

Press release

AAK makes significant investments in its China facility

Eighteen months after inaugurating its production facility in Zhangjiagang, China, AAK has decided on some significant add-on investments to increase capacity and support volume growth for, in particular, its Special Nutrition and Bakery segments.

“China is a key growth market for AAK and the country will continue to present attractive opportunities for profitable and sustainable growth in the speciality and semi-speciality vegetable oils and fats market”, said Johan Westman, President and CEO. “AAK has established a solid presence in the Chinese market and with these new investments we are very well positioned to continue to grow organically and capture market share.”

The investments, estimated at approximately SEK 300 million, include a stand-alone processing plant for Special Nutrition, focusing on the production of infant nutrition speciality solution INFAT®, sold through Advanced Lipids, a joint venture between AAK and IFF. AAK will also add additional capacity in the Bakery segment to meet the strong demand for the company’s high-end bakery solutions. Furthermore, AAK will invest in some base production equipment and infrastructure to accommodate the general domestic growth.

AAK’s production site in Zhangjiagang was inaugurated in September 2017 with an annual production capacity of 100,000 MT but, as earlier communicated, built and prepared for further expansions.

“The processing plant for Special Nutrition will significantly strengthen the product and service offering for end customers”, said Torben Friis Lange, President AAK Asia. “Combined with the investment related to our high-end bakery solutions, we will support our long-term growth in the fast-growing and very important Chinese market.”

The investments are expected to be commissioned during the second half of 2020.

For further information, please contact:

Fredrik Nilsson

CFO

Mobile: +46 708 95 22 21

E-mail: fredrik.nilsson@aak.com

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*AAK is a leading provider of value-adding vegetable oils & fats. Our expertise in lipid technology within foods and special nutrition applications, our wide range of raw materials and our broad process capabilities enable us to develop innovative and value-adding solutions across many industries – Chocolate & Confectionery, Bakery, Dairy, Special Nutrition, Foodservice, Personal Care, and more. AAK’s proven expertise is based on more than 140 years of experience within oils & fats. Our unique co-development approach brings our customers’ skills and know-how together with our own capabilities and mindset for lasting results. Listed on Nasdaq Stockholm and with our headquarters in Malmö, Sweden, AAK has more than 20 different production facilities, sales offices in more than 25 countries and more than 3,600 employees. **We are AAK – The Co-Development Company.***