

Business year 2022: Eckes-Granini with good results despite numerous challenges

- Turnover +7% organic growth; highest turnover increase in 5 years
- Leading market position in Europe defended
- 30% growth through innovations, despite reduced marketing investments
- *Shots* market leader in Europe, *hohes C Functional Water* successful market launch
- Excellent delivery capacity with high demand, despite bottlenecks in the supply chains
- E-commerce doubled within 3 years; e-retail market share gained
- Most successful Out-of-Home year in the company's history

Nieder-Olm, 19 April 2023. The Eckes-Granini Group concluded the 2022 business year with satisfactory results and is optimistic about the current year 2023. With a +7.1% increase in turnover to 917 million euros (2021: 856 million euros), the supplier of fruit juices and fruit beverages achieved 2022 the highest increase in turnover in five years. Volume sales also developed slightly positive compared to the previous year, rising by 3 million to 808 million litres. Eckes-Granini recorded an increase of +1.3% in value-based sales at the retail level during the past business year, accompanied by a decline in volume sales (-2.1%) compared to the previous year. This resulted in a stable, unchanged market share of 12% in terms of value, with a slight increase in volume market share of +0.2% to 11.3%. With regard to the largest markets for fruit juices, nectars, and fruit drinks (FJND) in Europe, market shares were gained in France in particular, but also in the Baltic countries, Finland, and Austria.

Eckes-Granini expands market leadership in Europe

Like all companies in the beverage and food industry, Eckes-Granini had to deal with a tense raw materials situation, freight space shortages and supply chain difficulties during the past year. In addition, there was an unprecedented explosion in the cost of raw materials, partly due to poor harvests, as well as packaging materials, energy, and transport. However, these massive cost increases could only be partially offset by price increases. Eckes-Granini has compensated for



some of the additional costs through targeted investments in its brands, successful product launches and decisive crisis management. Tim Berger, CEO of the Eckes-Granini Group, comments on the past business year: "Thanks to our rapid and flexible response to the difficult market environment in 2022, we were able to achieve good sales growth and – viewed across the whole business – an increase in market share. We are satisfied with the result in view of the challenging general conditions. We used the challenges of the past year as a catalyst for the optimization and further development of existing processes and structures. For example, we were able to react effectively to raw material shortages and ensure a consistently high delivery capability."

Weaker economic environment shapes market performance in 2022

In the food retail sector, the FJND market in Europe 2022 showed a positive trend in value sales with +1.3% compared to the previous year. Volume sales, on the other hand, declined by -3.7%. While the market dynamics in 2021 were still influenced by the Covid 19 pandemic, the Ukraine war and its consequences had a significant impact on market development in 2022. On the one hand, price increases contributed to the rise in value sales. At the same time, however, consumers' willingness to purchase declined, with corresponding consequences for volume sales figures.

Innovations and the expansion of new distribution channels as growth drivers

Eckes-Granini benefited in particular from the successful introduction of numerous product innovations in 2022. Overall, the medium-sized family-owned company achieved 30% of its growth through innovations alone, despite reduced marketing investments. One of these innovations are the *hohes C Functional Water* in the Water Plus category, which were excellently received by the market. Eckes-Granini was also able to expand the market leadership of *hohes C Shots in* 2022 and successfully establish the Shot concept in additional countries, such as Austria, Hungary, and Spain, in France under the *Joker* brand and in Denmark, Sweden and Finland under *God Morgon*. 2022 also marked the most successful



Out-of-Home year in the history of Eckes-Granini. The strategically important business segment of hotel, gastronomy and on-the-go consumption made a comeback in many countries, especially in France, where Eckes-Granini grew significantly. Contrary to market dynamics, Eckes-Granini also succeeded in gaining market share in e-commerce and e-retail, doubling its share of sales within three years.

Eckes-Granini remains committed to people and the environment in 2022

Despite all the challenges, a more sustainable business remains a central focus of Eckes-Granini's corporate strategy. Following an intensive review, the independent Science Based Targets Initiative (SBTi) confirmed in January 2022 that Eckes-Granini's greenhouse gas reduction targets are in line with the goals of the Paris Agreement. Eckes-Granini also actively campaigned for the introduction of the juice deposit, made the switch early on and provided extensive information on the advantages of the recycling system in campaigns. In addition, the family-owned company has supported the Team Rynkeby charity cycling initiative for many years as part of its CSR commitment. In 2022, around 10.4 million euros were collected for seriously ill children and their families. Eckes-Granini was also pleased to receive the *Top Employer 2023* award in Germany again after 2022.

Positive outlook for the current year

At the beginning of 2023, the economic conditions seem to have improved slightly. However, rising raw material prices and fluctuating availability remain a major issue. In addition, there are uncertainties in consumption regarding the reaction of consumers to inflation. "Overall, the past year with all its challenges has been an opportunity for us to show that we take our responsibility regarding the category, the food retail industry, and our consumers seriously. We succeeded in living up to our role as category thought leader. In 2023, we want to build on this and have already made a promising start to the new business year with numerous new beverage concepts and innovations," says Berger.



For more information and to download the 2022 Business Report, please visit:

<https://www.eckes-granini.com/en/company/business-report>

About the Eckes-Granini Group:

Eckes-Granini is the leading supplier of fruit juices and fruit beverages in Europe. For the independent family-owned company headquartered in Nieder-Olm, Germany (Rhineland-Palatinate), the focus is on committed and competent employees, strong brands in the areas of juices, fruit beverages and smoothies, and a long-term strategic orientation with sustainable value creation. Today, Eckes-Granini operates mainly in Europe with its own national companies and strategic partners and generates annual sales of 917 million euros with a total of 1703 employees. The company's foundation is formed by the internationally renowned premium brands *granini* and *Pago* together with strong national and regional brands for juices such as *hohes C*, *Joker* and *God Morgon*. Consumers in 80 countries worldwide and especially in Europe know and appreciate our fruit juices and the variety of fruit drinks.

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