



Media release
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Fazer acquires Vuohelan Herkku's bakery and mill businesses – becomes market leader in gluten-free bakery products

Fazer Group continues executing its growth strategy and investing in growing product categories by acquiring Vuohelan Herkku's bakery and mill businesses. Vuohelan Herkku is one of the forerunners of gluten-free baking in Finland and has a new gluten-free bakery in Lahti. Through the acquisition, Fazer becomes the market leader in gluten-free bakery products in Finland.

Fazer pursues growth by investing in desirable and meaningful taste and brand experiences in growing product categories. The growth is based on consumer understanding, innovations and close cooperation with customers. Fazer invests in growth, both organically and through M&A.

As the market leader in the bakery business, Fazer invests in gluten-free production as this market is expected to grow substantially in the coming years. Broadening its gluten-free product portfolio is part of Fazer's consumer-centric strategy. This acquisition will enable Fazer to foster even more profound strategic partnerships with its customers, offering a wide range of bakery products.

"Acquiring Vuohelan Herkku strengthens Fazer's position as the leading bakery in Finland. Through the acquisition, Fazer becomes the market leader also in gluten-free bakery products. We will renew Vuohelan Herkku's product portfolio and integrate it into Fazer's gluten-free assortment. The acquisition of Vuohelan Herkku is a natural move for us when executing our strategy. We will become a very strong player in the growing gluten-free market when we exploit Fazer's strong brand and combine Fazer's and Vuohelan Herkku's know-how," says **Christoph Vitzthum**, President and CEO, Fazer Group.

Vuohelan Herkku is a forerunner in gluten-free products

Vuohelan Herkku is an innovative family-owned company specialised in developing and producing only gluten-free products. The company has a great depth of knowledge of gluten-free baking. The whole production is gluten-free, and the use of food additives and allergens has been minimised.

Vuohelan Herkku has a new, modern gluten-free bakery in Lahti, built in 2018. Vuohelan Herkku's geographical location near Fazer's bakery in Lahti enables efficient and reliable use of Fazer's national distribution network.

"I'm pleased that my life's work as an innovator of gluten-free products continues. Along with the acquisition, the business will develop further, and more gluten-free options will become available in the market. For us at Vuohelan Herkku, it is important that we share the same values with Fazer. High quality and domestic origin are highly significant to both of us," says **Pirkko Hämäläinen**, Managing Director and the main owner of Vuohelan Herkku Oy.



The demand for gluten-free and belly-friendly products increases

Gluten-free products represent approximately 3 % of the total bakery market in Finland. The market is estimated to grow significantly in the coming years. Around 2 % of the Finnish population is affected by celiac disease and at least one out of ten Finns suffer from IBS (Irritable Bowel Syndrome). In addition to those suffering from celiac disease, many people with sensitive stomachs have experienced that a gluten-free diet is suitable for them and relieves their stomach symptoms.

Well-being and meaningful taste experiences are at the core of Fazer's product development. Fazer takes special diets into account and has special knowledge also on belly-friendly products as well as products suitable for fodmap diet.

Vuohelan Herkku Oy in brief

- Established in 2003, became a limited company in 2011
- One of the forerunners of fresh gluten-free bakery products in Finland
- All products are gluten-free
- The biggest product category is fresh bakery products. Produces also frozen products and flour mixes
- Net sales 8.6 M€ (2018)
- Employs approximately 80 people
- New, modern gluten-free bakery in Lahti and mill in Joutsa

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Fazer Group

In 1891, the young Karl Fazer opened his first café with a mission to make food with a purpose – and a passion to create moments of joy for all the people around him. It became Northern Magic. Made Real. Today, Fazer is an international family-owned company offering quality bakery, confectionery, biscuit and grain products, plant-based meals, non-dairy products, on-the-go food & drinks as well as food and café services. The Group operates in nine countries and exports to around 40 countries. The success of Fazer has been built on Karl Fazer's vision, values and fearless creativity: the best product and service quality, beloved brands, the passion of skilful people and responsible ways of working. In 2018, Fazer Group had net sales of 1.6 billion euros and more than 15,000 employees. Fazer's operations comply with ethical principles that are based on the Group's values and the UN Global Compact.

Northern Magic. Made Real.