2)%	(14.1)%	(18.5)%	(15.6)%
	FEP adoption (New Zealand)	71%	85%	93%	92%
	Water Improvement Plans in place	–	44.0%	100%	100.0%
Relationships	Share of New Zealand milk collected for the season to 31 May	79.1%	79.0%	78.1%	79.0%
	Delivered in full, on time (DIFOT, ex-New Zealand)	51.6%	53.2%	70.8%	80.0%
Financial / Assets & Infrastructure	Cash operating expenses per kgMS (real)[3]	1.39	1.44	1.46	1.37
	Core Operations gross profit per kgMS (real)[4]	10.32	9.51	8.12	8.52
	Return on capital (FY)	6.8%	12.4%	11.3%	8.0%-9.0%
	Farmgate Milk Price ($)	$9.30	$8.22	$7.83	$7.25-$8.75[5]
Alignment Rights	Total shareholder return (closing share price plus dividend)	$2.73 $0.20	$3.20 $1.00[6]	$2.97[7] $0.55	Not Available
	On-farm profitability ($ per hectare)[8]	4,150	3,017	Not Available	Not Available

1. No target set for FY24.
2. Relative to FY18 Baseline. Scope 1&2 including farms under our operational control.
3. Based on New Zealand milk solids.
4. Excludes the cost of milk. Based on New Zealand milk solids.
5. FY24 Scorecard reflects opening forecast price for F24 season.
6. Includes 50-cent per share capital return.
7. FCG closing share price on 31 July 2024.
8. DairyNZ Economic Survey 2022-2023 (Owner-Operator).

FY25 Integrated Scorecard

	Key Metrics	FY23 Actual	FY24 Actual	FY25 Scorecard
People	Serious harm[1]	18	16	**12**
	Percentage of Health, Safety and Wellbeing priority actions fully completed by due date	76%	77%	**95%**
	Culture Measure	79	79	**81**
Nature	GHG emissions (Scope 1,2)[2]	(14.1)%	(18.5)%	**(21.1)%**
	Absolute water reduction across manufacturing sites (15% by FY30)[2]	(6.7)%	(12.4)%	**(13.1)%**
Relationships	Share of New Zealand milk collected for the season to 31 May	79.0%	78.1%	**78%**
	Delivered in full, on time (DIFOT, ex-New Zealand)	53.2%	70.8%	**80%**
Financial / Assets & Infrastructure	Cash operating expenses per kgMS (real)[3]	1.35	1.36	**1.43**
	Core Operations manufacturing cash costs per kgMS (real)[4]	2.63	2.58	**2.57**
	Return on capital (FY)	12.4%	11.3%	**8%-10%**
	Farmgate Milk Price ($)	$8.22	$7.83	**$7.75-$9.25**
Alignment Rights	Total shareholder return (12-month Value Weighted Average Price of Fonterra Co-operative Unit plus dividend)[5]	$2.82 $1.00	$2.58 $0.55	**Not Available**
	On-farm profitability ($ per hectare)[6]	3,017	Not Available	**Not Available**

1. A broader definition, which also includes Contractors, has been adopted for FY25 resulting in an increased number of injuries captured under the revised definition.
2. Relative to FY18 Baseline. Scope 1&2 including farms under our operational control.
3. Based on New Zealand and Australia milk solids. FY25 includes IT and digital transformation costs.
4. Based on New Zealand milk solids collected. Excludes the cost of milk.
5. Value Weighted Average Price (VWAP) for the period 1 October to 30 September. As an indicator for FY25, VWAP for the 12 months to 31 August 2024 was $2.58. FY23 dividend includes 50-cent per share capital return.
6. DairyNZ Economic Survey 2022-2023 (Owner-Operator).

Data sources

- **Dairy Production and Imports**
  - 12-month production
    - NZ, US (Aug 2023 to Aug 2024) DCANZ, USDA
    - EU, Aus (Jun 2023 to Jun 2024) Eurostat, Dairy Australia
  - 3-month production
    - NZ, US (Jun 2023 – Aug 2023 to Jun 2024 – Aug 2024) DCANZ, USDA
    - EU, Aus (Apr 2023 – Jun 2023 to Apr 2024 – Jun 2024) Eurostat
  - 12-month imports
    - LATAM, Asia (excl. China), Middle East & Africa, China (Jul 2023 to Jul 2024) S&P Global
  - 3-month imports
    - LATAM, Asia (excl. China), Middle East & Africa, China (May 2023 – July 2023 to May 2024 – Jul 2024) S&P Global

- **Price Relativities, Forecast 2023/24 season Farmgate Milk Price and FY24 continuing operations' earnings outlook**
  - Reference and Non-Reference actuals: Fonterra Free Alongside Ship (FAS) prices of the New Zealand Ingredients portfolio

Glossary

Associated Shareholder
Is a Shareholder that is a Farm Lessor, Sharemilker or Contract Milker

Attributable to equity holders of the Co-operative
is used to indicate that a measure or sub-total excludes amounts attributable to non-controlling interests

Average capital employed
is a 13-month rolling average of capital employed

Bulk liquids
means bulk raw milk that has not been processed and bulk separated cream

Capital employed
is adjusted net debt less the cash adjustment (used in calculating adjusted net debt), plus cash and cash equivalents held by subsidiaries for working capital purposes, plus equity excluding hedge reserves and net deferred tax assets

Capital invested
is capital expenditure plus right of use asset (e.g. leases) additions and business acquisitions, including equity contributions, long-term advances, and other investments

Cash operating expenses per kgMS
is continuing operations operating expenses, less non-cash costs (depreciation, amortization and impairments). Shown by kilogram of New Zealand and Australia milk solids collected

Consumer
represents the channel of branded consumer products, such as powders, yoghurts, milk, butter, and cheese

Continuing operations
means operations of the Group that are not discontinued operations

Core Operations
represents core operating functions including New Zealand milk collection and processing operations and assets, supply chain and sustainability, Fonterra Farm Source™ retail stores, and the Strategy and Optimisation function

Core Operations manufacturing cash costs per kgMS
is the cost of sales, variable and fixed costs of the COO business unit less non-cash costs (depreciation, amortisation and impairment) shown by kilogram of New Zealand milk solids collected. Excludes, milk, ocean freight and farm costs

Custodian
means the Fonterra Farmer Custodian, which is the legal holder of the shares in respect of which economic rights are held for the Fonterra Shareholders' Fund and any Market Makers

Debt to EBITDA
is adjusted net debt divided by Total Group normalised earnings before interest, tax, depreciation and amortisation (Total Group normalised EBITDA) excluding share of profit/loss of equity accounted investees, net foreign exchange gains/losses and any normalised EBITDA relating to entities divested during the year

DIRA
means the Dairy Industry Restructuring Act 2001, which authorised Fonterra's formation and regulates its activities, subsequent amendments to the Act, and the Dairy Industry Restructuring (Raw Milk) Regulations 2012

Discontinued operations
means a component of the Group that is classified as held for sale (or has been sold) and represents, or is part of a single coordinated plan to dispose of, a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale

Eliminations
represents eliminations of inter-business unit sales

Farmgate Milk Price
means the average price paid by Fonterra in New Zealand for each kgMS supplied by Fonterra's farmer shareholders under Fonterra's standard terms of supply. The Farmgate Milk Price is set by the Board, based on the recommendation of the Milk Price Panel. In making that recommendation, the Panel provides assurance to the Board that the Farmgate Milk Price has been calculated in accordance with the Farmgate Milk Price Manual

Foodservice
represents the channel selling to businesses that cater for out-of-home consumption; restaurants, hotels, cafés, airports, catering companies etc. The focus is on customers such as; bakeries, cafés, Italian restaurants, and global quick-service restaurant chains. High performance dairy ingredients including whipping creams, mozzarella, cream cheese and butter sheets, are sold in alongside our business solutions under the Anchor Food Professionals™ brand.

Gearing ratio (%)
is adjusted net debt divided by total capital. Total capital is equity excluding hedge reserves, plus adjusted net debt

Global Markets
represents the Ingredients, Foodservice and Consumer channels outside of Greater China

Greater China
represents the Ingredients, Foodservice and Consumer channels in Greater China

Growth capital expenditure
is investments to drive business expansion or improvement toward our strategy and generate incremental revenue. This includes organic growth (existing business projects) and inorganic growth (mergers and acquisitions)

Gross profit from Core Operations per kgMS
is Core Operations business unit gross profit excluding Farm Source and the cost of New Zealand milk sold. Shown per kilogram of New Zealand milk solids sold by Core Operations (continuing business)

Ingredients
represents the channel comprising bulk and specialty dairy products such as milk powders, dairy fats, cheese and proteins manufactured in New Zealand, Australia and Europe, or sourced through our global network, and sold to food producers and distributors

kgMS
means kilograms of milk solids, the measure of the amount of fat and protein in the milk supplied to Fonterra

Glossary

Market Maker
is a third party appointed by the Co-op who is active in making bids and offers on a minimum number of Fonterra Co-operative Group Shares

Maximum holding
is the maximum number of shares a Supplying Shareholder can hold, which is equal to 4 times the Share Standard

Minimum holding
is the minimum number of shares a Supplying Shareholder is required to hold, which is equal to 33% of the Share Standard. New entrants have up to six seasons to meet this

Net debt
is calculated as total borrowings, plus bank overdraft, less cash and cash equivalents, plus a cash adjustment for 25% of cash and cash equivalents held by the Group's subsidiaries, adjusted for derivatives used to manage changes in hedged risks on debt instruments. Amounts relating to disposal groups held for sale are included in the calculation

Net operating profit after tax
is calculated as total Group normalised EBIT plus finance income on long-term advances less a notional tax charge

Non-Reference Products
means all NZ milk solids processed by Core Operations, except for Reference Commodity Products

Non-shareholding farm
means a farm where the owning entity is not entitled to hold shares in the Cooperative. As an example, farms supplying MyMilk

Non-supplying shareholder
means all shareholdings that are not Supplying Shareholders

Normalisation adjustments
means adjustments made for certain transactions that meet the requirements of the Group's Normalisation Policy. These transactions are typically unusual in size and nature. Normalisation adjustments are set out in the Non-GAAP Measures section of the financial statements.

Permitted Transferee
is a person who has been approved by the Co-op and who is (and remains) related to or associated with a Ceased Shareholder

Price relativities
refers to the difference in the weighted average price (in USD) between the Reference Product portfolio and Non-Reference Product portfolio. The difference between these two weighted average prices is a key driver of the Ingredients' gross margin

Reference Products
are the five commodity groups used to calculate the Farmgate Milk Price, being Whole Milk Powder (WMP) and Skim Milk Powder (SMP), and their by-products Butter, Anhydrous Milk Fat (AMF) and Buttermilk Powder (BMP)

Return on capital (ROC)
is calculated as Total Group normalised EBIT including finance income on long-term advances less a notional tax charge, divided by average capital employed

Season
New Zealand: A period of 12 months from 1 June to 31 May
Australia: A period of 12 months from 1 July to 30 June

Secondary shareholder
is a sharemilker as defined in section 34 of the Co-operative Companies Act that holds shares as if they were a Supplying Shareholder, pursuant to section 44 of the Co-operative Companies Act and clause 30.5 of the Constitution

Share standard
means one share per one kgMS of milk supplied, used to calculate a Supplying Shareholder's Minimum Holding and Maximum Holding

Shareholding farm
means a farm where the owning entity of the farm has a minimum required shareholding of at least 1,000 shares in the Co-operative. This includes farms where the owning entity is in the process of sharing up on a Share Up Over Time contract

Supplying shareholder
is a shareholder supplying milk to the Co-op

Sustaining capital expenditure
represents investments to maintain the capability of our existing assets from risk management, legislation/regulation commitments, business continuity and capital replacement, as well as projects that drive the Co-operative's sustainability targets

Total Group
is used to indicate that a measure or sub-total comprises continuing operations, discontinued operations and non-controlling interests. E.g. 'Total Group EBIT'

Total Payout
means the total cash payment per milk solid that is backed by a share, being the sum of the Farmgate Milk Price per kgMS and the dividend per share

Tradeable shares
represents shares on issue that are in excess of aggregate minimum shareholding

Trade working capital
is total trade and associate receivables plus inventories, less trade and associate payables and accruals. It excludes amounts owing to suppliers and employee entitlements and includes trade working capital classified as held for sale

Working capital days
is calculated as 13-month rolling average trade working capital divided by revenue from the sale of goods (excluding impact of derivative financial instruments) multiplied by the number of days in the period

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There can be no certainty of outcome in relation to the matters to which the Forward Statements relate. Our ability to achieve the outcomes described in the Forward Statements is subject to a number of assumptions, each of which could cause the actual outcomes to be materially different from the events or results expressed or implied by such Forward Statements.

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Non-GAAP Measures

Fonterra uses several non-GAAP measures when discussing financial performance. Non-GAAP measures are not defined or specified by NZ IFRS.

Management believes that these measures provide useful information as they provide valuable insight on the underlying performance of the business. They may be used internally to evaluate the underlying performance of business units and to analyse trends. These measures are not uniformly defined or utilised by all companies. Accordingly, these measures may not be comparable with similarly titled measures used by other companies. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP measures are not subject to audit unless they are included in Fonterra's audited annual financial statements.

Please refer to the non-GAAP measures section in Fonterra's 2024 Annual Report for reconciliation of NZ IFRS to non-GAAP measures, and the Glossary for definitions of non-GAAP measures referred to by Fonterra.

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