



Special products segment

At a glance

€ **2,275** million
Revenues

€ **203** million
Operating result

€ **2,001** million
Capital employed

10.1 %
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 labels, healthy body weight, balanced blood sugar levels, and nutritional labeling are contributing factors to this development. BENEO's portfolio continues to offer technological advantages (e. g., improved texture and stability) that are attractive to customers.

- Leveraging the full potential of our functional carbohydrates, especially in the contexts of weight control and sugar reduction
- Broadening the product range in the fields of functional dietary fibers and textured plant proteins
- Fostering stronger partnerships with our customers worldwide to increase their market share in the nutrition and health segment

Freiberger

The Freiberger division's sales markets are benefiting from the ongoing strong demand for convenience food. Frozen and chilled pizzas, in particular, are some of the most favored convenience foods worldwide. Freiberger keeps a close eye on current industry trends, like plant-based and ready-to-go/ready-to-eat foods, as well as growing awareness of health and sustainability, and makes sure these trends are part of its product range.

The company is implementing a holistic growth strategy called "Better together" aiming to exceed market growth of 1–3 % annually and maintain profitable growth.

- **Flexible product portfolio:** Alignment of the product range with market trends such as plant-based and ready-to-go. Create new marketing strategies and distribution channels.
- **Innovation and sustainability:** Investments into innovative developments, like environmentally friendly packaging through the corporate initiative "Rethinking plastic" and sustainable production methods. Systematically develop current approaches.
- **Market access and expansion:** Consolidation of market position in Europe; capacity expansion at Berlin plant; expanded production capacity in the UK; profitable growth in the US and evaluation of new third markets.

PortionPack

The PortionPack division aims to expand its leading position in the European market for portioned food products in the food service sector. By further strengthening its co-packing/co-manufacturing business, the division also intends to significantly reduce its 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 (out-sourced packaging).
- Expand market position in Europe; expand activities in Southern Africa.



Special products segment

At a glance

	BENEO	Freiberger	PortionPack
Production	Germany (1), Belgium (2), Italy (1), Netherlands (1), Chile (1)	Germany (4), UK (1), Austria (1), USA (3)	UK (1), Netherlands (3), Spain (1), South Africa (1), Czech Republic (1)
Distribution	Europe (3), USA (1), South America (2), India (1), Singapore (1)	Europe (3), UK (2), USA (2)	Europe (7), South Africa (1)
Raw materials	Beet sugar, rice, chicory root, wheat, barley, faba bean	Flour, milk (cheese), tomato paste, meat / salami / ham	Dry products (e.g. sugar, sweeteners), liquid products (e.g. sauces), chunky products (e.g. cookies)
Products	Ingredients offering additional benefits (dietary fibers, sugar substitutes, new sugars, rice starches, barley/rice flours, vegetable texturates) for food, animal nutrition, non food and pharmaceuticals	Convenience Food (chilled and frozen pizzas, pasta, baguettes, breadsnacks)	Portion packs (Food and non-food), individual contract manufacturing and packaging
Target markets	Worldwide	Europe, North America, South Korea	Primarily Europe, South Africa
Customers	Food, animal nutrition and pharmaceuticals industries	Food retailers	Hotels, restaurants, caterers (food service), Food industry
Brands	Isomalt, PalatinoseTM, galenIQTM, Orafiti® Inulin, Orafiti® Oligofruktose, Orafiti® B-Fit; Remy, Meatless®	Private labels, Alberto, Pizzatainment	Hellma, Van Oordt

Markets

Target markets

The special products segment's sales markets showed a predominantly positive trend.

Consumers worldwide continue to value health-conscious nutrition and improved well-being. The desire for a healthy body weight, balanced blood sugar levels, and a more plant-based diet led to continued high demand for ingredients offering additional benefits.

The frozen pizza market recorded slight growth in Germany. However, the increase in sales in the private label segment – in which Freiberger is the largest manufacturer – was lower than average. In France, it took two years for the market to recover from depression, while the UK and US saw a slight upturn. Private labels lost market share in the frozen food segment in the UK, whereas they recorded slight growth in the US. The UK chilled pizza market also grew slightly, with private labels further strengthening their leading market position thanks to modest growth.

Raw material markets

In the special products segment, various agricultural raw materials are processed into premium products for the food, animal feed and technical industries.

Long periods of rain affected the sowing, harvesting, and processing of chicory roots in both Chile and Belgium; overall yields were lower than last year. Customers are increasingly demanding sustainability criteria for rice as a raw material. All food safety regulations were adhered to in Asian imports by performing a full preliminary check of the rice. However, the geopolitical situation in the

Red Sea resulted in increased transportation costs. The costs for sugar, the raw material for producing functional carbohydrates, were, following the general market trend, below the previous year's level.

The main raw materials used in the production of frozen pizzas include mozzarella and salami. Purchase prices developed differently in the 2024/25 fiscal year. Especially the prices of mozzarella showed a notable rise. Freiberger's salami is largely composed of pork; aligned with the declining pork prices, the costs of purchasing salami also went down.

Business performance

Revenues and operating result

The special products segment's revenues of € 2,275 (2,414) million were down slightly year-on-year, reflecting both lower sales volumes and lower prices.

The operating result showed a slightly positive development and increased to € 203 (196) million. This improvement was mainly attributable to higher margins.

Result of restructuring and special items

The result from restructuring and special items of € 11 (–3) million in fiscal 2024/25 was largely due to the sale of Richelieu's dressing and sauce business in the US, which was not part of its core activities. The divestment includes operating assets consisting of machinery, inventories and shares in a customer list in the total carrying amount of € 35 million. Including the goodwill of the Freiberger CGU of € 13 million allocated to this transaction, the gain on disposal before taxes amounted to € 17 million on the

basis of a net sales price of € 65 million already received. This gain is recognized in other operating income as special result. Last year's expenses were mainly attributable to the BENE division and related to start-up costs for the construction of a new production plant for protein concentrate from faba beans at the Offstein location.

Capital employed and return on capital employed (ROCE)

With an operating result of € 203 (196) million and capital employed of € 2,001 (2,013) million, ROCE rose slightly to 10.1 (9.7) %.

Investments in fixed assets

Investments in fixed assets in the special products segment totaled € 126 (128) million. The main projects included:

- BENE division: Construction of a new production facility for the extraction of plant-based protein concentrates at the Offstein location in Germany
- Freiberger division: Process optimizations at the Wheeling location in the US to reduce production costs, completion of the production capacity expansion at the Westhoughton location in the UK, and initial planning for capacity enhancement at the Berlin location in Germany

Volumes

In the fiscal year 2024/25, BENEØ experienced strong demand for prebiotic fibers from chicory root. Increased awareness of the importance of a healthy gut for well-being, improved nutritional labeling options (sugar and fat reduction), and reliable demand fulfillment are driving this trend. Rice starch experienced a notable boost in sales, attributed to its natural appeal, making it popular in baby nutrition and clean-label products, where it contributes to

improving product stability and texture. Isomalt, a functional sugar substitute, continued to enjoy high demand. Sales of fiber from sugar beet, which is primarily used to reduce sugar content and enrich foods with fiber, also increased. Due to market challenges, demand for ingredients for meat and fish alternatives remained below expectations. Good progress was made in the business with galenIQ™, an Isomalt variant for the pharmaceutical market. Continued growth was also seen in the market for ingredients for animal feed and pet food.

Volumes of frozen and chilled products dropped slightly year-on-year in Europe in the 2024/25 financial year. This is attributable to heightened advertising campaigns by brand manufacturers, particularly in Germany and the UK, leading to a loss of market share. This was offset by a significant rise in sales of baguettes, mini pizzas, and hot dogs through bakery shops of retailers in Germany. In the US and Canada, the market shares expanded with the arrival of new customers, causing a slight uptick in frozen pizza sales.

Compared to the previous year, sales volumes of portion packs experienced a slight downturn. The main reasons for this were declining out-of-home consumption and lower demand in the contract manufacturing and contract packaging sectors. Rising prices and the diminished purchasing power of consumers adversely affected the situation.

Business performance – Special products segment

		2024/25	2023/24	+ / – in %
Revenues	€ million	2,275	2,414	–5.8
EBITDA	€ million	288	279	3.2
EBITDA margin	%	12.7	11.6	
Depreciation	€ million	–85	–83	2.4
Operating result	€ million	203	196	3.6
Operating margin	%	8.9	8.1	
Result from restructuring/special items	€ million	11	–3	–
Result from companies consolidated at equity	€ million	0	0	–
Result from operations	€ million	214	193	10.9
Investments in fixed assets and intangible assets	€ million	126	128	–1.6
Investments in financial assets/acquisitions	€ million	0	0	–
Total investments	€ million	126	128	–1.6
Shares in companies consolidated at equity	€ million	0	0	–
Capital employed	€ million	2,001	2,013	–0.6
Return on capital employed	%	10.1	9.7	
Working capital	€ million	490	536	–8.6
Employees (FTE)		5,541	5,422	2.2

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