



Arla Foods
Aarhus, Denmark
May 20th, 2020

INVESTOR UPDATE

Due to the volatile market conditions and lockdowns caused by Covid-19 and the following market disturbance for some industries and companies, Arla Foods finds it appropriate to inform its investors of the impact of the Covid-19 on Arla Foods.

As a major food company Arla Foods moved quickly to safeguard its people and operations to maintain continuity of supply to customers and meet increases in demand from retail and e-commerce customers in markets around the world. The Company's crisis management plans have ensured that supply of milk from Arla's farmer owners has been uninterrupted and all volumes received have been processed. The supply chain of Arla has implemented strict Covid-19 related measures to secure the safety of employees and uninterrupted production. With these measures, together with a huge commitment from the employees and a strong internal cooperation, Arla Foods has continued production at full capacity with very few interruptions.

The breadth and balance of Arla Foods' business across geographies, channels, categories and products has meant that adverse developments in some markets and customer segments have been mostly offset by improvements elsewhere. As a response to declining commodity prices in the dairy markets, Arla reduced its milk price to its owners from May 2020 by one Eurocent – a normal reaction to market changes in the Arla Cooperative model.

Arla Foods reiterates its expectations for the full year 2020 of a revenue between 10.4 bEUR to 10.8 bEUR and a net profit of 2.8 to 3.2 per cent. The year-end leverage forecast is expected to be in the bottom of the previously communicated range of 2.8 - 3.4.

END