

Westfleisch with a sound result in 2018



WEST FLEISCH
FROM FARMERS. DIRECTLY.

Members receive dividends of 4.2 % on their share capital / Special bonuses of around EUR 3 million / Largest investment package in the company's history now created

Münster, 17 June 2019. In 2018, Westfleisch was able to successfully free itself from the negative trend affecting the industry, reported the members of the Executive Board Carsten Schruck, Steen Sönnichsen and Johannes Steinhoff at this year's General Assembly. "Despite extraordinary challenges, Westfleisch remained on course for success in 2018," said Carsten Schruck.

In total the cooperative from Münster had a turnover of 2.6 billion Euro for the full financial year 2018. Although net income dropped from 12.6 million Euro to 11.7 million Euro, it still remains on a high level. The amount of the dividend distributed on the capital contribution remains unchanged at 4.2 %. In addition, shareholders and contractual partners participate in the development of the company through of a special state bonus in the height of about 3 million Euro across all animal species for the contract farmers, who thus benefit the strengthening of domestic agriculture.

Slaughter rates at a high level

Considering the slaughtering figures, the cooperative was able to successfully free itself from the negative trend affecting the industry. In 2018, Westfleisch slaughtered just under 7.9 million pigs. Excluding contract slaughtering operations, which were in the decline, this represents an increase of 1.6 % compared to 2017. In the same period, Westfleisch slaughtered 425,000 cattle (+ 0.2 %). The German market as a whole suffered a decline of around 3 % in 2018.

"Particularly gratifying was the growth at our subsidiaries Gustoland and WestfalenLand in the past 12 months. Retail packs, sausages and convenience food were able to generate a pleasing growth," explained Johannes Steinhoff. Here, Westfleisch grew against the trend: The comparable overall German market category of "red meat production " dropped by 2.7 %.

Pig prices 2018 unsatisfactory

According to the members of the Executive Board, the dropped net income despite stable slaughtering figures, could be explained with pig prices stagnated at a low level

Press Release

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for a long time. "Especially considering slaughtered pigs, the price level in 2018 was disappointing," said Steen Sönnichsen. "Due to the significant drop in the price of pigs, our net income in 2018 were inevitably lower than in 2017". With a view to the three major trends, further market adjustments, a nationwide decline in meat production and globally rising demand for meat – keyword ASF in China - the Management Board expects a stabilisation of prices at a high level.

Well-prepared for ,Westfleisch 2025‘

Westfleisch increased its equity ratio to a record level of 215.3 million Euro, which is 12 % in the financial period. In addition, financial liabilities have now reached a historically low level. "We are well prepared to successfully kick off our 2025 Structural Project", said Schruck.

With targeted capital investment in the modernization of individual sites, Westfleisch is improving its successful strategy of growth and, above all, quality. As one of the leading meat processors in Germany and Europe, the company intends pursue further growth across the entire process chain - from agriculture to raw materials through to processing.

Operating figures	2018	2017	+/-
Group			
Sales	2.6 bn €	2.8 bn €	- 7.6 %
Annual net profit	11.7 m €	12.6 m €	- 7.1 %
Slaughter capacity			
Pigs ¹	7.9 m it	8.3 m it	-4.6% (+1.6 % ²)
Cattle ³	425,000 it	424,000 it	+ 0.2 %
Processing meats	168,755 t	152,600 t	+ 6.9 %
Self-service meat/ Sausages/ convenience-products			
Productive livestock sales	2.156,500 m	2.035,600 m	+ 5.9 %
Equity	215.3 m €	192.4 m €	+ 11.9 %
Total assets	612.3 m €	561.9 m €	+ 9.0 %

¹ including sows ² excluding contract slaughtering operations; ³ including calves;

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