



## Press Release

# Hochland publishes Annual Report 2022: Unsatisfactory results in a difficult environment

[02.05.2023, Heimenkirch in the Allgäu] **The Hochland Group achieved unsatisfactory results in a difficult environment. Cheese sales increased by 0.6 % to 412,500 tonnes and, due to necessary price increases, a turnover of 2.2 billion euros was achieved. Despite record inflation, purchasing restraint and accompanied by historically high milk payout prices in Germany, sales development in the Hochland Group's business areas remained basically constant.**

Hubert Staub, CFO of Hochland SE, summarises: "Stable brand business and growth in the Foodservice business field offset declining volumes in the Private Label and Co-Packing business fields, so that an overall sales growth of 0.6% to 412,500 tonnes was achieved." The foreign subsidiaries, above all Romania, showed a pleasing development in market share, while sales in other Eastern European national companies were stable. Due to implemented price increases, turnover rose to 2.2 billion euros, but the earnings situation in Germany was completely unsatisfactory. Business in the USA developed well, both at the engineering subsidiary Hochland Natec and at the US subsidiary Franklin Foods. In most countries, the market position could be expanded despite the reluctance to buy. "We succeeded in winning more buyers for our brands by consistently focusing on consumer needs," says Sebastian Schaeffer, CCO of Hochland SE.

The continuation of the major investment and construction projects as well as the successful completion of the major S/4 HANA project at the German cheese locations represented milestones in the Hochland Group's investment offensive, which began back in 2021. The construction and commissioning of the fully automated high-bay warehouse at the Schongau site was fully completed. The capacity increase there and the expansion of the dispatch area at the headquarters in Heimenkirch were on schedule.

## **Sustainability focus on climate protection, circular economy and animal welfare**

The group-wide climate strategy also kept Hochland busy in 2022. In order to achieve the ambitious climate protection targets for all production sites, the international sustainability teams worked on a customised CO<sub>2</sub>e reduction roadmap until 2025. Compared to 2019, CO<sub>2</sub>e emissions from production processes are to be reduced by 50% per tonne of finished goods. "Step by step, we are setting the course for a sustainable and decarbonised energy management and are rethinking the energy supply in the group's plants," says Josef Stitzl, COO of Hochland SE. Hochland Deutschland GmbH achieved the science-based validation of its CO<sub>2</sub>e emissions targets through the Science Based Targets Initiative two years after joining, thus confirming its reduction path through the internationally recognised standard in line with the targets of the international Paris Climate Agreement. In addition, Hochland Deutschland GmbH marketed around 300 million kg of milk from husbandry form 3 into cheese products, including Almette fresh Alpine cheese made from 100% Alpine milk and Grünländer.

## Outlook 2023

The Managing Board remains cautiously optimistic for the current business year: "Economic conditions such as weak growth, consumer restraint and still high inflation will not make our work any easier. Well-known dairy policy issues such as animal welfare and climate protection, mandatory origin labelling and the impending ban on food advertising as part of the German government's nutrition strategy will continue to be present and poses challenges for us. 2022 was a difficult year, especially in Germany. But we are confident of achieving better results again in 2023," CEO Peter Stahl sums up.

## Press photos



### Managing Board of Hochland SE

Peter Stahl, Josef Stitzl, Hubert Staub, Sebastian Schaeffer

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### Hochland SE Headquarters, Heimenkirch

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### contact:

Michaela Matthäus, Head of Corporate Communications

Hochland SE, phone +49 (8381) 502-692, [michaela.matthaeus@hochland.com](mailto:michaela.matthaeus@hochland.com)