

Fonterra Co-operative Group

Annual Meeting 2025



10.30am on Thursday, 11 December 2025

Christchurch Town Hall (Limes Room), Christchurch, Canterbury and Online



Agenda

Welcome

Chair's Review

Chief Executive Officer's Address



Agenda

Resolution 1: Ratification of, and approval of changes to, the remuneration of Directors

Resolution 2: Approval of changes to the remuneration of Co-operative Councillors

Resolution 3: Approval of changes to the remuneration of members of the Directors' Remuneration Committee

Resolution 4: Appointment of KPMG as auditor and authorisation of the Directors to fix the auditor's remuneration

Resolution 5: Approval of amendments to the Constitution relating to Fonterra's move to the NZX Main Board



Agenda

Co-operative Council Report – John Stevenson, Council Chair

Resolution 6: Approval of the Co-operative Council programme and budget

Voting Paper Collection

General Business

Closing

Peter McBride

Chair's Review



A milestone year for our Co-op

Farmgate Milk Price

\$10.16

↑ from \$7.83

Return on capital

10.9%

↑ from 9.9% tax adjusted
↓ from 11.3% unadjusted

Total cash returns to shareholders

\$16,200_m

↑ 30% on last year

Normalised earnings per share

71 cents

↑ from 58c tax adjusted
no change adjusted

Divestment update

Purchase Price

\$4.22_b

Targeted Tax-Free Capital Return

\$2.00 per share

Shareholder Vote

19 Feb

Recent progress:

- 88.47% of total farmer votes cast in support of the recommendation to divest (more than 80% participation by kgMS)
- Lactalis has received approval from the Overseas Investment Office in New Zealand

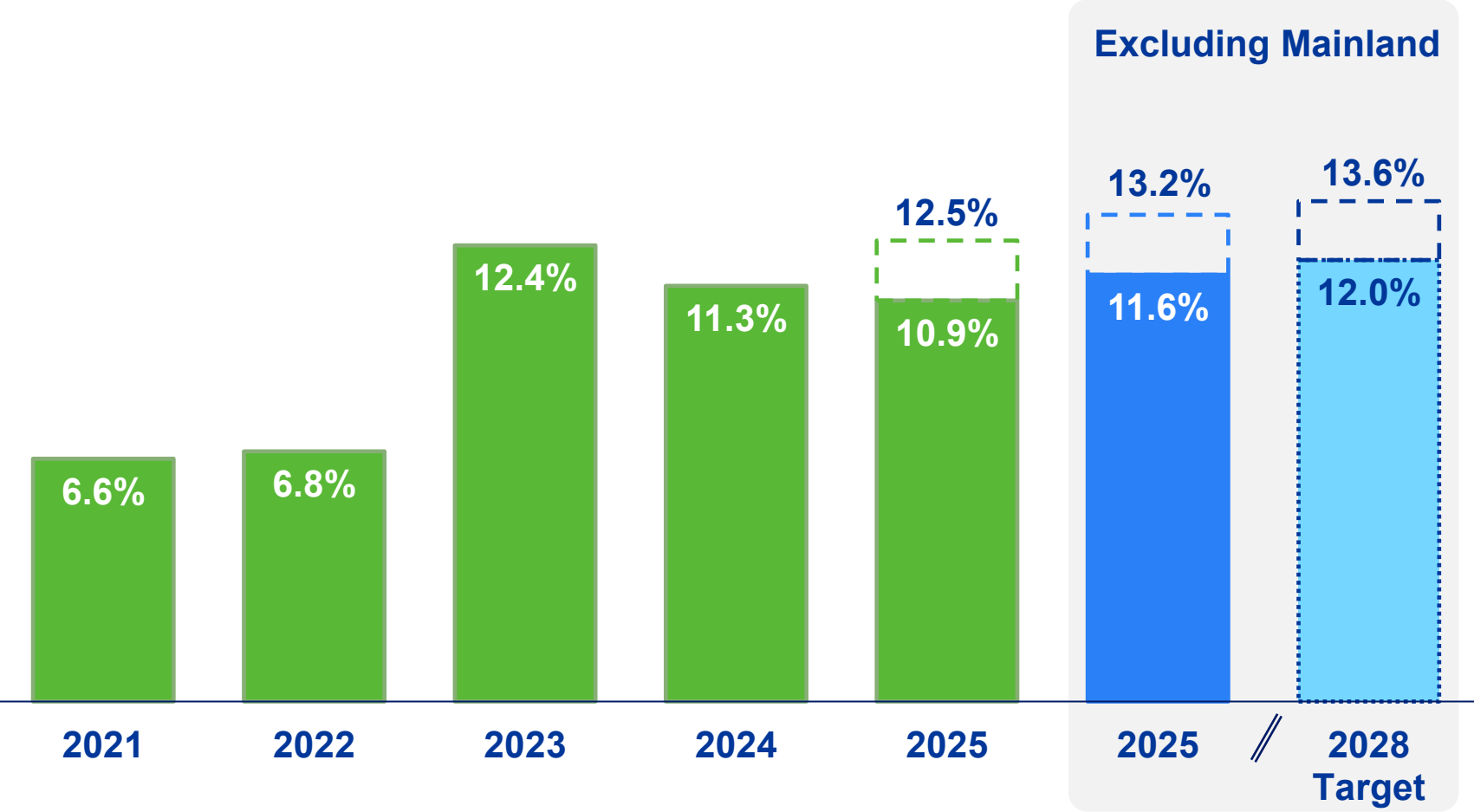
What's next?

- The capital return requires approval by at least 75% of the votes cast on the resolution at a Special Meeting, planned for 19 Feb next year.
- A record date for the capital return has not yet been set. We will share the record date when it is confirmed.
- Continuing work to secure last regulatory approvals and to separate Mainland Group from Fonterra.

A more efficient use of capital

Return on Capital

[] Impact of tax change



- FY25 return on capital of 10.9%
 - above 5-year average
 - within long-term target range
- Tax change impact was 1.6 percentage points in FY25
- Targeting upper end of 10-12% strategic target range

Miles Hurrell

CEO's Address



Results at a glance

Farmgate Milk Price

\$10.16

↑ from \$7.83

Dividend

57 cents imputed

↑ from 55c unimputed

Return on capital

10.9%

↑ from 9.9% tax adjusted

↓ from 11.3% unadjusted

Reported operating profit

\$1,732_m

↑ from 1,527m

Reported profit after tax

\$1,079_m

↓ from 1,128m

Reported earnings per share

65 cents

↓ from 67c

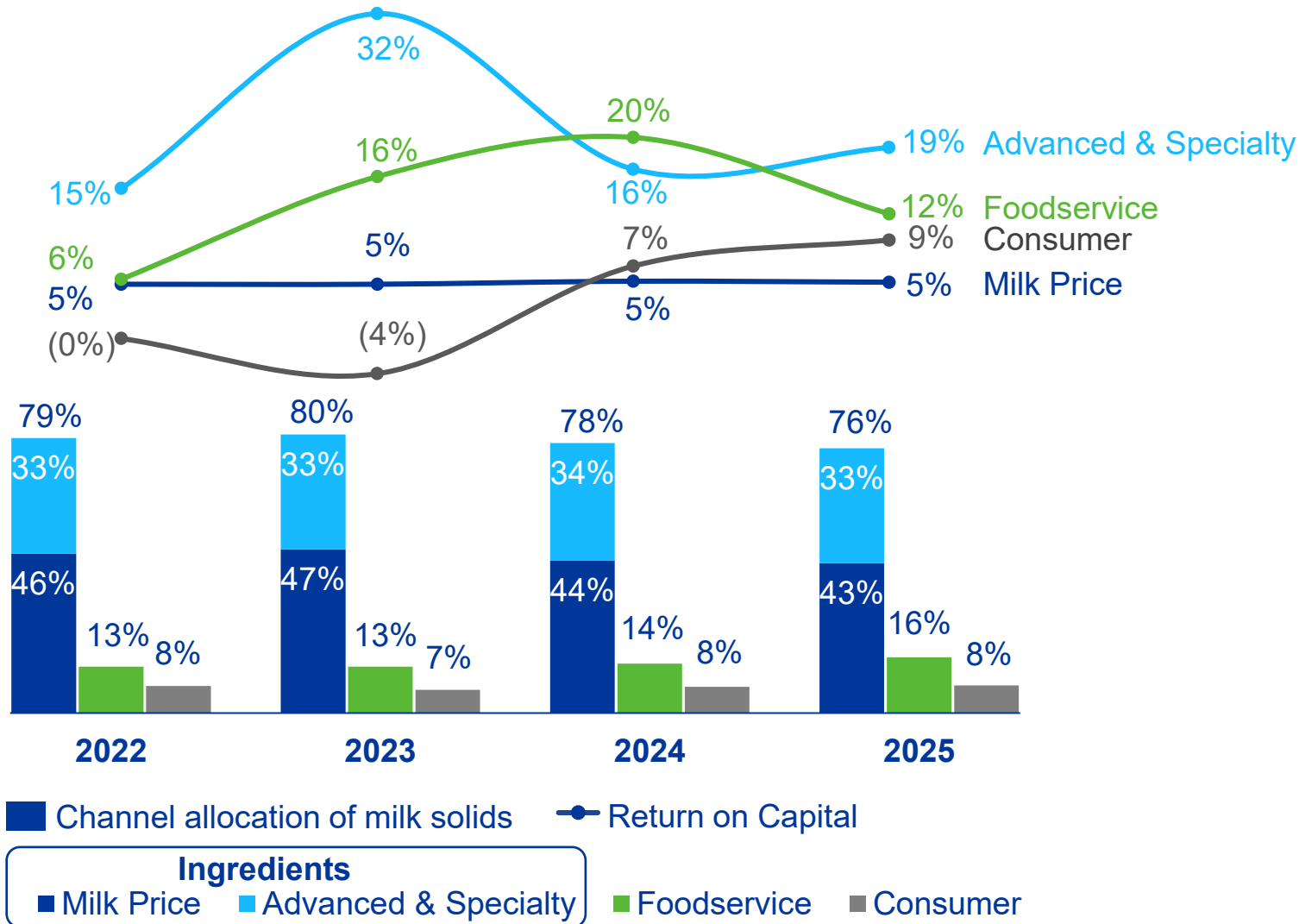
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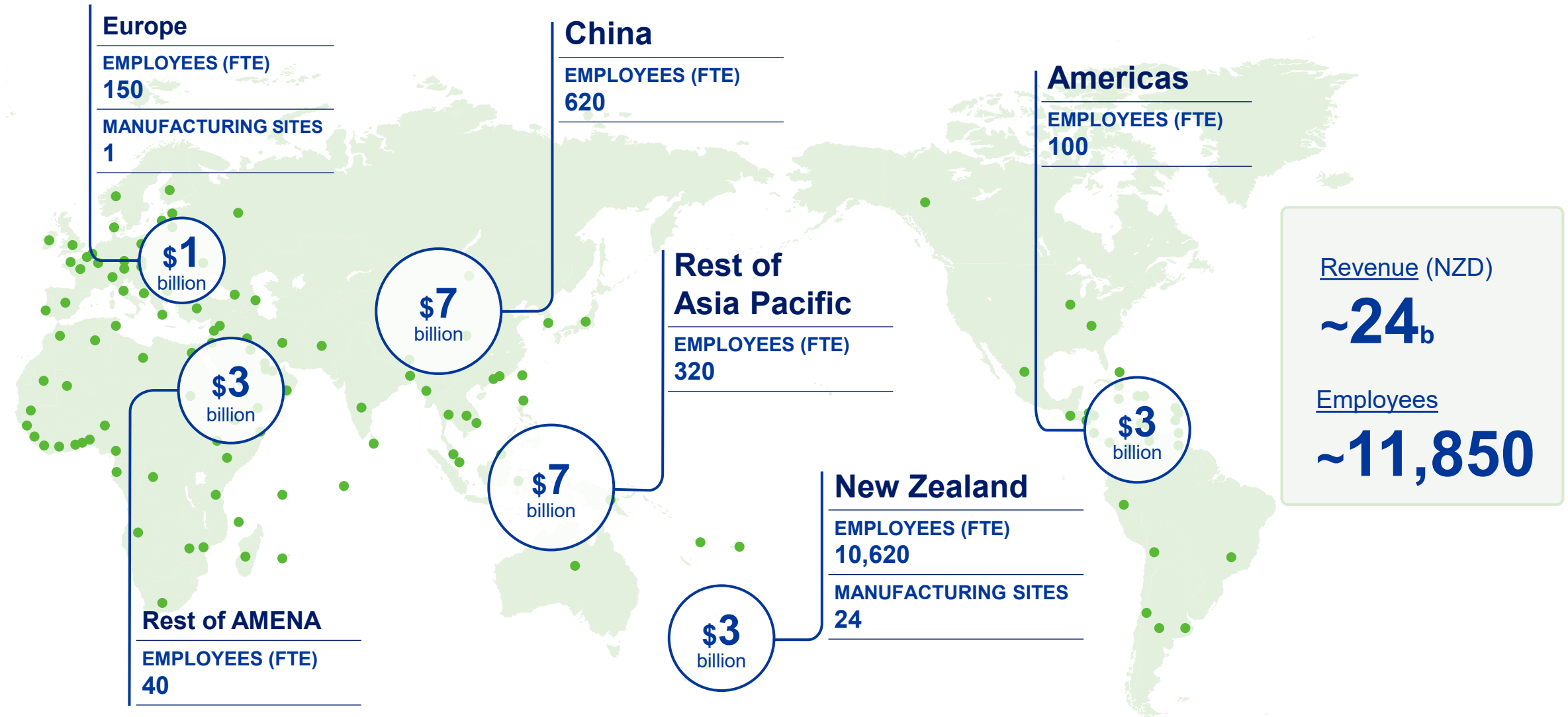


Channel performance



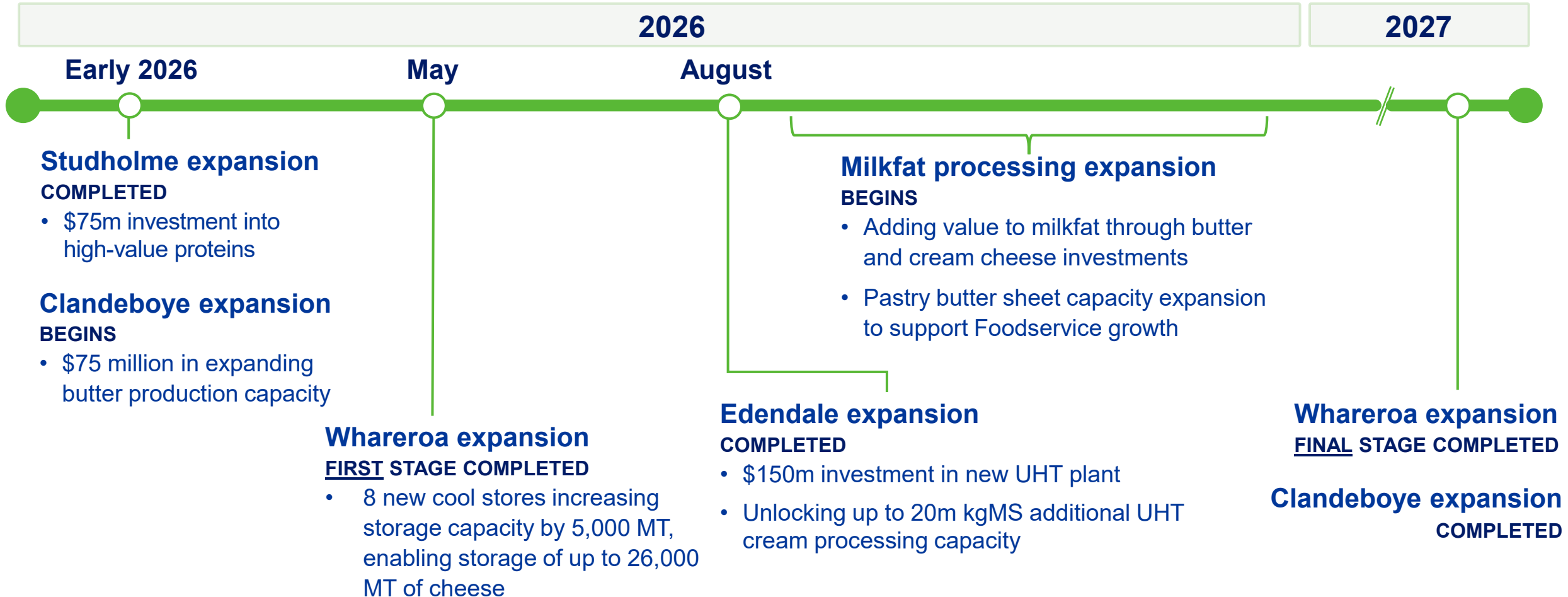
- Ingredients generates the Farmgate Milk Price and, alongside Foodservice, contributes majority of Co-op's earnings
- Divestment of Mainland will allow Fonterra to focus on what it does best – being a B2B provider of dairy to the world
- Farmers' capital invested into the consumer business, comes at the expense of options for our Ingredients and Foodservice businesses

A significant and diverse B2B presence globally post divestment



Investing to support strategy

FY26 includes a strong pipeline of investments continuing to unlock capacity for higher margin products



Delivering on strategy targets

OUTCOMES	TARGETS & POLICY SETTINGS	FY19-24 AVERAGE
Strong Shareholder returns	Return on capital ¹	10-12%
	Dividend policy	60-80%
	Capital distributions	Guided by Resource Allocation Framework
Stable balance sheet	Gearing ratio	30-40%
	Debt to EBITDA	< 3x
Enduring Co-op	Capital investment requirements	~\$1+ billion per annum in Essential, Sustainability, Growth
	Emissions reduction by 2030 ²	Absolute Scope 1 & 2 Energy & Industrial GHG emissions 50.4%
		Scope 1 and Scope 3 FLAG GHG emissions intensity from dairy ³ 30.0%

1. Average Return on Capital FY24-30
2. From an FY18 base year
3. Forest, Land and Agricultural emissions per tonne of fat-and-protein-corrected milk

FY26 Outlook & Priorities

Forecast Farmgate Milk Price

\$9.00-\$10.00

per kgMS

FY26 Outlook

- Global supply up, with stronger milk flows in New Zealand, Europe and North and South America
- Increased forecast milk collections for the season to 1,545 million kgMS
- Near term demand mixed in China, remains strong for high-fat products but softer for milk powders

FY26 forecast earnings¹

45-65

cents per share

FY26 Priorities

- Completing Mainland Group divestment and capital return to shareholders and unit holders
- New manufacturing capacity
 - Edendale UHT cream and Studholme proteins completed
 - Clandeboye butter expansion begins
- Go-live of the new ERP system at first sites

Fonterra Co-operative Group

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of Co-operative Councillors

Resolution 3

Approval of changes to the remuneration of members of the Directors' Remuneration Committee

Resolution 4

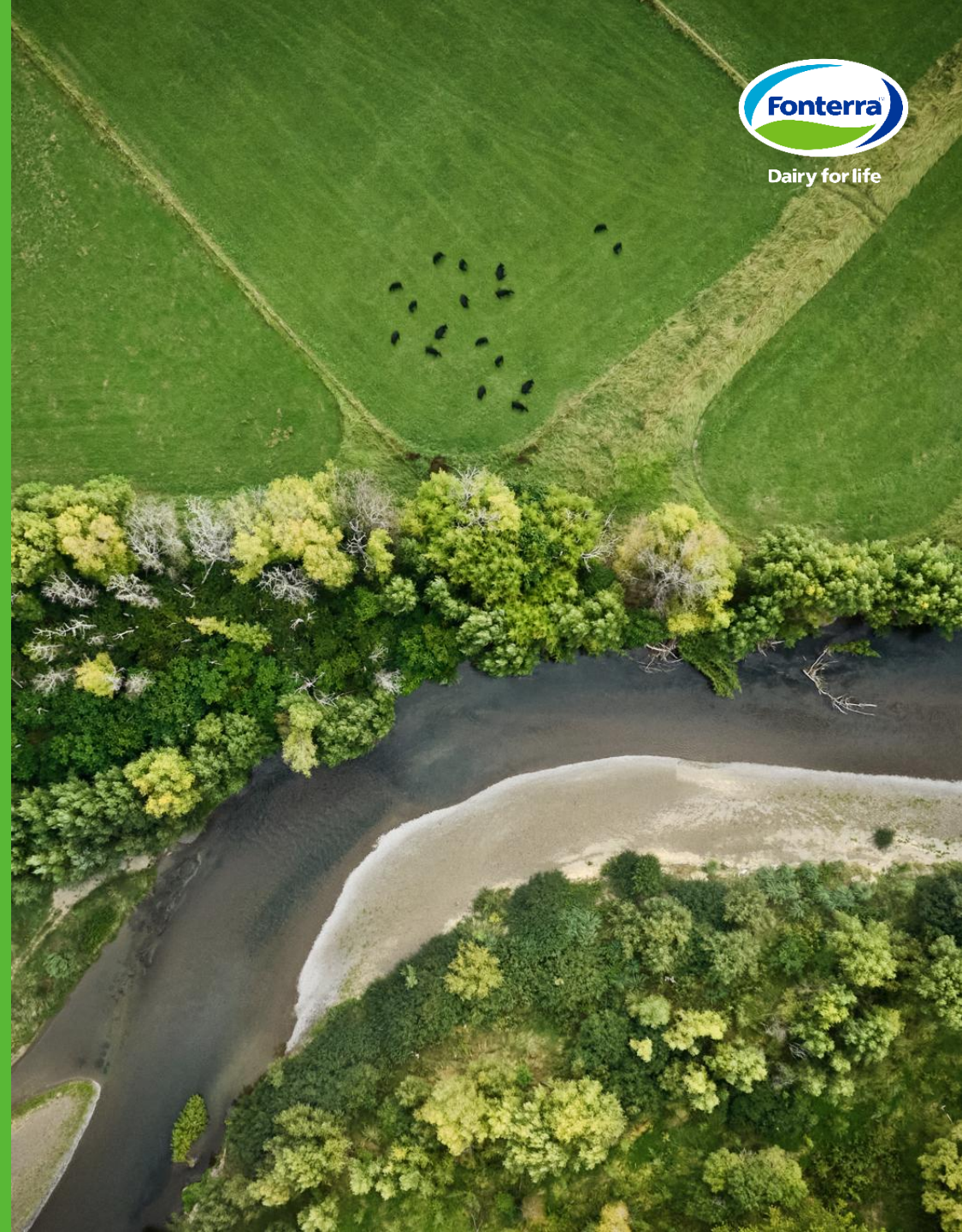
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Resolution 5

Approval of amendments to the Constitution relating to Fonterra's move to the NZX Main Board

John Stevenson

Chair, Fonterra Co-operative Council



Resolution 6

Approval of the Co-operative Council
programme and budget

Voting Paper Collection



General Business



Fonterra Co-operative Group

Annual Meeting 2025 has now closed. Thank you.



Dairy for life

