

HOCHDORF Group Press Release: Sale of HOCHDORF Baltic Milk UAB

HOCHDORF parts company with milk plant in Lithuania

Hochdorf, 19 June 2018 – The HOCHDORF Group is parting company with HOCHDORF Baltic Milk UAB. The milk protein plant in Medeikiai (Lithuania) is being taken over by an investment group. The sale will take place retroactively to the end of May.

The HOCHDORF Baltic Milk UAB milk plant was the HOCHDORF Group's first milk plant in the European Union. The plant was taken over in stages, starting from 1.1.2010. The majority shareholding in Uckermärker Milch GmbH in Prenzlau (Germany) by the end of 2014 meant that HOCHDORF had a holding in a second milk processing plant in the EU, which is on an entirely different level in terms of technology and volume.

Sale to investment group

Current low protein prices on the international market along with high milk prices caused by agricultural policies in Lithuania led to HOCHDORF carrying out a thorough reappraisal of the plant. The plant was purchased in 2010 due to the need for a production site in the EU area and to create synergies in the area of milk proteins. The development of the HOCHDORF Group in recent years, including various additional acquisitions and shareholdings in the EU area, mean that the strategic benefit of the plant in Lithuania is significantly diminished.

Today's sale of the plant to a Lithuanian investment group signals a parting of the ways for HOCHDORF Holding Ltd and HOCHDORF Baltic Milk UAB. The sale will take place retroactively to the end of May 2018 and is the first step towards reorganising and strengthening HOCHDORF's Dairy Ingredients Division. This transaction involves an EBIT liability of around CHF 3.2 million and a total of around CHF 6.2 million net profits.

The contract partners have agreed not to disclose the acquisition price.

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