



Press Release  
23 October, 2024 at 17:00 CEST

## AAK divests its North American Foodservice site and focus on European expansion

**AAK has entered into an agreement to divest its Foodservice facility in Hillside, NJ, USA. This move aligns with our portfolio-based strategy to further optimize our Foodservice operations. While the standalone Hillside site will be sold, we are also planning to invest in enhancing our European Foodservice structure, with a focus on strengthening our already strong presence in the UK and Nordic regions.**

A binding transaction agreement has been signed with Stratas Foods LLC, and the transaction is expected to be completed before the end of the year, subject to customary closing conditions. Until completion, Hillside will continue to be reported as part of Food Ingredients. The transaction is expected to generate a one-time positive cash flow impact of approximately SEK 600 million at closing, with no anticipated material effect on the profit and loss statement. Hillside represents approximately 5 percent of AAK's total volumes and contributes around 1 percent to its operating profit. As a result, the divestment is expected to positively impact the group's operating profit per kilo by approximately 4 percent, all else being equal.

At the same time, to future-proof and strengthen our remaining Foodservice operations in Europe, we are looking to invest in a new site to replace the existing facility in Dalby, Sweden. Additionally, we are both enhancing and modernizing our Hastings Foodservice site in the UK. The total capital investment for the European Foodservice expansion is approximately SEK 400 million, spread over 2025-2026. These investments will further strengthen our competitiveness in the UK and northern Europe.

**Johan Westman, President and CEO:** *"In line with our strategy, we are optimizing our Foodservice business by focusing on Europe, where we see critical mass and growth potential. As part of this shift, we will divest the Hillside plant while strengthening our European presence by investing in a new facility in Sweden to replace the existing site in Dalby. Additionally, we are enhancing and modernizing our Hastings Foodservice site in the UK. These strategic investments will improve operational efficiency and position AAK for future growth in the Foodservice sector."*

**Erik Heggen, CEO Stratas Foods, LLC:** *"The acquisition of AAK Hillside underscores our commitment to expanding our footprint and capabilities in the Northeast. Along with our Englewood, NJ site, AAK Hillside fortifies a robust platform that empowers us to grow with our customers today and well into the future. At Stratas, our Team is focused on re-defining what is possible to help our customers thrive. Together, our Hillside and Englewood locations are poised to deliver unparalleled value to our customers and stakeholders alike."*



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### **About AAK Foodservice**

AAK Foodservice manufactures over 300 specialty products, including oils, condiments, sauces, dressings, frying oils, and ingredients. Following the divestment of Hillside, AAK now operates three Foodservice facilities worldwide—Runcorn and Hastings in the UK, and Dalby in Sweden—collectively accounting for around 5percent of the group's total production volume. Once completed, the new site will replace the existing site in Dalby.

### **About Stratas Foods, LLC**

Stratas Foods, LLC is the leading supplier of fats, oils, mayonnaise, dressings and sauces to the Foodservice, Food Ingredients and Retail Private Label markets in North America. Stratas Foods was formed in October 2008 as a 50/50 joint venture between Associated British Foods (ABF) and Archer Daniels Midland (ADM).

### **For more information, please contact:**

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### **About AAK**

Everything AAK does is about Making Better Happen™. We specialize in plant-based oils that are the value-adding ingredients in many of the products people love to consume. We make these products better tasting, healthier, and more sustainable. At the heart of AAK's offer is Customer Co-Development, combining our desire to understand what better means for each customer, with the unique flexibility of our production assets, and a deep knowledge of many products and industries, including Chocolate & Confectionery, Bakery, Dairy, Plant-based Foods, Special Nutrition, Foodservice and Personal Care. Our 4,200 employees support our close collaboration with customers through 25 regional sales offices, 15 dedicated Customer Innovation Centers, and with the support of more than 20 production facilities. Listed on Nasdaq Stockholm and with our headquarters in Malmö, Sweden, AAK has been Making Better Happen for more than 150 years.

### **Attachments**

**[AAK divests its North American Foodservice site and focus on European expansion](#)**