



## PRESS BRIEFING

### Contact to the author

Prof Dr Ulrike Detmers,  
Shareholder  
Member of Management Board  
Speaker of the Mestemacher Group

Tel.: +49-5241-8709-68  
Fax: +49-5241-8709-45  
ulrike.detmers@mestemacher.de

## Flagship Mestemacher - Bread and equality Stable growth with a slight plus

- **EUR 158.3 million total revenues 2017 with Westphalian Pumpernickel, Rye wholegrain bread and tray-baked cake**
- **71 per cent domestic and 29 per cent overseas revenues**
- **EUR 5 million Euro for tangible investments**
- **Increase by 2 per cent of the employees from 545 in 2016 to 558 in 2017**
- **Set an example in-house: Equal gender-related filling of the positions of the highest management body**
- **Relationship of bread and equality promotes the reputation**
- **Impending shortage of rye due to losses of cultivation area and climate change**
- **Shortage of supply of organic rye - also owing to stagnating cultivation area**

With high-fibre sliced and self-service packed rye wholegrain breads, Westphalian Pumpernickel, international bread specialities, frozen tray-baked cake and muesli specialities the Mestemacher Group generated

1.4 per cent of growth in revenue in 2017 compared to 2016. Owing to the imponderable position at home and abroad and to the not yet fully foreseeable implications of the baking stations in the food retail trade, the plans for 2018 are conservative again with an almost identical revenue in the amount of EUR 159 million annual revenue.

The family enterprise is the world market leader in the bread market niche of bread specialities that keep for a long time when unopened.

**MESTEMACHER – GROSSBÄCKEREI FÜR VOLLKORNBROTE UND INTERNATIONALE BROTSPEZIALITÄTEN SEIT 1871**

Mestemacher GmbH · Am Anger 16 · 33332 Gütersloh

Pressekontakt: Prof. Dr. Ulrike Detmers

Telefon 05241-87 09 68 · Fax 05241-87 09 45 · ulrike.detmers@mestemacher.de  
www.mestemacher.de



The total revenues of the family enterprise that was founded in 1871, which will soon be 150 years old (2021), amount to EUR 158.3 million in 2017 (EUR 156.1 million in 2016).

The overall market for sliced breads, based on surveys of the Nielsen Company Germany, has fallen by 4.5 per cent revenue and 5.0 per cent sales in a comparison of 2016 to 2017, whereas Mestemacher was at least able to achieve an increase of 1.4 per cent in 2017 compared to 2016. The number of employees increased by 2 per cent compared to 2016, from 545 (2016) to 558 men and women. The new recruitments are, among others, a result of in-house promotions, associated with the new filling of positions, as well as optimised internal services, for which qualified skilled workers were hired. The equal gender-related filling of the positions of the highest management body management conference has remained stable.

Mestemacher bakes bread for Germany and the world. Around 71 per cent of the revenue with rye wholegrain breads and geographically protected Westphalian Pumpernickel is generated in Germany. The export share with breads, which were produced in the German companies, continues to account for 24 per cent of the total revenues. If the revenues of the subsidiary Benus in Poland are also included in the overseas revenues, the total overseas revenues amount to 29 per cent. The overseas revenue thus substantially exceeds the average export ratio for bread and bakery products in the amount of 8.3 per cent in 2015. The exporting at Mestemacher can be carried out by the pasteurising of the packed sliced breads. Thanks to special pasteurisation technology, hygienically packed wholegrain breads and Westphalian Pumpernickel remain deliciously fresh for up to 6 months when unopened. Sliced breads in tin cans, also in a pasteurised condition, keep for more than 12 months and are ideal for stockpiling. Calls of the federal government for private households to stockpile have a positive effect on sales and revenue of the bread cans.

In the business year 2017, EUR 5 million flowed into tangible investments. The money was placed among others in the new construction of a milling building for bread rye milling at Aerzener Brot und Kuchen GmbH. With the investment in the milling technology, financial and qualitative optimisations are to be achieved. Further tangible investments were made in technology in order to improve the energy efficiency, in streamlining for promoting the competitiveness and in replacement investments for the continuous optimisation of the qualities.

The tangible investment expenses for 2018 amount to EUR 4.2 million. Among others, the family enterprise initiated the purchase process at the end of which the commercial space purchase "industrial estate Hüttenbrink" Gütersloh is to be achieved.



With a total number of 20,000 square metres of commercial space purchase at the access ramp to the A 2 at Gütersloh, Mestemacher will secure itself the new construction of a logistics centre after the successful conclusion of the purchase.

The total amount of contacts by media distribution reaches more than 100,000,000 million again. More than half of the contacts by media distribution were achieved through publications about the social engagement for promoting the equality of men and women.

In the online marketing, the focus of the target is placed on wellness and health with Mestemacher products. In order to achieve the target, Mestemacher cooperates with specialised female food bloggers with a strong following in terms of numbers.

The social engagement for equality (since 2000) also promoted the positive reputation of the flagship Mestemacher in 2017 (source: Argus Data Insights, current news, Meltwater News). Since 2000 the family enterprise has been showing its commitment to ensure that the positions on management bodies are filled equally with members of both genders and that men see it as a matter of course to look after the family more intensively so that women can be successful in their professions. In 2017, each a large family, a multi-generation house, a flat-sharing community and the renowned Hamburg Überseeclub, registered association for cross-gender “bridge building” were awarded in 4 prize groups for the first time with the new prize “living together”.

The fall in cultivation area for rye that has been proven for many years is deemed a risk to growth. According to the statistics of “destatis.de”, in 2017 the cultivation area for rye was reduced by a further 5.6 per cent, i.e. by approx. 32,000 hectares to merely 538,400 hectares. Even more dramatic in the past year was the amount of rye harvest, which due to the weather conditions fell by more than 14% compared to the previous year 2016/17. In the last 2 years the total shortfall in yield was even at 22 per cent. Mestemacher fears future supply bottlenecks and price leaps for bread rye. The prices for bread rye increased by 17 per cent in 2017. Organic rye is comparably in very short supply and increased in price on average by 40 per cent in 2017 on balance of the purchasing prices at Mestemacher. Streamlining in production and the hard pressure from competition ensured that the bread prices remained stable at Mestemacher in 2017.

The cultivation area for organic rye has stagnated for many years. Mestemacher is of the opinion that the specialist politicians have an obligation to ensure more cultivation area.



On average, for the year in 2017, more than 15 million bread packages were delivered for sale in the self-service bread shelves per month. For this purpose Mestemacher needs more than 13,000 tons of conventional and approx. 8,700 tons of organic rye per annum.

## Brief reports on the subsidiaries

### Aerzener Brot und Kuchen GmbH

Aerzener Brot und Kuchen GmbH that has belonged to the Mestemacher Group since 2002 by a company purchase is specialised in the production of cut cake slices, which are delivered deep-frozen to the German food retail trade and bulk consumers and in the production of wholegrain bread specialities.

Tangible investments in Aerzen should contribute to producing qualities, which can keep up with the hard competition and which helps to absorb price increases in the field of raw materials by streamlining effects. In 2017 raw material costs increased for the frozen cake production for butter, cream, cherries and eggs. In 2018 there are at least indications of relief with the butter- and cream prices. Egg prices will however be at a shortage in offer and high in price owing to the subsequent effects of the Fipronil scandal. In 2017 it was possible to complete the new construction of the state-of-the-art milling technology. From 2018 bread rye will be stored, cleaned, conveyed and milled in the milling area in order to then be baked just-in-time. Valuable nutrients will be retained better in the bread. All Mestemacher plants are also milling plants with the commissioning of the milling technology in Aerzen. In 2016 the family company already purchased 14,000 square metres of adjoining commercial area in Aerzen in order to be able to extend the operations if required.

### BENUS Spółka z o.o.

The Polish subsidiary remains on a path of growth, also because the product portfolio has been extended by milk products. The core products of the production are originally wholegrain breads, baked with baking know-how from the main plant of Mestemacher in Gütersloh. Its production continues to exist. The wholegrain breads are distributed à la Mestemacher under the name of the flagship Mestemacher.

In Poznan the production plant for the production of muesli products went on the network in 2017. The produced mueslis are delivered to overseas customers to a large extent.



The bread and muesli company in Poznan is still capable of expansion and, owing to the bakery and muesli technology, offers the possibility for further expansion.

### **Awards and certificates in the Mestemacher Group**

Mestemacher has received the regional honorary award for special services with the DLG quality competitions and fitness for the future for many years. Christina Schulze Föcking, Minister for Climate Protection, Environment, Farming, Nature and Consumer Protection in NRW also distinguished Mestemacher with this award for 2017. In the international quality tests of the German Agricultural Society (DLG) the products of the Mestemacher-Group achieve golden and silver medals annually.

The Mestemacher-Group has been consistently certified at a high level according to the International Featured Standards Food (IFS) since 2004. For several years Mestemacher has successfully taken part in the "Unannounced IFS Food Checks" programme.

### **Development prospects**

Everything speaks in favour of the fact that the Mestemacher Group will continue to be successfully involved in the German and international bread and bakery products market. Growth in demand of conscious enjoyment will also stabilise the sales of the product portfolio of Westphalian Pumpernickel, rye wholegrain breads and frozen cakes as well as mueslis in the next few years. A slight further increase is however also possible each year. The trend of the end and bulk consumers to create time-saving stocks of food will also have a boosting effect. They make the right decision with products of the Mestemacher Group.

The sustainable positive promotion of the reputation, which can be seen in the balance of the Mestemacher media report, is also value-adding. The accounted figures of the media report illustrate the substantial public interest in the social engagement of Mestemacher.