



Staying operational during the pandemic

2020 was a moving year for Hochland as well. Especially in the first phase of the Corona pandemic, the common goal was to protect people's health and at the same time ensure the supply of food. Suppliers, manufacturers, retailers and logisticians worked hand in hand to achieve this. The Hochland employees have shown great flexibility, discipline and perseverance during this extraordinary time.

The pandemic has not stopped the family business from working on its future: A record sum of around € 140 million was released for investment in 2020. Major construction projects are currently underway in Schongau and Heimenkirch, where, among other things, two high-bay warehouses are being built, as well as at almost all foreign locations.

All in all, the Hochland Group came through the year well. Due to the closure of restaurants and hotels worldwide, sales of dairy products almost completely collapsed there at times. At Hochland, the subsidiaries in the USA and Spain were particularly affected. Rising demand in the food trade helped to compensate for the drop in sales in the gastronomy sector.

The branded products benefited most from this. This was also true for the Allgäu cheese producer, whose brand sales increased by 12%. The largest volume increases in absolute terms were recorded in Germany and Russia. Double-digit growth was achieved by the Hochland, Patros and Gervais brands in Germany and Fetaxa in Russia. In terms of cheese categories, white cheese recorded the largest increase.

Hochland's market share (value) in Germany rose to 4.1%. The company thus strengthened its No. 2 position in the overall market and extended the gap to No. 3. The CoPacking business unit performed even better than the brands, with double-digit growth as well. Above all, the export of processed cheese to third countries boomed. The private label business also contributed to sales growth, among other things through value-added assortments with animal welfare label in Germany. Hochland Deutschland GmbH achieved a plus of 7% with this business segment in 2020.

Overall, cheese sales across the group rose by 4% to 394,000 tonnes, which is more than 16,000 tonnes more than in the previous year. Group sales grew by around 2%.

The plant-based cheese alternatives under the Simply V brand continued their rapid development in 2020 and even exceeded the growth of the cheese brands. Two years after its foundation, the second start-up for plant-based products, Beetgold GmbH, recorded the first listings of its vegetable tortillas in the trade. At the beginning of 2021, the Beetgold carrot tortillas were awarded the New Product Award at the Biofach exhibition as the best fresh product. Beetgold is also nominated for the award "Zu gut für die Tonne!" ("Too good for the bin!"), organized by the Federal Ministry of Food and Agriculture.

The 2020 business year went surprisingly well for the Hochland engineering subsidiary Natec, as well as for Gold Peg in Australia. However, the ongoing pandemic led to purchasing restraint among international customers in the second half of the year. At the beginning of 2021, Natec's order book was still at a low level, but there are now signs of a recovery.

Hochland Deutschland GmbH was the first company in the German dairy industry to join the Science Based Targets Initiative in November 2020. In doing so, the family-owned company shows that its ambitious climate strategy is based on science, with verifiable targets and measures. Hochland Deutschland GmbH is committed to reducing its carbon footprint by 2035 in a way that demonstrably contributes to limiting global warming to below 2 degrees Celsius.

April 27, 2021

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