

Press release

AAK accelerates optimization in line with strategic direction

The ongoing corona pandemic continues to profoundly impact people, societies, and business operations across the world. Over the last few months, extensive restrictions and lockdown measures have been implemented in most countries around the world.

As earlier communicated, this has resulted in a negative impact on demand and earnings within most industries that AAK serves. In response, we are optimizing our cost base in affected segments without jeopardizing our long-term capabilities and strategic initiatives.

“In spite of the short- to mid-term impact from the corona pandemic, we see no reason to adjust our view on the strong favorable underlying long-term trends in our markets and we continue to remain prudently optimistic about the future”, says Johan Westman, President and CEO. “However, in order to support our long-term ambition, we have decided to accelerate the optimization of our structure.”

Therefore, AAK has initiated structural measures including cost items affecting comparability of about SEK 200 million, which will be reported in the operating profit in the second quarter of 2020. Approximately 35–40 percent is expected to impact cash flow. These measures will generate annual savings of about SEK 150 million and are expected to reach full run-rate by the second half of 2021.

“The planned initiatives, including mainly global workforce reductions and procurement savings, are fully in line with our strategic direction to optimize our Bakery, Dairy and Foodservice businesses and will also fund strategic investments in other segments, for example Plant-based Foods”, says Johan Westman.

In addition, AAK will report an income in the range of SEK 200–225 million as an item affecting comparability, linked to an optimization of the company’s capital structure. This will not have an impact on the cash flow.

Further information about the planned optimization will be provided in connection with the release of AAK’s interim report for the second quarter on July 17, 2020.

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AAK is a leading provider of value-adding vegetable oils & fats. Our expertise in lipid technology within foods and special nutrition applications, our wide range of raw materials and our broad process capabilities enable us to develop innovative and value-adding solutions across many industries – Chocolate & Confectionery, Bakery, Dairy, Special Nutrition, Foodservice, Personal Care, and more. AAK’s proven expertise is based on more than 140 years of experience within oils & fats. Our unique co-development approach brings our customers’ skills and know-how together with our own capabilities and mindset for lasting results. Listed on Nasdaq Stockholm and



*with our headquarters in Malmö, Sweden, AAK has more than 20 different production facilities, sales offices in more than 25 countries and more than 3,800 employees. **We are AAK – The Co-Development Company.***