

Uelzena Group

Record turnover in 2021 despite challenges for the Uelzena Group.

Uelzen, 24.06.2022.

With a group turnover of €766 million, the Uelzena Group has been able to build on the positive business development of pre-pandemic years. This increase in the reporting year also reflects the persistent price rises in the market. As a result, the group recorded turnover rises of about €75 million in the main product groups alone, which equates to a growth of 12.4 percent. In the area of milk raw ingredients, quantities increased by two percent over the previous year. With group earnings of €6.74 million and an equity ratio of 34.4 %, the Uelzena Group remains financially robust during these challenging periods.

In comparison with the previous year, the milk payout improved. However, a payout of 35.44 euro cents/kg in 2021 meant that the principal aim of generating an above-average price for our dairy farmers could not be achieved. The positive trend in the current financial year gives grounds to be optimistic that we can achieve this goal once again and provide our milk producers with an attractive milk payout.

Pioneering technologies

Despite pandemic-related adjustments to the group's planning for 2021, the investment measures were largely able to be implemented at all sites. A strong focus in the reporting year was on the spray-drying plant in Uelzen for food and infant product components. Its construction presented the entire project team with increasingly bigger challenges as procuring materials and technologies became increasingly difficult in terms of costs and availability. The spray-drying plant is scheduled for commissioning in the current business year. An agglomeration plant for instant beverage powders was commissioned at the Ratzeburg site. At the Warmsen site, investment was made in a modern plant for liquid blends. Plans to expand capacity of the cheese dairy in Bismark are also underway.

Sales recovery in large sectors of the market

After a difficult period in 2020, the Uelzena Group's sales performance appears to have recovered and in some cases could be significantly increased compared with the previous year. The five main product groups all registered increases. In particular, the market for speciality products - with a rise of almost 17 percent over the previous year, driven by instant beverages - and the markets for milk fat and condensed milk products saw especially positive growth from the previous year. Milk powder and cheese sales maintained their high level from the previous year, running at maximum capacity.

Employer brand development

The total number of employees in 2021 rose slightly to 790 people. There were 49 training contracts in the Uelzena Group. In the past financial year, our staff have also demonstrated that they are the driving force behind the positive development of the group and have contributed substantially to its success. They have worked flexibly, adapted to the continued need for short-time work at one site and to shift systems whilst ensuring maximum protection by means of hygienic measures heightened by the pandemic. To continue to find qualified employees and retain them in the long term, the Uelzena Group spent time in 2021 working on developing an em-

ployer brand. The foundation of successfully retaining and attracting employees is a company culture that promotes appreciation and open communication.

Sustainable raw ingredients

In the reporting year, the results of the second survey round of dairy farms were evaluated for the QM Dairy Sustainability Tool and these results made available to member cooperatives and their milk producers. This tool is an essential part of ensuring the Uelzena Group meets our clients' needs regarding sustainability when procuring raw milk. The QM Dairy Sustainability Tool provides an excellent method of illustrating how our dairy farmers address issues that relate to the economy, environment, society and animal welfare, and it also showcases the continuous improvement process.

You can find more information on the topic of sustainability and the company's development at www.uelzena.de/en/sustainability.

You can find images relating to the general meeting in the download area of the website www.uelzena.de from 24.06.2022.

For further information:

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About the Uelzena Group

Uelzena eG with its headquarters in Uelzen, Lower Saxony, and its four subsidiaries with production sites in Germany, is one of the leading providers and innovative problem solvers in the food processing and milk refining business. The Uelzena Group is active in the following business fields:

- **Milk products & ingredients for the food industry:** Milk powder, butter, butterfat, cheese, sweetened condensed milk, cream, ice cream mixes
- **Contract manufacturing:** Spray drying, contract manufacturing of butterfat
- **Instant beverages:** Instant cocoa and coffee beverages, toppings, coffee creamers
- **Health products:** Products for weight management and sports nutrition, as well as the contract manufacturing of customer formulations

The company focuses on doing business with international customers from the industry. The Uelzena Group has been supplying many international manufacturers of well-known brands for many years now. In Germany, the group is the leading supplier of concentrated butter to food retailers and of butter and butterfat to the bakery trade.

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