DELIVER. INVEST. CLARIFY.

OUR YEAR IN REVIEW

Synlait

STRATEGIC UPDATE

LEON CLEMENT
CHIEF EXECUTIVE OFFICER

DELIVER. INVEST. CLARIFY

Our year in review

Delivering results

- Revenue exceed $1 billion for the first time, increasing 17% to $1,024.3 million
- Net profit increased 10% to $82.2 million
- Operating cashflow increased 39% to $136.7 million
- Sales volumes increased 21,087 MT or 16% to 149,709 MT*
- Consumer packaged infant formula sales continue to grow, up 21% to 42,907 MT
- Average milk price of $6.58 per kgMS for the 2018/2019 season, made up of a base milk price of $6.40 and an additional $0.18 in incentive payments

Investing for the future

- $18.9 million expansion to lactoferrin facility completed on time and budget, doubling manufacturing capacity
- $260 million infant-capable manufacturing facility in Pokeno close to commissioning. Welcomed 56 farms and 77 employees
- $134 million advanced liquid dairy packaging facility at Dunsandel designed, built and commissioned within 18 months
- Talbot Forest Cheese acquisition completed on 1 August 2019
- $32 million investment to build Dry Store 4 announced today – 30,000m^2 warehouse at Dunsandel which will unlock further supply chain efficiencies and enable greater control of traceability, improve our sustainability footprint, and result in shorter lead-times for customers
- 218 capable, experienced and high-energy people hired to help run these facilities

Clarifying our direction

- Launched our new purpose and brand identity: Doing milk differently for a healthier world
- Delivered on our promise to clarify Synlait's focus, strategy and purpose for shareholders and staff
- Defined our formula for success. Aspirational goal to double our business: 2 + Zero
- New strategy has eight clear strategic paths to grow and enable our business
- This now underpins everything we do and will take Synlait through the next growth phase

Excluding fresh milk and specialty ingredients

CHALLENGES WE ARE WORKING ON

Despite strong delivery no year is without its challenges

- Uncertainly remains regarding land at Synlait Pokeno (further update on slide 14)
- Uncertainty remains regarding SAMR registrations – awaiting site audit, for Akara and Pure Canterbury, timing unknown
- Performance of the advanced liquid dairy packaging facility at Dunsandel fell short of expectations due to initial commissioning challenges, incurring a $3.5 million loss. Working to stabilise performance and bring it back in line with expectations
- Customer pipeline remains strong, but significant new, announceable and material agreements are yet to materialise
- U.S. Food and Drug administration registration process required to launch Munchkin's Grass Fed™ infant formula in the U.S. put on hold. For other markets where Grass Fed™ is sold the relationship continues with business as usual
- Evolving regulatory environment in our industry is expected to create on-farm challenges (e.g. National Policy Statement for Freshwater Management and Zero Carbon Bill) – Synlait's proactive approach to sustainable farming practices means we are well positioned to respond to any regulatory changes

WHAT MAKES US DIFFERENT

Our unique capabilities underpin our sustainable competitive advantage

Established

Pioneered an ability to create a **differentiated milk supply**

- A1 protein free milk
- Grass Fed™
- Lead With Pride™

Developed an **integrated manufacturing** chain

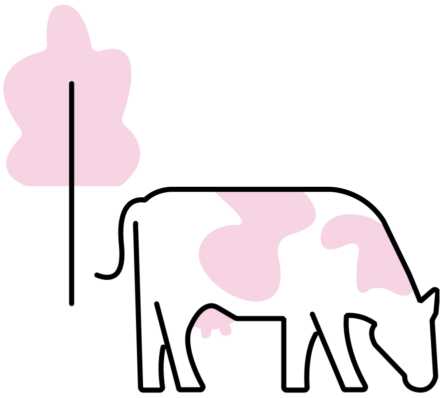
- Operate high spec, large scale plants
- Integrated Work Systems (IWS) programme driving efficiencies

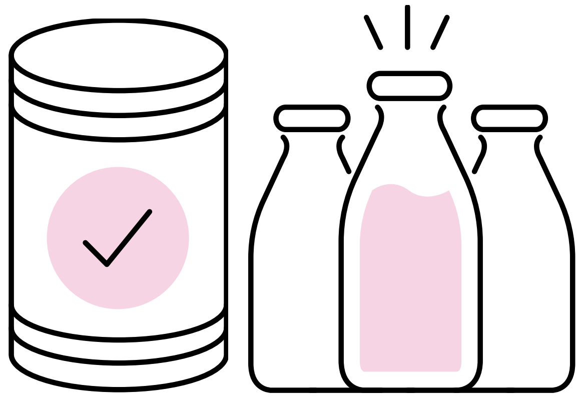
Navigated complex **regulatory environments**

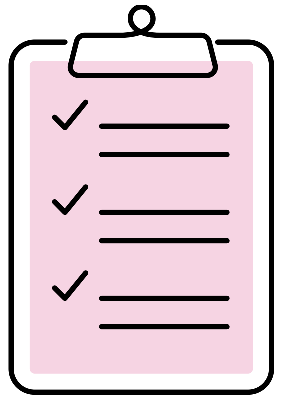
- Strong track record at providing market access for customers, securing regulatory approvals for Synlait sites

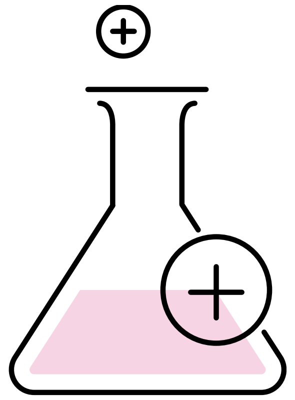
Built in **quality testing standards** onsite

- Zero defects targets
- Test raw materials, finished products and facilities
- Full quality assurance and traceability









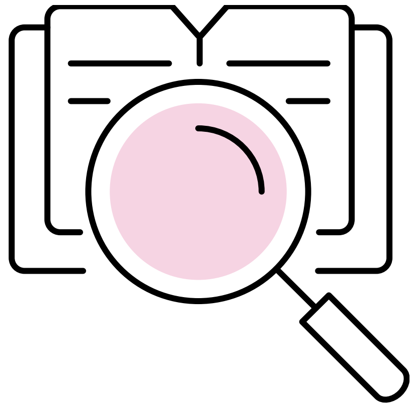
Building

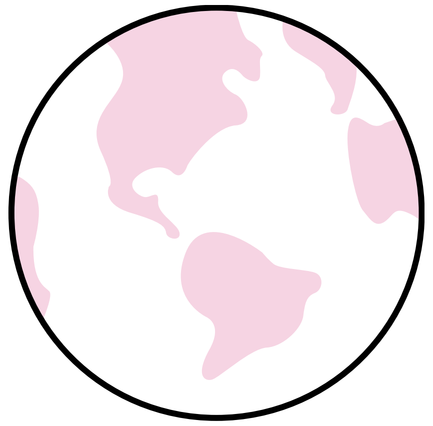
Relentless focus on **research, development and innovation**

- Dedicated research and development team
- Product development in attractive categories and markets a priority
- Capability to create custom dairy products for customers

Creating a **sustainable** value chain

- Value people and planet as much a profit
- Committed to ambitious 10-year targets
- GHG inventory and pathway to emissions reduction established





OUR STRATEGY

DOING MILK DIFFERENTLY

OUR GROWTH STRATEGY

- Sports Nutrition
- Everyday Dairy
- Infant Nutrition
- Foodservice
- Next Big Thing

FOR A HEALTHIER WORLD

OUR ENABLING STRATEGY

- Net Positive for the Planet
- Build a Healthier Synlait
- World Class Value Chain

DELIVERING AGAINST OUR GROWTH STRATEGY

DOING MILK DIFFERENTLY

OUR GROWTH STRATEGY

Sports Nutrition

Everyday Dairy

Infant Nutrition

Foodservice

Next Big Thing

STRATEGY PROGRESSED

- Advanced liquid dairy packaging facility completed, servicing inaugural customer
- Talbot Forest Cheese acquired
- Evaluating opportunities

DELIVERY ONTRACK

- 21% growth in consumer packaged infant formula sales
- Awaiting registration of China brands
- Lactoferrin capacity doubled, operating in favourable environment

STRATEGY DEVELOPING

- Natural extension
- Market is large and growing, with strong demand for New Zealand provenance in Asia
- Optimise milk solids as we create a value stream from surplus fat

FOR A HEALTHIER WORLD

OUR ENABLING STRATEGY

Net Positive for the Planet

Build a Healthier Synlait

World Class Value Chain

Infant Nutrition

INFANT NUTRITION

FY19 consumer packaged infant formula volumes of 42,907 MT up 21% on FY18 and in line with guidance range of 41,000 - 45,000 MT

- Continued commitment to support strong partnership with The a2 Milk Company™ as it continues to grow in the China infant formula market
- Other brands are taking longer than expected to achieve regulatory approval in China. Synlait has dedicated regulatory staff in Beijing and Shanghai working through the registrations with SAMR
  - The Akara and Pure Canterbury formulation registrations have been accepted subject to a site audit
  - Continue to work through the registration process for e-Akara
- Pokeno site adds 45,000 MT of infant base powder manufacturing capacity
- Synlait Auckland achieved GACC dairy registration and is working through infant formula milk powder registration
- Advanced liquid dairy packaging facility provides options for infant nutrition in alternate format, including ready-to-drink infant formula products

Everyday Dairy

EVERYDAY DAIRY

Advanced Liquid Dairy Packaging Facility commissioned and production of Food Stuffs South Island private label product range commenced

- Performance behind expectations due to initial commissioning challenges and low fixed overhead recovery, resulting in a FY19 gross margin contribution of ($3.5) million
  - 9 million litres of milk were processed
  - Working to stabilise performance and bring it back in line with expectations
- Evaluating several options to target high-returning, fast-growing pasteurised and long-life dairy beverages. Focus shifted to commissioning the long-life dairy beverages line, with relevant export license and shelf life testing underway. Continue to expect first sales in the second half of FY20

Talbot Forest Cheese (TFC) acquisition completed 1 August 2019

- Acquisition supports growth strategy and will help to optimise value chain
- During peak milk, processing at TFC will enable more nutritional products to be manufactured at Dunsandel, reducing milk sales to external parties
- Estimated production of 5,000 MT in FY20

DELIVERING AGAINST OUR ENABLING STRATEGY

DOING MILK DIFFERENTLY

OUR GROWTH STRATEGY

- Sports Nutrition
- Everyday Dairy
- Infant Nutrition
- Foodservice
- Next Big Thing

FOR A HEALTHIER WORLD

OUR ENABLING STRATEGY

Net Positive for the Planet

- Published Greenhouse Gas (GHG) inventory
- Workplan towards 2028 climate and water targets established
- Commissioned New Zealand's first large scale electrode boiler

Build a Healthier Synlait

- Injury rate reduced 28%
- Launched programme to live our purpose: Whakapuāwai
- Launched Tāwariwari and Mātua policies
- Full reset of growth enabling processes and systems underway

World Class Value Chain

- Built three world class facilities
- IWS generating impressive efficiencies and capacity increases
- Opened new China office to resource sales and regulatory capabilities
- 43 new Lead With Pride™ farms certified

Net Positive for the Planet

NET POSITIVE FOR THE PLANET

Taking stock of our environmental footprint and implementing initiatives that reduce it

Lead agriculture's response to climate change

- Completed first GHG inventory to provide us with a baseline of 912,731 tCO_2e*
- All Synlait milk suppliers provided with their own GHG emissions profile in 2017/2018 season. Information being used to improve on-farm performance
- Switched on New Zealand's first electrode boiler in March. Delivered on our pledge not to commission any more coal boilers as we work to reduce our off-farm GHG emissions

Minimise water usage and eliminate water degradation

- Site services team installing water meters to enable precise monitoring
- Working to improve the quality of waste water that leaves our facilities

Leading the way in animal welfare through Lead With Pride™

- Our welfare and circular economy strategies are currently being defined and will be reported next year

Inside New Zealand's first large-scale electrode boiler

*1 August 2017 – 31 July 2018

BUILD A HEALTHIER SYNLAIT

By investing in our people we can create a legacy of leaders to help us transform our industry for the better

Build a Healthier Synlait

Provide a safe work place

- Launched MySafety, which allows staff to report on events and gain visibility of corrective outcomes, reported events up 75%
- 28% reduction in injury rate, with 13.7 TRIFR in 2019 (2018: 19). 2020 target is 9

Culture and capability

- Focus on engagement continues to show results. Ratio of engaged to disengaged was 3.6:1 (2018: 3.2:1)
- Progressed against measurable diversity and inclusion goals:
  - Representation of women in leadership improved to 37%
  - Gender pay gap reduced by 3% to 13%
- Two key workplace policies introduced: Mātua (Parental Leave Policy) and Tāwariwari (Flexible Working Policy)

Live our purpose

- Whakapuāwai is the name of our community Sustainable Innovation Platform.
- There are three aspects to Whakapuāwai:
  1. Extensively landscape the 15 hectares of land behind our Dunsandel site
  2. Work with milk suppliers to identify areas on their farms that would benefit from restoration
  3. Form partnerships to identify and restore community areas

Delivery of growth enabling systems

- Spectrum project to upgrade Enterprise Resource Planning and automate core processes underway
- IS Roadmap developed to outline tools required to support our rapidly growing organisation

WORLD CLASS VALUE CHAIN

World Class Value Chain

As demand for our products increases we are continuing to build reputational currency by investing in what matters

Manufacturing excellence and world class supply chain management and planning

- IWS programme has delivered significant manufacturing efficiencies:
  - 12.5% capacity uplift in Dunsandel dryers from 40,000 MT to 45,000 MT, lifting total infant formula base powder capacity to 135,000 MT
  - 14% capacity uplift in canning lines from 35,000 MT to 40,000 MT, lifting total capacity to 80,000 MT
  - AMF capacity up 25% to 25,000 MT
  - 8.7% more milk processed in FY19, up to 66.1m kgMS from 60.8m kgMS
- Continuing to optimising supply chain with announcement of Dry Store 4 today

Safe food and market access

- Opened new China office to resource sales and regulatory capabilities
- Continue to meet the strict criteria of several product quality and safety standards at applicable sites, including:
  - FSSC 22000 system for Dunsandel, progressing across other sites
  - Synlait Auckland achieved GACC dairy registration, working through infant formula milk powder registration
  - Akara and Pure Canterbury formulation registrations have been accepted by SAMR subject to a site audit. Continue to work through the process for e-Akara

Transparency

- Actively pursuing B Corp certification
- Engaged Sustainalytics, an ESG research provider, to assess of our performance
- Completed CDP's climate change questionnaire, will be published by the end of 2019
- Committed to launching sustainability reporting

Healthier farming practices

- Unlocking full value from Lead With Pride™ framework – continue to evolve framework and enhance value proposition for farmers
- Nearly 50% of South Island milk supplier base Lead With Pride™ certified, including 43 new farms in FY19
- All Pokeno farms must be Lead With Pride™ Certified within three years

TODAY'S ANNOUNCEMENT: DRY STORE 4

An additional warehouse facility will create significant supply chain efficiencies

As part of our strategy to build a world class value chain, Synlait today announced that it is building an additional 30,000sqm warehouse at its Dunsandel site

This addition to our existing facilities will create significant supply chain efficiencies through:

- bringing all current South Island offsite warehousing back to Dunsandel;
- allowing temperature controlled products to be stored at Dunsandel as part of this new facility;
- reducing the number of inter-warehouse transport movements;
- removing double handling and reducing lead-times for our customers;
- allowing greater control over our inventories, improving customer service, traceability and value add services; and
- improving our health and safety practises through new technology and infrastructure improvements e.g. pods vs ELA

The project is expected to cost $32 million and delivers a strong return on investment based on the expected efficiency gains

The warehouse will be commissioned in September 2020, bringing the total usable warehouse space at Dunsandel to 55,000sqm and will employ an additional 20 people

Earthworks for Dry Store 4 are underway at Synlait Dunsandel

POKENO UPDATE

Timeline of the process to date and next steps

Process to date

February 2018
Synlait announced the conditional purchase of 28 hectares of land in Pokeno to establish our second nutritional powder manufacturing site. It was the vendor's responsibility to have the covenants removed

November 2018
High Court removed covenants over the land which required the land to be maintained as rural. The High Court declined to award compensation to the covenant holder on the basis that they would not suffer any loss as the covenants were of little practical value. Synlait then took legal title to the land

May 2019
Court of Appeal overturned the High Court decision to remove the historic covenants

June 2019
Synlait filed an application for leave to appeal to the Supreme Court to have this decision overturned

August 2019
Supreme Court advised there will be an oral hearing prior to a decision on whether leave to appeal the reinstatement of the land covenants on the site by the Court of Appeal will be granted

Today's update

- Date for the oral hearing has been set: Monday 21 October
- Pokeno is a world class facility being run by an engaged and highly capable team, backed by some of the Waikato's best farmers and commissioning is on-track for this month
- Reasonable settlement offer has been made
- We acknowledge this issue has created uncertainty but remain comfortable with our legal position and are working towards one of two outcomes which we believe are in shareholders and milk suppliers best interests:
    1. a reasonable settlement offer; or
    2. a court outcome.
- Synlait determined, and the auditors agreed, that no provision is required under the accounting standards in its financial statements

OUR FINANCIAL RESULTS

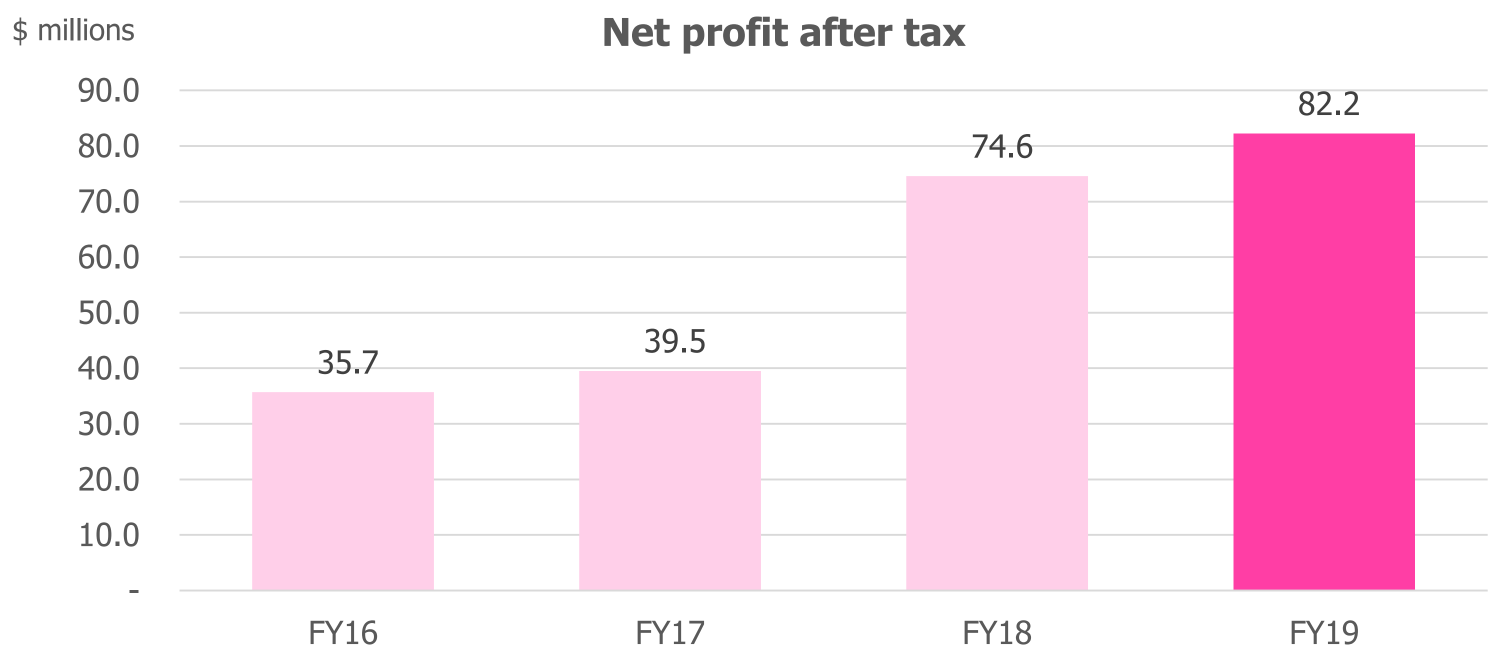
NIGEL GREENWOOD
CHIEF FINANCIAL OFFICER

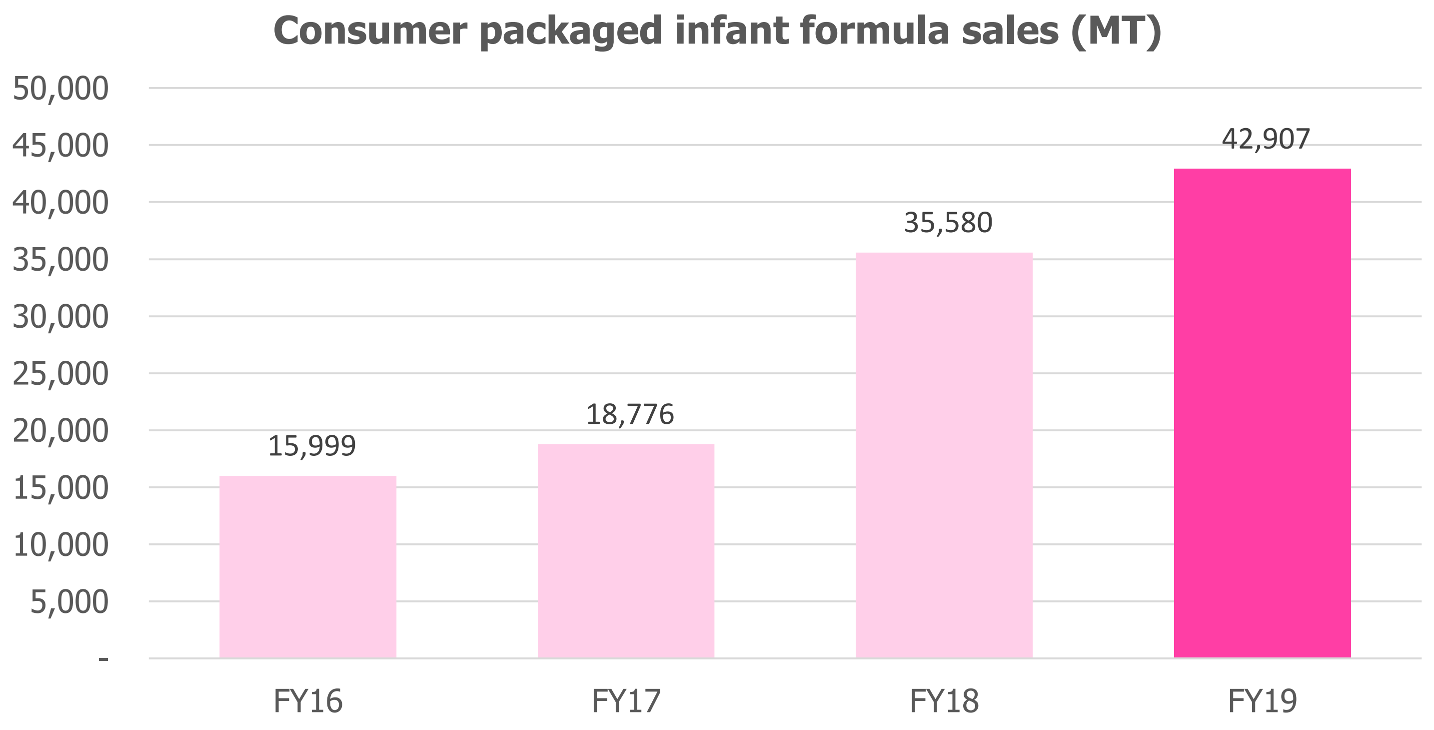
RESULTS AT A GLANCE

Net profit after tax increased 10.2% to $82.2 million in FY19 from $74.6 million in FY18, with momentum in the second half of FY19 to be carried into FY20

- Strong growth in consumer packaged infant formula sales with volumes up 21% to 42,907 MT, including 24,932 MT in the second half
- Powders and cream sales increased 15% to 106,802 MT
- Lactoferrin sales increased 33% to 21 MT from 16 MT, with a favourable pricing environment driving margin gains
- Manufacturing efficiencies enabled 8.7% more milk to be processed
- Operating cash flow increased by $38.3 million to $136.7 million from $98.4 million
- Minor gross margin per MT contraction, impacted by:
  - Consumer packaged infant formula sales being at lower margins as a result of the renegotiation of our supply agreement with The a2 Milk Company™
  - Changes to customer mix with China brands sales not repeating in FY19 as they await SAMR registration
  - Increases to fixed overheads in preparation for production facilities coming on-line

NZ$ millions	FY19	FY18
EBITDA	$152.1	$138.6
EBIT	$124.5	$113.1
Earnings Per Share (basic and diluted)	45.89 cents	41.60 cents

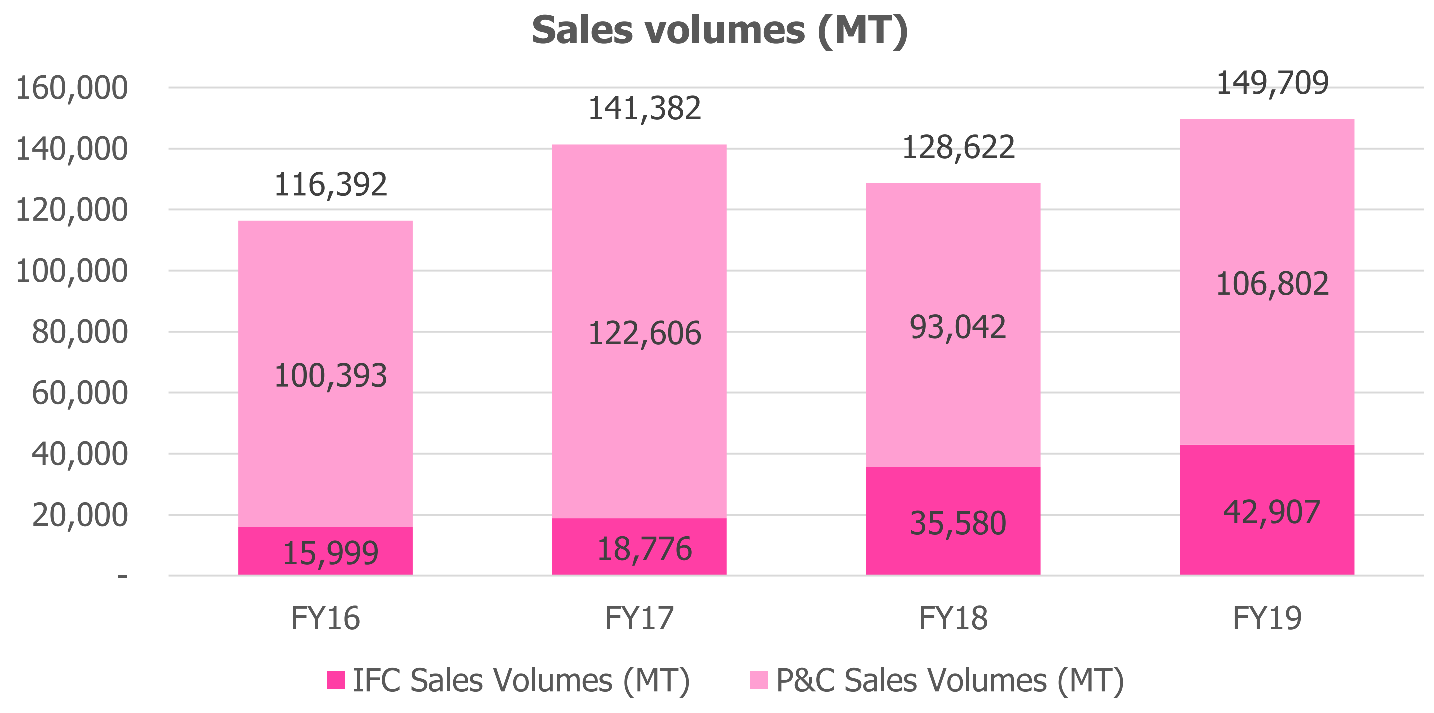


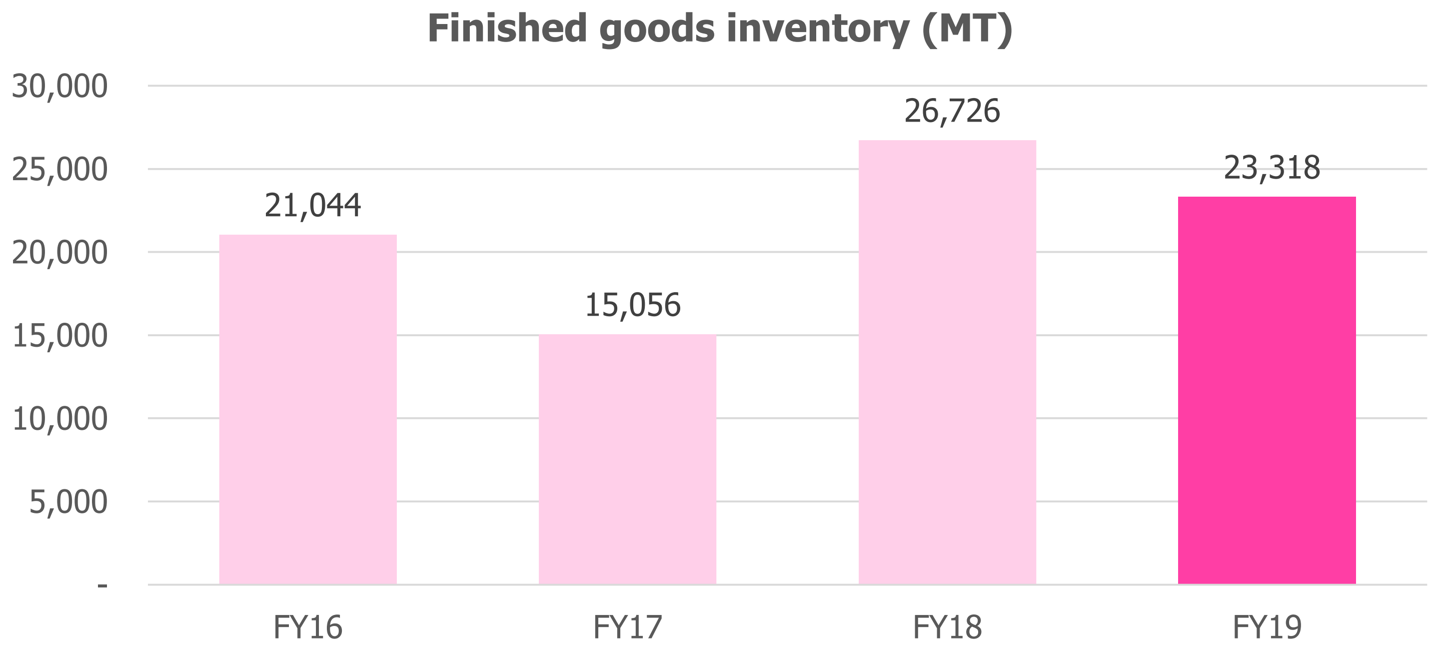


SALES VOLUME AND INVENTORY

Exceeded $1 billion in revenue for the first time, with consumer packaged infant formula sales of 42,907 MT in the middle of the guidance range

- **Total powder sales volumes increased 16.4% to 149,709 MT** enabled by manufacturing efficiencies
- Overall product mix consistent with FY18, as consumer packaged infant formula sales comprised 29% of total powder sales (28% in FY18)
- **Finished goods inventory reduced 12.7% to 23,318 MT** following successful delivery of inventory management initiatives
- **Sales of lactoferrin increased to 21 MT from 16 MT in FY18**
  - Lactoferrin sales exclude volume used internally





*Sales volumes does not include specialty ingredients and fresh milk
* Finished goods inventory does not include fresh milk

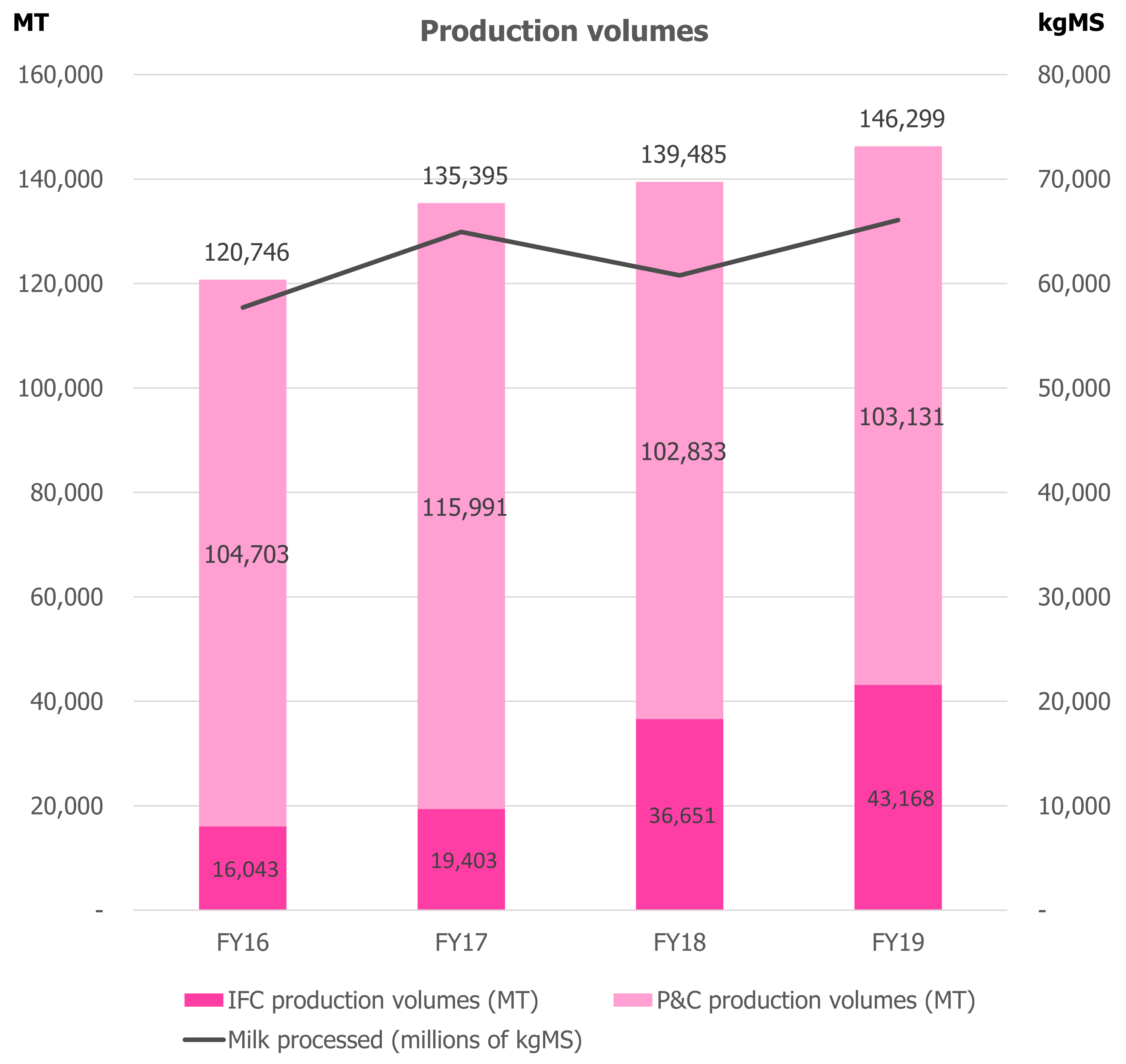
PRODUCTION VOLUME

Realisation of manufacturing efficiencies resulted in a corresponding increase in production volume

- Total powder production increased by 4.8% to 146,299 MT in FY19 vs 139,485 MT in FY18
- Consumer packaged infant formula production increased as a share of total production, comprising 30% of FY19 production vs 26% in FY18

Total milk processed increased 8.7% to 66.1 million kgMS from 60.8 million kgMS in FY18, including milk processed in the advanced liquid dairy packaging facility

Production of lactoferrin increased from 12 MT in FY18 to 23 MT in FY19



*Production volumes for specialty ingredients and fresh milk are not shown on the graph.

GROSS PROFIT PERFORMANCE

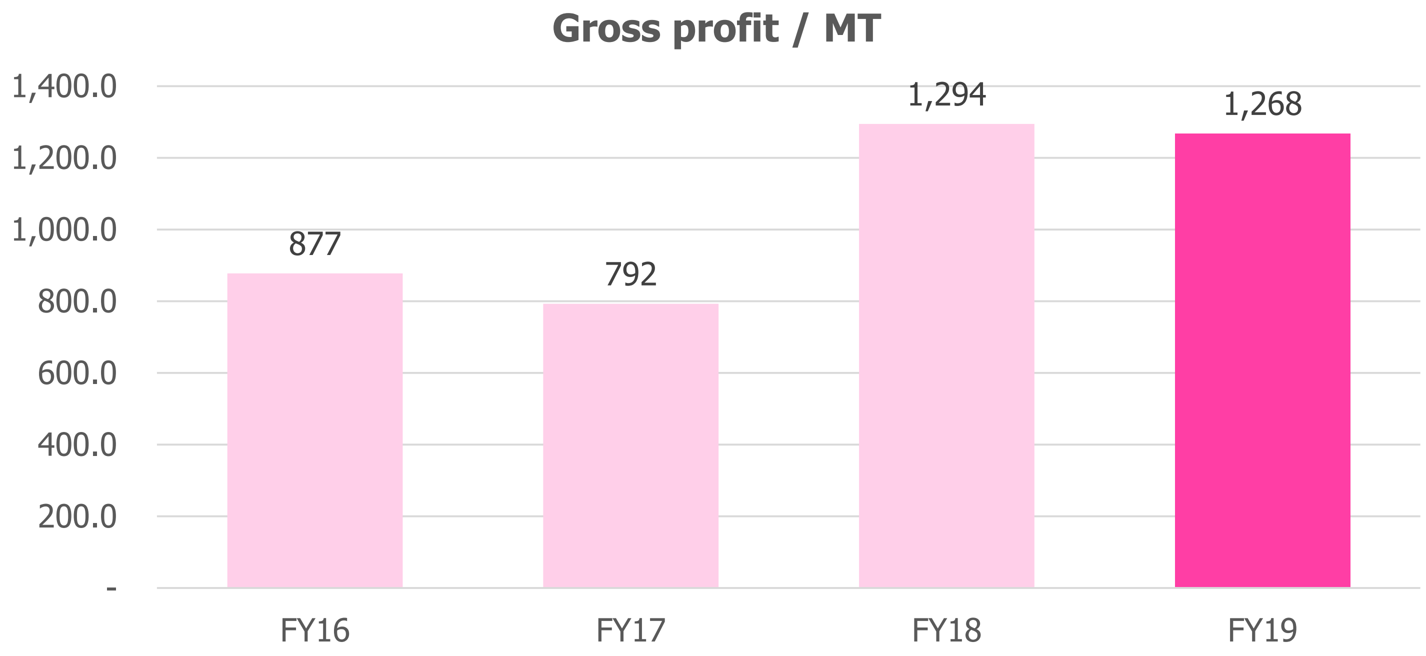
Gross profit per MT was slightly lower than FY18 at $1,268 per MT, with key drivers including:

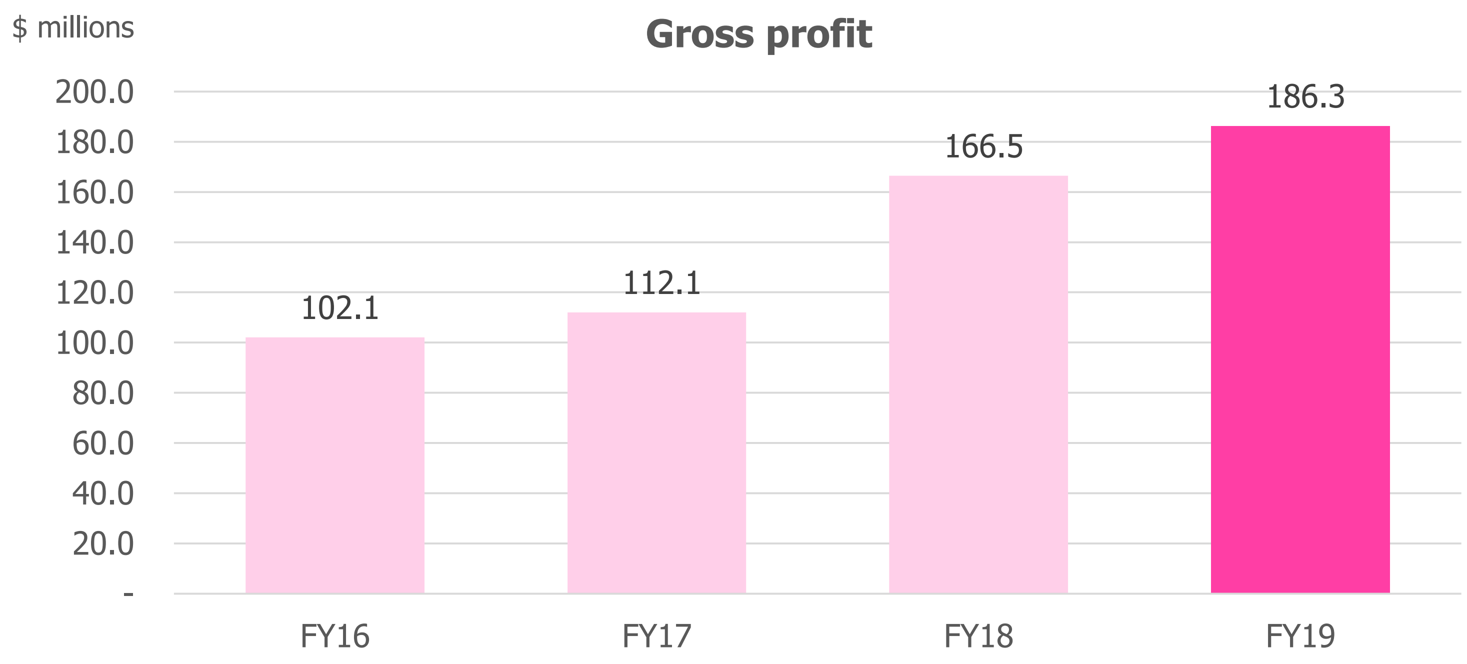
- Consumer packaged infant formula sales were at lower margins, a result of the renegotiation of our supply agreement with The a2 Milk Company™
- Changes to customer mix, with China brands sales not repeating in FY19 as they await SAMR registration
- Investments in people in-front of assets coming on-line

While gross profit per MT has declined, overall gross profit increased due to an uplift in sales volumes

- The gross profit contribution from fresh milk was ($3.5) million reflecting some initial commissioning challenges and low fixed overhead recoveries

Expect gross profit per MT to reduce in FY20, with ingredient products comprising a higher share of overall production as Pokeno will be weighted to ingredients before producing infant base powder towards the end of the financial year



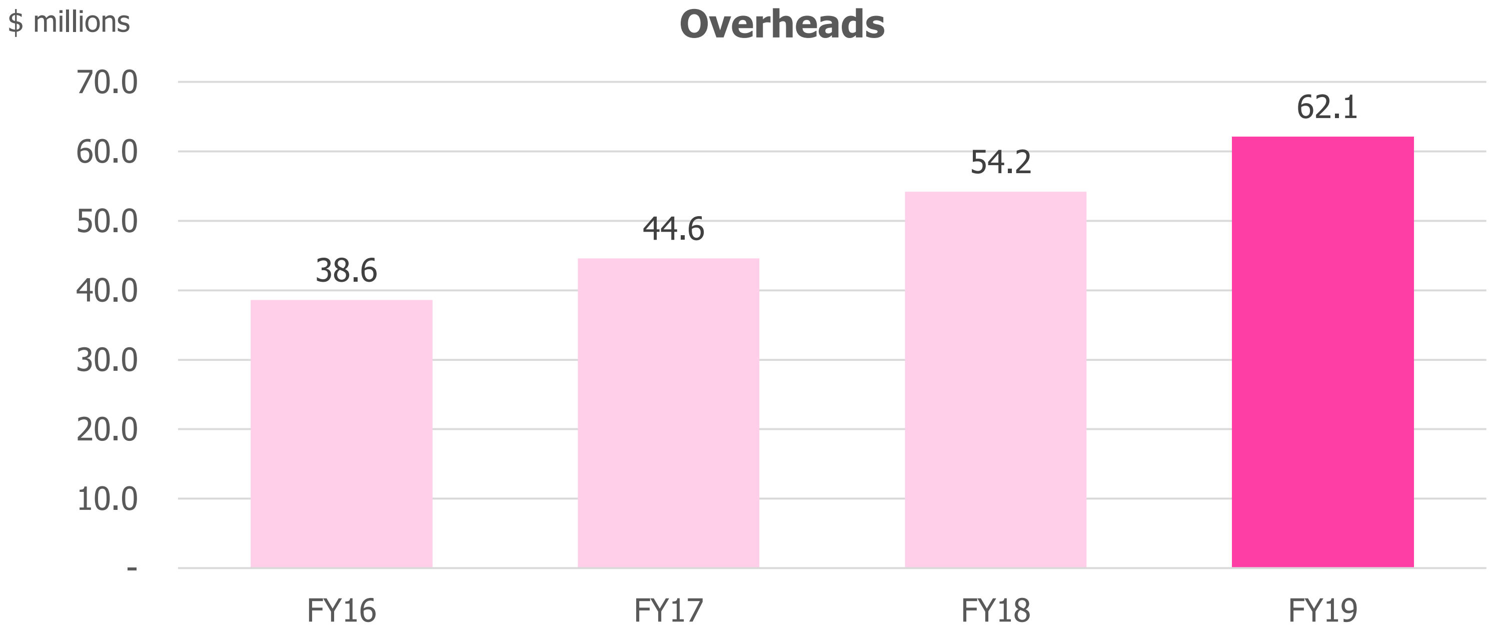


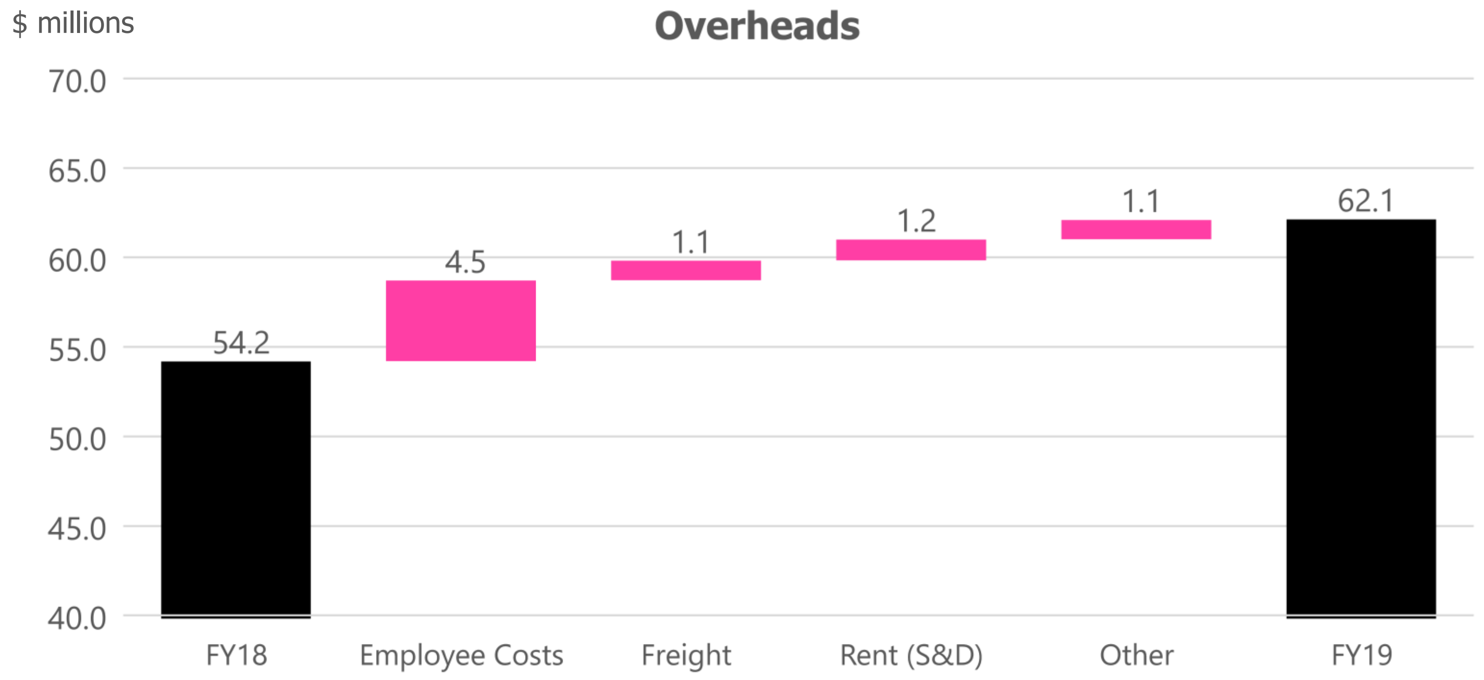
*Gross profit per MT does not include fresh milk

OVERHEADS

Significant investment in people, with 218 new staff joining Synlait in 2019 in advance of new production facilities coming on-line

- Net overheads have increased by $7.9 million or 14.6% from FY18
- Largest driver of the increase is employee costs, reflecting continued investment in research and development, business development and leadership capability
- Expect a greater uplift (~20%) in FY20 resulting from the full-year impact of FY19 staffing hires, as well as further investments in growth opportunities

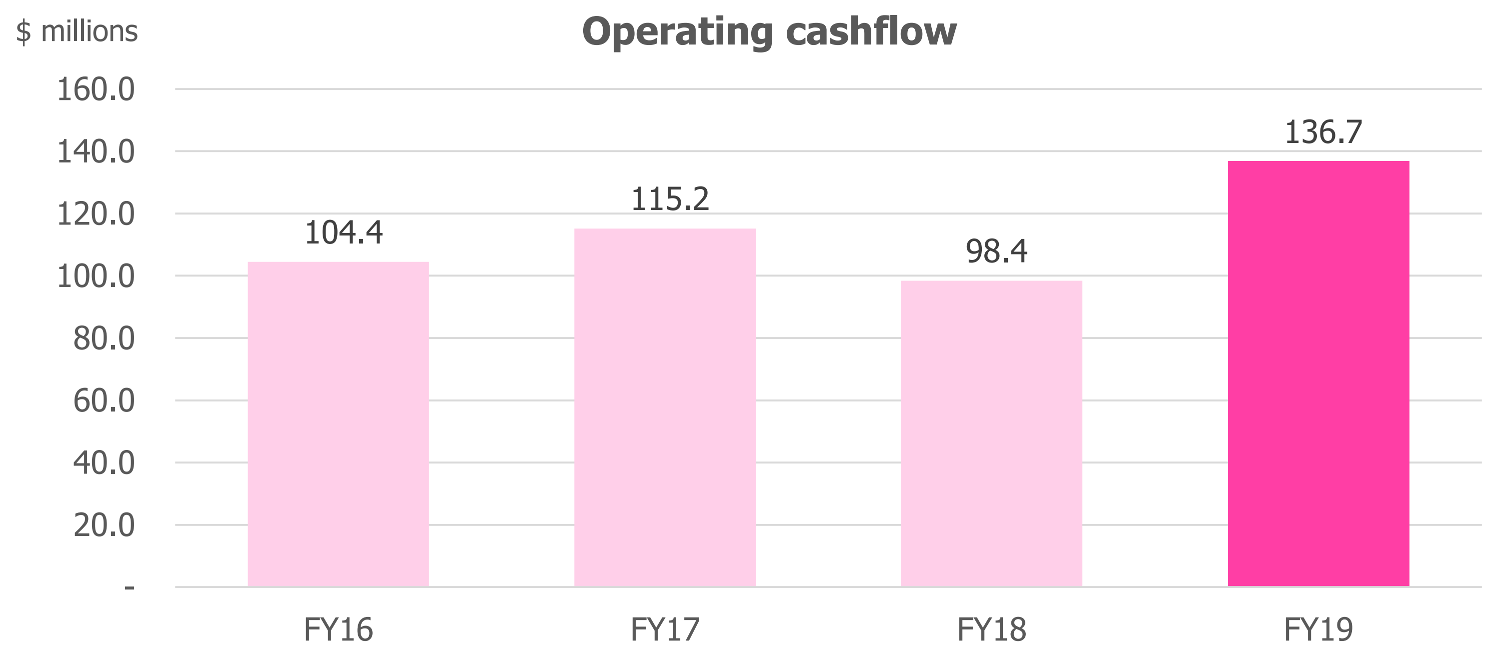


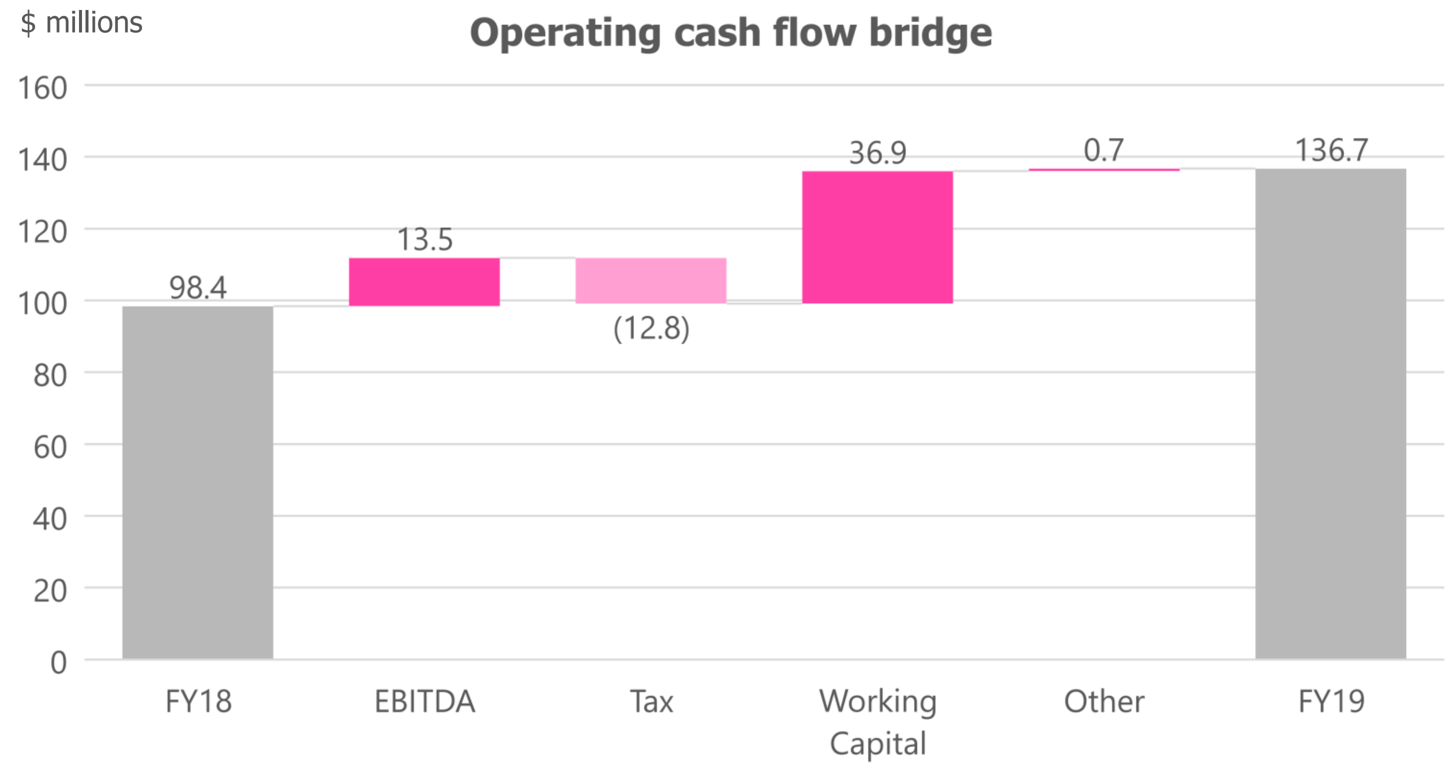


OPERATING CASH FLOW

Strong cashflow generation with operating cash flows increasing by $38.3 million to $136.7 million from $98.4 million last year

- Cashflow generation driven by an increase in operating profit and a favourable movement in working capital
- Working capital movement a function of:
  - Inventory management efficiencies
  - Continued benefits from receivables assignment programme, with the year end balance increasing to $109 million from $69 million in FY18, including adding Nestle to the programme





NET DEBT

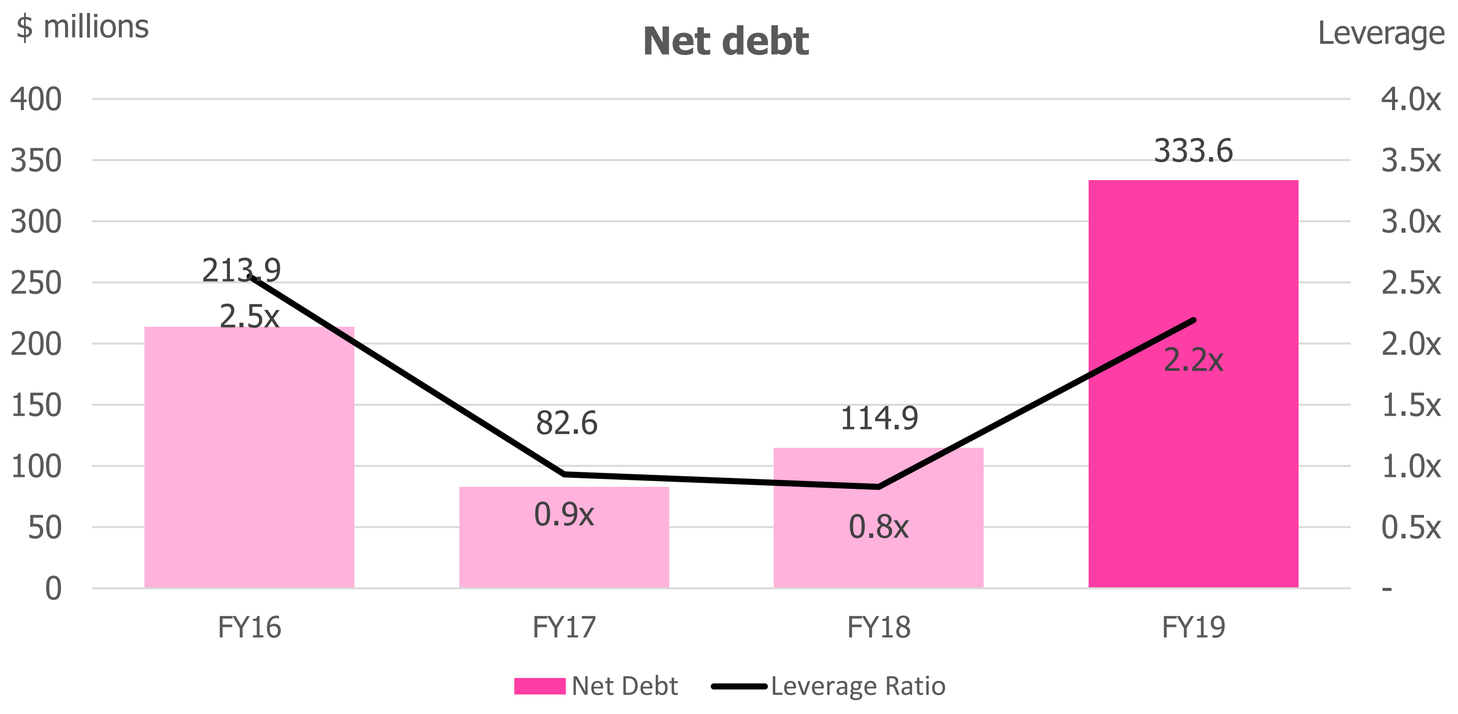
Net debt increased by $218.7 million to $333.6 million at year end from $114.9 million last year

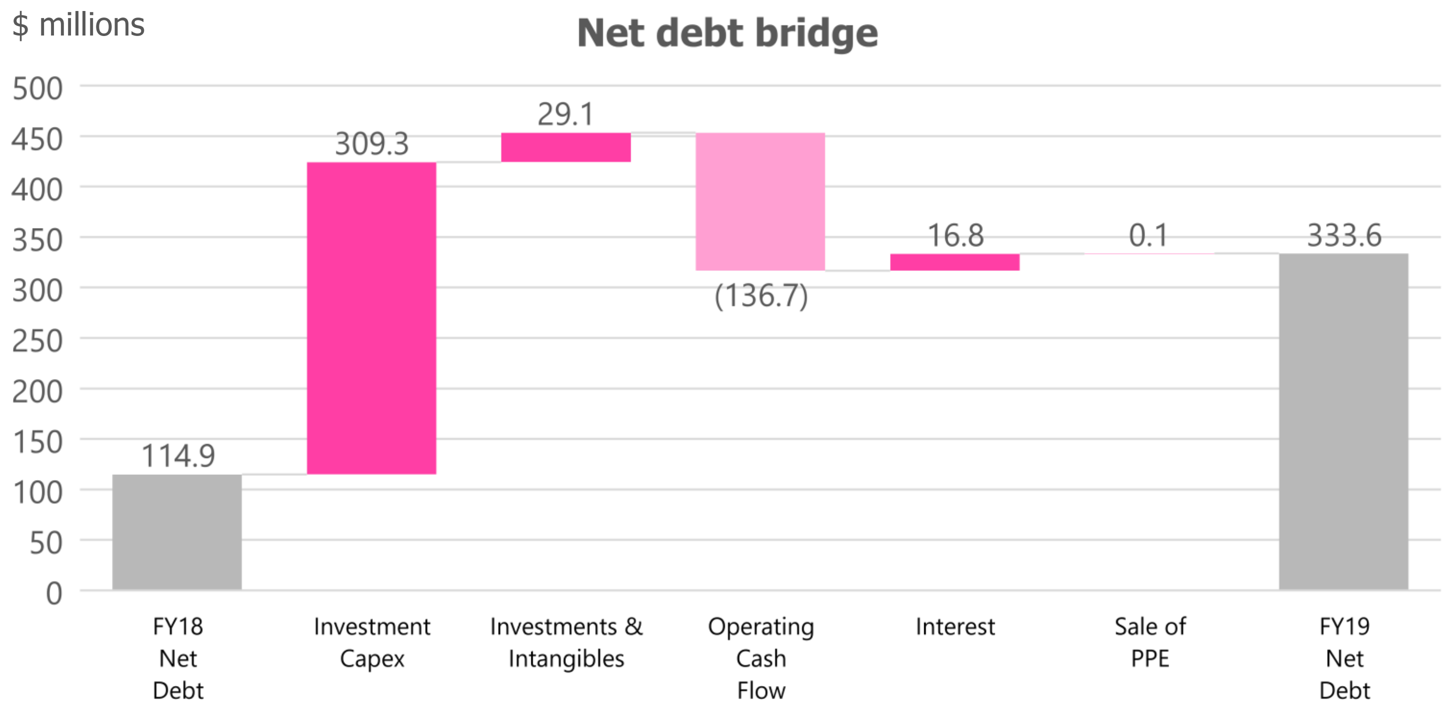
Significant investment in major growth projects and operational projects continued with **$309.3 million of spend on capital expenditure**:

- Second infant-capable manufacturing facility in Pokeno $181.1 million, with cumulative total spend of $193.8 million of $260 million
- Advanced liquid dairy packaging facility $71.1 million with cumulative total spend of $115 million of $134 million (including $4 million for the electrode boiler upgrade)
- Lactoferrin plant $12.2m of cumulative total of $18.9 million

In addition, **$29.1m deployed in investments and intangibles**, including a $18 million secured loan to Talbot Forest Cheese

- Loan settled on 1 August 2019 with a final purchase price of $37.8 million



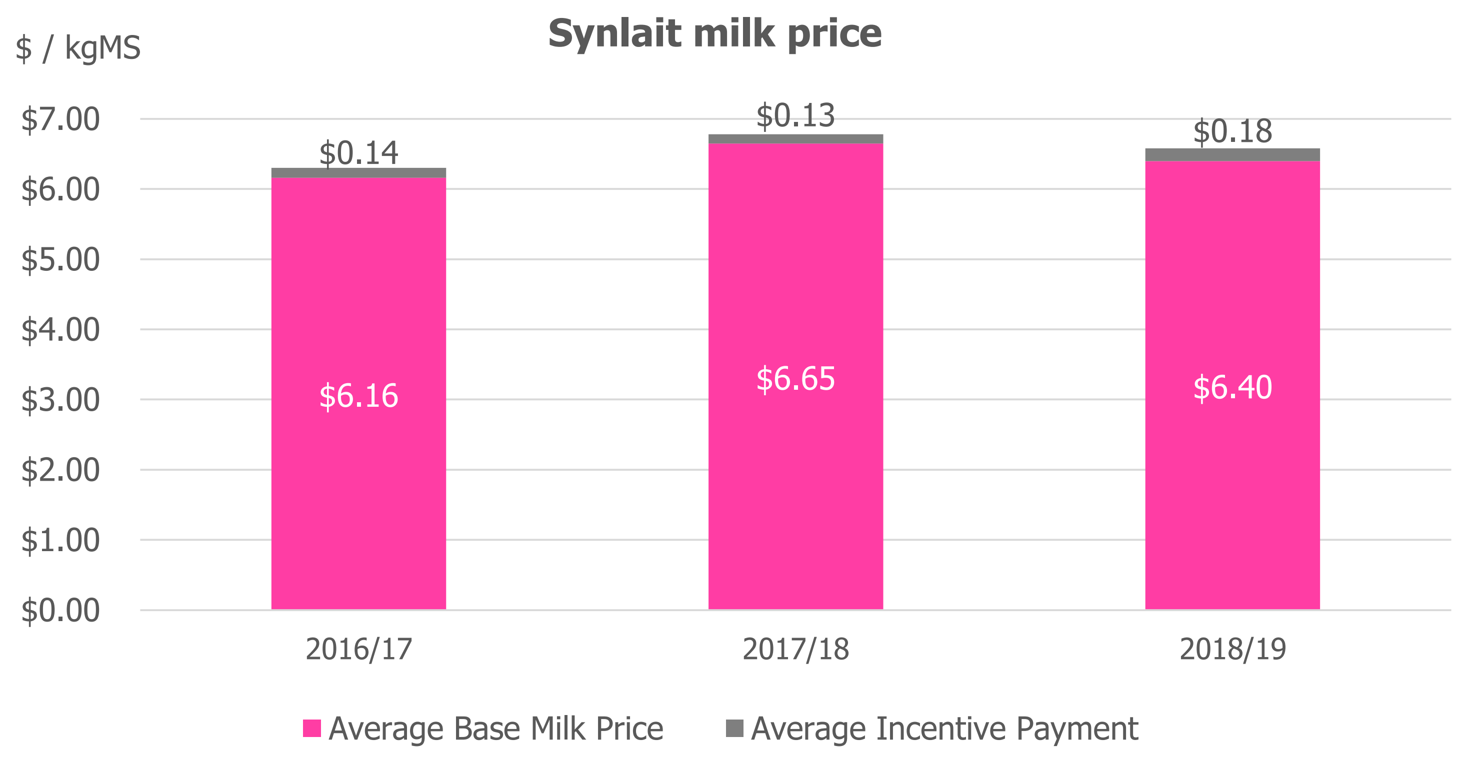


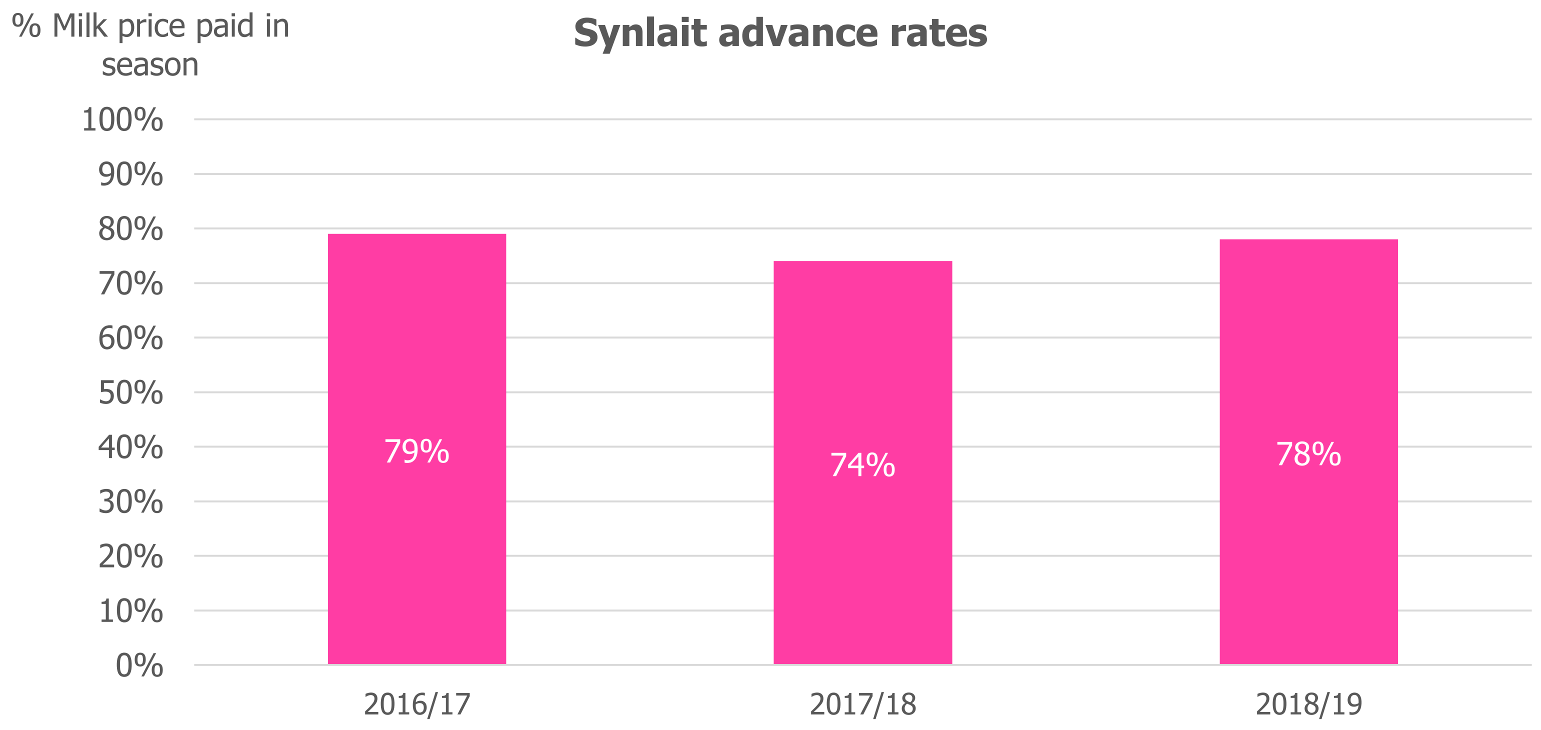
MILK PRICE UPDATE

Average milk price of $6.58 per kgMS for the 2018/2019 season which runs 1 June – 31 May. This is made up of:

- A base milk price of $6.40; and
- An additional $0.18 in incentive payments.

In an effort to improve transparency around the way we pay our milk suppliers for their milk, we have included an additional table in this year's Annual Report which provides a further breakdown of the milk price payment





CLOSING REMARKS

LEON CLEMENT
CHIEF EXECUTIVE OFFICER

WHAT TO EXPECT FROM US IN FY20

Based on the diversification of our business and the way we create value, we are changing the way we provide guidance

We expect our FY20 profits to continue to grow, with the rate of profitability increasing at least at a similar rate to that of FY19 over FY18. Our expected earnings growth will be driven by:

- continuation of strong momentum from the second half of FY19 where we sold 24,932 MT of consumer packaged infant formula;
- a full year of operation of the advanced liquid dairy packaging facility and the first sales of long-life products in the second half of FY20;
- continued progression of our Everyday Dairy strategy;
- a full year of operation of the expanded lactoferrin facility; and
- a contribution from Synlait Pokeno, which will be commissioned shortly.

OUR FINAL WORD

Deliver. Invest. Clarify.

DELIVER. **We have delivered a strong financial result:**

- Exceeded $1 billion in revenue for the first time
- Supported our customers to grow and create value while achieving significant operational efficiencies

INVEST. **We have invested in our future:**

- New facilities built, commissioned and acquired
- 218 capable, experienced and highly skilled people hired to help run these facilities

CLARIFY. **We have clarified and focused our direction:**

- Launched our new purpose and brand identity: Doing milk differently for a healthier world
- New purpose, ambition and strategy launched

APPENDICES

GROSS PROFIT BY CATEGORY

	Sales volume (MT)		Gross profit ($m)		Gross profit / MT	
	FY19	FY18	FY19	FY18	FY19	FY18
Powders and cream[1]	106,802	93,042	142.2	134.4	969	1,065
Consumer packaged	42,907	35,580	34.3	27.6	800	777
Lactoferrin	21	16	13.3	4.4	646,099	285,757
Total	149,730	128,637	189.8	166.5	1,268	1,294
Consumer packaged liquids	-	-	(3.5)	-	-	-

[1]Gross profit per MT includes both external sales volumes and internal transfers of bulk infant formula to blending and consumer packaging.

BANKING FACILITIES AND COVENANTS

Synlait currently has four syndicated bank facilities in place with ANZ and BNZ.

1. Working capital facility (multi-currency) – facility limit of $225 million and reviewed annually
2. Revolving credit facility (Facility A) – facility limit of $150 million, amortising $30 million on 1 August 2020 and maturing 1 August 2021
3. Revolving credit facility (Facility B) – facility limit of $100 million maturing on 1 August 2023
4. New $60 million revolving credit facility effective 30 August 2019 and maturing 1 August 2020

We were compliant with our bank covenants at all times during FY19.

We have four key bank covenants in place within our syndicated bank facility agreement.

These are:

1. Interest cover ratio – EBITDA to interest expense of no less than 3.00x based on full year forecast result
2. Minimum shareholders funds – no less than $295.5 million
3. Working capital ratio – inventory and debtors to working capital facility outstanding of no less than 1.5:1
4. Leverage ratio – Total debt to EBITDA is no greater than 3.5x

ASSET BASE AND SHAREHOLDER BASE

Shareholder base anchored by key customers

- Some of Synlait's biggest customers, namely The a2 Milk Company™ (17.4%), Bright Dairy (39.0%) and Munchkin (2.2%), are large shareholders in Synlait

Synlait's state-of-the-art asset base includes purpose- built infant formula facilities, highly automated everyday dairy manufacturing facilities, and a flexible ingredients plant capable of producing standard and specialised dairy ingredients

- Synlait is the largest infant nutrition manufacturer in the Southern Hemisphere
- Synlait possesses a geographically diverse and high-spec asset base
- Synlait's modern manufacturing facilities have an average age of only 5.2 years, which is declining with new assets coming on-line

Location	Facility	Capacity (MT)	Commissioning	Output
Dunsandel	Blending and Canning	40,000	Jul-14	Infant formula
Auckland	Blending and Canning	40,000	Nov-17	Infant formula
Dunsandel	Wetmix Kitchen 1	40,000	Sep-11	Infant formula base powder
Dunsandel	Wetmix Kitchen 2	45,000	Nov-17	Infant formula base powder
Dunsandel	Dryer 1	45,000	Aug-08	Infant grade WMP and SMP
Dunsandel	Dryer 2	45,000	Sep-11	Infant formula base powder, IF grade WMP and SMP
Dunsandel	Dryer 3	45,000	Sep-15	Infant formula base powder, IF grade WMP and SMP
Dunsandel	SMD	2,000	Jul-09	Specialty milk powders
Dunsandel	AMF	25,000	Sep-08	AMF
Dunsandel	Lactoferrin plant	17	Apr-14	Lactoferrin
Dunsandel	Lactoferrin expansion	17	Nov-18	Lactoferrin
	Facility	**Capacity (MT)**	**Commissioning**	**Output**
Pokeno	Wetmix 3 & Dryer 4	45,000	Spring-19	Infant formula base powder, IF grade WMP and SMP
Dunsandel	Liquid dairy packing	110mL	Mar-19	Milk, cream, long-life dairy, other blended dairy products
Temuka	Cheese	12,000	Aug-19	Cheese

OUR INVESTMENT CASE

We are growth focused company with a drive to do things differently

We are generating high returns on capital employed

Long-return pre-tax return on capital employed (ROCE) target of >20%

- Achieved 22.7% ROCE in FY18 and 18.3% in FY19 as we undertook a major build phase

Sustainable ROCE performance driven by

- Deploying capital into high-quality and large-scale assets underwritten by long-standing customer partnerships
- Growing operating margins by moving up the value chain
- Increasing utilisation of existing assets through efficiency programmes and production optimisation

We are well positioned to grow earnings off current asset base

Capacity to scale value chain because we have built in front of the demand curve

- Synlait Pokeno adds additional 45,000 MT of base infant formula manufacturing capacity
- Advanced liquid dairy packaging facility can be filled with other fresh milk partnerships, or high returning pasteurised and long-life dairy beverages
- Expansion of lactoferrin manufacturing increased capacity for a premium product in high demand
- Talbot Forest Cheese acquisition supports growth strategy, generates operational efficiencies, and helps optimise value chain
- Access to an agile best-in-class farm network that can be tailored to customer needs

We have strategies in place to mitigate our risks

Infant nutrition core remains, but new categories expose us to new customers, products and markets

- Actively building new customer and market relationships in new categories
- Sustainable farming practice focus positions us well for future regulatory risks in our sector
- Customer partnerships created with China-owned brands (Pure Canterbury, Akara and e-Akara), approved by SAMR, subject to factory audit
- Synlait Pokeno site and milk pool provides geographical diversification

DISCLAIMER

- This presentation is intended to constitute a summary of certain information about Synlait Milk Limited ("Synlait"). It should be read in conjunction with, and subject to, the explanations and views in the documents previously released to the market by Synlait, including Synlait's Annual Report for the period ended 31 July 2019.

- This presentation is not an offer or an invitation, recommendation or inducement to acquire, buy, sell or hold Synlait's shares or any other financial products and is not a product disclosure statement, prospectus or other offering document, under New Zealand law or any other law.

- This presentation is provided for information purposes only. The information contained in this presentation is not intended to be relied upon as advice to investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should assess their own individual financial circumstances and should consult with their own legal, tax, business and/or financial advisers or consultants before making any investment decision.

- Certain statements in this presentation constitute forward looking statements and projections as they relate to matters other than statements of historical fact. Such forward looking statements and projections are provided as a general guide only based on management's current expectations and assumptions and should not be relied upon as an indication or guarantee of future performance. Forward looking statements and projections involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Synlait and which are subject to change without notice. Actual results, performance or achievements may differ materially from those expressed or implied in this presentation. No person is under any obligation to update this presentation at any time after its release except as required by law and the NZX Listing Rules, or the ASX Listing Rules.

- Past performance information is given for illustration purposes only and is not indicative of future performance and no guarantee of future returns is implied or given.

- While all reasonable care has been taken in relation to the preparation of this presentation, to the maximum extent permitted by law, no representation or warranty, expressed or implied, is made as to the accuracy, adequacy, reliability, completeness or reasonableness of any statements, estimates or opinions or other information contained in this presentation, any of which may change without notice. To the maximum extent permitted by law, Synlait, its subsidiaries, and their respective directors, officers, employees, contractors, agents, advisors and affiliates disclaim and will have no liability or responsibility (including, without limitation, liability for negligence) for any direct or indirect loss or damage which may be suffered by any person through use of or reliance on anything contained in, or omitted from, this presentation.

- Forward looking statements in this presentation are unaudited and may include non-GAAP financial measures and information. Not all of the financial information (including any non-GAAP information) will have been prepared in accordance with, nor is it intended to comply with: (i) the financial or other reporting requirements of any regulatory body or any applicable legislation; or (ii) the accounting principles or standards generally accepted in New Zealand or any other jurisdiction, or with International Financial Reporting Standards. Some figures may be rounded and so actual calculation of the figures may differ from the figures in this presentation. Some of the information in this presentation is based on non-GAAP financial information, which does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. Non-GAAP financial information in this presentation has not been audited or reviewed.

- All values are expressed in New Zealand currency unless otherwise stated.

- All intellectual property, proprietary and other rights and interests in this presentation are owned by Synlait.

INVESTORS

Hannah Lynch, Corporate Affairs Manager
+64 21 252 8990
Hannah.Lynch@Synlait.com

MEDIA

Jessica Thorn, Senior Communications Advisor
+64 3 373 3353
Jessica.Thorn@synlait.com

Synlait