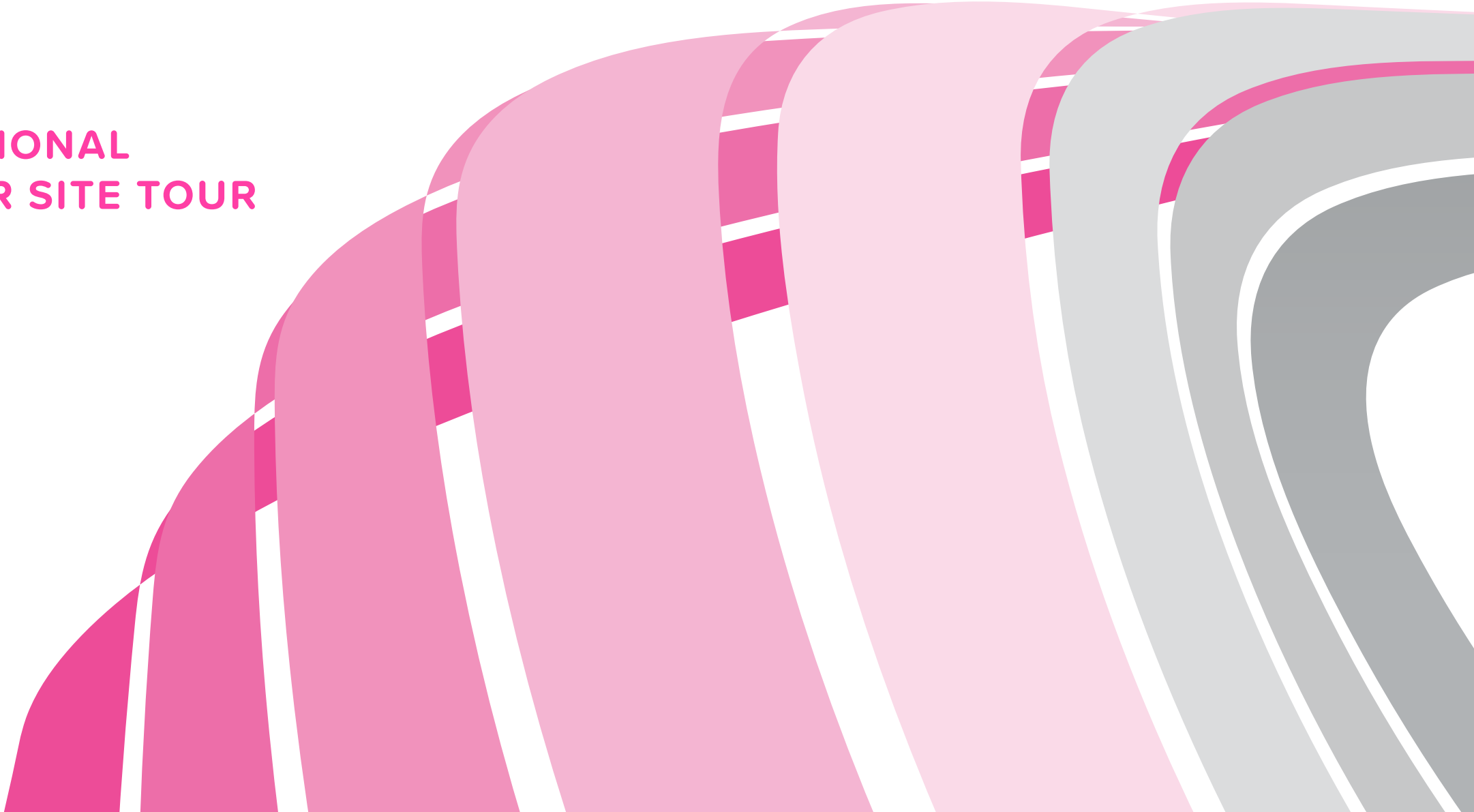


Synlait

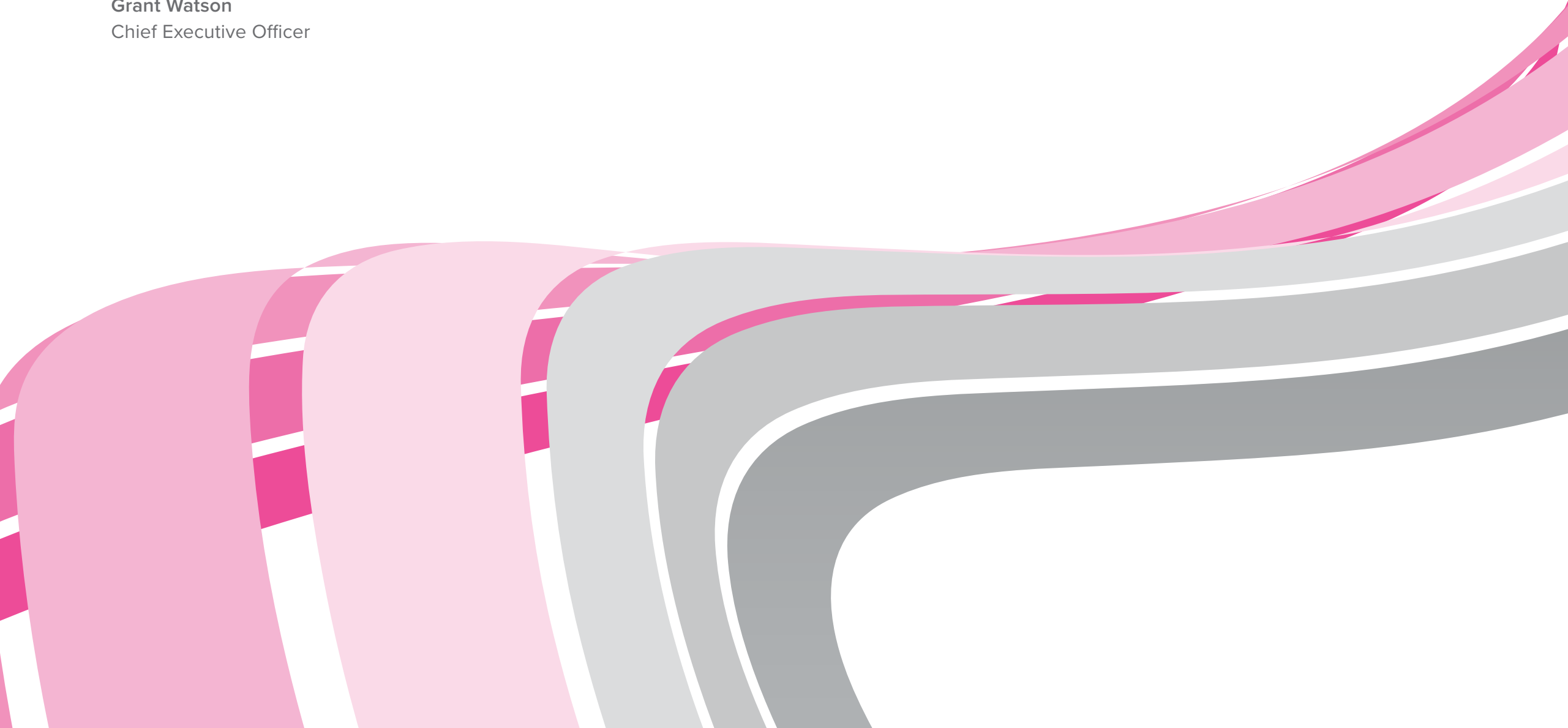
POKENO INSTITUTIONAL INVESTOR SITE TOUR

30 October 2023



SYNLAIT'S EVOLUTION

Grant Watson
Chief Executive Officer



TO REMAIN COMPETITIVE SYNLAIT'S STRATEGY NEEDED TO EVOLVE ...

FROM (PRE-2022)

- Concentration risk
- Risk appetite
- Capacity and supply led
- Scattergun approach to opportunities
- Quick-fix problem solving
- Reliant on people experience
- Siloed mentality
- Tactical responses to customer needs
- Well positioned for milk supply

TO (2022 ONWARDS POST STRATEGY REFRESH)

- Diversified channels, categories and geographies
- Business stability
- Customer and demand led
- Opportunities grounded in competitive advantage
- Permanent quality solutions
- Enabled by mature systems, tools and processes
- Cross functional ways of working
- World class customer engagement
- Processing partner of choice

Enabled by a refreshed Executive Leadership Team

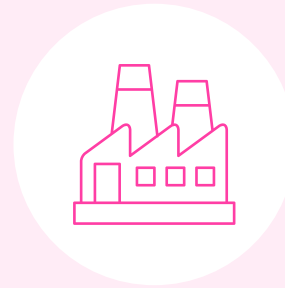
... BUT THE MACRO ENVIRONMENT HAS CHANGED



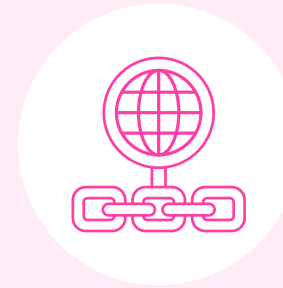
COVID-19



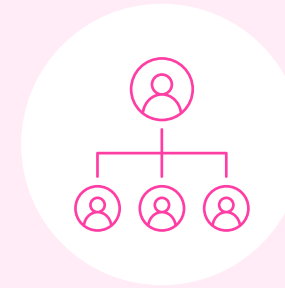
China birth rates declining



Substantial capital investment in China-based manufacturing assets



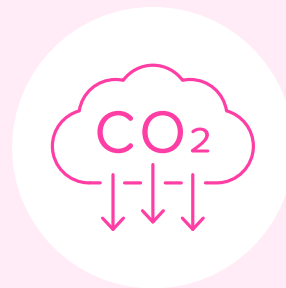
Global supply chain challenges



Tight labour market



Inflationary pressures



New Zealand CO₂ shortages



Extreme weather events impacting milk supply



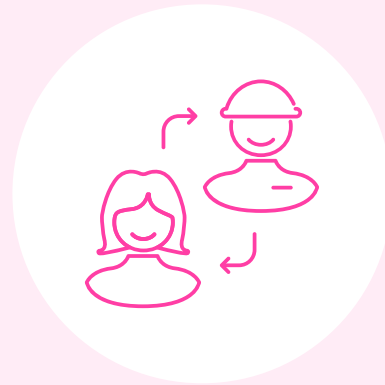
Geopolitical changes

SO, HOW HAS SYNLAIT EVOLVED?



MILK SUPPLY

Milk processors
Peak cow and milk
Synlait Farmer Leadership Team



PEOPLE

Staff numbers
Shift numbers



PROFITABILITY

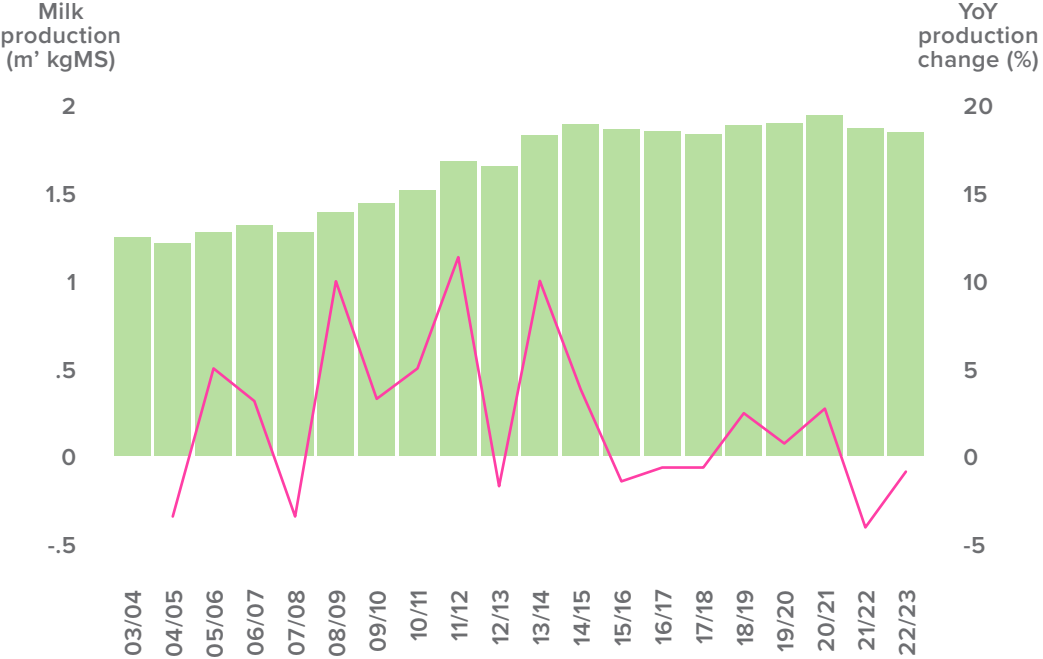
Customer demand
Net Profit After Tax (NPAT)



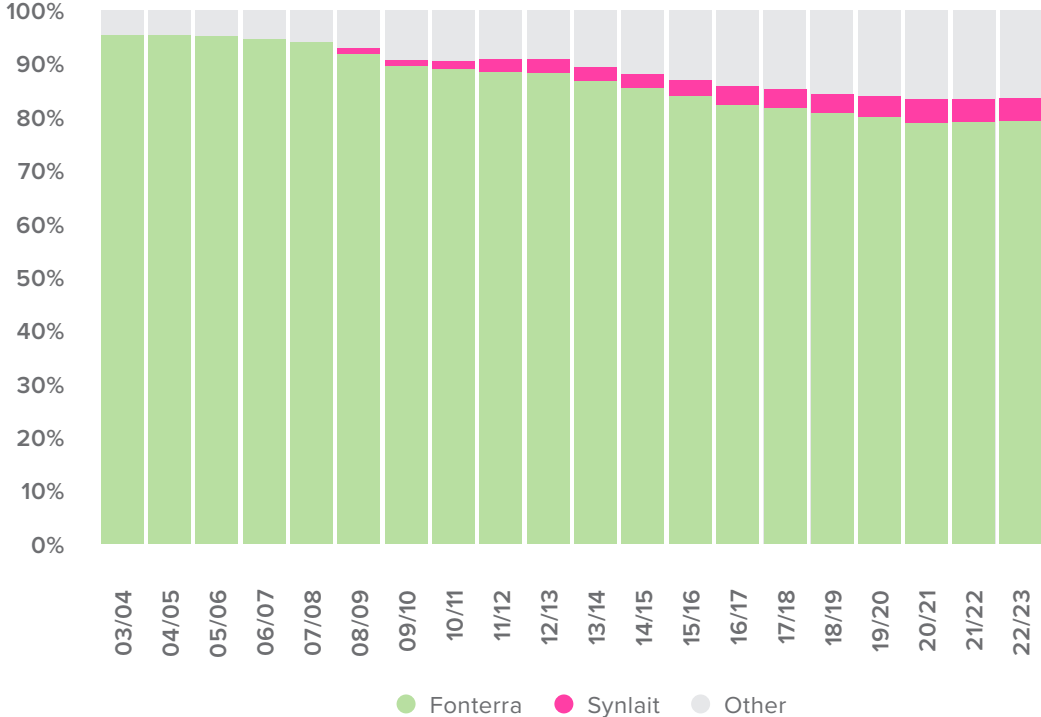
MILK SUPPLY

Milk production is flat, while milk processors are rising.

New Zealand milk production volume



Processor share of New Zealand milk pool



MILK FLOWS HAVE BEEN RELATIVELY FLAT FOR SEVERAL YEARS ...

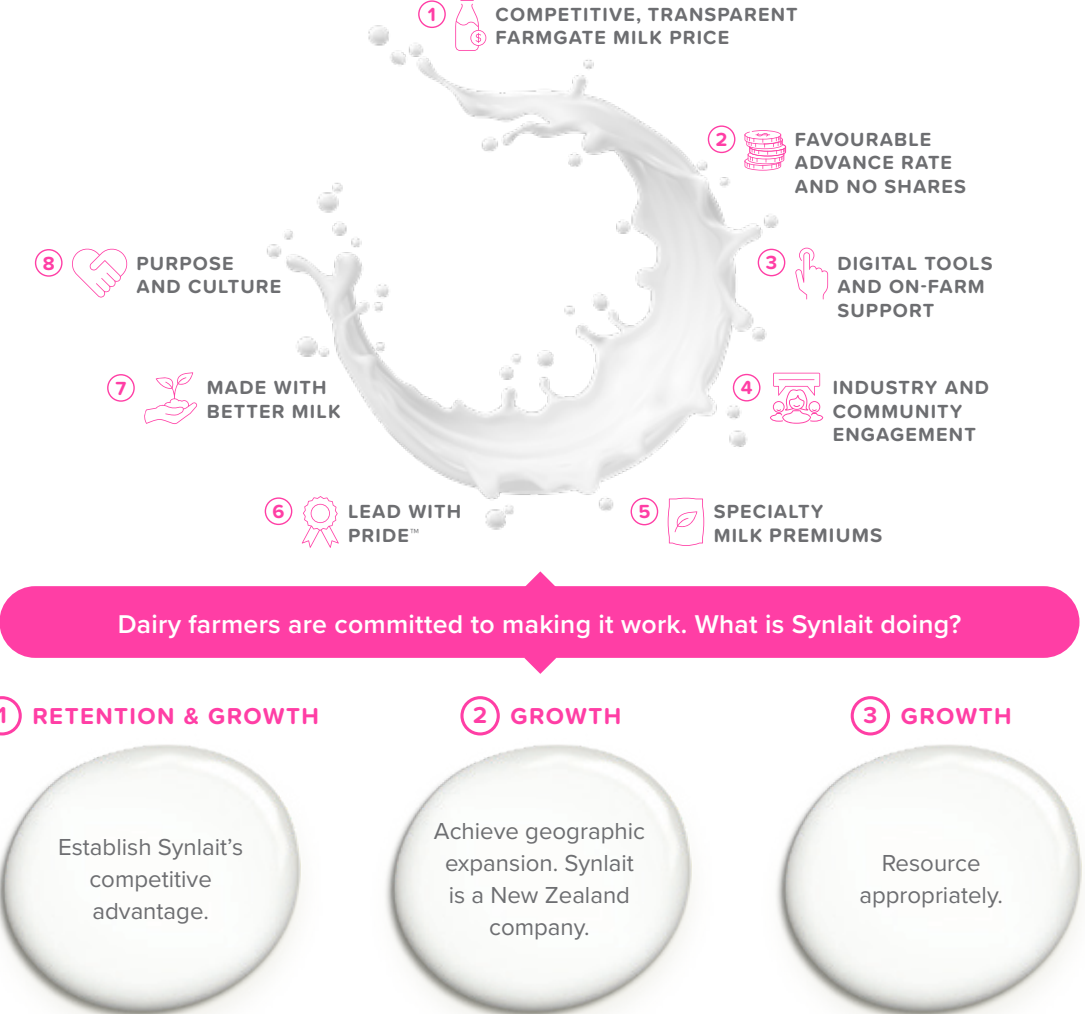
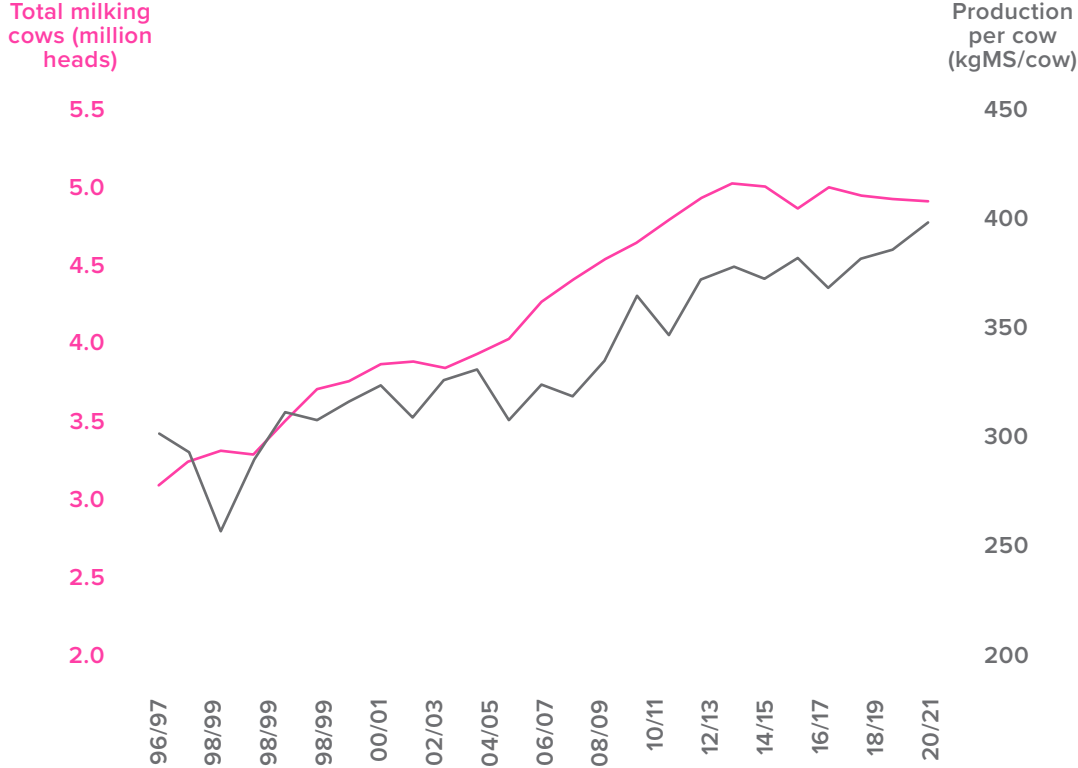
... AND SYNLAIT HAS RETAINED ITS 4% MARKET SHARE.



MILK SUPPLY

Peak milk and cow have also arrived. How do we compete?

Total milking cows and production per cow





MILK SUPPLY

Synlait established a Farmer Leadership Team of eight farmer suppliers who are a conduit to the company.



Phill Everest
Co-Chair



Adam Williamson
South Island



Dan Schat
South Island



Gary Michael
South Island



Henry Bolt
South Island



Rebecca Hubbard
North Island



Susie Woodward
North Island



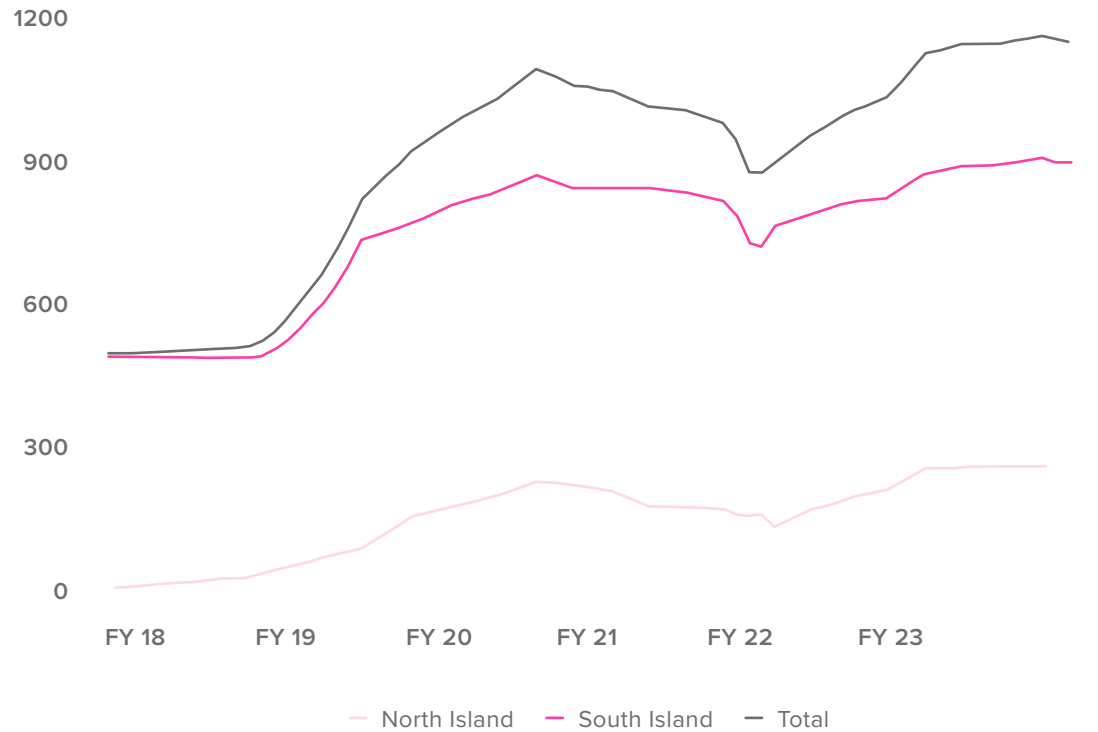
Will Burrett
South Island



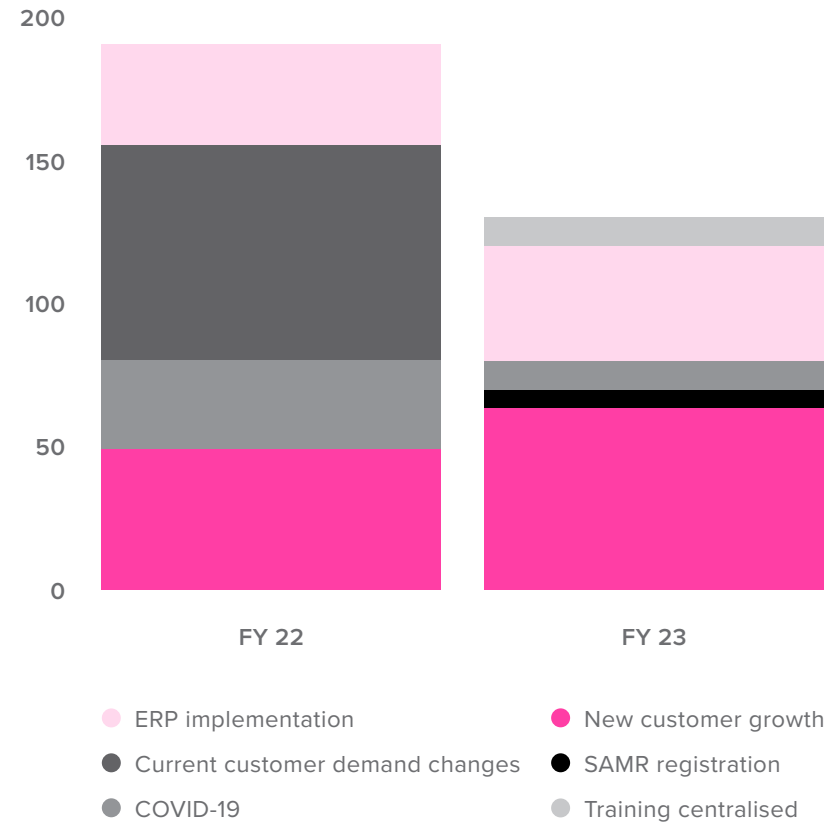
PEOPLE

Macro impacts and customer demand changes significantly impact planning and production cycles.

Total headcount trend



Where headcount growth has come from

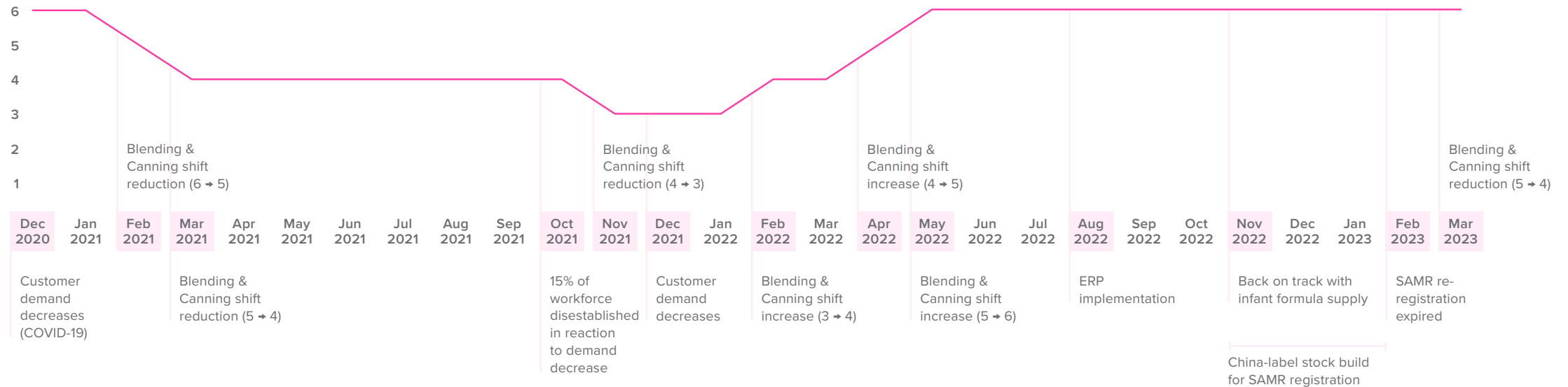




PEOPLE

Customer demand changes also have a significant impact on national shift numbers.

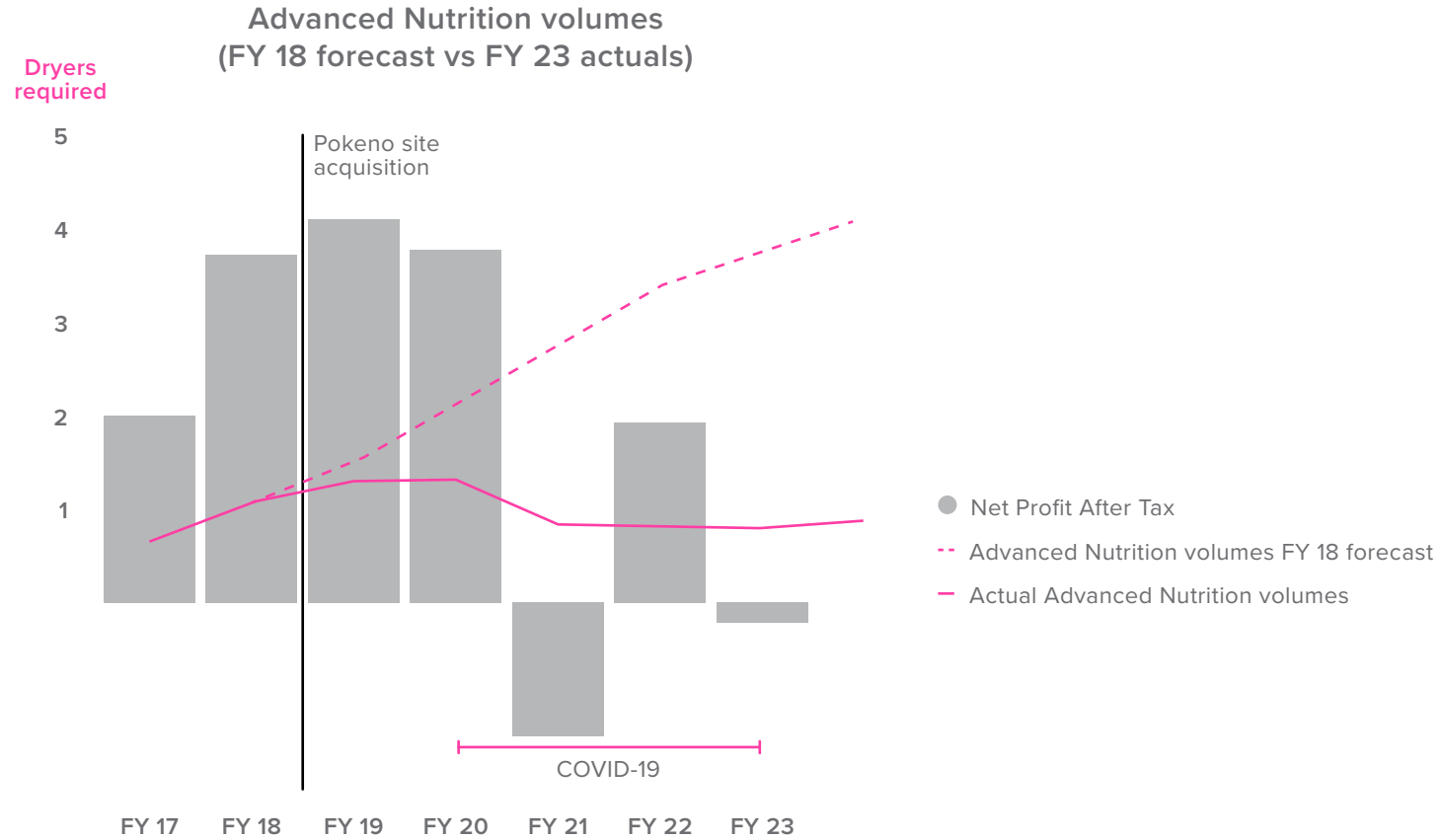
- New shifts take a minimum of nine months to recruit (three months), reach a competent level without supervision (three months), and support the delivery of full attainment to plan (three months).
- Blending and canning shift numbers:
 - Dunsandel: 23 people
 - Auckland: 25 people
 - Shift changes also require changes to other team structures, i.e., quality, warehousing, maintenance, and other manufacturing teams.





PROFITABILITY

Synlait built capacity ahead of the curve, allowing capacity and supply to underpin strategic assumptions.



The business has pivoted its strategy to be customer and demand-led but is still playing catch up while navigating significant macro impact.

SYNLAIT STRATEGY FY 24 – FY 28

Our Purpose – *Doing Milk Differently For A Healthier World*

AMBITION TO FY 28



Farmer Net Promoter Score Top Quartile



Customer Net Promoter Score Top Quartile



Staff Engagement Top Quartile



IWS Level 2



Return on Capital 15%



B Corp™ Score of 105

RIGHT TO PLAY OUR STRONG FOUNDATIONS



Food Safety and Quality



Highly Utilised, Efficient Plants



Advanced Nutrition and Foodservice Know-How



Integrated Value Chain



Regulatory Know-How



Sustainability Credentials

CHANNELS OUR BUSINESS TYPES



Advanced Nutrition



Foodservice



Ingredients

CATEGORIES OUR PRODUCTS



Infant Nutrition



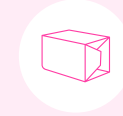
Adult Nutrition



Advanced Ingredients



Foodservice Cream



AMF and Butter*

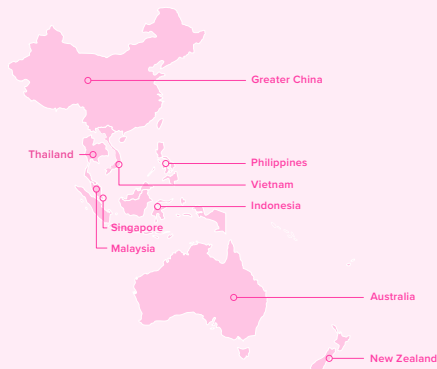


Cream Cheese*



Commodity Powders

GEOGRAPHIES OUR GROWTH MARKETS



RIGHT TO WIN OUR COMPETITIVE ADVANTAGE MODELS

FARMER SUPPLIERS



CUSTOMERS



KEY ENABLERS OF EXECUTION



On-Farm Excellence



Best In Class Customer Engagement



Disciplined Product Innovation



High Performance Culture



Systems, Tools and Processes



World Class Manufacturing and Supply Chain

* TBC, further opportunities being explored.

ADVANCED NUTRITION AND FOODSERVICE MARKET INSIGHTS



Naiche Nogueira
Director of Advanced Nutrition



Abby Ye
President of China & Director of Foodservice



ADVANCED NUTRITION

Naiche Nogueira
Director of Advanced Nutrition

Synlait



WHERE
WE PLAY

ADVANCED NUTRITION STRATEGY FY24 – FY28

Our Purpose – *Doing Milk Differently For A Healthier World*

AMBITION TO FY28



Sales Volumes of 75,000 MT



Gross Margin of \$200m



Customer Net Promoter Score Top Quartile



Staff Engagement Top Quartile



IWS Level 2



Diversified Customers, Markets and Categories

RIGHT TO PLAY OUR STRONG FOUNDATIONS



Food Safety and Quality



Highly Utilised, Efficient Plants



Nutritionals Know-How



Deep Category Knowledge



Regulatory



Sustainability Credentials

CUSTOMERS OUR FOCUS PARTNERS



Strategic Multinational Partners



Chinese Local Leaders



SEA Local Leaders

CATEGORIES OUR FOCUS PRODUCTS



Early Life Nutrition



Adult Nutrition



Advanced Ingredients



Flexible Protein Sources

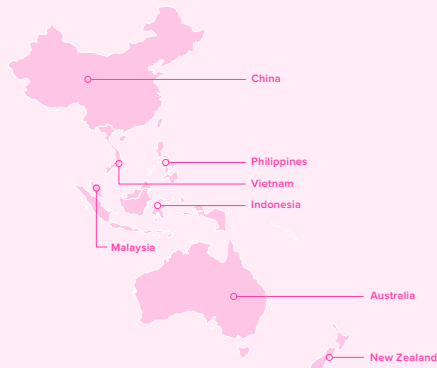


Base and Consumer Powders



Consumer Beverages

GEOGRAPHIES OUR GROWTH MARKETS



RIGHT TO WIN OUR COMPETITIVE ADVANTAGE MODEL



KEY ENABLERS OF EXECUTION



On-Farm Excellence



Best In Class Customer Engagement



Disciplined Product Innovation



High Performance Culture



Systems, Tools and Processes




World Class Manufacturing and Supply Chain

ADVANCED NUTRITION – LIFE STAGE NUTRITION





Lactoferrin and specialty ingredients





Maternal nutrition





Infant nutrition





Children nutrition





Active nutrition





Sports nutrition




Healthy ageing




Clinical nutrition



EARLY LIFE NUTRITION – APAC



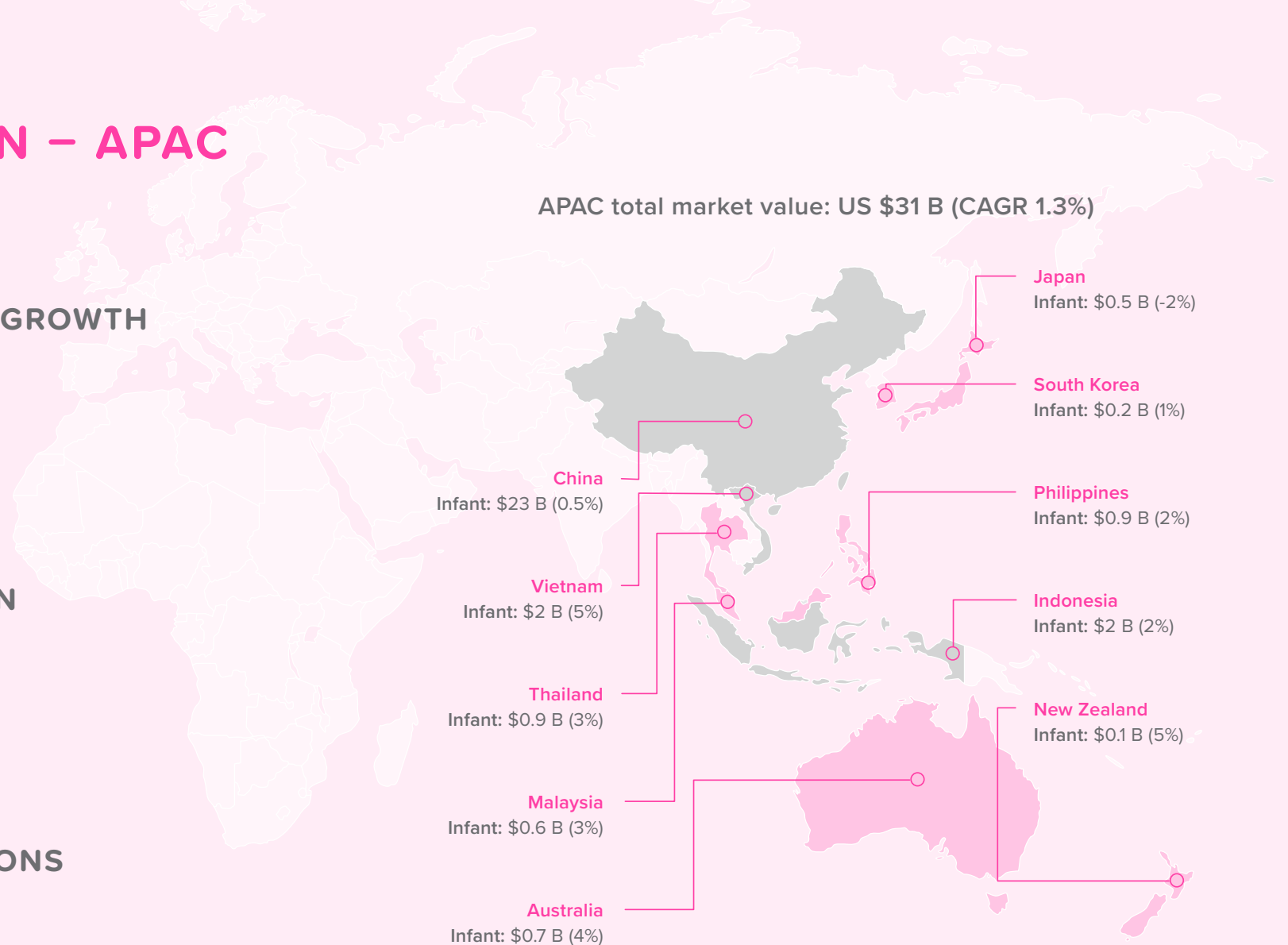
LOW CATEGORY GROWTH



PREMIUMISATION



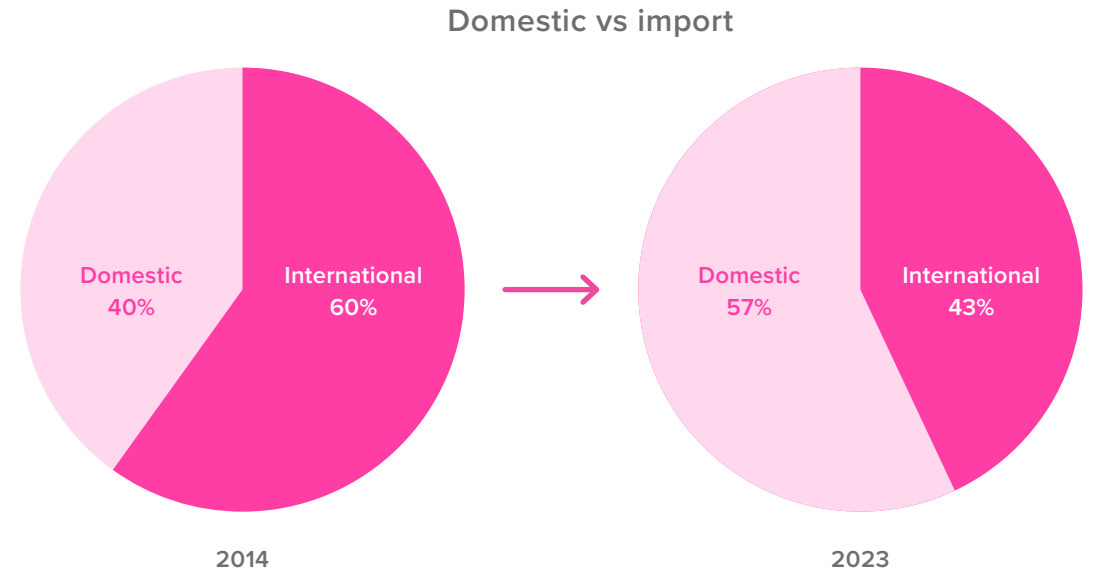
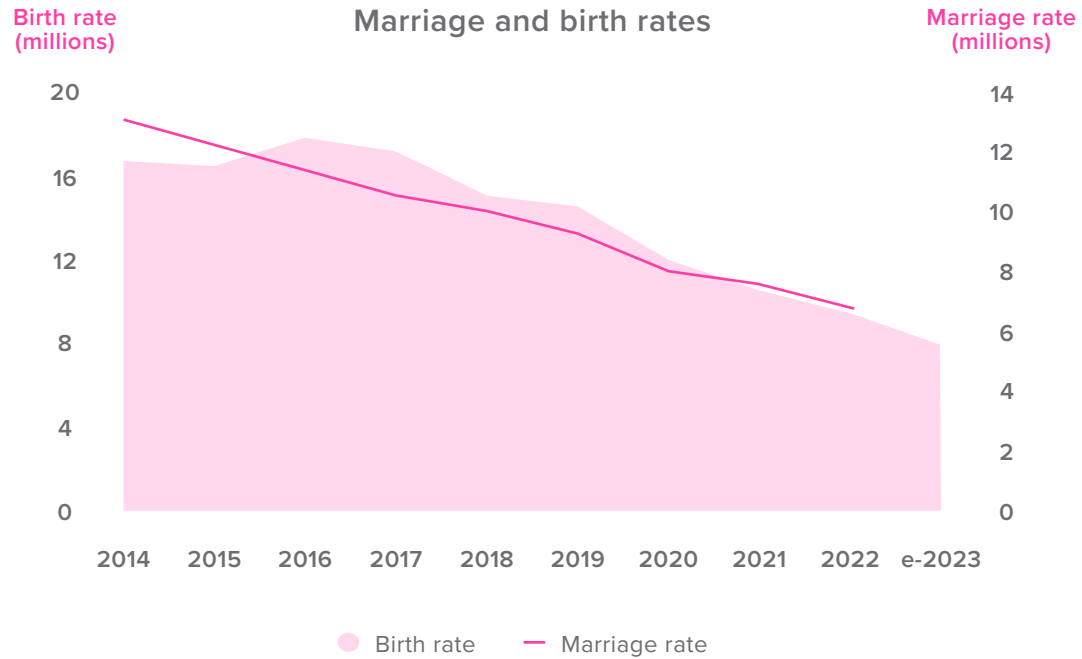
RANGE EXTENSIONS TO CHILDREN'S



Source: Eruomonitor, Allied Market Research. Market Value is for tracked markets only.
Notes: CAGR is estimated from 2020-2026, ELN includes Stages 1-4

EARLY LIFE NUTRITION – CHINA

Largest global market at 49% of global share



Source: Euromonitor, Statista, Chemlinked 2023, Macquarie 2022
Notes: CAGR is estimated from 2023-2028, ELN includes Stages 1-4

ADULT NUTRITION



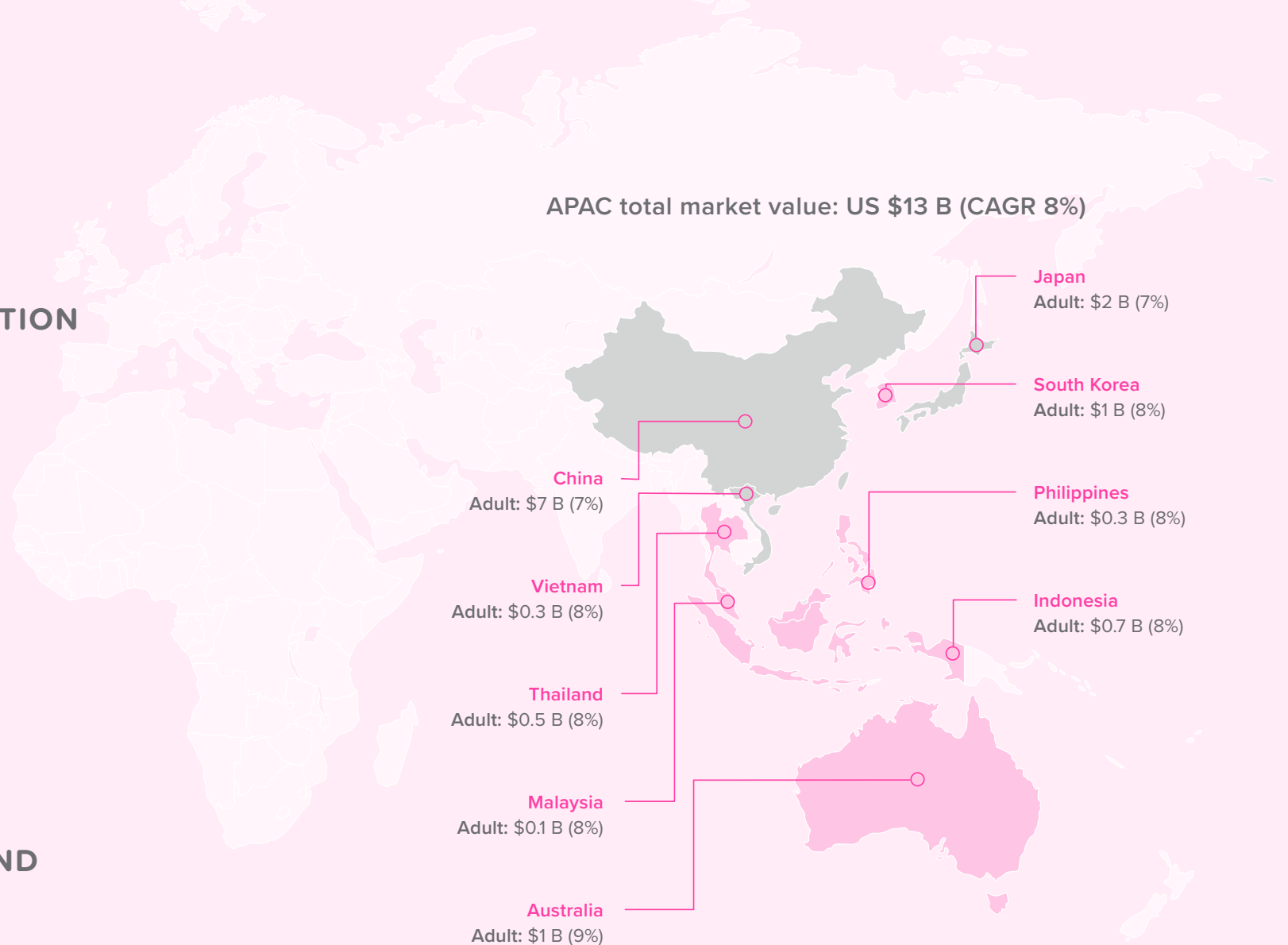
AGEING POPULATION



PREVENTATIVE NUTRITION

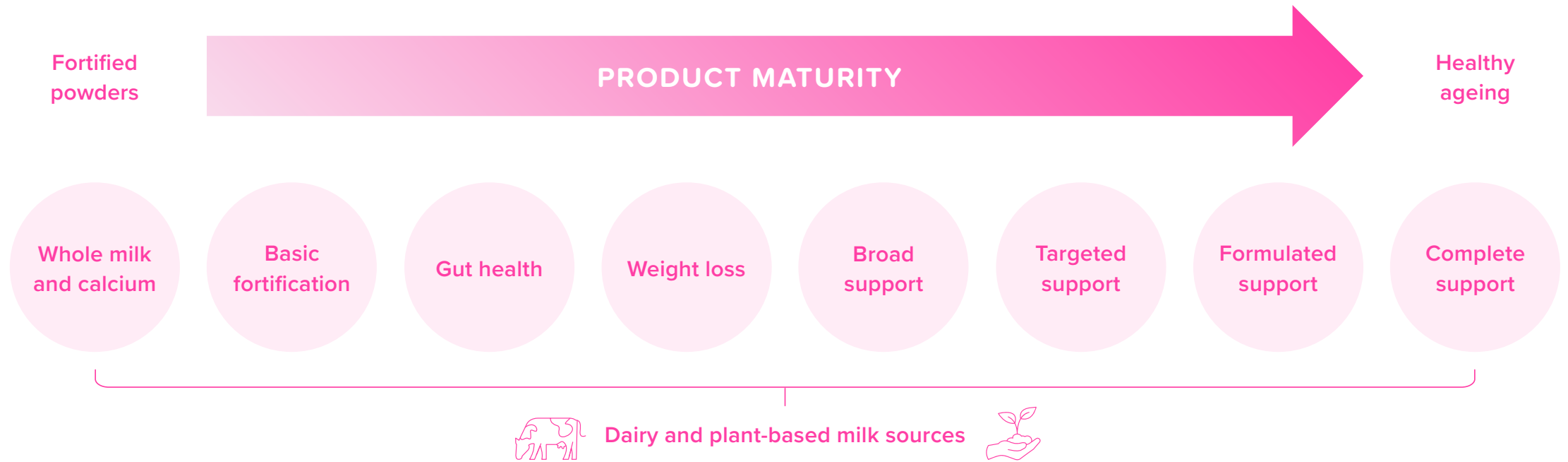


INCREASED SPEND ON NUTRITION



Source: Euromonitor. Market value is for tracked markets only.
Note: Graphic shows major significant market only.

NUTRITION FOR WELLNESS



WHY IS ADULT NUTRITION SYNLAIT'S NEXT GROWTH OPPORTUNITY?



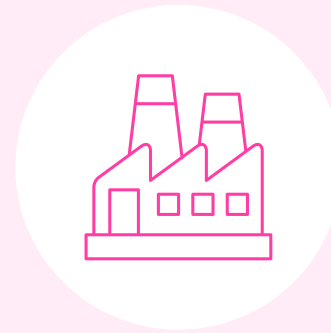
Demographic change



Increasing nutrition and health awareness



Leverages dairy and plant-based capability



Synergises with infant capability



Accelerated awareness and trust

FOODSERVICE

Abby Ye

President of China & Director of Foodservice



FOODSERVICE STRATEGY FY24 – FY28

Our Purpose – *Doing Milk Differently For A Healthier World*

AMBITION TO FY28



Sales Volumes of 22,000 MT



Gross Margin of \$24m



Customer Net Promoter Score Top Quartile



Staff Engagement Top Quartile



IWS Level 2



Category Diversification

RIGHT TO PLAY OUR STRONG FOUNDATIONS



Food Safety and Quality



Highly Utilised, Efficient Plants



Dairy Know-How



Integrated Value Chain



Dedicated NPD Capability



Sustainability Credentials

CHANNELS OUR FOCUS BUSINESS TYPES



Bakery



Beverages

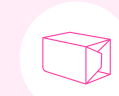


OEM

CATEGORIES OUR FOCUS PRODUCTS



Foodservice Cream

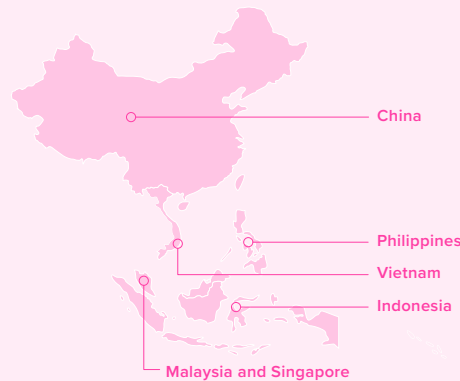


Butter (TBC)*



Cream Cheese (TBC)*

GEOGRAPHIES OUR GROWTH MARKETS



* TBC, further opportunities being explored.

RIGHT TO WIN OUR COMPETITIVE ADVANTAGE MODEL



KEY ENABLERS OF EXECUTION



On-Farm Excellence



Best In Class Customer Engagement



Disciplined Product Innovation



High Performance Culture



Systems, Tools and Processes



World Class Manufacturing and Supply Chain

POKENO INSTITUTIONAL INVESTOR SITE TOUR

CONSUMPTION CHANNELS



BAKERIES



CAFES



BEVERAGE CHAINS

WHY IS FOODSERVICE CREAM SYNLAIT'S NEXT GROWTH OPPORTUNITY?



From New Zealand



Headed for
South East Asia



Entering fast
growing channels



An emerging
opportunity



Potentially another plant
based opportunity

THE DATA SPEAKS FOR ITSELF



NEW ZEALAND CREAM IMPORTS TO CHINA

- **39%** of total import volume (cream)
- **44%** of total import value (cream)
- **\$8.3 billion** export market to China



FAST GROWING CHANNELS

- China bakery growth **9.9%**
- Beverage growth **13.4%**

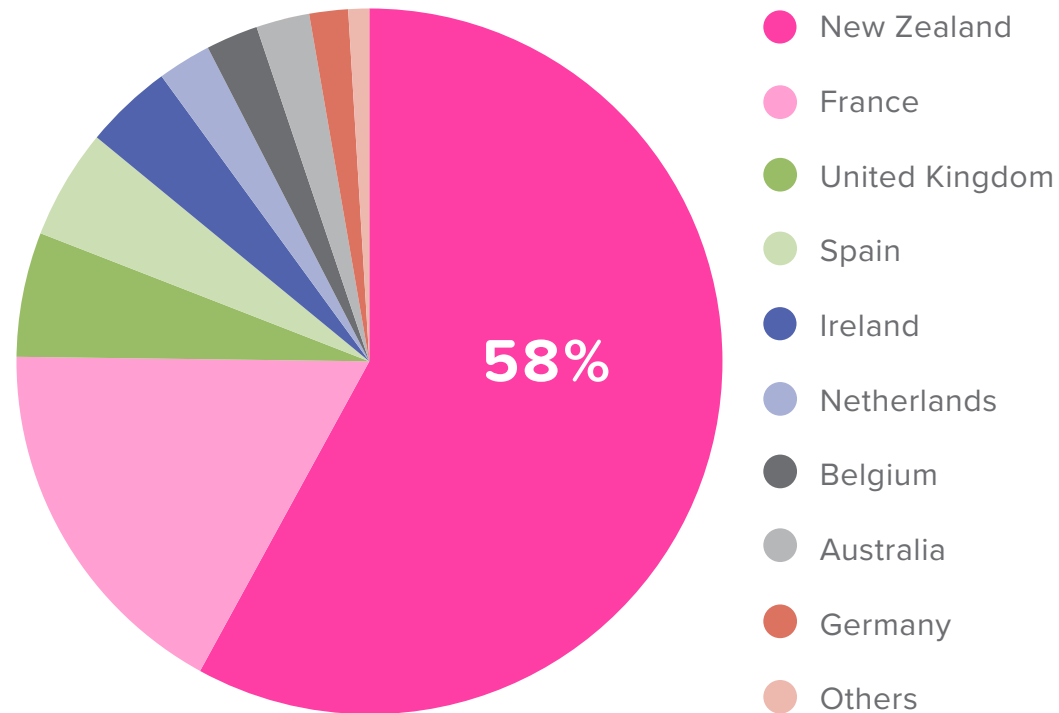


EMERGING OPPORTUNITIES IN CHINA

- Central kitchens growing at **25%**
- Frozen bakery segment – **less than 10%** market penetration (US is 70%)
- Pre made dish segment – just **8%** market penetration (Japan at 60%)

CHINA'S CREAM MARKET HAS SIGNIFICANT POTENTIAL

China Import Statistics – Cream



2022 Chinese cream market: **250,000MT**



New Zealand accounts for **58%** of all China's cream imports



For comparison: Australia accounts for just **2%** of China's cream imports

JOYHANA CREAM IN MARKET

West China –
Chengdu 成都



North China –
Beijing 北京



South China –
Shenzhen/Guangzhou 深圳/广州



East China –
Shanghai 上海



CUSTOMER FEEDBACK

“

The whipping rate of Joyhana is quite good, a good option for mousse cake.

“

Looking forward for more creations from Joyhana cream!

“

Joyhana cream goes very well with fruit taste.



QUESTIONS



Grant Watson
Chief Executive Officer



Abby Ye
President of China & Director of Foodservice



Naiche Nogueira
Director of Advanced Nutrition

