



Press Release

Hochland brand on the rise throughout the Group

Heimenkirch/Allgäu. Hochland looks back on a satisfactory year 2019. Group-wide cheese sales rose by 4% to 378,000 tonnes. Processed cheese accounted for almost half of this growth. The Food Service played a decisive role, with strong growth especially in Russia and in exports to third countries. Group sales rose to €1.6 billion, an increase of around 7%, including the mechanical engineering subsidiary Natec.

The Branded Business saw a Group-wide sales increase of over 4%. The main contributors to this were Hochland Russia, Hochland Germany and Hochland România. In percentage terms, Patros and Gervais performed best in Germany. Almette was stable across the group. The brand was unable to fully benefit from the rising demand for fresh cheese, especially in Russia, due to capacity bottlenecks. With the expansion of the production facility in Prokhorovka, the conditions are now in place for further growth in this category.

The development of the Hochland brand was gratifying: Group-wide sales increased by 7%, in Germany even well into double figures. The main driver was the newly introduced "Hofkäse" made from 100% Allgäu milk, with which the Hochland brand made a very successful return in the segment. The Hochland Sandwich Slices also contributed to the positive development. Processed cheese, with which Hochland's success story began more than 90 years ago, is now also on the rise again in the domestic market.

In the Private Label business, the company launched the first semi-hard cheese with the label of the German Animal Welfare Association (Deutscher Tierschutzbund).

The rapid growth of the Simply V brand also shows that Hochland has recognised the signs of the times. Plant-based products will become increasingly important in the future.

The profit on ordinary business activity increased by 27.4%. The EBT margin was at 5.1%.

The market investments of the Hochland Group amounted to around € 42 million and thus 3.5 million above the previous year.

With the commissioning of the semi-hard cheese plant in Belinsky and the expansion in Prokhorovka (both in Russia), Hochland has completed two major construction projects. This will release forces for a forward-looking investment project in France: With a high double-digit million investment, the Fromagerie Henri Hutin will be transformed into a highly flexible production facility over the next few years. It will play a pioneering role in sustainability within the Hochland Group.

Every three years Hochland takes part in the employer competition of the Great Place to Work Institute. Hochland SE and Hochland Deutschland GmbH received three awards in spring 2020. They are among the best employers in Germany, Bavaria and the Allgäu region. At the same time, the Hochland subsidiaries in Spain, Poland, Romania, Russia and Australia also took the vote of their employees, with good to very good results.

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Press contact: Petra Berners, Hochland SE, +49 (0) 8381 / 502 692, petra.berners@hochland.com