



Press Release

New acquisitions in East and West

Hochland Group growth of sales volume and turnover due to acquisition of Franklin Foods – No. 2 position maintained on the German cheese market – High raw material prices affect result

Heimenkirch/Allgäu. In 2017, the volume of cheese sales by the Hochland Group rose to some 350,000 tonnes (+13%). The turnover rose by 20%. This was almost entirely due to the acquisition of the US subsidiary Franklin Foods in early 2017. Excluding the quantities from its two cream cheese plants, group sales were just above the previous year's figure. Price increases in all business units also contributed to the turnover growth.

The raw material prices had increased significantly since spring, but Hochland was only able to pass on part of this to the market, and even then only with a delay. The result from ordinary business activity fell clearly. At 4.4%, the return on sales before tax fell well short of the previous year's margin (9%).

Once again, Germany, Romania, Poland and Russia were able to maintain or even expand their market position as brand manufacturers: In the Central and Eastern European countries, Hochland remains the market leader, in Germany the cheese manufacturer was able to maintain its No. 2 position in the cheese segment. A record in sales volume in Hochland history was achieved by the Almette and Patros brands.

In the USA, the Food Service business will be further expanded and Hochland will continue to work on brand building. Investment in new machines for the plant in Casa Grande created the prerequisite for further expansion of cream cheese production.

At the end of 2017, Hochland acquired a cheese plant in Russia. The Russian subsidiary is thus entering the semihard cheese market to sustain and broaden its leadership on the local market.

Pioneer in „non-GMO“

When it comes to a cheese production without genetic engineering, Hochland takes on a pioneering role, not only in Germany: Just like the Grünländer brand, which is produced in „non-GMO“ quality since 2011, all Almette products in Germany also carry the official VLOG label (Verein für Lebensmittel ohne Gentechnik) since the middle of the year. The complete Patros brand portfolio will follow, and the processed cheese plant in Heimenkirch is also able to supply the complete portfolio in non-GMO quality. In France, Hochland is the first important manufacturer of non-GMO soft ripened cheese. Moreover, Hochland Polska is the first dairy company in Poland to receive the VLOG certificate.

The Hochland Group supported the brand business with market investments of approx. € 37 million, € 1.7 million more than in the previous year.

Natec looks to Asia

Hochland Natec and its subsidiary GoldPeg in Australia were able to increase their turnover significantly. After North America, Asia is becoming an increasingly important sales market for the machinery manufacturer

Popular employer

After being ranked among the top 100 employers in Germany, Hochland SE was able to confirm this result in the regional competition of the Great Place to Work Institute: In early 2017, Hochland SE reached the No. 2 position among companies with more than 50 employees. Six companies were awarded in this category.

At the beginning of 2018, Focus Business magazine again certified the company's quality as an employer: Hochland Deutschland GmbH with locations in Heimenkirch (Allgäu) and Schongau (Upper Bavaria) placed 166th among the country's 1,000 most popular employers. In the industry ranking, the cheese manufacturer ranks 13th.

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