



Special products segment

At a glance

€ **2,216** million
Revenues

€ **177** million
Operating result

€ **1,873** million
Capital employed

9.5 %
ROCE



Strategy

BENEO

BENEO's business performance is driven by the functional and nutritional benefits of its product portfolio, and by sustained high interest in health-conscious and plant-based diets—in both the food and pet food sectors. In line with the idea that “prevention is better than cure”, key trends such as healthy aging, mental well-being, weight management, and plant-based alternatives are pushing forward nutritional development.

- Strengthening growth in dynamic markets such as Asia by optimizing the potential of the current portfolio.
- Expanding the portfolio of plant proteins in target markets – for both existing and new applications.
- Diversification of the product range, including through partnerships and new production technologies within existing application categories.

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/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 committed to the holistic growth strategy 'Even Better Together'. We aim to outperform the market growth of 1 to 3 % per year and sustain 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 processes. Systematically develop current approaches.
- **Market access and expansion:** Enhancing market position in Europe, increasing capacity at the Berlin facility, expanding into Australia, tapping into out-of-home markets, profitable growth in the USA, and exploring 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.
- Sustain growth in the wholesale and foodservice, markedly expand the contract packing/manufacturing sector for food manufacturers and boost retail sales activities.
- Expand market position in Europe; expand activities in Southern Africa

Economic report



Special products segment

At a glance

	BENE0 	Freiberger 	PortionPack 
 Production	Germany (1), Belgium (2), Italy (1), Netherlands (1), Chile (1)	Germany (4), UK (1), Austria (1), USA (2)	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 (4), 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	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, baby food, animal nutrition, non food and pharmaceuticals	Convenience Food (chilled and frozen pizzas, pasta, baguette, 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, baby food, animal feed, pharmaceuticals industries	Food retailers, Out-of-home, Food Service	Hotels, restaurants, caterers (food service), Food industry
 Brands	Isomalt, Palatinose™, galenIQ™, Orafti® Inulin, Orafti® Oligofruktose, Orafti® β-Fit; Remy, Meatless®	Private labels, Alberto, Pizzataintment	Hellma, Van Oordt

Market environment

Target markets

The special products segment's sales markets developed differently.

Interest in health-conscious and plant-based diets remains high in both the food and pet food markets. Healthy aging, mental health, weight management, and plant-based alternatives are global trends shaping the food industry. This is evident, for example, in the ongoing interest in recipes that are low in sugar without compromising on taste, or in the rising demand for prebiotic fiber driven by growing awareness of the importance of gut health.

Germany's market for frozen pizza noted a slight decrease, and the private label segment – where Freiburger is the largest manufacturer – was hit harder than average. In France, the market recovery continued in both the overall frozen pizza market and private labels. In the UK and the USA, a slight decline was observed, but the market shares of private labels in the frozen food segment remained stable. The UK chilled pizza market grew significantly,; private labels maintained their strong market position.

Raw material markets

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

Chicory root harvesting and processing in Belgium proceeded under good conditions and without interruptions; the quality remained consistently high throughout the campaign. The campaign in Chile proceeded as scheduled despite heavy rains; both yield and quality surpassed those of the previous year. Faba bean yields were lower than last year, with protein levels remaining consistent with the previous year. Diversified procurement of rice from a variety of sources has continued to prove effective. Compliance with food regulations could be ensured for Asian imports by performing a full preliminary check of the rice. Prices for sugar, raw material for producing functional carbohydrates, were, following the general market trend, below the previous year's level.

The essential ingredients for producing frozen pizzas are mozzarella, salami and ham. Mozzarella prices fell throughout the year before slightly stabilizing recently. Freiburger's salami primarily consists of pork. As a result of the lower pork prices, it was possible to also reduce the procurement costs for salami. The wheat market saw a downward trend. However, the prices for flour remained mostly stable or only decreased slightly, as increased processing and transportation costs had a counteracting effect.

Business performance

Revenues and operating result

The special products segment's revenues declined slightly to € 2,216 (2,275) million. The decrease can be attributed, in part, to the sale of Richelieu's dressing and sauce business in the USA during the second quarter of the fiscal year 2024/25, leading to a reduction in revenues. Furthermore, there was a general downward trend in prices.

The operating result dropped significantly to € 177 (203) million. This was mainly due to lower overall sales prices and significantly higher costs, particularly for personnel.

Result from restructuring and special items

The result from restructuring and special items of € –42 (11) million in fiscal 2025/26 was mainly attributable to the facility for the production of protein concentrate from faba beans at the Offstein location commissioned by BENE0 in fiscal 2025/26, which is now experiencing a significantly longer market establishment phase than initially expected. This results in an initially reduced capacity utilization and the consequent losses. The impairment test required as a result, based on current projections, revealed a shortfall in tied assets, thus necessitating a partial impairment of fixed assets. Moreover, expenses arose related to the closure of the Washington Court House, Ohio, U.S.A., location of the U.S. pizza manufacturer Richelieu Foods Inc., based in Wheeling, Illinois, where intermediate products were produced. Richelieu is a subsidiary of Freiburger. The positive contribution to earnings in the previous year resulted from the sale of Richelieu's dressing and sauce business in the USA.

Capital employed and return on capital employed (ROCE)

With a significant decline in operating result of € 177 (203 million) and a only moderate reduction in capital employed of € 1,873 (2,001) million, ROCE fell to 9.5 (10.1) %.

Investments in fixed assets and intangible assets

Investments in fixed assets in the special products segment totaled € 95 (126) million. The main projects included:

- BENE0 division:
 - Completion and start-up of the new production facility for the extraction of vegetable protein concentrates at the Offstein location in Germany.
 - Expansion of Palatinit production capacities at the Offstein location in Germany.
- Freiberger Division:
 - Process optimizations at the Wheeling site in the US to reduce production costs.
 - Production capacity expansion at the Berlin location in Germany.

Business performance – Special products segment

		2025/26	2024/25	+/- in %
Revenues	€ million	2,216	2,275	-2.6
Operating EBITDA	€ million	266	288	-7.6
Operating EBITDA margin	%	12.0	12.7	
Depreciation	€ million	-89	-85	4.7
Operating result	€ million	177	203	-12.8
Operating margin	%	8.0	8.9	
Result from restructuring and special items	€ million	-42	11	-
Result from companies consolidated at equity	€ million	0	0	-
Result from operations	€ million	135	214	-36.9
Investments in fixed assets and intangible assets	€ million	95	126	-24.6
Investments in financial assets and acquisitions	€ million	0	0	-
Total investments	€ million	95	126	-24.6
Shares in companies consolidated at equity	€ million	0	0	-
Working capital	€ million	450	490	-8.2
Capital employed	€ million	1,873	2,001	-6.4
Return on capital employed	%	9.5	10.1	
Employees (FTE; 28 February)		5,380	5,541	-2.9

TABLE 018

Volumes

Prebiotic fiber derived from chicory root saw increased sales in fiscal year 2025/26. Demand for short-chain fructooligosaccharides also increased, particularly for use in products such as fruit gums and baked goods.

As part of a strategic partnership, nature-identical human milk oligosaccharides were added to the portfolio to enrich infant formula.

Sales of rice-based starches and proteins showed positive growth, driven in particular by demand for products offering improved stability and clean-label properties thanks to our ingredients. The potential uses of rice ingredients in infant formula have been expanded.

The sales of functional carbohydrates remained overall stable. The decline in demand for isomalt caused by U.S. customs policies was offset by rising sales of Palatinose™ and galenIQ™.

Marketing of the protein concentrate produced in Offstein from faba beans and its by-products to the food industry began in the second half of 2025/26.

Meatless's hybrid products, where meat is partially replaced by plant-based ingredients, have attracted growing interest from manufacturers and retailers, as they offer compelling advantages in terms of texture and taste, as well as price and sustainability.

Continued growth was also seen in the market for animal feed and pet food.

Sales of frozen and chilled products showed mixed results due to ongoing price pressures and intense competition. In Europe, sales of frozen pizza remained stable, with brand manufacturers further expanding their share of advertising and smaller players creating additional pressure through premium promotions. Specific product range management and innovative concepts were put in place to address these challenges. Market shares were gained in Germany, while in the British market, supply bottlenecks caused by foot-and-mouth disease and the delisting by a major British customer had a negative impact. Sales of chilled pizza in the UK developed as planned, but sales of frozen pizza in North America fell short of expectations, due to cautious consumer behavior and price adjustments.

Sales volumes of portion packs fell slightly below the previous year's level on a weight basis. The main reason was the decline in demand in European foodservice markets; the substantial price hikes in recent years and reduced consumer purchasing power had adverse effects.

