

## **Uelzena Group has major investment projects**

### **Record highs for milk deliveries and large investment projects shape the Uelzena Group in 2018**

Uelzen, 28.06.19. - The quantity of milk received in 2018 reached a new record high of 626 million kilograms. Growth in raw milk alone was 12 percent. The delivery volumes rose because the new regional milk producers were accepted as raw milk suppliers. The Uelzena Group sales amounted to EUR 648 million while not quite matching the above-average revenue situation of the previous year.

The raw milk payout to the milk producers in 2018 was 33.68 cent per kilogram. This was just 3.0 cent per kilogram below last year's price. Major investments were made as part of the modernization and expansion program. This resulted in an increased balance sheet total of approx. EUR 210 million for 2018 compared to approximately EUR 175 million in 2017. Despite a strong increase in balance sheet total, the equity ratio reached a very good level of 37 percent. "An appropriate equity ratio is important for financing and the implementation of our extensive, multi-year investment program," says Chairman Jörn Dwehus. The annual surplus amounted to almost EUR 9 million.

#### **Sales and number of employees virtually constant**

Sales in milk powder, cheese and specialty products saw positive development, often reaching capacity. Delicatessen and butterfat declined slightly, with sales dropping due to the poor price situation. Consequently, sales for the main product groups remained almost constant at 231,080 tons.

Staff increased by 4 percent to a total of 745; in total 16 new apprentices and 57 specialists and managers were hired.

#### **Modernization through investment**

In 2018, several investment projects were completed. All investments pursue the development goal of efficient, low-emission production that saves on resources. In Uelzen, construction of the EUR 17 million high-bay warehouse with approx. 13,000 pallet places was completed. Modernization projects in the milk drying area resulted in increased capacity and improved production and saw a significant reduction in air pollution and noise emissions.

#### **Sustainability while creating values**

It is particularly in the rural regions around the production plants that sustainability plays a decisive role in value creation. In order to keep the environmental impact of the transportation of raw materials to a minimum, 94 percent of the raw milk and other milk raw materials came from within a radius of 150 kilometers around the plants. With the voluntary participation of many milk producers in the pilot project Sustainability Module Milk, which is accompanied by the Thünen Institute, the Uelzena Group was able to demonstrate the services provided by milk suppliers for customers and society in the areas of ecology, economy, social affairs and animal welfare.

For more information on sustainability issues and the development of the company, please visit <https://www.uelzena.de/en/sustainability/>

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### **About the Uelzena Group**

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

- **Ingredients for the food industry** (milk powder, milk fat, sweetened condensed milk, cream, yoghurt and fermented milk products for the delicatessen industry and specialty ingredients) and contract manufacturing (processing of the customers' raw materials)
- **Instant beverages** (cocoa- and coffee-containing instant drinks, toppings and coffee creamers)
- **Health foods** (products for weight management, sports nutrition and contract manufacturing of customer recipes)
- Other **dairy products** (butter, butterfat, cheese)

The company focuses on doing business with international customers from the industry. For many years, the Uelzena Group has been supplying many well-known international producers of branded products. In Germany, the Group is a leading supplier of concentrated butter to food retailers and butter and butterfat to the bakery trade.

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