



PRESS BRIEFING

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MESTEMACHER

Plant Bakery achieves 16.7 per cent sales growth with hygienically-packaged, long-life bread specialities and baked goods, when stored unopened

In 2020, the Mestemacher Group's bread and bakery products satisfied the strong demand for self-service, packed long-life fresh products, when stored unopened +++With strong sales growth from 16.7 per cent to 150. Anniversary year of Mestemacher 1871-2021+++System-relevant delivery bakery produced increased order volumes in 2020. This was achieved with extra shifts, extra work and new appointments+++New organic breads and special breads with plenty of fibre increase the appeal on self-service bread shelves

With net sales of 147.4 million euros, the Mestemacher Group grew by 16.7 per cent in 2020 compared to the previous year 2019 (126.3 million net sales). Consolidated sales of 152 million euros are planned for the current 2021 fiscal year. This corresponds to a rate growth of 3.1 per cent. On the one hand, the significant increase in net sales results from the strong growth in demand for self-service packed breads and baked goods with a long shelf life when stored unopened and, on the other, from new self-service appropriate breads and baked goods that fully satisfy the demand for high-fibre organic breads, ethnic food and protein breads.

In 2020, the family business invested 3.9 million euros in long-term projects. The investments will lead to additional benefits for product qualities, automation, rationalisation, capacity and expansion, as well as the humanisation of work.

An investment sum of 8.2 million euros is planned in 2021. The Group employs a total of 649 people. The export share is approx. 34 per cent.



77.13% of export sales are generated in the member states of the European Union. Mestemacher sells 17.04 % export volume to third countries. Mestemacher delivers 6.93% of self-service breads and baked goods to European countries outside the EU, of which 2.8% to Great Britain.

Since the UK left the EU, export times from Gütersloh have increased by 72-96 hours. It used to be 48 hours. Export documents are subject to fees. Import duty, however, does not apply. Transport price increases and customs export duties increase the price of bread for consumers by about 4 per cent in the UK.

The two family trees **Albert & Prof Dr Ulrike Detmers** and **Fritz & Helma Detmers** each hold a 50% share of the Mestemacher Bread and Baked Goods Group.

The bread and baked goods portfolio is categorised into

- hygienically-packaged and sliced wholemeal rye breads in both organic and conventional quality with a shelf life of 180 days when stored unopened,
- original Westphalian pumpernickel in hygienic packaging with a best-before date (BBD) of 180 days in the unopened and pasteurised bread packaging. In the pasteurised bread tin, the bread will stay fresh for 365 days,
- International bread specialities such as naan bread, pita, wraps in organic, and conventional quality, focaccia and organic spelt toast bread, as well as organic whole wheat toast bread with a best-before date of 90 days, when stored unopened,
- crisp breads with a 180-day best-before date,
- mueslis with a 270-day best-before date,
- and frozen cake slices with a 450-day best-before date.

All items are sold through food retailers' self-service bread and freezer departments.

Mestemacher is the global market leader for unopened long-life fresh wholemeal products and a pioneer when it comes to promoting gender equality (m/f/d) and work-life balance.



The medium-sized **Mestemacher Group** includes the companies listed below:

1. Mestemacher GmbH

The main company in Gütersloh, founded in 1871, is celebrating its 150th anniversary in 2021.

For the company history see

<https://www.mestemacher.de/unternehmensgeschichte-1871-2021/>).

Mestemacher supplies food retailers' bread departments in Germany and in more than 80 countries worldwide with Westphalian pumpnickel, protein bread specialities, oat bread specialities without yeast and flour, organic and conventional wholemeal rye breads as well as international bread specialities such as Italian organic wraps, Italian organic spelt wraps, organic wholemeal wheat toast, organic spelt toast, Indian Naan bread specialities baked Tandoori style, gourmet focaccia specialities, pita bread varieties, and wraps varieties.

Mestemacher operates its own mill and freshly grinds organic and conventional rye into wholemeal rye meal prior to baking it. While conventional flours lose valuable ingredients, the rye meal remains rich in minerals such as potassium, phosphorus and B vitamins.

Mestemacher has been supporting organic farming since 1985. Mestemacher is actively involved in nature conservation. 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 cultivation foregoes the use of any chemical sprays and fertilisers, in addition to protecting the environment. Organic farming protects groundwater from excessive nitrate pollution.

Mestemacher is a pioneer in advocating work-life balance and gender equality (m/f/d), both in business and in society.

Mestemacher has been awarding the following prizes since 2000:

- Mestemacher Day Care prize
- MESTEMACHER FEMALE MANAGER OF THE YEAR prize
- Mestemacher Prize for the Top Father of the Year
- Mestemacher "Gemeinsam Leben" (Living Together) prize



2. Modersohn`s Mühlen- und Backbetrieb GmbH

This subsidiary, which has its headquarters in Lippstadt, specialises in the production of bread in tins and original Westphalian pumpernickel breads. During the Corona pandemic, the tinned breads have been extremely popular worldwide. This is because the sliced pumpernickel and wholemeal breads remain fresh to eat for at least 12 months when stored unopened. The reusable bread tins are excellently suited for storage purposes.

Modersohn`s Mühlen- und Backbetrieb GmbH was founded in 1876. In 1992, the speciality bakery for Westphalian pumpernickel was bought by the two family trusts Albert & Prof Dr Ulrike Detmers and Fritz & Helma Detmers.

3. Aerzener Brot und Kuchen GmbH

The Mestemacher Group's Aerzen-based subsidiary was founded in 1882. It produces frozen cakes, wholemeal breads in both organic and conventional quality, as well as crisp breads made from organic and conventional ingredients.

In 2017, a state-of-the-art milling facility went online. Prior to the production of whole rye meal and whole rye flour, the grain kernels are cleaned, using state-of-the-art cleaning technology. The plant is projected for storage, cleaning, conveying and milling of rye and other grain varieties. **Aerzener Brot und Kuchen GmbH** was acquired by the entrepreneurial couples Detmers in 2002.

4. BENUS Spólka z o.o.

The foreign company, which has its headquarters in Poznan, Poland, produces wholemeal rye breads and conventional muesli products.

The products are best suited for stockpiling and have a minimum shelf life of 180 days. **BENUS Spólka z o.o.** has been a part of the Mestemacher Group since 1993.

In 2020, Mestemacher Group succeeded at satisfying increased demand with extra shifts, overtime and new appointments

The employees' additional workload was compensated for by 2 tax-free Corona bonuses in addition to bonuses for extra work. Overall, the complete product portfolio was in strong demand.

The Mestemacher Group employed a total of 649 people in 2020.



**Mestemacher Breads:
Nutri-Score, low-salt, vegan/vegetarian**

95 % of Mestemacher's bread varieties are very well-suited for daily consumption



Source: Santé Publique France

From January 2021, Mestemacher breads' product labels and product foils will fully reflect the NUTRI-SCORE nutritional value traffic light. The NUTRI-SCORE food labelling system, which originated in France, consists of a five-level colour scale with letters ranging from dark green "A", for the most favourable nutritional balance, to dark orange or red with an "E", for the least favourable.

95% of Mestemacher breads are classified as A and B. Thus, they are recommended as being favourable for daily consumption.

Mestemacher products' NUTRI SCORE is between A and C.

Current Nutri-Score categories Mestemacher brand products:

- A 67 % of the Mestemacher product range (39 products)
- B 28 % of the Mestemacher product range (16 products)
- C 5 % of the Mestemacher product range (3 products)

The French NUTRI-SCORE label is currently Mestemacher's most efficient system of intergenerational nutrition labelling. It already promotes inter-generationally and pedagogically-didactically conscious nutrition with day care children. "Mestemacher is pleased that the Federal Minister of Nutrition, Julia Klöckner, has decided to introduce the NUTRI-SCORE nutritional labelling system," Prof Dr Ulrike Detmers accentuates.

86% of the Mestemacher range has a salt content equal to or less than 1.3 g salt per 100 g.



80% of Mestemacher's bread brands consist of ingredients that contain no animal ingredients, thereby making them vegan. 20% of the product range is vegetarian because it contains milk-based raw materials.

FORECAST

Mestemacher continues to benefit from the trend towards stocking food with a long shelf life to ensure longer lasting enjoyment. Sales increases are also expected from an expanding natural lifestyle. This lifestyle sustainably supports the demand for foods that are vegan, vegetarian, low in salt, and have a positive nutritional balance.

Another positive effect is that Mestemacher is a pioneer in gender equality (m/f/d) and work-life balance. The Mestemacher Group is planning net sales of 152 million euros for 2021. This corresponds to a growth in net sales of 3.1%, when compared to the previous year 2020.