



# Annual report 2022

---

UELZENA EG AND GROUP



## COMPANY

### MILK PRODUCTION

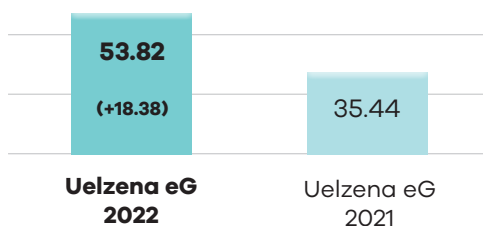


In the 2022 reporting year, the raw milk of the member cooperatives in north-east Germany was produced within the region. In the past year, 95 % of this raw ingredient was collected from within a radius of 150 km of our sites. At almost 744 million kg, the raw milk supplied was again above the previous year's level.

#### GROUP RAW INGREDIENT DEVELOPMENT

Quantity in t	2022	2021
Raw milk	743,801	699,115
Cream	64,048	69,636
Skimmed milk/ Buttermilk concentrate	18,367	17,967
Sk.milk/Bmilk/ milk permeate	618	1,035
<b>Total</b>	<b>826,834</b>	<b>787,753</b>

#### PAYOUT IN CT/KG



In 2022, the payout was 53.82 euro cents/kg raw milk (prev. yr: 35.44 euro cents/kg).

### KEY FIGURES

The scheduled investments were also implemented as planned for this reporting year. With fixed assets of €182 million (+ €19 million over the previous year), Uelzena's continuing modernisation and investment plan is reflected in its result. The equity ratio achieved 30.9 % and the group's annual result was €7.6 million.

#### OVERVIEW OF GROUP FIGURES

	2022	2021
Turnover mil. €	1,077	766
Annual surplus mil. €	7.62	6.74
Fixed assets mil. €	182	163
Equity ratio %	30.9	34.4

For the first time in the company's history, the turnover was over one billion euros at €1,077 million.

Based on the strong buyer's market, the price increases led to considerable growth in some areas when compared with the previous year.



#### GROUP TURNOVER

	2022 TEUR (€1,000)	2021 TEUR	Deviation TEUR
Delicatessen products			
Condensed milk products	42,620	35,704	+6,916
Milk fats	348,097	226,775	+121,322
Milk powder	290,938	214,992	+75,946
Cheese	138,252	95,794	+42,458
Speciality products	144,921	112,798	+32,123
<b>Total main product groups</b>	<b>964,818</b>	<b>686,063</b>	<b>+278,765</b>



## UELZENA GROUP

### Balance sheet and profit and loss account (excerpt)

<b>BALANCE SHEET – ASSETS</b>		<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
		TEUR	TEUR
A. Fixed assets			
I. Intangible assets		998	455
II. Tangible assets		153,323	135,249
III. Financial assets		28,073	27,297
Total		182,394	163,001
B. Current assets			
I. Inventories		76,234	49,922
II. Receivables and other assets		89,162	80,087
III. Cash and bank deposits		11,560	4,057
Total		176,956	134,066
C. Accruals and deferrals		90	220
<b>Total assets</b>		<b>359,440</b>	<b>297,287</b>
<b>BALANCE SHEET – LIABILITIES</b>		<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
		TEUR	TEUR
A. Equity			
I. Credit balances		19,207	18,051
II. Revenue reserves		33,545	30,836
III. Net profit incl. carry forward		58,259	53,348
Total		111,011	102,235
B. Difference from Capital consolidation		318	318
C. Provisions		28,897	24,029
D. Liabilities		219,160	170,633
E. Accruals and deferrals		0	0
F. Deferred tax liabilities		54	72
<b>Total liabilities</b>		<b>359,440</b>	<b>297,287</b>
<b>PROFIT AND LOSS STATEMENT</b>		<b>01.01.-31.12. 2022</b>	<b>01.01.-31.12. 2021</b>
		TEUR	TEUR
Overall performance		1,133,340	772,589
Material costs		-1,015,024	-668,170
<b>Gross profit</b>		<b>118,316</b>	<b>104,419</b>
Staff expenditure		-54,779	-48,467
Depreciation		-12,519	-11,278
Other operational costs		-36,114	-31,657
<b>Subtotal</b>		<b>14,904</b>	<b>13,017</b>
Financial result		-2,425	-2,710
Taxes		-4,860	-3,570
<b>Group profit</b>		<b>7,619</b>	<b>6,737</b>



## UELZENA EG

### Balance sheet and profit and loss account (excerpt)

BALANCE SHEET – ASSETS	31-Dec-2022	31-Dec-2021
	TEUR	TEUR
A. Fixed assets		
I. Intangible assets	634	444
II. Tangible assets	123,804	106,959
III. Financial assets	39,852	39,856
Total	164,290	147,259
B. Current assets		
I. Inventories	41,524	27,489
II. Receivables and other assets	132,870	107,870
III. Cash and bank deposits	2,880	1,022
Total	177,274	136,381
C. Accruals and deferrals	90	211
<b>Total assets</b>	<b>341,654</b>	<b>283,851</b>

BALANCE SHEET – LIABILITIES	31-Dec-2022	31-Dec-2021
	TEUR	TEUR
A. Equity		
I. Credit balances	19,207	18,051
II. Revenue reserves	49,755	49,046
III. Annual net profit	2,931	709
Total	71,893	67,806
B. Provisions	23,811	19,714
C. Liabilities	245,950	196,331
D. Accruals and deferrals	0	0
<b>Total liabilities</b>	<b>341,654</b>	<b>283,851</b>

PROFIT AND LOSS STATEMENT	01.01.-31.12. 2022	01.01.-31.12. 2021
	TEUR	TEUR
Overall performance	1,340,492	917,903
Material costs	-1,273,223	-855,244
<b>Gross profit</b>	<b>67,269</b>	<b>62,659</b>
Staff expenditure	-36,808	-33,023
Depreciation	-9,204	-8,273
Other operational costs	-22,702	-19,958
<b>Subtotal</b>	<b>-1,445</b>	<b>1,405</b>
Financial result	7,373	284
Taxes	2,931	709



## PRODUCTS

The shortage in supply and pricing in the market, which was partly driven by inflation, led to reduced demand from the middle of the year. As a result, decreased sales were recorded in the reporting year for the majority of product groups. However, speciality products continued to build on the volumes sold during the pandemic.

### SUSTAINABLE SOURCING

As a milk-processing company, milk holds an important status as the primary raw material for the Uelzena Group. Dairy farmers make a significant contribution to the sustainable production of this raw material in order to meet the requirements of our customers regarding sustainability factors such as profitability, environmental protection, social responsibility and animal welfare.

Our cooperative's participation in the online agricultural climate check tool, "Ag-rar-Klimacheck" should reveal further potential for improvement at our affiliated companies. The agricultural climate check tool is a nationwide carbon footprint initiative with leading dairies participating from Lower Saxony.

The focus is also on procuring raw materials from risk countries, based on the BSCI risk assessment. In relation to this, we are continually working on improving the number of certified suppliers.

### MARKET DIVERSITY

Milk and plant-based raw materials are not mutually exclusive. Increasingly, our established customers are expanding their predominantly milk-based range to include plant-based alternatives in order to serve the growing demand. We recognise this opportunity for joint growth and, for example, offer plant-based cocoa beverages and oat-based toppings in our instant beverage product range. In addition, we are expanding our range of organic and Fairtrade products. Innovative developments were also seen in the liquid blends and ice-cream mixes, both implemented at our Warmсен site. There is also an increased focus on environmentally friendly and recyclable packaging for our products.

The Uelzena Group is working closely with suppliers and customers to offer sustainable solutions.



### GROUP SALES

In 2022, the market development meant that sales volumes were unable to maintain the levels of the previous year. Most of the primary product groups recorded a reduction, particularly in the milk powder product group. The positive trend in the vending sector volumes led to robust growth in speciality products.

	2022 t	2021 t	Deviation t
Condensed milk products, delicatessen products	24,335	26,541	-2,206
Milk fats	48,894	50,060	-1,164
Milk powder	77,384	85,241	-7,857
Cheese	30,830	31,801	-971
Speciality products	46,895	42,514	+4,381
<b>Total main product groups</b>	<b>228,338</b>	<b>236,157</b>	<b>-7,819</b>





## PRODUCTION

The Uelzena Group also upheld its planned investments in the 2022 reporting year. Projects were realised or entered the implementation phase. A more efficient use of process energy took centre stage at all sites.

We consistently pursued the strategic objective of the group, which was to continually reduce the annual CO<sub>2</sub> emissions per tonne produced despite the difficult framework conditions of the past business year.

Our top priority in spring was to prevent the anticipated shortfall in gas supply for our production sites, which saw the swift replacement of boiler burners to enable the use of heating oil from partially newly created storage capacity. This measure guaranteed that the supplied raw milk could continue to be processed daily.

### INNOVATIVE PRODUCTION TECHNOLOGY

The reporting year was influenced by the completion of the new spray-drying plant and the integration of its logistics with our established high-bay warehouse at our Uelzen site. The spray-drying tower for infant food and food industry ingredients will begin regular operation in the current business year. The expansion of the cheese dairy in Bismark was scheduled for 2022 and will be implemen-

ted directly, and the new agglomeration plant in Ratzeburg was also successfully commissioned. At the Uelzen and Warmsen sites, the steps taken regarding wastewater treatment will help to substantially reduce the wastewater load in the next few years.



### OUTLOOK FOR 2023

The current political developments in Europe, a price-driven procurement of materials and raw ingredients, as well as the increasing shortage of skilled labour, are the major challenges we face when implementing new projects and for our production. The potential to use renewable energies in our production processes will be investigated more urgently.

For more information on all action fields, please visit [www.uelzena.de/en/sustainability/](http://www.uelzena.de/en/sustainability/)



### EMPLOYEES

	2022	2021
<b>Total</b>	<b>832</b>	<b>790</b>
Men	582	554
Women	250	236
Apprenticeship / work placement	55	49
Average age of staff in years	40.8	38.8
Average period of employment in years	11.5	12.7

Publisher: Uelzena eG 2023  
Photos: Thies Rätzke/Uelzena  
Layout & printing: Druckerei Schlüter GmbH, Dahlenburg



## EMPLOYEES

The number of employees rose to 832 people by the reporting date for 2022, which is an increase of 42 employees. There were 55 training contracts in the reporting year.

### CHANGES IN THE LABOUR MARKET

Looking ahead to the next few years, the Uelzena Group is confident of mastering the change in the labour market.

By consistently implementing our employer brand and the targeted promotion of our employees, we are well positioned to remain an attractive employer in the future. One of the ways we achieve this is with further training for our employees and development schemes for our management staff. There is also a concerted effort to implement measures to attract trainees to all sites.



## REGIONAL RESPONSIBILITY

The Uelzena Group is deeply rooted in the local region at all its sites and considers it a responsibility to strengthen these regions, which it does in a variety of ways. The individual companies in the group are reliable employers, customers of raw ingredients and goods, and buyers of services.

A great deal of importance is given to social interaction and so various funding projects were also supported in the regions in 2022.

	2022	2021
Regional value of material	76 %	76 %
Regional value of services	18 %	17 %

Voluntary activities undertaken by employees are also promoted and supported financially.



### WHO WE ARE WORKING FOR – THE AVERAGE DAIRY FARMS OF OUR MEMBERS

155	Cows
98 %	of lactating cows kept in stalls with most having access to the outside
227 ha	The area used agriculturally by
97 % of	predominantly commercial farms
83 %	Dairy production farms
49 yrs old	Average age of the farm operator
65 h	Weekly working time of the farm operator
5	Number of persons working on the farm

Source: QM Dairy Sustainability Tool 2021, average taken from 562 farms

