2023 INTERIM RESULTS

The a2 Milk Company Limited 20 February 2023

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

Agenda

Strong performance in a very challenging market

1. Half year result is in line with the Company's expectations with double digit revenue and earnings growth
2. The Company delivered total IMF sales growth of 18.0% in a challenging China IMF market down 12.5%
3. Growth was driven by China label IMF sales with record market shares
4. China brand health reached new highs driven by increased investment and higher impact marketing campaigns
5. Innovation continues to ramp up with recent product launches in all categories supporting growth
6. New China label IMF registration process remains on track to be achieved in 2H23 subject to SAMR approval

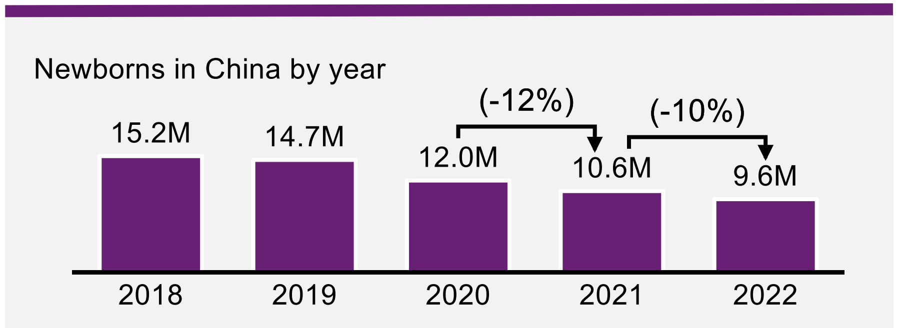
Double digit revenue and earnings growth driven by strong China label IMF performance and innovation

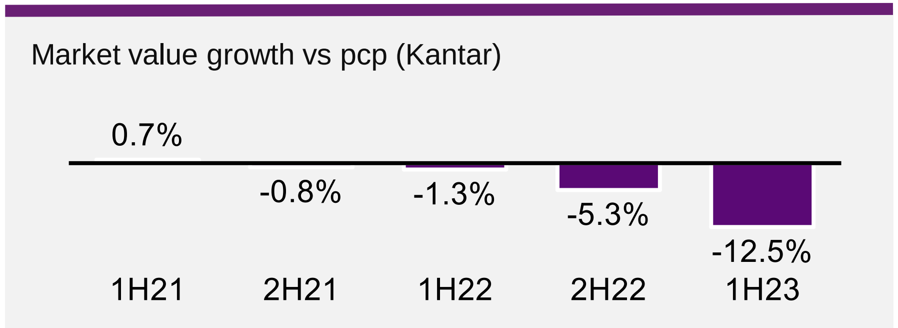
- **Group results in line with the Company's expectations**
  - Group revenue growth of 18.6% to $783.3 million
  - EBITDA[1] up 10.5% to $107.8 million, with EBITDA to sales margin of 13.8%
  - NPAT, including amounts attributable to non-controlling interests[2] up 22.1% to $68.5 million with $73.8 million attributable to owners of the Company
  - Strong balance sheet with closing net cash[3] of $707.2 million with 60.1% of on-market share buyback completed
- **Revenue growth driven by execution of refreshed growth strategy**
  - China & Other Asia sales up 54.0%, ANZ sales down 24.6%, USA sales up 61.8% and MVM sales up 18.4%
  - China label IMF sales up 43.5% following success of recent marketing campaigns and strong execution of key sales initiatives, reflected in record market shares
  - English label IMF sales up 1.0% despite challenging channel dynamics, whilst managing transition to the refreshed *a2 Platinum*® range and continued refinement of distribution model
  - ANZ liquid milk sales up 5.6% reflecting positive contribution from launch of *a2 Milk*® *Lactose Free* but with continuing reduction of in-home consumption as COVID-19 stay-at-home restrictions ceased during the pcp
  - USA liquid milk sales up 62.0% driven by modest growth in core liquid milk and increased distribution of two new products launched during FY22 (with sales weighted to 2H22) and favourable foreign exchange movements
  - MVM reported sales (net of intercompany) up 18.4% reflected 6-months under a2MC ownership versus 5-months in 1H22. On a LFL basis, revenue is 9.5% lower reflecting an increase in the insourcing of a2MC product

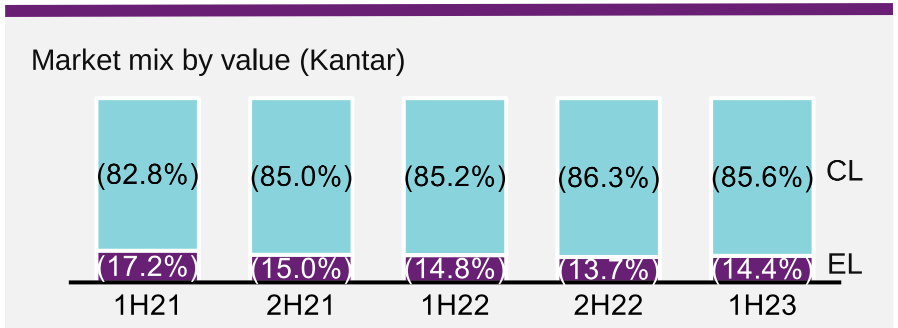
[1] Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-GAAP measure and does not have a standardised meaning prescribed by GAAP. However, the Company believes that, in combination with GAAP measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business. A reconciliation of EBITDA to net profit after tax is shown on page 47 on the presentation.
[2] The non-controlling interest represents China Animal Husbandry Group's 25% interest in MVM, a loss of $5.3 million.
[3] Including term deposits and borrowings, excluding subordinated non-current shareholder loans.

China IMF market challenging but still significant growth opportunity for a2MC

- The number of births in China declined a further 10.0% in CY22 to 9.6 million.[1] The overall China IMF market declined 11.0% in volume and 12.5% in value in 1H23.[2] The market decline reflected the decrease in births in CY22 along with the rolling impact of fewer births in prior years reducing Stage 3 IMF sales (the biggest segment of the IMF market).
- While market growth rates continued to vary between Key&A and BCD cities, market declines are now nationwide, with Key&A market value sales decreasing by 15.4% in 1H23 and BCD market value sales declining by 10.1% in 1H23 (flat in FY22).[2]
- China label market value declined 12.2% in 1H23 with the MBS channel down 9.8% and DOL up 4.4%. English label decline again exceeded the overall market in 1H23 down 15.7%. However, the market shift from English label channels to China label channels was less pronounced than prior periods.[2]
- Within China label channels, a2MC continues to be supported by the mix shift to ultra-premium, rapid growth of the A2-protein segment and increasing brand concentration.
- Within English label channels, Daigou continues to experience strong declines (down 39.5% in value in 1H23),[2] while O2O only slightly underperformed the market (down 14.5%)[2] and CBEC experienced strong double-digit growth (up 11.7%)[3], creating a significant mix shift across English label channels.
- In the context of very challenging market conditions, a2MC's volume and value growth in 1H23 in China IMF was encouraging, and the Company has a significant opportunity to grow market value share from its current levels of 4.5-5% over time.





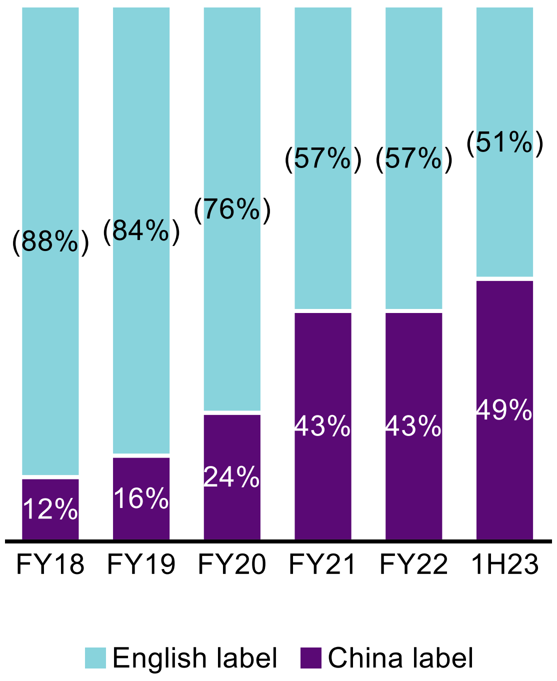


[1] Source: China National Bureau of Statistics.
[2] Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key & A + BCD cities) for the 26 weeks ending 30 December 2022.
[3] Smart Path China IMF online market tracking: for CBEC only retail sales (by value).

Growth strategy and positive market trends supporting a2MC growth

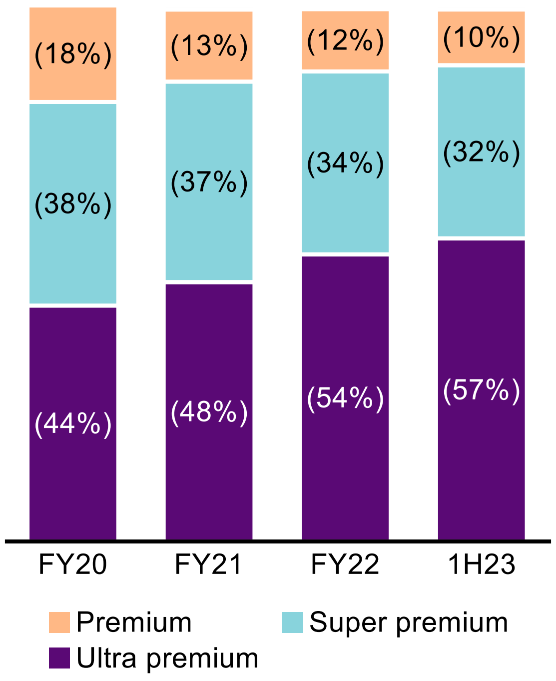
a2MC has evolved its mix of business towards China label IMF

a2MC IMF net sales by label



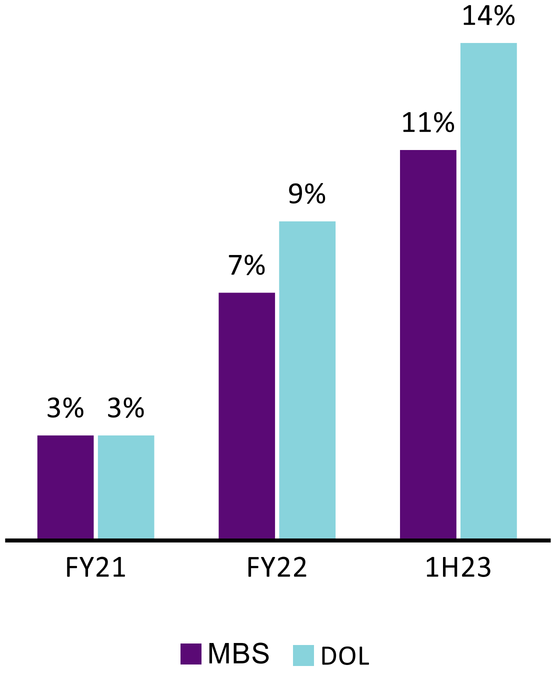
a2MC China label competes in growing ultra premium segment

MBS value sales by segment[1,2,3]



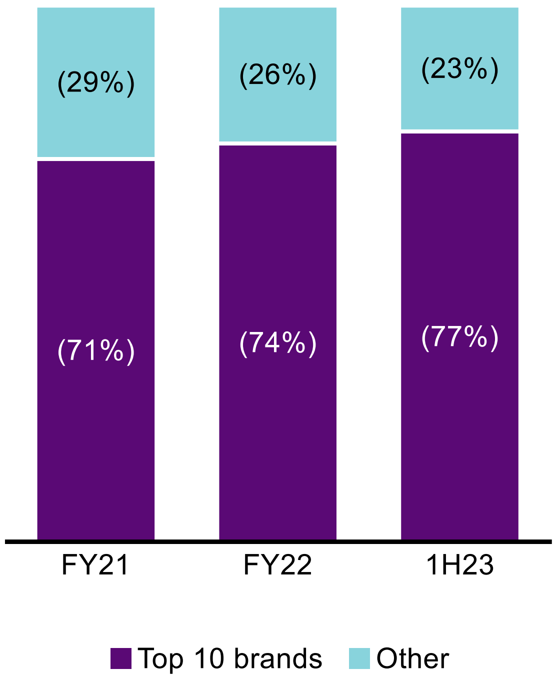
A2-protein segment continues to gain share

A2-protein % value share of channel



Market consolidating towards bigger brands

MBS value sales mix[1]



Note: Periodic data upgrades at Nielsen result in minor variations in data from time to time. All data has been restated with the most recent available Nielsen report.
[1] Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value).
[2] Price segments based on Stage 1 price: Ultra premium >=390RMB/KG; Super premium 290-390RMB/KG: Premium 190-290RMB/KG; Mass <=190RMB/KG.
[3] Numbers within the chart may not add to the total due to rounding.

FY23 outlook remains positive despite increasingly challenging market

See full outlook statement in results announcement dated 20 February 2023

Outlook

- Low double-digit revenue growth expected in FY23
  - Growth in China label IMF, ANZ liquid milk and USA liquid milk sales
  - EL IMF sales expected to be broadly in-line with FY22
  - MVM sales are expected to be down on FY22 due mainly to higher internal sales to a2MC and lower GDT commodity pricing
  - The positive impact of foreign exchange rates on revenue growth is less than that expected at the time the Company provided its last outlook update in November 2022
- Gross margin percentage is expected to be slightly higher than FY22
- EBITDA is expected to grow in FY23, and EBITDA margin (% of sales) is expected to be similar to FY22
- Cash conversion in FY23 expected to be significantly lower than FY22 due to the reversal of working capital timing benefits in FY22 and higher working capital related to China label transition. It is expected that the Company's operating cash conversion will return to more normalised levels in the future

Key risks

- In addition to trading upside and downside, other risks include, but are not limited to, COVID-19 impacts on supply and demand, SAMR approval and GB registration process timing and associated inventory transition, volume impact of price increases, cross border trade, foreign exchange movements, changes in interest rates and commodity prices, and changes in the regulatory environment. These risks could materially impact expected revenue and earnings outcomes

Key priorities of refreshed growth strategy remain unchanged

Purpose: We pioneer the future of Dairy for good

Vision: An A1-free world where Dairy nourishes all people and our planet

Goals

PEOPLE	PLANET	CONSUMERS	SHAREHOLDERS
Create a safe, diverse, inclusive and engaging place for our people to thrive, support our farmers and contribute to our communities	Protect our planet and cows, rethink packaging, achieve net zero and become nature positive	Bring the unique benefits of pure and natural *a2 Milk*® products to as many consumers as possible	Create long-term, enduring value for shareholders and a trusted, transparent relationship

Strategic priorities

1	2	3	4	5
Invest in people and planet leadership	**Capture full potential in China IMF**	**Ramp-up product innovation**	**Transform our supply chain**	**Accelerate path to profitability**
- Invest in our people to enable them to thrive - Take direct action to lead the industry in GHG emissions reduction, farming practices and sustainable packaging	- Gain more control over CL and EL distribution and get closer to our consumer - Increase investment in our brand, digital marketing and e-commerce	- Expand our CL and EL IMF product portfolios - Enter adjacent product categories in relevant markets to drive growth	- Expand CL registered market access - Utilise MVM and invest in New Zealand capability - Develop China supply capability over time	- Take action to realise potential in USA - Expedite insourcing of *a2* ™ product and 3rd party volume to significantly increase MVM utilisation

Enablers: Brand strength | Science & innovation | Strategic relationships | Capability development

Values: Bold passion | Pioneering spirit | Humility | Respect | Integrity

Significant progress made against strategic priorities and goals with some areas a work in progress

1 PEOPLE

Safety TRIFR	On track
Engagement	On track
Diversity & inclusion	On track

2 PLANET

GHG emissions reduction	On track
Environmental plans on farms	On track
Animal welfare programmes	On track
Sustainable packaging	Work in progress

CONSUMERS

3 BRAND HEALTH

China unprompted brand awareness	On track
Australian fresh milk loyalty	Work in progress
USA household penetration	On track

4 MARKET SHARE

CL MBS share	On track
CL DOL share	On track
EL CBEC share	On track
EL Daigou share	On track
EL O2O share	On track
Australian fresh milk share	Work in progress
USA premium milk share	On track

5 INNOVATION

China other dairy / nutritionals growth	Work in progress
Emerging markets development	Work in progress
USA sales from new products	On track
ANZ sales from new products	On track

6 SUPPLY CHAIN

Access to ≥3 CL registrations	Work in progress
CL inventory management	On track
EL inventory management	On track
Quality outcomes	On track
Supply chain efficiency	On track

7 SHAREHOLDERS

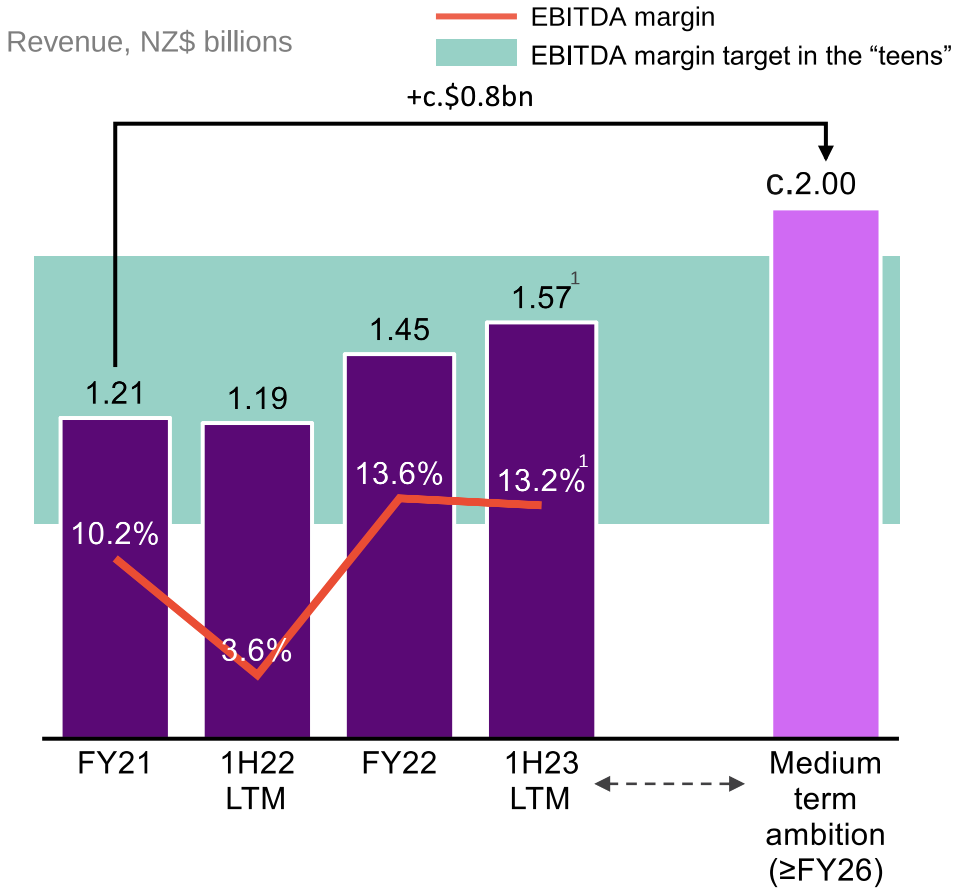
FY23 revenue plan	On track
FY23 EBITDA plan	On track
US profitability improvement	On track
MVM profitability improvement	Work in progress
Medium term financial ambitions[1]	On track

On track   Work in progress

1. Refer following page.

On track to achieve ambition to grow sales to $2 billion and improve EBITDA margins over time

Medium-term revenue and EBITDA margin ambition



Areas of planned revenue growth

Market / category	Growth ambition (FY21 to ≥FY26)[2]	Tracking
China label IMF	$0.4	On track
English label IMF	$0.3	Work in progress
China and other nutritionals	$0.2	Work in progress
Emerging markets	$0.1	Work in progress
ANZ	$0.1	On track
USA	$0.1	On track
Non-specific risk	$(0.4)	
Net growth	**c.$0.8bn**	On track

On track Work in progress

Comments

- $2 billion revenue goal implies a 4-year CAGR of 8.5% from FY22 if achieved by FY26
- Solid progress in 1H23 towards medium-term ambition
  - China label IMF is ahead
  - English label IMF, other nutritionals and emerging markets are work in progress
- Positive indicators, including:
  - Brand health metrics
  - Market share gains
- Outlook for FY23 is for low double digit revenue growth broadly consistent with achieving medium-term ambition over time

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

1. 1H23 revenue partially inflated by NZD depreciation during the period impacting EBITDA margin percent.
2. Incremental revenue ambition growth bridge from $1.21 billion in FY21 to c.$2.0 billion in ≥FY26 provided in Investor Day materials in October 2021. Provided for tracking purposes and should not be added to FY22 actual revenue result of $1.45 billion.

Innovation pipeline delivering significant new product launches

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

a2 Milk® *Lactose free* launched in August 2022 in Australia

a2 ™ *Nutrition for Mothers* ™ *孕产妇配方奶粉* CL launched in September 2022 in China

a2 Smart Nutrition® EL relaunched in November 2022 in ANZ and China

a2 Milk® *Full cream* EL in a tub launched in December 2022 in ANZ and China

a2 Milk® *Protein + Collagen* nutritional powders trial from January 2023 in the USA

a2 Milk® *Grassfed to* launch in March 2023 in the USA

China label new GB registration process progressing

- a2MC’s current China label IMF product *a2 至初*® registration was renewed by SAMR in September 2022, allowing Synlait to manufacture product until 21 February 2023
- Product manufactured up until this date is allowed to be sold in market after that date
- China label product manufactured after 21 February 2023 needs to comply with the new GB standard
- a2MC and Synlait are working closely together in relation to the new GB registration process. This included building stock of existing China label product, which has been completed to plan prior to the 21 February manufacturing cut-off date, to assist with transition in 2H23 and 1H24
- Of the key elements to achieve registration:
  - Dossier review process was completed in December 2022
  - MPI audit process of Synlait to commence in the week of 20 February 2023
- While the new GB registration process is progressing, timing is uncertain and subject to SAMR approval
- In all circumstances, a2MC fully respects SAMR’s governance and timing of this important registration process

Continued progress made in sustainability across the business

Investing to significantly reduce GHG emissions

- Commenced project for a new 100% renewable energy high pressure electrode boiler at MVM which is due to be completed October 2023
- Commencing methane inhibitor feasibility study utilising Sea Forest's SeaFeed™ product – a methane inhibitor from asparagopsis seaweed
- Previously contributed to conversion of Boiler 2 to from coal to biomass at Synlait's Dunsandel site

Expanded targets to include 'nature positive'

- Commenced pilot assessment for nature risk analysis
- Commencing pilot trials of measurement tools for water quality, soil and ecological health
- Awarded 15 projects funding through Farm Sustainability Fund with Lincoln University and 8 grants with Landcare Australia to support sustainable dairy farming projects in New Zealand and Australia

Committed to making meaningful change in packaging

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

Environment Southland sustainability award

Partnerships to support communities in need

KidsCan MAJOR PARTNER

Operation Smile

cure kids

FOOD BANK FIGHTING HUNGER IN AUSTRALIA

FEED THE CHILDREN

FINANCIAL OVERVIEW

Income statement reflects strong China IMF growth and increased brand and capability investment

$ million[1]	1H23	1H22	% change
Net Sales Revenue	782.0	658.8	18.7%
Gross Margin	371.9	304.5	22.2%
GM %[2]	*47.6%*	*46.2%*	
Other Revenue[3]	1.4	1.7	(22.6)%
Distribution	(24.0)	(24.7)	(3.0)%
Marketing	(135.1)	(92.5)	46.0%
Administration & Other	(115.3)	(99.6)	15.8%
Interest Income and Finance Costs	9.8	1.1	822.0%
Profit Before Tax	108.7	90.5	20.2%
Income Tax Expense	(40.2)	(34.4)	17.0%
NPAT	**68.5**	**56.1**	**22.1%**
- Attributable to owners of the Company	*73.8*	*59.6*	*23.7%*
- Attributable to non-controlling interests	*(5.3)*	*(3.5)*	*49.5%*
Group Revenue[4]	**783.3**	**660.5**	**18.6%**
EBITDA[5,6]	**107.8**	**97.6**	**10.5%**
EBIT[5,6]	98.8	89.3	10.6%
EPS – basic (cents)	10.0	8.0	24.1%

[1] All figures quoted in New Zealand Dollars (NZ$) and all comparisons are with the 6 months ended 31 December 2021 (1H22) unless otherwise stated. Numbers may not add down due to rounding.
[2] Gross margin percentage is calculated by dividing gross margin by net sales revenue.
[3] Other revenue comprises royalty, licence fee and rental income.
[4] Group Revenue comprises Net Sales Revenue and other revenue.
[5] Earnings before interest, tax, depreciation and amortisation (EBITDA), Earnings before interest and tax (EBIT).
[6] EBITDA and EBIT are non-GAAP measures, and represent earnings before interest, tax, depreciation and amortisation, and earnings before interest, tax.

- **Net sales revenue** reflects strong growth in the China & Other Asia and USA segments, up 54.0% and 61.8% respectively, and 18.4% growth in MVM, partially offset by a 24.6% decrease in the ANZ segment
- Due to NZD weakness during the half, **foreign exchange** movements led to an increase in revenue of ~$35 million and an offsetting increase in costs of doing business (including hedge losses)
- **Gross margin** of 47.6% (+1.3 ppts) reflects benefits from *a2 Platinum*® refresh positioning and distribution model changes, price rises and the cycling of other nutritional stock provisions in 1H22; partially offset by increased milk prices, raw materials, inflationary pressures, and unfavourable foreign exchange on cost of goods which also has a lagged impact into 2H23
- **Distribution costs** mix benefit from lower sales to ANZ resellers compared to CBEC and higher USA freight rates in pcp
- **Marketing investment** significantly higher to support execution of the Company's growth strategy in China, focused on consumer, medical and digital marketing
- **Administration & other costs** reflects further investment in capability and innovation, normalised LTI costs, foreign exchange losses and higher travel post COVID-19 disruption
- **NPAT** including the MVM non-controlling interest was $68.5 million, an increase of 22.1% with $73.8 million attributable to owners of the Company
- **Basic EPS** was up 24.1% to 10.0 cents per share

Growth in China and USA segments with continued shift from ANZ towards China & Other Asia

$ million		ANZ	China & Other Asia	USA	MVM[1]	Corporate	Total Group
1H23	**Revenue**	213.7	471.6	52.4	45.7	-	**783.3**
	EBITDA	62.0	111.5	(12.2)	(13.4)	(40.1)	**107.8**
	EBITDA %	29.0%	23.6%	(23.3)%	(29.4)%	nm	**13.8%**
1H22	**Revenue**	283.3	306.3	32.4	38.6	-	**660.5**
	EBITDA	96.2	59.4	(16.4)	(10.0)	(31.6)	**97.6**
	EBITDA %	34.0%	19.4%	(50.7)%	(26.0)%	nm	**14.8%**
% Change	**Revenue**	(24.6)%	+54.0%	+61.8%	+18.4%	-	**18.6%**
	EBITDA	(35.6)%	+87.7%	+25.6%	(33.8)%	(26.7)%	**10.5%**

[1] MVM excludes intercompany sales 1H22 results are for the 5 months since acquisition on 30 July 2021.

Double digit growth across all product categories

Revenue $ million		ANZ	China & Other Asia	USA	MVM[1]	Total Group
1H23	IMF	109.4	446.3	-	-	**555.7**
	Liquid milk	92.0	7.5	52.3	-	**151.7**
	Other	12.3	17.8	0.2	45.7	**76.0**
	TOTAL	**213.7**	**471.6**	**52.4**	**45.7**	**783.3**
1H22	IMF	179.9	291.1	-	-	**471.0**
	Liquid milk	87.1	5.5	32.3	-	**124.9**
	Other	16.3	9.7	0.2	38.6	**64.7**
	TOTAL	**283.3**	**306.3**	**32.4**	**38.6**	**660.5**
% Change	IMF	(39.2)%	+53.3%	-	-	**+18.0%**
	Liquid milk	+5.6%	+34.6%	+62.0%	-	**+21.5%**
	Other	(24.3)%	+83.7%	+7.6%	+18.4%	**+17.4%**
	TOTAL	**(24.6)%**	**+54.0%**	**+61.8%**	**+18.4%**	**+18.6%**

[1] MVM excludes intercompany sales 1H22 results are for the 5 months since acquisition on 30 July 2021.

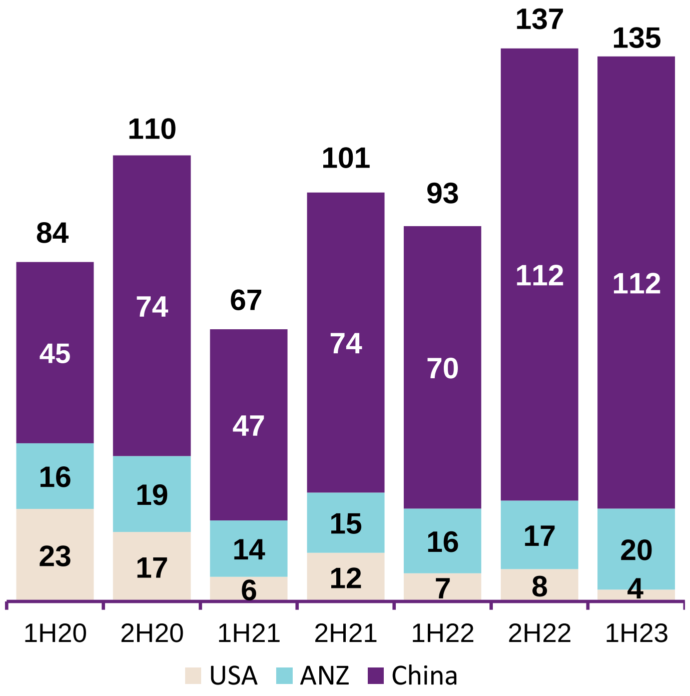
Marketing and capability investment increased significantly, consistent with growth strategy

Marketing and SG&A drivers

- Marketing investment was up 46.0% compared with 1H22, in line with 2H22
- Increase reflects continued step-up in China, in-line with refreshed growth strategy, timing of campaigns related to English label and new product launches, launch of new brand positioning, and further impacted by negative foreign exchange movements
- USA marketing decrease reflects planned efforts to reduce EBITDA losses and allocation of investment towards China
- Higher SG&A costs compared with 1H22 reflects further investment in capability and innovation, normalised LTI expenses, foreign exchange losses and higher travel post COVID-19 disruption

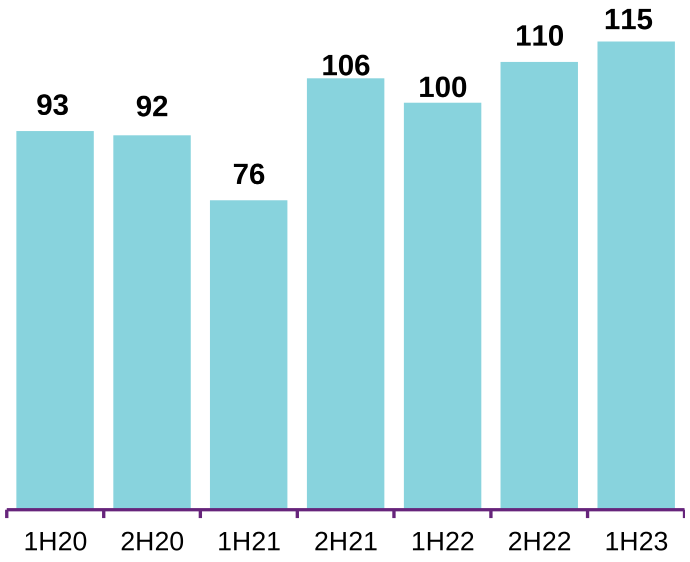
Marketing investment increased[1]

$ million



Administrative and other expenses (SG&A)

$ million



[1] Numbers within the chart may not add to the total due to rounding.

Balance sheet remains strong post share buyback with stock building ahead of China label IMF transition

$ million	1H23	2H22	% change
Cash and term deposits	777.2	887.3	(12.4%)
Trade and other receivables	78.7	83.5	(5.7%)
Inventories	182.0	140.0	29.9%
Other current assets	100.8	60.4	67.0%
Total current assets	**1,138.7**	**1,171.2**	**(2.8%)**
Property, plant & equipment	240.4	240.5	(0.1%)
Intangible assets	108.6	109.3	(0.7%)
Other non-current assets	211.1	194.7	8.4%
Total non-current assets	**560.1**	**544.6**	**2.8%**
TOTAL ASSETS	**1,698.8**	**1,715.9**	**(1.0%)**
Trade and other payables	348.7	376.1	(7.3%)
Other current liabilities	66.1	64.1	3.1%
Total current liabilities	**414.8**	**440.2**	**(5.8%)**
Total non-current liabilities	**79.6**	**81.8**	**(2.6%)**
TOTAL LIABILITIES	**494.4**	**521.9**	**(5.3%)**
NET ASSETS	**1,204.4**	**1,194.0**	**0.9%**

- **Cash and term deposits** balance of $777.2 million, with consolidated **net cash** position of $707.2 million[1]. The lower cash balance compared to June 2022 reflects the $90.3 million used to execute the on-market share buyback
- **Inventories** higher mainly due to building up China label IMF to manage the timing of registration approval and the transition of product during 2H23 and 1H24
- **Other current assets** higher primarily due to prepayments for China label IMF stock building to manage transition in 2H23 and 1H24
- **Other non-current assets** mainly consists of the Company's investment in Synlait, valued at $153.0 million
- **Trade and other payables** lower mainly due to timing of annual rebate payments and FY22 catch-up payments in China (related to COVID-19 impacts)
- **Other current and non-current liabilities** mainly consist of MVM's bank borrowing of $70.0 million

[1] Calculated as cash and term deposits less MVM financial debt (excluding subordinated non-current shareholder loans provided by non-controlling interest).

Operating cash flow reflects unwinding of working capital benefit from 2H22 and stock building of China label IMF

$ million	1H23	1H22	% change
Cash flows from operating activities			
Receipts from customers	806.7	673.4	19.8%
Payments to suppliers and employees	(792.0)	(546.1)	45.0%
Net interest flows and taxes paid	(17.8)	(28.9)	(38.4%)
Net operating cash flows	**(3.2)**	**98.4**	**(103.2%)**
Cash flows from investing activities			
Acquisition of subsidiary	-	(213.7)	nm
Receipts from term deposits	100.0	-	nm
Payments for other assets	(7.6)	(2.5)	201.1%
Net cash flows from investing activities	**92.4**	**(216.3)**	**(142.7%)**
Net cash flows from financing activities	**(93.0)**	**(15.3)**	**508.7%**
Net (decrease)/increase in cash	**(3.8)**	**(133.1)**	**(97.2%)**
Cash at the beginning of the period	437.3	875.2	(50.0%)
Effect of exchange rate changes on cash	(6.4)	5.2	(223.4%)
Closing cash at the end of the period	**427.2**	**747.2**	**(42.8 %)**
Cash comprised of:			
Cash and short term deposits	427.2	747.2	(42.8%)
Term deposits	350.0	-	nm
Total cash & term deposits	**777.2**	**747.2**	**4.0%**

- **Cash flows from operating activities**
  - Lower cash conversion of 13.5%[1] due to:
    - catch-up of FY22 payments in China, which were impacted by COVID-19 delays (outside the Company's control)
    - higher prepayments and inventory levels for China label IMF stock building to support transition in 2H23 and 1H24
- **Cash flows from investing activities**
  - Receipt from term deposits of $100.0 million
- **Cash flows from financing activities**
  - Payment of $90.3 million for on-market share buyback

[1] Calculated as net cash flow from operating activities before interest and tax divided by EBITDA..

REGIONAL & PRODUCT PERFORMANCE

China label key messages

Strategic priorities

1. Continue to invest in and nurture our brand
2. Achieve full potential in key accounts
3. Capture opportunity in lower tier cities
4. Accelerate online growth
5. Broaden our product portfolio

Progress

- Launched new brand proposition "*a2*™ Milk Base Matters" coupled with more disruptive PR and greater integration
- Increased activation coverage for regional key accounts
- Increased offline distribution in lower tier cities, and further refined approach to new user recruitment
- Increased level of investment in digital and online, and expanded into emerging online channels (e.g. Douyin)
- Continued to invest to grow UHT, particularly in online channels

Business impact

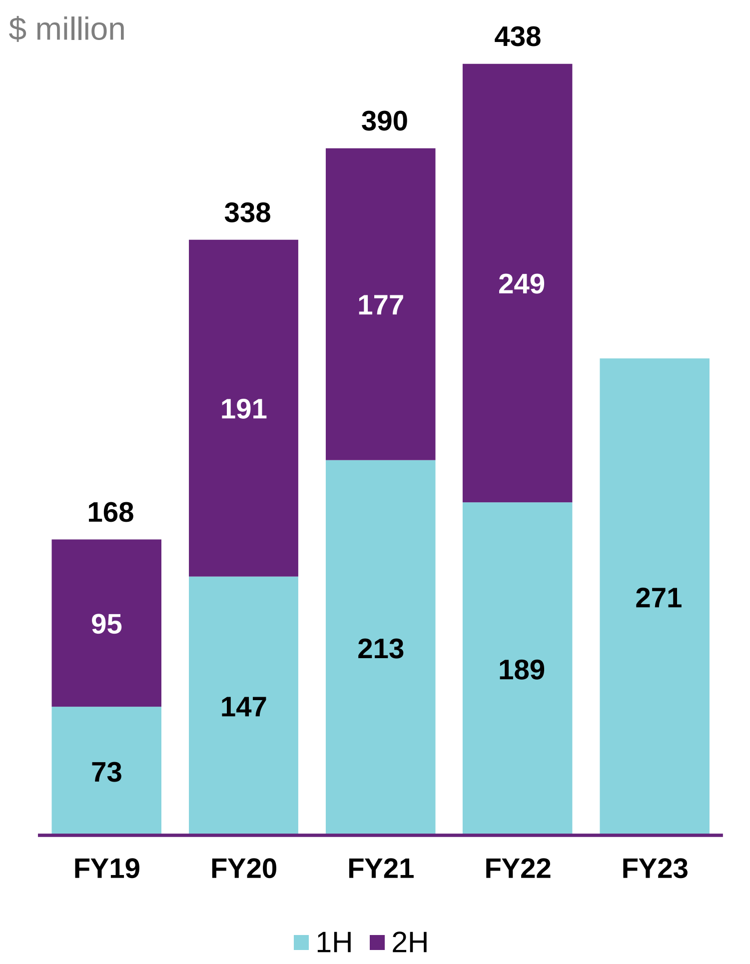
- Continued to reach new highs in brand health metrics, particularly in awareness with improvements in loyalty through the brand funnel
- Grew share within focus accounts, with higher than national overall growth
- BCD cities were the biggest driver of offline growth in 1H23, reflected in strong MBS share growth
- DOL growth outpaced offline growth, reflected in DOL share "closing the gap" to MBS share
- Delivered strong double-digit growth in UHT, which outperformed expectations

China label IMF sales growth driven by execution of refreshed growth strategy

Strong underlying consumer demand

- China label IMF business was the standout performer within the group during 1H23
- China label market value declined 12.2%[1] in 1H23 with the MBS channel declining by 9.8%[2] while the DOL channel grew by 4.4%[3]
- Despite a significant decline in the market, *a2 至初*® China label IMF net revenue was up 43.5% to $270.7 million driven by continued execution of the Company's growth strategy, in addition to pricing and favourable foreign exchange
- 1H23 revenue includes increased sales late in the half to mitigate potential COVID-19 related disruptions in China and relatively early Chinese New Year
- 1H22 was also a weaker comparative period as a2MC rebalanced channel inventory to improve channel dynamics in 1Q22
- Execution of growth strategy to drive in store distribution and same store sales, particularly in lower tier cities, plus investment in consumer and medical marketing and e-commerce resulted in significant market share gains:
  - MBS MAT value share increasing to 3.2%[2] at the end of 1H23, from 3.0% in 2H22
  - DOL MAT value share of 3.0%[3] at the end of 1H23, compared with 2.5% in 2H22

China label net sales revenue

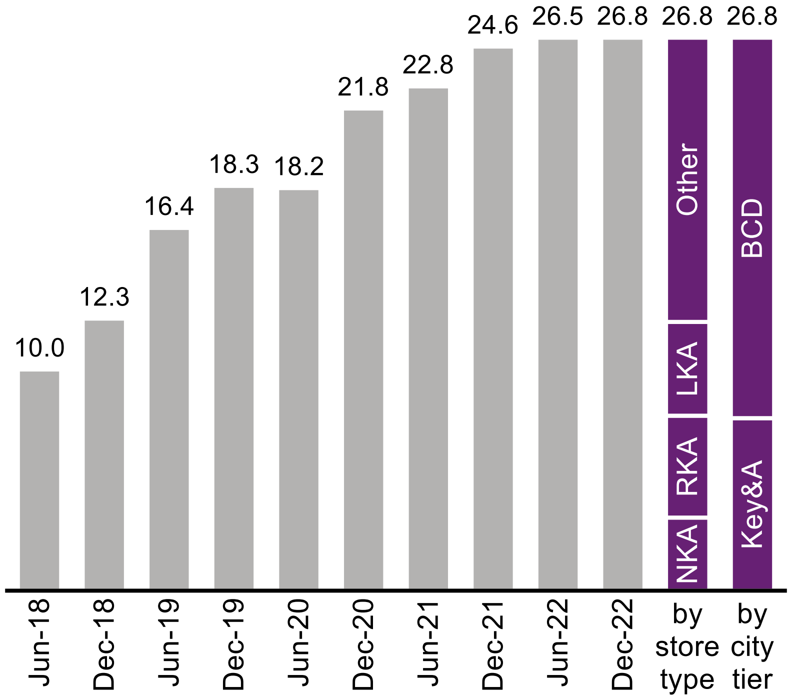


[1] Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key & A + BCD cities).
[2] Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value). 6-month. 1H23 versus 2H22.
[3] Smart Path China IMF online market tracking: domestic online platform sales (by value). 6-month. 1H23 versus 2H22.

Distribution expanded with improvement in like-for-like sales

Expanding store footprint

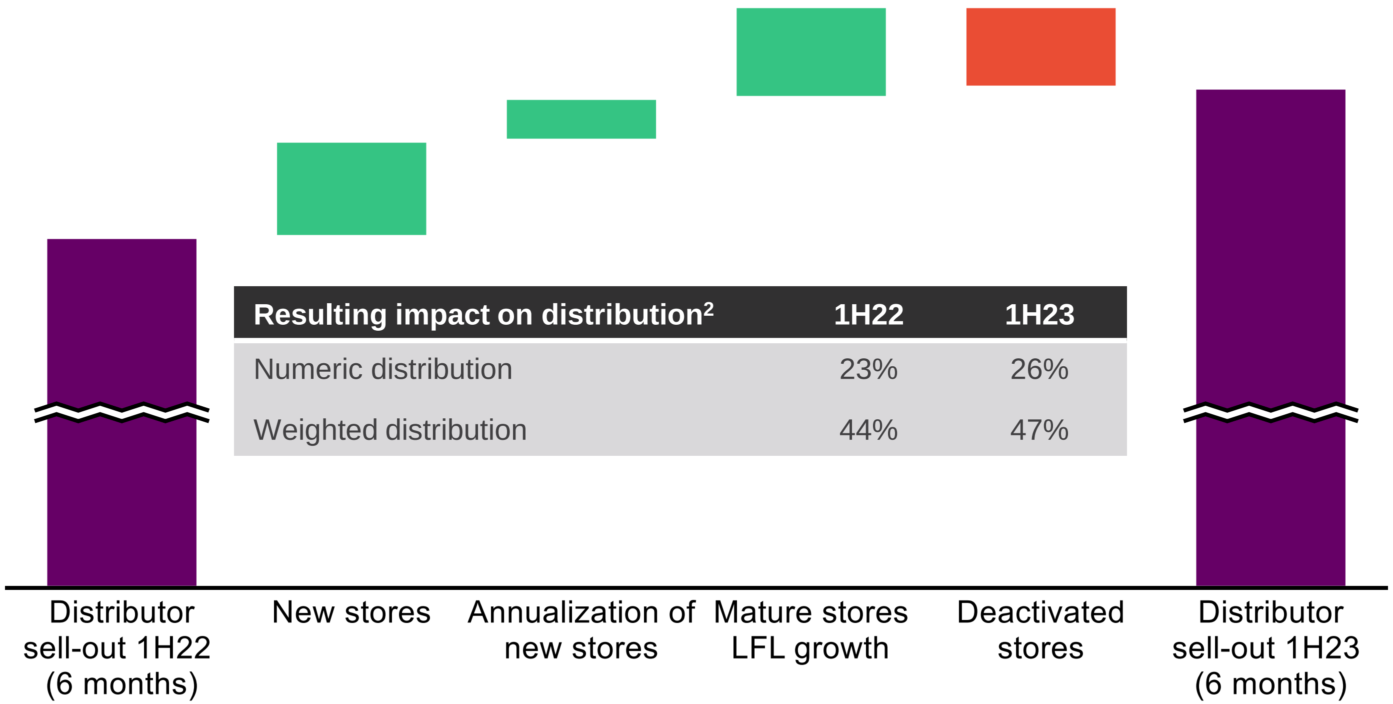
a2MC China distribution (store count '000)[1]



Improvement in LFL store growth

a2MC CL IMF distributor sell-out to stores (units)[1]

INDICATIVE



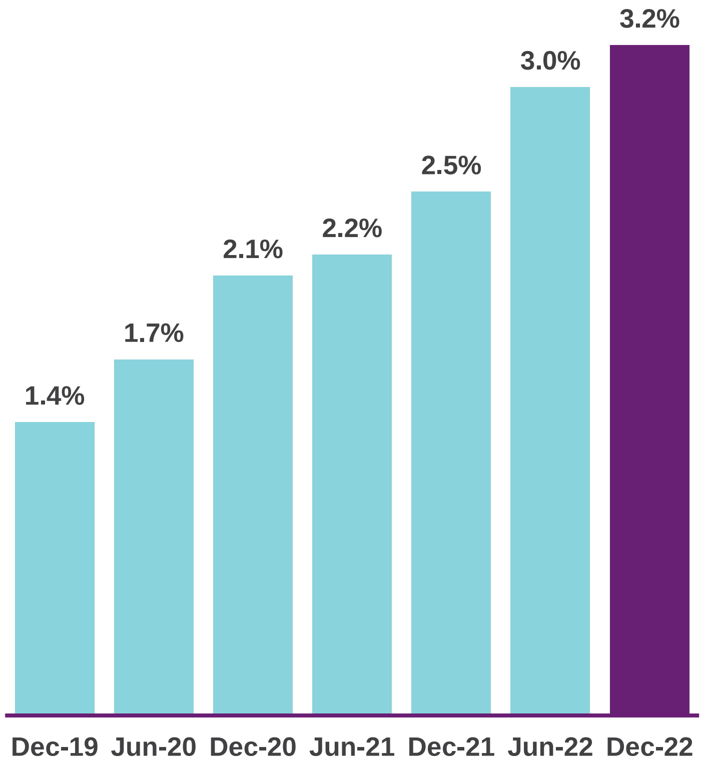
Resulting impact on distribution[2]	1H22	1H23
Numeric distribution	23%	26%
Weighted distribution	44%	47%

[1] a2MC internal data and tracking of stores with active sales in the past 6 months.
[2] Nielsen MBS retail measurement service: mother and baby stores only.

Growth reflected in MBS share gains in both Key&A and BCD cities

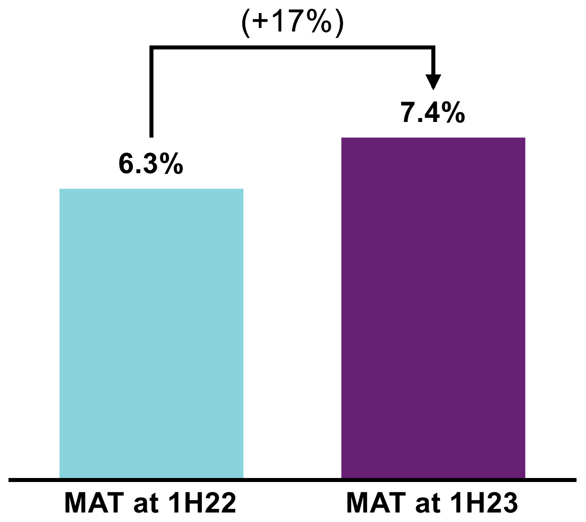
National MBS value share

a2MC MBS MAT value share (%)



Key&A MBS value share

a2MC Key&A MBS MAT value share (%)

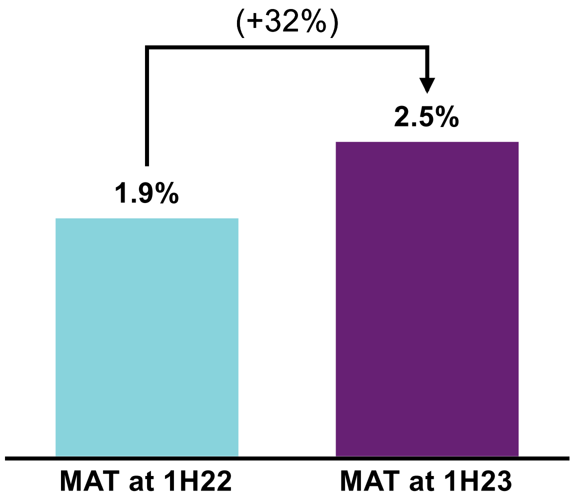


IMF market

Declined by 13% on a 12-month basis ending Dec-22 vs Dec-21

BCD MBS value share

a2MC BCD MBS MAT value share (%)



IMF market

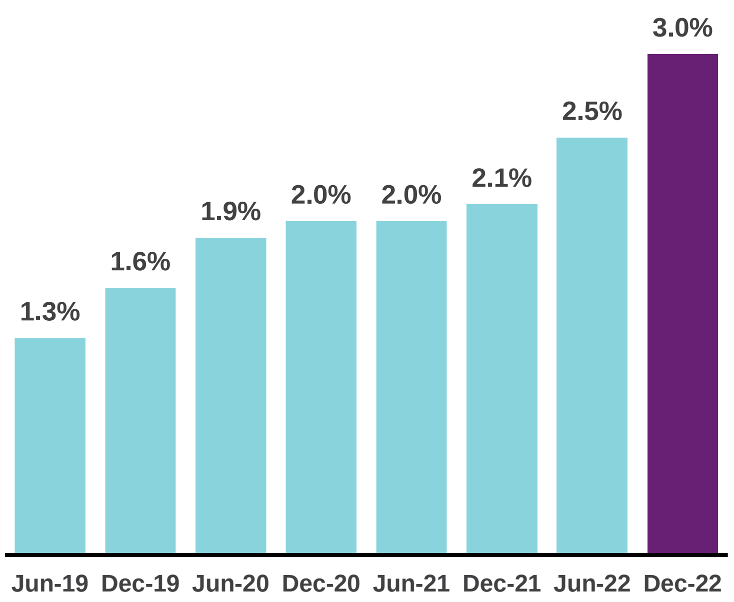
Declined by 7% on a 12-month basis ending Dec-22 vs Dec-21

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

Record performance in DOL share closing gap to MBS share

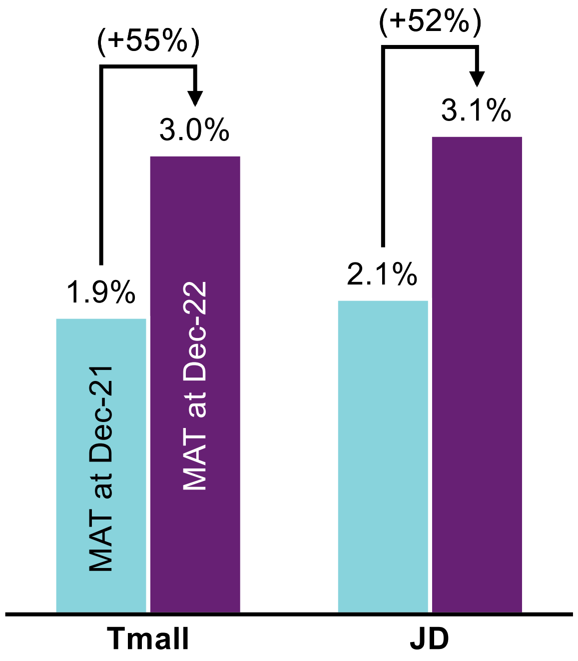
DOL value share

a2MC DOL MAT value share (%)[1]



Tmall and JD value share

a2MC Tmall and JD MAT value share (%)[1]



Commentary

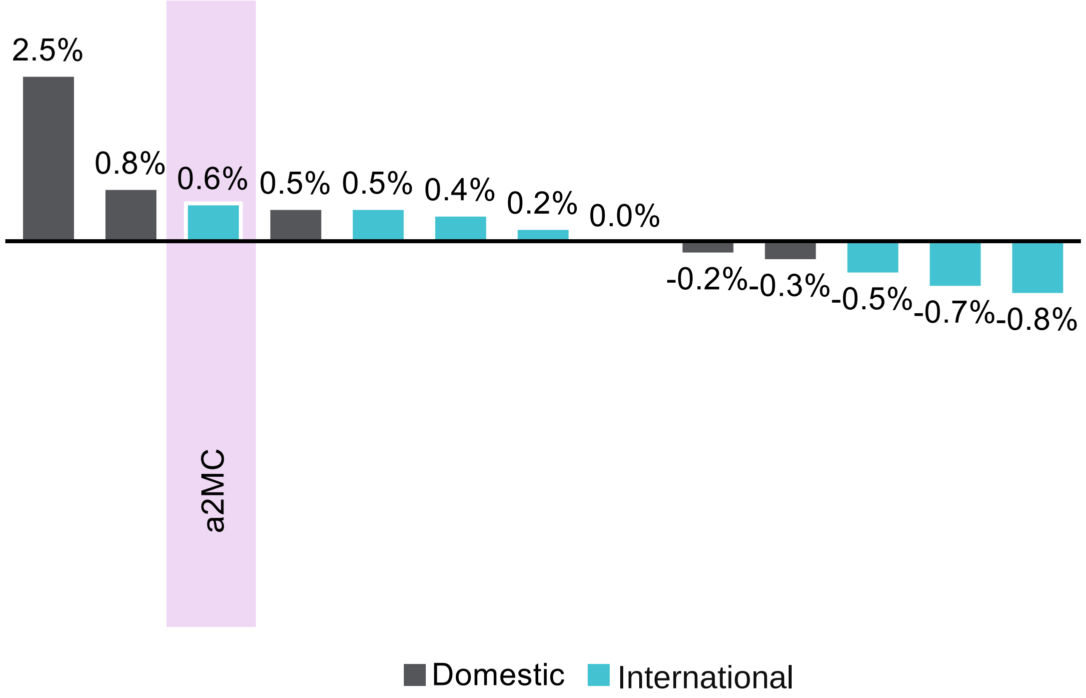
- Online growth outpaced offline sales growth for a2MC in 1H23, reflected in strong DOL share gains, which are “closing the gap” to a2MC’s MBS share
- While a2MC achieved strong growth within key DOL platforms, Tmall and JD, it also “unlocked” growth in other platforms (not covered by SmartPath’s DOL tracking) – in particular, Douyin (TikTok)
- a2MC continues to focus on optimising the effectiveness of its marketing investment and execution capability in online channels

[1] Smart Path China IMF online market tracking: domestic online platform sales (by value). 12-month rolling share.

a2MC has become a top three share gainer in MBS and DOL

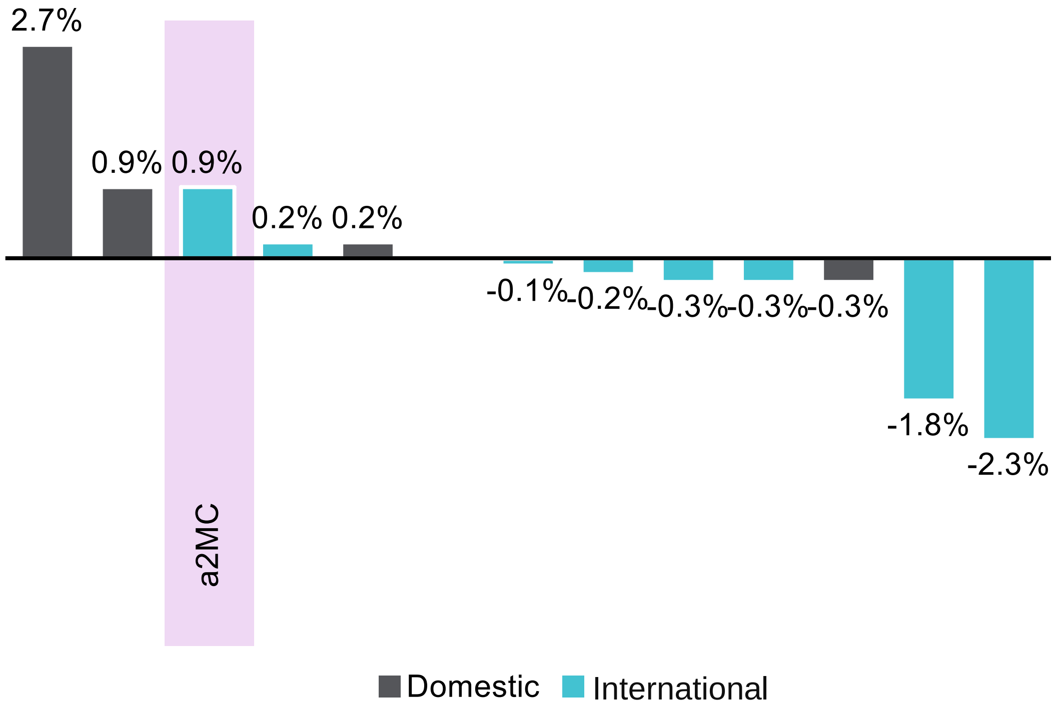
Market share movements by IMF brand owner in MBS channel

Change in MBS value share (% pts)[1]



Market share movements by IMF brand owner in DOL channel

Change in DOL value share (% pts)[2]

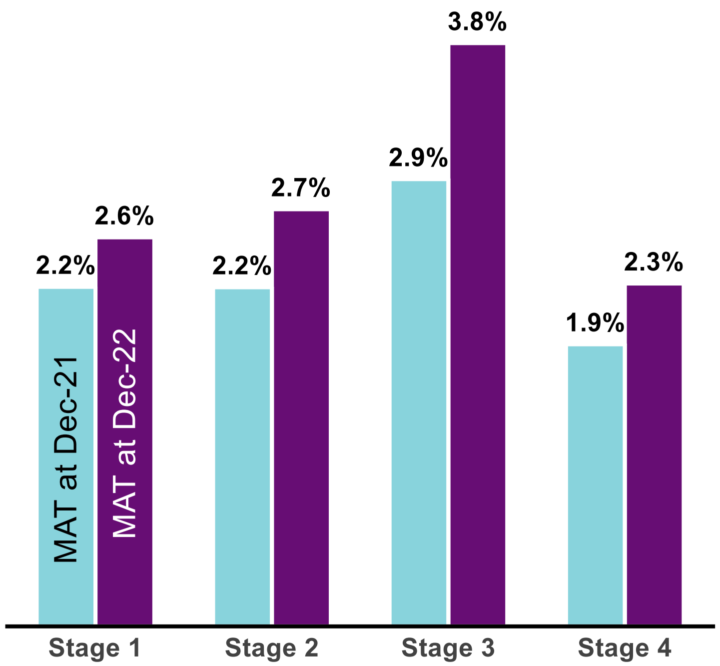


[1] Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value). MAT Dec-21 to MAT Dec-22.
[2] Smart Path China IMF online market tracking: domestic online platform sales (by value). (Excludes goat and specialty) MAT Dec-21 to MAT Dec-22.

Share gains achieved across all stages in MBS and DOL

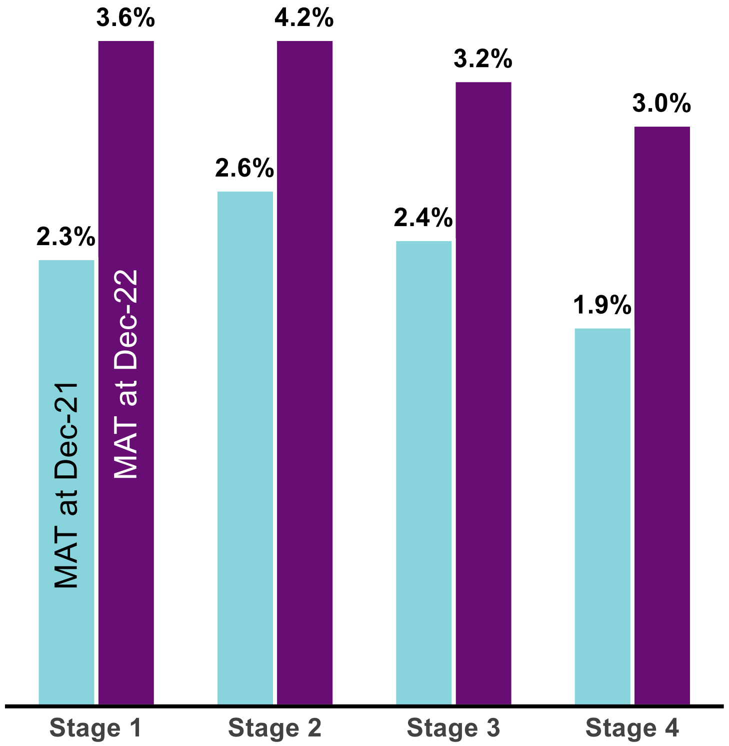
MBS share by stage

MAT value share by stage[1]



DOL share by stage

MAT value share by stage[2]



Commentary

- While a2MC seeks to recruit new users across all stages, given a2MC's strong loyalty performance through the brand funnel, recruiting early stage new users is of particular focus for a2MC
- Within MBS, while a2MC delivered share growth across all stages, Stage 3 was the primary driver of share gains. Smaller gains were delivered in Stage 1 and Stage 2, reflective of increasing competition in a declining market. a2MC is refining its approach to new user acquisition going into 2H23 and FY24 to optimise efficiency
- Within DOL, share growth was driven by early stage sales, a healthy indicator that the channel is growing through recruiting new users, rather than switching consumers from offline channels

[1] Nielsen MBS retail measurement service: mother and baby stores only retail sales (by value) across stages. 12-month rolling share.
[2] Smart Path China IMF online market tracking: domestic online platform sales (by value). Excludes goat and specialty.12-month rolling share.

Strong China label performance in Double 11

Double 11 activation overview – China label

Double 11 performance – China Label

+76%	China label IMF tins sold through D11 sales period (vs D11 2021)
#8	TMall DOL IMF Flagship store (#10 in 6/18 2022, #16 in D11 2021)
#2	TikTok DOL IMF Brand (#2 in 6/18)
3.5%	November 2022 Smart Path DOL share (+1.1%pts vs November 2021)

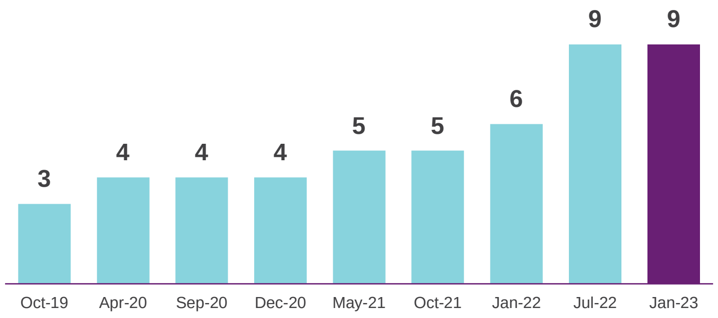
Double 11 performance was achieved while whole ecosystem is healthier than most local and MNC competitor brands

Relaunched brand proposition with a focus on why the "*a2*™ Milk Base Matters"

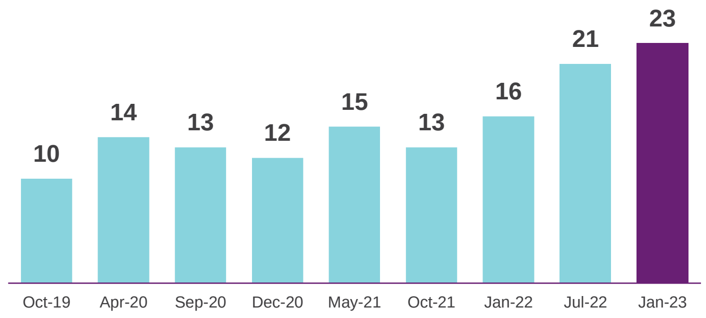
- Following successful FY22 campaigns highlighting the **functional benefits** of *a2 至初*® China label IMF and *a2 Platinum*® English label IMF, relaunched brand proposition in 2Q23 to further emphasise the benefits of A2-protein
- Brand relaunch was **integrated across channels** to drive effectiveness and efficiency, including with mass media to maximise reach, as well as digital campaigns for more precise targeting and social platforms to drive talkability. Campaign was preceded by a medical marketing campaign
- The relaunch was also integrated with sales channels to support new user recruitment and ensure efficiency through the brand funnel
- The "*a2*™ Milk Base Matters" campaign received a Gold Award at the most recent China International Advertising Festival

Total brand awareness, trial and loyalty at new highs

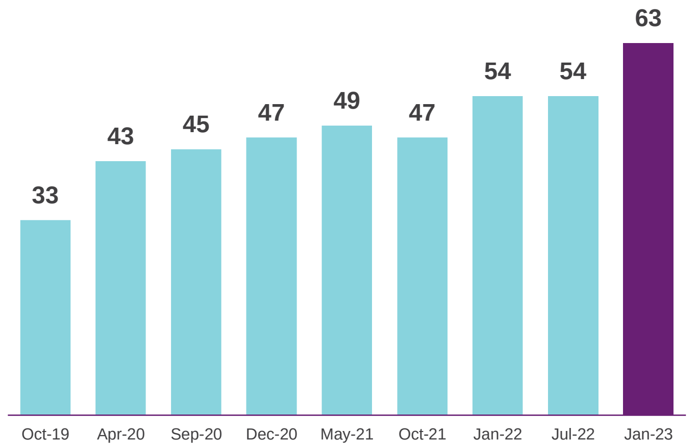
a2MC top of mind awareness %



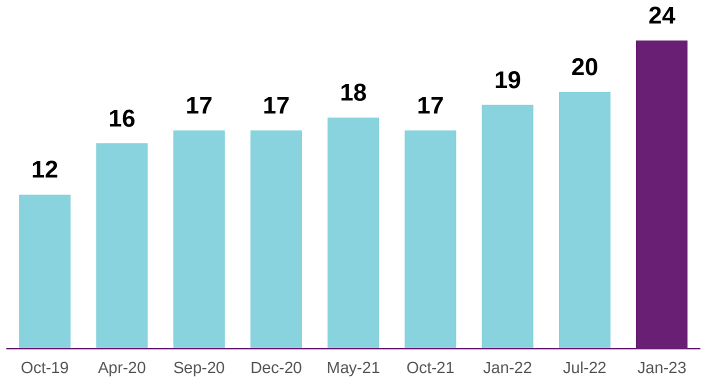
a2MC spontaneous awareness %



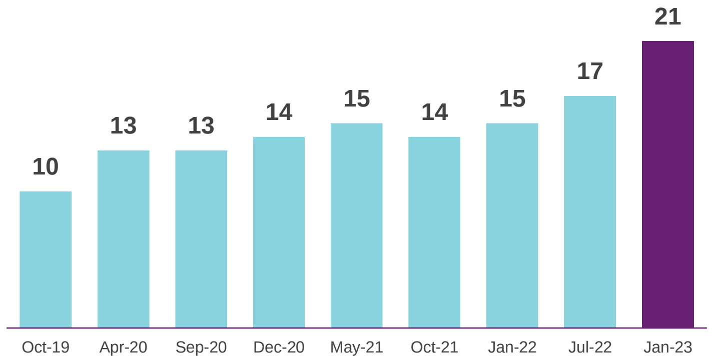
a2MC total brand awareness %



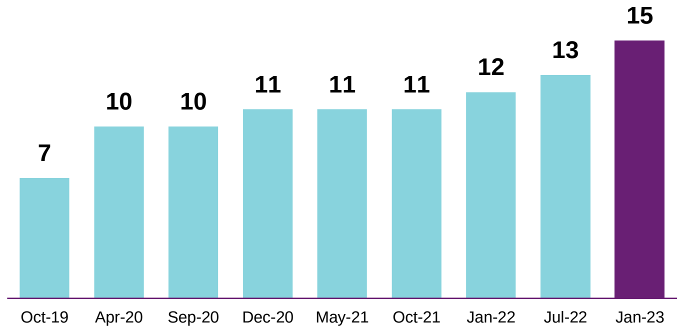
a2MC ever trialed %



a2MC past 3 months trialed %



a2MC brand used most often %



Source: a2MC internal data tracking based on the Company's brand health tracking.

English label IMF key messages

Strategic priorities

1. **Maintain tight control of English label inventory across channels**
2. **Remain the preferred brand for the English label reseller network**
3. **Accelerate online growth with omni-channel mindset**
4. **Focus on developing O2O channel**
5. **Broaden our IMF portfolio**

Progress update

- Executed transition to refreshed *a2 Platinum*® across all EL channels
- Supported launch of refreshed *a2 Platinum*® with digital-focused consumer campaign in China, together with offline events and reseller marketing support in Australia
- Moved to directly manage third party seller stores in CBEC
- Embedded dedicated teams to focus on O2O coverage growth, leveraging China offline network and activations
- Launched upgraded *Smart Nutrition*® fortified children's milk and premium Milk Powder Tub format

Business impact

- Inventory within targeted levels, pricing transitioned to refreshed *a2 Platinum*®
- Step-changed share of voice within Daigou community and increased EL brand awareness, supporting Daigou share growth
- Growth in CBEC and held O2O share, with strong early stage growth in CBEC and new user recruitment in O2O
- Delivered innovation in core markets and segments with refreshed English label IMF product range and packaging and new Milk Powder products

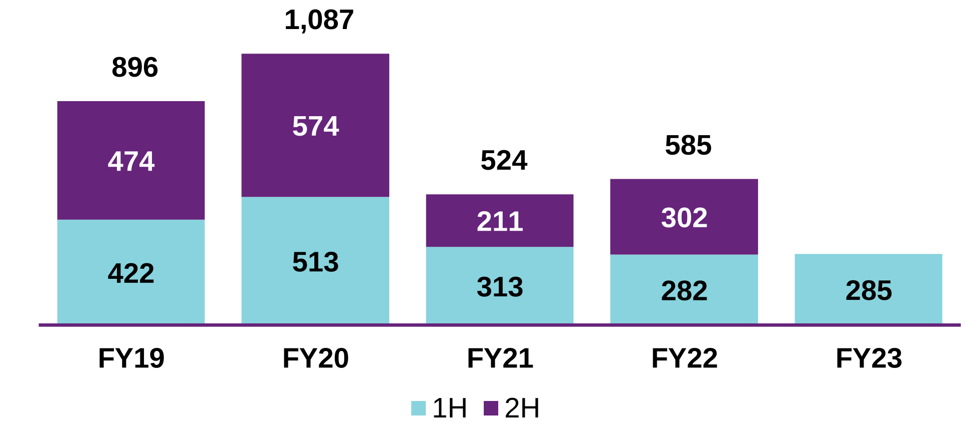
Sharp market decline in Daigou channel and growth in CBEC channel

English label and other label IMF sales reflected continued channel mix shift

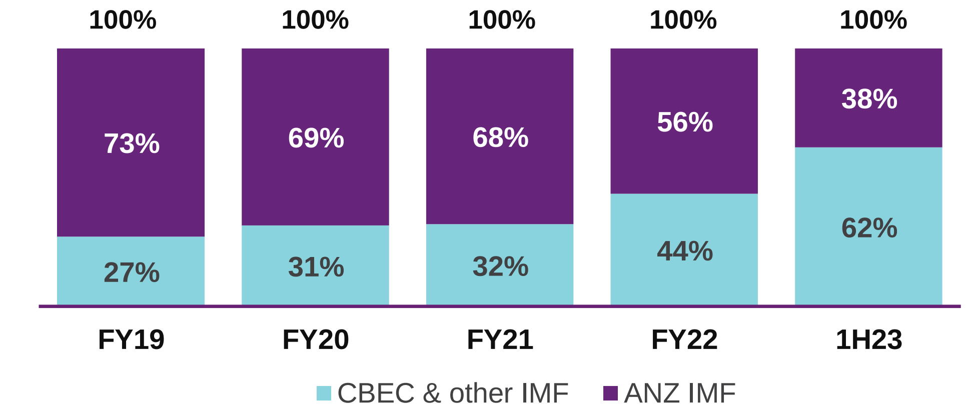
- English label market value declined by 15.7% in 1H23, driven by a sharp 39.5% market decline in the Daigou channel as COVID-19 lockdowns in China impacted normal Daigou operations with challenged shipment times. O2O channels serviced by ANZ resellers were also impacted. Conversely, CBEC benefited from the shift to online channels, achieving double digit growth
- Net sales revenue of English and other label IMF was up 1.0% vs 1H22 to $285.0 million:
  - CBEC and other labels revenue increased by 71.5% to $175.6 million reflecting the continued refinement of the English label distribution model and the deliberate shift in sales to CBEC authorised distributors from ANZ resellers, improved sales through CBEC and O2O, and positioning benefits associated with refreshed *a2 Platinum*®
  - ANZ IMF revenue decreased 39.2% to $109.4 million, reflecting market decline in Daigou channel and the continued shift of sales to the CBEC channel
  - Total 1H23 English label IMF revenue partially impacted by managing the transition to the refreshed *a2 Platinum*® range in market and across key channel participants
- 1H23 market share:
  - CBEC MAT value share 22.1% at end of 1H23 (19.5% in Jun-22)[1]
  - Daigou MAT value share 19.0% at end of 1H23 (18.9% in Jun-22)[2]
  - O2O MAT value share 20.8% at end of 1H23 (21.0% in Jun-22)[2]

English and other label IMF net sales revenue

Net sales revenue by half ($ million)[3]



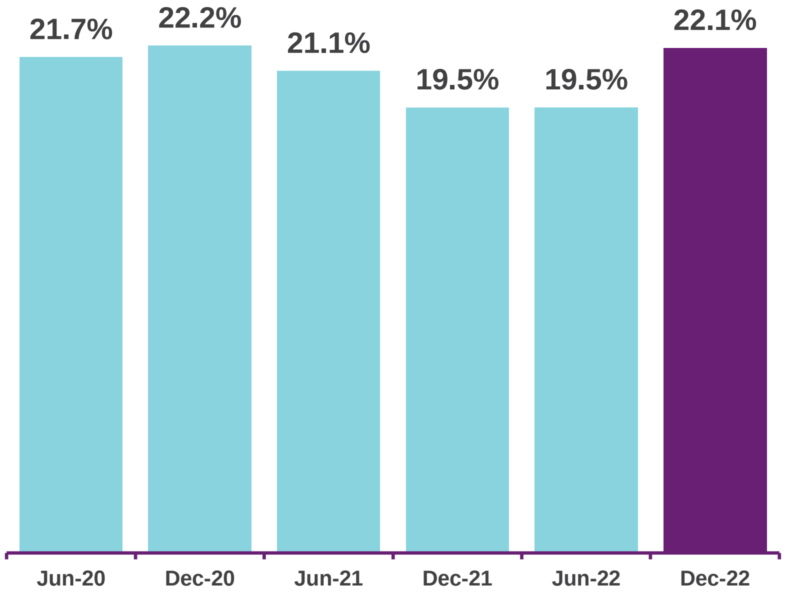
Net sales revenue by channel (% mix)



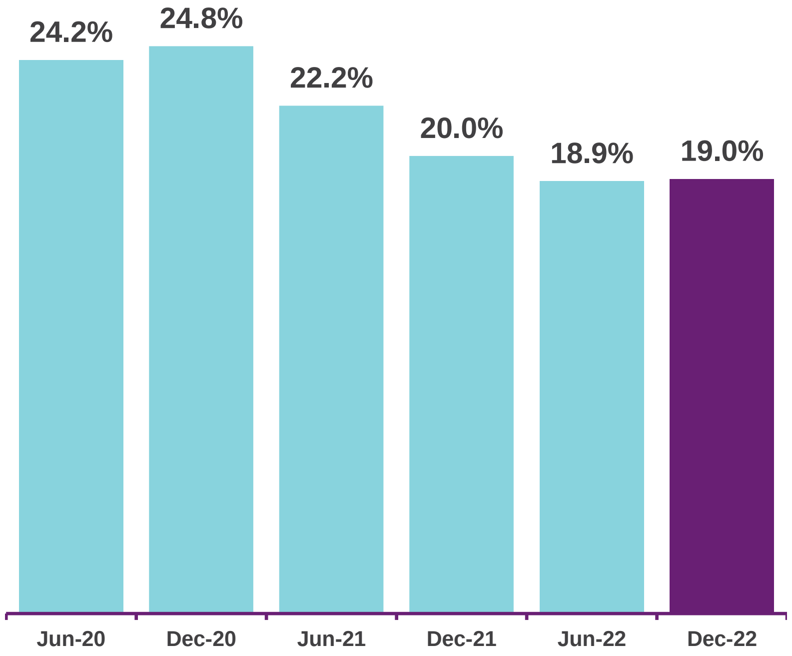
Note: Kantar had a panel update in August 2022 and historical data has been restated accordingly.
[1] Smart Path China IMF online market tracking: for CBEC only retail sales (by value).
[2] Kantar Worldpanel 0-6 years old Baby & Kids panel: National IMF market tracking (Key & A + BCD cities).
[3] Numbers within the chart may not add to the total due to rounding.

English label market share has improved in CBEC and Daigou

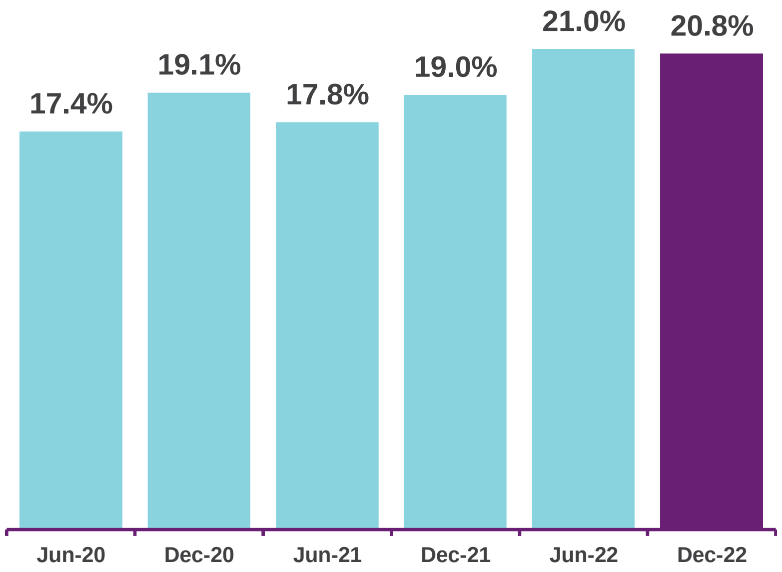
CBEC market value share[1]



Daigou market value share[2]



O2O market value share[2]



Note: Kantar had an universe update in June 2022 to better reflect baby population structure change and updated historical data accordingly.

[1] Smart Path China IMF online market tracking: for CBEC only retail sales (by value).

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

Encouraging English label performance in Double 11

Double 11 activation overview – English label

Double 11 performance – English label

+4.8% English label IMF tins sold through D11 sales period (vs D11 2021)

#1 Tmall EL IMF Flagship store (#2 in 6/18 2022)

#2 SKU in both JD and Tmall Global EL Top Seller List

60% New label contribution to total D11 sales

#1 EL IMF store on Tik Tok

Double 11 performance was achieved while managing transition to selling new *a2 Platinum*®

Multi-channel marketing campaigns to launch refreshed *a2 Platinum®*

a2 Platinum® relaunch campaign in ANZ

China consumer campaign

China Key Visual

Precise Digital Marketing across multiple touchpoints

Video Testimonials from Key Opinion Leaders

WeChat content campaign via Daigou channel

ANZ liquid milk key messages

Strategic priorities

1. **Maintain brand leadership**
2. **Increase household penetration**
3. **Drive product innovation**
4. **Invest in sustainability**
5. **Expand capacity in our supply chain**

Progress update

- Increased marketing investment with a greater focus on social and digital media, as well as direct engagement with consumers through retailers
- Increased distribution of *a2 Milk®* *UHT*
- Successful launch of *a2 Milk® Lactose Free,* bringing new users to the brand
- Commenced preparation work for asparagopsis feasibility study to support methane emissions reduction
- Developed lactose-free production capability at Smeaton Grange. Kyabram upgrade delayed by Victorian floods, scheduled to commence 2H23

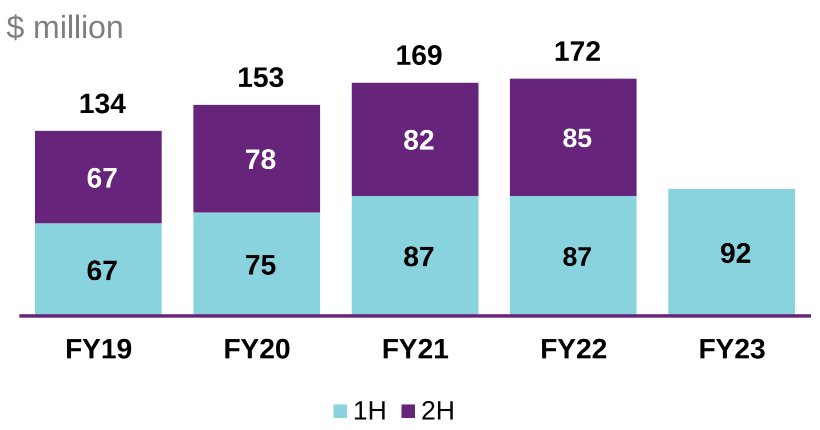
Business impact

- *a2 Milk®* products achieved rankings in the top ten products in the dairy category in Grocery
- Fresh milk market share declined to 11.4% due to reduced in-home consumption and inflationary pressures
- a2MC maintained brand awareness with some decline in loyalty, reflecting market share movements
- *a2 Milk® Lactose Free* achieved 12.3% share in launch markets (NSW & VIC) in the 12 weeks to end of Dec-22, making it the highest value launch in the dairy milk category in 2022

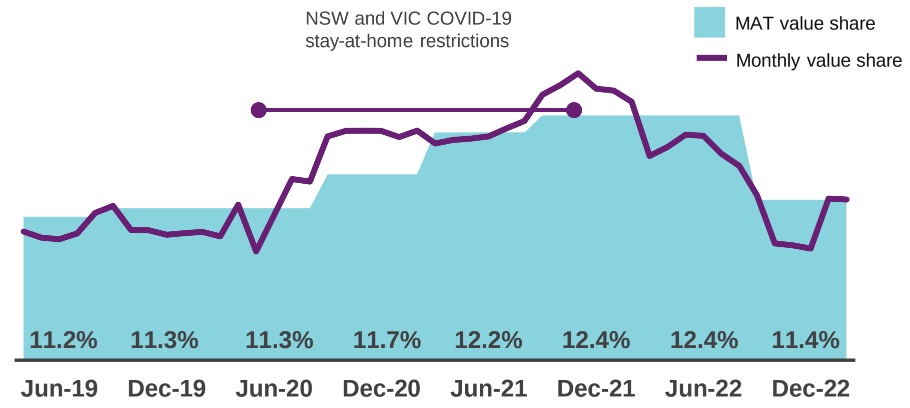
ANZ liquid milk sales supported by innovation

- Australia liquid milk net sales revenue increased by 5.6% to $92.0 million despite several challenges
- In 1H22, the Company benefitted from COVID-19 lockdowns as the vast majority of ANZ liquid milk sales are derived from in-home consumption (*a2 Milk*® over indexing to in-home consumption)
- Household consumption in 1H23 was impacted following the cessation of restrictions in 2H22 and rising interest rates and inflation
- In response to higher raw milk prices and other input and logistics costs, the Company increased prices in 1H23
- Sales growth was supported by new products and favourable foreign exchange movements
- a2MC market value share of 11.4%[1] was down vs Dec-21 at 12.4% reflecting the above but improving more recently
- Market volume for liquid milk has decreased 3.7% from January 2020 to December 2022, while a2MC's sales were up 2.7%, driving market volume share to increase from 6.6% to 7.1%[2]
- *a2 Milk*® *Lactose Free* launched in Australia in August 2022 with initial market share performance exceeding expectations
- *a2 Milk*® products achieved rankings in the top ten products in the dairy category in Grocery

Liquid milk net sales revenue (Australia)



Australian milk market value share[1]

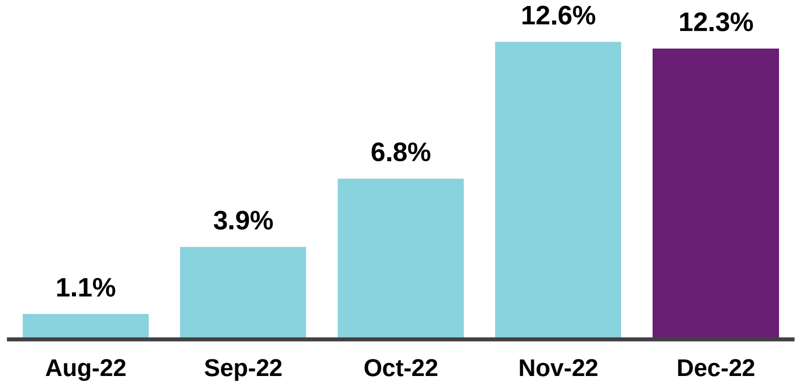


[1] IRI Australian Grocery Weighted Scan 12 months ending.
[2] IRI Australian Grocery scan.

Lactose Free launch exceeded expectations

- *a2 Milk® Lactose Free* launched in Australia in August 2022
- 12.3% market share was achieved following the initial launch in key states of NSW and VIC
- *a2 Milk® Lactose Free* achieved top status in Australian grocery in 2022 as new product development launch of the year in the dairy category
- Distribution has been extended into QLD and SA for 2H23 with broader distribution in NSW and VIC
- The *a2 Milk® Lactose Free* product is distinctive in the market
  - Only Lactose Free product that also has no A1 protein
  - Made from fresh milk unlike some other products in the category
  - Tastes better!
- The Australian Lactose Free segment accounts for $142 million in retail value with +11.7%[2] in the latest MAT

Australian Lactose Free milk market value share[1]



[1] IRI Scan Data NSW and VIC Month ending 31 December 2022。
[2] IRI Australian Grocery scan.

USA key messages

Strategic priorities

1. **Educate consumers on the *a2 Milk*® difference**
2. **Increase conversion and household penetration**
3. **Continue to drive in-store velocities**
4. **Extend brand into new categories**
5. **Improve profitability from cost reduction and improved margins**

Progress update

- Marketing mix focused on driving consumer understanding of the A2 protein proposition
- Building distribution and consumer engagement on both *a2 Milk® Half and Half* and *HERSHEY'S a2 Milk®* in both ESL and UHT formats
- Robust portfolio of innovation including new nutritional powder trial from 3Q23 including Grass Fed
- Demonstrating progress on the path to profitability

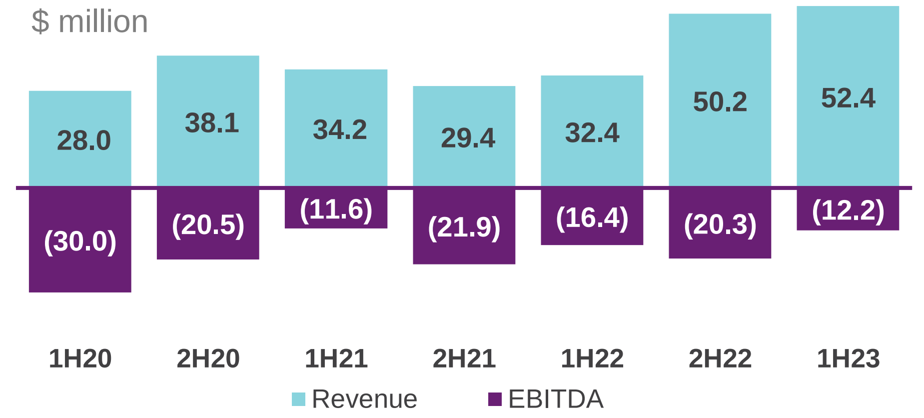
Business impact

- Household penetration increased from 2.3% to 2.6% with high loyalty rates versus competitors
- Brand awareness at similar level to pcp with lower marketing spend but brand health metrics demonstrated strong brand equity and loyalty
- Achieved growth in market value share in the premium milk category for the Grocery channel
- Grew average velocities within key accounts over 1H23
- *a2 Milk® Half and Half* and *HERSHEY'S a2 Milk®* exceeding expectations

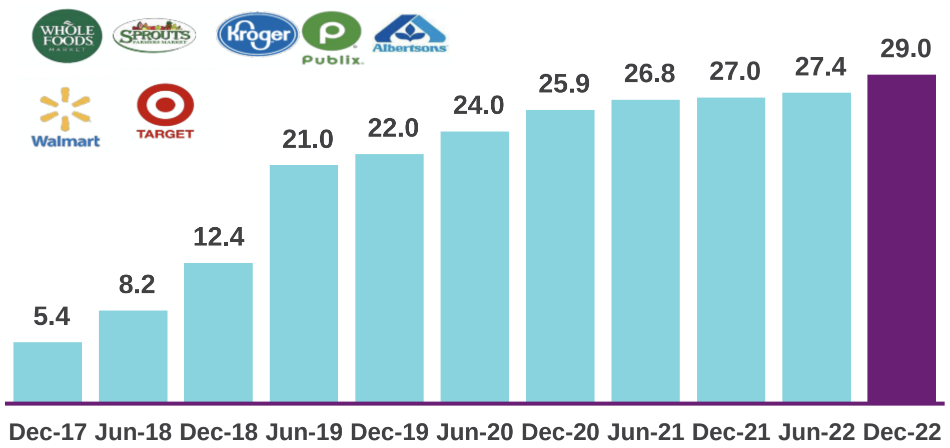
Improved profitability from higher revenue growth and cost reductions

- USA premium milk category market value growth of c.10%[1]
- Revenue increased 61.8% to $52.4 million
- Sales growth driven by modest growth in core liquid milk, increased distribution of new products launched in FY22 (sales weighted to 2H22 versus 1H22), and favourable foreign exchange movements
- EBITDA loss of $12.2 million reflects revenue growth, improved distribution rates and lower marketing spend
- Market value share in the premium milk category for the Grocery channel increased from 2.0% in June 2022 to 2.3%[1] in December 2022
- Additional new products with trial of *a2 Milk® Protein + Collagen* nutritional powders commencing in 3Q23 and *a2 Milk® Grassfed* to launch in 3Q23
- Accelerating the path to profitability in the USA by FY25/FY26 remains a key strategic priority – steps taken to improve future profitability include price increases, reduced trade spend, marketing effectiveness and merchandising cost reduction

Revenue and EBITDA



Distribution over time (store count)



[1] SPINS data for the Grocery channel only for the 52 weeks ending 30 June 2022 and 31 December 2022.

USA IMF opportunity update

USA IMF shortage and a2MC progress overview[1]

- IMF supply shortages resulted from Abbott recall in CY22
- In November 2022, a2MC received confirmation from the FDA that its application for enforcement discretion ("ED") to import, sell and distribute *a2 Platinum*® IMF product (Stages 1 and 2) from New Zealand into the USA had been approved. a2MC was one of the last companies to receive enforcement discretion
- From late CY22 and into CY23:
  - IMF out of stock levels in the market have improved significantly
  - Abbott has regained most of its share losses
  - New entrants to the market have gained limited share
  - There have been no material changes to the market structure, WIC program, regulatory environment or import tariffs
- a2MC is currently working through regulatory, production and market complexities – no IMF product has been manufactured or sold to date

USA IMF market[1]

$5.3b US IMF market is estimated at $5.3 billion in retail sales in 2022, with pre-covid growth at 1-2% p.a.

>95% Highly concentrated market with top three brands and private label representing >95% of the market

~60% Highly regulated market where approximately 60% of sales to WIC participating manufacturers with significant shelf space guaranteed. Challenging for smaller brands to win WIC contracts

≤2% Smaller brands have gained up to 2% market share over time with challenging returns

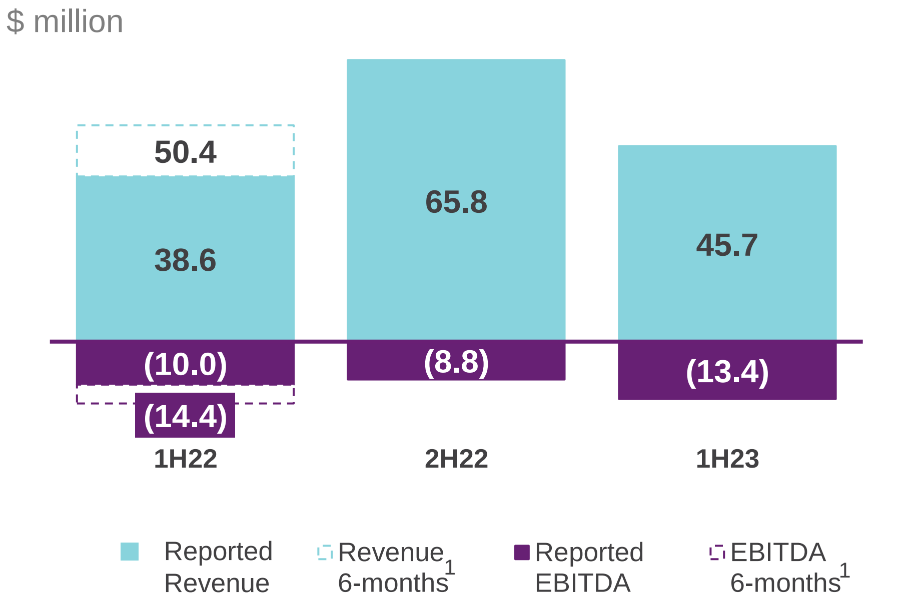
a2MC intends to pursue longer term FDA approval of *a2 Platinum*® whilst carefully considering market entry options

[1] a2MC management estimates; internal analysis.

MVM remains focused on in-sourcing a2MC volumes and future innovation

- Net sales revenue of $45.7 million
- 1H23 increase versus 1H22 reflected 6-months under a2MC ownership versus 5-months in 1H22 (due to the timing of the acquisition completion), net of intercompany sales during the current period
- EBITDA loss of $13.4 million reflected the current production mix with MVM primarily selling lower value milk powders on the commodity market, compared to a reported loss of $10.0 million in 1H22 (or a loss of $14.4 million on a pro-forma unaudited basis for 6-months)
- Accelerating MVM's path to profitability by FY26 or earlier is a key strategic focus for the Company
- MVM continued to progress its transition to in-source additional *a2 Milk® Full cream milk powder* from Synlait
- Prioritising in-sourcing *a2 Milk® Skim milk powder* and certain existing English label IMF product from Synlait
- Developing future a2MC product innovation at MVM and exploring additional third-party customer opportunities
- Planning for the installation of a laboratory, plus blending and canning capability at the site and continuing to review options to accelerate this strategy

Revenue and EBITDA



[1] Pro-forma unaudited basis for 6-months. Reflecting a2MC ownership of 5-months (1H22) versus 6-months due to timing of acquisition completion.

QUESTIONS

APPENDIX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Reconciliation of non-GAAP measures

$ million	1H23	1H22
Australia & New Zealand segment EBITDA	62.0	96.2
China & Other Asia segment EBITDA	111.5	59.4
USA segment EBITDA	(12.2)	(16.4)
MVM segment EBITDA	(13.4)	(10.0)
Corporate EBITDA	(40.1)	(31.6)
EBITDA[1]	107.8	97.6
Depreciation / amortisation	(9.0)	(8.2)
EBIT[1]	98.8	89.3
Net interest income	9.9	1.1
Income tax expense	(40.2)	(34.4)
Net profit for the period	68.5	56.1

[1] EBITDA and EBIT are non-GAAP measures. However, the Company believes they assist in providing investors with a comprehensive understanding of the underlying performance of the business.

Standard a2MC glossary of terms

Acronym	Meaning
a2MC	The a2 Milk Company Limited
ANZ	Australia and New Zealand
APCO	Australian Packaging Covenant Organisation
ASP	Average selling price
ATL	Above the line marketing
AUD	Australian Dollar
B2C	Business to consumer
BCD	Lower tier cities in China
BHT	Brand Health Tracker
BTL	Below the line marketing
BU	Business unit
C2C	Consumer to consumer
CAHG	China Animal Husbandry Group Co., Ltd.
CBEC	Cross-border e-commerce
CL	China label
CNADC	China National Agriculture Development Group Corp.
COGS	Cost of goods sold
CRM	Customer relationship management
CSFA	China State Farm Holdings Shanghai Co., Ltd.
DC	Distribution centre
DOL	Domestic online channel
DT	Distributor
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ED	Enforcement discretion
EECA	Energy Efficiency and Conservation Authority
EL	English label
EPS	Earnings per share

Acronym	Meaning
ESL	Extended shelf life
FX	Foreign exchange
FY	Financial year
GAAP	Generally accepted accounting principles
GB	“Guo Biao”, national standards of China
GHG	Greenhouse gas
GM	Gross margin
HK	Hong Kong
IMF	Infant milk formula
IT	Information Technology
KA	Key accounts
Key&A	Upper tier cities in China
KG	Kilogram
KOL	Key opinion leader
LFL	Like-for-like
LKA	Local key accounts
MAT	Moving annual total
MBS	Mother & baby stores
MNC	Multinational corporation
MPI	Ministry for Primary Industries
MT	Modern trade
MVM	Mataura Valley Milk Limited
ND	Numeric distribution
NKA	National key accounts
NPAT	Net profit after tax
NPD	New product development
NPS	Net Promoter Score
NZD/NZ$	New Zealand Dollar

Acronym	Meaning
NZX	New Zealand’s Exchange
OOH	Out of home
OTT	Over the top
O2O	Offline to online
PCP	Prior corresponding period
POSM	Point of sales marketing
P&P	Pick and pack
RKA	Regional key accounts
RMB	Official currency of China
ROI	Return on investment
RRP	Recommended retail price
RTM	Route-to-market
S1	Stage 1 infant milk formula
S2	Stage 2 infant milk formula
S3	Stage 3 infant milk formula
S4	Stage 4 infant milk formula
SAMR	State Administration for Market Regulation
SG&A	Selling, general and administrative expenses
SKU	Stock keeping unit
SP	Super premium
TP	Taobao Partner
TRIFR	Total recordable injury frequency rate
UHT	Ultra-high-temperature treated milk
UP	Ultra premium
USD	United States Dollar
WD	Weighted distribution
YoY	Year-on-year


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