

**Successful Business Year 2018:  
Market lead extended in Europe**

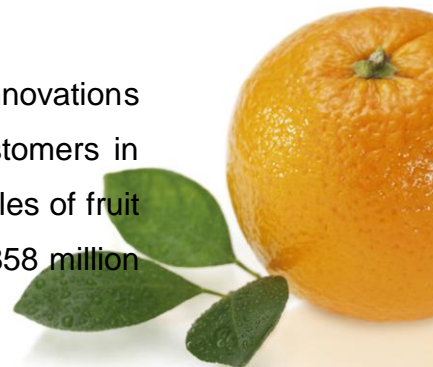
**Growth in volume sales and revenue / Innovative products and concepts / High raw-material, energy and logistics costs**

Nieder-Olm, 9 Mai 2019. The Eckes-Granini Group GmbH, the international corporate group specialized in non-alcoholic fruit beverages under the umbrella of Eckes AG, made strong progress again in Business Year 2018, and remained on course for sustained growth. “We generated important impulses for the entire category once again in 2018 – with a number of new, highly appealing product concepts that cater ideally to the needs of consumers and enabled us to attract new target groups. We hope to continue doing so in 2019 and into the next generation as well”, says Executive Board Chairman Thomas Hinderer.

**Gains in volume sales and turnover**

Following a year of strong revenue growth in 2017 and in the face of an extremely challenging European market environment, the Eckes-Granini Group succeeded in raising sales revenue once again by 1.1%, from EUR 974 million to EUR 985 million, in 2018. Adjusted to account for the loss of EUR 35 million in revenue resulting from the termination of the sales partnership between the Danish subsidiary Rynkeby Foods A/S and the British smoothie producer innocent, net growth amounted to 4.9%.

This positive revenue growth was driven by successful product innovations in our core business segments and the acquisition of new customers in both the retail food trade and the out-of-home sector. Volume sales of fruit beverages rose by a substantial 6% to 908 million litres (2017: 858 million



litres) in a generally declining market in 2018. Volume gains were recorded for all eleven strategic brands – from Brämhults to YO Syrup.

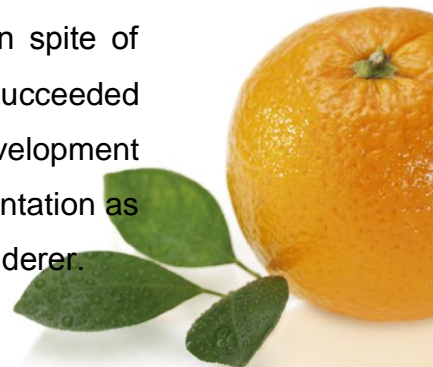
The Eckes-Granini Group extended its lead over other brand producers once again with a volume-based market share of 11.2% (2017: 10.3%).

### **General market trend in Europe: revenue growth and declining volume sales**

Per capita consumption and thus volume sales of fruit beverages declined slightly in many European countries again in 2018 (data from 12 core countries, retail food trade). Increased consumption volumes were recorded only in Sweden, Lithuania, Denmark and – once again – in Romania and Hungary. Sales of fresh chilled juices and smoothies remained stable, while volume sales of ambient fruit beverages, including fruit juices, in particular, declined. Once again, trade labels suffered greater volume and revenue losses than the market as a whole.

### **Higher raw material, energy and logistics costs**

The past business year was marked by the persistent impact of rising raw material costs. Due to the weak harvests of 2017, prices for apple juice concentrate were nearly 50% higher than those of the preceding year. Expenditures for energy and logistics rose as well. Under the influence of these substantial external cost effects and further investments in ambitious and complex improvements in the supply chain, the Eckes-Granini Group reported earnings before interest and taxes (Ebit) of EUR 72 million, and thus failed to match the excellent results of previous years. “In spite of these costs effects, some of which were quite dramatic, we succeeded once again in achieving outstanding progress in the strategic development of the fruit beverage category by investing heavily in brand presentation as well as technologies and production systems”, notes Thomas Hinderer.



### **Growing progressively with innovative concepts and products**

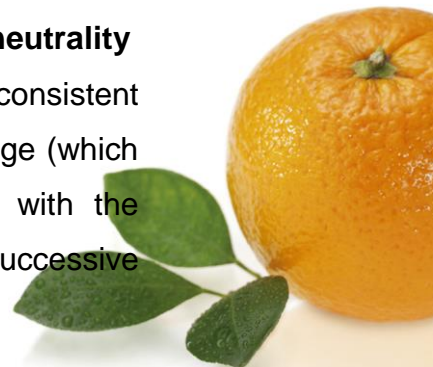
The group demonstrated its impressive innovative power again in 2018 – with the *granini Selection* premium range in Germany and *granini Selección* in Spain and their intensely fruity nectars, to name only two examples. With 50% less sugar and no artificial sweeteners, the newly developed *Die leichte Limo* impressed consumers in the growing low-sugar soft-drink segment. Only eight months after its market launch in Germany, one out of every five granini soft drinks purchased was a reduced-sugar product.

“We develop our products in keeping with the lifestyles, dietary habits and needs of our customers and respond to their desire for true enjoyment coupled with nutritional balance”, Hinderer explains. Eckes-Granini France also introduced a new line of low-sugar juices to the *Joker* range – with outstanding success. Thanks to the use of coconut water, *Joker Le Pur Jus* has 30% fewer calories than traditional fruit juice.

The *hohes C PLUS* range also responds to the trend in favour of a balanced diet. Adapted to meet a number of different needs, these fruit blends are sources of additional nutrients and dietary fibre. Three new comers were added in 2018 – *hohes C PLUS Calcium & Vitamin D*, *hohes C PLUS ProVitamin A* and *hohes C PLUS Zink*, thus expanding the range from four to seven varieties.

### **Sustainability in packaging, nutritional profiles and climate neutrality**

The Eckes-Granini Group has pursued a vigorous and consistent sustainability programme. All locations with the exception of Ringe (which will be audited in 2019) have been certified in accordance with the demanding Eco Management and Audit Scheme (EMAS) and successive



improvements on the supplier side are documented through regular evaluations performed by the independent EcoVadis Institute.

The Eckes-Granini Group is engaged in continuous efforts to achieve improvements in such important areas as packaging, nutritional profiles, working conditions in the growing countries and climate neutrality. One example is the use of plastic. Fifty percent of the PET used in the new transparent hohes C bottle comes from recycled plastic, and another 15% from renewable raw materials. Another example is sugar reduction. Thanks to newly introduced product lines, such as *Die leichte Limo* or *Joker Le Pur Jus* with coconut water, the group nearly achieved its goal of reducing the amount of sugar added to these beverages by 10% by 2020 during the past year.

By signing the Sustainable Juice Covenant, the Eckes-Granini Group accepted the obligation to raise the relative percentage of sustainable juices and smoothies in its portfolio continuously over the next twelve years in pursuit of the goal of reaching 100% by the year 2030. As a participant in the “ZNU goes Zero” initiative of the Zentrum für Nachhaltige Unternehmensführung (Centre for Sustainable Corporate Management) since this year, the German company is dedicated to the medium-term goal of establishing climate-neutral operations at all three corporate locations beginning in 2020.

The Eckes-Granini Group is also concerned with aspects of social sustainability. Team Rynkeby, the largest charity cycling team in Europe, collected EUR 9.4 million in donations for severely ill children last year alone – bringing the total collected for this good cause since the team was formed in 2002 to EUR 45 million. Plans call for the start of the next chapter in this success story in 2019, when Team Rynkeby – hohes C



goes to the starting line as the first German team in 2019. An international team is planned for 2020.

**Outlook for 2019: healthy, organic growth, an innovation offensive in Germany, the organic segment**

The Eckes-Granini Group intends to build upon its position as market leader and “category captain” in 2019. As a driving force in the fruit juice category, the group will be striving for closer interaction with consumers and the retail trade in order to gain a better grasp of the needs of its target groups and to offer them innovative products while providing expert support for partners in the trade. In this way, successful innovations and excellence in the conduct of new product launches will fuel healthy, organic growth of the Eckes-Granini Group.

The progressive modernization of plants and production technology will continue in 2019 and the supply chain will remain a focus of activity in this area. Plans call for investments of nearly EUR 50 million, of which a substantial share will go to facilities in Germany – primarily for a new filling line for glass bottles at the plant in Bröl and a highly flexible PET filling system in Bad Fallingbostel.

The launch of the new *hohes C BIO* range in April 2019 is expected to have a generally enriching impact on the organic segment. The new range unites environmental protection, sustainability and social engagement in a convincing product concept. Consistent implementation of these and other innovations should ensure that the Eckes-Granini Group achieves profitable growth surpassing the market average again in 2019.



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