



Stepping it up.



STEPPING IT UP

The a2 Milk Company at a glance

Key ingredients for the ongoing success of our business

Accelerating focus and investment in Greater China

The a2 Milk Company at a glance

- Premium branded dairy nutritional company
- Uniquely focused on products containing the A2 beta casein protein type
- Our strong, modern brand is building momentum in the two largest consumer markets in the world

(all figures NZ\$)

\$1.3b

FY19 Revenue ↑ \$381.8M vs FY18

39.3cps

FY19 EPS¹ ↑ 12.3cps vs FY18

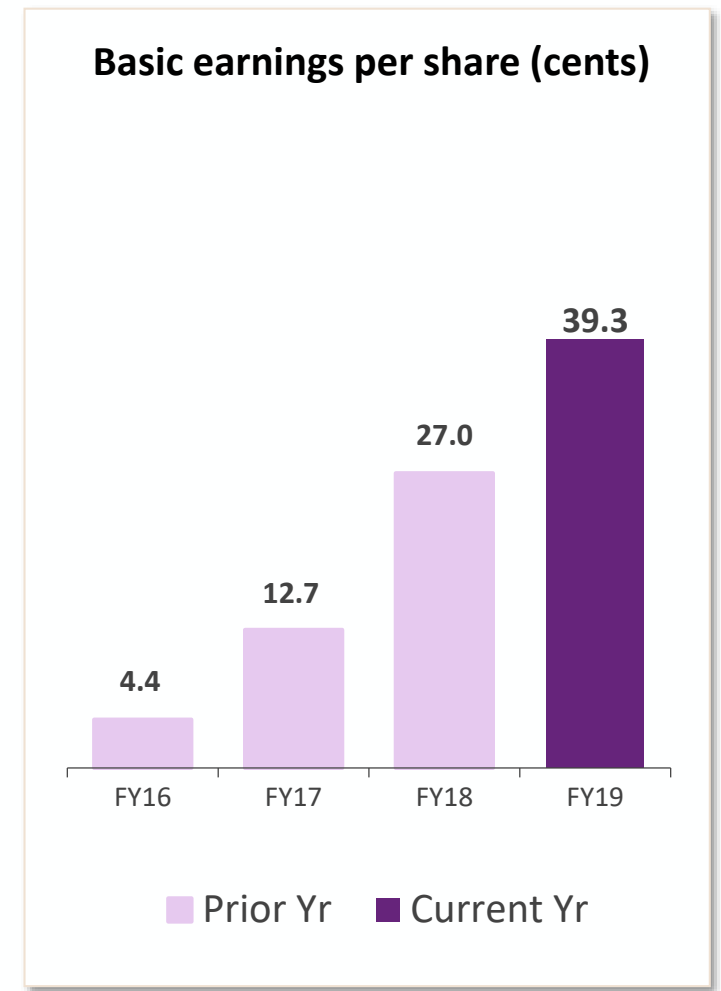
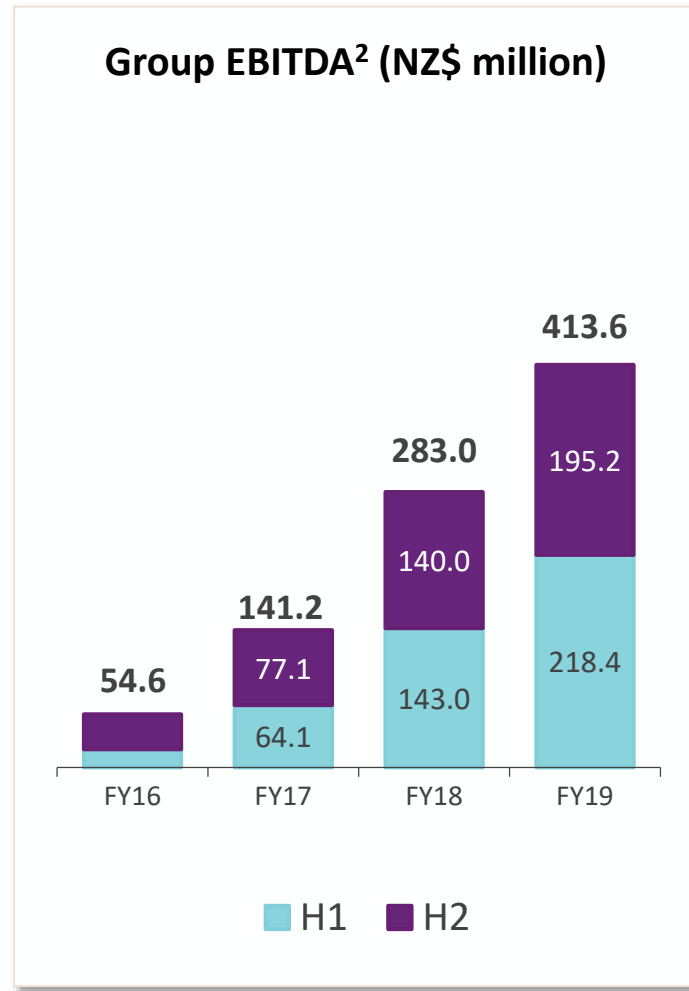
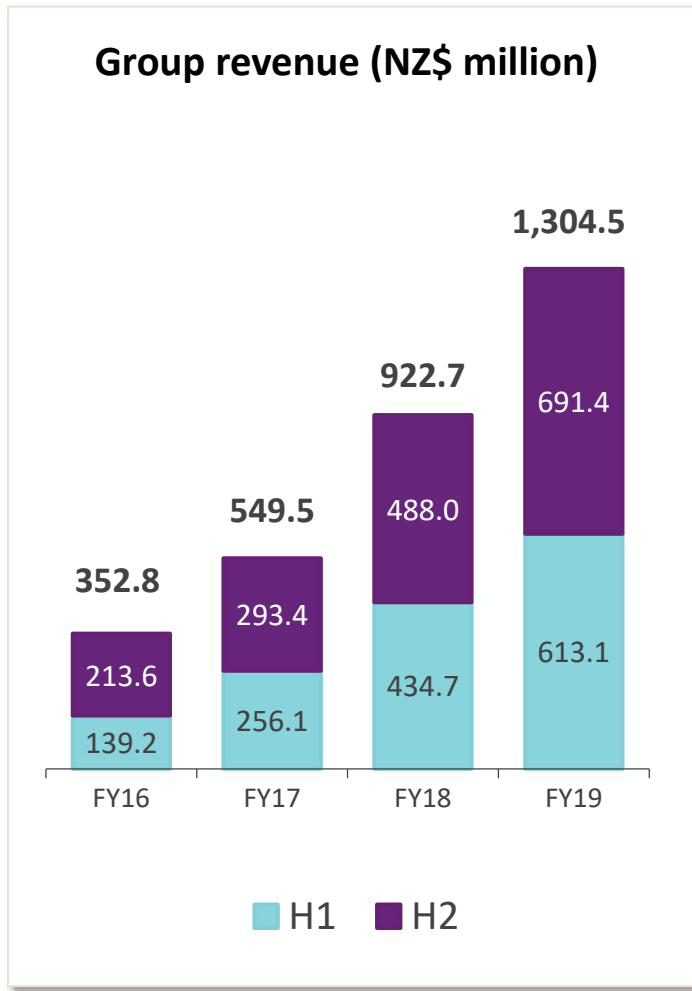
\$9.5b

Market capitalisation²

¹ Basic earnings per share (EPS)

² Based on share price of NZ\$12.99 at 30 October 2019 (quoted securities only)

FY19 key financial charts¹



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.

Macro factors shaping consumer demand and creating opportunity



Growing consumer demand for health and wellness products



Growing focus on food safety, naturalness and provenance



Rise of the middle class in Asia



Rapid pace of digitalisation

Key ingredients for the ongoing success of our business

- 1 Focus** – core markets and existing products first, new products second, new markets third
- 2 Accelerating investment** to increase and deepen consumer understanding and engagement:
 - Significant increase in brand awareness leading to increased levels of trial and loyalty conversion
 - Bandwidth as an organisation to continue at pace across a more diverse business portfolio and agenda
 - Technology to support growth and fast paced innovation
- 3 Adaptability** to continue to evolve the settings of our rapidly changing business
- 4 Preservation** of our passionate belief and the core values of our culture, focused on remaining a big “little” company



GREATER CHINA

Accelerating focus and investment in Greater China.

Infant formula category dynamics are attractive

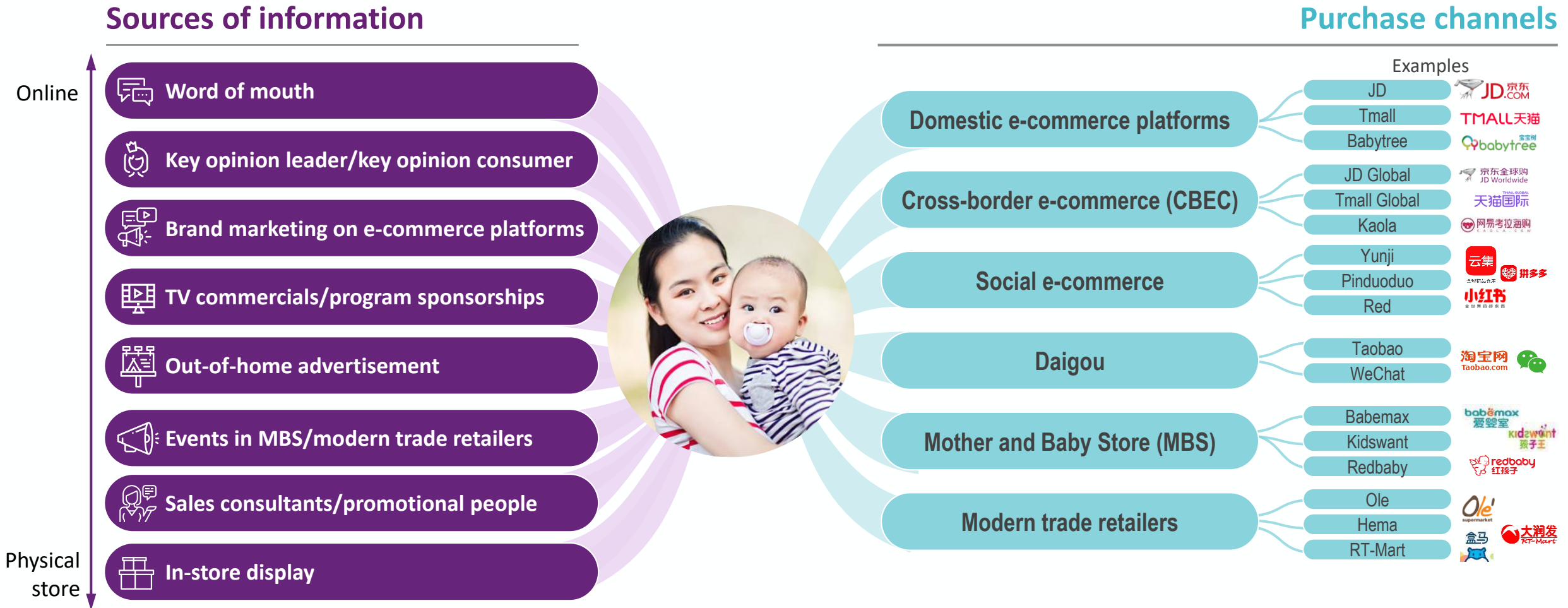
There are several factors impacting infant formula category dynamics:

- **Population demographics:** structurally challenge the market as there are fewer women of childbearing age and as is the case elsewhere, women are having children later in life
- **Fertility rates:** are on the rise since China changed its one-child policy in 2014
- **Household penetration and usage:** increasing with growing household wealth
- **Premiumisation:** continues to promote growth, as families prioritise investment in their children above other spending, compounded by the “4-2-1” family structure
- **Brand fragmentation:** provides opportunity for brands with a proposition that resonates with consumers



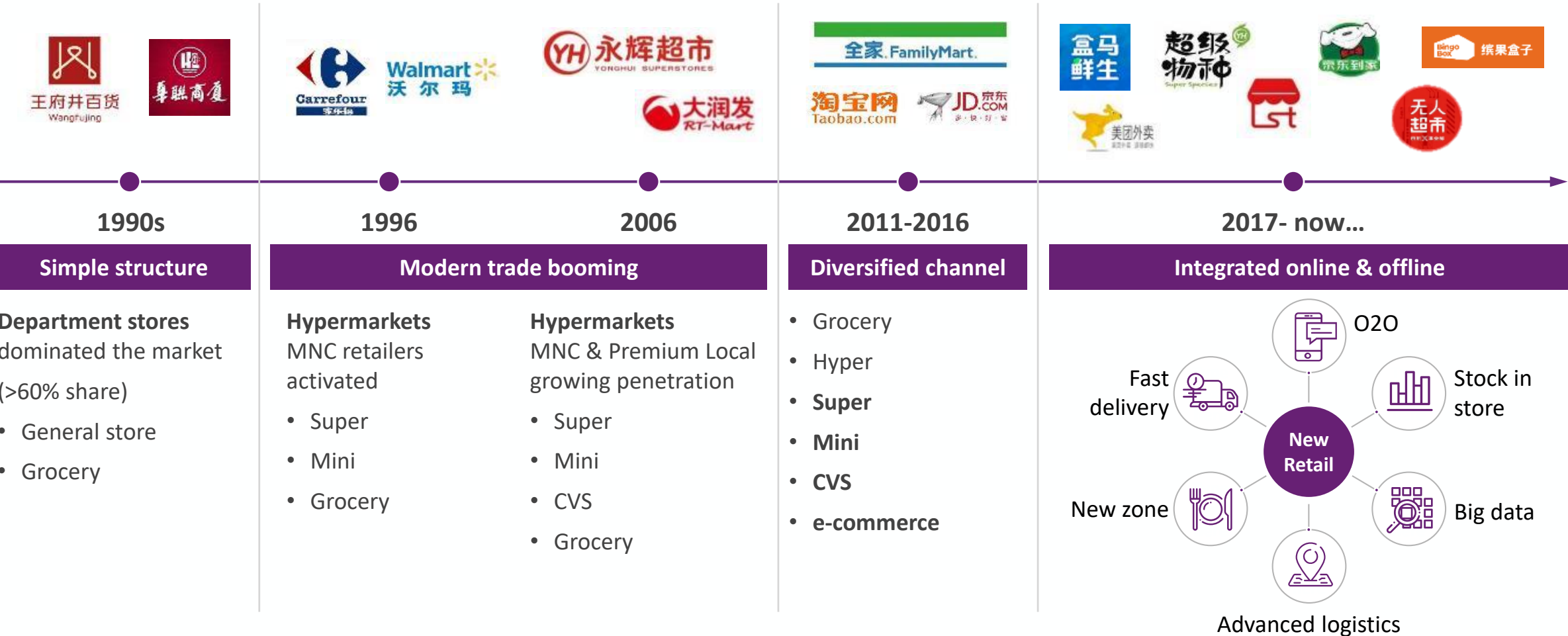
Relative to other packaged goods categories, the dynamics in infant formula remain attractive

Consumers engage with multiple and diverse information sources and channels

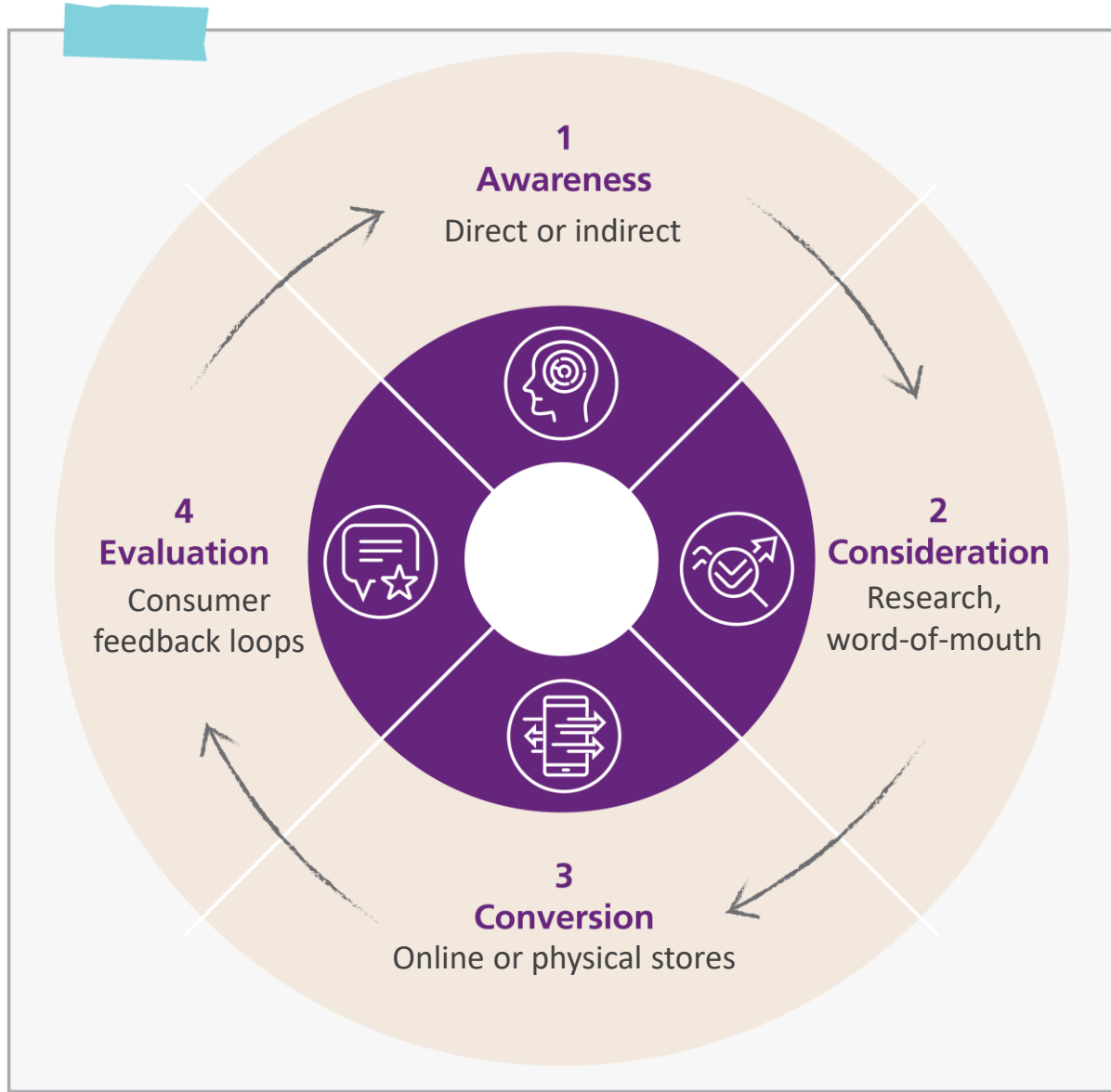


Pace of retail innovation in China is unprecedented globally

The China retail landscape has evolved rapidly since the 1990s



Our marketing investment is focused on building awareness and conversion



- Different marketing approaches are tailored to distinct steps in the consumer's path to purchase
- Primary focus is driving growth in brand awareness – given our relatively high loyalty this is shown to deliver ROI over time
- This is supported with activations in-store and online to drive conversion to trial

Examples of marketing investment over FY19

Broadcast media to build awareness



In-store education and activation to drive trial



Trade and retail awareness building

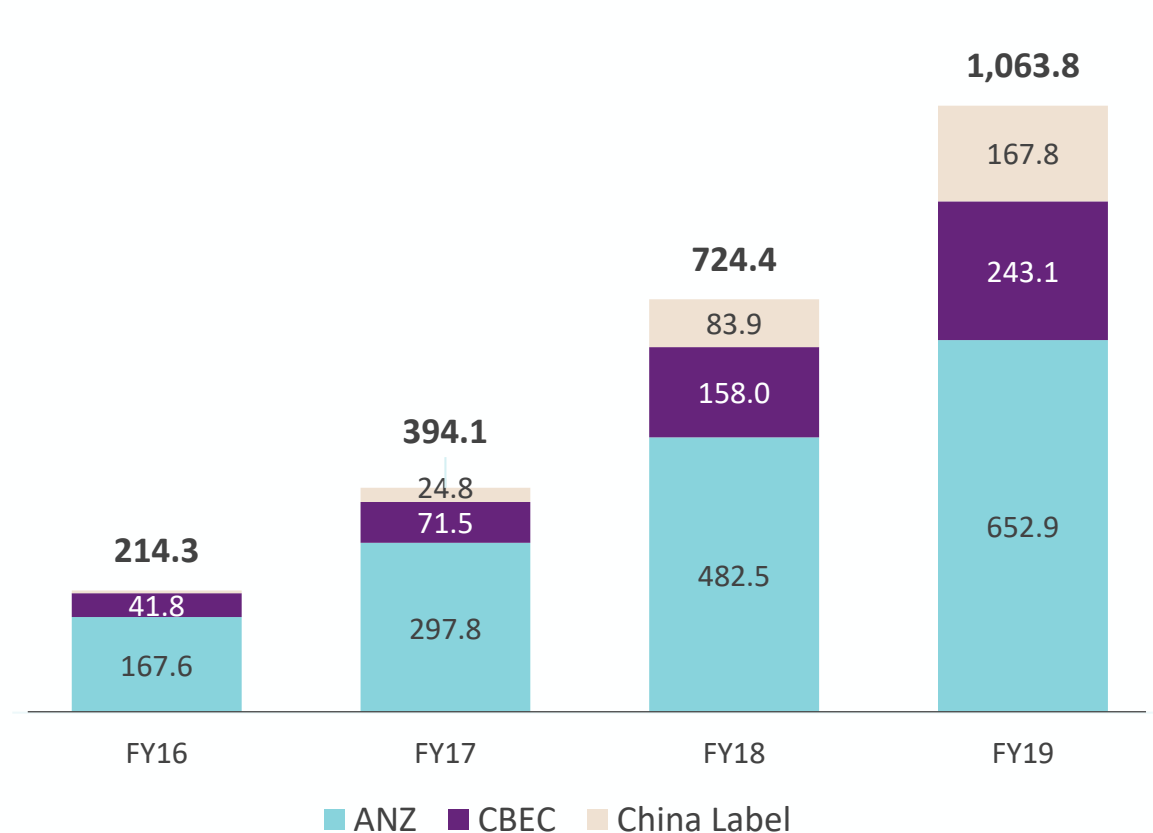


Cumulative focus on building awareness and driving conversion with activations targeting consumers, influencers and retailers

While growing across all channels, revenue mix is changing and evolving

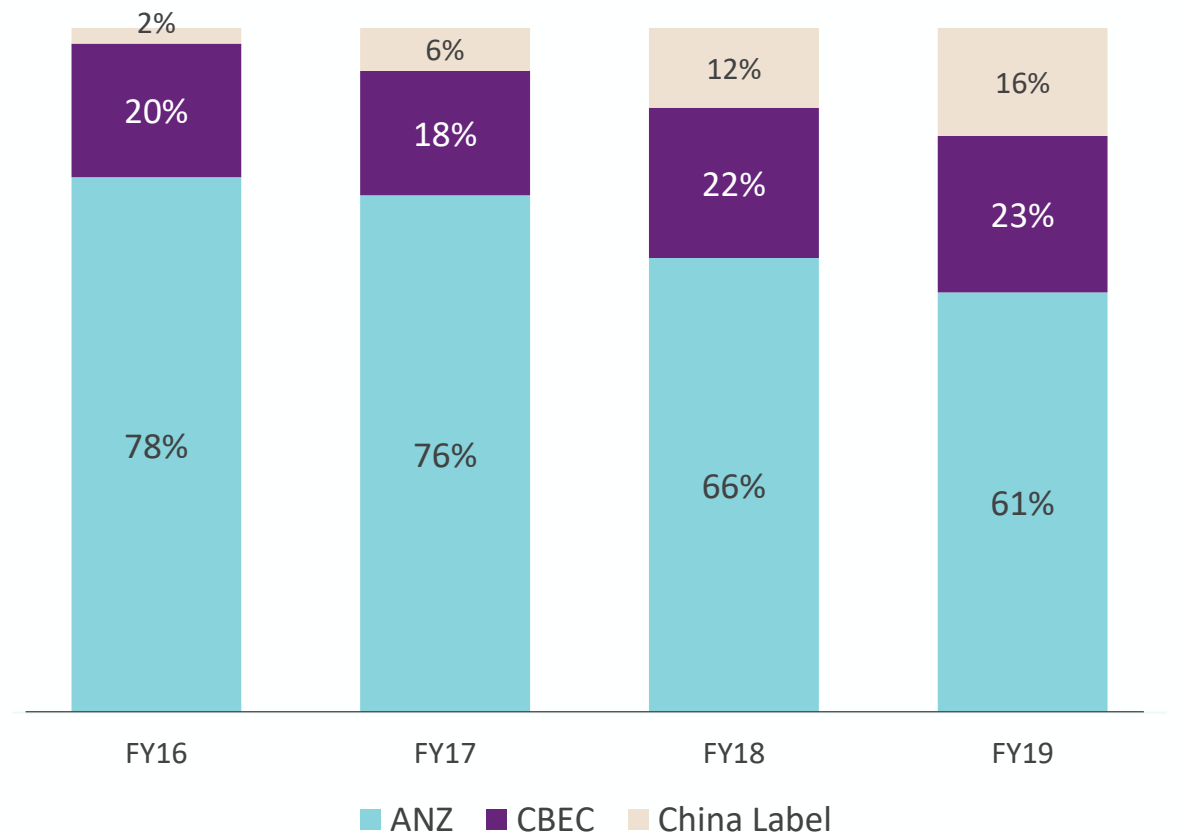
We are growing revenue across all our channels...

a2MC IMF revenue (NZ\$m)



...changing the shape of our business

a2MC IMF % revenue by channel



Our broader portfolio of products in China play in very big categories



Pre-birth



Infants and toddlers



Young school children



Families



QUESTIONS

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