



Stepping it up.



David Hearn.

The a2 Milk Company Limited

Annual Meeting | Auckland | 19 November 2019



Jayne Hrdlicka.



The a2 Milk Company Limited

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We have sharpened our strategy and increased our focus



Maximise growth from existing products in core markets

- Greater China and the US are significant markets with sizeable and growing premium categories
- High consumer loyalty with relatively low awareness indicates significant growth opportunity
- Delivering against this opportunity requires stepping up to serve Chinese consumers well through all channels



Broaden our product portfolio in core markets

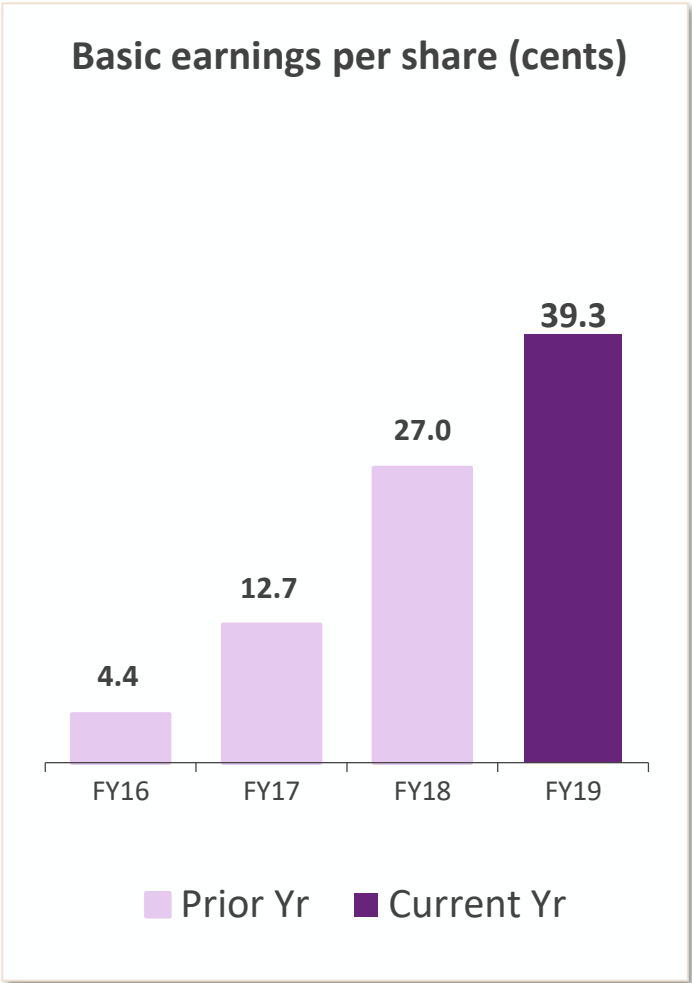
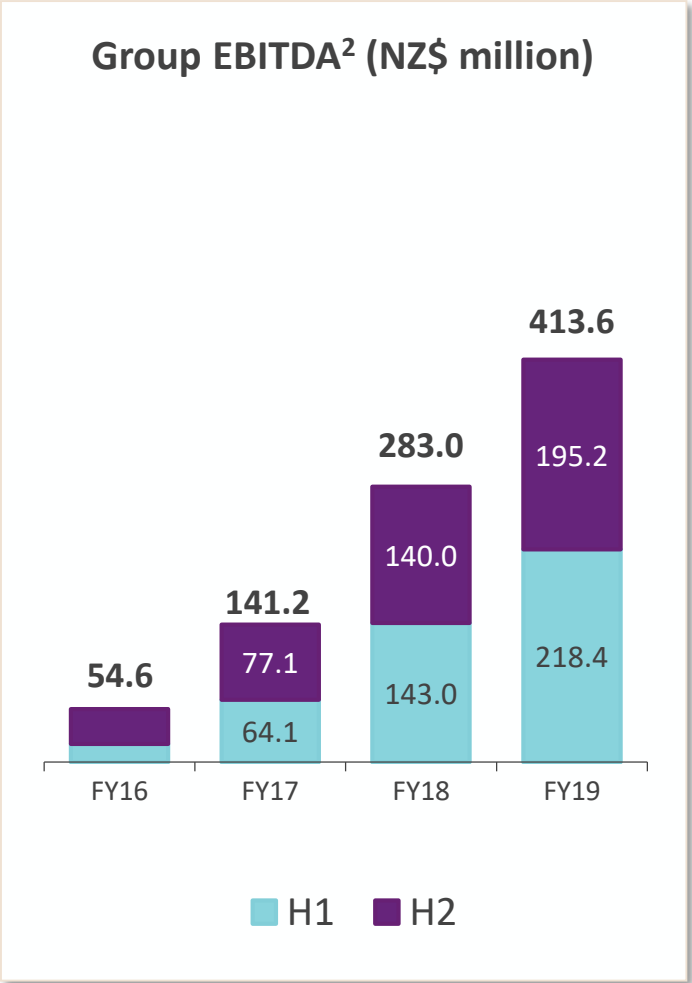
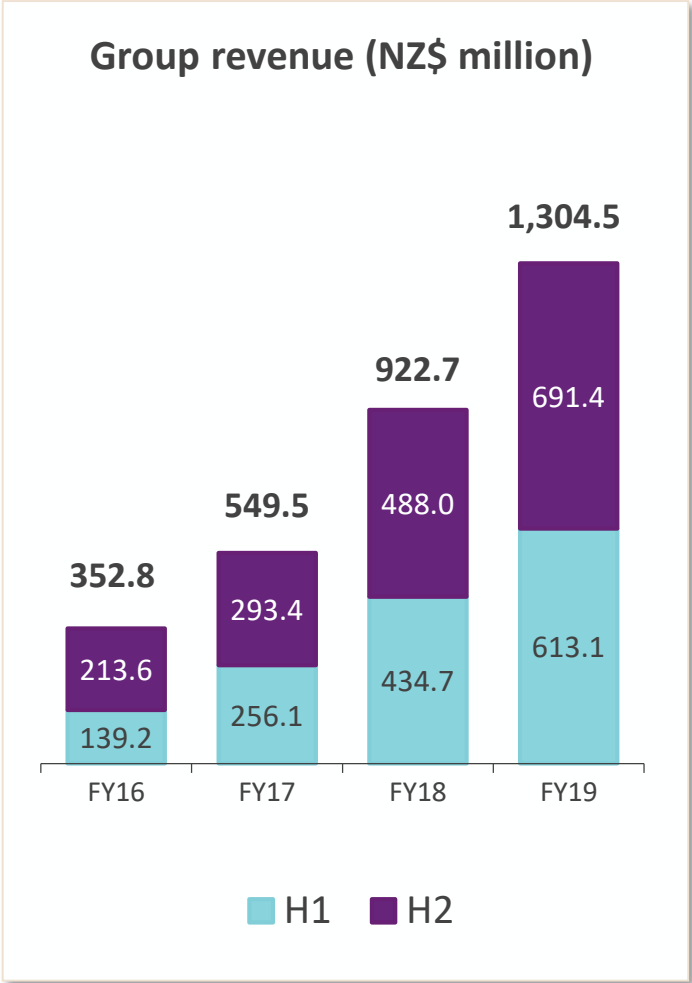
- Our core markets have sizeable adjacent categories – once meaningful brand awareness is achieved
- New products leverage our existing infrastructure, channels and proprietary know-how – yet also require investment in new capability



Expand into other targeted markets

- Expansion into new markets will occur over time
- Continued market testing in SE Asia and extending the Korean range to include infant nutrition with Yuhan
- Exiting the UK will allow further focus on our existing core markets and over time more attractive new markets

Key financial charts¹ – continuing strong momentum



¹ The Company's financial year ends 30 June; H1 refers to the first half period from 1 July to 31 December; H2 refers to the second half period from 1 January to 30 June

² EBITDA is a non-GAAP measure and represents earnings before interest, tax, depreciation and amortisation, and is shown before non-recurring items. A reconciliation of EBITDA to net profit after tax is shown on page 104 of the company's 2019 Annual Report - <https://thea2milkcompany.com/results/>

Outlook

FY20

- Overall, for FY20 we anticipate continued strong revenue growth across our key regions supported by brand and marketing investment in China and the US and the development of both capability and infrastructure to support in-market execution
- As an outcome of strategic gross margin focus, full year EBITDA margin % is now anticipated to be stronger than previously communicated and in the range of 29-30% with gross margin benefiting from:
 - Improved price yield
 - COGS reduction (including the effects of favourable FX)

1H20

- For 1H20, we anticipate revenue in the range of \$780 million to \$800 million with growth demonstrating strong performance against strategy:
 - China label infant nutrition sales forecast to be approximately \$135 million representing a growth rate of ~84%
 - CBEC¹ infant nutrition sales forecast to be approximately \$155 million² representing a growth rate of ~54%
 - ANZ English label infant nutrition sales forecast to be approximately \$350 million representing a growth rate of ~9%
 - US sales forecast to be approximately \$27 million representing a growth rate of ~110%
 - Australia fresh milk sales forecast to be \$75 million representing a growth rate of ~12%
- EBITDA margin % in 1H20 is expected to be higher than FY20 and in the range of 31-32% as a result of:
 - Increased cost of goods (including lactoferrin and packaging materials) in 2H20 and increased levels of strategically important trade marketing activation in China
 - Phasing of marketing and capability investment slightly weighted to 2H20; full year marketing investment expected to be approximately \$200 million



¹Cross border e-commerce (CBEC)

²1H19 comparative for CBEC includes infant formula sales previously reported under UK segment



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Formal business.

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Asking questions and voting instructions



Voting Directions

Resolutions	For	Against	Abstain
1 THAT THE DIRECTORS OF THE COMPANY BE AUTHORISED TO FIX THE FEES AND EXPENSES OF THE COMPANY'S AUDITOR, ERNST & YOUNG, FOR THE ENSUING YEAR.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2 THAT PIP GREENWOOD, WHO WAS APPOINTED A DIRECTOR OF THE COMPANY BY THE BOARD DURING THE YEAR, AND WHO WILL RETIRE AT THE MEETING IN ACCORDANCE WITH THE COMPANY'S CONSTITUTION, BE ELECTED AS A DIRECTOR OF THE COMPANY.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3 THAT THE EXISTING COMPANY CONSTITUTION BE REVOKED AND THE NEW CONSTITUTION, IN THE FORM PRESENTED AT THE ANNUAL MEETING AND REFERRED TO IN THE EXPLANATORY NOTES OF THE NOTICE OF MEETING, BE ADOPTED AS THE CONSTITUTION OF THE COMPANY WITH EFFECT FROM THE CLOSE OF THE MEETING.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* Note if you have already lodged your vote, this vote will override it.

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Item 1: Financial Statements and Reports

To receive and consider the Company's financial statements for the year ended 30 June 2019, together with the Directors' and Auditor's reports.



Item 2: Auditor's Fees and Expenses (Resolution 1)

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution of the Company:
“That the Directors of the Company be authorised to fix the fees and expenses of the Company’s auditor, Ernst & Young, for the ensuing year.”

Proxy votes	For	Undirected	Against	Total
Resolution 1	447,402,997	889,233	764,401	449,056,611
% of vote	99.63%	0.20%	0.17%	61.1% of issued capital



Item 3: Election of Director – Pip Greenwood (Resolution 2)

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

“That Pip Greenwood, who was appointed a Director of the Company by the Board during the year, and who will retire at the meeting in accordance with the Company’s constitution, be elected as a Director of the Company.”

Proxy votes	For	Undirected	Against	Total
Resolution 2	444,957,529	877,238	4,300,771	450,135,538
% of vote	98.85%	0.19%	0.96%	61.2% of issued capital

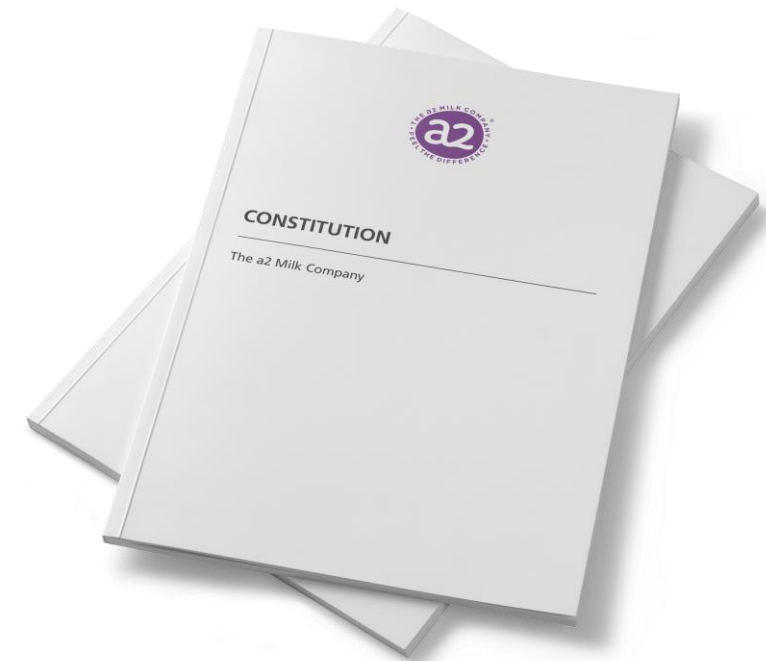


Item 4: Adoption of New Constitution (Resolution 3)

To consider and, if thought fit, to pass the following resolution as a **special** resolution of the Company:

“That the existing Company constitution be revoked and the new constitution, in the form presented at the Annual Meeting and referred to in the explanatory notes under the heading “Item 4 – Adoption of New Constitution (Resolution 3)”, be adopted as the constitution of the Company with effect from the close of the meeting.”

Proxy votes	For	Undirected	Against	Total
Resolution 3	448,961,207	891,233	195,277	450,047,717
% of vote	99.76%	0.20%	0.04%	61.2% of issued capital



<https://thea2milkcompany.com/wp-content/uploads/Draft-a2MC-Constitution.pdf>



General business.

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Disclaimer

This presentation dated 19 November 2019 provides additional comment on the Annual Report for the twelve months ended 30 June 2019 of The a2 Milk Company Limited (the “Company” or “a2MC”) and accompanying information released to the market on 21 August 2019. As such, it should be read in conjunction with the explanations and views in those documents.

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