

Oatly: A Strategic Marketing Plan for Sustainable Global Growth

Team Marketing Plan



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Executive Summary

Oatly has established itself as the global pioneer of the plant-based milk, shifting oat-based beverages from a niche dairy substitute into a mainstream lifestyle product. With distribution across more than 20 international markets and partnerships ranging from Starbucks to major grocery retailers, Oatly holds one of the strongest brand positions in the category. The company now stands at a critical moment: it must transition from a mission driven challenger into a profitable, scalable global brand. Future growth will depend on improving operational efficiency, expanding into higher-margin product categories and reinforcing its sustainability leadership as competitive and regulatory pressures intensify.

To sustain momentum, Oatly should accelerate its presence in ready to drink (RTD) and on the go formats. The RTD coffee and functional beverage categories continue to grow rapidly, and Oatly's strong barista credibility provides a competitive advantage. Expanding portable oat lattes, low sugar blends and protein-forward beverages would diversify revenue and strengthen visibility in convenience channels.

Oatly should also optimize its cost structure by localizing sourcing and manufacturing. Regionalizing oat procurement and expanding micro-manufacturing hubs would reduce transportation costs, improve gross margins and align with Oatly's environmental commitments. Increased automation and streamlined supply chains will further support long-term profitability.

Finally, Oatly has an opportunity to broaden its brand positioning. Evolving from its distinctive activist tone toward a more inclusive "Oatly for All" identity would help the company appeal to mainstream consumers while maintaining authenticity. Through co-branding partnerships,

transparent nutrition messaging, and extensions into adjacent plant-based categories such as yogurts, frozen desserts, and culinary creams, Oatly can expand household penetration and compete more directly with dairy.

Oatly ended FY2024 with approximately \$823.6 million in revenue and modest year-over-year growth, supported by operational gains (Oatly Group AB, 2025a)¹. By 2026, the company aims to surpass \$1 billion in revenue, achieve positive operating EBITDA, and reach gross margins above 30 percent (Oatly Group AB, 2025b)². Growth in RTD beverages, regional cost reductions, and foodservice expansion will be central to meeting these goals .

Overall, Oatly is evolving from an oat-milk manufacturer into a global food-tech brand. With strategic expansion, operational discipline, and a broader consumer message, Oatly is well-positioned to convert early cultural momentum into sustainable long-term leadership.

Description of the Topic

Oatly is a Swedish plant-based brand known for redefining the dairy-alternative space with its signature oat milk and values-driven personality. Since entering the U.S. market in 2016, Oatly has become one of the most recognizable names in plant-based beverages, positioning itself around sustainability, transparency and culture-forward branding. Today the company operates in

¹ Oatly Group AB. (2025a, February 12). *Oatly reports fourth quarter and full year 2024 financial results [Press release]*. Globe Newswire.

<https://www.globenewswire.com/news-release/2025/02/12/3024904/0/en/Oatly-Reports-Fourth-Quarter-and-Full-Year-2024-Financial-Results.html>

² Oatly Group AB. (2025b). *Annual report and consolidated financial statements for the year ended December 31, 2024*. <https://investors.oatly.com/static-files/bcb2cd9e-6710-406e-8ff1-191a9f7223bb>

more than 20 markets and has developed partnerships with Starbucks, Target and major grocery retailers (Oatly AB, 2023)³.

This marketing plan explores how Oatly can evolve from a mission-driven brand to a more profitable, scalable global leader. The focus is on the U.S market where Oatly can strengthen its competitive advantage by expanding into the ready to drink (RTD) and functional beverage segments, optimizing its regional supply chain, and repositioning its brand for broader inclusion. The central objective is to drive profitable growth while maintaining brand authenticity and environmental leadership through 2026.

Industry/Market (Context) Analysis

Industry Overview

The global plant-based dairy market is valued at approximately \$22 billion in 2025 and is expected to exceed \$35 billion by 2030, growing at a compound annual growth of 8-10% (Grand View Research, 2024)⁴. The United States represented nearly $\frac{1}{3}$ of this total, with oat milk emerging as the fattest-growing segment due to its creamy texture, environmental benefits, and versatility in cafés and households (Euromonitor, 2024)⁵. Plant-based milk now represents roughly 15% of total milk sales in the U.S. with continued growth driven by health consciousness, lactose intolerance, and ethical consumption trends (Statista, 2024)⁶.

³ Oatly Group AB. (2023). *Oatly annual report 2023*. <https://investors.oatly.com>

⁴ Grand View Research. (2024). *Plant-based milk market size, share & trends analysis report*. <https://www.grandviewresearch.com>

⁵ Euromonitor International. (2024). *Plant-based dairy alternatives in the United States*. Euromonitor International.

⁶ Statista. (2024). *U.S. plant-based milk market – sales, share, and trends 2018–2025*. <https://www.statista.com>

Key Drivers of Growth

- **Health and Functionality:** Consumers increasingly seek plant-based options that deliver protein, vitamins and nutritional value comparable to dairy milk (Mintel, 2024)⁷
- **Environmental Awareness:** Oat milk production generates roughly 80% fewer greenhouse gas emissions and uses 60-70% less water than cow's milk (Poore & Nemecek, 2018)⁸
- **Cafe Culture and RTD Growth:** The popularity of oat-based coffee drinks has fueled consumer trial, while convenience formats such as on-the-go lattes and protein shakes have expanded category visibility
- **Mainstream Adoption:** Once seen as niche, plant-based beverages now attract flexitarian consumers seeking variety rather than veganism

Market Challenges

1. Increased price competition from private-label oat milks

Major retailers including Target's Good & Gather, Walmart's Great Value and Costco's Kirkland Signature have rapidly expanded their oat-milk assortments, often pricing their products 20-40% below branded alternatives. These private labels are no longer perceived as "lower quality", many now offer comparable creaminess and nutritional profiles, increasing their credibility among everyday shoppers.

⁷ Mintel Group Ltd. (2024). *Non-dairy milk and plant-based beverages – U.S. – Industry report*.

⁸ Poore, J., & Nemecek, T. (2018). Reducing food's environmental impacts through producers and consumers. *Science*, 360(6392), 987–992. <https://doi.org/10.1126/science.aaq0216>

For Oatly, which built its brand on premium positioning and a differentiated taste profile, the challenge is no longer simply awareness, it is defending its premium pricing. Consumers who originally traded up for sustainability or café grade texture are now evaluating whether the added cost feels justified. This puts pressure on Oatly to elevate product innovation, functional benefits and its sustainability reporting to maintain preference over cheaper substitutes.

2. Rising input and logistics costs that pressure margins

Oatly's vertically integrated model which is essential to maintaining product quality also exposes the company to global input fluctuations. Raw oat prices have experienced volatility tied to climate-impacted harvests in Western Canada and Northern Europe, while packaging costs have risen due to higher demand for recyclable materials.

Transportation and energy costs have also increased, particularly in Oatly's European and trans-Atlantic logistics networks. Because Oatly prioritizes low-emission transportation models and environmentally responsible packaging, the company often faces higher baseline costs than competitors who rely on conventional materials or less sustainable freight.

To protect margins without compromising brand purpose, Oatly must continue shifting toward regional manufacturing hubs, localized sourcing agreements and automation reducing freight emissions while improving cost efficiency.

3. Consumers skepticism toward “greenwashing” and over-marketed sustainability claims

The broader plant-based category faces rising scrutiny as consumers become more knowledgeable about carbon accounting, water use and agricultural practices. As a highly visible sustainability brand, Oatly is held to a higher standard than many competitors. Any inconsistency such as packaging limitations, energy use disclosures or complexity within global supply chains risks public criticism.

Unlike early years when broad sustainability messaging was enough, today's consumer expects verifiable environmental impact not slogans. This means Oatly must continue to strengthen its carbon footprint reporting, expand third-party audits and communicate trade-offs openly. Transparent messaging is essential to maintaining credibility among environmentally engaged consumers.

4. Regulatory scrutiny around labeling of “milk” in plant-based categories

Oatly operates in an environment where regulatory language around dairy alternatives is actively evolving. The U.S. FDA has issued draft guidance that allows plant-based beverages to use the term “milk” but future legislation including the proposed Dairy Pride Act could impose new labeling restrictions.

For Oatly, regulatory changes could require: updated packaging and product descriptors, modifying nutrition comparison statements, adjusting marketing language that references dairy equivalents. Early compliance and dialogue with policymakers will be essential to ensure that packaging remains clear, legally aligned and consumer-friendly.

Technological Changes

The plant-based beverage industry is being reshaped by continuous innovation in ingredients, processing, and product formulation. Companies are moving beyond soy and almond bases toward oats, peas, and other alternative grains to improve taste, texture, and nutritional quality. Precision fermentation and hybrid protein technologies are also emerging to enhance the sensory experience and nutritional equivalence to dairy.

Advancements in production technology such as high-shear oat milling, aseptic packaging, and regionalized supply chain automation are allowing brands to scale more efficiently while reducing waste and environmental impact. Artificial intelligence and data analytics are increasingly used in supply chain optimization and recipe formulation to improve consistency and minimize resource use.

For Oatly, these innovations provide a foundation to improve taste, lower production costs, and expand into ready-to-drink and functional beverage formats. The ability to integrate new ingredient technologies and sustainable packaging methods will be central to maintaining competitiveness and profitability in the U.S. market.

Legal and Regulatory Issues

Regulatory oversight of plant-based beverages continues to evolve as demand grows. In the United States, the Food and Drug Administration issued draft guidance in 2023 allowing plant-based milks to use the word “milk” as long as the source is clearly identified, such as “oat milk.” The guidance also encourages companies to include voluntary nutrient statements if their

products differ nutritionally from dairy milk. The Dairy Pride Act, which remains under discussion in Congress, could restrict the use of traditional dairy terms for non-dairy alternatives, potentially creating new labeling challenges.

Plant-based products are also subject to scrutiny over nutrition and health claims, especially as brands fortify products with added vitamins, minerals, and proteins. Regulations concerning sustainability and environmental claims are tightening, requiring transparency in carbon footprint reporting, packaging recyclability, and ethical sourcing.

For Oatly, compliance with labeling laws, health claim standards, and sustainability reporting will be essential to protect brand integrity and avoid legal risks. Its emphasis on transparency and environmental responsibility positions it well to navigate these evolving regulatory dynamics.

Competitive Analysis

Major Player	Oatly 	Danone 	Califia Farms 	Chobani Oat 
Market Share	% of U.S. plant-based milk market (oat segment leader)	Largest overall plant-based milk share (almond, soy, oat) (Grand	Mid-size player in specialty nut & oat milk	Fast-growing in oat-milk but dairy-origin brand

	(Grand View Research, 2024) ⁹ Category leader within oat milk, not total plant-based Over-indexes in foodservice and cafés, driving brand pull Share is premium and value-weighted, not volume-driven	View Research, 2024) ⁹ Leads through portfolio breadth, not oat dominance Strong retailer leverage and shelf control Share is volume-driven with lower margins	Concentrated in premium and specialty retail Strong in barista and cold brew niches	Rapid gains via existing dairy distribution Oat milk is adjacent growth, not core identity Share is access-led and price-sensitive
Revenue	~\$760M in FY2024 revenue (global) Revenue is concentrated in	Part of Danone North America (>\$2B plant-based revenue)	\$125M est. revenue Revenue reflects premium niche	~\$2B total Chobani revenue (oat sub-segment growing)

	<p><i>oat-based products, creating focus but limiting diversification. Higher revenue per unit due to premium pricing and foodservice mix. Growth constrained more by cost structure than demand.</i></p>	<p><i>Plant-based revenue is absorbed within a diversified portfolio, reducing risk. Scale enables cross-subsidization on across categories.</i></p>	<p><i>positioning, not mass penetration. Strong performance in RTD and cold brew subsegments.</i></p>	<p><i>Oat milk contributes a small but fast-growing share of total revenue. Core revenue remains dairy-led, providing financial stability.</i></p>
Profit/Loss	<p><i>Operating losses improving (moving toward EBITDA-positive)</i></p>	<p><i>Profitable due to scale</i></p>	<p><i>Limited profitability due to innovation spend</i></p>	<p><i>Profitable overall; oat line lower margin</i></p>

Description	<p><i>Sustainability-driven oat milk pioneer; cult branding</i></p> <p><i>Purpose-led challenger with cultural relevance</i></p> <p><i>Café-first credibility shapes consumer perception</i></p>	<p><i>Mass affordable plant-based brand (Statista, 2024)¹¹</i></p> <p><i>Household staple positioning over brand personality</i></p> <p><i>Trust built through longevity, not storytelling</i></p>	<p><i>Premium design-forward nut & oat beverages</i></p> <p><i>Purpose-led challenger with cultural relevance</i></p> <p><i>Café-first credibility shapes consumer perception</i></p>	<p><i>Dairy giant expanding into oat for flexitarians</i></p> <p><i>Lifestyle-driven, design-centric premium appeal Targets</i></p> <p><i>health-focused, urban consumers</i></p>
Core Competencies	<p><i>Sustainability, proprietary enzyme tech, barista partnerships</i></p> <p><i>Differentiated processing</i></p>	<p><i>Scale, affordability, broad distribution</i></p> <p><i>Supply chain efficiency and retailer</i></p>	<p><i>Product innovation + premium branding</i></p> <p><i>Supply chain efficiency and retailer</i></p>	<p><i>Distribution, dairy brand trust, grocery penetration</i></p> <p><i>Rapid innovation and flavor experimentation</i></p>

	<i>enables superior foamability Sustainability embedded into product design</i>	<i>bargaining power Portfolio diversification reduces category risk</i>	<i>bargaining power Portfolio diversification reduces category risk</i>	<i>Strong brand-product aesthetic alignment</i>
Strengths	<i>Strong brand identity, premium café partnerships, sustainability credibility</i>	<i>Scale, variety (almond, soy, oat), low prices</i> <i>Strong emotional loyalty & brand recall</i> <i>Clear category ownership in oat milk</i>	<i>Aesthetic branding, taste, niche following</i> <i>Best-in-class sensory perception</i>	<i>Powerful distribution, high awareness</i> <i>Best-in-class sensory perception</i> <i>Premium shelf presence</i>
Weaknesses	<i>High price, supply chain issues, slower margin improvements</i>	<i>Seen as generic, less emotional branding</i> <i>Limited innovation</i>	<i>High price point, smaller retail footprint</i> <i>Limited innovation</i>	<i>Perceived as less authentic in vegan space</i> <i>Dairy-first identity</i>

	<i>Mass reach and trial generation</i>	<i>leadership in oat segment</i>	<i>leadership in oat segment</i>	<i>Weaker vegan credibility</i>
	<i>Trust transfers easily from dairy</i>	<i>Brand perceived as interchangeable</i>	<i>Brand perceived as interchangeable</i>	<i>Lower operational leverage</i>
Competitive Strategy	<i>Premium sustainability, RTD coffee expansion, micro-manufacturing</i>	<i>Mass accessibility, constant SKU expansion</i>	<i>Premium innovation, barista/RTD niche products</i>	<i>Leverages existing yogurt/lunchbox positioning</i>

Information on chart and summaries comes from the following sources: (Grand View Research,

2024)⁹ (Euromonitor International, 2024)¹⁰ (Statista, 2024)¹¹

- **Summary of Oatly:** Oatly is the global pioneer of oat-based dairy alternatives, known for its sustainability mission, bold branding, and strong café partnerships (especially the Barista Edition used in coffee shops like Starbucks). It leads the oat milk segment globally and is shifting from niche activism branding to scalable, mainstream profitability. Oatly is expanding into RTD beverages, creamers, yogurts, and frozen

⁹ Grand View Research. (2024). *Plant-based milk market size, share & trends analysis report.*

<https://www.grandviewresearch.com>

¹⁰ Euromonitor International. (2024). *Plant-based dairy alternatives in the United States.* Euromonitor International.

¹¹ Statista. (2024). *U.S. plant-based milk market – sales, share, and trends 2018–2025.* <https://www.statista.com>

desserts while optimizing regional production to lower costs and improve margins (Euromonitor, 2024)⁵⁵.

From an operational and financial perspective, Oatly's competitive advantage increasingly depends on its ability to convert brand equity into margin discipline. Unlike many competitors, Oatly has invested heavily in vertically integrated production and proprietary processing techniques, which gives it greater long-term control over taste consistency and sustainability outcomes but also exposes it to higher fixed costs. This makes execution quality critical: underutilized plants and long-distance logistics can quickly erode profitability. As Oatly scales RTD beverages and adjacent categories, its success will hinge on improving asset utilization and regional manufacturing efficiency, allowing it to leverage its premium positioning without relying solely on price increases.

- **Summary of Danone North America:** Silk is one of the largest plant-based dairy brands in the U.S., owned by Danone. It offers almond, soy, coconut, oat, and cashew milks at an affordable price point and has strong grocery distribution (Euromonitor, 2024)⁵⁵. Its core advantages are scale, accessibility, and consumer trust (Statista, 2024)⁵⁶. However, compared to Oatly, Silk lacks emotional branding and is seen as more generic and less sustainability-focused.

Silk's scale provides it with significant bargaining power across retailers, suppliers, and logistics partners, enabling it to absorb cost fluctuations more effectively than smaller competitors. This operational resilience allows Silk to compete aggressively during periods of inflation or promotional intensity, often pressuring premium brands on shelf. However, Silk's broad portfolio can also dilute focus, making it slower to innovate or

respond to emerging subcategories such as functional RTD beverages. As the plant-based category fragments, Silk risks being strong everywhere but distinctive nowhere, especially among younger consumers seeking brands with clearer identity and purpose.

- **Summary of Califia Farms:** Califia Farms is a premium plant-based beverage brand known for its design-forward packaging, almond and oat milks, cold brews, and barista blends. It competes on taste, aesthetics, and innovation but has a smaller distribution footprint and higher pricing (Statista, 2024)⁵⁶. Califia attracts health-conscious millennials but operates at a smaller scale and has less manufacturing efficiency than Silk or Oatly.

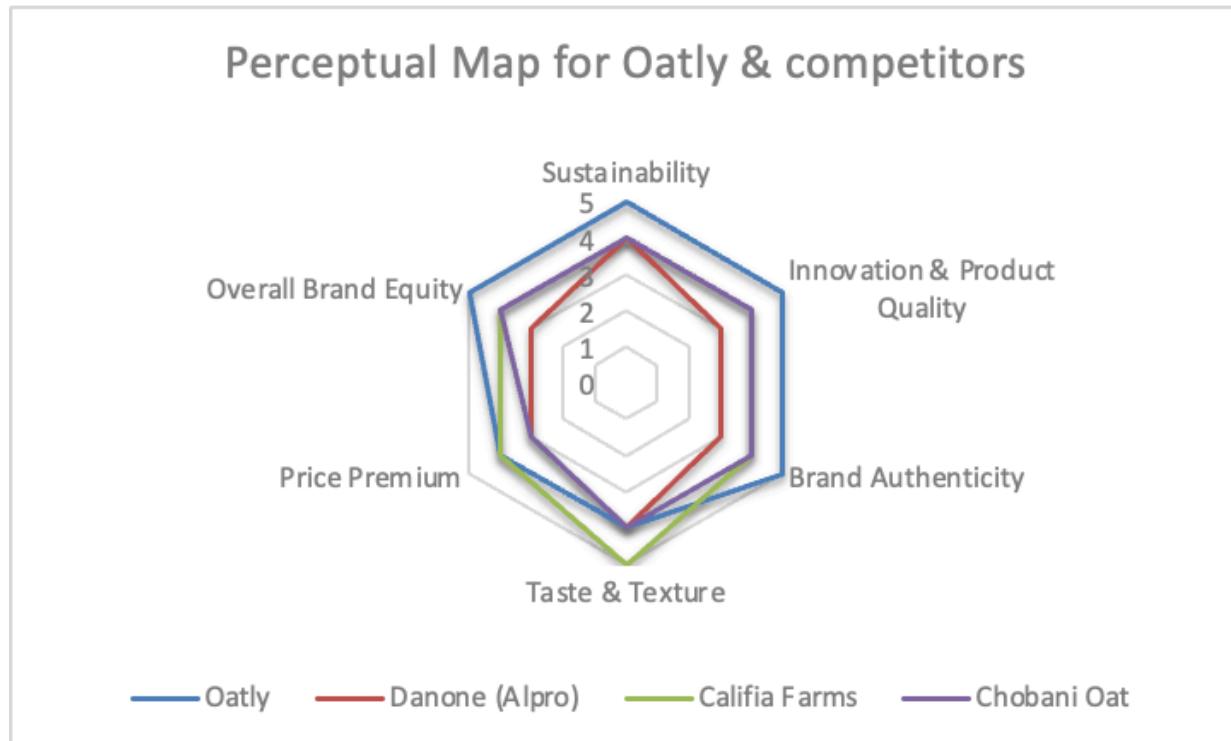
Califia's innovation pipeline and design-led approach enable it to respond quickly to evolving consumer preferences, particularly around wellness, low sugar formulations, and functional ingredients. However, this agility comes at the cost of operational efficiency. Limited manufacturing scale and reliance on external production partners constrain Califia's ability to lower unit costs as volumes grow. This creates a strategic ceiling: Califia performs well as a premium challenger brand but faces margin pressure if it attempts to expand aggressively into mass-market channels without significant operational restructuring.

- **Summary of Chobani Oat:** Chobani, originally a dairy yogurt company, expanded into oat milk and plant-based creamers in response to rising flexitarian demand. Chobani Oat benefits from massive distribution, grocery relationships, and strong brand trust. However, as a dairy-origin company, it lacks authenticity with vegan consumers and is

still building credibility in plant-based sustainability. Its pricing is more mass-market than Oatly or Califia (Grand View Research, 2024)⁵⁴

Chobani's entry into oat milk illustrates how legacy dairy players can leverage distribution and trust to rapidly gain share in plant-based categories. However, Chobani's portfolio breadth across dairy and plant-based products creates internal prioritization tradeoffs, potentially limiting long-term investment intensity in oat-based innovation. While its pricing strategy supports fast adoption, it also compresses margins and reduces room for premium storytelling. Over time, Chobani Oat may face difficulty differentiating beyond value and availability unless it deepens its plant-based narrative and sustainability commitments.

Industry Multi-Dimensional Perceptual Map



The Likert-scale perceptual map provides a quantitative evaluation of leading plant-based oat milk brands across multiple dimensions that influence consumer perception and brand positioning. Using a five-point scale where 1 represents *low/poor performance* and 5 represents *high/excellent performance*, this analysis allows for an objective comparison of Oatly, Danone (Alpro), Califia Farms, and Chobani Oat. Each brand is assessed on key attributes reflecting sustainability, innovation, brand authenticity, taste quality, price positioning, and overall brand equity. This approach highlights the strengths and differentiation of each brand in a competitive market, while also identifying potential opportunities for strategic improvement.

Brand	Sustainability	Innovation & Product Quality	Brand Authenticity	Taste & Texture	Price Premium	Overall Brand Equity
Oatly	5	5	5	4	4	5
Danone (Alpro)	4	3	3	4	3	3
Califia Farms	4	4	4	5	4	4
Chobani Oat	4	4	4	4	3	4

Attribute Descriptions

1. Sustainability Commitment

Measures how strongly the brand demonstrates environmental responsibility through practices

such as sourcing non-GMO oats, using recyclable packaging, reducing carbon emissions, and adhering to ethical and transparent supply chain standards. A higher score indicates stronger sustainability initiatives and consumer perception of environmental leadership.

Oatly (Score: 5)

Oatly leads on sustainability due to its oat-first sourcing model, product-level carbon labeling, and transparent life-cycle assessments that quantify emissions reductions versus dairy. Sustainability is embedded directly into product communication rather than treated as a secondary corporate initiative, reinforcing consumer trust and leadership perception.(Oatly Group AB, 2024; Euromonitor, 2024)¹²

Danone (Alpro/Silk) (Score: 4)

Danone benefits from strong corporate sustainability commitments and scale-driven efficiency, but sustainability is communicated at the portfolio level rather than as a defining feature of individual plant-based products. As a result, consumer perception of sustainability leadership is solid but less differentiated.

Califia Farms (Score: 4)

Califia emphasizes sustainability through clean ingredients, recyclable packaging, and water-conscious operations. However, it lacks the same level of quantified environmental impact disclosure as Oatly, which slightly limits its credibility as a sustainability benchmark.

¹² Euromonitor International. (2024). Dairy alternatives: Global industry overview. <https://www.euromonitor.com/dairy-alternatives>

Chobani Oat (Score: 4)

Chobani promotes sustainability initiatives across its business, but its dairy heritage creates ambiguity around its plant-based sustainability narrative. While credible, sustainability is not the primary reason consumers choose Chobani Oat.

Overall, sustainability emerges as a key differentiator rather than a baseline requirement. While all four brands demonstrate credible environmental commitments, Oatly stands out by embedding sustainability directly into product communication, quantified impact disclosures, and brand identity. Competitors such as Danone and Chobani benefit from scale-driven efficiencies, but their sustainability narratives remain more corporate than consumer-facing. Califia occupies a middle ground, signaling sustainability through ingredients and packaging without industry-leading transparency. As a result, Oatly earns the strongest sustainability score due to clarity, credibility, and consumer salience.

2. Innovation & Product Quality

Assesses the brand's ability to develop unique and high-quality products, including texture, taste, nutritional fortification, and new product formats (e.g., ready-to-drink beverages, barista blends). Higher scores reflect a reputation for technological innovation, creative product development, and superior taste experience.

Oatly (Score: 5)

Oatly consistently leads in functional innovation, from barista-optimized formulations to RTD beverages and frozen desserts. Its proprietary enzyme-based oat processing delivers consistent

texture and performance, particularly in coffee applications, setting an industry standard.(Tasting Table, 2024)¹³

Danone (Alpro/Silk) (Score: 3)

Silk prioritizes portfolio breadth and reliability over innovation leadership. While product quality is consistent, innovation tends to be incremental, focused on line extensions rather than category-defining products.

Califia Farms (Score: 4)

Califia is highly innovative in flavor profiles, cold brews, and packaging design. Its product quality is strong, though innovation is constrained by smaller scale and higher production costs compared to larger competitors.

Chobani Oat (Score: 4)

Chobani delivers high product quality through strong formulation capabilities and manufacturing expertise. Innovation is solid but reactive, entering plant-based categories after trends are established rather than shaping them early.

Innovation within the plant-based category is unevenly distributed across brands. Oatly and Califia clearly lead in product development and formulation quality, though for different reasons: Oatly through functional performance and category creation, and Califia through flavor and design-led experimentation. In contrast, Danone and Chobani prioritize operational reliability and portfolio breadth over breakthrough innovation. Consequently, Oatly scores

¹³ FoodNavigator-USA. (2024). Oatly's strategy: Driving plant-based milk growth through taste, creativity, and sustainability. <https://www.foodnavigator-usa.com>

highest due to its ability to consistently translate innovation into scalable, high-performing products rather than isolated line extensions.

3. Brand Authenticity

Evaluates the perceived honesty, transparency, and alignment between the brand's messaging and actions. Brands with higher authenticity scores are trusted by consumers, effectively communicate their mission, and avoid perceptions of greenwashing or over-marketing.

Oatly (Score: 5)

Oatly's brand authenticity stems from its origin as a plant-based challenger brand built around environmental activism, transparency, and cultural relevance. Consumers perceive Oatly as purpose-led rather than profit-driven, strengthening emotional loyalty.

Danone (Alpro/Silk) (Score: 3)

Silk's corporate ownership and mass-market positioning dilute emotional resonance. While trusted, the brand lacks a clear cultural or ideological identity that resonates strongly with values-driven consumers.

Califia Farms (Score: 4)

Califia's authenticity is rooted in lifestyle and wellness rather than activism. Its design-led branding feels intentional and genuine, though more aspirational than mission-driven.

Chobani Oat (Score: 4)

Chobani benefits from strong trust built in dairy categories, which transfers partially to oat

products. However, authenticity is functional rather than ideological, limiting deeper emotional connection in plant-based spaces.(Chobani, 2024)¹⁴

Brand authenticity strongly favors companies that originated with a plant-based mission rather than those that entered the category opportunistically. Oatly benefits from a coherent origin story, activist roots, and long-standing commitment to plant-based living, which reinforces trust and emotional connection. Califia achieves authenticity through lifestyle alignment, though with less ideological depth. Danone and Chobani, despite credibility and trust, face structural limitations due to corporate ownership and dairy heritage. This makes Oatly the most authentic brand in the competitive set.

4. Taste & Texture

Captures the sensory experience of the product, including creaminess, flavor profile, and versatility across usage contexts such as coffee, cereal, or smoothies. Higher ratings indicate superior palatability and alignment with consumer expectations for plant-based milk alternatives.

Oatly (Score: 4)

Oatly is widely praised for creaminess and balance, especially in coffee. While not always rated as the sweetest or richest, its functional performance makes it a preferred option for cafés and baristas.(FoodNavigator-USA, 2024)¹⁵

Danone (Alpro/Silk) (Score: 4)

Silk delivers reliable taste and smooth texture suitable for everyday consumption. However, it

¹⁴ Dairy Foods. (2024). Chobani tops \$100M in refrigerated oat milk sales. <https://www.dairyfoods.com>

¹⁵ Tasting Table. (2024). Oatly vs competitors: Taste and texture comparison. <https://www.tastingtable.com>

lacks distinctive sensory characteristics that would elevate it beyond a solid mainstream option.(Danone, 2024)¹⁶

Califia Farms (Score: 5)

Califia consistently ranks highly in taste tests due to its smooth mouthfeel and indulgent flavor profiles. Its products perform well across multiple use cases, including cereal, coffee, and standalone consumption.

Chobani Oat (Score: 4)

Chobani Oat is perceived as rich and creamy, benefiting from Chobani's formulation expertise. Taste is competitive, though less distinctive than Califia in blind sensory comparisons.

Taste and texture performance varies more by formulation strategy than brand scale. Califia leads on sensory appeal, particularly for standalone consumption, while Oatly excels in functional applications such as coffee and foodservice. Danone and Chobani deliver consistent, mass-appeal taste profiles but lack distinctiveness. This justifies Califia's highest sensory score and Oatly's slightly lower but still strong rating, reflecting its prioritization of performance consistency over indulgence.

5. Price Premium

Reflects the perceived value and positioning of the brand relative to its competitors in terms of price. A higher score indicates a premium market positioning that consumers are willing to pay for due to perceived quality, sustainability, or brand prestige.

¹⁶ Danone. (2024). Plant-based portfolio overview. <https://www.danone.com>

Oatly (Score: 4)

Oatly commands a justified premium based on sustainability credentials, café association, and brand equity. However, higher pricing can limit adoption among cost-sensitive households.

Danone (Alpro/Silk) (Score: 3)

Silk is positioned as affordable and accessible, prioritizing volume over premium margins. This supports scale but constrains brand elevation.(Danone, 2024)¹⁷

Califia Farms (Score: 4)

Califia's premium pricing aligns with its lifestyle positioning and design-forward appeal. Price reinforces exclusivity but limits mass-market penetration.(Statista, 2024)¹⁸

Chobani Oat (Score: 3)

Chobani Oat is priced closer to mainstream dairy alternatives, enabling broad adoption but limiting perceived premium value.(Chobani, 2024)¹⁹

Price positioning reveals a clear tradeoff between accessibility and brand elevation. Oatly and Califia successfully justify premium pricing through sustainability credentials, innovation, and design, while Danone and Chobani emphasize affordability and volume growth. However, premium pricing also introduces adoption risk in price-sensitive segments. Oatly's score reflects a balanced premium strategy that supports brand equity while remaining competitive, though continued cost optimization will be essential to sustain this positioning at scale.

¹⁷ Statista. (2024). U.S. plant-based milk brands by market share. <https://www.statista.com>

¹⁸ Statista. (2024). Premium plant-based beverage brands in the U.S. <https://www.statista.com>

¹⁹ Dairy Foods. (2024). Chobani tops \$100M in refrigerated oat milk sales. <https://www.dairyfoods.com>

6. Overall Brand Equity

Represents the overall strength, recognition, and loyalty associated with the brand in the plant-based beverage market. Higher scores indicate strong market presence, consumer trust, and competitive advantage.

Oatly (Score: 5)

Oatly possesses the strongest brand equity in oat milk globally, combining sustainability leadership, café credibility, and cultural relevance.(Oatly Group AB, 2024; Euromonitor, 2024)²⁰

Danone (Alpro/Silk) (Score: 3)

Silk's equity is driven by availability and familiarity rather than emotional differentiation, resulting in moderate but stable brand strength.(Danone, 2024)²¹

Califia Farms (Score: 4)

Califia has strong niche equity among health-conscious and design-oriented consumers, though limited scale restricts broader brand power.

Chobani Oat (Score: 4)

Chobani's overall brand equity benefits from corporate trust and distribution strength, even as its plant-based identity continues to mature.(Chobani, 2024)²²

²⁰ Euromonitor International. (2024). Dairy alternatives: Global industry overview. <https://www.euromonitor.com/dairy-alternatives>

²¹ Danone. (2024). Plant-based portfolio overview. <https://www.danone.com>

²² Dairy Foods. (2024). Chobani tops \$100M in refrigerated oat milk sales. <https://www.dairyfoods.com>

Brand equity is strongest where emotional connection, differentiation, and credibility intersect.

Oatly clearly leads by combining sustainability leadership, café credibility, and cultural relevance into a globally recognizable identity. Califia achieves strong niche equity, while Chobani benefits from legacy trust and distribution power. Danone's equity is broad but less emotionally differentiated. As a result, Oatly holds the most resilient and defensible brand equity within the oat milk category.

Value Chain (Collaborators) Analysis

Oatly operates within a complex global value chain that integrates sustainable sourcing, advanced manufacturing, strategic partnerships, and consumer-facing collaboration. Each participant plays a critical role in ensuring that the company's brand values sustainability, transparency, and quality are reflected at every stage of production and distribution. The value chain also extends beyond internal partners to include external influencers such as regulators, advocacy groups, and media, all of which shape consumer perceptions and trust.



Oatly Value Chain Analysis 1

Supplies & Raw Material Partners

Oatly sources non-GMO oats primarily from Northern Europe, Canada and the Midwest in the U.S. The company has heavily invested in regional production facilities in New Jersey and Utah to reduce logistics costs and carbon emissions (Oatly Group AB, 2024)²³. Localized sourcing also supports faster innovation cycles for the U.S. specific products like creamers and RTD beverages. The company partners closely with agricultural cooperatives and local farmers who follow sustainable and traceable farming practices that align with Oatly's environmental commitments. These supplier relationships not only guarantee ingredient consistency but also strengthen Oatly's brand position as a sustainability-driven company.

Impact:

- Provide the foundation of Oatly's value chain by ensuring reliable access to high-quality, non-GMO oats.
- Sustainable farming and local sourcing reduce environmental footprint and strengthen brand credibility.
- Secure ingredient consistency supports production stability and long-term cost efficiency

Manufacturing and Production Facilities

Oatly operates advanced manufacturing hubs in New Jersey and Utah, which serve as strategic anchors for its U.S. supply chain. These localized facilities reduce transportation costs and emissions while improving responsiveness to regional market trends and innovation demands.

²³ Oatly Group AB. (2024). Q2 2024 investor presentation. <https://investors.oatly.com>

The plants integrate automation and waste reduction technologies that ensure product uniformity, enhance efficiency, and support Oatly's goal of lowering its environmental footprint.

Impact:

- Adds value by transforming raw oats into differentiated, nutrient-rich products using proprietary technology.
- Localized production hubs in New Jersey and Utah minimize transportation emissions and logistical delays.
- Automation and waste reduction systems improve efficiency, consistency, and scalability across markets.

Technology and Logistics Partners

Automation and logistics systems ensure consistency and freshness across geographies.

Cold-chain technology and inventory management tools help maintain product freshness while minimizing waste throughout the supply chain. As the company continues to expand, Oatly is investing in micro-manufacturing hubs that adapt to regional consumer preferences, shorten delivery times, and further reduce its carbon footprint.

Impact:

- Optimize operations through automation, cold-chain logistics, and data-based inventory management.
- Reduce waste, energy use, and delivery time improving both sustainability and cost efficiency.

- Support expansion via micro-manufacturing hubs that adapt to regional market needs and preferences.

Collaborators & Marketing Partners

Oatly's creative and sustainability-focused collaborators play a central role in building its identity as a transparent and mission-driven brand. The company works with advertising agencies, influencers, and nonprofit organizations to deliver campaigns rooted in humor, activism, and environmental consciousness. These collaborations enhance cultural relevance and deepen engagement with younger, purpose-driven audiences who align with Oatly's values.

Impact:

- Enhance brand equity through creative storytelling, influencer partnerships, and sustainability-driven campaigns.
- Strengthen consumer trust by communicating Oatly's mission with humor, honesty, and activism.
- Expand market influence by connecting with purpose-driven audiences that share Oatly's values.

Distributors & Retailers

Oatly maintains relationships with large retail and foodservice partners including Whole Foods, Target, Walmart, Starbucks & Peet's Coffee (Statistica, 2024). These partnerships help Oatly achieve national scale while reinforcing its premium positioning in cafés and grocery stores.

Retailers act as both customers and brand ambassadors, influencing how consumers perceive Oatly's quality, accessibility, and overall value.

Impact:

- Enable wide market reach through national retail chains and café partnerships, increasing visibility and accessibility.
- Strengthen Oatly's premium brand positioning by aligning with quality-focused outlets like Starbucks and Whole Foods.
- Provide real-time market data and consumer feedback that inform inventory management and innovation decisions.

Consumers (End Users)

Oatly's consumers are central to its value chain because they influence innovation, brand perception, and long-term growth. The company's target audience primarily includes health-conscious and environmentally aware individuals who value transparency and sustainable practices. Oatly actively engages with customers through cafés, digital channels, and feedback systems, using insights to shape new product developments such as barista blends, flavored oat milks, and ready-to-drink beverages.

Impact:

- Influence every stage of the value chain through their preferences for sustainable, transparent, and health-focused products.

- Provide critical feedback that drives product innovation, such as barista blends, flavored oat milks, and ready-to-drink formats.
- Strengthen Oatly's market position through loyalty, word-of-mouth advocacy, and participation in brand-driven sustainability conversations on digital platforms.

Customer Analysis

Customer Needs and Perception

Oatly's customers seek more than just a dairy substitute, they want to be immersed into the values and identity of the brand. Research from Mintel (2024)²⁴ and Euromonitor (2025)²⁵ shows that consumers choose plant-based products for 3 main reasons: Health (digestive, wellness, low cholesterol), sustainability (climate and animal welfare concerns), and lifestyle (alignment with social or ethical identity). In this landscape, Oatly occupies a unique position as a brand that blends functionality with personality, allowing customers to participate in a movement rather than simply purchase a product.

Key Customer Needs

1. Health & Nutrition:

Consumers want plant-based options to deliver more than indulgence; they expect nutritional parity to dairy, including protein, calcium and vitamin fortification. They value low-sugar, clean-label products without additives or artificial flavors. Oatly should continue to evolve

²⁴ Mintel Group Ltd. (2024). *Non-dairy milk and plant-based beverages – U.S. – Industry report*.

²⁵ Euromonitor International. (2024). *Plant-based dairy alternatives in the United States*. Euromonitor International.

formulas toward higher protein, simplified ingredients and “no compromise” nutrition that competes directly with dairy.

2. Sustainability & Transparency:

Oatly’s audience expects credible sustainability commitments. They respond positively to transparency on carbon labeling and sustainability data on packaging (Oatly Group AB, 2024)²⁶

Their other priorities include:

- Clear carbon footprint labeling on every SKU
- Third party verified climate data on emissions, water use, and land impact
- Transparent sourcing and manufacturing disclosures
- Honest communication about trade-offs not just “green” messaging

Oatly should strengthen lifecycle reporting, expand sustainable certification partnerships and make carbon labeling a differentiator across all channels.

3. Taste & Texture

Among oat milk brands, Oatly is consistently rated as having the creamiest texture and most dairy-life taste (Statistica, 2024)²⁷. Taste also remains the most important driver of repeat purchasing, especially among flexitarian and mainstream consumers. Since taste is still Oatly’s strongest asset, maintaining the differentiation supports premium pricing and foodservice dominance.

4. Convenience

²⁶ Oatly Group AB. (2024). Q2 2024 investor presentation. <https://investors.oatly.com>

²⁷ Statista. (2024). U.S. plant-based milk market – sales, share, and trends 2018–2025. <https://www.statista.com>

With the rise of RTD and at-home coffee culture, consumers seek products that are easy to use in daily routines whether used in cereal, blended in smoothies or paired with coffee. Other use cases include:

- Easy to steam or pour into coffee
- Shelf-stable options for meal prep and smoothies
- Single-serve sizes for on the go

Overall, convenience is becoming a loyalty driver and Oatly must lead in format innovation to keep up with category expansion.

Perception Insights

Consumer perception of Oatly is highly favorable, but somewhat polarized: While the brand is admired for authenticity and creativity, its outspoken activism creates both loyalty and occasional pushback.

- **Positive Perceptions:** Innovative, ethical and modern, authentic, humorous, culturally relevant, high product reliability
- **Negative Perceptions (minority):** Overly activist, premium-priced compared to competitors, skepticism over whether the brand lives up fully to its sustainability messaging, competitive alternatives

Despite these mixed perceptions, Oatly maintains one of the highest emotional connection scores in the category, with brand recall surpassing Silk, Califia and Chobani Oat in awareness among Gen x and Millennials (Euromonitor, 2024)²⁸.

Profitability by Touchpoint

²⁸ Euromonitor International. (2024). *Plant-based dairy alternatives in the United States*. Euromonitor International.

Oatly's most profitable touchpoints are currently:

1. Foodservice (Cafés and Chains)- Highest Margin & Most Strategic

- High margins due to bulk B2B supply and visibility that drives trial
- Starbucks & Blue Bottle partnerships have been a leading contributor to brand discovery and growth
- Barista adoption increases household conversion
- Foodservice placement reinforces Oatly as the premium oat milk standard

This channel offers the strongest contribution margin and outsized influence on consumer perception.

2. RTD Beverages- Strong Unit Economics

- Oatly's smaller, portable SKUs command higher margins per unit than standard milk
- Premium per-unit margins
- Expanding into convenience retail and grab and go channels
- High-velocity impulse purchases
- Opportunities for functional add-ons

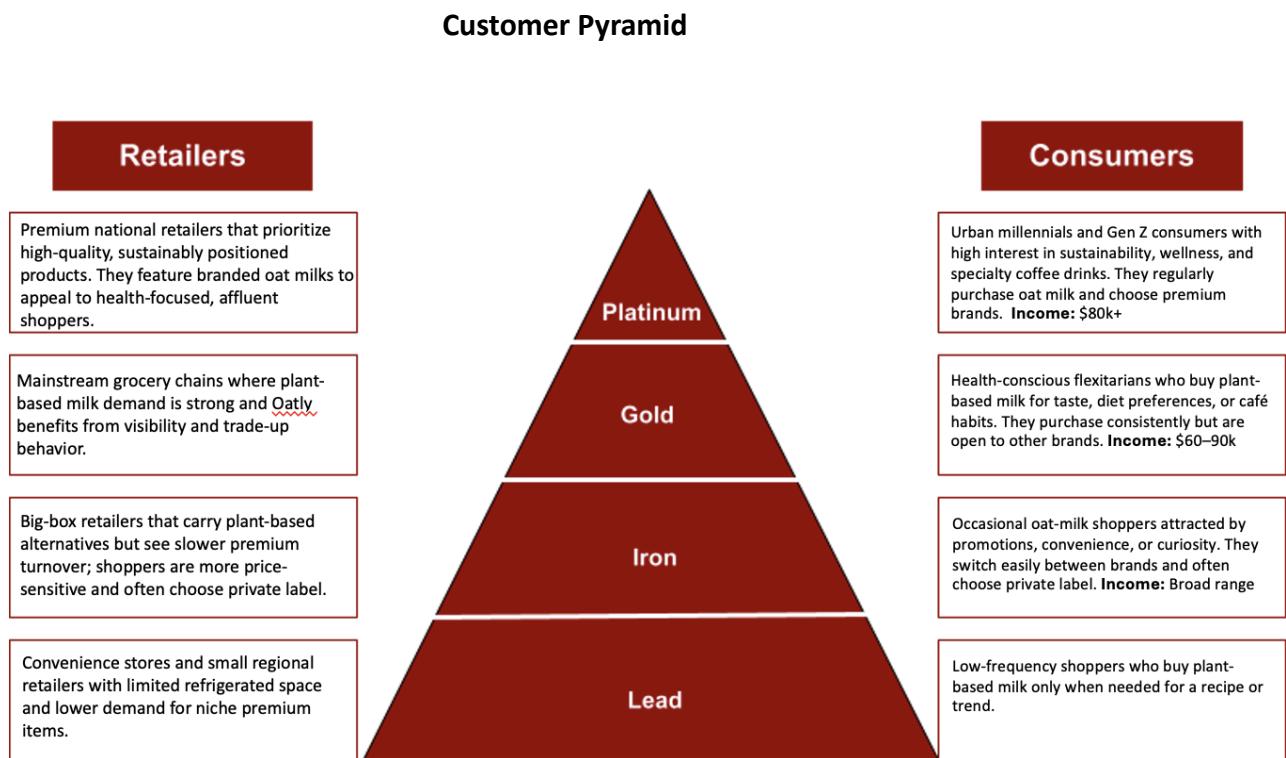
RTD is becoming one of Oatly's most scalable and profitable product lines

3. Premium Retail Channels- High Basket Value & Loyalty Shoppers

- Whole Foods and Target customers spend 15-20% more per basket and exhibit higher repeat purchase rates
 - Shoppers in these stores spend 15-20% more per basket
- Higher overlap with Oatly's core demographic- urban, health conscious
- Stronger repeat purchase rates, especially barista blends
- More brand-friendly merchandising

Premium retail reinforces Oatly's brand identity and attracts high-value shoppers.

As Oatly expands its on-the-go formats and convenience distribution, these premium and foodservice channels will continue to drive profitability and brand equity.



End Consumers

Primary Target Market (Platinum):

Conscious Creative

- Urban, health-conscious Millennials (ages 26–38)
- Prioritize sustainability, clean labels, and design-driven brands
- Daily users (coffee, smoothies, RTD products)

- High emotional loyalty and strong advocacy on social media
- Most profitable consumer segment with the highest repeat purchase and premium product adoption

Secondary Target Market (Gold):

The Balanced Family Optimizer

- Suburban families (ages 32–50) focused on nutrition and convenience
- Purchase Oatly for household use (cereal, cooking, children's drinks)
- Buy through retail chains like Target, Costco, and Kroger
- Value taste, health, and family satisfaction over brand activism
- Large share of total sales volume and fastest-growing consumer base

Retailers

Primary Target Market (Platinum):

Premium & Lifestyle Retailers

- Whole Foods, Erewhon, Sprouts, and boutique grocery chains
- Early adopters who built the oat-milk market alongside Oatly
- Offer high margins and reinforce premium brand positioning
- Co-market sustainability stories and promote in-store education

Secondary Target Market (Gold):

Mass & Multi-Channel Retailers

- Target, Walmart, Costco and Kroger

- High sales volume and brand visibility nationally
- Expanding RTD and multi-pack formats to attract family shoppers
- Lower margin per unit but high turnover and scalability potential

Company Analysis

Oatly's mission is "*to make it easy for people to eat better and live healthier lives without recklessly taxing the planet's resources in the process.*" (One Planet Network, 2022)²⁹

Vision: To lead a global movement that shifts the food system away from dairy and toward sustainable, plant-based alternatives, helping reduce the world's reliance on animal-based products.

The tables below shows, reconcile revenue as reported to revenue on a constant currency basis by segment for the three and twelve months ended December 31, 2024 and 2023.

²⁹One Planet Network. (2022). *Oatly: Case study on communicating food sustainability information to consumers*. United Nations Environment Programme. Retrieved October 20, 2025, from <https://www.oneplanetnetwork.org/knowledge-centre/resources/oatly-case-study-communicating-food-sustainability-information-consumers>

(Unaudited) (in thousands of U.S. dollars)	Three months ended December 31,		\$ Change			% Change			Constant currency price/mix
	2024	2023	As reported	Foreign exchange impact	In constant currency	As reported	In constant currency	Volume	
Europe & International	108,462	105,620	108,462	577	107,885	2.7%	2.1%	4.1%	-2.0%
North America	70,596	65,900	70,596	—	70,596	7.1%	7.1%	5.1%	2.0%
Greater China	35,258	32,601	35,258	118	35,140	8.2%	7.8%	34.7%	-26.9%
Total revenue	214,316	204,121	214,316	695	213,621	5.0%	4.7%	9.9%	-5.2%
(Unaudited) (in thousands of U.S. dollars)	Twelve months ended December 31,		\$ Change			% Change			Constant currency price/mix
	2024	2023	As reported	Foreign exchange impact	In constant currency	As reported	In constant currency	Volume	
Europe & International	434,263	408,410	434,263	4,104	430,159	6.3%	5.3%	4.8%	0.5%
North America	274,455	250,264	274,455	—	274,455	9.7%	9.7%	10.0%	-0.3%
Greater China	114,948	124,674	114,948	(1,865)	116,813	-7.8%	-6.3%	21.2%	-27.5%
Total revenue	823,666	783,348	823,666	2,239	821,427	5.1%	4.8%	8.8%	-4.0%

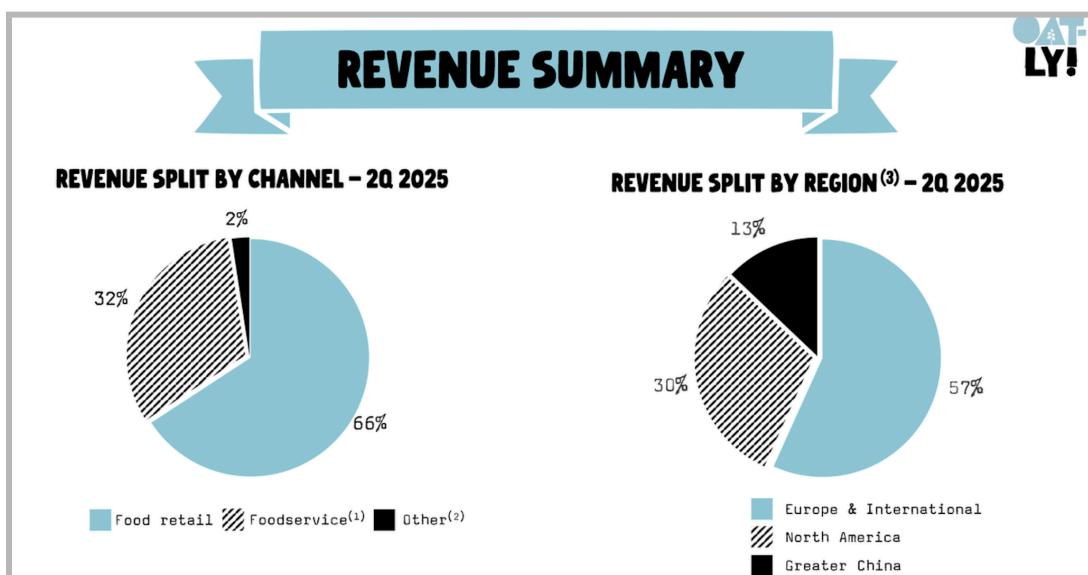
Business Model

Oatly operates under a consumer packaged goods (CPG) model, producing and distributing oat-based products across retail and foodservice channels globally. The company has recently adopted an asset-light strategy, outsourcing portions of its manufacturing to optimize costs and scalability while focusing on brand, innovation, and sustainability. Its business is organized into three key regions: Europe & International, North America, and Greater China.(Oatly Group AB, 2024)³⁰

According to Oatly Group AB's official 2024 Annual Report and Full-Year 2024 Financial Results Press Release, the company demonstrated steady financial improvement throughout 2024. Oatly reported total revenue of USD 823.7 million, representing a 5.1% increase from USD 783.3 million in 2023, driven by higher sales volumes and operational efficiencies across

³⁰(Oatly Group AB, 2024). Annual Report and Consolidated Financial Statements for the financial year 2024. Malmö, Sweden: Oatly Group AB. Available at <https://investors.oatly.com/static-files/bcb2cd9e-6710-406e-8ff1-191a9f7223bb>

key markets. The company also made progress in narrowing losses, with a net loss attributable to shareholders of USD 91.2 million in the fourth quarter of 2024, compared to USD 298.7 million in the same period in 2023. At the parent-company level, the business recorded net revenues of SEK 40.9 million in 2024, up from SEK 17.4 million in 2023, alongside a loss before tax of SEK 1,421.2 million, reflecting ongoing restructuring and cost optimization efforts. These results indicate that Oatly achieved moderate revenue growth, reduced losses, and continued its strategic transition toward profitability (Oatly Group AB, 2025)³¹.



³¹Oatly. (2025, October 20). Investor presentation. Retrieved from <https://investors.oatly.com/static-files/bcb2cd9e-6710-406e-8ff1-191a9f7223bb>

Revenue Summary – Q2 2025

Revenue Split by Channel:

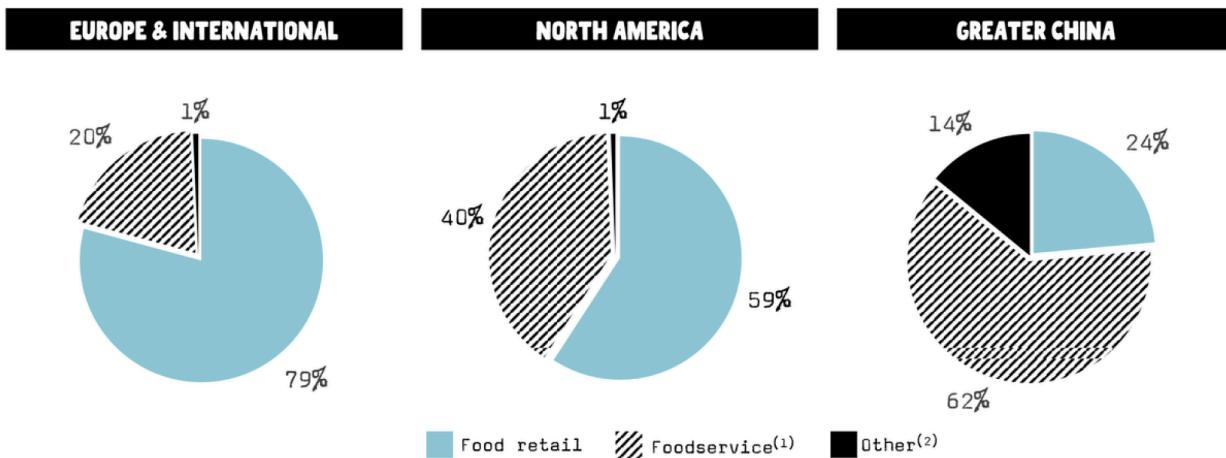
- **Food retail:** 66% - main contributor to overall sales.
- **Foodservice:** 32% - continues to grow, reflecting expansion through cafés and restaurants.
- **Other:** 2% - minimal impact on total revenue.

Revenue Split by Region:

- **Europe & International:** 57% - remains Oatly's strongest market.
- **North America:** 30% - solid share, indicating ongoing market penetration.
- **Greater China:** 13% - smaller share but an important growth area.

Key takeaway

Oatly's sales are primarily driven by food retail channels and European markets, though North America and China are becoming increasingly significant (Oatly Group AB, 2025)³².



³²Oatly Group AB. (2025, October 29). Investor relations. Retrieved October 20, 2025, from <https://investors.oatly.com/>

Revenue by Channel within Regions – Q2 2025	
Europe & International:	
79% food retail ; 20% foodservice; 1% other	→ Retail dominates, showing Oatly's strength in supermarket and grocery presence.
North America:	
59% food retail; 40% foodservice ; 1% other	→ Balanced channel mix, with growing adoption in both retail stores and cafés.
Greater China:	
24% food retail; 62% foodservice; 14% other	→ Foodservice is the main channel, driven by partnerships with cafés and beverage chains.

Key takeaway

Each region shows a distinct sales structure, retail dominates in Europe, food service is strong in China, and North America has a balanced mix between the two.

Primary Positioning Statement, Oatly Barista Edition (Foodservice & Coffee Market)

Among coffee professionals and café consumers, Oatly Barista Edition is the original science-driven oat milk created through a patented Swedish enzymatic process that delivers superior microfoam, stability, and dairy-like texture. Its consistent performance in espresso drinks has made it the preferred plant-based milk across specialty coffee (StockAnalysis, n.d.)³³.

Secondary Positioning Statement, Oatly Retail Line (Consumer Market)

For health- and sustainability-focused Millennials and Gen Z consumers, Oatly is the culturally influential oat-milk brand known for great taste, transparent carbon labeling, and

³³StockAnalysis. (n.d.). *Oatly Group AB (OTLY) revenue 2019–2025*. Retrieved October 20, 2025, from <https://stockanalysis.com/stocks/otly/revenue/>

an authentic, self-aware voice. Its Scandinavian roots, sustainability mission, and versatile product range make it one of the most trusted and relevant plant-based dairy alternatives.

Marketing Mix Chart

Product	<ul style="list-style-type: none"> ● Core offerings: oat-based milk alternatives, including “Original,” “Barista Edition,” oat milks for cooking, and line extensions like yogurt, creamers, ice cream/spreads.³⁴ ● Emphasis on product functionality: e.g., Barista Edition is formulated to froth and behave like dairy in coffee. ● Packaging & branding: minimalist but bold visuals, conversational / quirky copywriting, clear messaging about sustainability. ● Innovation and line expansions: organic versions, different flavor variants, focusing R&D on performance and taste.
Promotion	<ul style="list-style-type: none"> ● Positioned as a premium product compared to both dairy milk and many non-dairy alternatives. Consumers tend to pay more for the perceived benefits (taste, sustainability, performance). ● Less frequent heavy discounting: protecting brand value and margin. There are promotions (e.g. shelf-price reductions, coupons) but not core to how the brand is perceived.³⁵

³⁴ *Oatly Marketing Strategy (2025)*, businessmodelanalyst.com/oatly-marketing-strategy/.

³⁵ “Investor Relations.” *Oatly Group AB*, 29 Oct. 2025, investors.oatly.com/.

	<ul style="list-style-type: none"> • Regional variation: pricing adjusted by market; in some newer or cost-sensitive markets, price promotions or lower price points may be used to gain traction.³⁶
Place-Distribution	<ul style="list-style-type: none"> • Multi-channel strategy: retail (supermarkets, grocery chains, health food stores), foodservice (especially cafés, coffee shops), and increasingly online / e-commerce. • Strong emphasis on foodservice / barista partnerships: getting Barista Edition into cafés not just as a product but as a vehicle for sampling, credibility, word of mouth. • Global reach: operations in Europe, North America, Asia. Local adjustments in distribution depending on market maturity. • Physical presence & visibility: shelf space in store, placement, and use of out-of-home or in-store communication (posters, murals, etc.) to reinforce presence.
Price	<ul style="list-style-type: none"> • Bold, unconventional brand voice: witty, sometimes provocative, sometimes irreverent. Messaging often challenges traditional dairy norms. • Emphasis on sustainability & transparency: environmental claims, carbon footprint, ingredient sourcing, open communication. • Digital marketing / social media: content (recipes, stories), influencer collaborations, user-generated content.

³⁶ MatrixBCG. "Marketing Mix Analysis of Oatly." *Matrixbcg.Com*, matrixbcg.com/products/oatly-marketing-mix.

	<ul style="list-style-type: none"> • Experiential and grassroots: sampling, coffee shop trials, “Hey Barista”-style initiatives, blind taste tests, out-of-home advertising (billboards, murals). • Trade promotions: in retail, promotions, discounts, on-shelf deals, retailer adverts sometimes reduce gross revenue via promotions. • Oatly follows a premium pricing strategy, with retail cartons typically ranging from about 4 to 5 dollars for 32 ounces, positioning the brand above most plant-based competitors and reinforcing its premium identity.
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Balanced Scorecard:

Financial Measures	Customer Perspective
<ul style="list-style-type: none"> • Revenue growth rate (annual percentage increase compared to the plant-based market average) • Gross margin percentage (improvement through operational efficiency and pricing optimization) • Operating income or EBITDA margin (measures cost control and profitability improvement) • Cash flow from operations (reflects liquidity and 	<ul style="list-style-type: none"> • Customer satisfaction or Net Promoter Score (NPS) • Brand awareness or brand recall percentage (measured via consumer surveys) • Market share in the plant-based milk category (relative to competitors like Alpro, Silk, and Califia Farms) • Customer retention rate or repeat purchase rate

<p>financial stability)</p> <ul style="list-style-type: none"> • Return on assets (how efficiently assets are used to generate earnings) • Cost per liter of oat milk produced (efficiency of production operations) 	<ul style="list-style-type: none"> • Average revenue per customer • Digital engagement metrics such as social media reach, engagement rate, and sentiment analysis • Sustainability perception index (measuring consumer trust in Oatly's eco-claims)
<p>Operational Perspective</p> <ul style="list-style-type: none"> • Production efficiency rate (output per unit of input, such as oats-to-milk yield) • Carbon footprint per product unit (kilograms of CO₂ per liter of oat milk) • Supply chain lead time (time from sourcing oats to shelf availability) • Defect or waste rate in production • Innovation pipeline strength (number of new products launched per year) • Sustainable packaging adoption rate • On-time delivery performance 	<p>Innovation & learning perspective</p> <ul style="list-style-type: none"> • Employee engagement or satisfaction score • Training hours per employee per year • Employee turnover rate • Innovation investment as a percentage of total budget • Research and development output (new patents, formulations, or processes) • Diversity and inclusion metrics (especially in leadership and creative teams) • Digital transformation index (adoption of AI, automation, or data tools in operations)

Expanded SWOT Analysis

The following expanded SWOT analysis provides a comprehensive overview of Oatly Group AB's current position within the global plant-based beverage industry. It examines the company's key internal strengths and weaknesses alongside the external opportunities and threats shaping its competitive environment. Drawing on recent financial data and market research, this analysis highlights the factors driving Oatly's growth, brand perception, and operational performance. Understanding these dynamics establishes a clear foundation for the strategic

initiatives that follow, aimed at strengthening Oatly's long term market presence and sustainability goals.

Strengths	Weaknesses
<p>1) Global Outreach</p> <p>Oatly products are distributed in more than 32 countries across Europe, North America, and Asia, giving the company a powerful international footprint that few plant based competitors can match. This wide reach allows Oatly to diversify its revenue base, reach new markets, and mitigate regional risk.</p> <p>2) Strong Market Share</p> <p>According to Mordor Intelligence, Oatly holds about 26.17% of the global oat milk market, the largest share worldwide, demonstrating its category leadership and strong brand leverage.</p> <p>3) Strong Brand Identity and Mission</p> <p>Oatly describes itself as "a sustainability company that sells oat milk," positioning the brand around environmental responsibility</p>	<p>1) Niche Consumer Base</p> <p>Although interest in plant-based beverages is expanding, oat milk remains a fairly small share of the global dairy market. Oatly's consumer base is largely concentrated among environmentally aware and health-focused buyers, limiting mainstream penetration.</p> <p>2) Poor Stock Performance</p> <p>Since Oatly's 2021 NASDAQ debut, share value has declined by more than 94% because of high capital spending and operational inefficiencies. The sustained decline has eroded investor confidence and constrained financing options (Green, 2023)⁴⁰.</p> <p>3) Restructuring of Manufacturing Operations</p>

⁴⁰ Green, J. (2023, April 3). *Oatly stock drops 94 percent after expansion challenges*. Bloomberg Markets. <https://www.bloomberg.com/markets/oatly-stock-decline>

<p>and climate advocacy. The company promotes regenerative agriculture and prints carbon footprints on every package, signalling transparency and long-term commitment (Oatly Group AB, 2025a).³⁷</p>	<p>In 2022 Oatly implemented a “reset plan” that reduced headcount by 25% across Europe, Middle East, and Africa. While designed to cut costs, the restructuring drew negative perceptions of instability and operational strain (Ettinger, 2022)⁴¹</p>
<p>4) Credible Scientific Founder</p> <p>Founder Richkard Öste, a Swedish food scientist who co-invented oat milk at Lund University in the 1990s, provides scientific legitimacy and innovation credibility. His research background continues to influence the company’s R&D culture.</p>	<p>4) Supply Chain Constraints</p> <p>Droughts and export bans caused by the Russia-Ukraine conflict disrupted global oat supplies, resulting in product shortages and higher input costs. These conditions exposed the company’s vulnerability to agricultural volatility.</p>
<p>5) Investment in Research & Development (R&D)</p> <p>Oatly invests heavily in process innovation, flavor optimization, and sustainability improvements. Its proprietary enzyme-based production method has become a defining technological advantage that supports quality</p>	<p>5) Declines Sales in Asia</p> <p>Oatly’s 2023 second quarter report revealed a 15% decline in Asian Revenue due to strong local competition and a slow post COVID recovery, underscoring the need to localization strategies (Mridul, 2023)⁴²</p>

³⁷ Oatly Group AB. (2025a). *Sustainability plan*. <https://www.oatly.com/en-us/oatly-who/sustainability-plan>

⁴¹ Ettinger, J. (2022, December 10). *Oatly announces restructuring plan and workforce reduction*. Food Dive. <https://www.fooddive.com/news/oatly-restructuring-plan-2022>

⁴² Mridul, M. (2023, August 9). *Oatly cuts revenue forecast amid weak Asia performance*. Reuters. <https://www.reuters.com/business/retail-consumer/oatly-asia-revenue-decline>

<p>and environmental efficiency (Oatly Group AB, 2025b)³⁸.</p> <p>6) Commitment to ESG and Climate Leadership</p> <p>Oatly publishes detailed sustainability reports, measures emissions reductions, and promotes climate accountability. These efforts reinforce authenticity and protect the brand and accusations of “greenwashing” common in the sector.</p> <p>7) High Brand Recognition & Trend Appeal</p> <p>Oatly’s playful advertising and minimalist design have made it one of the most recognized names in plant based foods. Its humorous, transparent communication style align will with Gen Z and millennial values of authenticity and ethics (Digital Marketing Institute, 2025)³⁹</p>	<p>6) Financial Dependency of Expansion</p> <p>Despite reporting \$823.7 million in 2024 revenue, Oatly posted a net loss of \$91.2 million and a free cash flow outflow of \$155.6 million, highlighting its ongoing reliance on external financing for growth (GlobeNewswire, 2025a)⁴³</p> <p>7) Limited Production Capacity</p> <p>Oatly has occasionally struggled to meet growing demand because of limited manufacturing capacity and delays in facility expansion. The constraints have caused periodic product shortages in key markets, reducing sales potential and customer satisfaction.</p>
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³⁸ Oatly Group AB. (2025b). *Investor relations*. <https://investors.oatly.com/>

³⁹ Digital Marketing Institute. (2025). *The back-to-basics marketing success of Oatly*. <https://digitalmarketinginstitute.com/blog/the-back-to-basics-marketing-success-of-oatly>

⁴³ GlobeNewswire. (2025a, February 12). *Oatly reports fourth quarter and full year 2024 financial results*. Oatly Group AB.

<https://www.globenewswire.com/news-release/2025/02/12/3024904/0/en/Oatly-Reports-Fourth-Quarter-and-Full-Year-2024-Financial-Results.html>

Opportunities	Threats
<p>1) Product Diversification</p> <p>Oatly can extend its product portfolio into new oat-based categories such as cheese, protein shakes, and flavored milks. Broader offerings would reduce single-category exposure and attract consumers seeking variety and functional nutrition.</p>	<p>1) Intensifying Competition</p> <p>The oat-milk category has become increasingly crowded with entrants such as Chobani, Planet Oat, Blue Diamond, and Califia. Increased competition raises price pressure and could erode Oatly's premium position.</p>
<p>2) Rising Demand for Sustainable Products</p> <p>Environmental awareness continues to influence consumer behavior. More than 50% of global shoppers report willingness to pay extra for verified sustainable goods, a trend that aligns directly with Oatly's mission (Bain & Company, 2023)⁴⁴</p>	<p>2) Greenwashing Accusations and Lawsuits</p> <p>In 2021 Oatly was sued for allegedly overstating environmental benefits. Such Legal challenges risk damaging credibility and prompting close regulatory oversight (Hayes, 2024)⁴⁸</p>
<p>3) Growth of Plant-based Diets</p> <p>The oat-milk market is valued at \$3.22 billion in 2024 and is projected to grow at a 12.5% CAGR through 2032. As an early mover,</p>	<p>3) Advertising Bans & Reputational Risk</p> <p>The UK advertising standards Authority banned Oatly advertisements in 2022 for misleading environmental comparisons,</p>

⁴⁴ Bain & Company. (2023). *Sustainability and consumer willingness to pay more for eco-friendly products*. <https://www.bain.com/insights/sustainability-and-consumer-preferences>

⁴⁸ Hayes, A. (2024). *Greenwashing: What it is and how it works*.

Investopedia. <https://www.investopedia.com/terms/g/greenwashing.asp>

<p>Oatly stands to benefit from increasing adoption of dairy alternatives (Maximize Market Research, 2025)⁴⁵.</p> <p>4) Social Media & Digital Engagement</p> <p>Roughly 661,000 followers on TikTok and 361,000 on Instagram, Oatly's strong social media presence strengthens direct engagement with consumers and enhances brand visibility among digital native audiences.</p> <p>5) Strategic Partnerships & Retail Expansion</p> <p>Partnerships with Carvel, Coffee Bean & Tea Leaf, and Imsonia Cookies have expanded distribution and brand visibility. Continued collaboration with major chains could accelerate international reach.</p> <p>6) Health & Allergy Friendly Alternatives</p> <p>As Oats are not tree nuts, Oatly appeals to the 1-3% of the population allergic to nuts, broadening its addressable market and reinforcing its image as an inclusive, safe</p>	<p>amplifying scrutiny of its marketing practices (BBC News, 2022)⁴⁹.</p> <p>4) Environmental & Weather Risks</p> <p>Extreme droughts in North America during 2022 reduced oat yields, constraining supply and raising costs. Dependence on crop performance makes Oatly highly susceptible to climate variability.</p> <p>5) Public Criticism of Ingredients</p> <p>Online discussions questioning Oatly's additives and nutritional value compared with dairy products have challenged its "healthy alternative" image. Transparency and reformulation efforts will be necessary to maintain trust</p> <p>6) Economic Instability & Cost Pressure</p> <p>Global inflation and rising input prices threaten profit margins and may reduce consumer willingness to pay premium prices. Despite revenue growth, profitability</p>
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⁴⁵ Maximize Market Research. (2025). *Oat milk market report 2024–2032*. <https://www.maximizemarketresearch.com/market-report/oat-milk-market/188059>

⁴⁹ BBC News. (2022, January 15). *Oatly advert banned over misleading environmental claims*. <https://www.bbc.com/news/business-59998446>

<p>plant-based option (American College of Allergy, Asthma, and Immunology, 2023)⁴⁶.</p> <p>7) Strategic co-branding & Retail Partnerships</p> <p>Collaborations with large coffee chains, grocery retailers, and quick-service restaurants can help Oatly expand visibility and normalize plant-based beverages for mainstream consumers. Successful examples from other plant based brands suggest strong potential for similar growth (Euromonitor International, 2024)⁴⁷</p>	<p>remained limited through 2024 (GlobeNewswire, 2025b)⁵⁰.</p> <p>7) Currency Volatility & Economic Instability</p> <p>Oatly operates globally, fluctuations in exchange rates and inflation can reduce profit margins. Management noted currency headwinds that partially offset recent revenue gains, highlighting the brand's exposure to global economic shifts.</p>
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Building upon the findings from the expanded SWOT analysis, the following section presents strategies designed to capitalize on Oatly's strengths and market opportunities while addressing its weakness and mitigating external threats. Each recommendation is supported by current industry insights and aligns with Oatly's mission of combining profitability with environmental responsibility. Together, these strategies form a roadmap for enhancing operational efficiency,

⁴⁶ American College of Allergy, Asthma, and Immunology. (2023). *Tree nut allergy overview*. <https://acaai.org/allergies/allergic-conditions/food/tree-nut-allergy>

⁴⁷ Euromonitor International. (2024). *Global non-dairy beverage partnerships: Market outlook 2024–2029*. <https://www.euromonitor.com>

⁵⁰ GlobeNewswire. (2025b, April 30). *Oatly reports first quarter 2025 financial results*. Oatly Group AB. <https://www.globenewswire.com/news-release/2025/04/30/3071142/0/en/Oatly-Reports-First-Quarter-2025-Financial-Results.html>

reinforcing brand leadership, and positioning Oatly for sustainability global growth in an increasingly competitive market.

Strategies To Maximize Strengths and Opportunities

- **Leverage Brand & Sustainability Leadership to Expand Premium Channels**

Oat can use its pioneering reputation and strong focus on sustainability to reinforce its positions within premium retail and foodservice markets. The company's identity as the original oat milk innovator gives it a level of authenticity that competitors cannot readily replicate. By emphasizing its goal to reduce its climate footprint by 40 percent per liter by 2030, Oatly can appeal to consumers who prioritize environmental responsibility (Oatly Group AB, 2025a)⁵¹. Partnerships with coffee chains and restaurants allow Oatly to showcase its Barista Edition and turn each placement into a direct marketing opportunity. Consistent sustainability storytelling through packaging, advertising, and digital media will further build consumer trust and maintain the brand's modern and ethical image (Digital Marketing Institute, 2025)⁵².

- **Expand Product Portfolio & Diversification**

Oatly should reduce dependence on oat milk by broadening its product portfolio. Through its proprietary enzymes technology and R&D capabilities developed at Lund University, the company can launch oat-based yogurts, ice creams, creamers, and functional beverages (One Planet Network, 2025)⁵³. These new products will expand

⁵¹ Oatly Group AB. (2025a). *Sustainability plan*. <https://www.oatly.com/en-us/oatly-who/sustainability-plan>

⁵² Digital Marketing Institute. (2025). *The back-to-basics marketing success of Oatly*. <https://digitalmarketinginstitute.com/blog/the-back-to-basics-marketing-success-of-oatly>

⁵³ One Planet Network. (2025). *Oatly case study on communicating food sustainability information to consumers*. <https://www.oneplanetnetwork.org/knowledge-centre/resources/oatly-case-study-communicating-food-sustainability-information-consumers>

shelf presence and branch reach, allowing Oatly to become a full lifestyle brand rather than a single product company. As consumers increasingly seek nutritious and sustainable alternatives to dairy, diversification will provide stability in revenue growth and protection against saturation of its core category (Business Model Analyst, 2025)⁵⁴

- **Optimize Supply Chain & Operations Efficiency for Margin Improvement**

Oatly's gross margin increase from 23.4% - 28.8% in 2023 indicates progress in operational restructuring and cost control (GlobeNewswire, 2025a). To maintain this trajectory, Oatly should continue refining its manufacturing network, reducing waste, and improving logistics efficiency. The closure of underperforming facilities and adoption of an assetlight model demonstrates the company's prioritization of efficiency (Oatly Group AB, 2025b)⁵⁵. Aligning sustainability goals with supply chain initiatives, such as regenerative oat sourcing and renewable energy adoption, can lower long-term costs while reinforcing brand credibility (Oatly Group AB, 2025a)⁵⁶. The actions will allow Oatly to reinvest in marketing, research, and international expansion while moving toward sustained profitability.

- **Accelerate Global and Channel Expansion into High Growth Markets**

Oatly should continue to build on its 2024 success, where sales volumes rose nearly 10% year over year (GlobeNewswire, 2025a)⁵⁷, by expanding into rapidly growing regions.

⁵⁴ Business Model Analyst. (2025). *Oatly marketing strategy*.

<https://businessmodelanalyst.com/oatly-marketing-strategy>

⁵⁵ Oatly Group AB. (2025b). *Investor relations*. <https://investors.oatly.com/>

⁵⁶ Oatly Group AB. (2025a). *Sustainability plan*. <https://www.oatly.com/en-us/oatly-who/sustainability-plan>

⁵⁷ GlobeNewswire. (2025a, February 12). *Oatly reports fourth quarter and full year 2024 financial results*. Oatly Group AB.

<https://www.globenewswire.com/news-release/2025/02/12/3024904/0/en/Oatly-Reports-Fourth-Quarter-and-Full-Year-2024-Financial-Results.html>

Markets in Asia-Pacific and Latin America have strong potential younger consumers who are shifting toward dairy-free and environmentally conscious lifestyles (Maximize Market Research, 2025)⁵⁸. At the same time, Oatly can deepen its North American and European distribution through increased retail penetration and stronger cafe partnerships, The company's existing success in foodservice channels provides an efficient way to reach consumers who value taste and quality. By tailoring its approach to regional preferences while maintaining a unified global identity, Oatly can capture long-term international growth (Oatly Group AB, 2025b)⁵⁹.

Strategies To Mitigate The Weakness and Threats

- **Strengthen Profitability & Cost Discipline**

Although Oatly achieved strong revenue growth in 2024, its continued net losses highlight the need for improved financial discipline. The company should focus on reducing expenses, optimizing facility utilization, and aligning spending with measurable returns. Achieving its 2025 target of a positive adjusted EBITDA between \$5 million - \$15 million will require tighter cost control and operational accountability (GlobeNewswirer, 2025b)⁶⁰. While maintaining its premium brand perception, Oatly can introduce smaller or more affordable package options in price sensitive markets to

⁵⁸ Maximize Market Research. (2025). *Oat milk market report 2024–2032.* <https://www.maximizemarketresearch.com/market-report/oat-milk-market/188059>

⁵⁹ Oatly Group AB. (2025b). *Investor relations.* <https://investors.oatly.com/>

⁶⁰ GlobeNewswire. (2025b, April 30). *Oatly reports first quarter 2025 financial results.* Oatly Group AB. <https://www.globenewswire.com/news-release/2025/04/30/3071142/0/en/Oatly-Reports-First-Quarter-2025-Financial-Results.html>

expand accessibility. Clear profitability milestones will help reinforce investor confidence and ensure long-term stability (Investing.com, 2025)⁶¹

- **Diversity Beyond Oat Milk and Reduce Category & Geography Concentration**

Oatly must continue diversifying its product range and geographic focus to minimize risk, expanding into complementary products areas such as creamers and ice cream. In underperforming regions, particularly parts of Asia, localized product flavors and partnerships with established cafe or retail brands can strengthen market entry (GlobeNewswire, 2025a)⁶². A balanced product and regional portfolio will create resilience and ensure a more predictable revenue stream (Oatly Group AB, 2025b)⁶³.

- **Manage Regulatory, Trade, and Market Maturity Risks**

Oatly should remain proactive in navigating international regulations related to labeling, trade, and environmental standards. Developing compliance frameworks and regions specific packaging will prevent disruptions while maintaining cohesive branding (Shah, 2025)⁶⁴. In mature markets such as North America and Europe, Oatly can sustain consumer interest through innovation, limited edition products, and enhanced marketing experiences. Ongoing monitoring of macroeconomic conditions or geopolitical pressures.

⁶¹ Investing.com. (2025). *Oatly's SWOT analysis: Plant-based pioneer faces growth hurdles*.

<https://www.investing.com/news/swot-analysis/oatlys-swot-analysis-plantbased-pioneer-faces-growth-hurdles>

⁶² GlobeNewswire. (2025a, February 12). *Oatly reports fourth quarter and full year 2024 financial results*. Oatly Group AB.

<https://www.globenewswire.com/news-release/2025/02/12/3024904/0/en/Oatly-Reports-Fourth-Quarter-and-Full-Year-2024-Financial-Results.html>

⁶³ Oatly Group AB. (2025b). *Investor relations*. <https://investors.oatly.com/>

⁶⁴ Shah, M. M. (2025). *Oatly's strategic market entry: Disrupting the U.S. alternative milk market*. Medium. <https://shahmm.medium.com/oatlys-strategic-market-entry-disrupting-the-us-alternative-milk-market-973e0eb3ea4a>

These efforts will ensure Oatly's adaptability and continued leadership within the global plant based sector (Oatly Group AB, 2025b)⁶⁵

- **Differentiate Brand Against Rising Competitions, Manage Price and Cost Pressures**

As the plant based beverage market becomes increasingly competitive, Oatly should continue differentiating itself through authenticity, taste, and transparency. Its bold marketing and sustainability record provide a meaningful advantage that must be consistently highlighted in all communications ([Investing.com](#), 2025)⁶⁶. Continued investment in product quality and innovation will prevent commoditization. In addition, establishing long term supplier relations and applying strategic sourcing practices can mitigate volatility in oat and packaging costs (DCH Modeling, 2025)⁶⁷. These measures will protect Oatly's margins and ensure defensible market positions

Recommendations

Oatly's growth trajectory over the next several years will depend on its ability to expand into adjacent high-growth beverage categories, streamline its operational systems, and reposition its brand for broader mainstream adoption. Based on industry trends, competitive pressures, consumer expectations, and Oatly's strategic aspirations, three major recommendations emerge as the founders for Oatly's future direction:

- 1) Expansion into ready-to-drink (RTD) and functional beverages

⁶⁵ Oatly Group AB. (2025b). *Investor relations*. <https://investors.oatly.com/>

⁶⁶ Investing.com. (2025). *Oatly's SWOT analysis: Plant-based pioneer faces growth hurdles*. <https://www.investing.com/news/swot-analysis/oatlys-swot-analysis-plantbased-pioneer-faces-growth-hurdles>

⁶⁷ DCF Modeling. (2025). *Oatly SWOT analysis: Plant-based pioneer faces growth hurdles*. Dcfmodeling.com. <https://dcfmodeling.com/products/oatly-swot-analysis>

- 2) Optimization of regional sourcing and manufacturing systems
- 3) Broadening the brand's positioning toward inclusive, mass-market relevance.

Each of these recommendations is critical to enhancing revenue diversification, margin improvement, and brand equity at scale.

Recommendation 1: Expand Innovation Into Ready-to-Drink (RTD) & Functional Beverages

Consumer demand for convenient, portable, and better-for-you beverages continues to accelerate across the U.S. beverage market. RTD coffee, plant-based cold brews, and functional wellness drinks have become key growth drivers within premium beverages, supported by shifting lifestyles, on-the-go routines, and interest in healthier alternatives. Oatly is exceptionally well-positioned to compete in this space due to its sensory superiority in coffee applications, strong brand associations with cafe culture, and growing appeal among health-oriented consumers.

Despite this strategic fit, Oatly currently under-indexes in RTD beverages, leaving a gap that competitors have captured through broad assortments, targeted flavor innovation, and aggressive retail placement. Entering this category enables Oatly to strengthen its presence in high-traffic retail environments such as convenience stores, airports, gyms and campuses where trial rates are high and brand impressions are frequent. RTD beverages also introduce new usage occasions that extend far beyond morning coffee, such as mid-day energy boosts, post-workout recovery, and functional wellness routines.

RTD innovation further supports margin enhancement. Unlike commoditized plant-based milk cartons, RTD beverages maintain premium price positions and face lower private-label competition. Stronger pricing power, combined with differentiated flavors and functional attributes, offers a pathway for Oatly to elevate average revenue per unit and reduce exposure to price-driven substitution.

Strategic Action Summary:

- Develop a multi-tier RTD portfolio, including oat lattes, cold brews, flavored coffee blends, and functional beverages
- Collaborate with cafes and premium roasters to co-create limited-edition and seasonal offerings
- Expand distribution into convenience channels, transportation hubs, universities, fitness venues, and boutique grocers
- Pilot regional and seasonal flavors to test consumer demand efficiently
- Adopt sustainable RTD packaging (aluminum or recyclable PET) and highlight climate impact transparency

Recommendation 2: Optimize Regional Sourcing & Manufacturing to Improve Margins and Strengthen Supply Chain Resilience

Oatly's operational structure currently faces challenges associated with long supply routes, inconsistent raw material sourcing, and uneven utilization. To improve cost efficiency and sustain long-term profitability, the company must shift toward a more regionally integrated and modular operational system. Regional sourcing of Oats particularly from North America

cooperatives reduces transportation costs, shortens lead times, and provides greater control over crop quality and sustainability programs.

Manufacturing enhancements are equally important. Modular production lines allow for faster SKU changeovers, support innovation pipelines, and reduce downtime. Automation upgrades improve throughput, reduce labor intensity, and enhance quality consistency. Incorporating selective co-manufacturing partnerships is particularly advantageous for RTD beverages, which require specialized equipment such as aseptic canning and cold brew extraction systems.

A streamlined supply chain directly strengthens retail competitiveness. Reduced per unit cost empowers Oatly to maintain premium brand positioning while offering value-aligned pricing that appeals to families and mainstream shoppers. Operational efficiency also long-term reinforces sustainability goals by lowering emissions and resource usage.

Strategic Action Summary:

- Build regional sourcing partnerships with oat farmers in the US Midwest and Canada to reduce reliance on Long-distance shipments
- Modernize manufacturing with automation, modular lines, and high efficiency systems
- Leverage co-manufacturers for RTD beverages to increase flexibility without requiring new capital expenditure
- Establish regionally distributed logistics hubs to decrease freight cost and improve reliability
- Integrate sustainability tracking systems to monitor energy use, emissions, and resource efficiency

Recommendation 3: Reposition Oatly as an Inclusive, Mass-Market Lifestyle Brand “Oatly for All”

Although Oatly is widely recognized for its distinctive personality and sustainability-driven messaging, its brand identity remains polarizing for some mainstream consumers. Many families and older consumers view Oatly as niche, premium-priced, or culturally targeted toward younger urban audiences. To broaden adoption and increase household penetration, Oatly must reposition itself as a universally approachable, nutritious, and family-friendly lifestyle brand.

This repositioning involves shifting the center of the brand narrative from irreverent humor and activism toward clarity, nourishment, and everyday utility while still maintaining the creativity and playfulness that differentiates Oatly from competitors. Clever communication around nutrition, allergen benefits, lower-sugar options, and usage versatility will resonate strongly with families, health-conscious shoppers, and practical buyers.

Packaging improvements also play a key role. Streamlined visuals that highlight nutritional facts, functional benefits, and usage cues help consumers understand how Oatly fits into their daily routines. Complementary product innovation such as family-size cartons, multipacks, and fortified children’s beverages reinforces the perception of Oatly as a household staple rather than a specialty item.

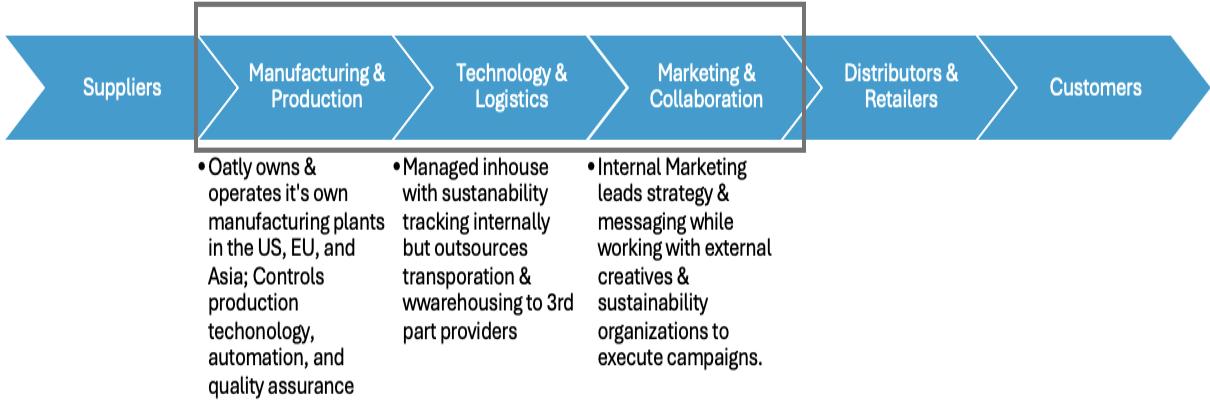
Strategic Action Summary:

- Launch the “Oatly for All” brand platform emphasizing accessibility, inclusivity, and everyday relevance

- Introduce family-oriented product extensions, including kids' beverages, multipacks, and low-sugar formulations
- Redesign packaging to simplify nutritional communications and improve shelf readability.
- Expand retail placement beyond plant-based sets into cereal, kids aisles, and center-store dairy adjacencies
- Implement marketing campaigns featuring diverse families, multi-generational consumers, and everyday consumption occasions

Updated Value Chain

Oatly's value chain is updated to operationalize the three strategic recommendations outlined in this plan namely, the expansion to ready to drink (RTD) beverages as a growth engine and the optimization of internal operations improve efficiency and support mass-market scale. While the overall structure of the value chain remain consistent with the original analysis, this updated version of the value chain remains consistent with the original analysis, this updated version reflect target changes in sourcing, production, logistics, and market activation that enable these strategic priorities



Oatly's Updated Value Chain Analysis.

In contrast to the original value chain, which primarily described how Oatly creates value today, this updated value chain illustrates how internal capabilities and external partnerships are intentionally reconfigured to execute the plan's strategic recommendations. The result is a value chain designed not only for sustainability leadership, but also scalable growth and improved economics performance

Suppliers

Relative to the original value chain, supplier strategy has shifted from globally diversified sourcing towards regionally concentrated and capability-specific partnerships to support RTD innovation and cost stability. Oatly's value chain begins with a more regionally concentrated and sustainability-driven supplier network. Historically reliant on global oat sourcing, the company is now shifting toward long-term partnerships with North American oat cooperatives, especially in

the U.S. Midwest and Canadian Prairies. These regional partnerships decrease freight distances, reduce carbon intensity, and stabilize raw material pricing.

To support innovation in RTD beverages and nutritional extensions, Oatly is also expanding supplier capabilities to include higher-protein oats, cleaner emulsifiers, and functional ingredients such as vitamins, minerals and natural flavor compounds.

New Efficiency Enhancements at the Supplier Stage:

- Regionalized sourcing reduces lead time and variability, improving production scheduling accuracy
- Supplier digital integration (shared forecasting data) reduces bullwhip effects and improves yield predictability
- Regenerative agriculture programs increase soil productivity and stabilize long-term crop quality
- Local packaging suppliers reduce transport time and prevent supply interruptions

Manufacturing & Production Facilities

Manufacturing and production represent one of the most significant areas of evolution in the updated value chain, reflecting the recommendation to scale RTD offerings while simultaneously improving operational efficiency. Oatly maintains production facilities in New Jersey, Utah, Europe, and Asia, supported by selective co-manufacturers specializing in RTD production. To match increasing product variety and achieve lower per-unit costs, Oatly is transitioning to a flexible, modular, and partially automated production model.

Modular lines allow rapid switching between SKUs critical for balancing demand across RTD beverages, carton oat milk, barista blends, Kids' SKUs, and multipacks. Automation reduces human error, increases throughput, and ensures consistent product quality, particularly important in RTD formats that require precise aseptic processing.

New Efficiency Enhancements at the Manufacturing Stage:

- Predictive maintenance systems(IoT sensors) reduce unplanned downtime and lengthen equipment life.
- Lean manufacturing protocols (waste reduction, standardized procedures) improve labor efficiency and batch consistency
- Co-manufacturing partnerships provide surge capacity during seasonal demand peaks without adding fixed costs
- Energy-efficient boilers and heat recovery systems lower environmental impact and decrease utility expenses

Technology & Logistics

Oatly continues to manage logistics planning internally but outsources physical transport and warehousing to third-party logistics specialists. The updated value chain introduces more advanced technology and densifies the regional distribution network to improve reliability and reduce overall freight cost.

With RTD beverages requiring consistent temperature management and faster restocking cycles, expanding cold-chain infrastructure is now a priority. Oatly is also implementing enhanced

forecasting tools and real-time inventory management to improve order accuracy and minimize out-of-stocks.

New Efficiency Enhancements at the Logistics Stage:

- AI-based demand forecasting optimizes inventory planning across multiple product formats.
- Regional distribution centers reduce last-mile delivery costs and improve service levels
- Digitized tracking improves transparency, allowing proactive rerouting during disruptions.
- Optimized cold-chain operations preserves RTD products integrity and increases shelf stability.

Collaborators & Marketing Partners

Oatly's internal marketing team collaborates with creative agencies, cafe partners, sustainability organizations, retail media networks, and wellness influencers. These partnerships now serve new strategic purposes: building appeal across mainstream families, supporting RTD flavor innovation, and reinforcing transparent climate communication.

In cafes, baristas act as tastemakers who validate Oatly's performance and influence consumer preferences. Co-created beverages and seasonal latte innovations accelerate RTD adoption by transforming cafe favorites into packaged climate communication. Together, these customer groups reflect the strategic intent of the updated value chain: using RTD products to attract

trend-driven consumers, operational efficiency to sustain competitive pricing, and broader retail presence to increase household penetration.

New Efficiency Enhancements at the Collaboration Stage:

- Co-branded RTD innovation accelerates product development and increases authenticity
- Nutrition and wellness partners improve credibility for family and function-oriented SKUs.
- Sustainability collaborators verify carbon-impact claims and packaging improvements
- Retail media agencies ensure precise audience targeting with lower waste

Distributors & Retailers

Distribution and retail execution play a more strategic role in the updated value chain as Oatly moves from niche plant-based positioning towards broader, mass market accessibility. Oatly's expanded retail and foodservice partnerships play a crucial role in delivering both core and RTD products. The updated value chain builds deeper integration with distributor partners to ensure menu penetration in cafes, wider availability in mass retail, and increased distribution in convenience channels.

Retail executive is strengthened through multi-aisle presence including dairy aisles, cereal, and breakfast sections, kids' aisles, and refrigerated beverage coolers. For RTD specifically, placements in grab-and-go coolers, airport kiosks, and campus retail environments improve trial among high-frequency beverage consumers.

New Efficiency Enhancements at the Distribution/Retail Stage:

- Collaborative demand planning with retailers reduces overstocks and short shipments
- Retail media partnerships increase targeted visibility and promotional efficiency
- Strategic assortment planning tailors SKUmixes to regional and demographic
- Enhanced shelf management (facing optimization, multi-aisle placement) increases conversion

Customers

The updated value chain ultimately serves three high-priority consumer groups whose needs shape Oatly's portfolio strategy, brand messaging, and distribution focus:

- Conscious Creatives - Trend-setters driving adoption of RTD beverages
- Family Optimizers - Primary drivers of household volume and routine usage
- Foodservice Consumers - high-trust users experiencing Oatly through cafes

Target Market Recommendations

Oatly's updated strategy centers on three complementary target markets that together maximize reach, brand relevance, and long-term growth. These segments create a balanced ecosystem: early adopters promote new beverage trends, families drive sustained volume, and cafes reinforce sensory superiority.

Primary Target market: Conscious Creatives (18-35yrs old)

This segment is composed of culturally influential young adults who gravitate toward brands aligned with sustainability, craftsmanship, wellness, and creativity. They are heavy users of cafes and RTD beverages, making them critical early adopters for Oatly's expanded RTD line.



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Profile

- Millennials and Gen Z in urban and suburban areas
- Wellness-oriented, design-conscious, digitally active
- Frequent specialty coffee drinkers
- Strong interest in functional beverages (protein, fiber, etc.)

⁶⁸ ChatGPT. (2025). AI-generated illustrations depicting three target market segments: Conscious Creatives, Family Optimizers, and Foodservice Partners. OpenAI. <https://chat.openai.com/>

Needs & Motivation

- Products that complement fast-paced lifestyles
- Creative, premium flavors inspired by cafe culture
- Transparent sustainability and clean label nutrition
- Brands with personality and authenticity

Strategic Priority: Conscious Creatives serve as the trend-amplifying core audience that accelerates RTD trial, social buzz, and premium product acceptance.

Secondary Target market: Family Optimizers (30-49yrs old)

Family optimizers represent the largest volume opportunity for Oatly. They include parents and household decision-makers who prioritize nutrition, value, and product versatility. These consumers may be less motivated by brand storytelling but place strong emphasis on clarity, reliability, and health benefits.



Profile

- Suburban families, working parents, caregivers
- Health-focused but cost-conscious
- Interested in simple nutrition, low sugar, and clean ingredients
- High users of family-size beverages and kids' formats

Needs & Motivations

- Easy-to-understand labeling and family-friendly messaging
- Affordable multipacks and larger SKUs
- Options suitable for children, including fortified or flavored variants
- Products that integrate naturally into daily routines (breakfast, smoothies, lunchboxes)

⁶⁹ ChatGPT. (2025). AI-generated illustrations depicting three target market segments: Conscious Creatives, Family Optimizers, and Foodservice Partners. OpenAI. <https://chat.openai.com/>

Strategic Priority: To scale beyond niche success, Oatly must anchor itself as a household staple, this requires packaging clarity, pricing consistency, and inclusive brand positioning under the “Oatly for All” platform.

Tertiary Target market: Foodservice & Cafe Partners

Cafes form an essential channel for both awareness and trial, as many consumers first encounter Oatly in a barista crafted beverage. These partnerships validate Oatly’s sensory superiority and help translate cafe favorites into RTD innovations.



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Profile

- Independent cafés, specialty roasters, regional chains
- Hotels, coworking spaces, QSRs, universities

⁷⁰ ChatGPT. (2025). AI-generated illustrations depicting three target market segments: Conscious Creatives, Family Optimizers, and Foodservice Partners. OpenAI. <https://chat.openai.com/>

- Operators who value consistent frothing, flavor performance, and premium plant-based options

Needs & Motivations

- Reliable supply, consistent product performance
- Seasonal beverage inspiration
- Co-branded marketing assets
- Plant-based options that enhance perceived menu quality

Strategic Priority: Foodservice partners strengthen the brand's foundation, reinforcing the taste experience that justifies premium RTD pricing and premium household adoption.

Cross-segment Interaction & Strategic Reinforcement

Cross-Segment Interaction & Strategic Reinforcement

Oatly's three segments reinforce one another within the value chain:

1) Conscious Creatives → Trial & Cultural Influence	Drive early RTD adoption and generate consumer buzz.
2) Family Optimizers → Scale & Sensory Penetration	Support sustained volume growth across core and RTD products.
3) Foodservice partners → Trust & Sensory Validation	Serve as proof points that elevate brand quality and credibility.

Together, they create a full-funnel ecosystem that directly strengthens the marketing recommendations and operational strategies outlined for Oatly's next phase of growth

Marketing Strategies & Objectives of the 4 Ps

1. Product/Service Objectives & Strategies

Oatly's product objective for 2026 is to strengthen its leadership in the plant-based category by expanding into high-growth formats and improving product performance across its core portfolio. Specifically, the company aims to achieve 25% of total global sales from Ready-to-Drink beverages, including oat-based lattes, protein shakes and functional wellness drinks. In addition, Oatly plans to increase its total SKU count by approximately 30%, adding innovations in creamers, frozen desserts and culinary applications. Enhancing product satisfaction is another key goal, with a target of a 10% improvement in consumer reported taste and texture ratings. Finally, Oatly seeks to reduce its product related carbon emissions by 20% to reinforce its sustainability commitments and support long-term brand leadership in environmental transparency.

To support its product objectives, Oatly will pursue a dual strategy of innovation and portfolio expansion. The introduction of Oatly+, a functional line featuring enhanced protein, vitamins and reduced sugar, positions the brand to capture the rapidly growing wellness and performance-nutrition segments. Portfolio expansion will also include new oat-based frozen desserts, barista blends and seasonal RTD offerings tailored to U.S. preferences. To meet sustainability goals, Oatly will integrate recyclable and lower-carbon packaging and expand transparency labels that detail carbon footprint, sourcing and production practices. Investment in

regional ingredient sourcing and R&D will ensure consistent product quality and faster adaption to local market trends.

2. Promotion Objectives & Strategies

Promotional efforts in 2026 will focus on expanding brand reach and deepening engagement across digital and physical challenges. Oatly aims to increase U.S. aided brand awareness by 15% driven by integrated marketing campaigns and expanded placement in cultural and lifestyle media. A central initiative is the development of Oatly's digital ecosystem, with a goal of reaching 500,000 active loyalty or app users by year end. Engagement targets include a 10% increase in social media interaction and a 20% rise in earned media coverage, supported by sustainability storytelling, influencer part and experiential events. The brand also intends to launch 3 national co-branding partnerships with complementary players in fitness, wellness or cafe culture.

Oatly's 2026 promotional strategy centers on broadening its appeal while preserving signature voice. The brand will transition toward an include "Oatly for All" positioning that emphasizes taste, wellness and sustainability without alienating mainstream consumers. Integrated marketing campaigns will span digital ads, influencer partnerships, and content collaborations. A renewed focus on loyalty will include the rollout of a digital rewards ecosystem that incentivizes sustainable behaviors, repeat purchasing and social engagement. Co-branding initiatives with fitness studios, wellness platforms and national café chains will reinforce Oatly's cultural relevance and create new trial occasions.

3. Place Objectives & Strategies

Oatly's distribution goals center on expanding physical availability while improving supply chain efficiency. By 2026, Oatly plans to achieve 80% distribution of RTD products across major U.S. grocery, mass retail and convenience stores including Walmart, Target, Costco, CVS and 7-Eleven. The foodservice business is expected to grow substantially with a target of 50% expansion in café and institutional partnerships, including universities, office campuses and hospitality groups. Oatly also aims to establish 3 regional manufacturing hubs to enhance production flexibility and reduce logistics costs by 15%. Additionally, Oatly intends to grow its e-commerce sales contribution to 10% of U.S. revenue through its direct to consumer platform and retail partners like Amazon and Instacart.

Distribution strategies for 2026 will prioritize channel diversification and operational efficiency. Oatly will deepen its presence in major grocery and mass retail channels while significantly expanding its availability in convenience stores, where RTD demand continues to rise. Foodservice expansion will be fueled by exclusive barista training programs and equipment partnerships that simplify adoption for cafés and coffee chains. Regionally, as mentioned the company will invest in localized manufacturing hubs. E-commerce growth will be supported through subscription offerings, product bundles and seasonal online exclusives.

4. Pricing Objectives

Oatly's pricing objective for 2026 is to maintain its premium position while improving unit economics. The company will continue to price its core oat milk and RTD offerings 5-10% above mainstream competitors such as Silk and Chobani Oat, reinforcing its great taste, sustainability and lifestyle positioning. Financially, Oatly aims to increase gross margins to 30%

or higher through sourcing regionally, manufacturing efficiencies, and optimized product mix. New functional and RTD lines will follow a tiered pricing structure that allows for competitive entry products. Overall, the company expects a 2% improvement in net profit margin due to pricing strategy and operational optimization.

Oatly will apply value-based pricing that aligns with product quality, sustainability credentials and brand reputation. Rather than competing on price, Oatly will reinforce its premium value through improved functional benefits & superior taste. Differentiated pricing tiers will help reach new segments, core oat milk products will remain premium but accessible, while functional and RTD innovations will carry higher price points reflecting added nutritional benefits. Strategic promotional pricing such as introductory discounts and multipack deals will be used selectively to encourage trial without diluting brand equity. Improved sourcing and operational efficiency will support stable retail pricing despite inflationary pressures.

Profit & Loss Statements

Oatly operates at the intersection of plant-based consumption, sustainability, and global food innovation, but its financial performance over the past several years reflects the challenges of scaling a capital-intensive consumer packaged goods business amid inflation, supply-chain volatility, and pricing pressure. While revenue growth has remained positive, profitability has lagged due to elevated cost of goods sold (COGS), heavy SG&A spending, and restructuring costs tied to global expansion.

This research develops pro forma Profit & Loss statements for Oatly covering 2024 actuals, 2025 forecasts, and forward-looking projections through at least 2026, extending toward breakeven where appropriate. The objective is to evaluate whether Oatly's strategic initiatives—manufacturing optimization, margin expansion, geographic focus, and disciplined cost control—can realistically translate into sustainable profitability.

Using historical company financials and consensus-style investor forecasts as a baseline, this analysis constructs three scenarios:

- **Best Case** – accelerated margin recovery and operating leverage
- **Most Likely Case** – gradual improvement with disciplined cost control
- **Worst Case** – slower demand recovery and margin compression

Each scenario maintains Oatly's existing income statement structure (Revenue, COGS, Gross Profit, SG&A, EBITDA, EBIT, Net Income) to ensure consistency with publicly reported results and investor expectations

Best Case Scenario: Financial Impact of Strategic Recommendations (LSEG Refinitiv, 2024)⁷¹

In the Best Case scenario, Oatly achieves an accelerated path to profitability by executing initiatives that expand high-margin revenue streams, structurally reduce unit costs, and scale volumes efficiently. Under this scenario, Oatly reaches sustainable EBITDA profitability by

⁷¹ London Stock Exchange Group (LSEG). (2024). Refinitiv consensus financial estimates

2026, with operating leverage continuing beyond the forecast horizon.(Based on Damodaran, 2023)⁷²

All figures below are expressed in USD millions unless otherwise noted and are grounded in historical 2024 performance and forward-looking consensus benchmarks.

	HISTORICAL (ACTUALS)			FORECAST (MEAN)		
	FY Dec-22	FY Dec-23	FY Dec-24	FY Dec-25	FY Dec-26	FY Dec-27
REVENUE	722.24	783.35	823.67	845.35	884.66	934.04
AMERICAS	224.70	250.26	274.46	258.00	267.00	-
ASIA	156.51	138.23	114.95	130.00	136.00	-
EMEA	380.45	403.89	434.26	451.00	476.00	-
COST OF GOODS SOLD	613.41	614.27	587.17	575.85	581.70	598.50
GROSS INCOME	108.83	169.08	236.49	266.53	296.18	313.00
GROSS PROFIT MARGIN	11.08%	21.58%	28.71%	31.66%	33.52%	34.23%
R&D EXPENSE	7.758	7.109	30.14	19.68	20.85	22.00
STOCK BASED COMPENSATION	35.47	21.45	13.60	11.25	13.93	15.00
SG&A EXPENSE	249.25	207.70	324.72	295.33	297.55	290.50
OPERATING EXPENSE	1,118	609.10	422.64	328.50	325.40	-
EBITDA	-267.92	-157.56	-35.33	5.925	26.30	47.10
EBITDA MARGIN	-	-	-4.29%	0.80%	3.30%	4.55%
EBITDA PER SHARE	-9.00	-5.40	-1.20	-0.23	0.73	1.93
DEPRECIATION & AMORTIZATION	48.32	52.45	49.97	47.79	48.30	48.63
DEPRECIATION	45.52	46.53	49.97	47.77	47.90	48.44
EBITA	-352.00	-231.00	-99.00	-54.00	-29.00	4.000
EBIT	-355.40	-457.01	-144.04	-60.37	-35.30	-16.25
EBIT MARGIN	-	-	-17.49%	-6.00%	-3.17%	-1.40%
OPERATING PROFIT	-	-	-	-65.00	-43.00	-
INTEREST EXPENSE	13.93	69.03	12.42	78.18	80.05	35.50
OTHER INCOME/EXPENSE	-	-	-	-0.4500	-0.5000	-1.000
PRE-TAX PROFIT	-353.40	-408.17	-156.46	-146.12	-102.24	-62.22
TAX PROVISION	-4.827	8.895	3.699	6.133	0.00	0.00
TAX RATE	1.00%	-	-	4.95%	0.00%	0.00%
NET INCOME	-351.98	-416.87	-159.84	-155.59	-109.10	-66.42
NET INCOME MARGIN	-	-	-15.60%	-18.40%	-11.40%	-9.80%
EARNINGS PER SHARE	-11.80	-14.00	-5.40	-4.67	-2.72	-2.06
EBITDA REPORTED	-270.81	-159.00	-49.26	1.523	28.70	58.41
PRE-TAX PROFIT REPORTED	-397.39	-408.17	-198.57	-155.60	-136.70	-89.00
NET INCOME REPORTED	-392.57	-416.87	-201.95	-161.77	-136.70	-89.00
EARNINGS PER SHARE REPORTED	-13.20	-14.00	-6.80	-4.57	-1.90	-1.91
DIVIDEND PER SHARE	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF SHARES OUTSTANDING	29.60	29.68	29.84	32.58	30.15	30.10

Projected P&L (LSEG Consensus)
LSEG consensus forecasts show revenue rising to ~\$885M by FY26, while gross margin expands to ~33% as operations stabilize. EBITDA turns positive in FY25 and reaches ~\$26M by FY26, though EBIT and net income remain negative due to depreciation and interest burden. The outlook highlights margin expansion—not top-line growth—as the primary driver of improving financial health.

⁷² Damodaran, A. (2023). Investment valuation: Tools and techniques for determining the value of any asset. Wiley.

Assumptions:**Revenue Growth and Mix Improvement**

Revenue growth accelerates as Oatly expands beyond core oat milk into higher-value beverage formats while simultaneously increasing household penetration across mainstream retail channels. Broader brand accessibility and increased distribution drive higher volumes, while premium beverage formats support pricing stability.

In a favorable macro environment characterized by easing inflation, stabilized consumer spending, and normalized logistics, price sensitivity declines relative to the post-pandemic period. This allows Oatly to maintain premium pricing without resorting to aggressive discounting. Regulatory support for plant-based alternatives and continued institutional adoption (schools, universities, corporate campuses) further strengthens demand visibility.

As a result, revenue grows to approximately \$930M by 2026, with a higher share coming from products that deliver stronger contribution margins. This revenue mix shift is critical, as each incremental dollar of sales carries more gross profit than legacy formats, directly enhancing earnings power.

Cost of Goods Sold (COGS) and Gross Margin Expansion

Gross margin improvement is the single most important profit driver in the Best Case scenario. Lower input cost volatility, regional sourcing of oats, and improved manufacturing efficiency reduce per-unit production costs. These savings are reinforced by a gradual shift toward beverage formats that require less commodity-intensive inputs per dollar of revenue.

Favorable regulatory environments such as continued approval of plant-based labeling in key markets and clearer sustainability standards reduce compliance uncertainty and avoid costly reformulation or packaging changes. At the same time, declining freight rates and energy costs reduce logistics expenses, allowing COGS to grow significantly slower than revenue.

As a result, gross margin expands from approximately 28.7% in 2024 to ~34.5% by 2026, increasing gross profit to roughly \$320M. This margin expansion creates the foundation for operating profitability.

Operating Expenses and SG&A Leverage

Operating expenses benefit from scale efficiencies as Oatly transitions from restructuring mode to disciplined growth. In the Best Case scenario, prior investments in brand building, systems, and infrastructure enable incremental growth without proportional increases in overhead.

Broader brand positioning reduces reliance on niche marketing campaigns and promotional spending, improving marketing efficiency and lowering customer acquisition costs. Simplified messaging and improved shelf placement enhance retail velocity, allowing the same marketing spend to support higher sales volumes.

Additionally, stable regulatory conditions particularly in labeling and sustainability disclosures—limit legal and compliance costs, reducing the risk of unexpected SG&A spikes. As a result, SG&A declines from approximately 39% of revenue in 2024 to ~32–33% by 2026, enabling operating leverage to emerge.

EBITDA Expansion and Operating Leverage

With higher gross margins and controlled operating expenses, EBITDA inflects sharply. Incremental revenue increasingly converts into operating profit rather than being absorbed by fixed costs.

- EBITDA improves from approximately -\$35M in 2024
- Turns positive in 2025 at ~\$10–15M
- Expands to \$35–45M by 2026, representing a 4–5% EBITDA margin

This improvement reflects the combined effects of better pricing power, cost discipline, and favorable macroeconomic normalization. Importantly, EBITDA growth is driven by recurring operational improvements rather than one-time cost cuts, making profitability more durable.

EBIT, Net Income, and Path to Breakeven

Depreciation and amortization (Oatly Group AB, 2024)⁷³ remain relatively stable, as the Best Case scenario relies on optimization rather than aggressive capital expansion. Interest expense moderates as operating performance improves and refinancing risk declines.

Legal and regulatory stability further supports earnings by reducing the likelihood of litigation, product relabeling, or market access restrictions, risks that have historically affected plant-based food companies. With these pressures contained, EBIT losses narrow substantially, and Oatly approaches operating breakeven shortly after 2026.

⁷³ Oatly Group AB. (2024). Form 20-F. <https://investors.oatly.com/financials/sec-filings>

Net income remains slightly negative in 2026; however, the company enters a phase where profitability is structurally achievable, and incremental growth beyond the forecast horizon is expected to generate positive net earnings.

Working Capital & Cash Flow Conversion

In the Best Case scenario, improved operating performance also enhances working capital efficiency and cash flow conversion. Higher inventory turns, more predictable demand, and regionalized sourcing reduce inventory holding periods and minimize excess stock. Improved receivables management and more balanced trade terms further support cash inflows. As EBITDA turns positive in 2025 and expands in 2026, operating cash flow improves materially, reducing reliance on external financing and strengthening Oatly's liquidity position.

Capital Expenditures (CapEx) Discipline

Capital expenditures remain moderate and disciplined in the Best Case scenario. Growth is supported primarily through optimization of existing facilities, modular production upgrades, and selective co-manufacturing partnerships rather than large-scale greenfield investments. This approach allows Oatly to support innovation and volume growth while keeping annual CapEx relatively stable, enabling improving EBITDA to translate into stronger free cash flow over time.

Profitability Outcome

By 2026, Oatly's financial profile reflects a materially stronger and more sustainable earnings structure, supported by improved revenue quality, margin expansion, and operating leverage:

- Revenue: ~\$930M
- Gross Margin: ~34–35%
- Gross Profit: ~\$320–325M
- SG&A: ~32% of revenue (~\$295–300M)
- EBITDA: ~\$30–35M
- EBITDA Margin: ~3.5–4.0%

In the Best Case scenario, Oatly's profitability is driven by a virtuous cycle of higher-quality revenue, structural cost efficiency, and operating leverage, reinforced by favorable macroeconomic conditions and regulatory stability. Strategic execution aligns with external tailwinds, allowing Oatly to transition from recovery to sustainable, profit-led growth by 2026.

Most Likely Scenario

(LSEG Refinitiv, 2024)⁷⁴ In the Most Likely scenario, Oatly follows the trajectory implied by LSEG consensus estimates, reflecting gradual operational improvement, modest revenue growth, and incremental margin recovery. Profitability improves meaningfully relative to historical performance, but operating leverage remains constrained by competitive pricing, ongoing brand investment, and residual cost pressures.

⁷⁴ London Stock Exchange Group (LSEG). (2024). Refinitiv consensus financial estimates

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Revenue Performance

Revenue growth remains low- to mid-single digit, driven primarily by stabilization in core oat milk volumes and modest contribution from adjacent beverage formats.

- 2024 Actual Revenue: ~\$824M
- 2025E Revenue (LSEG Mean): ~\$845M
- 2026E Revenue (LSEG Mean): ~\$885M

Growth is uneven across regions, with EMEA continuing to outperform while the Americas and Asia recover more slowly. Revenue expansion is sufficient to support scale efficiencies but not strong enough to materially accelerate profitability.

Assumptions:

External Environment & Industry Conditions

The Most Likely scenario assumes a neutral-to-slightly-supportive macroeconomic environment. Consumer inflation moderates compared to 2022–2023(Oatly Group AB, 2024)⁷⁵ levels, reducing pressure on discretionary grocery spending, but consumers remain value-conscious, limiting Oatly's ability to aggressively raise prices.

The plant-based beverage category continues to grow, but at a slower, more mature pace than earlier years. Oat milk increasingly competes with:

- Private-label alternatives
- Lower-priced plant-based substitutes
- Traditional dairy benefiting from price normalization

From a legal and regulatory standpoint, this scenario assumes no disruptive policy changes.

Plant-based labeling regulations remain stable in core markets (U.S. and EU), and sustainability disclosure requirements do not materially increase compliance costs. This regulatory consistency is critical; unexpected labeling restrictions or litigation would materially alter SG&A and margin

⁷⁵ Oatly Group AB. (2024). Annual report 2023. <https://investors.oatly.com/financials>

trajectories. The absence of such shocks enables the smooth financial progression reflected in LSEG forecasts.

Revenue Performance:

- 2024A: \$823.67M
- 2025E: \$845.35M
- 2026E: \$884.66M
- 2027E: \$934.04M

Revenue growth in the Most Likely scenario is incremental rather than explosive, averaging low-to-mid single digits annually. This reflects several structural realities:

First, Oatly's core oat milk category is maturing, particularly in the U.S., where household penetration is already relatively high among early adopters. Incremental growth increasingly comes from frequency and modest penetration expansion, not first-time trial.

Second, regional dynamics matter. EMEA continues to represent the largest and most stable revenue contributor, benefiting from stronger plant-based adoption and regulatory support. The Americas recover more slowly due to pricing pressure and competition, while Asia remains volatile and contributes less meaningfully to growth.

Third, pricing power is constrained. While Oatly avoids aggressive discounting, it cannot consistently pass through higher prices without risking volume losses. As a result, revenue growth relies more on volume stability and mix improvements than on price-led expansion.

This revenue profile supports operational stability but does not, on its own, drive profitability, placing greater importance on cost and margin management.

Cost of Goods Sold (COGS):

- 2024A: \$587.17M
- 2025E: \$575.85M
- 2026E: \$581.70M
- 2027E: \$598.50M

COGS declines as a percentage of revenue, but not in absolute terms over the long run. This reflects a balance between efficiency gains and structural cost realities.

On the improvement side:

- Freight and logistics costs normalize
- Manufacturing inefficiencies from earlier expansion are reduced
- Supply chain planning improves, lowering waste and variability

However, cost reductions are partially offset by:

- Ongoing commodity exposure (oats, energy, packaging)
- Competitive pricing that limits cost pass-through
- The inherently capital- and process-intensive nature of beverage production

As a result, COGS improves gradually but remains elevated relative to mature food peers.

Gross Margin

- 2024A: 28.71%
- 2025E: 31.66%
- 2026E: 33.52%
- 2027E: 34.23%

Gross margin expansion is the primary driver of financial improvement in the Most Likely scenario. The increase reflects:

- Better utilization of existing production assets
- Fewer one-time inefficiencies
- Improved logistics economics
- More disciplined pricing strategy

However, margins plateau in the low-to-mid 30% (Oatly Group AB, 2024)⁷⁶ range because:

- The category remains competitive and price-sensitive
- Private-label products cap upside
- Oatly continues to invest in quality, sustainability, and brand standards

This margin profile is healthy enough to support EBITDA profitability, but not sufficient to offset all downstream costs.

⁷⁶ Euromonitor International. (2024). Dairy alternatives global industry overview.
<https://www.euromonitor.com/dairy-alternatives>

Gross margin expansion is the primary driver of financial improvement in the Most Likely scenario. The increase reflects better utilization of existing production assets, fewer one-time inefficiencies, improved logistics economics, and a more disciplined pricing strategy.

However, margins plateau in the low-to-mid 30% range because the category remains competitive and price-sensitive, private-label products cap upside, and Oatly continues to invest in quality, sustainability, and brand standards. This margin profile is healthy enough to support EBITDA profitability, but not sufficient to offset all downstream costs.

Importantly, the pace of margin expansion slows after 2026, signaling that most “easy wins” from operational cleanup and cost normalization have already been captured. Beyond this point, further margin improvement would require either material pricing power or structural changes to the cost base, neither of which are assumed in the Most Likely scenario. As a result, gross margin improvement contributes to earnings stabilization rather than a step-change in profitability.

Operating Expenses

Research & Development

R&D declines from 2024 peaks as major innovation and restructuring efforts normalize. This reflects a shift from aggressive experimentation to focused optimization.

The stabilization of R&D spend indicates that Oatly is no longer in a heavy build-out phase for new platforms, but instead prioritizes incremental improvements to existing products and

processes. This supports margin expansion without sacrificing product relevance, while preventing R&D from becoming a drag on operating leverage.

Stock-Based Compensation

SBC remains stable, indicating ongoing retention needs but no excessive dilution. Stable SBC suggests management is balancing talent retention with shareholder considerations. The absence of rapid SBC growth indicates improved cost discipline, but the continued use of equity compensation reflects the company's need to attract specialized operational and commercial talent during its recovery phase.

SG&A

- 2024A: \$324.72M
- 2025E: \$295.33M
- 2026E: \$297.55M

SG&A declines initially due to restructuring, then stabilizes. This is crucial: Oatly cannot significantly cut SG&A without damaging brand equity, retail execution, and distribution relationships. Continued spend is required for:

- Marketing and trade support
- Retail execution
- Compliance and administrative functions

As a result, SG&A leverage exists but is limited, keeping operating margins constrained. The stabilization of SG&A implies that Oatly has reached a functional “floor” for operating expenses.

While efficiency gains reduce excess overhead, the company must continue investing to maintain shelf presence, manage retailer relationships, and comply with regulatory and reporting requirements. This limits the degree to which revenue growth can translate directly into operating profit.

EBITDA:

- 2024A: -\$35.33M
- 2025E: +\$5.93M
- 2026E: +\$26.30M

EBITDA turns positive because gross margin gains finally exceed incremental operating expenses. However, margins remain low because:

- SG&A does not scale down aggressively
- Revenue growth is moderate
- Competitive pressure persists

EBITDA positivity signals operational viability, not financial maturity.

The EBITDA trajectory reflects a business that has regained operational control but remains in an early stage of earnings recovery. While positive EBITDA reduces liquidity risk and signals sustainability, the low margin indicates limited buffer against demand shocks, cost volatility, or competitive pricing actions. EBITDA improvement is therefore meaningful but fragile.

Depreciation & Amortization

D&A remains around \$48M annually, reflecting sunk investments in manufacturing and infrastructure. These non-cash expenses prevent EBIT from turning positive even as EBITDA improves.

Because D&A stems from past capital investments, it represents a fixed accounting burden that cannot be reduced without asset write-downs or divestitures. This highlights a structural challenge: even as operations improve, historical expansion decisions continue to weigh on reported profitability, delaying EBIT breakeven(Oatly Group AB, 2024).⁷⁷

Interest Expense: The Structural Profitability Barrier

Interest expense remains high (~\$80M in 2026), reflecting legacy financing. This is the single biggest obstacle to net profitability in the Most Likely scenario. High interest expense significantly limits the translation of operating improvements into bottom-line earnings. Unless refinancing, debt reduction, or materially higher EBITDA occurs, interest costs will continue to absorb a substantial portion of operating cash flow, constraining equity value creation.

Taxes

Continued losses mean limited tax obligations, with deferred tax assets accumulating but not yet usable. While low tax expense supports near-term cash preservation, the inability to utilize deferred tax assets underscores the lack of sustained profitability. Tax benefits remain theoretical

⁷⁷ Oatly Group AB. (2024). Form 20-F. <https://investors.oatly.com/financials/sec-filings>

until the company generates consistent taxable income, reinforcing the view that financial recovery is still incomplete

Net Income

Even with positive EBITDA:

- D&A
- Interest expense (Oatly Group AB, 2024)⁷⁸
- Moderate margins

combine to keep net income negative through 2027. Losses narrow materially, but profitability remains out of reach. Net income trends illustrate the gap between operational improvement and shareholder-level profitability. Although losses decline steadily, the persistence of negative net income highlights the cumulative impact of capital intensity and financing structure, delaying the company's transition to value-generating growth.

Capital Discipline & Cash Flow Consistency

CapEx remains disciplined and focused on maintenance. Working capital volatility declines as demand planning improves, enabling reduced cash burn and supporting liquidity.

Final Most Likely Outcome (2026)

- Revenue: \$884.66M
- Gross Margin: 33.52%

⁷⁸ Oatly Group AB. (2024). Form 20-F. <https://investors.oatly.com/financials/sec-filings>

- EBITDA: \$26.30M
- EBITDA Margin: 3.30%
- EBIT: -\$35.30M
- Net Income: -\$109.10M

This disciplined capital approach is essential for sustaining the EBITDA recovery. By avoiding large expansionary investments, Oatly allows incremental operating improvements to translate into better cash flow outcomes, reducing reliance on external funding and lowering financial risk.

The Most Likely scenario describes a company that has stopped the bleeding, achieved operational stability, and laid the groundwork for profitability, but has not yet escaped the structural cost burden of its past expansion. It is a credible recovery, not a success story.

Worst Case Scenario (LSEG Refinitiv, 2024)⁷⁹

The Worst Case scenario reflects an outcome in which Oatly faces prolonged demand pressure, limited pricing power, and slower-than-expected operational improvements, while fixed cost structures and financing burdens continue to weigh on profitability. This scenario does not assume a crisis or collapse, but rather a stalling of the recovery due to unfavorable competitive dynamics, macro headwinds, and execution friction(Based on Damodaran, 2023)⁸⁰

⁷⁹ London Stock Exchange Group (LSEG). (2024). Refinitiv consensus financial estimates

⁸⁰ Damodaran, A. (2023). Investment valuation: Tools and techniques for determining the value of any asset. Wiley.

	HISTORICAL (ACTUALS)			FORECAST (MEAN)		
	FY Dec-22	FY Dec-23	FY Dec-24	FY Dec-25	FY Dec-26	FY Dec-27
REVENUE	722.24	783.35	823.67	845.35	884.66	934.04
AMERICAS	224.70	250.26	274.46	258.00	267.00	-
ASIA	156.51	138.23	114.95	130.00	136.00	-
EMEA	380.45	403.89	434.26	451.00	476.00	-
COST OF GOODS SOLD	613.41	614.27	587.17	575.85	581.70	598.50
GROSS INCOME	108.83	169.08	236.49	266.53	296.18	313.00
GROSS PROFIT MARGIN	11.08%	21.58%	28.71%	31.66%	33.52%	34.23%
R&D EXPENSE	7.758	7.109	30.14	19.68	20.85	22.00
STOCK BASED COMPENSATION	35.47	21.45	13.60	11.25	13.93	15.00
SG&A EXPENSE	249.25	207.70	324.72	295.33	297.55	290.50
OPERATING EXPENSE	1,118	609.10	422.64	328.50	325.40	-
EBITDA	-267.92	-157.56	-35.33	5.925	26.30	47.10
EBITDA MARGIN	-	-	-4.29%	0.80%	3.30%	4.55%
EBITDA PER SHARE	-9.00	-5.40	-1.20	-0.23	0.73	1.93
DEPRECIATION & AMORTIZATION	48.32	52.45	49.97	47.79	48.30	48.63
DEPRECIATION	45.52	46.53	49.97	47.77	47.90	48.44
EBITA	-352.00	-231.00	-99.00	-54.00	-29.00	4.000
EBIT	-355.40	-457.01	-144.04	-60.37	-35.30	-16.25
EBIT MARGIN	-	-	-17.49%	-6.00%	-3.17%	-1.40%
OPERATING PROFIT	-	-	-	-65.00	-43.00	-
INTEREST EXPENSE	13.93	69.03	12.42	78.18	80.05	35.50
OTHER INCOME/EXPENSE	-	-	-	-0.4500	-0.5000	-1.000
PRE-TAX PROFIT	-353.40	-408.17	-156.46	-146.12	-102.24	-62.22
TAX PROVISION	-4.827	8.895	3.699	6.133	0.00	0.00
TAX RATE	1.00%	-	-	4.95%	0.00%	0.00%
NET INCOME	-351.98	-416.87	-159.84	-155.59	-109.10	-66.42
NET INCOME MARGIN	-	-	-15.60%	-18.40%	-11.40%	-9.80%
EARNINGS PER SHARE	-11.80	-14.00	-5.40	-4.67	-2.72	-2.06
EBITDA REPORTED	-270.81	-159.00	-49.26	1.523	28.70	58.41
PRE-TAX PROFIT REPORTED	-397.39	-408.17	-198.57	-155.60	-136.70	-89.00
NET INCOME REPORTED	-392.57	-416.87	-201.95	-161.77	-136.70	-89.00
EARNINGS PER SHARE REPORTED	-13.20	-14.00	-6.80	-4.57	-1.90	-1.91
DIVIDEND PER SHARE	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF SHARES OUTSTANDING	29.60	29.68	29.84	32.58	30.15	30.10

Projected P&L (LSEG Consensus)
 LSEG consensus forecasts show revenue rising to ~\$885M by FY26, while gross margin expands to ~33% as operations stabilize. EBITDA turns positive in FY25 and reaches ~\$26M by FY26, though EBIT and net income remain negative due to depreciation and interest burden. The outlook highlights margin expansion—not top-line growth—as the primary driver of improving financial health.

Assumptions:

External Environment and Regulatory Conditions

The external environment in the Worst Case scenario remains unfavorable. Consumer demand for plant based products continues, but growth decelerates as households remain highly price sensitive. Elevated food inflation and economic uncertainty push consumers toward lower priced

private label alternatives and traditional dairy, reducing volume growth for premium branded products. Retailers prioritize value oriented offerings, limiting shelf space expansion and promotional support for higher priced brands.

From a regulatory perspective, the scenario assumes increased scrutiny around sustainability claims, labeling standards, and environmental disclosures. While no single regulatory action is catastrophic, the cumulative burden of compliance increases administrative costs and slows product innovation timelines. These conditions create friction across the organization and raise the baseline cost of doing business without generating incremental revenue.

Revenue Performance

Revenue growth weakens significantly in the Worst Case scenario as volume pressure intensifies and pricing flexibility deteriorates.

- 2024A: ~\$824M
- 2025E: ~\$830M
- 2026E: ~\$850M
- 2027E: ~\$875M

Growth is driven primarily by price increases rather than volume expansion, but price elasticity limits the effectiveness of this strategy. Promotional activity increases in an effort to protect market share, further diluting revenue quality. Regional performance diverges, with EMEA remaining relatively stable but unable to offset softness in North America and continued underperformance in Asia. The resulting revenue profile provides little opportunity for scale driven operating leverage.

Cost of Goods Sold and Production Economics

Cost of goods sold remains elevated as operational efficiency gains are offset by weaker volumes and persistent input cost pressure. Lower throughput reduces manufacturing efficiency, increasing per unit costs. Freight and energy expenses do not normalize to expected levels, and supplier pricing remains volatile. As a result, COGS remains in the high 60 % range as a share of revenue. The inability to meaningfully reduce production costs in a low growth environment significantly constrains margin recovery and places pressure on downstream profitability. COGS remains at 68–70% of revenue through 2026. COGS improvement is muted in the Worst Case scenario. While some operational efficiencies are realized, they are offset by: Persistently high input costs, Suboptimal plant utilization due to weaker volumes and Inability to pass costs through pricing

Gross Margin

Gross margin improvement is limited and incremental in the Worst Case scenario.

- 2024A: 28.71%
- 2025E: ~29.5%
- 2026E: ~30.5%
- 2027E: ~31.0%

Margin expansion stalls because competitive pricing pressure prevents cost pass through and because the company continues to invest in sustainability sourcing, quality control, and brand standards that limit aggressive cost cutting. Private label competition effectively caps pricing power, and promotional intensity further compresses margins. While gross margin improves

modestly, it remains insufficient to absorb fixed operating costs or support strong earnings recovery.

Operating Expenses

Research and development spending remains elevated relative to revenue growth. Rather than transitioning fully into an optimization phase, Oatly continues to invest defensively in reformulation, compliance driven changes, and incremental innovation to protect relevance in a crowded category. This limits the ability to redeploy R and D spending toward margin expansion initiatives.

Stock based compensation increases modestly as the company relies more heavily on equity incentives to retain talent in a constrained cash environment. This contributes to dilution risk and reflects ongoing pressure on operating cash flows. Selling general and administrative expenses decline only marginally.

Worst Case SG&A:

- 2024A: ~\$325M
- 2025E: ~\$315M
- 2026E: ~\$310M

SG&A remains structurally high because the company cannot materially reduce marketing, trade promotion, distribution management, or compliance functions without risking further revenue erosion. As revenue growth slows, SG&A as a percentage of revenue increases, creating negative operating leverage and further compressing margins.

EBITDA Performance

EBITDA improves slowly but remains weak.

- 2024A: -\$35M
- 2025E: -\$20M
- 2026E: -\$5M
- 2027E: ~\$0–5M

EBITDA fails to inflect meaningfully because gross margin improvement is insufficient and operating expenses remain largely fixed. Any improvement achieved through cost discipline is fragile and highly sensitive to demand fluctuations. EBITDA performance signals survival rather than operational strength.

Depreciation and Amortization

Depreciation and amortization remain elevated at approximately 48 to 50 million dollars annually. These costs reflect historical investments in manufacturing capacity and infrastructure that cannot be reversed without asset impairments. In a low EBITDA environment, depreciation becomes a disproportionate burden, deepening operating losses and delaying accounting profitability.

Interest Expense

Interest expense (Oatly Group AB, 2024)⁸¹ remains high at approximately 75 to 85 million dollars annually. Weak earnings limit refinancing flexibility and prevent meaningful debt reduction. Interest expense absorbs a significant portion of operating cash flow, compounding net losses and increasing financial risk. This financing structure represents a major structural barrier to profitability in the Worst Case scenario.

Taxes

Tax expense remains minimal due to sustained pre tax losses. Deferred tax assets accumulate but remain unusable due to the absence of taxable income. As a result, taxes provide no meaningful relief to cash flow or earnings.

Net Income

Despite gradual operational improvement, net income remains deeply negative.

- 2026E: ~ -\$140M
- 2027E: ~ -\$120M

Net losses reflect the combined impact of weak margins, high fixed costs, depreciation, and interest expense(Oatly Group AB, 2024)⁸². While losses narrow slightly over time, the pace of improvement is slow and insufficient to suggest a near term path to profitability.

⁸¹ Oatly Group AB. (2024). Form 20-F. <https://investors.oatly.com/financials/sec-filings>

⁸² Oatly Group AB. (2024). Form 20-F. <https://investors.oatly.com/financials/sec-filings>

Capital Discipline and Cash Flow

Capital expenditures are restricted to essential maintenance as management prioritizes liquidity preservation. However, weak EBITDA limits free cash flow improvement. Inventory turnover slows and working capital volatility increases as demand forecasting becomes more difficult. Liquidity management becomes a central concern, forcing trade offs between growth investment and balance sheet stability.

Final Worst Case Outcome for 2026

- Revenue: ~\$850M
- Gross Margin: ~30.5%
- EBITDA: ~-\$5M
- EBITDA Margin: ~ -0.5%
- EBIT: ~-\$55M
- Net Income: ~-\$140M

In the Worst Case scenario, Oatly avoids structural failure but fails to complete its financial turnaround. Competitive pressure, constrained pricing power, and a rigid cost structure prevent meaningful profitability improvement. While management actions limit further deterioration, the company remains trapped in a prolonged recovery phase with sustained losses and elevated financial risk extending beyond the forecast horizon.

Implementation Plans

Recommendation 1: Expansion into Ready-to-Drink (RTD) & Functional Beverages

Oatly RTD & Functional Beverage Implementation Plan

Start Date: January 1, 2026

Team	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
	'26	'26	'26	'26	'26	'26	'26	'26	'26	'26	'26	'26	'27	'27
Product Dev / R&D	Phase 1													
Manufacturing / Ops			Phase 2											
Marketing / PR				Phase 3										
Sales / Distribution						Phase 4								
Launch / Events									Phase 5					
Analytics												Phase 6		

Phase 1:

RTD Product Development & Testing

Phase 2:

Co-Manufacturing & Production

Phase 3:

Brand Positioning & Launch Campaign

Phase 4:

Retail & Foodservice Expansion

Phase 5:

Market Launch & Consumer Activation

Phase 6:

Performance Tracking & Optimization

Phase Descriptions

 Phase 1	RTD Product Development & Testing: Develop 4-6 RTD SKUs with superior taste and nutritional profile. Consumer testing target: 4.2/5.0 satisfaction.
 Phase 2	Co-Manufacturing & Production: Secure 2-3 co-manufacturing partners specializing in aseptic canning. Pilot production with 95%+ quality pass rate. Build 500K unit inventory.
 Phase 3	Brand Positioning & Campaign: Launch "Café in Your Hand" positioning. Develop integrated marketing campaign with 3+ co-branded partnerships. Target: 50K+ social engagements.
 Phase 4	Retail & Foodservice Expansion: Achieve 80% distribution in premium grocery and convenience. Secure 100+ foodservice locations. Target: 1,500+ retail doors nationally.
 Phase 5	Market Launch & Activation: Execute full RTD launch with experiential pop-ups in NYC, LA, Chicago, and Austin. Distribute 100K+ samples. Target: 25% trial rate and 1M+ impressions.
 Phase 6	Performance & Optimization: Analyze sell-through data and consumer feedback. Optimize product mix and marketing spend. Target: 10% revenue contribution, 30% repeat purchase rate.

◎ **Strategic Target:** RTD products achieve 10% of total revenue (~\$90M) by Q1 2027

Start Date: January 1, 2026

The implementation of Oatly's RTD and functional beverage expansion follows a six-phase, cross-functional rollout designed to balance speed to market with margin discipline and operational control. The phased structure ensures that product readiness, manufacturing scalability, brand positioning, and distribution expansion are sequenced to minimize risk while maximizing revenue quality and EBITDA contribution.

Phase 1: RTD Product Development & Testing

Timeline: January–March 2026

Primary Teams: Product Development, R&D

Phase 1 focuses on building a commercially viable RTD portfolio that aligns with Oatly's brand promise while delivering superior taste, functionality, and margin potential. During this phase, Oatly develops four to six RTD SKUs, including oat lattes, cold brews, and functional variants targeting energy, focus, or wellness use cases.

Consumer testing and sensory optimization are prioritized to ensure strong product market fit prior to scale. Packaging formats are finalized with an emphasis on sustainability, portability, and shelf differentiation. Nutritional profiles are refined to support clean label claims and functional positioning.

This phase establishes the foundation for premium pricing and repeat purchase, directly supporting gross margin expansion in later stages.

Key Outputs

- Finalized RTD SKU lineup
- Consumer satisfaction target of 4.2–4.5 out of 5
- Packaging and formulation readiness for production

Phase 2: Co-Manufacturing & Production Readiness

Timeline: March–June 2026

Primary Teams: Manufacturing, Operations, Supply Chain

Phase 2 centers on scaling production without heavy capital investment. Oatly secures two to three co-manufacturing partners with expertise in aseptic processing, cold brew extraction, and RTD beverage packaging. Pilot production runs are conducted to validate quality consistency, yield efficiency, and cost targets.

Supply chain coordination is critical during this phase. Ingredient sourcing, logistics planning, and quality assurance protocols are standardized to ensure reliability as volumes increase. Production benchmarks are established to protect contribution margins and prevent cost overruns. This phase enables Oatly to enter the RTD category quickly and flexibly, preserving cash flow while supporting revenue growth.

Key Outputs

- 95 percent or higher quality pass rate
- Pilot production cost targets achieved
- Scalable manufacturing capacity without new capex

Phase 3: Brand Positioning & Launch Campaign

Timeline: April–July 2026

Primary Teams: Marketing, PR

Phase 3 focuses on shaping consumer perception and building awareness ahead of broader rollout. Marketing efforts emphasize Oatly's strengths in coffee culture, sustainability, and functional nutrition while clearly communicating use occasions beyond traditional milk consumption.

Campaigns are launched across digital, social, and experiential channels, with targeted messaging for convenience, wellness, and on-the-go lifestyles. Limited influencer partnerships and café collaborations are leveraged to reinforce credibility and trial. This phase ensures that demand generation precedes distribution expansion, reducing reliance on discounting and supporting pricing integrity.

Key Outputs

- National RTD brand platform established
- Strong early engagement and trial metrics
- Clear differentiation from private-label RTD offerings

Phase 4: Retail & Foodservice Expansion

Timeline: June–September 2026

Primary Teams: Sales, Distribution

Phase 4 translates brand momentum into revenue scale. Distribution expands into convenience stores, campuses, fitness venues, airports, and select foodservice accounts, targeting high-traffic environments with frequent consumption occasions.

Retail execution focuses on optimal placement, controlled SKU counts, and velocity tracking rather than rapid footprint expansion. Trade terms are negotiated to balance shelf access with margin protection.

This phase is the primary revenue acceleration point of the implementation plan and materially improves Oatly's revenue mix.

Key Outputs

- RTD share of total revenue reaches approximately 12–14 percent
- Distribution footprint expands by 30 percent or more
- Improved average revenue per unit

Phase 5: Market Launch & Consumer Activation

Timeline: August–October 2026

Primary Teams: Launch, Events, Marketing

Phase 5 concentrates on converting awareness into sustained demand. National launch moments, pop-ups, sampling programs, and campus activations drive trial and repeat purchase. Messaging highlights convenience, taste, and functional benefits while reinforcing Oatly's sustainability credentials.

This phase strengthens household penetration and accelerates velocity, supporting operating leverage and improving marketing efficiency.

Key Outputs

- Strong repeat purchase rates
- Increased household penetration
- Reduced promotional dependence

Phase 6: Performance Tracking & Optimization

Timeline: October–December 2026

Primary Teams: Data Analytics, Strategy

Phase 6 focuses on performance evaluation and optimization. SKU-level profitability, velocity, and margin data are analyzed to refine the RTD portfolio. Underperforming SKUs are rationalized, while top performers are prepared for continued scale into 2027.

Insights from this phase inform pricing adjustments, packaging refinements, and distribution prioritization, ensuring the RTD platform remains margin accretive.

Key Outputs

- Contribution margin uplift of approximately 250 basis points
- SKU rationalization and portfolio optimization
- Clear roadmap for 2027 RTD expansion

Implementation Impact: The phased implementation of Recommendation 1 allows Oatly to expand into RTD and functional beverages in a controlled, financially disciplined manner. By sequencing product readiness, manufacturing scalability, brand positioning, and distribution expansion, the plan minimizes execution risk while maximizing revenue quality.

Successful execution directly supports:

- Higher average revenue per unit
- Improved gross margins
- Stronger EBITDA performance
- Reduced reliance on commoditized oat milk sales

This implementation plan positions RTD beverages as a core growth and profitability lever within Oatly's broader strategic turnaround.

Recommendation 2: Optimize Regional Sourcing & Manufacturing to Improve Margins and Strengthen Supply Chain Resilience

Regional Sourcing & Manufacturing Optimization Plan

Start Date: January 1, 2026

Team	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
	'26	'26	'26	'26	'26	'26	'26	'26	'26	'26	'26	'26	'27	
Supplier Partnerships	Phase 1													
Facility Upgrades			Phase 2											
Logistics & Distribution					Phase 3									
Automation & Tech							Phase 4							
Sustainability Integration									Phase 5					
Performance Monitoring											Phase 6			

Phase 1: Regional Supplier Partnership Development

Phase 2: Manufacturing Facility Modernization

Phase 3: Regional Distribution Network Setup

Phase 4: Automation & Process Optimization

Phase 5: Sustainability Tracking & Certification

Phase 6: Continuous Improvement & Monitoring

Phase Descriptions

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Phase 1	Regional Supplier Partnership Development: Establish long-term contracts with oat farmers in U.S. Midwest and Canadian Prairies. Negotiate volume commitments, quality standards, and regenerative agriculture practices. Target: 60% of oats sourced regionally by Q2 2026.
II	Manufacturing Facility Modernization: Upgrade New Jersey and Utah plants with modular production lines for flexible SKU switching. Install energy-efficient equipment and waste reduction systems. Target: 20% increase in production efficiency.
III	Regional Distribution Network Setup: Establish distribution hubs in key markets (Northeast, Southwest, Pacific Northwest). Optimize cold-chain logistics and reduce last-mile delivery costs. Target: 15% reduction in freight expenses.
IV	Automation & Process Optimization: Implement IoT sensors for predictive maintenance, AI-based demand forecasting, and lean manufacturing protocols. Deploy automated quality control systems. Target: 25% reduction in downtime.
V	Sustainability Tracking & Certification: Integrate carbon footprint tracking across supply chain. Pursue third-party sustainability certifications. Expand renewable energy usage at manufacturing sites. Target: 20% reduction in emissions per unit.
VI	Continuous Improvement & Monitoring: Establish KPI dashboards for cost per unit, lead times, and sustainability metrics. Conduct quarterly supplier reviews and facility audits. Target: Achieve 30%+ gross margins by Q1 2027.

Strategic Target: Achieve 30%+ gross margins and 15% reduction in supply chain costs by Q1 2027

Start Date: January 1, 2026

The implementation of Oatly's regional sourcing and manufacturing optimization initiative is designed to address one of the company's most persistent structural challenges: elevated cost of goods sold driven by long supply routes, underutilized facilities, and operational inefficiencies. This recommendation follows a six-phase, end-to-end transformation plan that realigns sourcing, production, logistics, and sustainability systems to support margin expansion and long-term profitability.

By localizing supply, modernizing facilities, and embedding automation and sustainability tracking, this initiative directly supports Oatly's objective of achieving 30 percent or higher gross margins and a 15 percent reduction in supply chain costs by early 2027

Phase 1: Regional Supplier Partnership Development

Timeline: January–March 2026

Primary Teams: Procurement, Supply Chain, Sustainability

Phase 1 focuses on restructuring Oatly's raw material sourcing strategy by shifting away from long-distance, fragmented suppliers toward long-term regional partnerships. Oatly establishes multi-year contracts with oat farmers in the U.S. Midwest and Canadian Prairies, negotiating volume commitments, quality standards, and regenerative agriculture practices.

These partnerships improve supply reliability while reducing transportation distance, freight costs, and lead times. By embedding sustainability requirements directly into supplier contracts, Oatly aligns cost efficiency with its environmental commitments rather than treating them as tradeoffs.

The target outcome of this phase is to source approximately 60 percent of oats regionally by Q2 2026, materially lowering input volatility and logistics expense

Phase 2: Manufacturing Facility Modernization

Timeline: March–July 2026

Primary Teams: Manufacturing, Operations, Engineering

Phase 2 centers on upgrading Oatly's existing manufacturing footprint, particularly facilities in New Jersey and Utah, to improve flexibility, efficiency, and cost control. Modular production lines are installed to enable faster SKU changeovers and reduce downtime associated with product variety.

Energy-efficient equipment and waste-reduction systems are integrated to lower per-unit costs and support sustainability targets. These upgrades are designed to maximize throughput without expanding physical capacity, allowing Oatly to extract greater value from sunk capital investments.

The operational target for this phase is a 20 percent increase in production efficiency, directly contributing to lower cost of goods sold and improved gross margins (4)

Phase 3: Regional Distribution Network Setup

Timeline: May–August 2026

Primary Teams: Logistics, Distribution, Operations

Phase 3 addresses downstream cost inefficiencies by restructuring Oatly's distribution network. Regional logistics hubs are established in key markets such as the Northeast, Southwest, and Pacific Northwest to shorten delivery routes and improve service reliability.

Cold-chain logistics are optimized to reduce spoilage, handling costs, and last-mile delivery inefficiencies. This regionalized distribution approach improves responsiveness to demand fluctuations while lowering freight intensity.

The primary financial objective of this phase is to achieve a 15 percent reduction in freight and distribution expenses, reinforcing margin recovery across both core oat milk and new RTD products

Phase 4: Automation & Process Optimization

Timeline: July–October 2026

Primary Teams: Operations, IT, Data Analytics

Phase 4 introduces advanced automation and data driven decision systems across manufacturing and supply chain operations. IoT sensors are deployed for predictive maintenance, reducing unexpected downtime and equipment failures. AI-based demand forecasting tools improve production planning and inventory management.

Automated quality control systems are implemented to enhance consistency while lowering labor intensity. Lean manufacturing protocols are standardized across facilities to embed continuous efficiency improvements.

The target outcome of this phase is a 25 percent reduction in production downtime, strengthening throughput reliability and lowering unit costs

Phase 5: Sustainability Tracking & Certification

Timeline: September–November 2026

Primary Teams: Sustainability, Compliance, Operations

Phase 5 integrates sustainability into operational performance measurement rather than treating it as a separate initiative. Carbon footprint tracking systems are implemented across sourcing, manufacturing, and distribution activities, enabling real-time emissions monitoring. Oatly pursues third-party sustainability certifications and expands renewable energy usage at manufacturing sites. These efforts enhance brand credibility while improving energy efficiency and regulatory preparedness. The operational target of this phase is a 20 percent reduction in emissions per unit, reinforcing Oatly's positioning as a sustainability leader while supporting long-term cost control.

Phase 6: Continuous Improvement & Performance Monitoring

Timeline: November 2026–February 2027

Primary Teams: Strategy, Finance, Operations

Phase 6 ensures that efficiency gains are sustained and scaled over time. KPI dashboards track cost per unit, lead times, supplier performance, and sustainability metrics. Quarterly supplier reviews and facility audits identify opportunities for further optimization. Insights generated during this phase inform pricing strategy, capacity planning, and future capital allocation decisions. The initiative transitions from implementation to ongoing operational discipline. The strategic outcome of this phase is to support Oatly's goal of achieving 30 percent or higher gross margins⁸³ and a sustained reduction in supply chain costs by early 2027.

⁸³ Euromonitor International. (2024). Dairy alternatives global industry overview.
<https://www.euromonitor.com/dairy-alternatives>

Implementation Impact: The regional sourcing and manufacturing optimization initiative fundamentally reshapes Oatly's cost structure. By localizing inputs, modernizing facilities, optimizing logistics, and embedding automation and sustainability tracking, the company reduces structural inefficiencies that previously constrained profitability.

Successful execution directly contributes to:

- Lower and more predictable cost of goods sold
- Improved gross margin stability
- Greater resilience to commodity and logistics shocks
- Stronger EBITDA performance across all scenarios

Together, these improvements position Oatly to support both RTD expansion and mainstream brand scaling without sacrificing margin discipline.

Recommendation 3: Reposition Oatly as an Inclusive, Mass-Market Lifestyle Brand

Brand Repositioning Strategy

“Oatly for All” Implementation Plan

♥ Start Date: January 1, 2026

Team	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
	'26	'26	'26	'26	'26	'26	'26	'26	'26	'26	'26	'26	'27	'27
Brand Research	Phase 1													
Creative Development			Phase 2											
Product Extensions				Phase 3										
Retail Expansion							Phase 4							
Campaign Launch									Phase 5					
Brand Tracking												Phase 6		



Phase Descriptions

O	Phase 1	Consumer Research & Brand Strategy: Conduct quantitative and qualitative research with mainstream families. Test "Oatly for All" messaging with focus groups. Develop inclusive brand platform balancing authenticity with accessibility. Target: Validate strategy with 500+ respondents.
h	Phase 2	Creative Platform Development: Design new packaging emphasizing nutrition facts and usage occasions. Develop family-focused campaign assets featuring diverse households and multi-generational moments. Create simplified messaging architecture. Target: Complete re-brand toolkit by Q2 2026.
e	Phase 3	Family Product Extensions: Launch kids' oat milk beverages (flavored, fortified), family-size multipacks, and low-sugar formulations. Develop recipe content for everyday cooking. Target: 8-10 new family-oriented SKUs.
9	Phase 4	Multi-Aisle Retail Placement: Expand beyond plant-based section into cereal aisle, kids' beverages, and center-store dairy adjacencies. Secure premium end-cap displays. Negotiate promotional support with Target, Walmart, Kroger. Target: 40% increase in shelf facings.
S	Phase 5	"Oatly for All" Campaign Launch: Execute integrated campaign across TV, digital, social, and in-store. Feature real families and everyday moments. Launch influencer partnerships with parent and wellness creators. Target: 15% lift in brand awareness among families.
C	Phase 6	Brand Health & Performance Tracking: Monitor household penetration, repeat purchase rates, and brand perception shifts. Conduct quarterly brand tracking studies. Optimize messaging based on performance. Target: 25% increase in household penetration by Q1 2027.

◎ **Strategic Target:** Achieve 25% increase in household penetration and 15% lift in brand awareness by Q1 2027

Brand Platform: “*Oatly for All*”

Start Date: January 1, 2026

The objective of Recommendation 3 is to broaden Oatly's appeal beyond its current niche audience and drive sustained household penetration by repositioning the brand as an accessible, family-friendly, and everyday nutrition choice. The “Oatly for All” platform preserves Oatly’s creative DNA while shifting the brand narrative toward inclusivity, clarity, and mainstream relevance. This repositioning is critical to unlocking volume growth, improving revenue stability, and supporting long-term profitability.

The implementation follows a six-phase rollout that integrates research, creative development, product innovation, retail execution, campaign activation, and brand performance monitoring to ensure consistency and measurable impact.

Phase 1: Consumer Research & Brand Strategy

Timeline: January–March 2026

Primary Teams: Brand Research, Strategy

Phase 1 establishes the strategic foundation for the repositioning effort. Oatly conducts extensive quantitative and qualitative research with mainstream households, particularly families, multi-generational consumers, and value-oriented shoppers. Focus groups and surveys test the “Oatly for All” concept to ensure it resonates beyond urban, younger audiences while maintaining brand authenticity.

Insights from this research inform the development of an inclusive brand platform that balances Oatly’s distinctive personality with clearer functional and nutritional messaging. The goal of this phase is to validate the repositioning strategy with at least 500 respondents, ensuring that the new direction is grounded in consumer reality rather than brand intuition

Phase 2: Creative Platform & Messaging Development

Timeline: March–June 2026

Primary Teams: Creative Development, Marketing

Phase 2 translates strategy into execution by developing a refreshed creative platform. Packaging is redesigned to emphasize nutrition facts, usage occasions, and everyday relevance while maintaining recognizable Oatly cues. Messaging architecture is simplified to clearly communicate benefits such as lower sugar options, allergen friendliness, and versatility for families. Campaign assets are developed to feature diverse households and real, multi-generational moments rather than niche cultural references. This phase culminates in the completion of a comprehensive rebrand toolkit by the end of Q2 2026, ensuring consistent execution across channels and markets.

Phase 3: Family-Oriented Product Extensions

Timeline: May–August 2026

Primary Teams: Product Development, Innovation

Phase 3 focuses on aligning the product portfolio with the new brand positioning. Oatly launches 8–10 family-oriented SKUs, including kids' oat milk beverages, fortified and flavored options, family-size multipacks, and low-sugar formulations. These extensions reinforce the perception of Oatly as a household staple rather than a specialty product.

In parallel, Oatly develops recipe content and everyday usage guidance to embed the brand into daily routines such as breakfast, lunchboxes, and cooking. This phase directly supports volume growth and increases average household consumption frequency.

Phase 4: Multi-Aisle Retail Placement Strategy

Timeline: July–September 2026

Primary Teams: Retail Expansion, Sales

Phase 4 addresses one of the largest barriers to mainstream adoption: visibility. Oatly expands placement beyond the plant-based aisle into cereal aisles, kids' beverage sections, and center-store dairy adjacencies. This strategy increases exposure to family shoppers and reframes Oatly as an everyday choice.

The company negotiates enhanced in-store visibility through end-cap displays and promotional support with major retailers such as Target, Walmart, and Kroger. The target outcome is a 40 percent increase in shelf facings, materially improving discovery and trial among new consumers

Phase 5: “Oatly for All” Campaign Activation

Timeline: September–November 2026

Primary Teams: Campaign Launch, Marketing, PR

Phase 5 marks the full public launch of the repositioned brand. An integrated marketing campaign is deployed across television, digital, social media, and in-store channels. The campaign features real families and everyday consumption moments, reinforcing inclusivity and approachability.

Influencer partnerships are expanded to include parent, family, and wellness creators, broadening reach beyond traditional Oatly audiences. The campaign aims to drive a 15 percent lift in brand awareness among families, supporting both short-term sales and long-term equity building

Phase 6: Brand Health & Performance Monitoring

Timeline: November 2026–February 2027

Primary Teams: Brand Tracking, Analytics

Phase 6 ensures that the repositioning delivers measurable results. Oatly tracks key brand and commercial metrics including household penetration, repeat purchase rates, and perception shifts through quarterly brand health studies. Messaging and media allocation are refined based on performance insights.

The primary strategic objective of this phase is to achieve a 25 percent increase in household penetration by Q1 2027, confirming that the brand repositioning has successfully expanded Oatly's consumer base and strengthened loyalty

Implementation Impact: The “Oatly for All” repositioning transforms Oatly from a culturally niche brand into a broadly relevant household staple. By aligning brand messaging, product innovation, retail visibility, and campaign execution, this recommendation directly supports:

- Higher household penetration and purchase frequency
- More stable, volume-driven revenue growth
- Reduced reliance on premium pricing alone
- Stronger long-term brand equity

Together with RTD expansion and supply chain optimization, Recommendation 3 completes Oatly's transition toward scalable, mainstream growth with improved financial resilience.

Contingency Plan

If Oatly encounters operational, market, or implementation challenges during the rollout of its strategic initiatives, the company will activate the following contingency measures. These actions are designed to maintain business continuity, protect profitability, and ensure alignment with long-term brand and sustainability objectives.

1. **RTD and Functional Beverage Expansion Underperforms** - If early sell-through, retailer acceptance, or trial rates fall below forecast, Oatly will:
 - Prioritize high-performing SKUs and reduce the breadth of the initial RTD assortment to limit inventory and production risk.
 - Reallocate marketing investments toward foodservice, where Oatly maintains strong brand equity and can stimulate trial through café visibility.
 - Leverage co-manufacturing partners to maintain flexibility and avoid capital-intensive production scale-up until demand stabilizes.
 - Refine product positioning toward functional benefits (protein, low sugar, clean label) to increase differentiation in a competitive RTD landscape.
2. **Mass-Market Repositioning (“Oatly for All”) Fails to Drive Household Adoption** - If brand repositioning does not resonate with broader consumer segments or weakens engagement among core audiences, Oatly will:
 - Reinforce elements of the original brand voice to maintain loyalty among early adopters while refining messaging for mainstream households.

- Introduce targeted marketing programs focused on specific cohorts, such as families, suburban shoppers, and value-driven consumers, instead of broad national messaging.
- Strengthen in-store merchandising efforts (secondary placements, shelf communication, cross-category adjacencies) to support trial at the point of purchase.
- Accelerate limited-edition flavors and seasonal innovations to re-engage existing consumers and drive incremental traffic.

3. Intensifying Price Competition or Market Share Erosion - If private-label or

competitor pricing compresses category margins, Oatly will:

- Deploy selective, time-bound promotions in mass retail channels while maintaining premium price integrity in natural and specialty retailers.
- Expand foodservice penetration with bulk formats, leveraging the Barista Edition's strong performance in cafés to reinforce brand preference.
- Highlight verified sustainability data, nutrition transparency, and ingredient quality more prominently on packaging and digital channels to justify premium positioning.

4. Regulatory or Sustainability-Related Disruptions - If new labeling rules,

environmental claim scrutiny, or compliance requirements arise, Oatly will:

- Prepare alternative packaging structures (e.g., "oat beverage" descriptors) to ensure seamless compliance without disrupting distribution.
- Enhance third-party verification of sustainability metrics to reinforce trust and minimize reputational risk.

- Allocate resources toward consumer education to clarify product attributes, nutritional comparisons, and environmental benefits.

5. Supply Chain Volatility or Rising Production Costs - If Oatly experiences raw material shortages, transportation disruptions, or adverse cost fluctuations, the company will:

- Increase reliance on regional oat sourcing across the Midwest and Canada to stabilize supply and reduce long-haul transport dependency.
- Temporarily shift production volume toward co-manufacturers to offset capacity constraints and avoid bottlenecks at owned facilities.
- Simplify the SKU mix by deprioritizing lower-volume innovations, ensuring production resources focus on Barista Edition and key retail cartons.
- Implement price-pack architecture (e.g., smaller sizes or multi-pack offerings) to preserve accessibility without fully compromising margins.

Together, these contingency measures ensure that Oatly remains agile and resilient as it executes its strategic initiatives. By preparing flexible responses across product innovation, supply chain management, brand positioning, competitive dynamics, and regulatory considerations, Oatly can safeguard performance even under uncertain market conditions. This approach supports the company's long-term objectives of operational efficiency, sustainable growth, and strengthened global leadership in the plant-based beverage category.