

Uelzena Group

Uelzena Group steered a successful course in its anniversary year of 2022

Uelzen, 30.06.2022.

The Uelzena Group can look back on a good business year in 2022 despite all its challenges. The 70th anniversary of the parent company was celebrated in autumn 2022 with all group employees and dairy farmers in the surrounding region. With an above-average milk payout and revenue that rose to over one billion euros for the first time in the company's history, the anniversary year finished solidly despite challenging framework conditions.

Successful together

The Uelzena Group's consolidated sales of €1,077 million meant that they reached a milestone of over one billion euros for the first time in the firm's 70-year history. Revenues in the main groups recorded increases in all areas as a result of the price-driven market situation. In figures, this growth in the primary segments meant an increase of 40.1 percent over the previous year. The group raw ingredient volume further increased and was about 827 million kg on the reporting date for the year end. At €7.62 million, the group earnings grew slightly once again compared with the previous year (+ €0.88 million). The solid equity ratio of 30.9 percent also illustrated a reliable constant in economically challenging times. Uelzena eG's raw milk payout of 53.82 euro cents per kg was significantly above that of the previous year, with an increase of 18 cents. Achieving a payout above the national average was a successful strategic objective for the group. The number of employees in the entire company group was 832 at the end of the year, 55 of which were training contracts.

Processing security despite uncertain supply chains

Further challenges with the start of the war in Ukraine in the spring of 2022 were defined by uncertain supply chains and additional shortages in the already precarious market situation. Our main focus was therefore on securing the daily raw milk processing in our plants. Based on the anticipated energy supply gap with gas, we created the possibility of using heating oil as an energy source thanks to cutting-edge boiler burners and also set up the corresponding storage capacities.

The most recent investment at the Uelzen site is the new spray-drying plant, which was completed in the past year and commissioned in 2023. This project increases our diversification across various product groups as part of contract drying of infant and food ingredients.

The focus on modernisation and investment at the sites lies primarily in saving energy and water. The same also applies to wastewater treatment. The future wastewater load will be reduced with our wastewater treatment plant in Uelzen and a special purification plant in Warmßen. In Ratzeburg, the new agglomeration plant has begun operation, combining production processes and saving production steps.

Focus on sustainability issues

Following the second round of the survey completed in the previous year for the QM sustainability module milk, the evaluations were completed in the reporting year. We held webinars on the primary topics that indicated further potential for the dairy farmers of our cooperative suppliers. To ensure climate-friendly production taking all

aspects into account, we are taking part in the online agricultural climate check tool, *Agrar-Klimcheck*, a nationwide initiative to assess carbon footprints.

Outlook for 2023

The Uelzena group of companies, together with its cooperative milk suppliers, motivated employees and its good economic basis, will rise to the requirements of the persistently volatile markets for milk and procurement. "Our joint objective is to ensure a secure payout for our milk producers and to strengthen the future sustainability of Uelzena through investment," says Jörn Dwehus, Chairman of the Board of Uelzena eG. Upcoming projects include the cheese dairy expansion in Bismark and increasing capacity at Warmßen. The new spray-drying tower will start regular operation and drive growth in the successful contract drying division.

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 contract manufacturing of customer formulations

The company focuses on doing business with international industry customers. 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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