

THE AUSTRALIAN

Dairy not contrary for high-flyer Hrdlicka

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12:00AM AUGUST 2, 2018 • 4 COMMENTS

When Jayne Hrdlicka arrived at Victoria's Swan Hill Lawn Tennis Club for its Easter tournament and asked to speak to the groundskeeper, nervous officials scampered about, worried they faced a grilling on the turf quality.

But the Tennis Australia president had something else on her mind. "She said I'm starting this new job in a few months and do you know any dairy farmers I could go and visit," according to local farmer Paul Bethune, a friend of the groundskeeper.

The next day the new boss of sharemarket glamour stock a2 Milk turned up at Bethune's 900-cow dairy farm at the nearby town of Lake Boga and started taking notes.

"She stood and watched the milking for an hour and was asking all sorts of questions," recalls Mr Bethune, who supplies regular milk to a2's multinational rival Saputo. "She wasn't really interested in the cup of tea I gave her. She was there to learn."

Hrdlicka's determination to start her scouting mission in the dairy sector — while still on holiday and four months before officially taking the reigns at a2 two weeks ago on July 16 — left a strong impression on Bethune.

"It would be remiss of me to say she had extensive knowledge about agriculture," said Bethune. "But after finding out the basics, she's pretty quick at putting it together."

Those close to Hrdlicka say her ambition to lead an iconic Australian company has been apparent for the past few years. After heading budget carrier Jetstar for five years, the American-born executive was widely tipped to be in the running to replace Qantas chief Alan Joyce.

Instead, a management restructure led to her becoming boss of the Qantas loyalty business, which some interpreted as a sideways shuffle, and grabbed the attention of headhunters. After missing out on the Woolworths CEO role, taken by Brad Banducci, she was approached about her interest in replacing Geoff Babidge at one of Australia's most fast-growing and iconic brands: a2.

Hrdlicka did her research and liked what she learnt, though she concedes the switch from aviation to dairy was not an obvious career path.

“A2 is a really unusual company with a big opportunity in front of it,” Hrdlicka told *The Australian*. “It was a very logical thing for me because the parallels between Jetstar and a2 are many and pretty significant. Jetstar was a young, ambitious company that had delivered on huge potential in the region and grew very rapidly. The opportunity to come to a2, which is slightly younger in its journey, and help them take advantage of the world of possibilities ahead was really attractive.”

Still, building on the success of a market darling will test all of her leadership skills. A2 has built its success on selling milk and infant formula that only contains the A2 protein and claims that A2-only milk can be consumed by those who struggle to drink normal milk.

Those health benefits and clever marketing have quickly built a sizeable customer base in Australia, where it commands more than 10 per cent of the milk market, along with its tag as one of the fastest-growing infant formula brands in China. A2 has entered into the US market and is actively scouting new opportunities in Asia, but Hrdlicka says keeping pace with sky-high investor expectations will require tactical and strategic nous. “I think our investors are very clear about why they are excited about a2,” she said. “The focus is being very clear about getting the right products to our consumers at the right point in time and in the right markets. When we step back as a team and look at the opportunities we have, it's a long list and we have to be very thoughtful with what we do and making sure we're focusing on the biggest of those opportunities.”

Hrdlicka's message for shareholders is to expect more growth.

“We are in a very good position as a business and we are young,” she said. “We have the world ahead of us.”

One revenue opportunity is a2's tie-up with New Zealand dairy giant Fonterra, which will be launched in Auckland today. A2 announced in February it had entered into a supply and marketing deal with Fonterra which would allow it to build its business in new growth markets where it's not already operating, along with supplying fresh a2 milk into New Zealand for the first time. Fonterra also holds the supply rights for infant formula in new markets in Southeast Asia and the Middle East.

"It gives us the ability to rapidly progress," Hrdlicka said.

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