



PRESS BRIEFING

MESTEMACHER

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2022 New record reached

Mestemacher Group generates a net turnover of 157 million euros with its baked goods in 2022. In 2023 around 9 million euros in investments planned. Mestemacher cooperates with diabetesDE – Deutsche Diabetes Hilfe e.V.

In 2022, the family-run bread and baked goods group Mestemacher grows to 157 million euros in net sales. With its vegan and vegetarian bread varieties, Mestemacher makes the most of the flexitarianism trend. An increased preference for stockpiling is also increasing group sales from naturally pasteurised wholemeal rye breads, WESTPHALIAN Pumpnickel, high protein breads and multi-seed breads.

With net sales of 157 million euros, the Mestemacher Group grows by 3.3 per cent in 2022, when compared to the previous year 2021 (152 million net sales). Net sales amounting to 162 million euros are planned for the current financial year 2023. This corresponds to a rate growth of 3.2 per cent. The increase in net sales is also thanks to the stable convenience preference, as well as the demand for high-fibre and environmentally conscious nutrition.

In 2022, the family business invested 10 million euros in long-term projects. The main share was used for the new building for Aerzener Brot und Kuchen GmbH. An investment sum of 9.0 million EURO is planned for 2023. At 7.2 million euros, the largest chunk of the investment total is for an extension to be constructed according to sustainability principles at the Lippstadt-based subsidiary Modersohn's Mühlen- und Backbetrieb GmbH. With a net floor area of almost 3,000 square metres, the extension consists of office space, social rooms, training rooms, a dispatch area with 3 loading ramps and optimised storage areas. The remainder of the investment sum will be used for various small and micro-investments of the operating subsidiaries.

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The Group employs a total of 662 people. The export share is approx. 29 per cent. Of this, 72 per cent of export sales are achieved in the European Union's member states. 17 per cent of export volume is sold by Mestemacher outside of Europe – especially to North America, Canada, Australia, New Zealand, Asia, and the United Arab Emirates. 11 per cent of the export volume of self-service packaged breads and baked goods is supplied by Mestemacher to European countries that are not members of the EU.

Sustainability and Environment

Ecology

- Mestemacher is a pioneer in the organic food industry, and has been supporting the growth of organic farming since 1985.

Health- and climate-conscious nutrition

- Nutri-Score
- VEGAN/VEGTARIAN labels

Social commitment

- Promotion of gender equality and work-life balance
- Preparation of the SMETA social audit

Regionality

- "WESTPHALIAN Pumpernickel" bears the "Protected Geographical Indication" label

Quality standards

- Certification according to International Food Standards (IFS)
- Organic audit according to EU organic regulation
- Audit for the EU "Protected Geographical Indication" label for the product WESTPHALIAN Pumpernickel

Climate and energy

- In-house combined heat and power units
- TÜV-certified green electricity from renewable power generation plants
- Mestemacher continues to expand the company charging stations for hybrid and electric cars for all subsidiaries.

Waste prevention

- Production residues from the bakery and damaged bread packages are delivered to a feed producer.
- Products with slight defects or returns that are suitable for human consumption are donated as much as possible (e.g. to the Gütersloher Tafel food bank).

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Ongoing projects and objectives for 2023/2024

- Preparations are underway for the Sedex Members Ethical Trade Audit (SMETA).
- Initial preparations are underway for the introduction of an environmental management system according to ISO 14001.
- Preparations are underway for the preparation of a corporate carbon footprint.
- Preparations are underway for a sustainability report in accordance with the criteria of the German Sustainability Code for the Mestemacher Group.

Brief reports on subsidiaries

Mestemacher GmbH

Mestemacher GmbH was acquired in 1985. The main company in Gütersloh, founded in 1871, celebrated its 150th anniversary in 2021. Mestemacher supplies the bread departments of food retailers in Germany and in more than 80 countries worldwide with original wholemeal rye breads and other bread specialities, such as WESTPHALIAN Pumpernickel.

Mestemacher operates its own mill where it freshly grinds organic and conventional rye into wholemeal rye meal before baking. Mestemacher breads were among the first products on the German market to be labelled with the Nutri-Score rating. Approximately 70 per cent of Mestemacher products carry the Nutri-Score A rating and about 30 per cent the Nutri-Score B rating. This means that the breads are ideally suited for daily consumption.

Mestemacher has registered its own quality seals for vegan and vegetarian products as word/figurative marks. The Mestemacher bread labels depict the company's own seals of quality. About 80 per cent of the assortment is suitable for a vegan diet and about 20 per cent is suitable for a vegetarian diet.

As the first producer of packaged wholemeal breads from controlled organic cultivation, the industrial bakery has been encouraging the existence and operational growth of organic farmers since 1985. Organic farming stands for harmony between soil, water, plants, animals and people. Organic cultivation foregoes the use of any chemical sprays and fertilisers, in addition to protecting the environment. Organic farming protects groundwater from excessive nitrate pollution and contributes to maintaining soil fertility.

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Starting in 2023:

Mestemacher cooperates with diabetesDE – Deutsche Diabetes-Hilfe e.V.

A healthy and balanced diet is not only important for the general population, but also and especially for people with diabetes.

Plant-based foods, lots of fibre, valuable vegetable protein and low amounts of sugar, salt and fat are beneficial.

Mestemacher's wholemeal breads meet these criteria, making them ideal for people with and without diabetes. This is now made clear by the recommendation button "also recommended by diabetesDE – Deutsche Diabetes-Hilfe", which is now displayed on selected breads from Mestemacher, including "PURE NATURAL", "PURE NATURAL CARROT", "PURE NATURAL PUMPKIN" and "Fitness Bread", and gives consumers guidance.

"Mestemacher is a pioneer among bread manufacturers: It introduced the Nutri-Score on a purely voluntary basis as early as in 2021. All bread types consist of rye/whole grain with a high fibre content and are therefore particularly recommendable for people with and without diabetes", as Nicole Mattig-Fabian, Managing Director of diabetesDE – Deutsche Diabetes-Hilfe e. V., explains the decision to cooperate with Mestemacher.

Who is diabetesDE – Deutsche Diabetes-Hilfe e.V.?

diabetesDE – Deutsche Diabetes-Hilfe is the leading German health organisation for currently 11 million people with *diabetes mellitus*. It actively campaigns for the interests of diabetes patients, their relatives and at-risk patients and to improve their quality of life. It helps people with diabetes by offering reliable, scientifically based information and practical tips.

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Aerzener Brot und Kuchen GmbH

Aerzener Brot und Kuchen GmbH has been part of the Mestemacher Group since 2002. Aerzener Brot und Kuchen GmbH distributes the core product range of frozen cakes and bread for the entry-level price segment nationally and internationally.

The principal market is Germany, with distribution via German food retailers, especially in the private label sector – i.e. particularly low-priced wholemeal breads and cakes.

Aerzener Brot und Kuchen GmbH also offers frozen tray-baked cakes, which are very popular with consumers, for retailers' own brands.

Increasingly, however, bread specialities are also baked in Aerzen in order to reduce dependence on "entry-level price breads".

Since 2018, the company's own milling technology has also been commissioned in Aerzen, as planned.

Mestemacher, Modersohn and the Polish subsidiary Benus have already been working with their own mills for storing, cleaning, conveying and grinding bread rye for a long time.

In Aerzen, too, the milled rye is now produced specifically for the company's own operations and enters production just-in-time.

This means that all locations of the Mestemacher Group are now not only special bakeries, but also milling plants.

In total, we have approved the highest investment total to date in 2022 since the takeover of Aerzener Brot und Kuchen GmbH, amounting to 11.6 million euros.

The investment is divided into 6.7 million for the extension of the dispatch hall with offices, social facilities and a workshop. The remaining 4.9 million euros will be used in particular to automate and rationalise the production processes of the three product portfolios: wholemeal bread, frozen cakes and crisp breads.

The new building will provide modernised workplaces, break and recreation rooms, as well as changing rooms and washrooms.

Charging stations for hybrid and electric cars will also be installed here.

A PV system is also being set up in Aerzen.

A modern workshop makes it possible to do more work in-house and save on external service costs.

Modersohn's Mühlen- und Backbetrieb GmbH (Lippstadt)

Die Modersohn's Mühlen- und Backbetrieb GmbH was founded in 1876. This subsidiary, which has its headquarters in Lippstadt, specialises in the production of bread in tins and original WEST-PHALIAN Pumpernickel breads. The tinned breads are especially preferred as provisions for holiday trips and expeditions, as the sliced pumpernickel and wholemeal breads are fresh to eat for at least 12 months when unopened. The reusable bread tins are excellently suited for storage purposes.

As mentioned above, we are investing 7.2 million euros in the extension in 2023. With a net floor area of almost 3,000 square metres, the extension consists of office space, social rooms, training rooms, a dispatch area with 3 loading ramps and optimised storage areas.

Charging points for electromobility will also be installed here.

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Market outlook

The Mestemacher Group continues to cultivate an excellent image as an industrial bakery for health and environmentally friendly products.

Flexitarianism

Mestemacher is benefiting from the flexitarianism that is becoming increasingly widespread in the post-industrial world, especially with its cereal-based wholemeal rye breads.

Flexitarianism is an eating culture characterised by plant-based eating habits. While occasional meat consumption is allowed, it is not the focus. Oilseeds like pulses and grains are important sources of protein.

Flexitarianism will generate new stimulus for growth for Mestemacher speciality breads.

Domestic:

German food retailers are considered loyal partners of medium-sized suppliers, provided that these suppliers are innovative, flexible and trustworthy. The Mestemacher Group enjoys a reputation for addressing the concerns of the retail sector quickly and reliably. For this reason, it is expected that food retailers will continue to promote Mestemacher. At the major food trade fairs Biofach in Nuremberg and Anuga in Cologne, we present interesting product innovations that also help drive us forward.

Abroad:

Our Plant-Based, High Protein, Pure Natural, and Organic Cracker products are meeting with high demand abroad. Our company is showing particularly expansive growth in almost all EU countries. Gentle pasteurisation, which makes it possible to store unopened products for more than 180 days, give us the necessary basis for worldwide growth. We are developing the markets in the Middle East and Asia even more intensively through our presence at the Gulfood trade fair in Dubai and the Thaifex trade fair in Thailand.