



## Press Release

# Hochland publishes Annual Report 2023: Satisfactory result in challenging times

**[30. April 2024, Heimenkirch in the Allgäu] The Hochland Group remains on course and achieved a satisfactory result despite volatile conditions and a general reluctance to buy. Sales showed a slight increase of 0.3% to 413,800 tonnes, with turnover amounting to 2.25 billion euros at the end of the year. The branded business remained stable, while the Private Label and Food Service business areas proved to be growth drivers.**

The Hochland Group ended the past year with a satisfactory result. Business development was characterised by dynamic market changes, geopolitical events and a high level of inflation. Price sensitivity, promotional purchases and private labels remained important topics in 2023 and influenced consumption. CFO Hubert Staub summarises: "The Private Label business made a significant contribution to the stability of the Hochland Germany subsidiary, while the Food Service business area and in particular the Quick Service Restaurants (QSR) segment proved to be a growth driver for the entire Group". The market for plant-based cheese alternatives remained under pressure, while brand sales within the Hochland Group remained stable. Sebastian Schaeffer, CCO and on board at Hochland for three years, is reorganising the Commercial division: "We see ourselves as a partner to retailers. What counts are customer and consumer needs. We are focussing on building brand trust and Hochland's innovative strength in order to attract more buyers to our products and brands. With a slight increase in sales to 413,800 tonnes and turnover growth to 2.25 billion euros, the company remained on course to become the leading cheese manufacturer.

## Investment offensive continues

The family-owned company also focussed on strengthening its future viability. Hochland's key investments included the introduction of the ERP system S/4HANA at German locations, strategic investment projects such as the expansion of white cheese capacity in Schongau and the expansion of the dispatch area and completion of the multi-storey car park at the Allgäu headquarters. "The investments we have made and are currently making are a clear commitment to our roots in Heimenkirch. We see a worldwide demand for processed cheese and Hochland Deutschland GmbH is the largest plant in the Hochland Group. We are creating further conditions to strengthen our market position and for future growth," says CEO Peter Stahl. In addition, production and packaging capacities in Romania have been expanded and the expansion of the soft cheese plant at Hochland subsidiary Henri Hutin is progressing.

## Sustainability and employer attractiveness are an integral part of the corporate vision

Hochland has been making a concrete contribution to climate and environmental protection for a long time. Hochland Deutschland GmbH continued to work on achieving climate protection targets that have been scientifically validated by the Science Based Targets Initiative. Hochland SE was also the first dairy in Germany to join the "Food for Biodiversity" association. The alliance contributes to the sustainable transformation of food systems by promoting biodiversity. As part of selected pilot

projects, Hochland will now promote the preservation and restoration of biodiversity on the dairy farmer's land and broaden their expertise. "The consistent pursuit of our sustainability goals is an integral part of our corporate strategy," says Josef Stitzl, COO of Hochland SE. "In addition to market orientation, long-term success also requires economic added value."

In 2023, the Hochland Group once again underwent an independent audit of its workplace culture at the German locations with the companies Hochland SE, Hochland Deutschland GmbH and Hochland Natec GmbH by the renowned Great Place to Work® Institute. In the size category of 2,001-5,000 employees, Hochland achieved 6<sup>th</sup> place in the Germany-wide competition and received the "Deutschlands Beste Arbeitgeber 2024" award in March.

## Outlook 2024

The Managing Board's assessment of developments on the markets is mixed. The expected weakening of inflation rates with rising wages from last year's wage settlements could lead to an increase in consumer purchasing power. However, due to high milk prices in southern Germany, the situation on the milk market remains challenging and may lead to price increases over the course of the year. Despite economic and political hurdles and increasing bureaucratisation, Hochland intends to continue to grow profitably in 2024.

## Press photos



### Managing Board of Hochland SE

f.l.t.r.: Peter Stahl, Josef Stitzl, Hubert Staub, Sebastian Schaeffer

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### Headquarters of Hochland SE in Heimenkirch

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