



# Market Announcement

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25 February 2021

## Fonterra narrows 2021 earnings guidance

Fonterra Co-operative Group Limited today announced it has lifted the bottom end of its 2021 forecast earnings guidance and narrowed the range to 25-35 cents per share, from 20-35 cents per share.

Fonterra CEO Miles Hurrell says, while it is still in the process of preparing its interim accounts for release on 17 March, it now has enough information to provide more clarity on its full-year earnings guidance.

“That is why we have come out today with narrower forecast earnings range of 25-35 cents per share, which still reflects the usual uncertainties we face over the course of any given year.

“Despite the challenges and flow on effects of COVID-19, the team have remained committed and disciplined. There has been strong demand for the Co-op’s New Zealand milk and we’ve continued to get product to market.”

Fonterra is expecting its earnings performance to be heavily weighted to the first half of the financial year.

Hurrell says a forecast Farmgate Milk Price range of \$6.90-\$7.50 per kgMS, is great for farmers and the New Zealand economy, but dairy prices increasing through the first half of the year does put pressure on our sales margins and this will be seen through the second half of the year.

“We will continue to focus on what is within our control – that’s staying on strategy and maintaining financial discipline. It’s also about our teams going out every day in our markets around the world, proactively managing challenges in the global supply chain and delivering for our customers, farmer shareholders and unit holders.”

-ENDS-

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