



Press release

Sustainability initiatives set landmarks

Hochland Group records a moderate increase of turnover and sales volume in 2018 – Above-average contribution of Hochland Russia – Food Service gains in importance

The Hochland Group can look back on a good year. The cheese sales rose to 363,000 tons, an increase of 4%. Most of the growth is coming from the Food Service business unit. The principal contributors to this were Hochland Russia and the US subsidiary Franklin Foods. Export to third countries also increased. Food Service has therefore become the second biggest pillar of Hochland's business, with increasing importance.

Market Leader in Russia, Romania and Poland

As far as brand growth is concerned, the Russian subsidiary also held the lead in a group-wide comparison. Hochland România as well was able to grow again. In Germany the price increases dampened the brand development. There was a loss in sales volume, especially in the first half of the year. At the beginning of 2019, Hochland in Germany is back on the growth curve and No. 2 in the market. In Russia, Romania and Poland, Hochland continues to be the clear leader in the cheese market. Franklin Foods, which has been part of the group since the beginning of 2017, continued its growth in turnover and gained new customers in the most important business units.

The result from ordinary business activity increased slightly by 3.4%. The EBT margin of the Hochland Group was at the previous year's level (4.4%).

The market investments of the Hochland Group amounted to almost € 39 million, an increase of € 1.5 million € over the previous year. In addition, investments for construction projects and new facilities were approved at record levels.

The Hochland sustainability initiatives in 2018 have set international landmarks in the industry. Hochland and its German milk suppliers have concluded an agreement banning the use of fermentation substrates with microplastics and also the use of non-selective herbicides. Hochland has also won new milk producers who will supply Hochland with organic milk and also "animal welfare milk", i.e. milk that is certified by the Deutscher Tierschutzbund, the German Animal Welfare Association. Hochland is therefore continuing to play a pioneering role in the industry. It is also the first company to have established cheese production in several European countries that does without the use of GM technology.

At the beginning of 2019 Hochland was awarded the "Sustainable Commitment" award by the news magazine FOCUS and DeutschlandTest. In the large-scale survey the consumers have voted Hochland the test winner in the category "Dairy Products".

Hochland Employer Campaign works

With the campaign "... say Cheese! People who have many good reasons to smile", launched at the end of 2018, the German subsidiary strengthened its employer brand and thus took an important step in recruiting skilled workers. The campaign is built on portraits and quotes of Hochland employees, soliciting new colleagues with their friendly smiles. Rising numbers of job applications show: The campaign works!

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