Fonterra Co-operative Group

FY26 Annual Results

Contents

FY26, delivering results

- Total cash distributions for a fully shared up farmer shareholder of $12.42
    - Total Payout of $10.42
    - Capital Return of $2.00
- Record milk volumes collected and processed; highest second half shipments in a decade
- Total Group operating profit of $3.4b, including the Mainland Group divestment benefit of $1.2b
- Excluding Mainland, underlying operating profit of $1.8b, up from $1.5b, due to higher milk collections and margins
- Underlying profit after tax of $1.2b, equivalent to 71c per share[1], up on 54c the prior year
- Capital investment of $1b in higher-value portfolio capacity and a resilient operations network
- Adjusted net debt reduced $967m to $1.7b reflecting strong cash flows and Mainland sale proceeds retained to support resilience and growth
- Excluding Mainland, underlying return on capital of 14.2%, up from 11.7%

Total Cash Distribution

$12.42

1. EPS presented is profit attributable to equity holders of the Co-operative

Note: Definitions of Mainland divestment benefit, underlying performance, earnings per share and return on capital outlined on Slide 4.

Strong performance delivering value for shareholders

Dairy for life

Total Group Profit after Tax

$2.6b

↑ from 1.1b

Mainland Divestment Benefit[1]

$1.2b

Capital Return

$3.2b

Underlying Operating Profit[2,3]

$1.8b

↑ from 1.5b

Underlying Earnings per Share[4]

71 cents

↑ from 54c

Underlying Return on Capital[5]

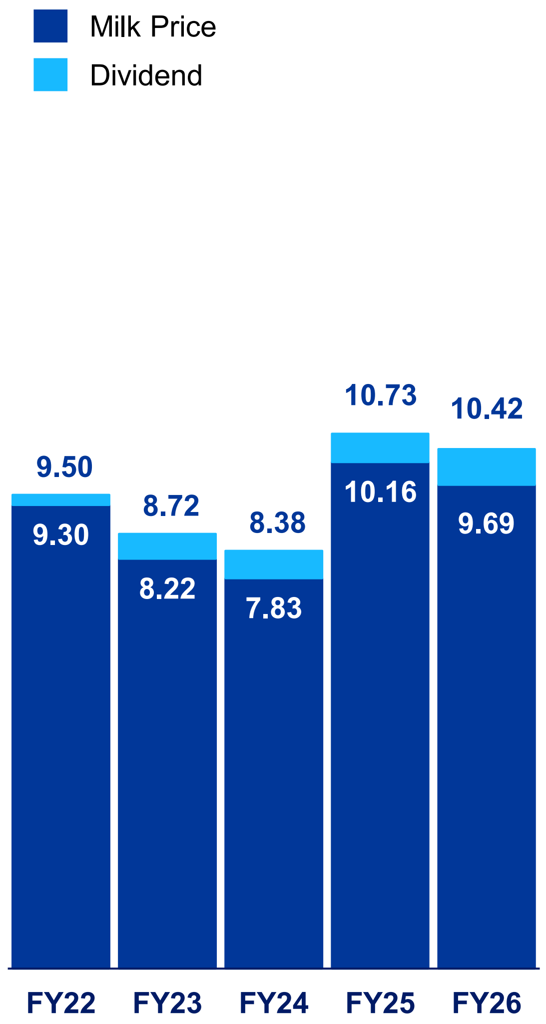
14.2%

↑ from 11.7%

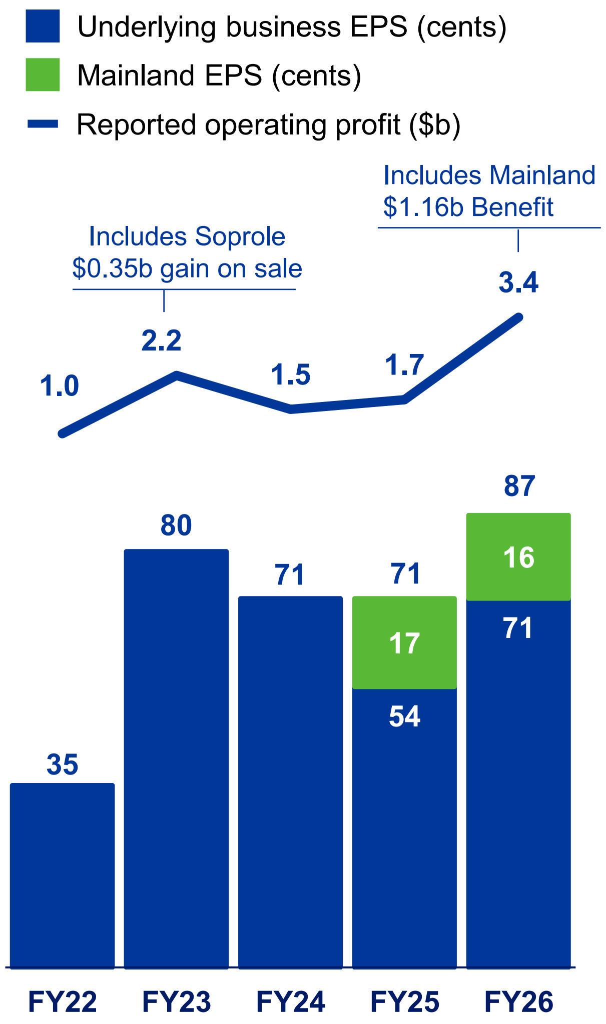
1. The Mainland Divestment Benefit of $1,160m is the benefit to the Group after consideration of all related costs and benefits. The gain on sale disclosed in the Financial Statements of $1,250m is net of incremental costs that are directly attributable to the sale, as required under Accounting standards.
2. Underlying performance is Fonterra's continuing operations represented as if the Mainland trade terms had applied for the full period to provide a comparative of Fonterra's continuing operations and align with the pro forma historical financial information disclosed in the Notice of Special Meeting 2025 (29 September 2025). This representation is applied to operating profit, profit after tax, EPS and return on capital.
3. FY25 underlying earnings have been restated to account for finalisation of trade terms and transaction perimeter relating to the Mainland divestment.
4. EPS presented is profit attributable to equity holders of the Co-operative.
5. Return on capital calculated as Total Group normalised EBIT including finance income on long-term advances less a notional tax charge, divided by 13-month rolling average capital employed.

Creating value through sustained performance

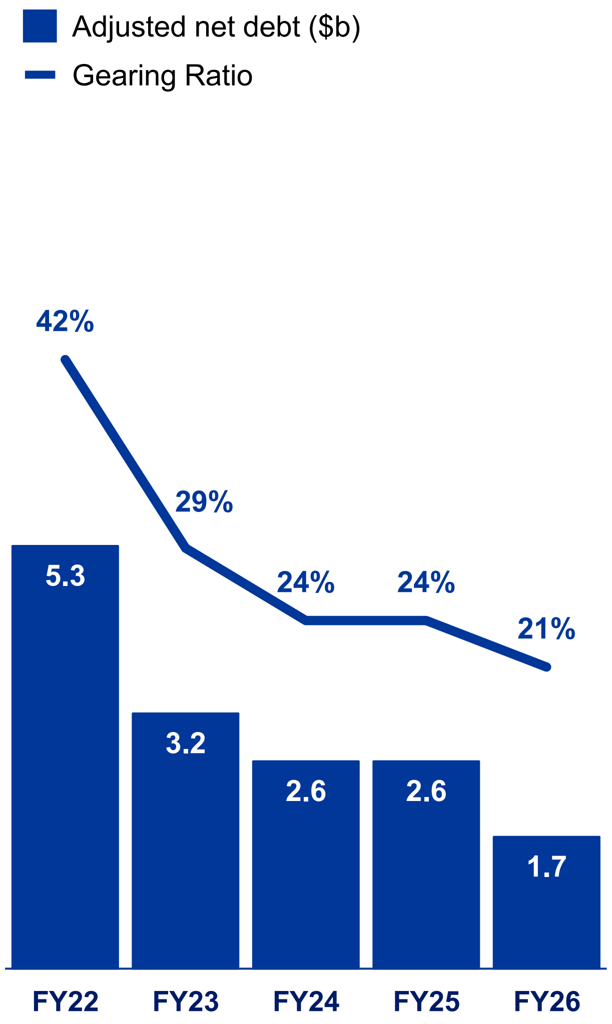
Total Payout ($)



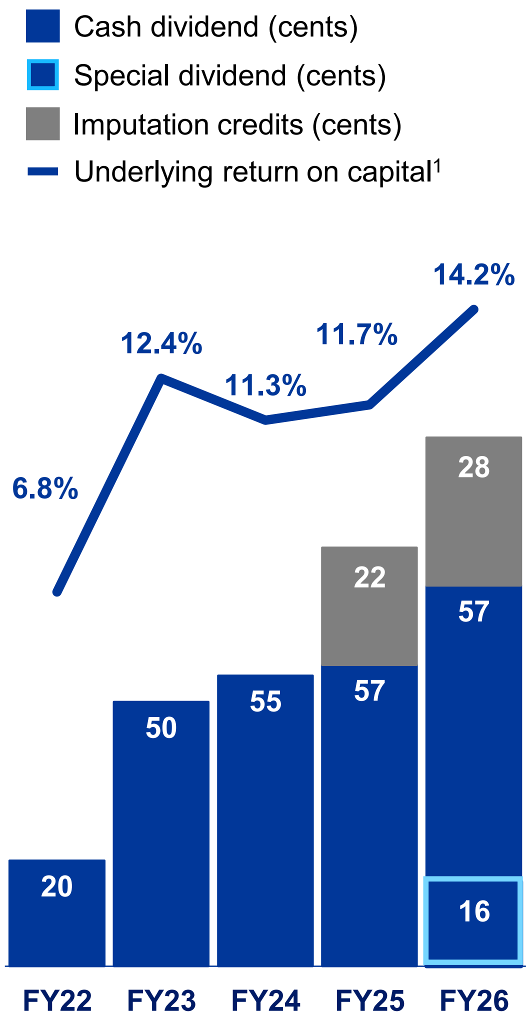
Operating Profit and EPS



Net debt and Gearing

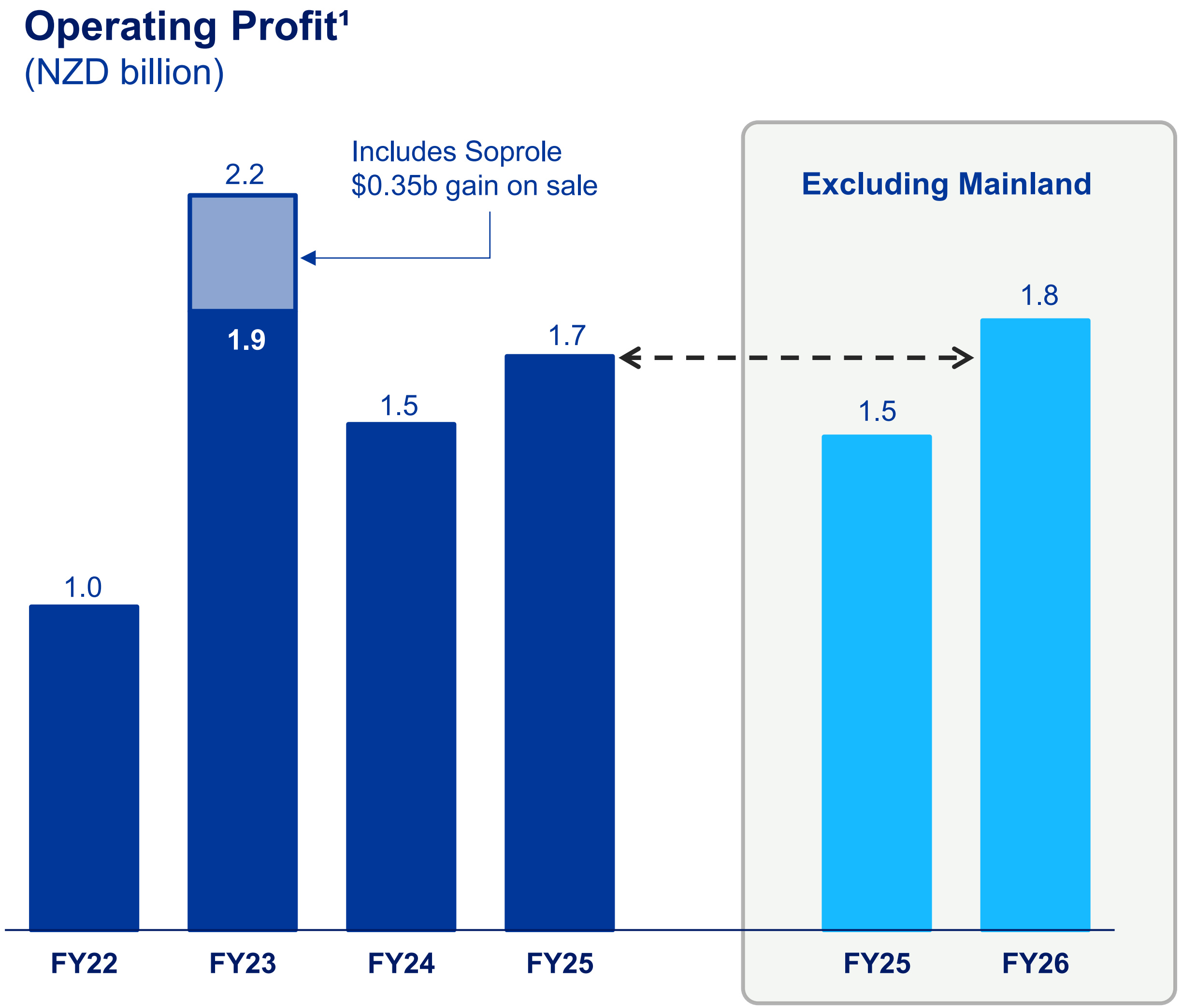


Total Dividend and ROC



1. FY22 to FY24 return on capital shown on a Total Group basis.

B2B performance delivering earnings growth



1. Total Group reported operating profit, Excluding Mainland section is underlying operating profit.

Achieved target to return to FY25 pre-divestment operating profit ahead of plan

- At the end of FY25, the Co-op set a target to return to pre-divestment operating profit of $1.7 billion within 3 years, this was achieved ahead of plan in FY26.
- The Co-op had stronger than anticipated earnings growth due to
  - Favourable product portfolio performance, ahead of planned structural benefits
  - Increased milk volumes
- The Co-op remains focused on the structural gains it outlined at the end of FY25
  - Unlock higher value product capacity
  - Cost reduction, including ERP completion
- Having achieved the FY25 target to return to pre-divestment operating profit ahead of plan, the Co-op will no longer report against this measure and will revert to forecasting earnings for the relevant year.

Strategic performance

Our Strategy

Our Purpose	Our Co-operative, empowering people, to create goodness for generations. You, me, us together. Tātou, tātou.
Our Vision	The source of the world's most valued dairy

Our Choices

- Deliver strongest farmer offering
- Unleash our Ingredients engine
- Keep momentum in Foodservice
- Invest in operations for the future
- Build on our sustainability position
- Innovate to drive our advantage

Outcomes

- Strong shareholder returns
- Stable balance sheet
- Enduring Co-op

Fonterra Management Team

- Richard Allen appointed Chief Executive, April 2026.
- Shift to a market-led model, with single-point accountability per market for Foodservice and Ingredients.
- Growth and Strategy function established to connect strategy across the Co-op.
- New structure lets the Co-op move faster in market, with more capability closer to customers.
- Management Team changes, effective 15 June 2026:
    - **Elisa Giusti**
      Chief Growth and Strategy Officer
- Effective 3 August 2026:
    - **Teh-han Chow**
      CEO Greater China
      (Ingredients and Foodservice in Greater China)
    - **Gaby Amade**
      President Global Markets
      (Ingredients and Foodservice globally outside of Greater China)

Richard Allen
Chief Executive Officer

Andrew Murray
Chief Financial Officer

Anna Palairet
Chief Operating Officer

Elisa Giusti
Chief Growth and Strategy Officer

Kate Daly
Managing Director, People and Culture

Matt Bolger
Managing Director, Co-operative Affairs

Teh-han Chow
CEO
Greater China

Gaby Amade
President
Global Markets

Next era of growth driven by complementary market-led strategies

While our channel strategies remain, portfolio priorities, investments and accountability will be market-led in our next growth era

- Market-led structure will enable the Co-op to move faster in market and work closer with our customers.
- Complementary channels to maximise value from every milk component.
- Ingredients accelerating high-value protein, Foodservice expansion of milk fats.
- Innovation and capital investments to focus on customer needs and highest value products.

Unleash our Ingredients engine

Deepen our position as a world-leading provider of sophisticated dairy ingredients, to grow both the Farmgate Milk Price and earnings.

- Deeper partnerships with customers who value our unique offering.
- From manufacturing through to pricing and sales, optimising as one, to unlock value.
- Integrating physical and financial portfolios to unlock new sources of value.
- Invest growth capital in new capacity to increase milk allocated to high-value ingredients.
- Invest in innovation to develop advanced ingredient products and solutions.

Keep momentum in Foodservice

Expand our successful Foodservice business in and beyond China to grow earnings.

- Maintain our leadership position in China and expand our footprint into new cities.
- Selectively accelerate Foodservice growth in markets outside China, with a capital-light approach.
- Continue to invest in local application centers to tailor our products to customer needs.
- Deliver new product innovations to maintain and grow market share.
- Invest growth capital in new capacity to increase milk allocated to Foodservice.

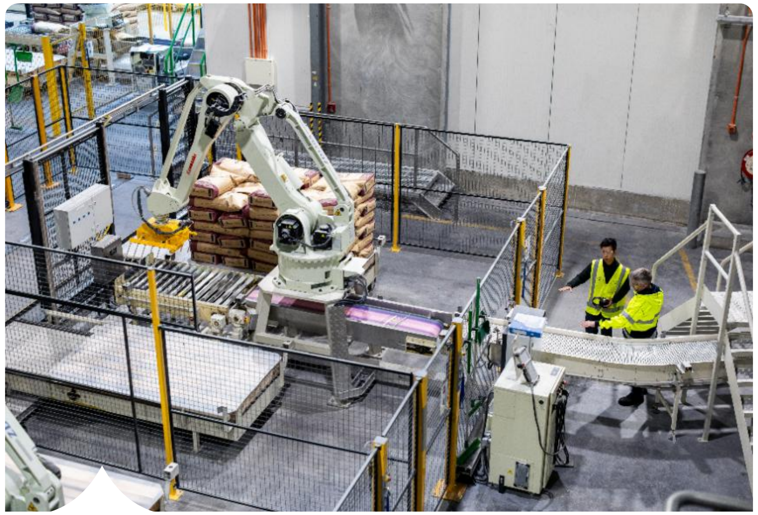
FY27 priorities focused on value growth

Driving value through operational efficiency, growth investments and strengthening digital capability

Investing for Growth

- Completion of announced:
  - **Studholme | $75m | Advanced protein hub**
    Complete and nearing commercial production
  - **Edendale | $150m | UHT cream expansion**
    On track for completion in 2026
  - **Clandeboye | $75m | Butter line**
    Build started January 2026
  - **Edgecumbe | $35m | Pastry butter expansion**
    Announced March 2026
- Incremental $1b to accelerate protein network in South Island

Operational Efficiency



- Full Mainland operational separation by end of FY27.
- Deliver operating cost savings through a more focused operating model.
- Drive plant productivity and reliability to support milk price, earnings and resilience.

Digital Transformation

- ERP remains on budget and on track for completion in late 2028
- Expanding digital maintenance capability to improve manufacturing performance
- Selective deployment of AI

Accelerating capability to turn more of your milk into higher-value products

$1.3 – $1.6b of capital invested annually over FY27 – FY29

What we have committed

Growth Assets

~$335m committed

Studholme completed, rest comes online in FY27

What we intend to deliver over next 3 years

South Island network

~$1b phased over 3yrs

Expand South Island advanced protein network

Energy & Wastewater

$100-300m / annum

Cleaner energy and wastewater

Sustaining Assets

~$600m / annum

Keeping our sites safe and resilient

Remain comfortably inside Co-op's Board approved policy settings

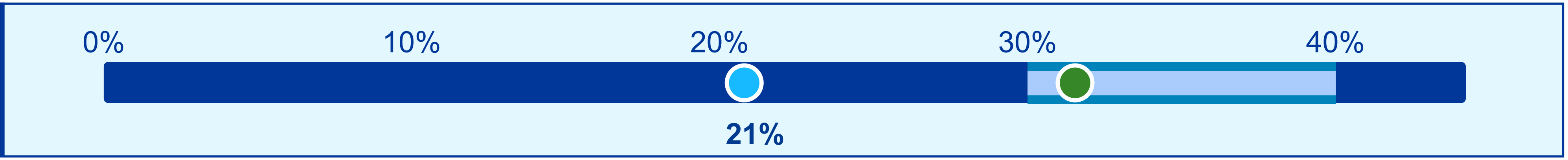
FY26 · FY29 modelled impact of announced programme

Debt / EBITDA

(less than 3.0x)

Gearing

(Target range 30 – 40%)



Expansion of South Island protein manufacturing network

Every growth project competes for your capital

How we decide

1. **Protect the core first**

   Safe, reliable sites, a strong balance sheet, dividends in line with policy

2. **Growth projects compete**

   Each must earn its place on through-cycle returns, not the latest cycle

3. **Value back to you**

   Stronger returns for farmer shareholders over the long term

What we are building in the South Island

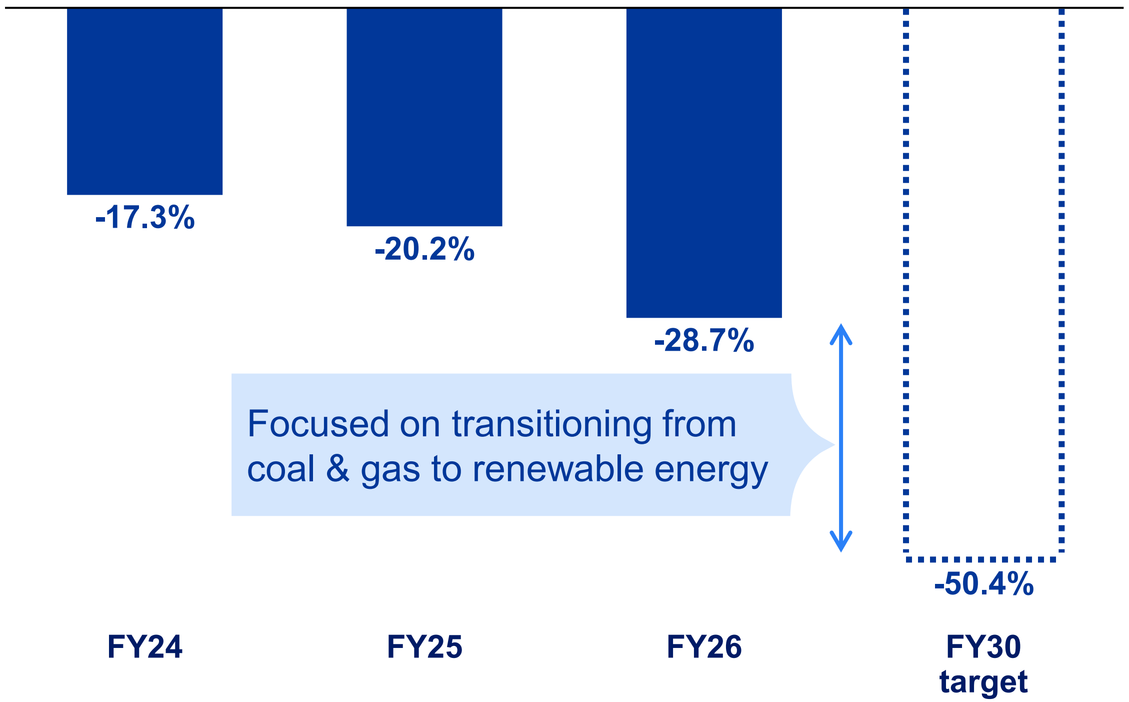
~$1b	2029	50 - 60
over three years	fully operational	permanent roles

Why invest in the South Island manufacturing network

- **Follows milk growth**
  - Acceleration to support South Island resilience as network nears capacity at peak
- **Moves milk up the value chain**
  - Further tensions Milk Price as we shift milk into value-add protein
- **Deepens customer relationships**
  - Strengthens partnerships through increased advanced protein capability
- **Improves Co-op’s sustainability position**
  - Better environmental performance, including our impact on water and emissions

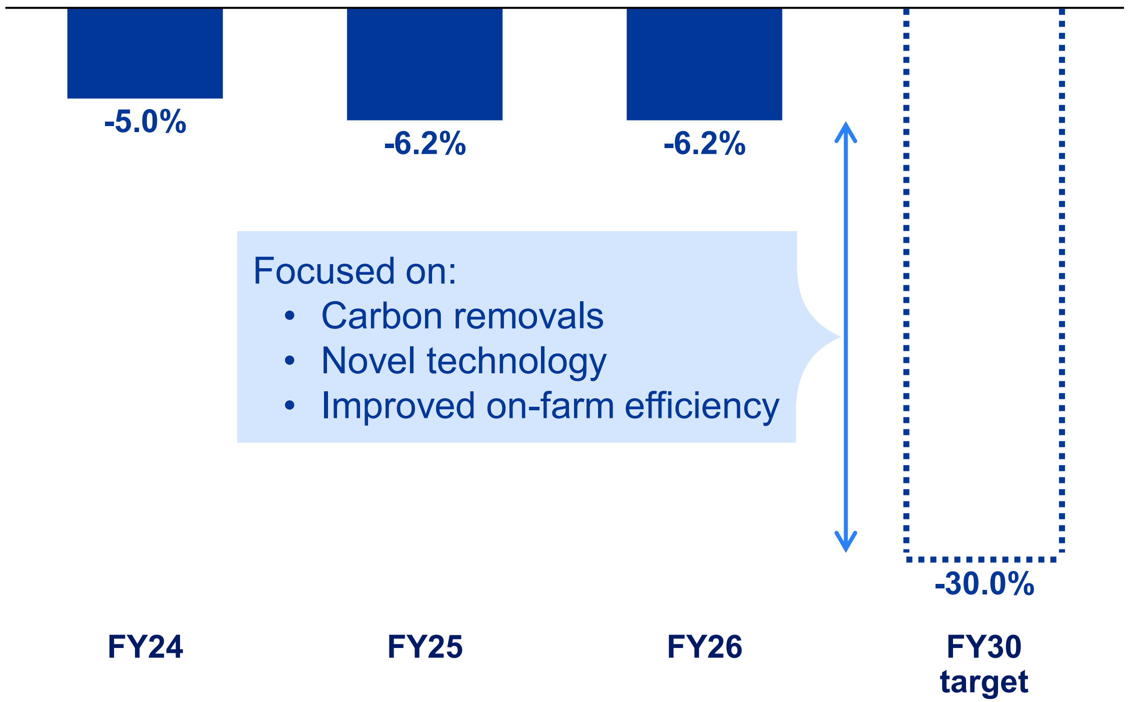
Sustainability: Emissions reductions support continued access to customers worth about one-third of Fonterra’s FY26 revenue

Scope 1 & 2 emissions target performance
(Absolute scope 1 & 2 emissions vs FY18 base year)



- Scope 1 & 2 emissions (primarily from manufacturing) have reduced year on year despite increased milk processed

On-farm emissions intensity target performance
(Scope 1 & 3 FLAG emissions from dairy per tonne of fat and protein corrected milk vs FY18 base year)



- On-farm emissions intensity held constant year on year, while milk volumes increased

Ingredients

NZMP™ connects New Zealand's grass-fed dairy advantage with growing global demand for nutrition solutions

- Demand from healthy ageing, active lifestyles and specialised nutrition is expanding the global market for high-value dairy proteins.
- Through NZMP™, we combine New Zealand's grass-fed dairy advantage with advanced protein capability and deep customer partnerships to capture this growth.

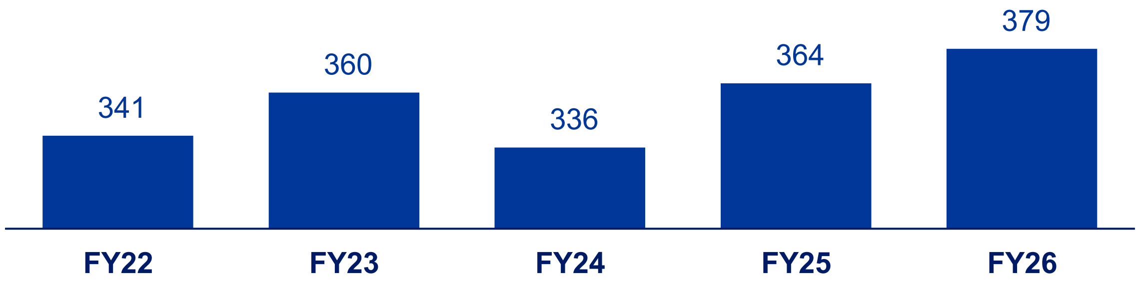
How we are positioning Ingredients to capture the opportunity

- **Expand our higher-value protein portfolio**
  - Grow functional and specialised dairy proteins for healthy ageing, active lifestyles and specialised nutrition.
- **Focus investment and capability towards the highest-value opportunities**
  - Use customer insights, targeted partnerships and NZMP's market presence to prioritise the most attractive customers, markets and applications.
- **Invest to capture more value from milk**
  - The new Studholme protein hub, together with our European protein capability, increases the Co-op's capacity to meet growing demand for high-value functional dairy proteins.

nzmp™

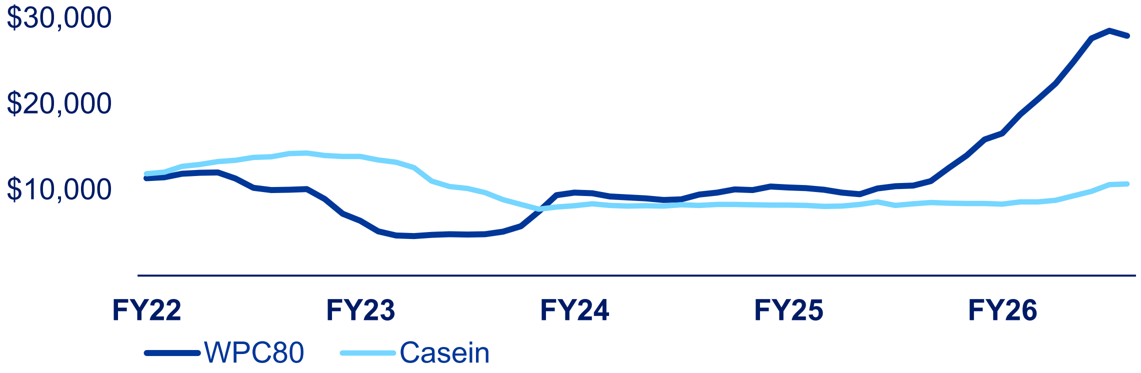
Growing cheese and protein production increases the Co-op's capacity to capture value

Fonterra cheese and protein production
(million kgMS)



Growing nutrition demand is supporting strong protein prices

(USD/MT)



Foodservice

Through Anchor Food Professionals™, we combine New Zealand dairy expertise, chef-led application capabilities, trusted customer relationships and locally tailored solutions to help customers grow.

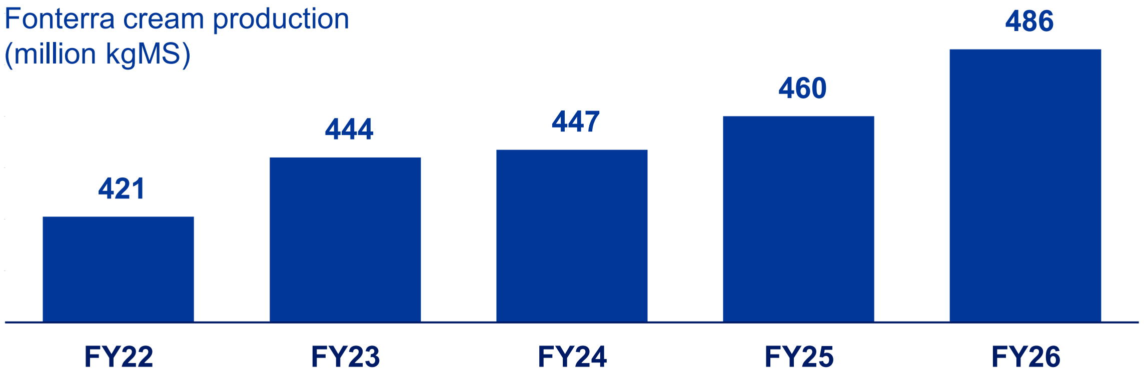
- AFP's proven China model is being replicated across key Asian markets, driving growth beyond Greater China.
- Southeast Asia's contribution to Foodservice operating profit has increased from 9% to 23% since 2023, demonstrating successful expansion across the region.

How we are positioning Foodservice to capture the opportunity

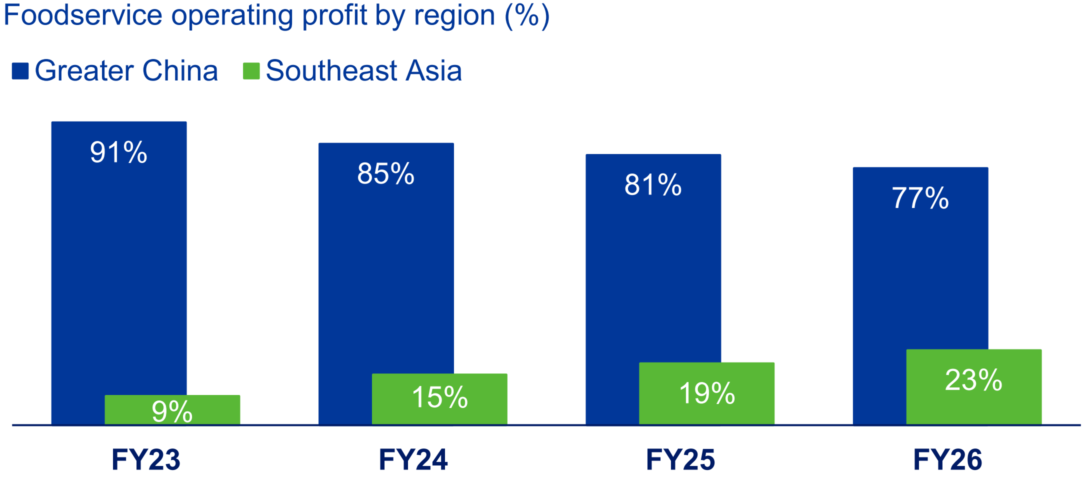
- **Strengthen our position in China**
  - Deepen customer partnerships through insights, innovation and chef-led application expertise.
- **Extend our successful model across Southeast Asia**
  - Apply proven customer solutions and capabilities developed in China to local market opportunities.
- **Invest in cream capability to support value growth**
  - Expand UHT cream capability, including through the new Edendale plant, to meet growing customer demand and direct more milk into high-value Foodservice products.

Anchor™ FP FOOD PROFESSIONALS

Growing cream production increases the Co-op's capacity to support higher-value growth

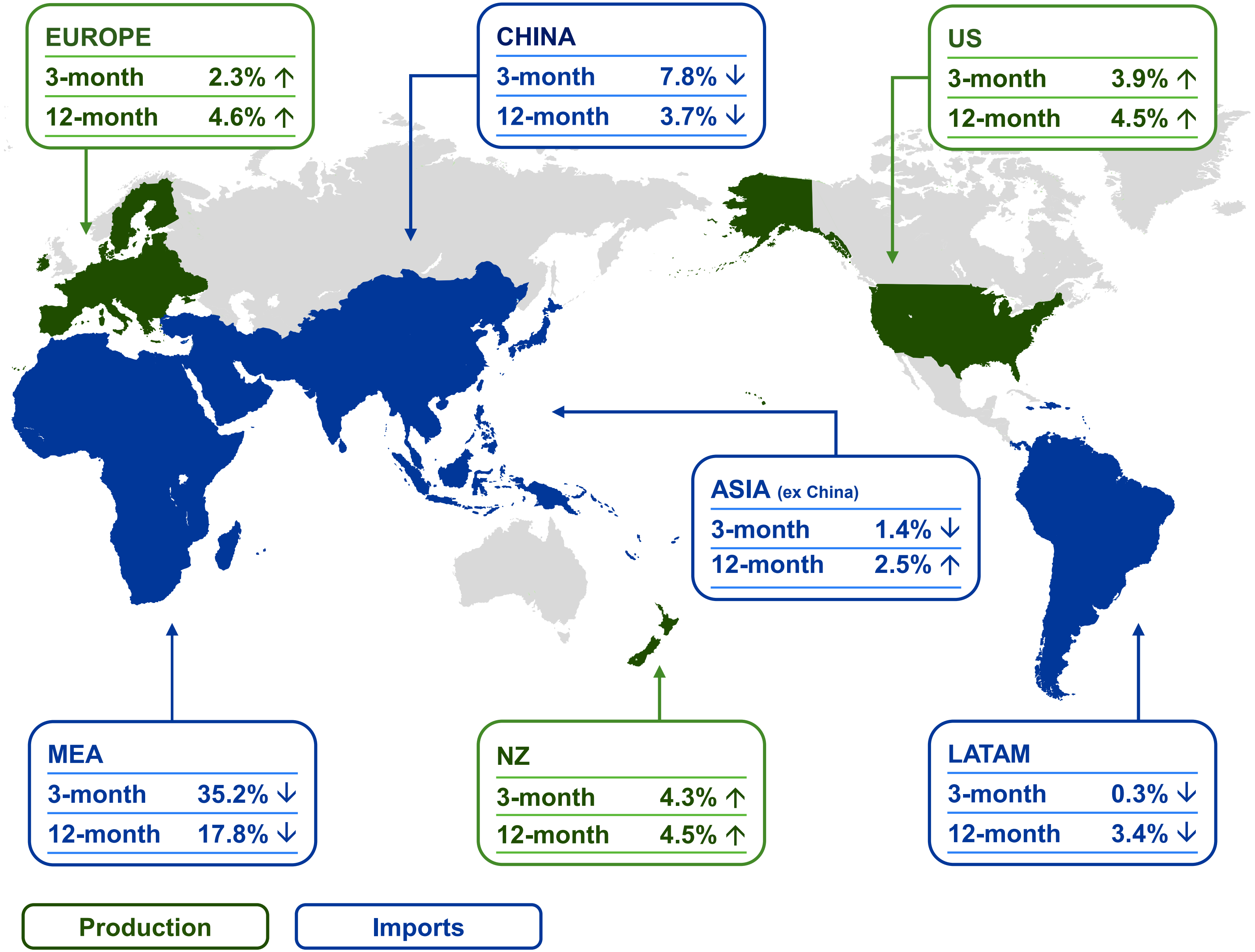


AFP's proven China model is driving growth across Asia



Dairy market environment

Strong global supply, prices supported by mixed demand strength



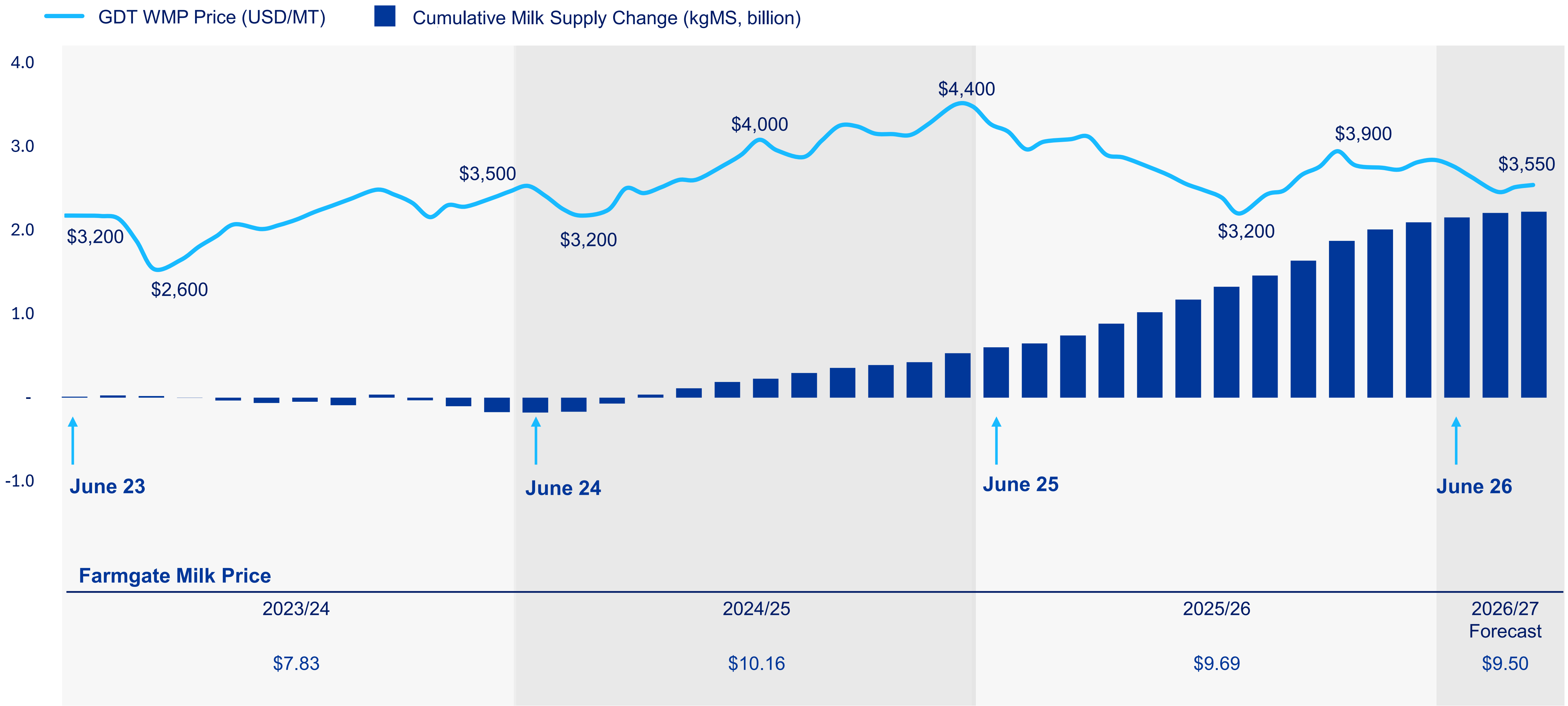
Global supply

- Milk supply has increased, supported by favourable weather, better farm economics and the absence of animal-health challenges.
- Production growth may moderate as European weather pressures, tighter margins and potential El Niño impacts increase downside risks to milk supply.
- Commodity prices remain relatively supported despite higher milk production, indicating that additional supply continues to find demand.
- China's domestic milk production has stopped growing as low farmgate prices push smaller farms to reduce herds or exit.

Global demand

- Import demand remains resilient overall, although regional performance continues to be mixed.
- China’s domestic dairy consumption remains soft, keeping import demand for milk powders subdued, while foodservice-led growth continues to support demand for cheese and butter.
- Middle East and Africa import volumes are materially lower, driven by reduced powder purchases, though Fonterra has maintained continuity of supply to customers through the region.

Dairy markets remain supportive despite increasing global milk production



Growth in Fonterra milk collections and market share maintained

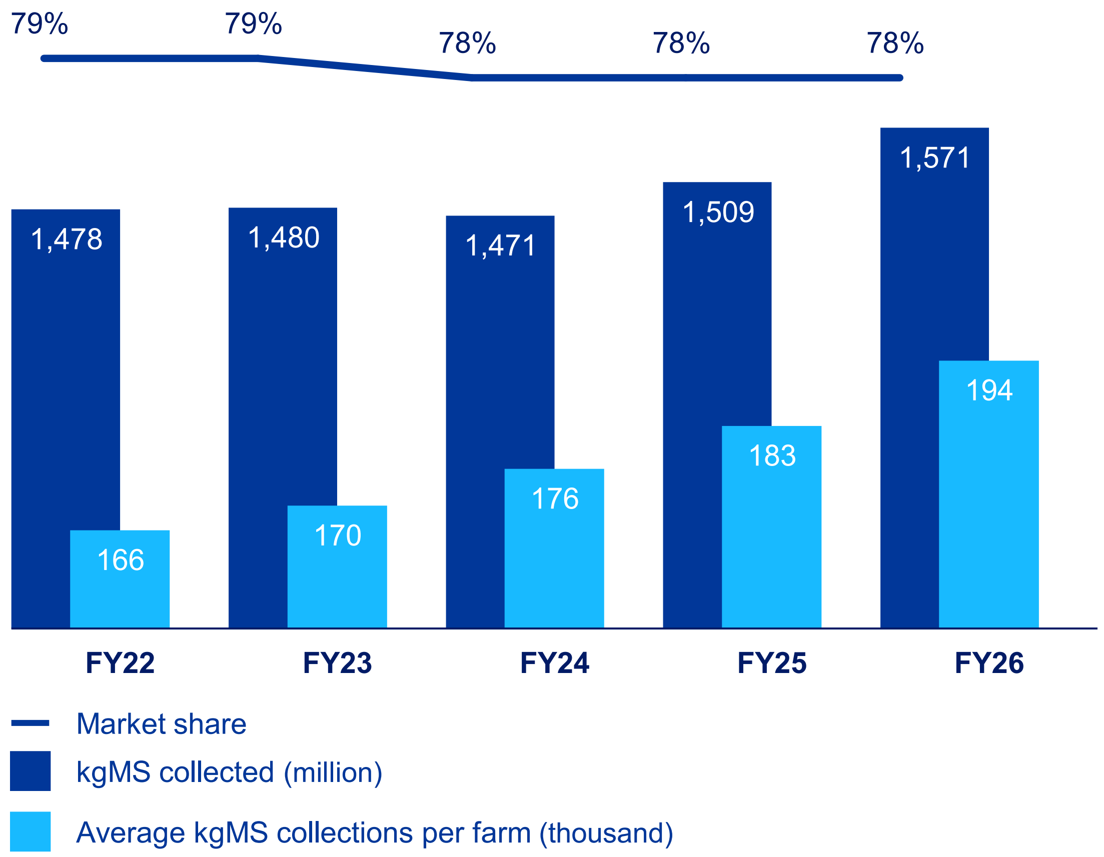
Milk Collections

- Fonterra's milk collections kept growing in the 2025/26 season, with 1,571m kgMS collected, up by 4.1% on a year earlier and the highest level in more than a decade.
- Favourable weather drove most of that growth, with mild conditions supporting late-season production.
- Production per farm increased to 194,000 kgMS, helped by better productivity and a larger average farm size.

Strongest Farmer Offering

- A resilient Co-op with competitive returns and growing milk supply
- FY26 cash distributions of $19.6b, and maintained resilient balance sheet
- Milk supply market share stable
  - 2026: net gain vs competition
  - 2027: net gain vs competition and land use change
- Over 130 first time farm owners joined the Co-op at the beginning of the 2027 Season

Fonterra milk collections and market share



Drivers of the Farmgate Milk Price

FY26 Farmgate Milk Price (FGMP) of $9.69 per kgMS was lower than the prior season, reflecting softer reference product prices as global milk supply recovered across major exporting regions.

Revenue

- Higher milk collections, up 4.1%, increased the volume of product available for sale, improved asset utilisation and spread fixed costs across a larger milk pool.
- Weighted average USD shipment prices for reference products declined 3.7%, reflecting lower prices for WMP, butter and AMF.

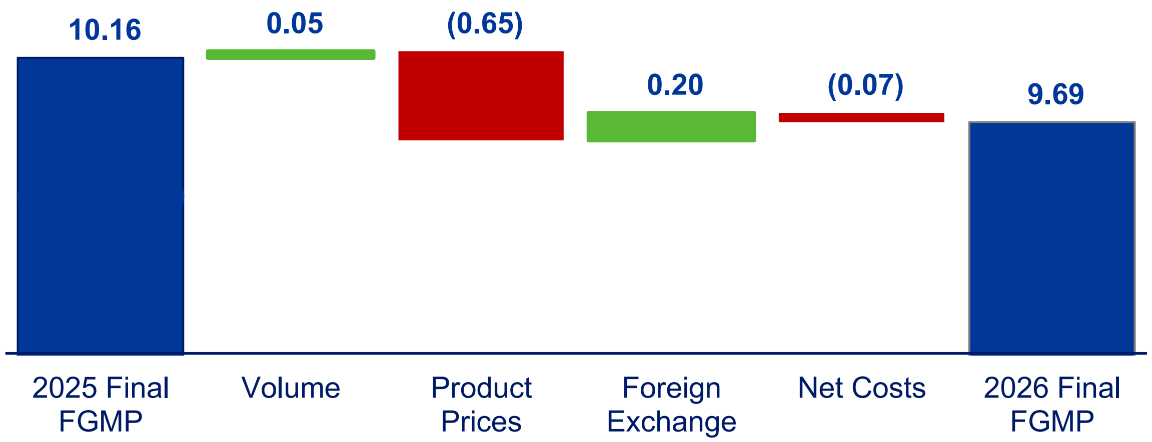
Foreign exchange

- A lower average hedge rate, from NZD/USD 0.5988 in 2025 Season to NZD/USD 0.5895 in the 2026 Season, increased NZD returns from USD sales.

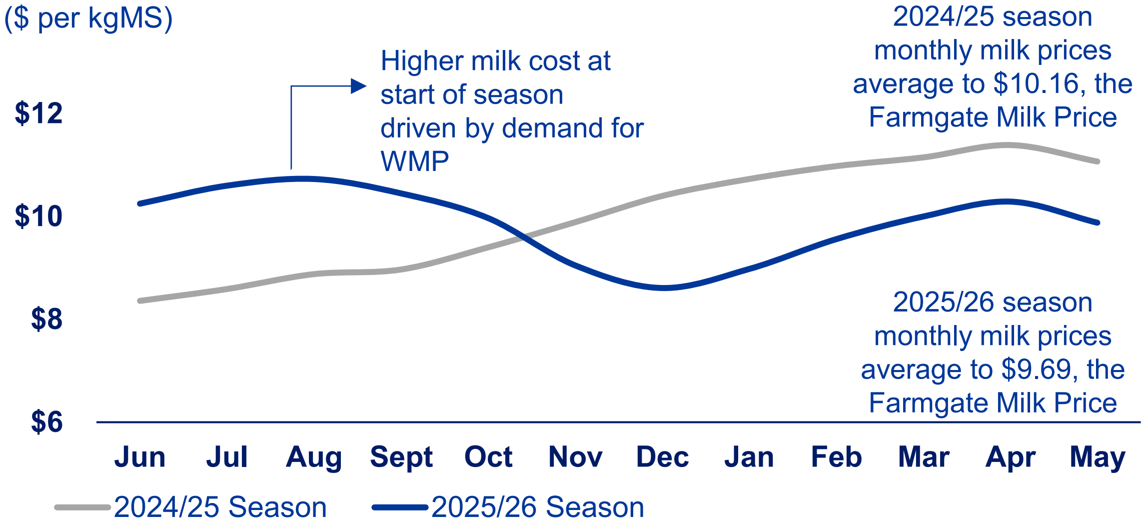
Costs

- Inflationary pressure on milk collection, energy, packaging and labour was partly offset by improved operating leverage from higher milk volumes.
- The price of lactose, an input cost to the Milk Price, also increased 25% season-on-season.

Farmgate Milk Price (FGMP)
($ per kgMS)



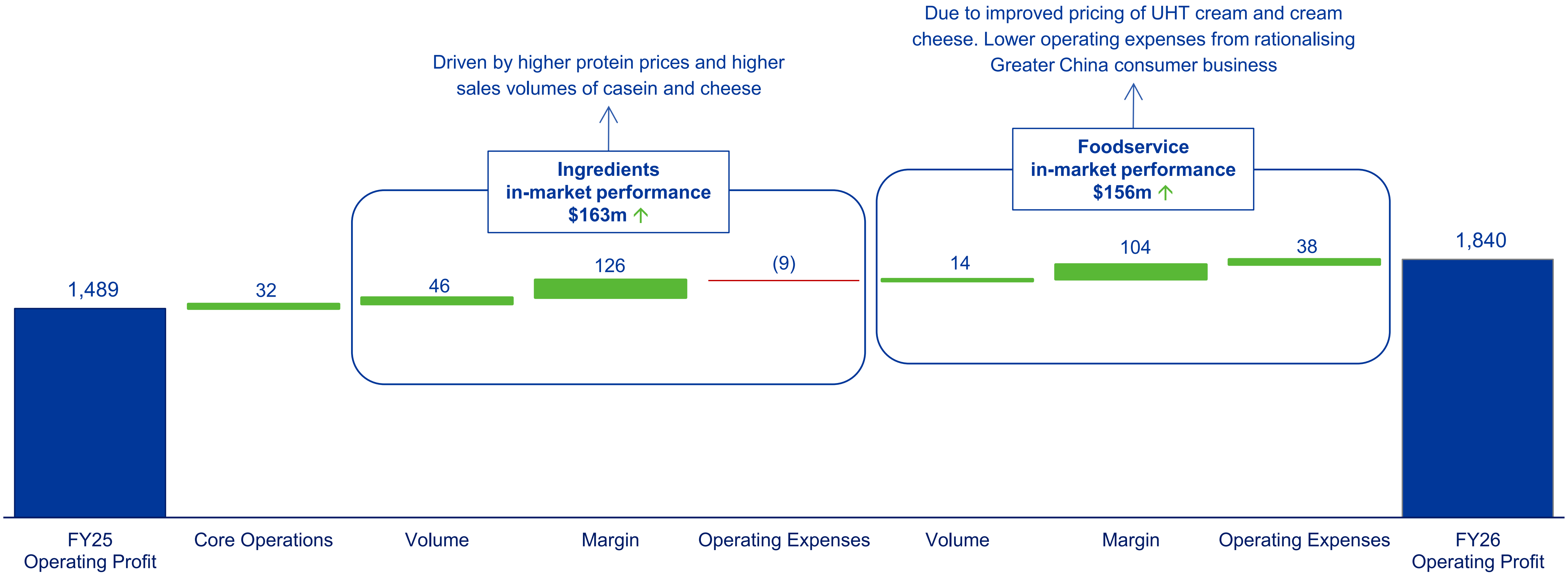
FY25 and FY26 monthly milk prices
($ per kgMS)



FY26 Business Performance

Earnings growth from stronger margins and higher collections

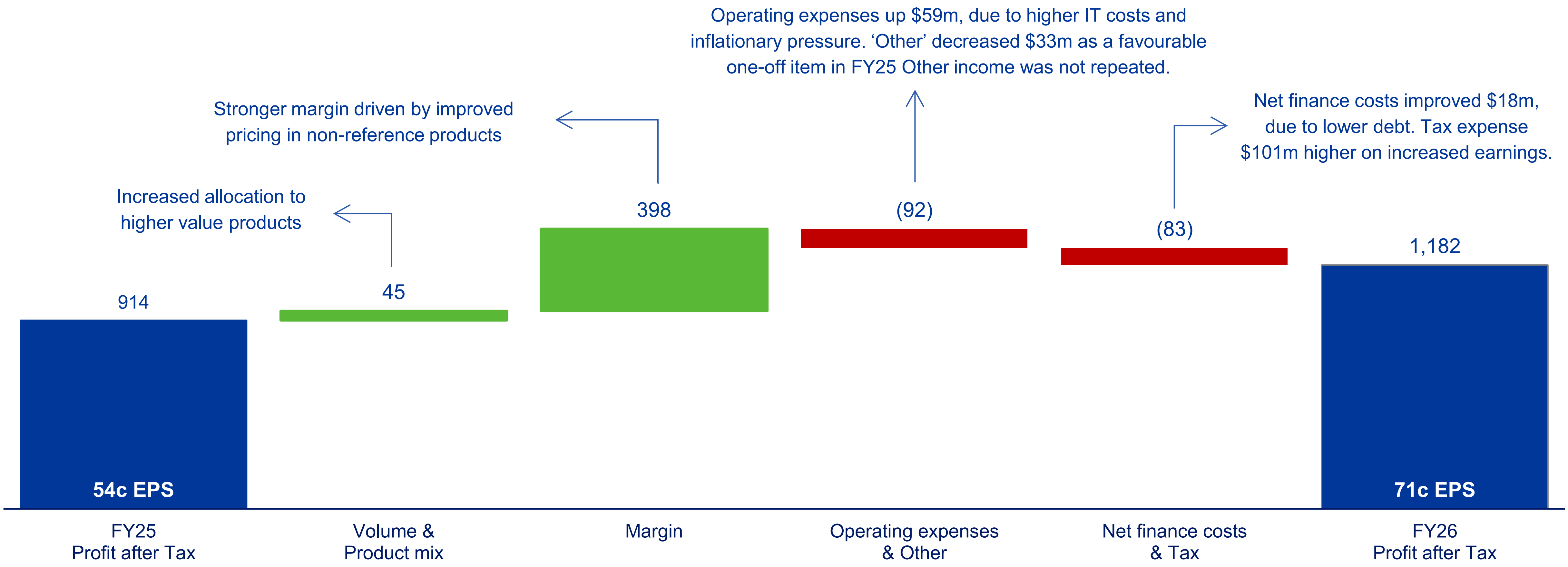
FY25 to FY26 Underlying operating profit
($ million)



Earnings growth from stronger margins and higher collections

FY25 to FY26 Underlying profit after tax

($ million)



Note: For the year ended 31 July. Profit after tax presented in the graph includes profit attributable to non-controlling interests. EPS presented is for profit attributable to equity holders of the Co-operative.

Strong in-market performance underpinning higher return on capital

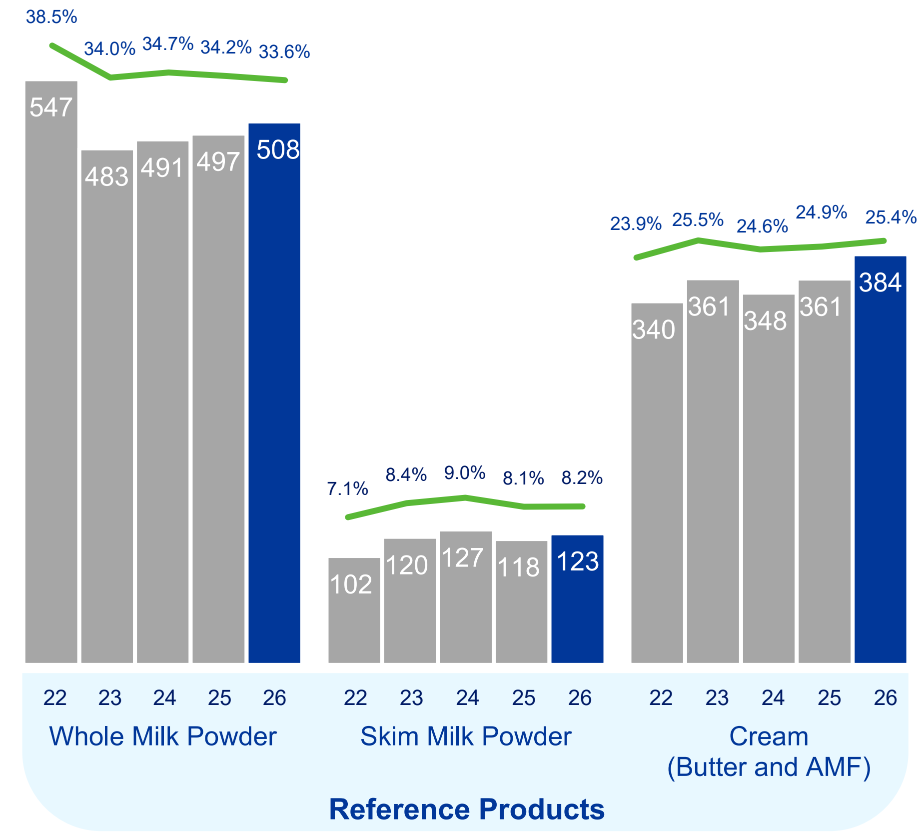
	Ingredients	Foodservice	Total
External sales volume (million kgMS)	1,362 3.3% ↑	240 2.1% ↑	1,602 3.1% ↑
Underlying operating profit (excludes Mainland)			
Core Operations	$206m $78m ↓	$135m $110m ↑	$341m $32m ↑
In-market	$1,087m $163m ↑	$412m $156m ↑	$1,499m $319m ↑
Total	**$1,293m** $85m ↑	**$547m** $266m ↑	**$1,840m** $351m ↑
Return on Capital	13.5% From 12.8% ↑	16.3% From 8.5% ↑	14.2% From 11.7% ↑

Breakdown of milk solids allocated to product groups

NZ milk solids manufactured (kgMS millions)
For 12 months to 31 July

Change in kgMS millions[1]		
Total	Reference	Non-Reference
↑ 62	↑ 39	↑ 23

% milk solids manufactured



Whole Milk Powder:

- Higher milk solids allocation driven by increased milk supply in 2026, with proportion of total milk solids below the prior year, in line with strategic decisions to allocate milk solids into higher value products

Cream:

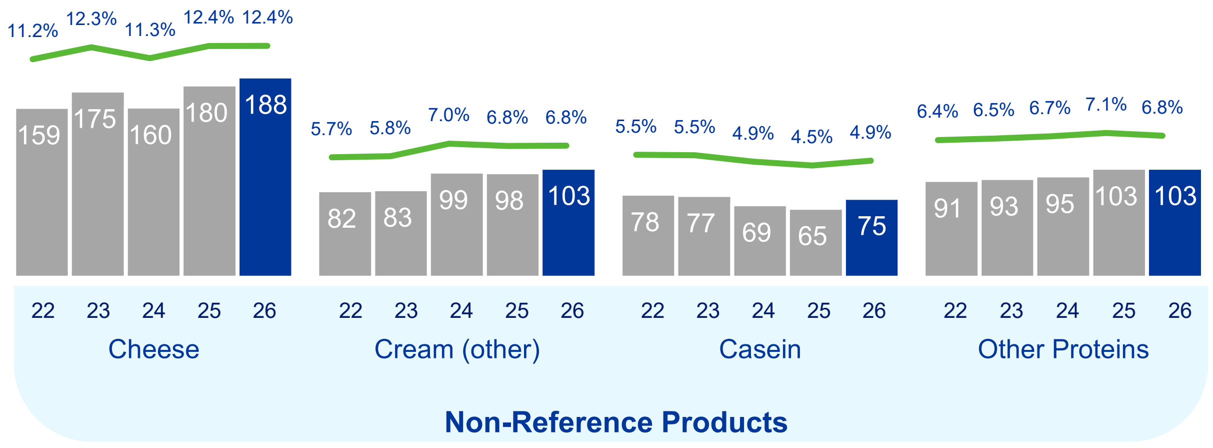
- Butter demand across Greater China, Europe and the United Kingdom supporting an increase in allocation of milk solids into the cream portfolio, both Reference and Non-Reference
- Higher relative returns from butter over AMF supported the prioritisation of milk solids into butter production

Cheese

- Record cheese volumes manufactured in FY26, with early contracting helping to secure demand ahead of increased US export availability from recent capacity investments
- Additional cheese enabled increased supply of high-value proteins.

Proteins

- Strong demand for protein ingredients continued to support Fonterra's higher-value portfolio.
- Casein remained a valuable contributor, supported by demand across nutrition applications

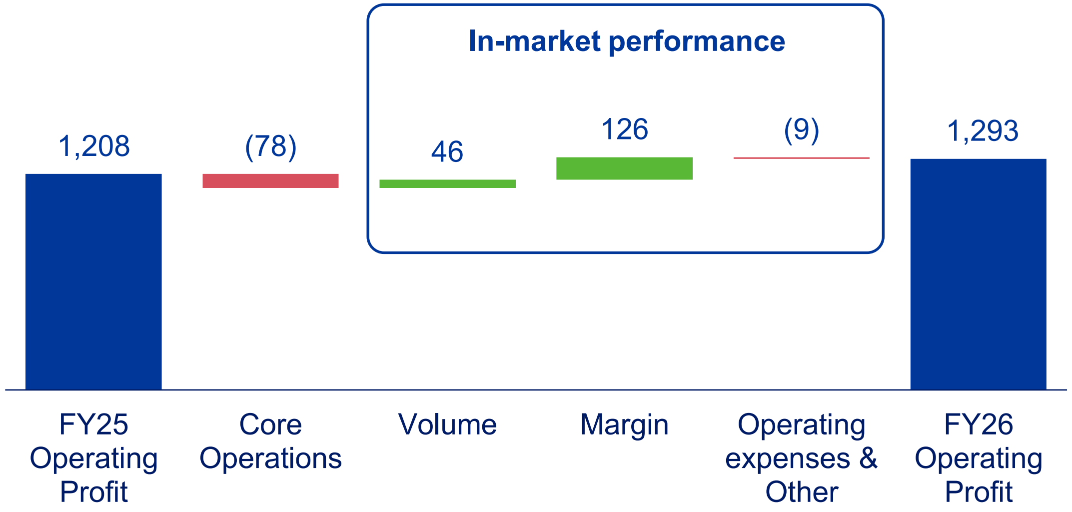


1. Changes in table present total NZ manufactured milk solids and does not align to charts which exclude Butter Milk Powder, and other smaller Non-Reference commodity groups

Ingredients: Strong global demand for protein driving in-market performance

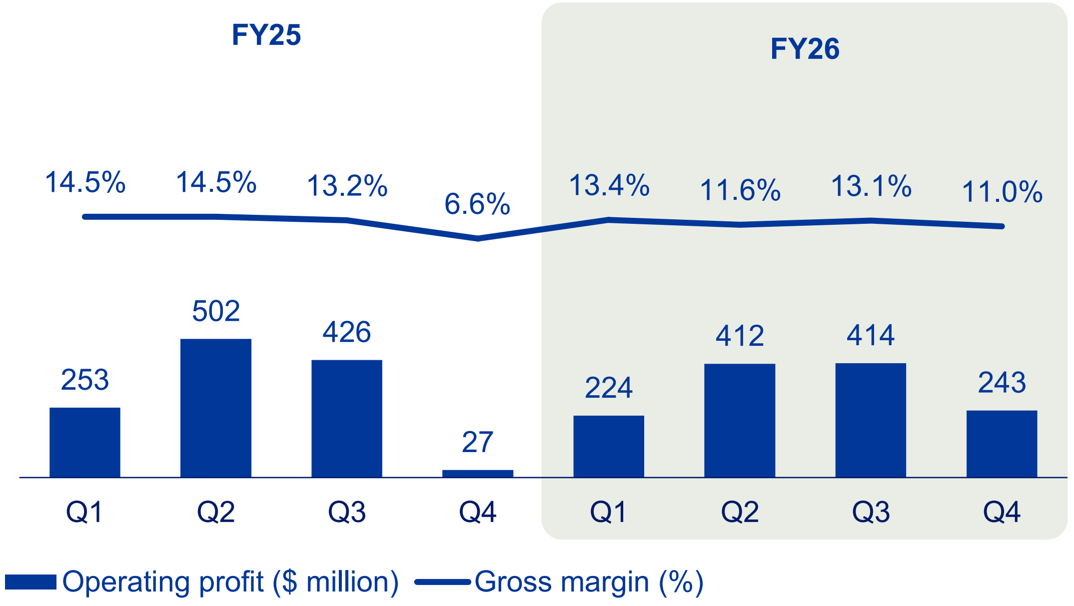
Key performance drivers

Underlying operating profit ($ million)



- Ingredients operating profit increased $85m due to:
  - lower attribution from Core Operations reflecting higher cost of protein being expensed through FY26 relative to prior year
  - strong in-market performance, recovering the higher protein costs, driven by volume growth and higher sales prices achieved
  - The Co-op's European protein business complemented the New Zealand sourced portfolio and contributed $67m to the uplift in earnings
- The impact of costs associated with upgrading our ERP system are in the Core Operations allocation, in FY26 this was $135m compared to $123m in FY25.

Quarterly performance[1]



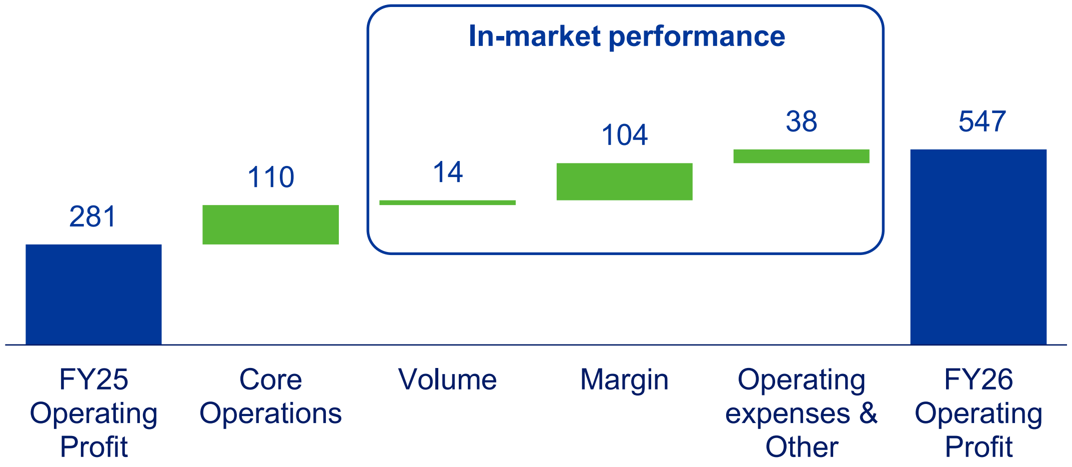
- The Co-op's FY26 H2 shipped volumes were the highest in a decade, with Q3 and Q4 Ingredients sales volumes totalling 1.4m MT, up 8% or 104,000 MT.
- FY25 Q4 impacted by the seasonal milk curve, narrowing margins and increased operating expenses for the quarter.

1. FY25 performance has been restated to account for finalisation of trade terms and transaction perimeter relating to the Mainland divestment

Foodservice earnings growth driven by margin expansion

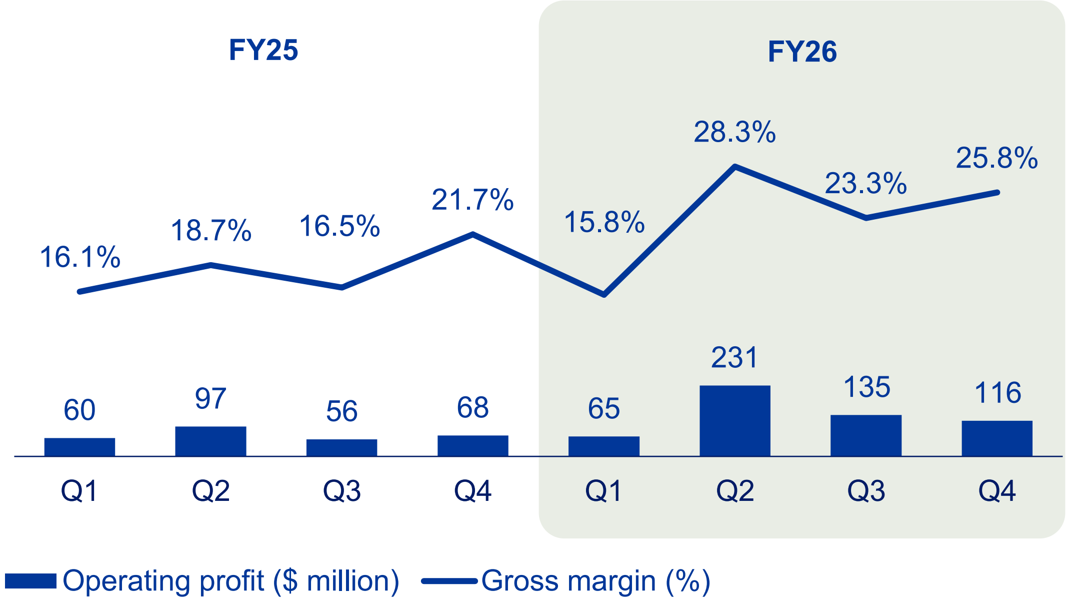
Key performance drivers

Underlying operating profit ($ million)[1]



- Foodservice operating profit increased $266m due to:
  - higher attribution from Core Operations reflecting easing in milk costs expensed
  - sustained strong product margins, particularly UHT cream and cream cheese
  - operating costs were lower, reflecting rationalising of the residual Consumer business in Greater China
  - Sales volumes were moderately higher, as growth was partially offset by the rationalising of remaining Consumer products

Quarterly performance[1]



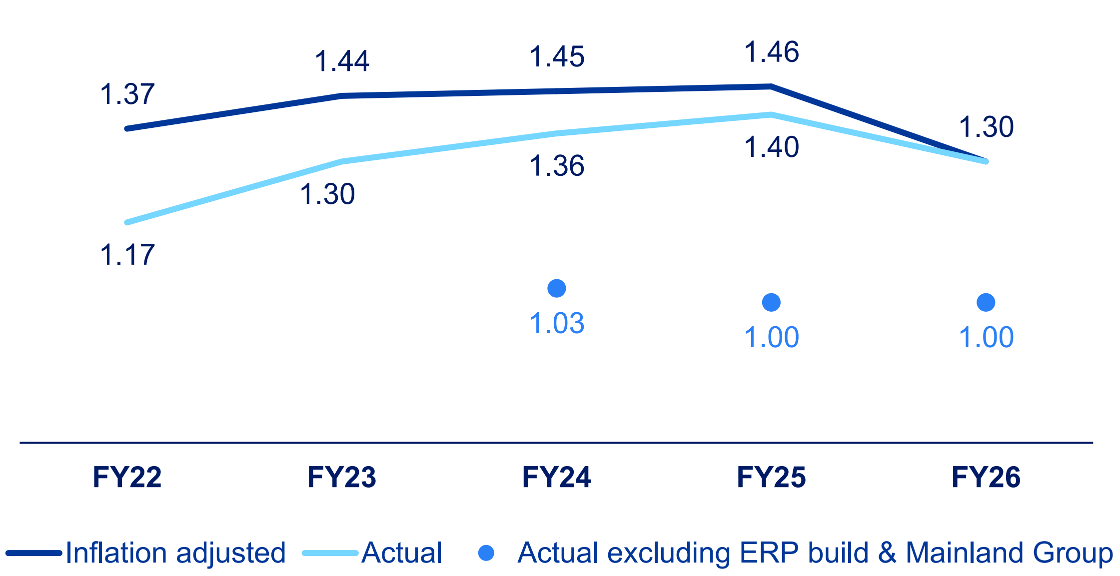
- One-off costs in FY25 of $67m to exit a product line were not repeated and favourable foreign exchange conditions also supported margins.

1. FY25 and FY26 performance has been restated to account for finalisation of trade terms, transaction perimeter and included business units relating to the Mainland divestment

Operating expense and Core Operations manufacturing cash costs

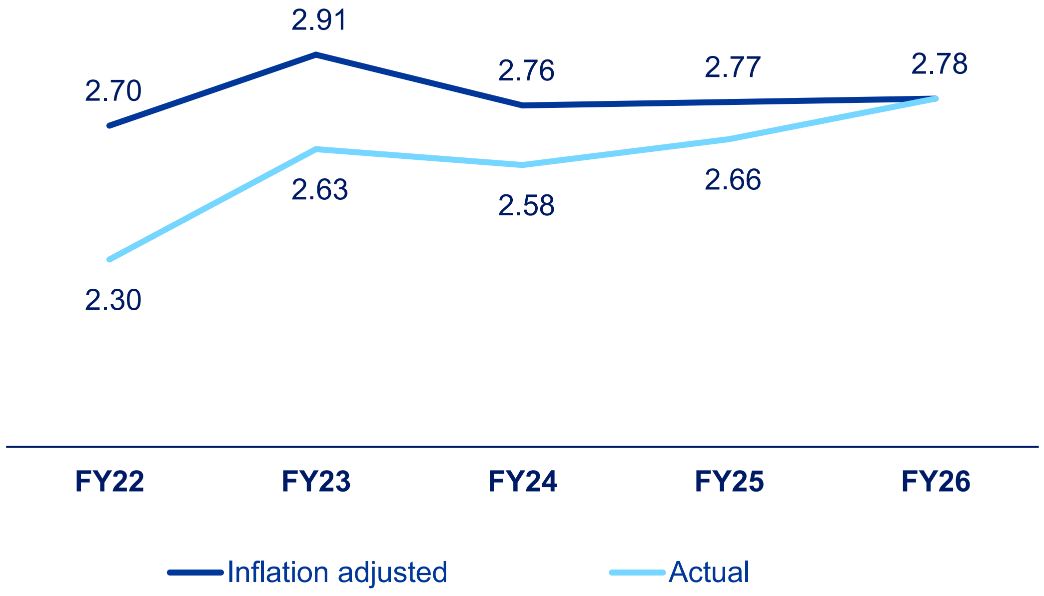
Higher milk collections and a more focused Co-op create opportunities for further efficiency gains

Cash operating expenses
($/kgMS)



- Cash operating expenses per kgMS improved following the Mainland divestment
- Investment in the Co-op's ERP platform accelerated in FY26, with the project accounting for $0.08/kgMS of costs.
- Excluding Mainland and the ERP platform costs, cash operating expenses remain in line with prior year supported by higher milk volumes

Core Operations manufacturing cash costs
($/kgMS)

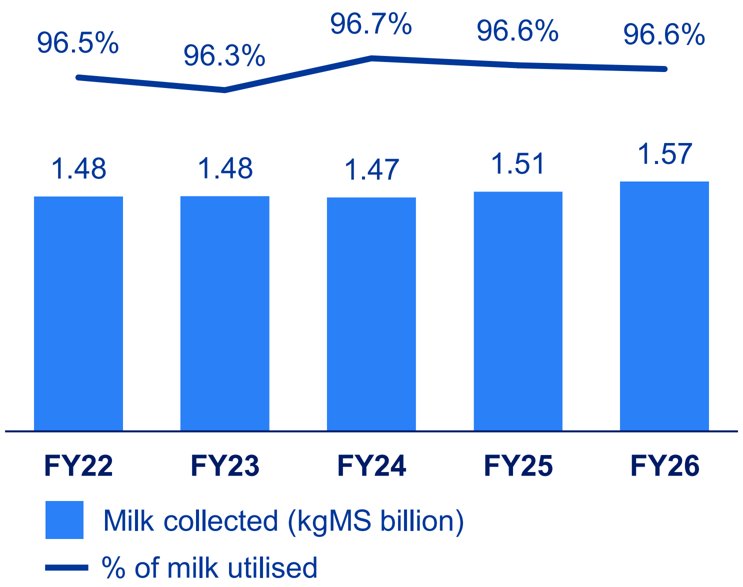


- Manufacturing costs were level in real terms in FY26, balancing cost pressure from higher lactose and freight costs with efficiency gains from higher manufacturing throughput.
- Sustained productivity improvement and energy efficiency remain a focus in strengthening the competitiveness and resilience of the Co-op's manufacturing cost base.

New Zealand manufacturing performance

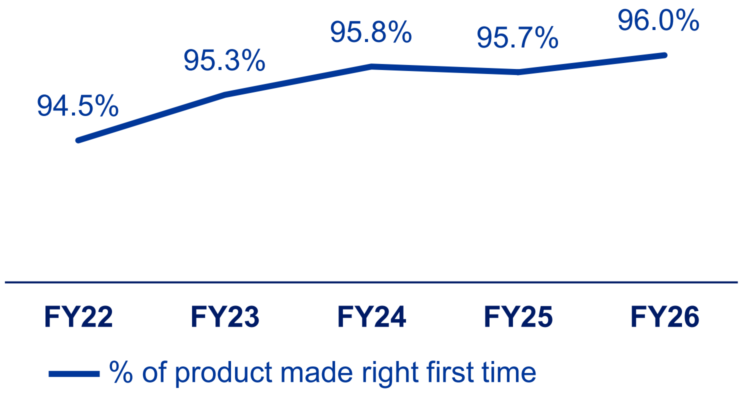
Operational resilience supported higher milk volumes, with further opportunity to reduce the cost of quality

Milk Utilisation



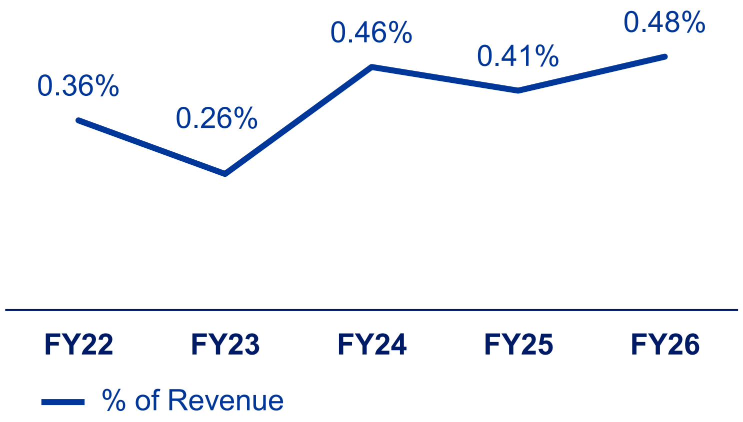
- The Co-op maintained a high milk utilisation rate while managing higher milk volumes.

Made Right First Time



- Continued focus on production efficiency and reliability drove continued improvements in products being made to specification first time.

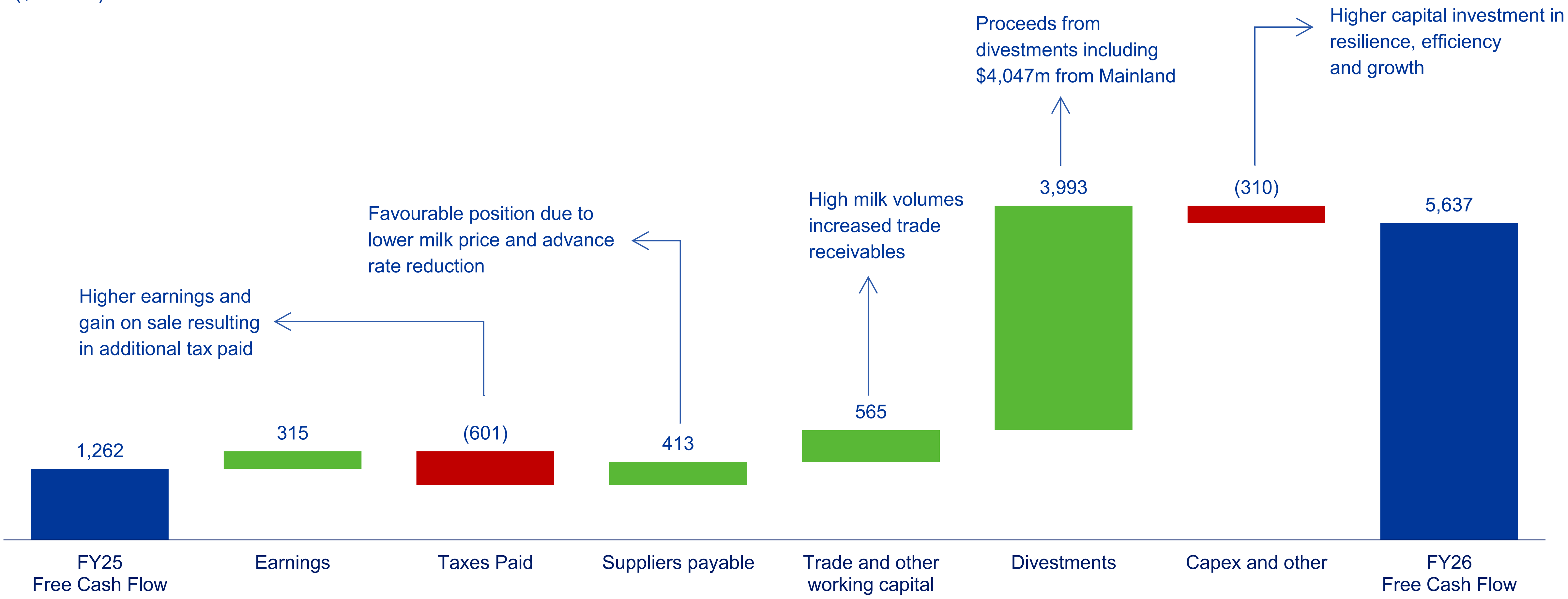
Cost of Quality



- Higher volumes and the production of more complex products resulted in an increase cost of quality failures.
- Supplementary feed impacts were higher, with the Co-op focused on working with farmers to reduce these impacts.

Movements In Cash Flow

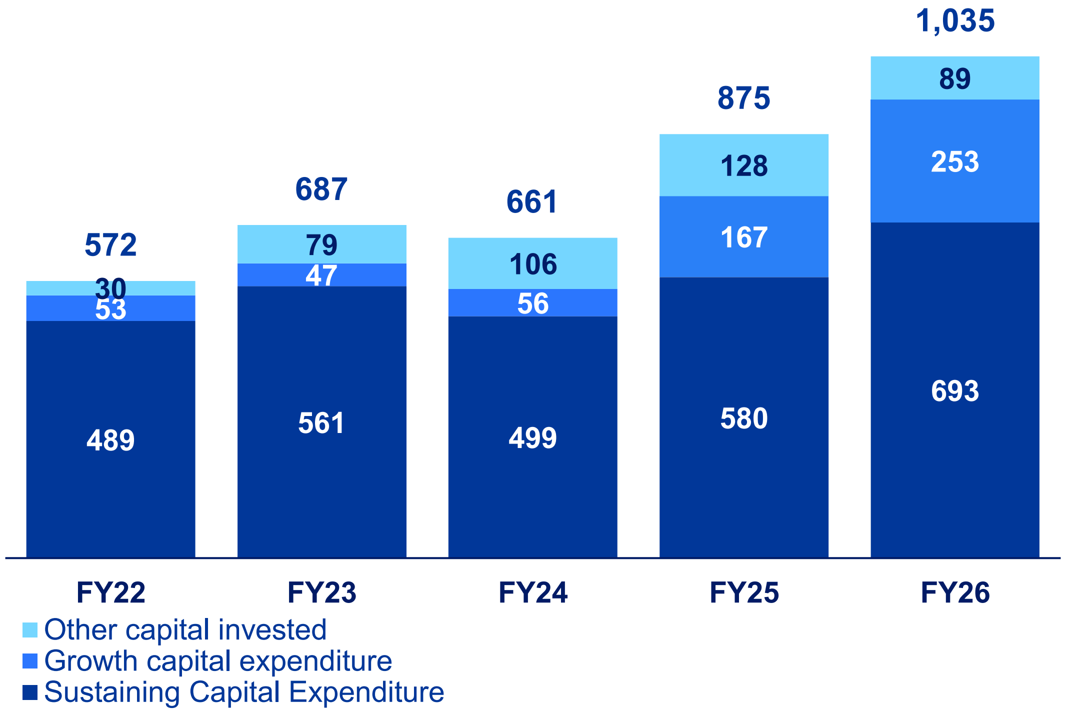
FY25 to FY26 Free Cash Flow
($ million)



Investing in value-led growth, sustainability and reliable operations

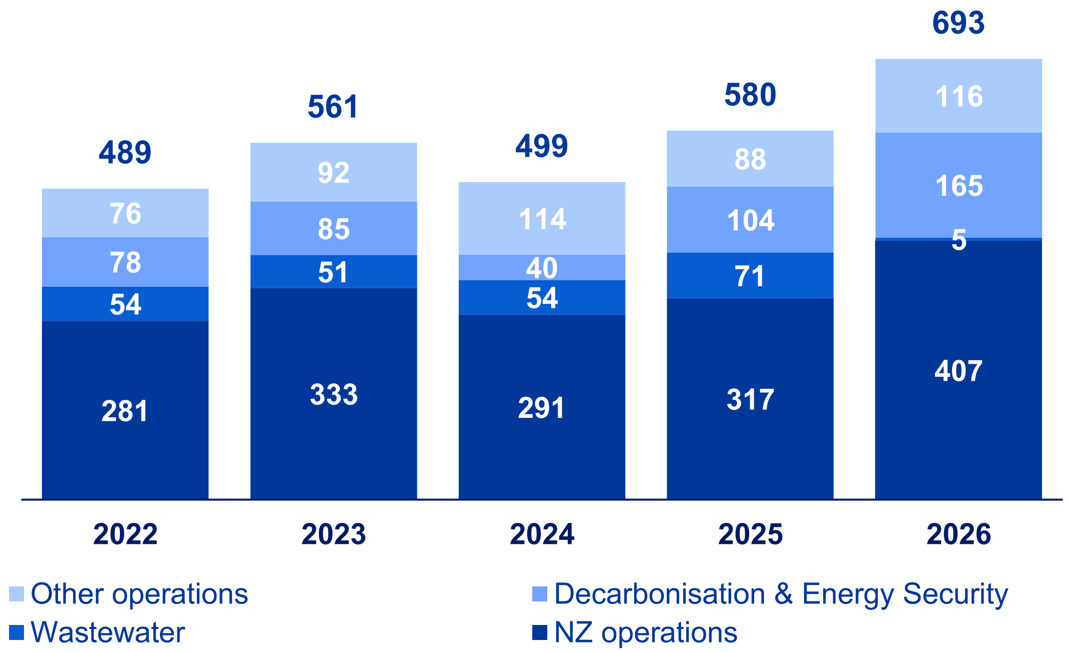
$1b invested in FY26, with $1.3 – $1.6b of capital invested annually over FY27 – FY29

Capital invested[1]
Full financial year figures ($ million)



- Capital invested increased to $1b, as the Co-op invested to support future growth, energy security and supporting the long-term reliability and resilience of assets.
- FY26 elevated investment levels are expected to continue over FY27 – FY29.
- Growth capital expenditure included expanding Ingredients and Foodservice production capability, with investment in the Edendale UHT cream expansion and Clandeboye butter plant.

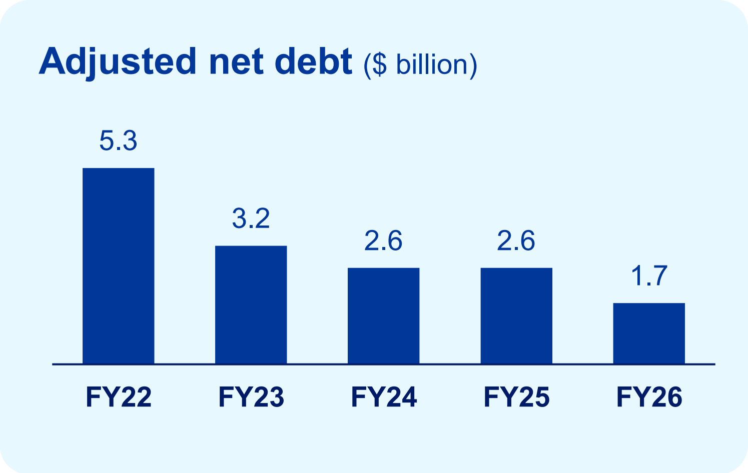
Breakdown of sustaining capital expenditure
Full financial year figures ($ million)

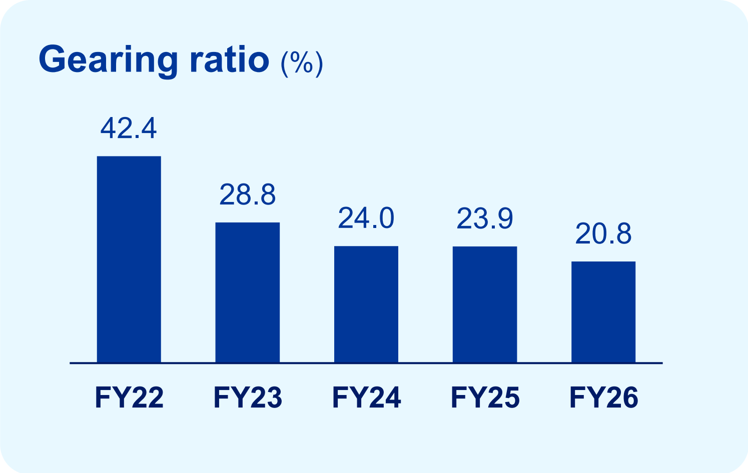


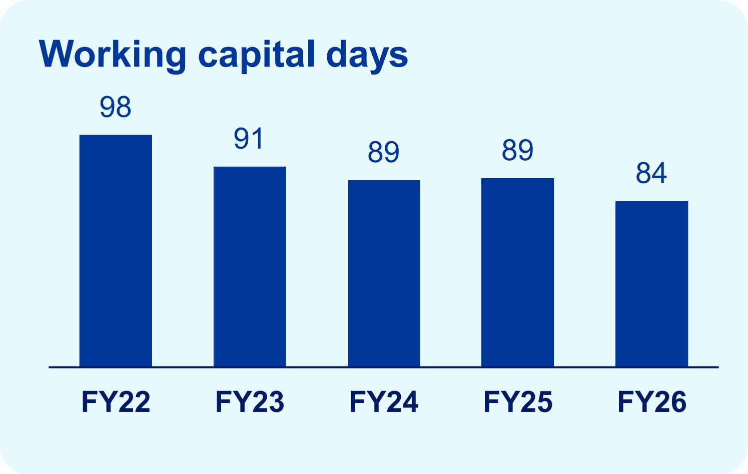
- Sustaining investment included the Whareroa cool storage expansion to support supply chain resilience.
- Energy investment to electrify plants and reduce emissions progressed at Whareroa and Edendale.

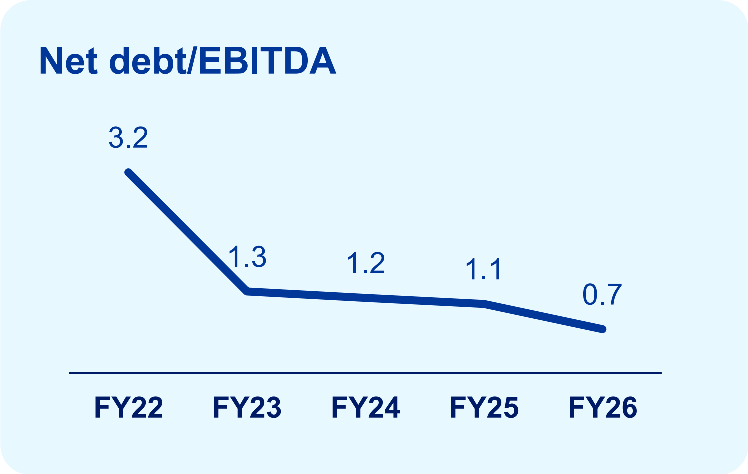
1.Capital Invested excluding Mainland Group

Lower debt and gearing strengthen financial capacity









- Adjusted net debt reduced $967m from $2.6b to $1.7b, driven by:
  - Conclusion of the Mainland divestment with 0.8b of proceeds retained
  - Stronger earnings and a higher suppliers payable balance, which together have supported dividend payments and higher capital expenditure
- Gearing ratio decreased reflecting:
  - Lower net debt and an increase in retained earnings
  - Lower balance sheet equity following divestment of Mainland
- Adjusted net debt/EBITDA down due to strong underlying earnings and repayment of debt.
- S&P Global credit rating retained at A- with stable outlook.

Underlying Return on Capital[1]

For the 12 months ended 31 July NZD million	2025	2026
Operating profit	1,489	1,840
Finance income on long-term advances	8	11
Notional tax charge	(404)	(500)
Net operating profit after tax	1,093	1,351
Capital employed at 31 July	8,020	8,075
Impact of seasonal capital employed	1,327	1,412
Average capital employed	9,347	9,487
Return on capital	**11.7%**	**14.2%**

- Return on capital increased to 14.2%, above last year and exceeding the target range of 10% – 12%.
- The change relative to previous period reflects:
  - $351m higher operating profit due to high volumes and margins;
  - $140m increase in average capital employed due to higher milk volumes and capital investment, offset by higher supplier payables.

Return on capital by channel

Ingredients

13.5%

↑ from 12.8%

($ million)	2025	2026
Average capital employed	6,925	7,044
Net operating profit after tax	888	952
Return on capital (%)	12.8%	13.5%

Foodservice

16.3%

↑ from 8.5%

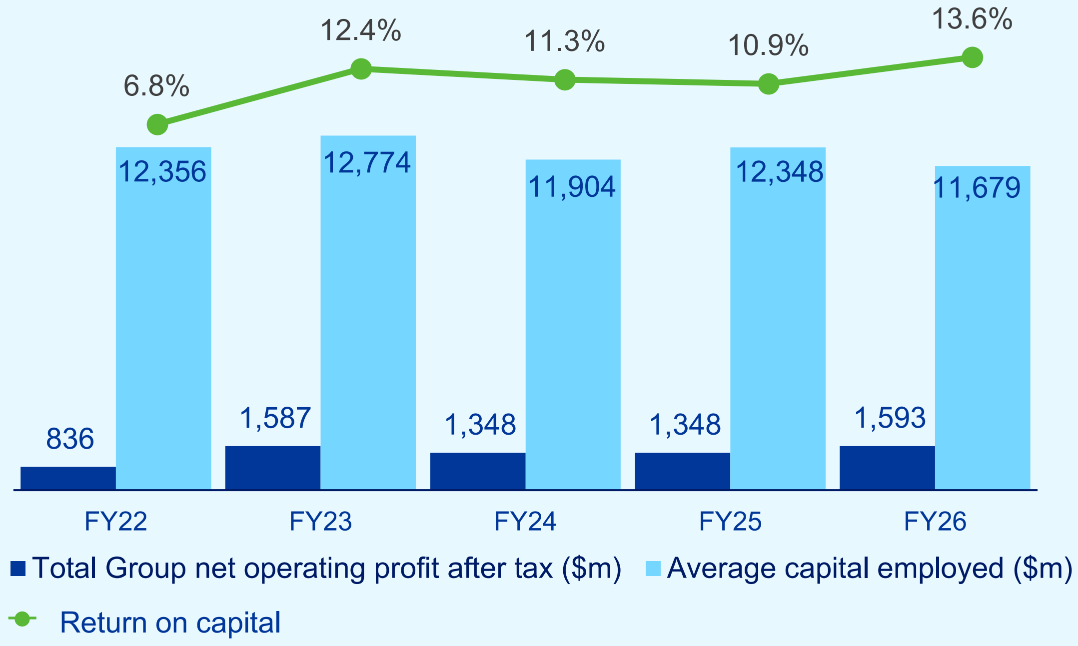
	2025	2026
Average capital employed	2,422	2,443
Net operating profit after tax	205	399
Return on capital (%)	8.5%	16.3%

- Ingredients return on capital increased due higher volume and margins. Capital employed increased due to higher inventory reflecting increased milk collections.
- Material increase in Foodservice return on capital driven by operating profit growth and stable capital employed.

1. Underlying performance is Fonterra's continuing operations represented as if the Mainland trade terms had applied for the full period to provide a comparative of Fonterra's continuing operations and align with the pro forma historical financial information disclosed in the Notice of Special Meeting 2025 (29 September 2025). FY25 performance has been restated to account for finalisation of trade terms and transaction perimeter relating to the Mainland divestment

Total Group Return on Capital

Total Group return on capital
For 12-month period to 31 July



Note: Notional tax rate in FY25 and FY26 is 27%, prior years use 16.1%

- FY26 Total Group return on capital of 13.6%, above the 5-year average and exceeding the FY26 target range of 10%-12%.
- The Co-op continues to show steady improvement in return on capital through earnings growth, portfolio optimisation and disciplined capital management.
- Capital employed includes Mainland through to completion of the divestment in March 2026.
- Mainland divestment benefits not included in FY26 operating profit.

FY27 Outlook

FY27 Outlook

2026/27 Season
Forecast Farmgate Milk Price

$8.50 – $10.50

per kgMS

The forecast range reflects:

- Contracted volumes are currently at relatively low levels, creating a broader range of possible outcomes, contract uptake is tracking to expectations and remains consistent with prior seasons.
- Milk volume growth, current forecast collections slightly over 1.6b kgMS, end of season potentially impacted by El Niño drought risk
- Demand remains resilient, markets absorbing incremental supply with recent improvements in global prices, particularly WMP and SMP

2027 Full Year
Forecast earnings range

65 – 85

cents per share

The forecast range reflects:

- Continued favourable price relativities, with reversion toward longer-run averages expected through the financial year
- Stronger contracting and hedging positions than prior seasons for non-reference products
- Higher H1 milk volumes compared to prior year, with second-half supply subject to El Niño drought risk
- Delivery of productivity initiatives across cost of goods sold and operating expenses, against ongoing geopolitical and supply chain uncertainty

Organic milk programme positioned for long-term growth

Overview

- 102 certified organic farms supplying 11 million kgMS, with additional farms currently in conversion
- Organic milk supply has doubled since 2020, averaging 15% annual growth between 2020 and 2025

South Island expansion

- Recruitment underway in the lower South Island, aligned with manufacturing capability
- Organic production planned from FY29, subject to securing sufficient milk supply

Sales forecast and demand

- FY27 forecast sales volumes up 7.5% on FY26
- Demand remains supported by consumer interest in health, wellness and sustainability, while signs of supply recovery are emerging in the US

2026/27 Season
Forecast Organic Milk Price

$13.30 – $15.30

per kgMS

Supplementary Information

Total Group performance

For the 12 months ended 31 July	Total Group			Continuing operations			Discontinued operations		
NZD million	2025	2026	∆%	2025	2026	∆%	2025	2026	∆%
Sales volume ('000 MT)	3,488	3,413	(2)%	2,933	3,024	3%	555	389	(30)%
Sales volume (million kgMS)	1,620	1,660	2%	1,554	1,602	3%	66	58	(12)%
Revenue	26,450	27,432	4%	24,052	25,398	6%	2,398	2,034	(15)%
Cost of goods sold	(22,259)	(23,025)	(3)%	(20,797)	(21,619)	(4)%	(1,462)	(1,406)	4%
Gross profit	4,191	4,407	5%	3,255	3,779	16%	936	628	(33)%
Gross margin (%)	15.8%	16.1%		13.5%	14.9%		39.0%	30.9%	
Operating expenses	(2,587)	(2,348)	9%	(1,802)	(1,861)	(3)%	(785)	(487)	38%
Other[1]	128	1,363	965%	113	80	(29)%	15	1,283	nm
Operating profit	**1,732**	**3,422**	**98%**	**1,566**	**1,998**	**28%**	**166**	**1,424**	**nm**
Net finance costs	(186)	(166)	11%	(184)	(166)	10%	(2)	0	100%
Tax expense	(467)	(648)	(39)%	(369)	(486)	(32)%	(98)	(162)	(65)%
Profit after tax[2]	**1,079**	**2,608**	**142%**	**1,013**	**1,346**	**33%**	**66**	**1,262**	**nm**
Earnings per share (cents)	65	160	146%	61	81	35%	4	79	nm
Normalisations[3]	106	(1,160)	-	(156)	(178)	(14)%	262	(982)	-
Normalised profit after tax[3]	**1,185**	**1,448**	**22%**	**857**	**1,168**	**36%**	**328**	**280**	**(15)%**
Normalised EPS (cents)	71	87	23%	51	71	39%	20	16	(20)%

1. Comprises other operating income, (inclusive of the share of profit of equity accounted investees), gain on sale of Mainland and foreign exchange gains/(losses)
2. Includes amounts attributable to non-controlling interests
3. Total Group Normalisations of $(1,160)m relating to the Mainland Group Divestment Benefit

Note: Comparisons restated for consistency.

Continuing operations pro forma Statement of P&L

Pro forma, i.e. underlying, results have been compiled by extracting the results of Continuing operations and making pro forma adjustments to:

- remove the effects of Fonterra's transfer pricing arrangements related to Mainland Group that ceased post divestment; and
- recognise the impact of the Raw Milk Supply, Global Supply, and Distribution Agreements

For the 12 months ended 31 July	2025			2026		
NZD million	**Fonterra reported continuing operations**	Pro Forma Adjustments	Fonterra Underlying[1]	**Fonterra reported continuing operations**	Pro Forma Adjustments	Fonterra Underlying[1]
Revenue from sale of goods	24,052	(77)	23,975	25,398	(158)	25,240
Cost of goods sold	(20,797)	-	(20,797)	(21,619)	-	(21,619)
Gross profit	**3,255**	**(77)**	**3,178**	**3,779**	**(158)**	**3,621**
Operating expenses	(1,802)	-	(1,802)	(1,861)	-	(1,861)
Other[2]	113	-	113	80	-	80
Operating profit (EBIT)	**1,566**	**(77)**	**1,489**	**1,998**	**(158)**	**1,840**
Net finance costs	(184)	-	(184)	(166)	-	(166)
Profit before tax	**1,382**	**(77)**	**1,305**	**1,832**	**(158)**	**1,674**
Tax expense	(369)	(22)	(391)	(486)	(6)	(492)
Profit after tax	**1,013**	**(99)**	**914**	**1,346**	**(164)**	**1,182**
Earnings per share (cents)	61		54	81		71

1. Underlying performance is Fonterra's continuing operations represented as if the Mainland trade terms had applied for the full period to provide a comparative of Fonterra's continuing operations and align with the pro forma historical financial information disclosed in the Notice of Special Meeting 2025 (29 September 2025). This representation is applied to operating profit, profit after tax, EPS and return on capital.
2. Comprises other operating income (inclusive of the share of profit of equity accounted investees) and foreign exchange gains/(losses)

Note: Figures as shown in table may not align to the total figure calculation based on numbers in the table due to rounding, comparative information includes re-presentations for consistency with the current period.

End-to-end Channel performance

For the 12 months ended 31 July	Underlying Operations[1]			Ingredients		Foodservice	
NZD million	2025	2026	Δ%[2]	2025	2026	2025	2026
Sales volume ('000 MT)	2,933	3,024	3%	2,375	2,463	558	561
Sales volume (million kgMS)	1,554	1,602	3%	1,319	1,362	235	240
Revenue	23,975	25,240	5%	19,313	20,337	4,662	4,903
Cost of goods sold	(20,797)	(21,619)	(4)%	(16,984)	(17,861)	(3,813)	(3,758)
Gross profit	3,178	3,621	14%	2,329	2,476	849	1,145
Operating expenses	(1,802)	(1,861)	(3)%	(1,215)	(1,251)	(587)	(610)
Other[3]	113	80	(29)%	94	68	19	12
Operating profit[4]	1,489	1,840	24%	1,208	1,293	281	547
Gross margin	13.3%	14.3%		12.1%	12.2%	18.2%	23.4%
Operating profit margin	6.2%	7.3%		6.3%	6.4%	6.0%	11.2%

1. Underlying performance is Fonterra's continuing operations represented as if the Mainland trade terms had applied for the full period to provide a comparative of Fonterra's continuing operations and align with the pro forma historical financial information disclosed in the Notice of Special Meeting 2025 (29 September 2025).
2. Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures
3. Comprises other operating income (inclusive of the share of profit of equity accounted investees) and foreign exchange gains/(losses)
4. Includes corporate costs of $638m in FY26 (FY25: $637m). Allocation between Ingredients and Foodservice of $473m and $165m (FY25: $470m and $167m), respectively

New Zealand-sourced Ingredients’ product mix

	2025	2026	Change
Sales Volume (‘000 MT)			
Reference Products	1,701	1,773	4%
Non-Reference Products	956	978	2%
Revenue (NZD)			
Reference Products ($ billion)	12.7	13.3	4%
Non-Reference products ($ billion)	7.6	8.4	10%
Reference Products ($ per MT)	7,491	7,496	0%
Non-Reference products ($ per MT)	7,974	8,575	8%
Cost of Milk (NZD)			
Reference Products ($ billion)	(10.0)	(9.1)	9%
Non-Reference Products ($ billion)	(4.4)	(3.9)	13%
Reference Products ($ per MT)	(5,861)	(5,123)	13%
Non-Reference Products ($ per MT)	(4,653)	(3,970)	15%

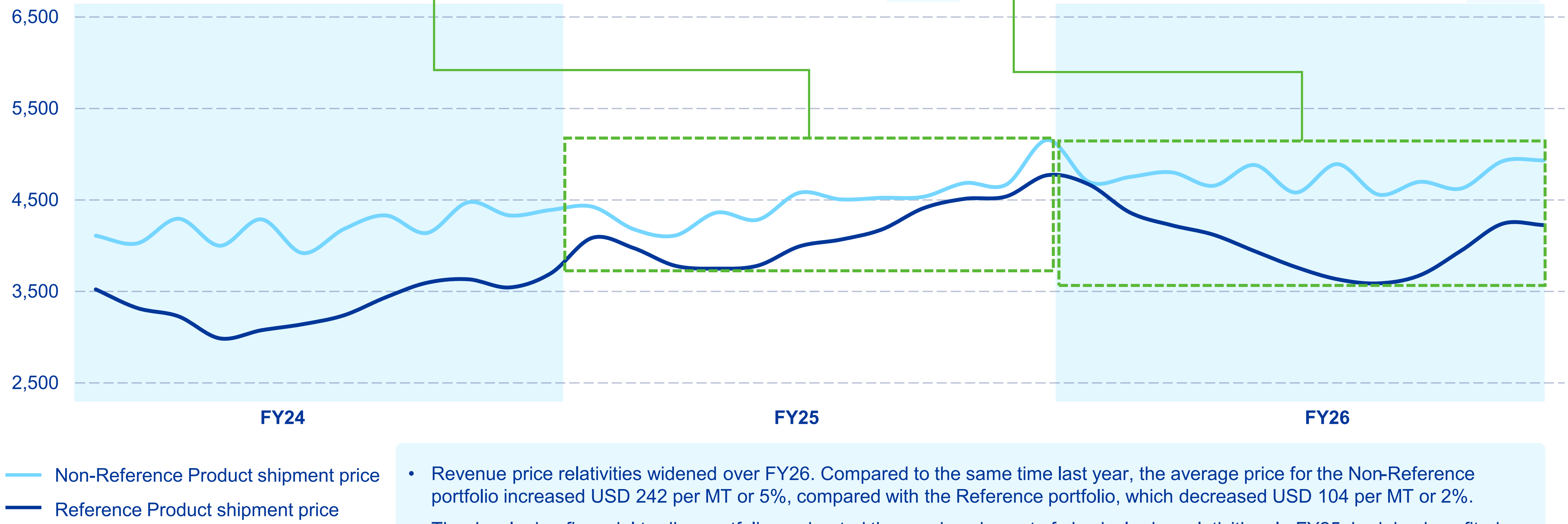
Note: Percentages as shown in table may not align to the calculation of percentages based on numbers in the table due to rounding of figures.
Table includes Ingredients’ products that are on-sold to the Foodservice channel and excludes bulk liquid milk. Bulk liquid milk for 2026 was 75,000 MT of kgMS equivalent (for the comparative period it was 74,000 MT of kgMS equivalent).

Impact of price relativities smoothed by financial trading portfolio

Fonterra Revenue Reference and Non-Reference Price Relativities
(USD/MT)

	H1	H2	FY25
Average Non-Reference price	4,326	4,664	4,504
Average Reference price	4,129	4,590	4,360
Price difference	**197**	**74**	**144**

	H1	H2	FY26
Average Non-Reference price	4,727	4,764	4,746
Average Reference price	4,396	4,135	4,256
Price difference	**331**	**629**	**490**



- Revenue price relativities widened over FY26. Compared to the same time last year, the average price for the Non-Reference portfolio increased USD 242 per MT or 5%, compared with the Reference portfolio, which decreased USD 104 per MT or 2%.
- The developing financial trading portfolio moderated the earnings impact of physical price relativities. In FY25, hedging benefited earnings as relativities narrowed; in FY26, hedging reduced the upside captured as relativities widened.

Note: Reference shipment prices presented are 'Milk Price Informing' prices only, a subset of the Reference portfolio

Mainland Group divestment benefit

NZD Million	2026
Sale proceeds	4,457
Post completion adjustments receivable	160
Total Proceeds	**4,617**
Stand-alone replicated information technology	(147)
Proceeds attributed to the divestment	**4,470**
Net assets disposed of	(3,598)
Intercompany balances recognised as external balances upon sale[1]	220
Directly attributable transaction costs	(123)
Reclassification of foreign currency translation reserves[2]	281
Gain on Sale	**1,250**
Transaction, separation and tax-related costs	(131)
Other accounting adjustments	41
Net Mainland divestment benefit	**1,160**

1. Trade and other receivables of $367m, less trade and other payables of $147m
2. Includes the reclassification of foreign currency translation reserves in respect of net investment hedges ($30m)

FY26 Integrated Scorecard

as at 31 July 2026

	Key Metrics	FY24 Actual	FY25 Actual	FY26 Scorecard	FY26
People	Serious harm[1]	13	6	5	5
	Quality of post-Health, Safety and Wellbeing incident actions	0.41	0.39	0.60	0.64
	Culture Measure	79	81	80	78
Nature	GHG emissions reduction (Scope 1,2)[2]	(17.3)%	(20.2)%	(27.0)%	(28.7)%
	Additional percentage of New Zealand supplying Farms achieving Emissions Excellence[3]	–	(2.2)%	6%	6.6%
Relationships	Share of New Zealand milk collected for the season to 31 May	78.1%	77.8%	78%	77.6%
	Delivered in full, on time (DIFOT, at time of arrival)	66.1%	73.7%	77%	78.6%
Financial / Assets & Infrastructure	Cash operating expenses per kgMS (real)[4]	1.13	1.12	1.08	1.08
	Core Operations manufacturing cash costs per kgMS (real)[5]	2.76	2.77	2.65	2.78
	Return on capital[6]	12.4%	11.7%	10%-12%	14.2%
	Farmgate Milk Price ($)	$7.83	$10.16	$9.00-$11.00	$9.69
Alignment Rights	FCG Share Price (volume weighted average price) Dividends paid[7]	$2.66 $0.55	$4.70 $0.57	Not Available	$5.52 $0.73
	On-farm profitability ($ per hectare)[8]	$2,845	$4,849	Not Available	Not Available

1. Includes Contractors.
2. Relative to the FY18 base year, restated to exclude Mainland Group. Comparative periods reflect a minor restatement relating to the Heerenveen site
3. FY26 result reflects additional 535 farms, including 319 reducing emissions footprint, above the target of additional 490 farms with minimum of 270 reducing footprint.
4. Continuing operations, based on New Zealand milk solids collected, FY26 base year.
5. Based on New Zealand milk solids collected. Excludes the cost of milk. FY26 base year.
6. Results are on an underlying continuing operations basis to reflect comparable operating performance before and after the Mainland Group divestment.
7. For the period 1 October to 30 September. As an indication, FY26 is the 12-month VWAP to 10 September 2026, and FY26 Dividends.
8. DairyNZ Economic Survey 2024-2025 (Owner-Operator). 2026 expected to be published in June 2027.

FY27 Integrated Scorecard

for the year ended 31 July 2027

	Key Metrics	FY25	FY26	FY27 Scorecard
People	Serious harm[1]	6	5	5
	Quality of post-Health, Safety and Wellbeing incident actions	0.39	0.64	0.65
	Culture Measure	81	78	79
Nature	GHG emissions reduction (Scope 1,2)[2]	(20.2)%	(28.7)%	(33.2)%
	Percentage of supplier base achieving Emissions Excellence	–	84.6%	85%
Relationships	Share of New Zealand milk collected for the season to 31 May	77.8%	77.6%	78%
	Delivered in full, on time (DIFOT, at time of arrival)[3]	74.4%	78.4%	80%
Financial / Assets & Infrastructure	Cash operating expenses per kgMS (real)[4]	1.14	1.10	1.03
	Core Operations manufacturing cash costs per kgMS (real)[4,5]	2.70	2.61	2.51
	Return on capital[6]	11.7%	14.2%	10%-12%
	Farmgate Milk Price ($)	$10.16	$9.69	$8.50-$10.50
Alignment Rights	FCG Share Price (volume weighted average price)[7] Dividends Paid	$4.70 $0.57	$5.52 $0.73	Not Available
	On-farm profitability ($ per hectare)[8]	$4,849	Not Available	Not Available

1. Includes Contractors.
2. Relative to the FY18 base year.
3. DIFOT comparatives have been restated to include New Zealand domestic orders, aligning the measure with the expanded FY27 methodology, and resulting in a slightly lower FY26 outcome than previously reported on an export-only basis.
4. Based on New Zealand milk solids collected across the financial year. Comparatives restated to FY27 base year.
5. Excludes the cost of milk and internally-generated lactose.
6. Prior year comparatives are on an underlying continuing operations basis to reflect comparable operating performance before and after the Mainland Group divestment.
7. For the period 1 October to 30 September. As an indication, FY26 is the 12-month VWAP to 10 September 2026, and FY26 Dividends.
8. DairyNZ Economic Survey 2024-2025 (Owner-Operator). 2026 expected to be published in June 2027.

Data sources

Dairy Production and Imports

- 12-month production
  - New Zealand (Sep 2025 – Aug 2026 compared to Sep 2024 – Aug 2025), DCANZ, USDA
  - EU, US (Aug 2025 – Jul 2026 compared to Aug 2024 – Jul 2025), Eurostat, USDA
- 3-month production
  - New Zealand (Jun 2026 – Aug 2026 compared to Jun 2025 – Aug 2025), DCANZ
  - EU, US (May 2026 – Jul 2026 compared to May 2025 – Jul 2025), Eurostat, USDA
- 12-month imports
  - Asia (excl. China), LATAM, Middle East & Africa (Jul 2025 – Jun 2026 compared to Jul 2024 – Jun 2025), S&P Global
  - China (Aug 2025 – Jul 2026 compared to Aug 2024 – Jul 2025), S&P Global
- 3-month imports
  - Asia (excl. China), LATAM, Middle East & Africa (Apr 2026 – Jun 2026 compared to Apr 2025 – Jun 2025), S&P Global
  - China (May 2026 – Jul 2026 compared to May 2025 – Jul 2025), S&P Global

Non-GAAP Measures

Fonterra uses several non-GAAP measures when discussing financial performance. Non-GAAP measures are not defined or specified by NZ IFRS.

Management believes that these measures provide useful information as they provide valuable insight on the underlying performance of the business. They may be used internally to evaluate the underlying performance of business units and to analyse trends. These measures are not uniformly defined or utilised by all companies. Accordingly, these measures may not be comparable with similarly titled measures used by other companies. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP measures are not subject to audit unless they are included in Fonterra's audited annual financial statements.

Please refer to the Glossary for definitions of non-GAAP measures referred to by Fonterra.

Glossary

Attributable to equity holders of the Co-operative
is used to indicate that a measure or sub-total excludes amounts attributable to non-controlling interests

Average capital employed
is a 13-month rolling average of capital employed

Bulk liquids
means bulk raw milk that has not been processed and bulk separated cream

Capital employed
is adjusted net debt less the cash adjustment (used in calculating adjusted net debt), plus cash and cash equivalents held by subsidiaries for working capital purposes, plus equity excluding hedge reserves and net deferred tax assets

Capital invested
is capital expenditure plus right-of-use asset (e.g. leases) additions and business acquisitions, including equity contributions, long-term advances, and other investments

Cash operating expenses per kgMS
is continuing operations operating expenses, less non-cash costs (depreciation, amortisation and impairments). Shown by kilogram of New Zealand and Australia milk solids collected

Consumer
is the channel of branded consumer products, such as powders, yoghurts, milk, butter and cheese

Continuing operations
means operations of the Group that are not discontinued operations

Core Operations
represents core operating functions including New Zealand milk collection and processing operations and assets, supply chain, Fonterra Farm Source™ retail stores, and the physical and financial commodity portfolio management function

Core Operations manufacturing cash costs per kgMS
is the logistics costs, variable and fixed costs of the COO business unit less non-cash costs (depreciation, amortisation and impairment) shown by kilogram of New Zealand milk solids collected. Excludes milk, ocean freight and farm costs.

Debt to EBITDA
is adjusted net debt divided by Total Group normalised earnings before interest, tax, depreciation and amortisation (Total Group normalised EBITDA) excluding share of profit/loss of equity accounted investees, net foreign exchange gains/losses and any normalised EBITDA relating to entities divested during the year

Discontinued operations
means a component of the Group that is classified as held for sale (or has been sold) and represents, or is part of a single coordinated plan to dispose of, a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale

Eliminations
represents eliminations of inter-business unit sales

Gearing ratio (%)
is adjusted net debt divided by total capital. Total capital is equity excluding hedge reserves, plus adjusted net debt

Glossary

Greater China
represents the Ingredients, Foodservice and Consumer channels in Greater China

Ingredients
represents the channel comprising bulk and specialty dairy products such as milk powders, dairy fats, cheese and proteins manufactured in New Zealand, Australia and Europe, or sourced through our global network, and sold to food producers and distributors

Net debt
is calculated as total borrowings, plus bank overdraft, less cash and cash equivalents, plus a cash adjustment for 25% of cash and cash equivalents held by the Group's subsidiaries, adjusted for derivatives used to manage changes in hedged risks on debt instruments. Amounts relating to disposal groups held for sale are included in the calculation

Non-Reference Products
means all NZ milk solids processed by Core Operations, except for Reference Commodity Products

Normalisation adjustments
means adjustments made for certain transactions that meet the requirements of the Group's Normalisation Policy. These transactions are typically unusual in size and nature. Normalisation adjustments are made to assist users in forming a view of the underlying performance of the business. Normalisation adjustments are set out in the Non-GAAP Measures section. Normalised is used to indicate that a measure or sub-total has been adjusted for the impacts of normalisation adjustments. E.g., 'Normalised EBIT'

Operating profit (EBIT)
Is profit before finance costs and tax.

Price relativities
refers to the difference in the weighted average price (in USD) between the Reference Product portfolio and Non-Reference Product portfolio. The difference between these two weighted average prices is a key driver of the Ingredients' gross margin

Reference Products
are the five commodity groups used to calculate the Farmgate Milk Price, being Whole Milk Powder (WMP) and Skim Milk Powder (SMP), and their by-products Butter, Anhydrous Milk Fat (AMF) and Buttermilk Powder (BMP)

Total Group
is used to indicate that a measure or sub-total comprises continuing operations, discontinued operations and non-controlling interests. E.g., 'Total Group operating profit'

Trade working capital
is total trade and associate receivables plus inventories, less trade and associate payables and accruals. It excludes amounts owing to suppliers and employee entitlements and includes trade working capital classified as held for sale

Working capital days
is calculated as 13-month rolling average working capital divided by revenue from the sale of goods (excluding impact of derivative financial instruments) multiplied by the number of days in the period. The working capital days calculation excludes other receivables, prepayments, other payables and includes working capital classified as held for sale

Foodservice
represents the channel selling to businesses that cater for out-of-home consumption; restaurants, hotels, cafés, airports, catering companies etc. The focus is on customers such as; bakeries, cafés, Italian restaurants, and global quick-service restaurant chains. High performance dairy ingredients including whipping creams, mozzarella, cream cheese and butter sheets, are sold alongside our business solutions under the Anchor Food Professionals™ brand

Important Cautions and Disclaimer

Forward looking statements

This presentation contains certain forward-looking statements. There are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, market conditions, results, performance or achievements of Fonterra to be materially different from the future conduct, market conditions, results, performance or achievements expressed or implied by the forward looking statements, or that could cause future conduct to be materially different from historical conduct. Deviations as to future conduct, market conditions, results, performance and achievements are both normal and to be expected.

Forward looking statements generally may be identified by the use of forward looking words such as ‘target’, ‘targeting’, ‘aim’, ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘forecast’, ‘foresee’, ‘future’, ‘intend’, ‘likely’, ‘may’, ‘planned’, ‘potential’, ‘should’, or other similar words.

Any estimates or projections as to events that may occur in the future (including EBITDAF, revenue, profit, underlying profit, dividends, margin, expenses, earnings, assets, liabilities and performance) are based upon the best judgement of Fonterra from the information available as of the date of this presentation. A number of factors could cause actual results or performance to vary materially from the estimates or projections. No person (including Fonterra and its directors, officers, employees and advisers) gives or makes any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this presentation will actually occur or, except to the extent (if any) required by applicable law or any applicable Listing Rules, assumes any obligation to provide any additional information or update these forward looking statements for events or circumstances that occur subsequent to the date of this presentation. No reliance should be placed on any forward looking statements.

Non-NZ GAAP financial information

Fonterra uses several non-GAAP measures when discussing financial performance. Non-GAAP measures are not defined or specified by NZ IFRS.

Management believes that these measures provide useful information as they provide valuable insight on the underlying performance of the business. They may be used internally to evaluate the underlying performance of business units and to analyse trends. These measures are not uniformly defined or utilised by all companies. Accordingly, these measures may not be comparable with similarly titled measures used by other companies. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP measures are not subject to audit unless they are included in Fonterra’s audited annual financial statements.

Not financial advice

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Dairy for life