



Market Announcement

11 November 2024

Fonterra to proceed with sale process for Consumer businesses

Fonterra Co-operative Group Ltd has today provided an update on its work to explore potential divestment options for its global Consumer business, as well as integrated businesses Fonterra Oceania and Fonterra Sri Lanka.

CEO Miles Hurrell says, following a detailed scoping phase, the Co-op has decided to proceed with a sale process for these businesses.

“Since our announcement in May 2024, we have been working with our team of advisors to assess potential divestment options, the assets and businesses in scope, and the best pathway to maximise value for our Co-op.

“This work, coupled with the confidence we have in our revised strategic direction, has confirmed a divestment of our global Consumer and associated businesses is in the best interests of the Co-op.

“Our revised strategy will see us prioritise our Ingredients and Foodservice businesses, creating a more focused and higher performing Co-op.

“We have received meaningful buyer interest in the businesses in scope for divestment, which is testament to their strength and potential.

“Through the scoping phase, we have assessed both a trade sale and IPO as attractive divestment options and will now prepare for a sale process which will pursue both options,” says Mr Hurrell.

Advisors have been selected to assist in managing this process.

“We will thoroughly test the terms and value of both a trade sale and IPO with the market before seeking support from farmer shareholders for a divestment option through a vote.

“A final decision on which divestment pathway to pursue will be based on several factors, including which option will result in optimal long-term value for the Co-op,” says Mr Hurrell.

Fonterra will provide updates over the coming months as this programme of work progresses and continues to target a significant capital return to be made to farmer shareholders and unit holders following the divestment.

ENDS

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