

AAK Invests in its China facility to expand its nutrition, bakery sector

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