



## Special products segment

### At a glance

€ **2,414** million  
Revenues

€ **196** million  
Operating result

€ **2,013** million  
Capital employed

**9.7** %  
ROCE

### Strategy

#### BENEO

BENEO's business performance is driven by sustained high interest in health-conscious and increasingly plant-based diets – both in the food and animal nutrition sectors. Global trends such as clean label and mental wellbeing are additional contributing factors

- Expand product portfolio to include textured plant proteins and dietary fibers with added benefits
- Achieve greater market penetration with competitive application solutions for plant-based fish, meat and dairy alternatives with a focus on the European market
- Reinforce international sales expertise by building on and adapting regional sales strategies

#### Freiberger

The Freiberger division's sales markets are benefiting from the steady demand for convenience food. Current trends such as organic, vegan, plant-based and ready-to-go food are consistently analyzed and integrated into the product range where appropriate.

- Actively and flexibly align and adapt the product portfolio to address current trends, develop new marketing concepts and channels
- Actively embrace innovations and sustainability topics and refine existing approaches
- Fortify market position in Europe, expand market position in North America, analyze and develop third markets

#### PortionPack

Investments in co-packing / co-manufacturing will dramatically reduce dependence on the out-of-home market and open up new growth segments.











- Continuously expand product portfolio with focus on sustainable packaging
- Continue to grow in wholesale and food service, expand sales activities in retail, offer packaging solutions for food manufacturers (contract packaging)
- Expand market position in Europe; expand activities in Southern Africa





## Special products segment

### At a glance

	BENE0 	Freiberger 	PortionPack 
 <b>Production</b>	Germany (1), Belgium (2), Italy (1), Netherlands (1), Chile (1)	Germany (4), UK (1), Austria (1), USA (4)	UK (1), Netherlands (3), Spain (1), South Africa (1), Czech Republic (1)
 <b>Distribution</b>	Europe (3), USA (1), South America (2), India (1), Singapore (1)	Europe (3), UK (2), USA (2)	Europe (8), South Africa (1)
 <b>Raw materials</b>	Beet sugar, rice, chicory root, wheat, barley, faba bean	Flour, milk (cheese), soybean oil, tomato paste, meat/salami/ham	Dry products (e.g. sugar, sweeteners), liquid products (e.g. sauces), chunky products (e.g. cookies)
 <b>Products</b>	Ingredients offering additional benefits (dietary fibers, sugar substitutes, new sugars, rice starches, barley/rice flours, texturized wheat protein, vegetable texturates) for food, animal nutrition, non-food and pharmaceuticals	Convenience Food (chilled and frozen pizzas, pasta, baguettes, breadsnacks, sauces, dressings)	Portion packs (food and non-food), individual contract manufacturing and packaging
 <b>Markets</b>	Worldwide	Europe, North America, South Korea	Primarily Europe, South Africa
 <b>Customers</b>	Food, animal feed, pharmaceuticals industries	Food retailers	Hotels, restaurants, caterers (food service), food industry
 <b>Brands</b>	Isomalt, Palatinose™, galenIQ™, Orafti® Inulin, Orafti® Oligofruktose, Orafti® β-Fit, Remy, Meatless®	Private labels, Alberto, Pizzataintment	Hellma, Van Oordt

## Markets

### Markets

The special products segment's sales markets continued to be shaped by challenges such as persistently high global inflation and supply chain issues. This led to diverging developments in the sales markets for special products.

Consumers are keenly interested in health-conscious and sustainable diets. This interest is reflected in trends such as plant-based nutrition, clean label, sugar reduction, gut health and mental wellbeing. This development particularly benefited the functional sugar substitute Isomalt, which continued to record growing sales volumes. In the current inflationary environment, however, there has been a shift toward more affordable food in some core markets, resulting in lower demand for high-quality functional ingredients.

The frozen pizza market in Germany grew slightly, with private labels recording below-average growth. In France, sales of frozen pizzas were stagnant, but private labels were able to significantly increase their market share. In contrast, the sales market for frozen pizzas in the United Kingdom and the USA declined. In the UK, private labels were able to marginally increase their market share, while in the US the market share remained nearly stable. The UK chilled pizza market made minor gains. Private labels continued to expand their dominance through modest growth.

### Raw materials markets

In the special products segment, various agricultural raw materials are processed to produce high-quality products for the food, animal feed and technical industries.

Chicory root harvesting and processing in Chile and Belgium was carried out under difficult conditions in some cases. Particularly in Belgium, prolonged rainfall complicated harvesting and processing. The yield was higher than in the previous year. The ongoing export ban on rice from India continued to present challenges in procurement. Overall, however, availability was sufficient. Following a temporary normalization of freight rates from Southeast Asia, they rose again significantly towards the end of the fiscal year due to the situation in the Red Sea. The cost of sugar as a raw material for functional carbohydrates was considerably higher than last year in line with general market developments.

The essential ingredients for producing frozen pizzas are mozzarella, salami and flour. Prices for dairy products such as butter and cheese rose markedly. Pork prices fell over the course of the year, and the price of wheat also recorded a noticeable decline. However, the price of flour did not depreciate to the same extent, as labor and energy costs had the opposite effect here.

## Business performance

### Revenues and operating result

The special products segment's revenues rose moderately to € 2,414 (2,217) million thanks to higher prices.

At € 196 (102) million, the operating result improved significantly compared to the previous financial year. Higher prices on the market were able to better compensate for the negative impact of higher raw material, packaging, energy and personnel costs, particularly in the previous year.

### Result from restructuring and special items

The result from restructuring and special items of € -3 (-10) million in fiscal 2023/24 was attributable in part to the BENE0 division and related to the start-up costs for the construction of a new production facility for the manufacture of protein concentrate from faba beans at the Offstein location. In the previous year, the expenses were mainly attributable to the Freiburger division and associated with the closure of the production site for sauces and dressings in Grundy Center, Iowa, USA, which belongs to the US pizza manufacturer Richelieu Foods, Inc.

### Capital employed and return on capital employed (ROCE)

With an operating result of € 196 (102) million and slightly higher capital employed of € 2,013 (1,979) million, ROCE improved significantly to 9.7 (5.2) %.

### Investments in fixed assets

Investments in fixed assets in the special products segment totaling € 128 (145) million in the BENE0 division affected ongoing capacity expansion measures at almost all locations in addition to replacement spending. The second refining line was completed in Pemuco, Chile. Investments are also being made in energy-saving measures and the complete transition to renewable energy sources. Heat pumps were installed in Wijgmaal, Belgium. At the Offstein location, building work began on a new plant for the production of protein concentrate, which is scheduled to go into operation in February 2025. Investments in the Freiburger division were allocated to projects in the areas of automation, capacity expansion and quality improvement. In the PortionPack division, the new factory building at the Telford, UK location was completed to consolidate production capacity there.

## Investments in financial assets

Investments in financial assets of € 0 (60) million in the previous year mainly related to the complete acquisition of Meatless Holding B. V., Goes, Netherlands, by the BENE0 division and the complete acquisition of Orange Nutritionals Group B. V., Zaandam, Netherlands, the parent company of the Dutch portion pack manufacturer Crème de la Cream Group, by the PortionPack division.

## Volumes

In fiscal 2023/24, we recorded a positive development in sales volumes for Isomalt, a functional sugar substitute, and for a short chain fructooligosaccharide from sugar beet, used to reduce sugar and enrich dietary fiber. Sales of rice ingredients, prebiotic fibers and meat and fish alternatives fell short of expectations as

consumers switched to cheaper foods in an inflationary environment. Good progress was made in the business with galenIQ™, an Isomalt variant for the pharmaceutical market, and with animal feed and pet food.

Volumes of frozen and chilled products rose slightly year-on-year in Europe in the 2023/24 financial year, as high inflation prompted an increased demand from consumers for affordable private label products. In Germany, volumes via retail bakery stores (baguettes, mini pizzas, hot dogs) expanded substantially. In the US, pizza sales declined moderately.

In a challenging market environment for portion packs, we were able to extend our business in the areas of co-packing and co-manufacturing by acquiring the Orange Nutritionals Group B. V., Zaandam, Netherlands, in the previous year; overall sales volumes were slightly above the previous year's level.

## Business performance – Special products segment

		2023/24	2022/23	+/- in %
<b>Revenues</b>	€ million	<b>2,414</b>	<b>2,217</b>	<b>8.9</b>
<b>EBITDA</b>	€ million	<b>279</b>	<b>183</b>	<b>52.5</b>
EBITDA margin	%	11.6	8.3	
Depreciation	€ million	-83	-81	2.5
<b>Operating result</b>	€ million	<b>196</b>	<b>102</b>	<b>92.2</b>
Operating margin	%	8.1	4.6	
Result from restructuring/special items	€ million	-3	-10	-70.0
Result from companies consolidated at equity	€ million	0	0	-
<b>Result from operations</b>	€ million	<b>193</b>	<b>92</b>	<b>&gt; 100</b>
Investments in fixed assets and intangible assets	€ million	128	145	-11.7
Investments in financial assets/acquisitions	€ million	0	60	-100.0
<b>Total investments</b>	€ million	<b>128</b>	<b>205</b>	<b>-37.6</b>
Shares in companies consolidated at equity	€ million	0	0	-
Capital employed	€ million	2,013	1,979	1.7
Return on capital employed	%	9.7	5.2	
Working capital	€ million	536	510	5.1
<b>Employees</b>		<b>5,422</b>	<b>5,262</b>	<b>3.0</b>

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