

22 April 2024

PRESS RELEASE

Arla Foods Ingredients signs acquisition agreement with the owners of Volac's Whey Nutrition Business

Arla Foods Ingredients has reached an agreement to acquire Volac's Whey Nutrition business.

The UK-based Volac group specialises in turning whey into ingredients for sports nutrition, with by-products being sold for food and animal nutrition. At its heart is its whey processing facility in Felinfach in Wales.

Arla Foods Ingredients has today signed an agreement to acquire the Whey Nutrition division of Volac's business through a purchase of the shares in Volac Whey Nutrition Holdings Limited and its subsidiaries, Volac Whey Nutrition Limited and Volac Renewable Energy Limited. Completion of the transaction is expected later this year subject to required regulatory approvals.

The acquisition would play a significant role in Arla Foods Ingredients' future plans. It envisions the Felinfach site as a global production hub and a cornerstone of an enhanced product offering in the performance, health and food sectors.

For Volac, this represents a logical step in its evolution as a family business and provides the springboard for the optimal development of the Whey Nutrition Business as well as Volac's remaining Animal Nutrition Business.

Luis Cubel, Group Vice President and Managing Director of Arla Foods Ingredients, said: "This brings together two complementary offerings in a growing and increasingly international space for whey products. Volac is a pioneer in the use of whey protein for performance nutrition and has a wealth of expertise as well as an incredibly talented team. It shares our commitment to helping companies worldwide harness the full potential of whey, and we're hugely excited about the opportunities that lie ahead."

James Neville, joint owner of Volac, on behalf of the Neville family, said: "Whey processing started at the Felinfach site more than three decades ago, and we couldn't be prouder of everything that's been achieved by everyone involved in the business since then. When considering the future of Volac Whey Nutrition and the opportunities that lie ahead for that business, it was crucial for us to choose a partner with the right values and expertise. Arla Foods Ingredients has the ambition and the knowledge to take the business to the next level."

The global sports nutrition industry has grown at a CAGR of 9% since 2010. By 2028, it is projected to be worth 42.2 billion USD, up from 28.1 billion in 2023.¹ Volac Whey Nutrition's portfolio includes the Volactive® range. Arla Foods Ingredients' portfolio includes the Lacprodan® range of solutions for sports nutrition applications including RTDs, powder shakes and protein bars.

¹ Euromonitor, Consumer Health, 2024



Dairy Nutrition for a Healthier World

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Volac was advised by Houlihan Lokey (Financial), Ashurst (Legal), PWC (Financial due diligence), OCC (Commercial due diligence)

Arla Foods Ingredients was advised by Norton Rose Fulbright (Legal) and EY (Financial and tax)

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About Volac

Volac is a fast-growing, ambitious dairy business. We are world leaders in dairy nutrition and our mission is to develop great products that advance the health and performance of consumers and farm animals. Our heritage as an innovative family business inspires us to confront the challenges in our world. We care deeply for our customers and enjoy helping our partners and communities prosper, so together we can contribute to a sustainable, healthier future. The company has seven production facilities (four of them in the UK, one in the U.S, one in Indonesia and one in Malaysia) where we manufacture and supply high quality dairy nutrition products to the global market. Volac is a wholly owned subsidiary of Woodford Holdings Ltd, a non-trading company.

LinkedIn

<https://www.linkedin.com/company/volac-international-ltd>

LinkedIn (Volac Whey Nutrition Limited)

<https://www.linkedin.com/showcase/volactive/>

About Arla Foods Ingredients

Arla Foods Ingredients is a global player focused on improving premium nutrition. Together with our customers, research partners, suppliers, NGOs and others, we discover and deliver documented ingredients and products that can advance lifelong nutrition for the benefit of consumers around the world.

We serve leading global brands in early life nutrition, medical nutrition, sports nutrition, health foods, and other foods and beverages.

Five reasons to choose us:

- We're passionate about improving nutrition
- We innovate by connecting the best
- We master both discovery and delivery
- We build strong, long-lasting partnerships
- We are committed to sustainability

Headquartered in Denmark, Arla Foods Ingredients is a 100% owned subsidiary of Arla Foods.



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LinkedIn

<http://www.linkedin.com/company/arla-foods-ingredients>

LinkedIn (Latin America)

<https://www.linkedin.com/showcase/arla-foods-ingredients-latin-america/>

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