

HOCHDORF Group Press Release: Sales and Turnover Figures for 2016

Sales maintained at last year's level despite low milk price

Hochdorf, 26 January 2017 – The HOCHDORF Group achieved gross sales revenues of CHF 550.9 million, maintaining sales at the same level as the previous year (CHF 551.2 million) despite difficult market and milk price conditions. The company processed 741.8 million kg of milk, whey and permeate (-2.6%; previous year 761.2 million kg). The volume of products sold decreased marginally to 237,289 tonnes (-2.3%; previous year 242,821 tonnes). The operational results meet the expectations for the EBIT margin predicted in the half-yearly report.

The HOCHDORF Group plants processed 741.8 million kg of milk, whey and permeate in the past year (-2.6% compared to previous year). The difficult market and milk price conditions meant that significantly reduced liquid volumes were accepted and processed in the foreign milk plants. However, a total of 409.1 million kg of milk, whey and permeate was processed in the Swiss plants. This represented an increase of +5.2% on the previous year's figure of 388.9 million kg. The growth was largely due to significantly higher whey quantities processed in the Sulgen plant (+44.9%).

The group processed a reduced quantity of liquid than the previous year, which was also reflected in the product quantities sold. They were reduced by -2.3% to 237,289 tonnes (previous year 242,821 tonnes).

Gross sales revenues maintained at last year's level

At CHF 550.9 million, the gross sales revenue of the HOCHDORF Group remained close to the previous year's level of CHF 551.2 million. "The gross sales revenue is within the range of CHF 540 to 580 million announced in the half-yearly report," explained CEO Dr. Thomas Eisenring. Low milk prices across the year with correspondingly lower product prices in Dairy Ingredients have had a negative impact on the turnover. The higher sales volumes in Baby Care had a positive influence on sales revenues.

Significantly higher revenue figures expected

The measures undertaken to increase efficiency and the company's adjusted strategy are having a positive effect on the operational results. "We have taken the right path and despite the challenging market in Dairy Ingredients we are expecting a group-wide EBIT in line with the percentage range of between 4.0 and 4.2% intimated in the half-yearly report," explained Dr Thomas Eisenring. As a result the HOCHDORF Group will still be in a position to announce good revenue figures despite difficult market conditions.

The complete company results for 2016 will be published on 13 March 2017.

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