



The future
inspires
*us, shapes us,
challenges us – in
ever new ways.*

Annual Report 2019

Sustainability is in every page of our annual report this year, as it was produced in the most resource-efficient manner possible. The result: an annual report that meets the highest environmental standards – from prepress to production and the selected materials. An all-embracing ecological concept without compromising on quality.

Production – the report was produced by an EMAS-certified sustainable print shop committed to eco-friendly solutions. Every step of the process is checked and optimized for its environmental compatibility. The entire production is CO₂-neutral. Waste sheets and scrap material are recycled.

Paper – the paper used here (Extract) is more than a paper. It is part of a solution to a problem common throughout the world: disposable cups. Thanks to CupCycling technology, 90 percent of every disposable cup can be turned back into paper. The rest is used to make other products. Each 380 g/m² paper sheet contains at least five recycled coffee-to-go cups.

Maximum vibrancy with minimum color – the rich hues are contained in the paper itself and inspired by nature and the environment. Only black and red inks were used for printing. These are solvent-free, highly pigmented inks without mineral oil and without cobalt. By using only two inks, fewer printing plates were exposed, thus saving over 30 kg of aluminum.

Thread stitching – the ecologically best and most durable binding is thread stitching. The thread itself – in this case red – not only becomes a design element, but also ensures optimum lay-flat behavior. Thread stitching reduced the amount of glue required by about 90 percent. Where glue was required, a water-based adhesive was used.

Melitta Group

Financial Figures at a Glance

2019

Key figures of the Melitta Group

	2019	2018
Sales / in € thous.	1,695,386	1,543,498
Capital expenditures / in € thous.	50,286	48,144
Employees / full-time employees, annual average	5,654	5,222
Tangible assets / in € thous.	279,627	261,236
Financial assets / in € thous.	56,067	48,950
Equity /in € thous.	290,999	283,770
Total assets / in € thous.	1,225,260	1,210,857
Equity ratio / in %	27	27

Key figures of the operating divisions and the service unit

_ Sales in € thous.	2019	2018
Melitta Europe – Coffee Preparation Division*	171,469	172,884
Cofresco*	261,410	255,300
Wolf PVG*	57,846	57,416
Melitta Europe – Coffee Division	325,922	327,231
Melitta North America	101,970	92,862
Melitta South America	286,115	293,106
Melitta Asia Pacific	1,231	1,716
Melitta Single Portions	144	19
Melitta Professional Coffee Solutions	210,015	166,793
Coffee at Work	14,022	12,277
Cuki Cofresco	202,012	** 98,475
Neu Kaliss / Neukölln Spezialpapier	40,696	42,107
ACW-Film	7,813	8,206
Services and others*	14,721	15,106
Total	1,695,386	1,543,498

* thereof Melitta Europe – Sales Europe Division, total 2019: 429,248 | 2018: 434,299
** July 1 – December 31, 2018

_ Capital expenditures in € thous.

	2019	2018
Melitta Europe – Coffee Preparation Division	7,493	5,756
Cofresco	6,384	4,915
Wolf PVG	1,787	2,386
Melitta Europe – Sales Europe Division	428	299
Melitta Europe – Coffee Division	3,840	5,727
Melitta North America	2,791	725
Melitta South America	4,993	10,365
Melitta Asia Pacific	3	129
Melitta Single Portions	4,937	2,152
Melitta Professional Coffee Solutions	3,143	3,631
Coffee at Work	674	261
Cuki Cofresco	4,675	** 4,406
Neu Kaliss / Neukölln Spezialpapier	1,049	1,119
ACW-Film	383	718
Services and others	7,706	5,555
Total	50,286	48,144

_ Employees full-time employees, annual average

	2019	2018
Melitta Europe – Coffee Preparation Division	634	644
Cofresco	971	1,000
Wolf PVG	285	302
Melitta Europe – Sales Europe Division	415	379
Melitta Europe – Coffee Division	221	210
Melitta North America	120	111
Melitta South America	901	882
Melitta Asia Pacific	17	19
Melitta Single Portions	22	11
Melitta Professional Coffee Solutions	925	867
Coffee at Work	109	99
Cuki Cofresco	530	** 253
Neu Kaliss / Neukölln Spezialpapier	212	213
ACW-Film	48	44
Services and others	244	188
Total	5,654	5,222

** July 1 – December 31, 2018

The future inspires *us*, shapes *us*,
challenges *us* – in ever new ways.
Shaping, challenging, thinking – in
ever new ways – **inspires the future.**

The future inspires us. It is an integral part of our present, our thinking, and our actions: we dream it, we plan it. We create visions and utopias – for the future needs of our customers as well as for a world as it should be. And by dreaming, planning, and creating, we shape the future. Because visions and utopias have creative power. They may not provide answers, solutions, or blueprints. But they ask the right questions, outline scenarios, and encourage us to change. The future must first be conceived – before it can become reality. Every day that we think, decide, and act, we shape tomorrow's world. This is why the future has neither beginning nor end. The future is always. The future inspires us and we inspire the future.

To aid readability, only the masculine form is used in this document. However, all genders are meant (male/female/nonbinary).



An interactive version of the
main contents of this annual
report is available here:
report.melitta-group.com/annual-report-2019



THE FUTURE INSPIRES. INSPIRES THE FUTURE. _____

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In Conversation with the Chief Corporate Management^{1.1}

June 2020

Fiscal 2019 was another successful year for the Melitta Group with strong sales in almost all operating divisions and numerous new market and product initiatives. In the following interview, the Chief Corporate Management members Jero Bentz and Volker Stühmeier describe what they regard as the most important developments and trends of the past year. In addition to the business results, they underline the progress made by the Melitta 2020 strategy program, the integration of sustainability into corporate strategy, and the 111-year anniversary celebrated by the Melitta Group in 2019.

Mr. Bentz, Mr. Stühmeier, how was the past fiscal year for the Melitta Group?

Volker Stühmeier 2019 was a very good year. The Melitta Group achieved further growth and at the same time we successfully enhanced our organizational structures. Considering the challenging market environment, our business performance was impressive.

Jero Bentz I completely agree. The past fiscal year was dominated once again by low commodity prices for coffee, unfavorable currency effects, and economic problems in some of our most important markets. It is remarkable how all our business fields dealt with these challenges while at the same time developing new perspectives. We can therefore look back on the fiscal year 2019 with a great deal of pride and satisfaction.

How would you describe the performance of sales and earnings?

Jero Bentz We wanted to increase sales revenue by ten percent in 2019 – and we achieved exactly that. This was helped to a considerable extent by the Cuki Group, which was fully consolidated for the first time in 2019. Even more encouraging was the extremely positive development of sales volumes – in other words, without any price or currency effects: the amount sold rose by seven percent and thus in excess of our original forecast.

Did all business fields perform equally well?

Volker Stühmeier We are very satisfied with the performance of our Coffee and Household Products business fields. In our coffee business in particular, we once again recorded record sales volumes. The situation in our Coffee Preparation business was a little more varied: in the retail sector, we focused on the higher-margin premium segment and thus deliberately sacrificed a certain amount of sales in the past year. This led to a slight decline in volumes sold, but improved earnings.

In the out-of-home business of Melitta Professional Coffee Solutions, the past fiscal year proved to be highly successful once again.

Do you think the out-of-home sector will continue to grow?

Jero Bentz Yes, we are absolutely convinced it will. We see growing demand for top-quality products in the out-of-home coffee preparation sector. Premiumization and individualization are becoming increasingly important. We have responded to this trend and are therefore ideally positioned to meet the growing demand for such products and services.

Apart from sales volumes and revenue, was there also an improvement in earnings?

Jero Bentz Due to the challenging market environment, we are certainly not yet where we want to be in terms of earnings. Having said that, we are also not dissatisfied. We dedicated large sums of money to marketing, sales, internationalization, and product development, as well as to raising headcount once again. We therefore made major investments and created excellent conditions for the future.

How much progress did you make with the implementation of the Melitta 2020 strategy program?

Volker Stühmeier A lot! The acquisition of the Cuki Group and Worwo has helped us significantly expand our market positions in Italy and Poland. We also greatly strengthened our out-of-home business in Taiwan, Japan and Australia. And in those new markets we already entered in previous years, we successfully consolidated and integrated our businesses – a further crucial element of our successful internationalization strategy.

Jero Bentz In addition to this, we launched a slew of product innovations and developed new business models. These include Avoury®, a completely new concept for the

“We created excellent conditions for the future.”

preparation of tea. This concept is in line with our approach of moving more strongly into the premium sector. All things considered, we are very satisfied with the past fiscal year in terms of our strategy program.

2019 also marked the Melitta Group's 111th year in business. What new impetus did the anniversary provide?

Jero Bentz To be honest, the anniversary actually had a much greater impact than we expected at the beginning of the year. By this I mean, above all, the impetus it provided within the company: the various events and activities helped us reflect together on what we are all rightly proud of. We became more aware of our roots and the values we share. I got the impression this helped us to draw closer together and see ourselves as a single entity.

Volker Stühmeier I totally agree. The 111-year anniversary had a lasting impact and really moved many of our em-

ployees – myself included. Even though I have been working for the Melitta Group for 25 years now, looking back into the past and reviewing the Group's history and numerous milestones always delivers some awe-inspiring moments. The celebrations generated a very positive force and gave us all extra motivation and drive.

Jero Bentz Yes, I am sure many people felt the same way. The connection between history and innovation served to clarify the “why” – it conveyed meaning or purpose. The anniversary highlighted those areas where we have been very successful over decades and how we as a company can make a contribution. And this, in turn, created a strong sense of belonging. Time and again, I am always struck by the way our current and former employees express their commitment to the Melitta Group and are so passionate about the company. I find this solidarity, this togetherness, and commitment to be almost unique. And this is naturally something that makes me very proud.

What were the events or highlights which shaped the past year?

Jero Bentz Rather than focusing on particular events or highlights, I would say that 2019 was a year marked by a remarkable degree of motivation, strength, and agility. I was impressed by the way the entire organization handled the day-to-day business challenges while at the same time displaying a strong desire to pull together, look ahead, and develop new perspectives. This is what makes me particularly upbeat about the future. We also made some fundamental decisions in 2019, which were largely value- and culture-driven. By this I mean decisions with regard to our employees, our organizational structures, and our range of products and services. We demonstrated that we take our values and our sustainability efforts very seriously.

On that last point: how exactly is the Melitta Group responding to the increasing demands for sustainability?

Jero Bentz As a family-owned company with a 111-year history, we naturally have a different approach to sustainability than many other firms. Our decisions are always based on a long-term perspective, giving us the opportunity to invest in projects and activities that may not generate a payback in the short term. This allows us a great deal of freedom. We can work on topics that we firmly believe in and which we expect to achieve the greatest benefits in the long term.

Volker Stühmeier 2019 was actually a year in which sustainability was given a great deal of attention. Together with innovation, it was a main focus of our International Management Conference. In addition, we summarized and published our sustainability goals in a Sustainability Statement. This Statement also lists the key projects we are currently working on – from the development of ecologically compatible plastics and new requirements for our electrical appliances, to the fully sustainable production of coffee and paper. As a branded goods manufacturer, we therefore regard sustainable development primarily as an opportunity.

What is the Melitta Group's strategy for the future? Will the Melitta 2020 strategy finish at the end of the current fiscal year?

Jero Bentz Although the strategy program we defined in 2014 was given the “2020” label, we never actually intended it to end in 2020. The date was meant to express that by the end of 2020 we would have aligned the Melitta Group's organizational structure, product range, and attitude in such a way that the right foundations were laid for our future development. We have now succeeded in doing this. However, we are still pursuing our strategic goals of further internationalization, digitization, and enhancing our sustainability and innovative strength.

“The celebrations generated a very positive force and gave us all extra motivation and drive.”

Volker Stühmeier In other words, there will be no new fundamental strategy program. We will continue to refine and in some cases make further adjustments. But Melitta 2020 has definitely been a success. We will therefore continue along this path.

What will be the key drivers in those markets where the Melitta Group is currently active? What trends do you see for the future?

Volker Stühmeier I am convinced that the days in which a single product innovation can achieve a major market success are over. In the future, we will therefore be thinking more in terms of systems, concepts, or platforms. To achieve this, we need to focus on the individual needs and lifestyles of our customers and to develop integrated models.

Jero Bentz I agree. And on top of that, we need to always think in terms of multiple communication, marketing, and sales channels. Sustainability, individuality, and premiumization are key success factors and direct customer relations are also becoming increasingly important.

What does that mean for your organizational structures and management teams?

Jero Bentz There are clear signs that product and service offerings are becoming increasingly complex. And this requires a different kind of agility. We need to understand customer needs even better and think less in terms of our existing product portfolio. This not only means being faster and more flexible but also collaborating more closely.

Volker Stühmeier The boundaries are becoming increasingly blurred. And this also applies to departmental or company boundaries. The fact that we have such a diverse structure is a huge advantage: it makes it comparatively easy for us to think outside the box, create interfaces, pool skills, and learn from each other.

“A stable and more long-term working environment offers the best conditions for acting fast and flexibly, as such an environment also allows employees to make mistakes.”

Is that not going to be a huge challenge for your employees?

Jero Bentz It will definitely be a challenge, because stability and long-term thinking play a major role in our values and corporate culture. At the same time, however, we have to be flexible and also fast, as speed is increasingly becoming a key success factor in the marketplace. On closer inspection, however, this is not a contradiction in terms: a stable and more long-term working environment offers the best conditions for acting fast and flexibly, as such an environment also allows employees to make mistakes.

How do you want to increase agility in the workplace?

Volker Stühmeier We have been working on concepts for the workplace of the future for some time now, and last year demonstrated that we have made good progress in this field. On our planned campus in Minden's Ringstrasse, we presented a model to managers and employees of how we envisage the future of work. The result of our discussions with staff, however, was that their needs vary greatly. And we want to preserve these differences in order to offer as many people as possible the perfect working space from their particular point of view.

What significance does the recruitment of new employees have in this context?

Jero Bentz We are always interested in good employees, of course. However, we cannot complain about a lack of applications. Our brand and the highly dynamic approach we offer, in combination with our corporate values, make us a very attractive employer – especially for younger people. When we design new workplace concepts, we are therefore thinking more about retaining, motivating and developing our existing employees. They are our most important success factor and we want them to feel comfortable at work and to have fun.

“As a branded goods manufacturer, we therefore regard sustainable development primarily as an opportunity.”



Outlook 2020.

2019 was a good fiscal year for the Melitta Group. At the beginning of 2020, we were convinced that this positive trend would continue.

However, the spread of the coronavirus in spring 2020 disrupted our plans and expectations and has had a significant impact on our business activities. At the present time, it is impossible to quantify the extent of this disruption. We have therefore decided not to provide any outlooks or forecasts in this annual report.

In spite of this backdrop, however, we remain optimistic: we have a broad range of products and services, are active in a wide variety of regions and markets, and enjoy a high degree of financial stability. Many of our products are also in demand during times like these. Most importantly, however, we have employees who are passionate about their work, display a high level of commitment, identify strongly with the company, and have above-average professional and personal skills. This not only makes us proud, but also optimistic. We are ideally positioned to develop new ideas, shape the future, and transform utopias into real living environments – even in such challenging times.

The best example of this is the decision taken in March 2020 to convert our existing production capacities to manufacture face masks for healthcare facilities. We managed to implement this change in just 14 days and are now able to produce several million of the urgently needed masks every week to help combat the pandemic. We donated the first millions of masks produced to various healthcare facilities and distributed them to our employees. We are delighted to be able to make a contribution in this way and fulfill our obligation to society.

Chief Corporate Management^{1,2}

Chief Corporate Management is the central decision-making body of the Melitta Group. Its members are Jero Bentz and Volker Stühmeier.

Jero Bentz is General Partner of Melitta Unternehmensgruppe Bentz KG and great-grandson of company founder Melitta Bentz. He has been a member of Chief Corporate Management since 2013.

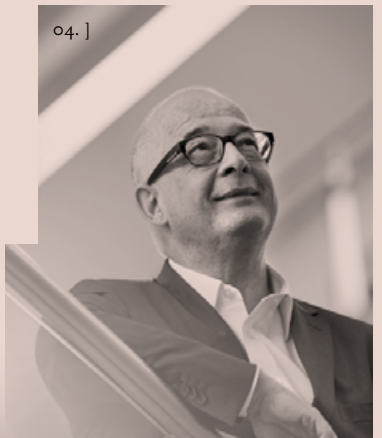
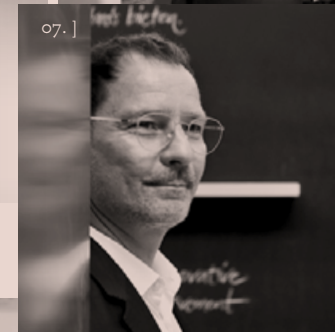
Volker Stühmeier has been with the Melitta Group since 1995. In 2011, the partners appointed him as the first non-family member of Chief Corporate Management.

Jero Bentz
Volker Stühmeier



Management^{1.4}

- 01.] **Corrado Ariaudo**
Cuki Cofresco
- 02.] **Marcelo Barbieri**
Melitta South America
- 03.] **Kai Boris Bendix**
Cofresco
- 04.] **Jochen Emde**
Corporate Division Finance
- 05.] **Holger Feldmann**
Melitta Single Portions
- 06.] **John Paul Fender**
Neu Kaliss / Neukölln Spezialpapier
- 07.] **Michael Melzer**
Melitta Europe –
Coffee Preparation Division
- 08.] **Martin T. Miller**
Melitta North America
- 09.] **Katharina Roehrig**
Corporate Division Communication
and Sustainability
- 10.] **Roberto Rojas**
Corporate Division
Human Resources
- 11.] **Dr. Dietmar Scheja**
Melitta Business Service Center
- 12.] **Dr. Marc Schmidt**
Wolf PVG
- 13.] **Dr. Stefan Scholle**
Corporate Division
Corporate Development
- 14.] **Martin Sesjak**
Coffee at Work
- 15.] **Dr. Frank Strege**
Melitta Europe – Coffee Division
- 16.] **Remko Tetenburg**
Melitta Europe –
Sales Europe Division
- 17.] **Markus Wielens**
ACW-Film



Locations and Markets^{1.5}



Europe

Austria	
Salzburg	— Melitta Ges.mbH — Melitta Professional Coffee Solutions International GmbH (Nl. Österreich)
Belgium	
Lokeren	— Melitta België N.V.
Czech Republic	
Prague	— Melitta ČR s.r.o.
Denmark	
Copenhagen	— Melitta Nordic A/S
England	
Corby	— Melitta Professional Coffee Solutions UK Ltd.
Telford	— Melitta UK Ltd.
France	
Saint Denis	— Melitta Professional Coffee Solutions France S.A.S. — Cofresco PM S.A.S. — Melitta France S.A.S. — Cuki France S.A.S.
La Terrasse	— Cuki France S.A.S.
Germany	
Minden	— Melitta Unternehmensgruppe Bentz KG — Melitta Group Management GmbH & Co. KG — Melitta Europa GmbH & Co. KG {Division Coffee Preparation} — Cofresco Frischhalteprodukte GmbH & Co. KG — Melitta Professional Coffee Solutions GmbH & Co. KG — Melitta Single Portions GmbH & Co. KG — Melitta Business Service Center GmbH & Co. KG — Melitta Europa GmbH & Co. KG {Division Sales Europe} — WolfPVG GmbH & Co. KG

Düsseldorf	— Melitta Single Portions GmbH & Co. KG
Bremen	— Melitta Europa GmbH & Co. KG {Division Coffee} — Neukölln Spezialpapier NK GmbH & Co. KG — 10X Innovation GmbH & Co. KG — WolfPVG GmbH & Co. KG
Berlin	— Neu Kaliss Spezialpapier GmbH — ACW-Film GmbH & Co. KG — Coffee at Work GmbH & Co. KG
Spence	
Neu Kaliss	
Rhede	
Witten	

Italy	
Volpiano	— Cuki Cofresco S.r.l. — DomoLiving S.r.l.

Netherlands	
Gorinchem	— Melitta Nederland B.V. — Melitta Professional Coffee Solutions Benelux BV

Norway	
Oslo	— Melitta Nordic AS

Poland	
Brodnica	— Cofresco Poland Sp. z o.o. Manufacturing Sp. k.
Warsaw	— Melitta Poland Sp. z o.o.
Wąbrzeźno	— Worwo Sp. z o.o.
Wysogotowo	— Cuki Alfatec Sp. z o.o.

Turkey	
Istanbul	— Ilmak Makina Sanayi Ticaret AS

Spain	
Madrid	— Cofresco Iberica S.A.

Sweden	
Helsingborg	— Melitta Nordic AB

Switzerland	
Egerkingen	— Melitta GmbH
Hunzenschwil	— Cafina AG

North America

Canada	
Toronto/Ontario	— Melitta Canada Inc.
USA	
Clearwater	— Melitta USA Inc.
Cherry Hill	— European Coffee Classics Inc.
Elgin	— Melitta Professional Coffee Solutions USA Inc.

South America

Brazil	
São Paulo / Rio de Janeiro / Avaré / Bom Jesus / Minas Gerais / Varginha	— Melitta do Brazil Industria e Comércio Ltda. — Celupa – Indústria Celulose e Papel Guaíba Ltda.
Guaíba	

Asia-Pacific

Australia	
Sydney	— Melitta Professional Coffee Solutions Australia Pty. Ltd.
China	
Shanghai	— Melitta Coffee (Shanghai) Co. Ltd.
Shenzhen	— Shenzhen Melitta Household Products Ltd.
Japan	
Tokyo	— Melitta PCS Asia Pacific KK — Melitta Japan KK

Group Management Report for the Fiscal Year 2019^{2.1}

MELITTA UNTERNEHMENSGRUPPE BENTZ KG

Basics of the Group

The company —

The companies of Melitta Unternehmensgruppe Bentz KG (the “Melitta Group”) are leading providers of various branded products for the consumer segment (B2C) and attractive niches of the commercial customer segment (B2B) in the main business fields of Coffee, Coffee Preparation, and Household Products.

The structure of the Melitta Group enables management to closely align operations with the needs of the respective markets via our operating divisions, national subsidiaries, and portfolio units. With the aid of central corporate divisions, Chief Corporate Management steers the Group according to strategic objectives and on the basis of our mission, shared culture and values, as well as our fundamental corporate principles.

With its core brands Melitta®, Cilia®, Café Bom Jesus®, and Café Barão®, the business field Coffee offers a wide range of filter coffee, instant cappuccino, whole bean, and single-serve products, as well as tea products, in its regional and international markets.

The products of the Coffee Preparation business field marketed under the core brands Melitta® and Cafina® range from coffee filters and coffee pads, to filter coffeemakers and fully automatic machines, as well as electric kettles and milk frothers. This business field also includes Melitta Professional Coffee Solutions, a specialist for professional hot beverage preparation in the system and non-system catering segments, as well as the Office Coffee Solutions (OCS) division.

The Household Products business field comprises consumer and catering products for the freshkeeping and storing of food, as well as waste disposal products, dust filter bags, and dust filter accessories, which are marketed under the core brands Toppits®, Cuki®, Swirl®, Albal®, handy bag®, Baco-Foil®, and Wrapmaster®.

The remaining products are marketed to industrial clients (B2B). They include specialist papers for the wallpaper industry and industrial films for food packaging.

The innovation and development activities of our companies are designed to detect or shape new consumer trends in order to turn them into new and clearly differentiated products which will secure the company’s sustainable development. This also applies to our food service and B2B clients.

Our Sustainability Statement outlines the main objectives of our sustainability efforts and defines binding targets for all value chains – coffee and coffee cultivation, plastics and plastic products, paper and pulps, and electrical appliances – as well as for the fields “Environmental Responsibility”, “Social Responsibility”, and “Responsibility for Employees”, which we aim to achieve by 2030 at the latest.

Economic report

Business environment —

Against the backdrop of favorable economic conditions on the whole, consumer sentiment remained generally positive in our markets. Employment in the European Union reached its highest level in 2019. China continues to play an above-average role in driving global growth in gross domestic product (GDP). In the USA, consistently strong consumer spending helped lift GDP to 2.3% in 2019. Brazil once again achieved growth of 1.1% in 2019 (2018: +1.1%).

Growth in the world's largest coffee markets was uneven. Sales volumes in the German coffee market as a whole rose by 2.0% in 2019. Due to the development of green bean prices and the demands of retailers for lower consumer prices, market revenue in the roasted coffee market fell by a total of 2.2%. Compared with the previous year, the Brazilian coffee market remained relatively stable in 2019 with volume growth of 2.9%, mainly driven by private household consumption. By contrast, the US and Canadian roasted coffee markets recorded a slight decline in volume.

Development of business —

a) Coffee

In its Coffee business field, the Melitta Group sold a total of 170 thousand metric tons of coffee in 2019 – almost 10% more than in the previous year (155 thousand metric tons). The introduction of new products and expansion of our distribution channels in Germany helped drive disproportionately strong sales growth. In Brazil, we were able to grow faster than the market as a whole and capture further market share. This trend was largely facilitated by the investments made over the past few years in strengthening our brands, as well as our successful acquisitions and the new roasting plant in Varginha. In the North American market, the acquisition of major new corporate clients helped boost sales in the B2B segment. In Canada, the growing whole bean segment played a major role in expanding our market share.

A further major event in this business field was the market launch of Avoury®, a premium brand for single-portion and sustainable tea. In this connection, we established a manufacturing facility at our site in Minden with a tea capsule filling line, a tea warehouse, and a showroom.

After already entering into a partnership with Manchester United prior to 2019, we strengthened our brand presence in both the Coffee and Coffee Preparation business fields with a further sports sponsoring agreement in the past year – adding German top-flight soccer team Borussia Dortmund.

b) Coffee Preparation

We achieved encouraging overall growth in sales of branded filter papers during 2019. As planned, we scaled down our activities in the field of private label products.

Our expertise in coffee preparation was demonstrated by a slew of product innovations: these included the new premium range for pour-over coffee with the products Melitta AMANO® and Melitta EPOS®, which we launched in selected test markets in late 2019. Our professional hot beverage preparation products for the system and non-system catering segments, as well as the Office Coffee Solutions (OCS) division, made good progress across almost all national subsidiaries and achieved their strategic targets. The OCS segment remains attractive for us and was expanded with the addition of our water at work® product – offering a sustainable alternative to mineral water in plastic or glass bottles for offices.

In the field of filter coffee machines, we were able to maintain our prior-year market share in terms of revenue. However, the overall market decline led to a year-on-year decrease in total sales volumes. Competition in the bean-to-cup coffee machine segment intensified over the course of 2019. As a result, sales volumes declined year on year and corresponding measures have already been introduced.

c) Household Products

In 2019, we were able to defend or expand our leading position as a supplier of branded products for the storage and freshkeeping of food, and the disposal of waste. As one of our many sustainability initiatives in this segment, we plan to introduce measures in the years up to 2025 which will support the circular economy approach. Several sustainable products and some highly promising innovations were already launched in 2019, including the Toppits® eco product line in Austria.

After acquiring a majority stake in the Cuki Group in 2018, we successfully drove the integration process in 2019. Initial synergy effects – in both purchasing and product development – were already achieved in 2019 and will have a positive impact on the development of this segment in the coming years.

In the field of dust filter bags, the acquisition of two major clients helped us achieve encouraging volume growth in our B2B business.

d) Other business

The wallpaper industry continued to suffer from falling demand in 2019.

Earnings position —

In its fiscal year 2019, the Melitta Group generated total sales of € 1,695 million. Compared to the previous year (€ 1,543 million), this represents nominal growth of 9.8%. Adjusted for currency differences, sales rose by 9.7%. We therefore achieved our targeted revenue growth of approximately 10% in the reporting period.

The performance of our individual operating divisions also illustrates that we were able to expand our business fields by gaining market share and increasing sales volumes. Against this backdrop, and in view of the significant investments made in new projects and growth initiatives during 2019, we are generally satisfied with the overall development of the Melitta Group in the reporting period.

The adjacent table shows a breakdown of consolidated net sales:

Measured in euro, sales of the business field Coffee were slightly down on the previous year. In our European markets, the main reason for this revenue trend was the aforementioned decline in green bean prices, which could only be partially offset by increased demand in the Whole Bean and Filter Coffee segments. There was a similar impact on sales from low commodity prices in Brazil, where the effect was also only cushioned in part by the aforementioned positive trend in sales volumes. Following the expansion of their B2B business, our companies in the USA and Canada achieved year-on-year growth in sales revenue.

Sales of the Coffee Preparation business field were up 11% on the previous year. There was particularly strong growth in sales of professional hot beverage preparation prod-

ucts for the system and non-system catering segments. Revenue in our filter paper business reflects the year-on-year increase in the proportion of branded product sales. Due to fierce competition, there was a decrease in revenue generated by sales of filter coffee-makers and fully automatic coffee machines.

In the Household Products business field, the companies acquired in mid-2018 contributed to sales growth over a full year for the first time. This effect was accompanied by increased demand for branded products for the disposal of waste and in the food service segment.

	12-31-2019 in € thous.	12-31-2018 in € thous.
Coffee	623,701	626,575
Household Products	539,467	430,804
Coffee Preparation	482,093	433,419
Others	50,125	52,700
GROUP	1,695,386	1,543,498

Assets and finance —

a) Capital structure

As of December 31, 2019, the Melitta Group's equity capital stood at € 291 million. The increase of € 7 million resulted from the net balance of shareholder contributions and withdrawals, the consolidated net profit, foreign currency changes without effect on income, and additions to capital from minority shareholdings.

The equity ratio amounts to 27%. Bank balances, long- and short-term securities and cash equivalents contained in other assets (together "liquid funds") were deducted from the balance sheet total when calculating the equity ratio.

Net bank borrowing of the Melitta Group as of December 31, 2019 amounted to € 233 million (prior year: € 219 million) and comprises bank liabilities and liquid funds; including other interest-bearing net financial liabilities, net financial debt totaled € 251 million (prior year: € 234 million). The main reason for the increase in debt are capital expenditures in excess of depreciation.

Bank liabilities decreased by € 3 million, from € 383 million to € 380 million.

Liquid funds as of December 31, 2019 fell from € 164 million to € 147 million. As in the previous year, the liquidity reserve of € 41 million (prior year: € 41 million) comprising securities and other cash equivalents is included in liquid funds.

Pension accruals and similar obligations rose from € 162 million to € 169 million. Other accruals, including tax accruals, increased by € 7 million to € 126 million.

As of December 31, 2019, the Melitta Group had trade payables of € 163 million – a decrease of € 14 million compared to the previous year. Other liabilities rose by € 9 million to € 81 million.

The Group's total assets increased by € 14 million, from € 1,211 million to € 1,225 million.

As of the reporting date, there was a net increase in non-current assets of € 22 million. The Melitta Group invested € 63 million in intangible and tangible assets. There was an opposing effect from depreciation and amortization of around € 47 million, and from other changes of € 1 million. The total net increase in financial assets amounted to € 7 million.

Current assets decreased by € 8 million, from € 762 million to € 754 million.

b) Liquidity

The liquidity of the Melitta Group is analyzed via the cash flow statement. The Group generated positive cash flow from operating activities in 2019. There was a cash outflow from investing activities. Financing activities mainly comprise withdrawals made by the owners.

In fiscal year 2019, the Melitta Group continued to have sufficient credit lines to finance its working capital.

Overall assessment

All in all, we are satisfied with the development of business in the past year. We successfully met the challenges facing the Melitta Group's business fields with the aid of numerous initiatives and projects. These involved exploiting the marketing potential in our core businesses, driving their continued internationalization, and investing in future growth segments. In addition to raising sales volumes and market share, the Melitta Group was able to achieve its revenue forecast of the previous year with growth of 10%. Due to the prevailing market conditions, however, the expected improvement in pre-tax earnings failed to materialize. As forecast, capital expenditures were in the region of € 50 million. Net financial debt is slightly above the forecast figure.

Financial and non-financial performance indicators —

Melitta's corporate management system is geared toward long-term, value-oriented, and profitable growth. To this end, we have defined specific controlling processes. Our key performance indicators are sales revenue, EBIT, and return on net capital employed.

In addition to these financial performance indicators, Chief Corporate Management also monitors non-financial figures. These performance indicators relate in particular to our product and supply chain responsibility, our environmental footprint, our responsibility for employees, and our social responsibility.

Employees —

The implementation of the Melitta Group's growth strategy requires an increase in human resources in various areas of the Group. Together with the companies added to the Group in 2018, an annual average of 5,654 people were employed by Melitta in the reporting period. This corresponds to a year-on-year increase of 8.3%.

Opportunity and risk report

The Melitta Group uses a differentiated management system aimed at the structured identification and assessment of those risks to which the company is exposed. It includes all organizational regulations and measures for the early recognition, evaluation and analysis of risks.

Melitta pursues a balanced risk policy. In the course of auditing the annual financial statements 2019, we commissioned the external auditors to conduct a voluntary audit of our early recognition system according to Sec. 91 (2) of the German Stock Corporation Act (AktG). They were able to confirm that our early recognition system was appropriate and complied with statutory requirements.

The management system comprises suitable reporting procedures. These ensure that the managers responsible are constantly and quickly informed about potential risks and opportunities. This enables both the Group and individual companies to take fast and effective corrective measures.

The main risks of the Melitta Group result from general economic developments, sector developments, and risks from general operating activities. In addition, price increases for commodities (especially green beans) and unfavorable exchange rate developments may lead to negative deviations from the Group's targets. These risks are currently dominated by the economic effects of the coronavirus pandemic, which are difficult to predict at present.

The monitoring and controlling of financial risks is entrusted to the Group's treasury division. Foreign exchange and interest hedging instruments (options, swaps, futures and interest derivatives) are used where necessary to hedge against specific risks from existing or foreseeable underlying transactions. Liquidity risks and risks from cash flow fluctuations are countered constantly by local and group-wide liquidity planning.

However, these general risks are also countered by opportunities. For the Melitta Group, these arise in particular from the tapping of market potential via a further expansion of our international presence and growing awareness of the Melitta brands, as well as from the rising propensity to purchase commercial coffee machines.

Financial and profit-related opportunities with positive deviations from the planned trend in revenue and earnings result from additional sales, falling commodity prices and more favorable exchange rates.

Forecast report

The precise economic impact of the coronavirus pandemic is currently impossible to foresee. Nevertheless, we expect a global economic slump in 2020 and a slide into recession in our relevant markets.

Given the high degree of uncertainty regarding the development of our markets and the consumption behavior of private households, a reliable statement on the future trend of consolidated revenue and earnings is not possible from the current perspective.

Minden, May 2020

The general partners of
Melitta Unternehmensgruppe Bentz KG

Consolidated Balance Sheet^{2,2}

MELITTA UNTERNEHMENSGRUPPE BENTZ KG
as at 12-31-2019 (abridged version)

Assets in € thous.	12-31-2019	12-31-2018
Intangible assets	135,439	138,554
Tangible assets	279,627	261,236
Financial assets		
_ Shares in affiliated companies	1,648	2,888
_ Participation interests	11,161	3,228
_ Other financial assets	43,258	42,834
Non-current assets	471,133	448,740
Inventories	241,856	249,327
Receivables and other current assets		
_ Trade receivables	335,111	313,850
_ Other receivables and current assets	36,497	51,451
Securities	39	46
Bank balances, checks	106,007	123,501
Current assets	719,510	738,175
Other assets	34,617	23,942
Total assets	1,225,260	1,210,857

Equity and Liabilities in € thous.	12-31-2019	12-31-2018
Equity	290,999	283,770
Pension accruals	169,043	162,118
Other accruals	126,392	119,170
Accruals	295,435	281,288
Debts	379,999	383,249
Trade payables	163,421	177,399
Other liabilities	83,424	74,165
Liabilities	626,844	634,813
Prepaid expenses	11,982	10,986
Total equity and liabilities	1,225,260	1,210,857

Explanatory Notes on the Consolidated Balance Sheet^{2,3}

I. General information on accounting and valuation

Certain items of the consolidated financial statements, drawn up in accordance with Sec. 13 German Company Disclosure Law (PublG) in conjunction with Sec. 294-314 German Commercial Code (HGB), have been combined for the publication of this annual report for fiscal 2019. The Melitta Group makes use of the exemption pursuant to Sec. 13 (3) Sentence 2 PublG regarding the publishing of income statements. The consolidated financial statements and Group management report, which were awarded an unqualified audit opinion by the independent auditors, and the disclosures pursuant to Sec. 5 (5) Sentence 3 PublG are published in the Federal Gazette.

Consolidated Group —

The consolidated financial statements include all domestic and foreign companies under the common control of Melitta Unternehmensgruppe Bentz KG.

The consolidated group comprises 73 (prior year: 70) companies, of which 32 are based in Germany and 41 abroad.

Due to their minor importance for the financial position and performance of the Group, seven companies (prior year: six) were not included in the consolidated financial statements. Despite a shareholding of over 20%, three other companies (prior year: three) were not included as associated companies since Melitta Unternehmensgruppe Bentz KG exerts no significant influence on their business and financial policy.

In accordance with Secs. 311, 312 HGB, major participations are to be valued using the equity method if a significant influence can be exerted on their business and financial policy. This is the case with two companies (prior year: two).

The following changes to the consolidated group occurred in 2019: the companies 10X Innovation Beteiligungs GmbH, Germany, 10X Innovation GmbH & Co. KG, Germany, and DomoLiving s.r.l., Italy were initially included in the consolidated financial statements as of January 1, 2019. The company MWBS Beteiligungs GmbH, Germany, was founded on June 3, 2019 and also included in the consolidated financial statements as a subsidiary in the reporting period. With effect from January 1, 2019, Cuki Cofresco S.p.A., Italy, was merged with Cuki Group S.p.A., Italy (upstream merger) and subsequently renamed as Cuki Cofresco S.r.l., Italy.

The companies included in the consolidation have exercised their legal option to be exempted from an audit of their annual financial statements. The auditor of the consolidated financial statements examined the summarized consolidated reporting packages included in the consolidated financial statements in accordance with Sec. 317 (3) HGB and satisfied himself that these annual financial statements complied with the accounting and measurement regulations of the German Commercial Code and generally accepted accounting principles.

Consolidation methods —

The consolidated financial statements were prepared as at December 31, 2019. This is the balance sheet date for all companies included in the consolidated accounts.

In the capital consolidation process, the acquisition cost or balance sheet valuation of the shareholding is offset against the proportional share of shareholders' equity on the date of the initial consolidation. Goodwill is formed for any resulting differences – insofar as these cannot be directly attributed to, and depreciated with, individual asset items – and amortized in the following years with a useful life of 15 years with an effect on income. This consolidation method is also used for investments in associated companies. The assessment of the amortization period is based on the future use of the goodwill.

Investments in associated companies are consolidated using the book value method. Inter-group trading profits from transactions with associated companies were not eliminated.

Debt was consolidated according to Sec. 303 (1) HGB, while income and expenditure were

consolidated pursuant to Sec. 305 (1) HGB and unrealized results eliminated in accordance with Sec. 304 (1) HGB.

Deferred taxes were formed for temporary differences with an effect on income from consolidation transactions using individual tax rates.

Accounting and valuation principles —

Uniform valuation of assets throughout the Group is guaranteed by the application of corporate guidelines, valid for all members of the Melitta Group – with the exception of those companies consolidated using the equity method. These corporate guidelines correspond to commercial law regulations.

Intangible assets are valued at cost, while property, plant and equipment are valued at acquisition or production cost; they are written down using the straight-line method. In addition to direct costs, production costs also include a proportionate amount of overhead costs and depreciation. Investment subsidies do not reduce the cost of acquisition or production but are recognized as other operating income. Financial assets are valued no higher than at acquisition cost, or the lower fair value. In the case of permanent impairment, fixed assets are subjected to non-scheduled depreciation.

Inventories are valued at acquisition or production cost. Raw materials, supplies and merchandise are valued at the lower of average purchase prices and current values. Unfinished and finished goods are valued at production cost, which also includes a reasonable amount of necessary overhead cost and depreciation. Production costs are lowered accordingly, should this be necessary to avoid valuation losses. Suitable allowances are made to cover the risk from holding inventories.

Advance payments on inventories, accounts receivable, other assets and cash and cash equivalents are carried at their nominal values or the lower rate for foreign currencies and the lower fair value in the case of recognizable risks. Lump-sum allowances have been made to cover general credit risks.

Prepaid expenses and deferred charges are formed in accordance with the provisions of Sec. 250 HGB.

Limited partnership shares are measured at nominal value.

Pursuant to Sec. 306 HGB, deferred tax assets and liabilities are formed for consolidation entries with an effect on income. Deferred tax assets were formed for tax loss carryforwards for which it can be assumed with adequate probability that they will be used in future, as well as for temporary differences between the commercial and tax balance sheet (in the items non-current assets, current assets, accruals and liabilities), after netting with deferred tax liabilities. For the measurement of deferred taxes, the individual tax rates of the affiliated companies included in consolidation were considered (16–34%).

Accruals for pensions are calculated using the projected unit credit method. Pension accruals are measured with an interest rate of 2.71% as at December 31, 2019 (prior year: 3.21%). In accordance with the simplifying provision of Sec. 253 (2) Sentence 2 HGB, a standard remaining term of 15 years was assumed for the obligations. Future pay increases were taken into account at a rate of 3.5% p.a. and pension increases at a rate of 1.5%. Standard consideration throughout the consolidated German companies was also given to the relevant biometric calcula-

tion basis (including the RT 2018 G mortality chart) and other calculation principles for the settlement amount to be used. Accruals for pensions of foreign companies were calculated as of December 31, 2019 using the projected unit credit method with an interest rate of 2.71% and individual assumptions as to pay and pension increases, as well as biometric assumptions.

Other accruals cover all recognizable risks and uncertain commitments in the amount of the respective settlement amount. Accruals with maturities of over one year were measured in accordance with Sec. 253 (2) HGB. Pursuant to Sec. 246 (2) HGB, assets (plan assets) measured at fair value were netted with accruals for pension obligations. Any resulting positive balance from netting is disclosed in the balance sheet as an asset-side difference from asset allocation.

Subject to the fulfillment of the corresponding prerequisites, transactions expected with a high level of probability (hedged items) are placed together with derivative financial instruments in hedging relationships in order to balance contrasting value changes or cash flows from the acceptance of comparable risks. Such hedging relationships are presented in the financial statements using the net hedge presentation method.

Financial instruments are measured using generally accepted valuation models and mathematical procedures based on current market data.

Liabilities are carried at their respective settlement amounts.

Currency translation —

The annual financial statements of consolidated subsidiaries prepared in foreign currencies are translated using the modified closing-date method. This means that balance sheet items in foreign currencies are converted at the closing-date rate and income statement items at average rates of 2019. Shares in affiliated companies, subscribed capital and reserves are translated at historic rates and any resulting differences in values are netted in equity.

Assets and liabilities denominated in foreign currencies are translated at the spot rate as of the balance sheet date, providing there are no hedging transactions.

The average rates are determined by simple averaging on the basis of the daily ECB fixing rates. Currency translation differences from debt consolidation are recognized in the income statement under other operating expenses or other operating income. Currency translation differences from the elimination of intercompany profits are recognized in the income statement under changes in inventories.

2. Non-current assets

in € thous.	Book values as * of 12-31-2019	Book values * as of 12-31-2018	Additions	Depreciation current year	Other changes
Intangible assets	135,439	138,554	12,625	15,810	70
Tangible assets					
_ Land	112,570	104,783	8,818	5,806	4,775
_ Machines and equipment	126,677	114,163	20,421	19,686	11,779
_ Other assets	40,380	42,290	21,210	5,774	– 17,346
	279,627	261,236	50,449	31,266	– 792
Financial assets					
_ Shares in affiliated companies	1,648	2,888	1,320	0	– 2,560
_ Participation interests	11,161	3,228	8,433	500	0
_ Other financial assets	43,258	42,834	827	100	– 303
	56,067	48,950	10,580	600	– 2,863
	471,133	448,740	73,654	47,676	– 3,585

* Differences arising from the currency translation of fixed and other assets at current rate values are offset against shareholders' equity or the corresponding liability items without affecting earnings.

Minden, March 2020

The general partners of
Melitta Unternehmensgruppe Bentz KG

3. Inventories

in € thous.	12-31-2019	12-31-2018
Europe	189,970	199,402
North America	18,016	17,862
South America	11,522	16,345
Asia-Pacific	22,348	15,718
	241,856	249,327

4. Trade receivables

in € thous.	12-31-2019	12-31-2018
Europe	261,304	250,458
North America	19,158	16,361
South America	29,621	34,063
Asia-Pacific	25,028	12,968
	335,111	313,850

5. Debts

in € thous.	12-31-2019	12-31-2018
Europe	379,821	382,031
North America	178	347
South America	0	0
Asia-Pacific	0	871
	379,999	383,249

There are liabilities due to banks with terms of over five years of € 45 million.

6. Trade payables

in € thous.	12-31-2019	12-31-2018
Europe	139,989	147,931
North America	7,753	7,180
South America	10,061	18,218
Asia-Pacific	5,618	4,070
	163,421	177,399

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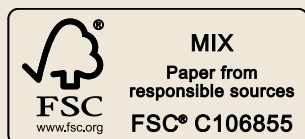
Published by
Melitta Unternehmensgruppe Bentz KG

Edited by
Corporate Division Communication and Sustainability
and Corporate Division Finance
Marienstraße 88, 32425 Minden
Tel.: +49 571 / 40 46 – 0
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Photos and illustrations
Taylor Leopold, Unsplash: Pages 16 – 17;
Stefan Freund, Frankfurt am Main: Pages 17, 20 – 21;
Kim Salt, Redwood City, CA, USA: Poster, page 6;
Concept and design klee.steinberger, Munich
Text COMMPARK GmbH, Liederbach am Taunus
Printing and production Ulenspiegel Druck GmbH & Co. KG, Andechs

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Future *inspires* future

A conversation between
Esther Bahne, John Elkington,
Katharina Roehrig and
Jochen Zeitz.

How will we live and do business in the future?
What is our own vision for the future of life and
business? And how do we want to shape this future?
– The Melitta Group regularly discusses these
questions with numerous experts and institutions.
Because inspiration needs this interaction. It needs
different perspectives, visions and utopias to help
us paint a picture of tomorrow's world.
Katharina Roehrig, the Melitta Group's Head of
Corporate Communication and Sustainability
discussed the topic "Future *inspires* future" with
Esther Bahne, John Elkington and Jochen Zeitz.
One thing soon became clear: profound upheaval,
disruption, and change are imminent.

HOW WILL WE LIVE AND DO BUSINESS IN THE FUTURE ?
OUR SOCIAL AND ECONOMIC SYSTEMS ARE CURRENTLY BEING REALIGNED.

JE There is now a pre- and post-Covid-19 reality. The world has shifted on its axis. And one thing most people now seem to think is that we will not – cannot – go back to the way we were. We will live and do business differently, as we work to realign our economic, social and political systems to new realities. Our current systems cannot address – let alone solve – many of our most pressing problems, such as climate change, ocean pollution, or increasingly obvious divides in wealth and wellbeing. As these challenges increase in the years ahead, we will have no choice but to rethink

and reconfigure the ways in which we live and do business.

JZ I agree. This becomes particularly evident when you consider the objective of our current economic system, based on Adam Smith's "invisible hand" concept dating back to the 18th century. The idea is that entrepreneurial activity and the pursuit of profit also indirectly generates growth and prosperity. As much as this idea worked well in the past, it fails to attach any importance to the preservation of the environment or our social structures. This is hardly surprising considering the ecologi-

cal and social challenges of the 18th century were very different to those of today. Consequently, this system will have to be adjusted at some point so that companies – directly or indirectly – not only ensure economic growth but also the well-being of our environment and society.

KR I think this will only succeed if the promotion of sustainability becomes an integral part of business. What lies ahead – and what we at the Melitta Group are working hard on – is the question: how can systems, structures, and processes be designed in such a way that business decisions always

Make
me feel
uncomfortable. »

— Jochen
Zeitz

is a business manager, strategist, and author. He is President and CEO of Harley-Davidson, Inc. and Chairman of the Board of Directors of Harley-Davidson. In addition, the former CEO of Puma SE is founder of the Zeitz Foundation. Within the framework of various foundations, he is engaged in numerous sustainability projects.

support, or at least do not negatively impact, environmental and social objectives?

EB I think a lot about that too. A systemic approach with a positive impact on society and the environment is ultimately also in the company's own interest. After all, companies are dependent on the acceptance of all stakeholders to secure their license to operate. The most successful companies not only ensure acceptance, but also relevance: in the long term, those who make a genuinely positive difference to the lives of their customers will prevail. This is how enterprise and especially brand value is created, before the customer. Unfortunately, this long-term goal is often displaced by short-term profit optimization. In principle, what we need is something that will help us to help ourselves, that will protect us from our own myopic tendencies, and encourage us to take a more long-term economic, ecological, and social approach.

JZ I believe this transition can only succeed if we also assign a value and a price to ecological and social "assets". In his new book "Green Swans", John gave a very striking example of this: What is the value of trees in downtown areas – in terms of oxygen content, wind strength, shade, health

benefits, etc.? We all know that trees have a positive effect on these factors. But unless we calculate these effects, we are always likely to underestimate or even ignore them because we cannot include them in our economic decision-making processes.

JE It is true that valuing and pricing such "assets" will definitely influence our future development and induce companies and consumers to behave in new ways. It will also make it easier to identify, stimulate, and promote developments that I call "Green Swans". By this, I mean profound market changes that will alter our paradigms, values, and attitudes, and thus lead to new needs, business models, technologies and different regulations and laws.

models, technologies and different regulations and laws. These include, for example, the use of regenerative strategies across our economic, social, environmental and political systems, coupled with the implementation of the circular economy principle. Such developments are often triggered by "Black Swans", i.e. events that are regarded as highly unlikely and whose far-reaching effects shake up our existing ideas and beliefs.

KR Incidentally, the example of the circular economy clearly demonstrates that the future must – and will – require much stronger cooperation between social groups. Complex solutions, such as a circular economy,

cannot be implemented alone – neither by policymakers, nor the business sector, and certainly not by individual companies. We are also already noticing that there is a growing willingness to cooperate and work together at all levels of society, be it for the development of future-oriented food wrappings or solutions to the social challenges of coffee-growing regions. Supply chains are so closely intertwined that any change is bound to disrupt the processes of upstream and downstream units. This means that companies going it alone or adopting stand-alone solutions are increasingly bound to fail. //



— **E^{sther}
B^{ahne}**

is Head of Strategy and Innovation for the MINI brand of the BMW Group and founded the start-up Accelerator Urban-X, which has spawned over 40 successful start-ups to date. She was previously Head of Social Innovation at Audi AG.

WHAT IS OUR OWN VISION FOR THE FUTURE OF LIFE AND BUSINESS? RETHINKING PRODUCTS AND PRODUCTION PROCESSES.

KR Everyone probably has their own ideas about how we want to live and do business in the future. What is clear, however, is that without sustainable action there can be no future. The pursuit of sustainability goals and the development and implementation of sustainable technologies will therefore increasingly determine our lives and business activities.

JZ Absolutely. And as the Sustainable Development Goals (or SDGs) adopted by the UN are widely accepted internationally, they also outline how we want to live and do business in the future. Even though many people still regard them as utopias, they convey clear goals and visions of a future world.

EB I think the good thing about the SDGs is precisely this utopian character. We need the power of utopias. For a long time, for example, the idea of generating energy exclusively from renewable resources was definitely a utopian vision. Today this has evolved into a realistic and concrete goal.

JE Exactly! And we should not forget that implementing these SDGs offers enormous revenue potential for companies: Paul Polman, the former CEO of Unilever, describes the SDGs as the world's largest business plan, the growth story of the century. Seen and managed in the right way, the SDGs are not so much a burden as a huge opportunity for our society and for future-oriented companies.

KR And an opportunity that every agile company can seize. Because these SDGs affect all industries – sooner, others later. As a result, the

product range of every company will change dramatically over the coming years. And I do not just mean the development of completely new products, such as solutions for storing renewable energy, because there have always been new needs and new products to satisfy them. The transformation will be much more far-reaching, because every existing product – with all its properties and components – will have to be reassessed and redesigned from a sustainability perspective. And the same applies to production processes and, of course, to supply chains.

EB On top of this, our lives and business activities will not only be drastically changed by technological progress, but also by other global developments. For example, our reactions to traumatic experiences like Covid-19, as well as more gradual processes like urban isolation, are changing the way we want to live. You only need to think about our future housing needs to realize this: in the coming years, more and more small residential units designed for the co-living concept will be built. This resource-saving solution, supported by smart tech, will provide more affordable housing in those downtown areas of major cities currently under the greatest pressure. And: a solution for the growing number of singles who use space differently – and at the same time want more contact with other people. In addition to comparatively small private rooms, these concepts offer shared spaces for working, sports and, above all, socializing

– mainly for students and young professionals, but in the future also for young families or older people. Driven by start-ups, an innovation process is emerging here that will force an ossified industry to take a fresh look at the requirements of its target groups and come up with relevant answers that are better for society, the environment – and its own economic success.

JZ And this is a good example that sustainability is neither a fashion nor a trend, but a prerequisite and an attitude. For companies, sustainability is neither a "nice to have" nor something to be outsourced to a separate department. The faster companies can integrate sustainability into their belief systems, their processes, and their product design, the more future-proof they will be.

— **K^{atharina}
R^{oehrig}**

is the Melitta Group's Head of Corporate Communication and Sustainability. She is responsible for the Group's strategic alignment regarding all group-wide questions in the field of internal and external communication, sponsoring, and sustainability. She previously held management positions in marketing and communications at various branded goods companies.

— John
E^lkington

is a visionary, author, consultant, and entrepreneur. For many years, he has been working on the topics of sustainable development and corporate responsibility. He is best known for the “Triple Bottom Line” concept he developed and his 20 groundbreaking books including, most recently, “Green Swans: The Coming Boom In Regenerative Capitalism”.

JE Most people do not want to think about sustainability when buying their products. Just as they do not want to think about manufacturing quality or compliance with product safety regulations. They want to be able to trust brands, producers and retailers. And they – we – increasingly expect branded products in particular to comply with sustainability requirements as a matter of course, without even having to raise the issue.

EB Yes, I agree. Sustainable business is a sine qua non these days. However, in addition to the widely cited “hygiene factor”, sustainability can also serve to strengthen the brand – especially when sustainability is not just a question of modifying existing products, but becomes a driver of innovation. The electric cars of today, for example, are not about sacrifice; in fact, they are even more dynamic than conventional vehicles. They are not only “The New Good” but also “The New Cool”. Solutions that have been systematically reimagined will stand out and appear intelligent and sexy. And people are happy to pay more for such solutions. //

HOW DO WE WANT TO SHAPE THE FUTURE?
CREATIVITY AND INNOVATIVE STRENGTH AS A PREREQUISITE.

JZ If a company claims to be playing a part in shaping the future, it needs to develop “genuine” innovations. Unfortunately, however, we often talk about “innovation” when it is actually only an optimization. Not even inventions are considered innovations unless they offer something completely new.

KR I agree. Continuous product optimization may be important for market success, but you can only achieve quantum leaps if you challenge the entire product category. For example, it is not enough to make coffee or plastic more sustainable in cultivation or production. Instead, the concept itself needs to be redefined and oriented around the coffee or plastic of the future. This requires a new approach and a different perspective.

JE Successful innovations are always part of a holistic system. The locomotive, the light bulb, the smartphone: they were all extremely successful innovations because they all resulted in a complete system that was hardly conceivable, or even utopian, at the time of their invention. When the locomotive was invented, there were very few people who could have imagined railroad networks spanning the entire globe.

»Sustainability
is *neither* a
fashion
nor a trend,
but a
prerequisite
and
an attitude.«

EB In order to create such innovations, companies have to ask themselves the key questions: Why are we doing this? Why are we doing it the way we are? What do people really want – and what would be the best response, irrespective of what we have already established? Or even more radical: Would our customers miss us if we no longer existed? Surprisingly, many companies never ask themselves this question, or only very rarely. And it is precisely this gap that start-up companies exploit. They have no existing product categories or production structures; they can operate without restriction and with a high degree of agility. Ultimately, they have just one objective: to identify the customer’s actual problem and offer the best-possible solution. And they are always prepared to change directions if a better option emerges.

JZ And this is exactly how “genuine” innovations are created. They are often solutions that future users do not even know they need. Before the invention of the vacuum cleaner, the computer, or the smartphone, for example, nobody knew the possibilities these products would unleash and how much added value they would create for users. It is therefore equally important for companies to communicate the benefits of innovations and to arouse desire. And this also means that companies cannot hide behind the statement that the customer does not want this.

“Most people do
not want to think
about sustain-
ability when buy-
ing their products.

...
They want to be
able to trust
brands, producers
and retailers.”

EB Companies need leaders who ask the big questions – and then allow the answers to come from within their own ranks, no matter from whom or how unconventional. “Make me feel uncomfortable” – that was the guiding principle for my strategy and innovation team at my last companies. My bold hypothesis is that if you as a manager have not heard anything risky, crazy or even heretical for a long time – then your culture is not innovation-driven and therefore not future-proof.

KR Mark Twain once said: “A person with a new idea is a crank until the idea succeeds”. And indeed, sometimes utopias can quickly become reality: in March 2020, for example, nobody would have thought that the Melitta Group would be producing large quantities of face masks just a few weeks later.

JE This brings us back to what we discussed at the beginning: it is precisely such unexpected events with significant adverse effects, in today’s world the coronavirus pandemic, that expose the flaws in systems we previously took for granted, that accelerate a range of existing trends and, in the end, can spur huge changes in the norms, rules and institutions that shape market expectations. We see the evidence all around, with people moving online and increasingly working from home, potentially cutting down the long-term need for commuting. And with renewable energy becoming cheaper than most forms of energy based on fossil fuels, a completely new energy order suddenly seems not only possible but virtually inevitable. The opportunity to “build back better” in the coming years, to achieve step changes – quantum leaps – in creating and distributing new forms of wealth and wellbeing, is a once-in-a-lifetime chance to do what we all say we want to do. To make the world a better place for everyone and for all life. //



*Shaping, challenging,
thinking – in
ever new ways –
inspires
the future.*

Annual Report 2019

Sustainability is in every page of our annual report this year, as it was produced in the most resource-efficient manner possible. The result: an annual report that meets the highest environmental standards – from prepress to production and the selected materials. An all-embracing ecological concept without compromising on quality.

Production – the report was produced by an EMAS-certified sustainable print shop committed to eco-friendly solutions. Every step of the process is checked and optimized for its environmental compatibility. The entire production is CO₂-neutral. Waste sheets and scrap material are recycled.

Paper – the paper used here (Extract) is more than a paper. It is part of a solution to a problem common throughout the world: disposable cups. Thanks to CupCycling technology, 90 percent of every disposable cup can be turned back into paper. The rest is used to make other products. Each 380 g/m² paper sheet contains at least five recycled coffee-to-go cups.

Maximum vibrancy with minimum color – the rich hues are contained in the paper itself and inspired by nature and the environment. Only black and red inks were used for printing. These are solvent-free, highly pigmented inks without mineral oil and without cobalt. By using only two inks, fewer printing plates were exposed, thus saving over 30 kg of aluminum.

Thread stitching – the ecologically best and most durable binding is thread stitching. The thread itself – in this case red – not only becomes a design element, but also ensures optimum lay-flat behavior. Thread stitching reduced the amount of glue required by about 90 percent. Where glue was required, a water-based adhesive was used.

The future inspires *us*, shapes *us*,
challenges *us* – in ever new ways.
Shaping, challenging, thinking – in
ever new ways – **inspires the future.**

The future inspires us. It is an integral part of our present, our thinking, and our actions: we dream it, we plan it. We create visions and utopias – for the future needs of our customers as well as for a world as it should be. And by dreaming, planning, and creating, we shape the future. Because visions and utopias have creative power. They may not provide answers, solutions, or blueprints. But they ask the right questions, outline scenarios, and encourage us to change. The future must first be conceived – before it can become reality. Every day that we think, decide, and act, we shape tomorrow's world. This is why the future has neither beginning nor end. The future is always. The future inspires us and we inspire the future.

To aid readability, only the masculine form is used in this document. However, all genders are meant (male/female/nonbinary).



An interactive version of the
main contents of this annual
report is available here:
report.melitta-group.com/annual-report-2019



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Our Highlights of the Year ^{1.1}

MELITTA PROFESSIONAL COFFEE SOLUTIONS

Melitta® Mondo Blu – exquisite fair traded coffee.

Melitta® Mondo Blu is the latest coffee range of Melitta Professional Coffee Solutions for its professional customer base – comprising espresso, café crème and roasted coffee blends. Only the finest Arabica and Robusta beans are used in its production. Moreover, all products bear the Fair-trade seal and thus guarantee compliance with international standards for fair trade. //

MELITTA GROUP

Decades of loyalty: GWD Minden.



When Melitta began supporting TSV Grün-Weiss Dankersen in 1962, sports sponsorship was still in its infancy in Germany. It was Horst Bentz's passion for handball that laid the foundation for a collaboration that still continues today. Over the past 60 years or so, a very special relationship has evolved between today's GWD Minden and Melitta – shaped by strong ties and a deep sense of loyalty. It is a cooperation that has always gone far beyond regular sports sponsorship. Club members and employees alike are united by values such as passion, commitment and team spirit, as well as the will to anchor top-flight sport in the region. This is why Melitta is also pushing for a new venue for GWD Minden. As the Kampa-Halle in Minden no longer meets the requirements of a modern event location, Melitta is currently campaigning for a new multi-purpose hall – for the region, for a diverse range of cultural and sports activities, and for GWD Minden. //

WOLF PVG

Expansion into Eastern Europe.

The acquisition of Worwo®, the market leader for synthetic vacuum cleaner bags and holding plates in Poland, is proving to be particularly fruitful for Wolf PVG: as Worwo® also has a strong presence in Romania, Lithuania, Latvia and Belarus, new market and growth opportunities are opening up. In the past fiscal year, the main focus was on integrating Worwo® into Wolf PVG's organizational structures and developing joint projects. The focus now is on expanding the company's European business. //

MELITTA GROUP – FIGURE OF THE YEAR

94

% know the trademark Melitta®

where family is.
 where you feel at home.
 where the world is wide.
 where life's being lived to the full.
 where there's diversity.
 where we're great together
 ...because community counts.
 where it tastes best.
 where we're safe.
 where history is success
 ...because generations support each other.
 where III stands for trust.
 where inventions taste good.
 where innovations are enjoyable
 ...because passion runs deep.
 where tact has feeling.
 where sparks fly
 ...because we surpass ourselves.
 where we step into the breach for each other.
 where we stay on the ball
 ...because fans have their own culture.
 where shouting is cheering.
 where living is for each other.
 where the future is exciting
 ...because we're building bridges.
 where hearts beat.
 where the world is bright
 ...because we're at home.

Melitta since 1908
At home
 – wherever
 you are.



MELITTA GROUP
 — TOPIC OF THE YEAR

111 Years of Melitta — Wherever home is.

We have been there for 111 years – wherever passion is felt, tasted, lived and appreciated. Wherever enjoyment is the goal. Wherever people yearn for comfort, security, and reliability. And wherever life is lived to the full, sparks fly and the future is exciting. With our 111th birthday campaign, we wanted to make a statement – both externally and internally. We wanted to convey our pride in the company's successful history and build a bridge to more future-facing topics. Above all, however, we wanted to express our attitude, the values we live by, and the standards we aspire to: openness, creativity, a long-term approach, and responsibility.

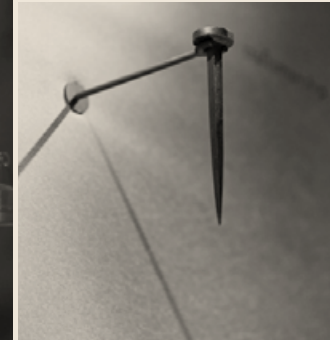
The leitmotif of the campaign "Melitta – at home, wherever you are" succinctly states that in addition to our passion for enjoyable moments and coffee, we also offer many other branded products for the home: from small convenient household aids, such as cling film, bin liners, and cleaning products, to larger electrical appliances such as coffeemakers, electric kettles, and milk frothers. However, our products not only solve everyday problems, they provide a sense of comfort, trust, and familiarity.

The versatility of our products is also matched by the diversity of the emotions they trigger or with which they are associated. This is expressed by the "wherever ..." claims of the campaign. Combined with unusual pictures and illustrations, and together with our wide range of anniversary products and activities, they generated considerable attention from our customers, suppliers and partners last year – and inspired renewed pride among our work force. //

inventor's heart

A woman revolutionizes coffee enjoyment with the simplest utensils and minimal resources. She overcomes all the prejudice and pushback of her era and develops a business model out of a single idea. She takes care of the fine details and the big picture. She is pragmatic and at the same time visionary. She believes in her idea and lays the foundation for dozens of successful products – and thus for our current group of companies. Her attitude and devotion inspire us to this day.

Melitta Bentz.



IEC 2019 at our birthplace in Dresden — “inventor's heart”.

MELITTA GROUP
— LOCATION OF THE YEAR

111 years of Melitta, 111 years of inventor's heart: with her passion for innovation and her desire to improve people's everyday lives, Melitta Bentz is still a role model for us all. Her values and her instinctive grasp of current and future needs have shaped the Melitta Group's corporate culture for decades. Melitta Bentz's influence on the company she founded and the current Melitta Group's contribution to society and to a future worth living were the main topics of the International Executive Conference 2019. A heritage exhibition and an innovation show provided the backdrop for discussions on the purpose and meaning of the Group's activities and its future direction. The Group's Advisory Board and

Chief Corporate Management unanimously agreed that the Melitta Group's primary concern was to make a positive contribution to society and its sustainable development. The Melitta Group's strategy, product range and business conduct must be aligned with this objective. The keynote speeches given by two experts on sustainability and innovation highlighted that this sometimes involves taking radically new paths: former Puma CEO Jochen Zeitz and author, consultant, and company founder John Elkington both outlined models for shaping such a sustainable future. Their conclusion: to meet the challenges of the future, one thing is especially important – an inventor's heart. //



Our Sustainability Statement: *sustainability as obligation and opportunity.*

Sensitizing people, inviting them to engage in dialogue, and moving them to take action: in our Sustainability Statement published in 2019, we describe how we intend to align our business model with sustainability aspects by 2030. It describes the attitude on which this commitment is based, what we have achieved in recent years, our future objectives, and which steps we will take along the way.

Our most important targets

— **Coffee and coffee cultivation** By 2030 at the latest, we want all of the raw coffee we source and market as roasted coffee to be what we call “Coffee of the Future”: grown sustainably, processed in a climate-friendly way and with respect to water conservation, transported and roasted in an energy-saving fashion.

— **Plastics and plastic products** We endorse the New Plastics Economy Commitment of the Ellen MacArthur Foundation and have adopted the “ReCycle – ReUse – ReDuce – ReDesign” approach. By 2025, we will further increase the proportion of high-quality recycled or renewable materials in our products, and the proportion of recyclable products and packaging, and where sensible develop plastics which decompose within an eco-friendly length of time.

— **Paper and pulps** By 2025, we will switch to using recycled paper and pulp wherever possible. Our work

here is guided by the concept of the “Pulp of the Future”: this not only comes from recycled or sustainably managed sources, it is processed in a climate-friendly way that uses water sustainably, it undergoes materials recycling at the end of its useful life, and biodegrades fully in the natural world.

— **Electrical appliances** We aim to play a pioneering role for all our electrical appliances in terms of energy consumption, durability, the use of sustainable materials, and repair and service offerings. We aim to achieve this goal by 2030 at the latest.

In order to meet our own sustainability standards, we have also defined ambitious goals for the coming years with regard to our ecological footprint, and our role in society and as an employer. This not only reflects our long-term views and actions, but also our conviction that sustainable development brings with it numerous market opportunities for us as a branded product manufacturer. Our Sustainability Statement serves as a set of targets and as an invitation to our stakeholders to engage in further dialogue. //



The return of mindfulness.

Enjoy the magic of now and consciously savor the moment: Melitta's new pour-over product range makes each coffee break the highlight of the day. Melitta EPOS® is the first electric pour-over system with integrated coffee grinder. And thanks to its 360-degree rotating water spout, the Melitta EPOS® prepares coffee as if it were brewed by hand. By contrast, the Melitta AMANO® coffee maker celebrates the manual filtration process. Functional design and exceptional aesthetics ensure a pour-over ritual which moves all the senses. Melitta BLOOM® was specially developed for the Melitta EPOS® and Melitta AMANO® – a pour-over coffee with a light to medium roast consisting of 100 percent Arabica beans from fair trade plantations and in finest single-origin quality. Together with Melitta's POUR OVER coffee filters, it guarantees perfect enjoyment and helps return the all too seldom moments of mindfulness to our everyday lives. //



MELITTA NORTH AMERICA

Online shopping at its best.

Striking images, helpful recommendations and access to numerous apps: Melitta North America's new online store offers these and many other features for its customers. With a revamped design and improved customer journey, online shopping has become a true shopping experience. The store's new platform also makes product suggestions based on artificial intelligence and many other analysis tools. //

MELITTA SOUTH AMERICA

Superior coffee quality.

Brazil is not only one of the world's largest coffee-growing regions, its inhabitants are also among the world's most passionate coffee lovers. When it comes to high-quality coffee, their taste is very discerning – and constantly evolving.

With the relaunch of the Melitta® Regiões Brasileiras brand, Melitta South America has responded to these changed taste preferences. The coffee now consists of 100 percent Arabica beans and offers gourmet quality with its new blend. A new pack design and the 4C certificate clearly indicate the quality and sustainability standards being pursued by the company.

Melitta South America has a further coffee of outstanding quality in its range under the Melitta® Especial brand. In 2019, it was recognized as the best quality coffee in its category by ABIC, the Brazilian coffee industry association. //

COFRESCO

A host of new handy helpers.

Cofresco launched a host of new handy kitchen and household products under the Toppits® and Swirl® brands in the past year. In addition to its innovative, scented "Active Freshness" garbage bags, these included a new baking paper from Toppits®: its non-stick structure and new (additional) anti-slip base make baking even more fun – no more sliding or rolling up of the baking sheet.

And Toppits® cling film is also setting new standards. 15 percent of the materials used in its production are from recycled resources. These are residual materials from the food cycle which are regenerated in an innovative process. And this is only the start. In the coming years, the proportion of recycled material is set to grow significantly – not only for cling film, but also for many other Cofresco products. //

ACW-FILM

Co-developing the packaging film of the future.

Packaging films for the food industry have to meet very special requirements. Whether nuts, confectionery, meat or vegetables: almost every foodstuff has specific properties that its packaging must take into account.

In order to develop recyclable and biodegradable packaging materials for the food sector, ACW-Film entered into several co-operation agreements with well-known manufacturers of packaging machines in 2019. The idea is that compelling solutions can only be created by considering all participants and processes along the entire value chain. Ultimately, the goal is to develop packaging films that meet future sustainability requirements without losing

their previous benefits in terms of production and food protection. The tests conducted at various laboratories so far clearly demonstrate the value of such a collaborative approach. The pooling of different skills, perspectives and experience is leading to solutions that meet all the desired criteria. This is definitely not something that can be achieved overnight, but opportunities for improvement are emerging – and are now being implemented step by step. //

Sacco Verde – Bin liners made from 100% recycled polyethylene.

Consumers can have a clear conscience when using bin liners of the Sacco Verde product line: they are made from 100 percent recycled plastic. The bin liners belong to the Domopak® Spazzy brand, marketed by Cuki Cofresco. All products under this brand have been produced using recycled, post-consumption, high-grade polyethylene for some time now – previously, however, only up to a proportion of 80 percent.

In order to produce the Domopak® Spazzy bin liners, more than 5,000 metric tons of post-consumption plastic film are recycled every year. In an innovative process, the film is recycled to provide the basic material for new bin liners. The aim is to gradually convert the other products of the brand to a higher percentage of recycled plastic in the foreseeable future. //



Melitta's coffee range grew strongly in 2019 with the launch of three new filter coffees: Melitta® Selection Medium, Melitta® Strong and the annual edition of the Melitta® Coffee of the Year. Melitta® Strong features an intensive flavor, Melitta® Selection Medium contains 50 percent decaffeinated coffee. The Melitta® Coffee of the Year is a delicious, full-bodied coffee with a hint of figs.

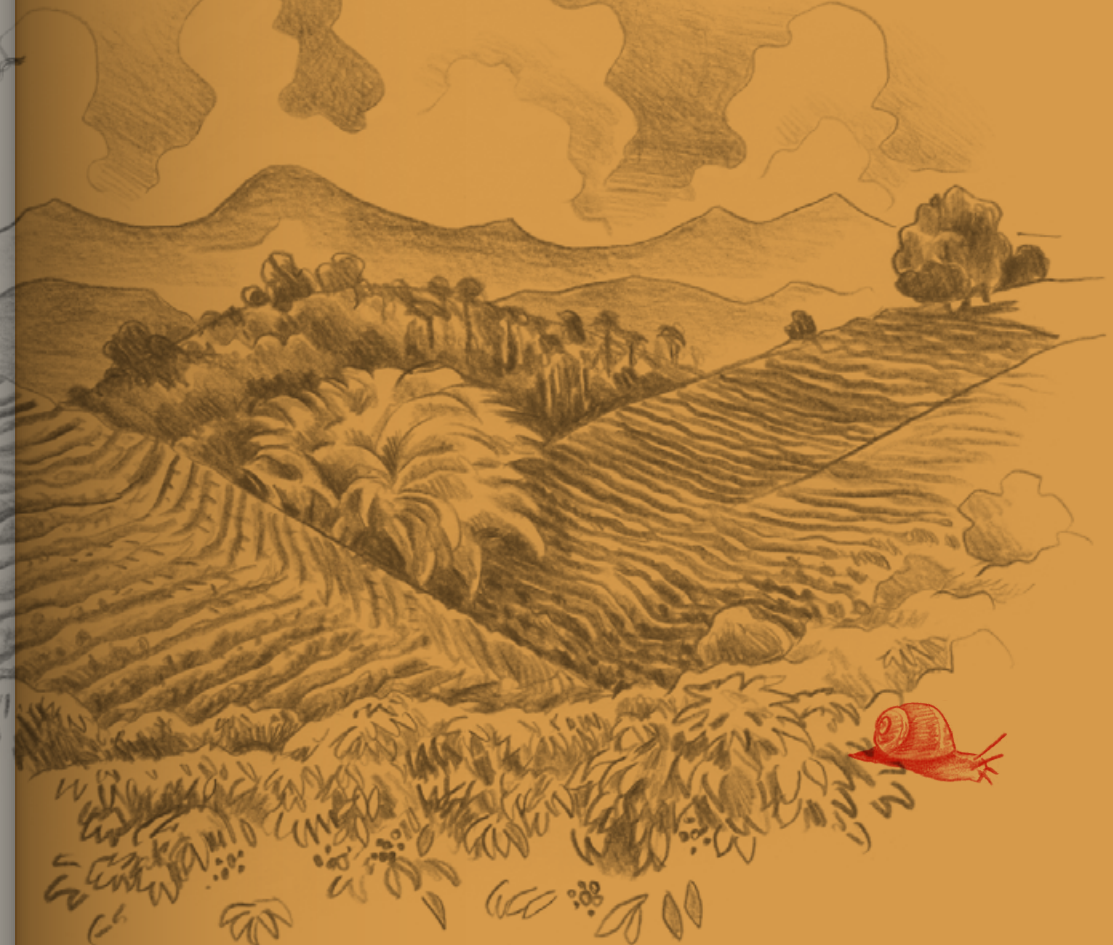
The whole bean range was also extended: firstly with Melitta® BellaCrema® Intenso. Together with all other Melitta® whole bean products – this lively and highly aromatic coffee was voted top brand by the German trade journal "Lebensmittel Zeitung" in the category "Roasted Coffee Espresso/Café Crema".

Coffee product offensive: more new products than ever before.

A further new addition is Melitta® Selection Whole Bean for our customers who prefer to freshly grind their bean selection, as well as Melitta® BellaCrema® Selection of the Year.

Melitta also created coffees for special target groups and events in the past year. For example, there were special coffees for fans of Borussia Dortmund (BVB) and GWD Minden, for visitors to the OMR Festival in Hamburg, and for various projects celebrating Melitta Group's 111th anniversary.

Sustainability aspects played a major role in the development of all new coffees. For many years now, Melitta has been steadily increasing the quantity and proportion of its sustainably certified and responsibly grown coffees. Almost all new products launched last year bear the Rainforest Alliance seal. Several secondary and packaging materials were also optimized. For example, the material used for the shelf cartons of Melitta® Coffee of the Year and the BellaCrema® range was changed to 100 percent grass paper. This innovative paper is produced from grass fiber and thus more resource-efficient and sustainable than conventional cardboard. //



Let's spill the beans right from the start: No matter how top-notch, cutting-edge, google-esque your company might be – there is no such thing as an employee who is always completely motivated, wide-awake, and at the top of their game. And that's OK. In the end that's why we choose to work with humans instead of machines. With these fascinating logical thinkers. These stunning creative minds – who need a bit of distraction from time to time. Who feel like after-lunch-napping once in a while. Who long for a collegial chat or just a latte-macchiato-staring-out-of-the-window-moment. Because that's what gets the creative juices flowing. That's how we make room in our heads for the next brilliant idea. That's when the team grows closer together. And that, my friend, is when success enters the company. Because happy employees simply do a better job.

From this perspective there's an easy way to make your business more successful. It's all about this sensual moment: an easily-prepared cup of delicious coffee, or a

refreshing glass of water. A welcome opportunity to refresh the body and rejuvenate the brain cells.

All you need to do is ... nothing. Fresh at Work® provides water and coffee solutions for your company: flexible, easy and contract-free. The coffee machine (or machines, if need be) we provide is our own invention we built from scratch – because there was just nothing to be found on the market that could fit our needs. And yours. We'll help you select the best coffee beans and the perfect settings to ensure you can offer your employees the coffee and water of their choice – just the way they like it. We'll set up and maintain the equipment, and will gladly adapt the solution in case your needs have changed.

All that's left for you is to pay for each cup of coffee or each glass of water coming out of the machine.

Simple. Honest. Fresh.
And a cup of friendly for the world.
That's Fresh at Work®.

A cup of friendly for the world: We are Fresh at Work®.

Coffee at Work® is now Fresh at Work®. After all, a hot cup of coffee is just one way to treat yourself to an enjoyable moment at work. A glass of sparkling water is also an invigorating and refreshing way to improve your concentration and sense of well-being. Fresh at Work®'s solutions are revolutionizing the provision of water and coffee in the workplace: perfect all-inclusive service at fair prices and without any purchase or leasing agreement. Simple and sustainable – that's Fresh at Work®. //



MELITTA EUROPE — SALES EUROPE DIVISION
— CAMPAIGN OF THE YEAR

11,100 trees — A new forest in Tanzania.

Thinking in generations and treating people and the environment with respect — these were the values to be embodied by the central campaign for the Melitta Group's 111th anniversary. Together with the social business initiative Treedom, the idea was born to plant a forest of 11,100 trees in the northwest of Tanzania — one of the world's most important coffee-growing regions. A competition turned this idea into a reality. Tree sponsorships were raffled off among all participants with high scores in the Melitta game. The winners were able to watch "their own"

tree being planted online and can continue to observe it being cared for as it grows. As an additional incentive, Melitta also held a draw to win a safari trip for two to the Serengeti National Park — and of course to the Melitta Forest. The project has several objectives: as mostly fruit and other crop trees were planted, the forest near Kilimanjaro opens up a new source of income for the local small farmers. It strengthens the local ecosystem, protects water resources, and helps promote biodiversity. In addition, it will bind around 2,800 metric tons of CO₂ over the

next ten years. 676 small farmers benefit directly from the new forest, many more indirectly through greater food security. Moreover, new business opportunities are being opened up by beekeeping, which is very profitable in Tanzania. Around 80 beehives were set up in the course of the reforestation program and are being supervised by specially trained farmers. As a result, the new forest helps create new perspectives — for people, animals and the environment. //



11,100 trees —
The Melitta Forest plays a role in improving the region's ecosystem — and thus also the quality of life for local small farmers and their families.

MELITTA SINGLE PORTIONS
— PRODUCT OF THE YEAR

Avoury® – a new approach to tea.

Lifestyle rather than tea ceremony, taste explosion as opposed to lukewarm infusion: Avoury is more than a new brand. It is the beginning of a new tea culture.

Avoury The Tea – launched in 2019 as the first brand of Melitta Single Portions – stands for the perfect preparation of 40 extraordinary tea blends using the innovative Avoury One tea machine. The 40 teas are hand-picked, top-quality organic tea varieties and infusions – from certified plantations of course – without artificial flavoring, coloring or taste enhancers. The tea is portioned in Germany and packed in airtight recyclable capsules.

But what makes the Avoury One so revolutionary is that it recognizes the tea variety immediately on placing the capsule in the slot and sets the brewing temperature and infusion time precisely to achieve the perfect cup of tea. During the brewing process, the machine allows hot water to circulate slowly in the capsule – thus allowing the flavors to fully develop. Depending on the variety, the tea is ready in one to five minutes. The brewing time and water quantity can also be set manually via the control panel or smartphone app according to individual preference. In order to achieve optimum taste while at the same time maintaining high sustainability standards, the capsule bodies are made from high-quality recycled material. Used capsules can be returned free of charge and climate-neutrally using a recycling bag or DHL GoGreen, or can be recycled via Germany's Dual System waste collection. The Avoury range is rounded out by exclusive sugar, care products, accessories, and handcrafted cups. //



Partner in Germany's largest stadium

Borussia Dortmund.

Home, family, team spirit, passion – these are values that BVB Borussia Dortmund and Melitta® share. The top-flight German soccer team and the Melitta Group have therefore been working closely together since the 2019/20 season: as the official coffee partner, Melitta® is responsible for coffee provision at the Signal Iduna Park, Germany's largest soccer stadium with a capacity of 81,365 standing and seating spaces. Melitta® also provides coffee specialties for the senior squad, junior teams, employees and fans at the team's training grounds, offices, and BVB-FanWelt service center. The highlight: fans of the team can enjoy two special roasts, which are available in the BVB-FanWelt and Melitta®'s online shop – the official BVB-Caffè Crema and BVB-Espresso. //

At home around the world

Manchester United.

The partnership between Manchester United and Melitta® began in 2017 and has proven to be a great success for both sides. In 2018, the partnership was strengthened, and Melitta® became a Global Partner of Manchester United, and since this time, Melitta® has contributed to the Club's 1.1 billion fans and followers around the world.

On a match day Melitta® serves up to 7,500 guests in hospitality in the Premier League's largest capacity stadium, whilst on a non-match day Melitta® coffee is served to stadium visitors in the Red Café supported by Melitta®. Showcasing a number of coffee specialties and promotions at various events and fan parties such as #ILOVEUNITED Guangzhou, China in 2019, Melitta® has helped to create unforgettable experiences for fans. In the future, Manchester United and Melitta® plan to work closely on a number of exciting communication and marketing activities around the world, to further demonstrate the success of the partnership. //

Wherever the bond is strong – Staff Summer Festival 2019.

“We are Melitta” – that was the key message of the Staff Summer Festival 2019, dominated last year by the 111-year anniversary celebrations. There was visible pride in the company’s history, in its many innovative products over the past 111 years, and in its current success stories – among both current and past employees, as well as their family members. There were plenty of conversations about the Melitta Group’s values and corporate culture, about the special sense of belonging, and the tremendous passion for their work which Melitta employees display. Guests swapped stories from their many decades of working for the company, or mentioned with pride that their fathers or mothers, and in some cases even their grandparents, had already worked for Melitta.

The Summer Festival was designed to give people a chance to pause for a moment and consciously celebrate their success. Instead of immediately turning to the next project, the party was an opportunity to reflect – for example, on what makes Melitta special, on the value of each person’s work, on the fun of working together, and on what success actually means.

Wherever success is celebrated and togetherness is strong: artists, lovingly created lounge corners, unusual delicacies, and a breathtaking live act – the Staff Summer Festival in Minden transported its guests to a world full of magical moments.





The anniversary year once again strengthened the bond between all employees and the overall team spirit – something that was particularly clear at the Staff Summer Festival. Chief Corporate Management was also deeply impressed by the fantastic atmosphere: “There are obviously many things that set us apart from other companies; but I am convinced that the cohesion within the Group is something very special – and that makes me extremely proud,” said Jero Bentz. //



new work



MELITTA GROUP

New work – future work environments.

How will we work in the future? What will our work environment be like? How will we work together? Although there are no clear answers to these questions as yet, what is already clear is that the way we work together is currently undergoing radical change. New technologies and the relentless advance of digitalization are facilitating new work concepts. At the same time, shorter product life cycles, disruptive developments, and increasingly global competition are forcing us to change our working methods. Flexible and highly agile working, thinking and acting across depart-



spaces

ments, and collaboration in project structures with changing hierarchies are becoming increasingly important. The Melitta Group already began to experiment with new work models some years ago. This involved the redesign of individual workplaces, as well as the partial spin-off of our innovation department to form the independent start-up incubator 10X Innovation. As part of the Melitta Campus project, we have set up various workplace models of the future at our main site in Minden, which provide our operating divisions with new ideas and suggestions. And

one of the most important components of our cultural change program is to sensitize our employees for future requirements in their professional life and to address the corresponding behavioral patterns. However, our discussions and considerations have already clearly demonstrated one thing: “the” workplace of the future does not exist. Instead, the challenge of the future will be to provide different work concepts at the same time and to reconcile them with each other. This means that workplaces will become increasingly individual: they will have to take into account

the requirements of the job and the needs of the incumbent. This may not be a revolutionary insight. But as a family business with great respect for its employees and their needs, it is an insight we are happy to accept. //

Melitta

The Corporate Divisions^{2.1}

Finance.

The corporate division Finance develops the Melitta Group's financial strategy and is responsible for its accounting, financial and foreign currency management, as well as customs and tax issues. Its main tasks include planning and managing funds, coordinating financial processes on the basis of uniform standards, and global insurance management. The corporate division draws up guidelines on compliance with legal and regulatory requirements, as well as providing various financial services. In addition, it is responsible for the operational coordination and management of acquisitions and cooperations, as well as for the risk-oriented implementation of internal audit tasks at the Group's operating divisions.

Legal Affairs.

The corporate division Legal Affairs has the task of identifying all risks due to new legislation – from amendments to case law – and changes inside or outside the Group. It supports Chief Corporate Management, the other corporate divisions, and the operating divisions with all legal issues. To this end, it examines legal issues and contracts, manages legal disputes with authorities and third parties and coordinates cooperation with external lawyers for the whole Group. It is also responsible for the legally secure structuring of companies, as well as the registration, renewal and defense of intellectual property rights, and Group-wide data protection issues.

Human Resources.

The corporate division Human Resources is responsible for drafting and implementing a uniform HR strategy throughout the Melitta Group. This comprises all principles and decisions relating to the mutual relationships between supervisors and employees, between the employees themselves, and between employees and their work.

Corporate Development.

The corporate division Corporate Development deals with the strategic alignment of the Melitta Group and its various operating divisions. It provides support for Chief Corporate Management with the further development of Group strategy and helps the operating divisions implement their strategy projects. One of the division's most important tasks is to provide decision-relevant information and give recommendations regarding the design and implementation of strategic alternatives. This involves monitoring market trends and developments, evaluating strategic options, developing strategy programs, and jointly implementing them within the framework of corporate strategy. The division is sub-divided into the departments: Corporate Strategy, Investment Management, Planning and Reporting, Corporate Innovation/Melitta 10X Incubator, and the Digital Acceleration Team.

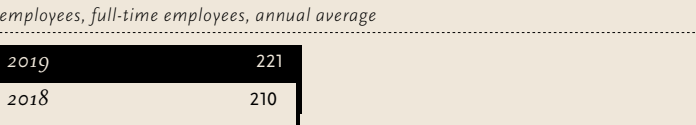
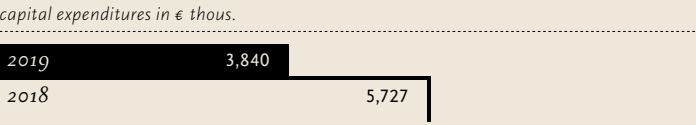
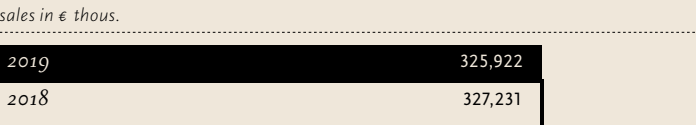
Communication and Sustainability.

The corporate division Communication and Sustainability is responsible for internal and external communications across the Group. This includes the development of the Melitta Group's communication strategy and its implementation in the field of corporate communications, public relations, sponsoring and events. Its field of responsibility also comprises the development of the Group's sustainability strategy and the "Melitta Campus" project. The corporate division's current tasks include the strategic alignment of the Melitta Group's sports sponsoring activities.

Melitta Europe – Coffee Division^{2.2}

The operating division Melitta Europe – Coffee Division is responsible for Melitta’s European coffee business. The range offers perfect coffee enjoyment for every taste: from ground filter coffee to whole beans for fully automatic coffee machines, to pad ranges for single-cup preparation and instant beverage specialties.

Key Figures Operating Division



Our positioning.

Melitta® is one of the best-known, most purchased and highest revenue-generating coffee brands. Its success is based on a balanced combination of tradition, modernity, and a love of life. The operating division stands for high quality and a strong understanding of consumer needs in a constantly changing world.

Location / Bremen, Germany //

Countries / Germany /

Export business with Egypt / Albania / Australia and Micronesia / Bahrain / Belgium / Botswana / Bulgaria / China / Estonia / Finland / France / Ghana / Greece / Great Britain / Hong Kong / Indonesia / Israel / Italy / Jordan / Canary Islands / Kazakhstan / Qatar / Kosovo / Croatia / Kuwait / Latvia / Lebanon / Libya / Lithuania / Luxembourg / Macedonia / Moldova / Mongolia / Montenegro / Namibia / New Zealand / Netherlands / Oman / Austria / Poland / Romania / Russia / Saudi Arabia / Sweden / Singapore / Slovakia / Spain / South Africa / South Korea / Tajikistan / Taiwan / Thailand / Czech Republic / Turkey / Tunisia / Ukraine / Hungary / United Arab Emirates / Belarus //

Quality management / IFS Food / Bio / UTZ / Rainforest Alliance / Fair Trade / 4C / Kosher / Certification "audit berufundfamilie" / Award "ausgezeichnet familienfreundlich" / ISO 50001 //



Website / www.melitta.de

Market and business trends in 2019.

In 2019, Melitta Europe – Coffee Division continued its series of successive growth years with a further new sales record. The operating division launched more new products than ever before in the past year. In order to expand existing business and enter new markets, numerous initiatives were elaborated for the division’s international business. The past fiscal year was once again characterized by a high level of investment: among other things, new and cutting-edge equipment helped achieve further gains in capacity, quality, sustainability, and efficiency. As in the previous years, there was a wide range of high-profile activities in 2019 designed to let consumers “experience” the Melitta® brand. These included the Melitta Festival Tour, OMR, new sports partnerships, and events in connection with the company’s 111-year anniversary.

Sustainability.

Melitta Europe – Coffee Division continues to attach great importance to sustainability. In 2019, for example, we further expanded the proportion of sustainably certified and responsibly grown coffee in our product range and increased our support for charity projects in coffee-growing regions. Our responsibility goes beyond the product and supply chain. It also extends to ecological and social issues and our responsibility for employees – something we are happy to fulfill with numerous measures, e.g. in the field of health management and achieving the right work-life balance.

Outlook 2020.

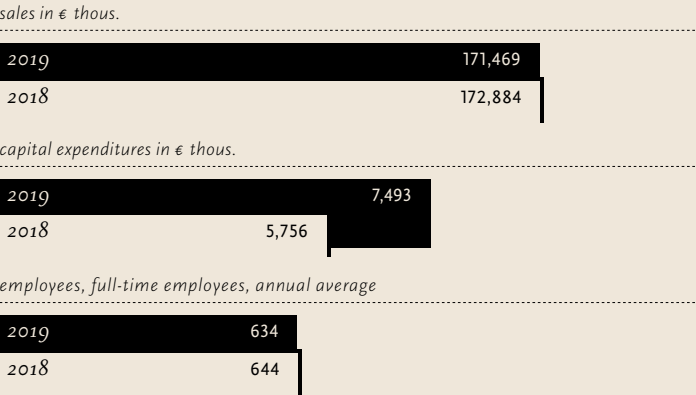


Please see our comment on page 15, book 1: “The future inspires us, shapes us, challenges us – in ever new ways.”

Melitta Europe – Coffee Preparation Division^{2,3}

The operating division Melitta Europe – Coffee Preparation Division develops, produces, and markets top-quality products under the Melitta® brand for the brewing of filter coffee, such as Melitta® filter papers, pour-over cones, filter coffeemakers, coffee grinders, and electric kettles, as well as fully automatic coffee machines for preparing coffee specialties at home. The range is rounded out by tea filter products under the Cilia® brand.

Key Figures Operating Division



Our positioning.

Almost all of the division's brands occupy leading positions in their markets. Melitta® filter papers have long stood for the ultimate in coffee enjoyment from AromaPor®-filtered coffee. Melitta® filter coffeemakers and fully automatic coffee machines guarantee the perfect enjoyment experience with their high quality, intuitive use concepts, and modern, top-quality designs. The tea filter products of the Cilia® brand comprise filters and accessories for the preparation of loose teas.

Locations / Minden, Germany / Shenzhen, China //

Countries / Belgium / China / Denmark / Germany / France / Netherlands / Norway / Austria / Poland / Sweden / Switzerland / Spain / Czech Republic / United Kingdom //

Export business with Europe Albania / Bosnia and Herzegovina / Bulgaria / Estonia / Finland / Greece / Ireland / Italy / Kazakhstan / Kosovo / Croatia / Latvia / Lithuania / Luxembourg / Malta / Macedonia / Montenegro / Portugal / Romania / Russia / Serbia / Slovenia / Ukraine / Hungary / Cyprus //

Export business world-wide Australia / Bahrain / Georgia / India / Israel / Japan / Jordan / Cambodia / Qatar / Kenya / Lebanon / Mauritius / Namibia / New Zealand / Oman / Philippines / Saudi-Arabia / South Africa / South Korea / Thailand / Tunisia / United Arab Emirates / Vietnam //

Quality management / DIN EN ISO 9001:2015 / DIN EN ISO 14000:2015 / EMAS – Environmental Management System in accordance with Regulation (EC) No. 1221/2009 via voluntary participation in a community eco-management and audit scheme / FSC Chain of Custody / PEFC Chain of Custody / IFS Household and Personal Care Products (International Feature Standard) / BRC Consumer Products (British Retail Consortium) / Blauer Engel, NF (France) and Nordic Swan (Scandinavia) for filter papers / Kosher for filter papers //

Brands /  

Websites / www.melitta.de / www.melitta-momentum.com / www.cilia.eu //

Market and business trends in 2019.

Although the market remains challenging, Melitta Europe – Coffee Preparation Division once again increased its sales of filter papers and coffee machines in the past year. This success was driven mainly by strong demand for top-quality machines, like the Melitta® AromaFresh. In order to target new consumer groups, the operating division launched premium pour-over ranges in 2019. These include the sophisticated and design-oriented Melitta EPOS® and Melitta AMANO® brands. The year was also dominated by a wide range of special offers and campaigns for the 111-year anniversary as well as by the expansion of online activities.

Sustainability.

Melitta Europe – Coffee Preparation Division developed and implemented numerous sustainability activities in 2019. These include initiatives to save energy (e.g. the launch of an energy optimization project for production processes and further investments in energy-saving technology) and to reduce water consumption (e.g. strict water circulation for the paper machine and reduction of water used by the sprinkler system). There were also further enhancements to the “Mission Eco & Care” system for rating the sustainability of company products.

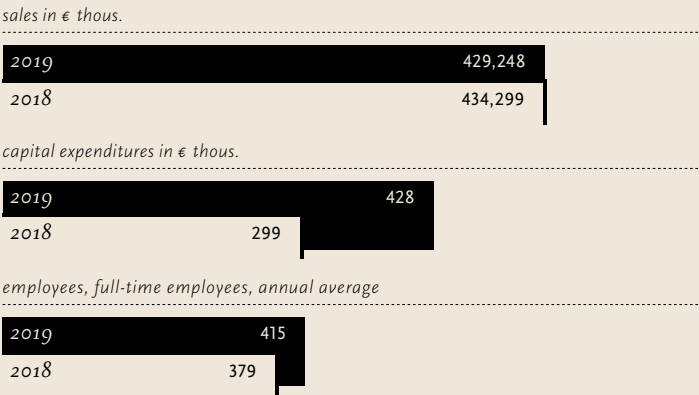
Outlook 2020.

✱ Please see our comment on page 15, book 1: “The future inspires us, shapes us, challenges us – in ever new ways.”

Melitta Europe – Sales Europe Division^{2.4}

Melitta Europe – Sales Europe Division is responsible for the sale of all Melitta Group consumer products in the region Europe, Middle East, and Africa (EMEA), with the exception of the German coffee business and the sales activities of Cuki Cofresco. The best-known brands marketed by this division include Melitta®, Cilia®, Toppits®, Albal®, BacoFoil®, handy bag®, and Swirl®.

Key Figures Operating Division



Our positioning.

The aim of Melitta Europe – Sales Europe Division is to jointly market the Melitta Group's consumer products in order to raise their international market presence and achieve synergy effects for the entire Group. Outside of Germany, the operating division is represented by the various national subsidiaries (Belgium, France, UK, Netherlands, Austria, Poland, Sweden, Switzerland, Spain, and the Czech Republic) or by selected distributors. There are also sales activities in Denmark, Finland, Ireland, Norway, and Portugal.

Location / Minden, Germany //

Countries / Sales activities in the EMEA region //

Market and business trends in 2019.

In 2019, Melitta Europe – Sales Europe Division successfully drove forward its internationalization and digitalization processes, enabling it to significantly boost foreign sales and e-commerce revenue. Despite the often adverse market environment, there were market share gains in numerous countries and segments. Founded in 2018, the national subsidiary in Poland more than doubled revenue in its second year of business, while earnings were also raised significantly in other major growth markets such as Spain, the United Kingdom, and the Netherlands. Further important milestones during the year were the going-live of the company's e-shop in the UK and the completion of preparations for the launch of the planned e-shop in Spain.

Sustainability.

In 2019, Melitta Europe – Sales Europe Division continued to optimize its logistics networks and support the implementation of the Group's sustainability strategy. To this end, the operating division is in close contact with its trading partners. As part of the 111-year anniversary strategy, a consumer campaign was launched in several European countries in cooperation with the Treedom platform. With the aid of participating consumers, 11,100 trees were planted in a reforestation project in the Kilimanjaro region of Tanzania.

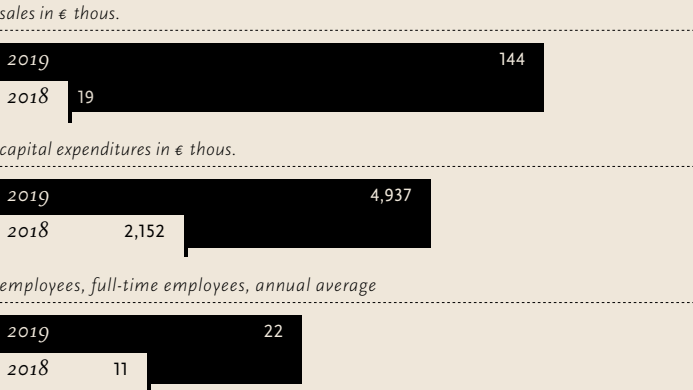
Outlook 2020.

✱ Please see our comment on page 15, book 1: "The future inspires us, shapes us, challenges us – in ever new ways."

Melitta Single Portions^{2.5}

Within the Melitta Group, Melitta Single Portions is responsible for all products connected with the preparation of hot beverages in the form of single servings. With its innovative solutions and products, the operating division aims to become one of the leading, globally operating suppliers for single-serve hot beverages. As of November 2019, Melitta Single Portions has been producing and marketing a premium range of individually portioned teas under its first-ever own brand Avoury®. With the Avoury® One tea machine and 40 organic tea varieties, Avoury® stands for a new and sustainable form of top-quality tea enjoyment.

Key Figures Operating Division



Our positioning.

Like all other offerings of the Melitta Group, the products of Melitta Single Portions stand for high quality. For the development of its new solutions and innovative product concepts, the operating division draws on its own research activities, while also benefiting from existing know-how within the Melitta Group. The products developed by Melitta Single Portions are fully aligned with current and future trends and set new standards in hot beverage preparation.

Locations / Minden, Germany / Düsseldorf, Germany //

Quality management / Certifications of Avoury® for tea Bio certification for all 40 tea blends acc. to DE-ÖKO-007 / Fairtrade certification for individual tea blends / Rainforest certification for individual tea blends // for packaging FSC / Der Grüne Punkt // for Avoury® tea machine CE certification / GS certification // for Düsseldorf office DGNB sustainable building DGNB certificate in gold //

Brands /  

Website / www.avoury.com //

Market and business trends in 2019.

The market for tea has been highly promising for many years now, while demand for innovative single-portion systems continues to grow. Added to this is a consumer desire for individualization in the premium segment. In 2019, the main focus of Melitta Single Portions was therefore on preparations for the market roll-out of the Avoury® brand in Germany. Among other things, end-to-end processes were established and a state-of-the-art business platform created. This allows the addition of further products with minimal effort. In addition, a modern production plant for filling single portions was set up and put into operation at the Minden site.

Sustainability.

In the run-up to the market launch of the Avoury® range, Melitta Single Portions developed a sustainability concept along its entire value chain. It includes numerous quality audits and certifications for all 40 tea varieties. Moreover, the operating division is the first company in the food industry to use high-quality recycled plastic for the Avoury® capsules. This creates a circular economy in which old capsules can be turned into new ones. The capsule bodies can also be disposed of via Germany's yellow recycling bags and returned to the material cycle. Melitta Single Portions has partnered with "Plastic Bank" and is thus helping reduce plastic waste in our oceans.

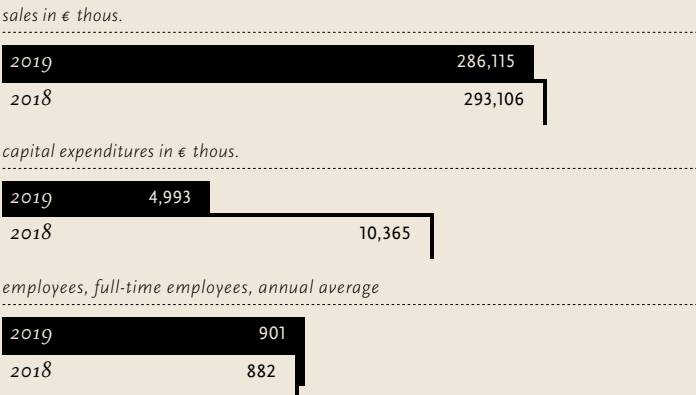
Outlook 2020.

✱ Please see our comment on page 15, book 1: "The future inspires us, shapes us, challenges us – in ever new ways."

Melitta South America^{2.6}

Melitta South America offers a comprehensive range of coffee products, coffee filters, instant coffees, and coffee preparation products. The operating division has four production facilities: three coffee roasting plants – one in the south and two in the southeast of Brazil – and one paper mill. Melitta South America is one of the leading suppliers in Brazil's vacuum-packed coffee segment and filter paper market.

Key Figures Operating Division



Our positioning.

The products offered by Melitta South America provide above-average quality, compelling consumer benefits, and frequent innovations. The coffee range is noted for its outstanding flavor and offers numerous coffee blends to cater to a variety of tastes. The coffee filters produced by Melitta South America allow the aroma of the coffee to unfold perfectly.

Locations / in Brazil: São Paulo / Avaré / Bom Jesus / Guaíba / Varginha / Itajaí / São José dos Pinhais / Itapevi / Contagem / Rio de Janeiro / Maceió //

Countries / Brazil / Paraguay / Uruguay / Argentina / Bolivia / Chile / Peru / Colombia / Ecuador //

Quality management / ISO 9001:2008 / ISO 9001:2015 //



Websites / www.melitta.com.br / www.cafebomjesus.com.br / www.celupa.com.br //

Market and business trends 2019.

Although market conditions remained challenging, 2019 was another successful year for Melitta South America: it succeeded in expanding its shares of both the coffee and coffee filter markets. Sales of vacuum-packed coffee even reached record levels. These positive developments were mainly due to expansion into new markets and the strengthening of the brand's presence in the entire region. Growth was also driven by innovations, such as compatible capsules, increased e-commerce activities and the relaunch of the Regiões Brasileiras coffee range.

Sustainability.

In order to decrease energy consumption, Melitta South America introduced LED technology at all its manufacturing facilities in 2020. Moreover, water consumption in the paper production plant was reduced by 30 percent and a new program for waste treatment was introduced at the facility in Celupa. Melitta South America also supports a wide range of social projects: these include the provision of school materials for pupils from rural areas and support for schools in the vicinity of the production sites. The operating division also continues to support the Ayrton Senna Institute, which provides help for underprivileged children.

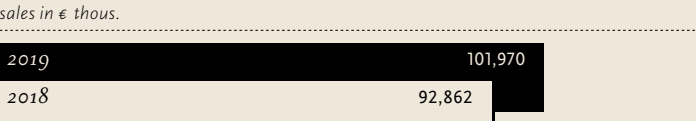
Outlook 2020.

✱ Please see our comment on page 15, book 1: “The future inspires us, shapes us, challenges us – in ever new ways.”

Melitta North America^{2.7}

Melitta North America produces filter papers and roasted coffee for consumers under the Melitta® brand as well as for the B2B market. Its core markets are the USA and Canada, but its products are also marketed in Mexico, Central America, and the Caribbean.

Key Figures Operating Division



Our positioning.

In North America, Melitta® is the leading brand of coffee filters. In the B2B segment, Melitta North America is a brand-oriented, premium coffee roaster with highly flexible capabilities. The Melitta® brand stands for high-quality products that satisfy the needs of discerning customers.

Locations / Clearwater, Florida, USA / Cherry Hill, New Jersey, USA / Toronto, Canada //

Countries / USA / Canada / Guatemala / Costa Rica / El Salvador / Panama / Nicaragua / Mexico / Caribbean //

Quality management / FSSC 22000 / QAI Organic / Kosher ("OU" and "OK") / Rainforest Alliance / Sharp Award / Fair Trade / FDA Inspected / SQF Certified //

Brand / 

Websites / www.melitta.com / www.melitta.ca //


Market and business trends 2019.

Despite the ongoing challenging market environment, Melitta North America was able to expand its share of the coffee filter market once again in 2019. At the same time, the operating division succeeded in acquiring several major customers in its B2B business. In order to meet the strong demand, new packaging lines were installed in the coffee roasting plant. In the past fiscal year, Melitta North America also focused on expanding its online business. This included the opening of a new online shop.

Sustainability.

For several years now, Melitta North America has attached great importance to generating electricity from renewable energy sources and systematically reducing waste. Solar power alone already provides 19 percent of total energy needs at the operating division's Cherry Hill facility. In 2019, the photovoltaic system was optimized so that it now operates even more efficiently. As every year, Melitta North America once again supported the American Forests Global ReLeaf Program in 2019 and sponsored numerous local projects focusing in particular on children, education, and health.

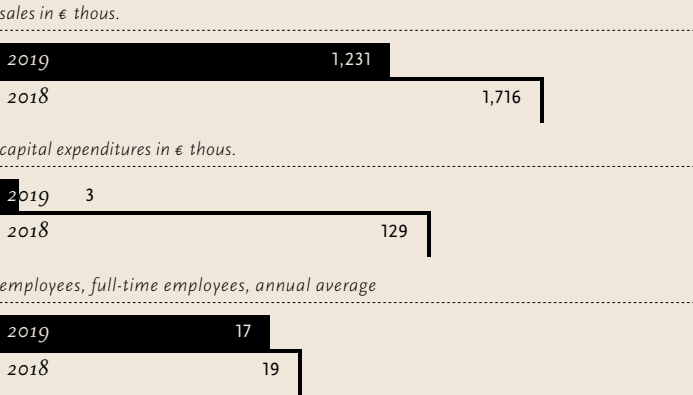
Outlook 2020.

 Please see our comment on page 15, book 1: "The future inspires us, shapes us, challenges us – in ever new ways."

Melitta Asia Pacific^{2.8}

Melitta Asia Pacific is responsible for Melitta's retail activities in the Chinese market. The company's activities focus on establishing the Melitta® brand, especially among young professionals in the pour-over segment. In addition, the operating division – together with Melitta Professional Coffee Solutions – offers fully automatic coffee machines and coffee beans in particular for offices, hotels, restaurants, and cafés in the out-of-home coffee segment.

Key Figures Operating Division




Our positioning.

In the Asia Pacific region, Melitta® is associated with a high-quality and diverse portfolio, a strong tradition and its German roots. The market offers considerable growth opportunities, as more high-income consumers appreciate exceptional coffee enjoyment and are increasingly drinking filter coffee at home.

Locations / Shanghai, China / Shenzhen, China / Beijing, China //

Countries / China //

Quality management / CCC – China Compulsory Certification for electronic appliances //

Brand / 

Website / www.melitta.cn //

Market and business trends in 2019.

The Chinese coffee market made very good progress once again in 2019: coffee consumption was higher than in any previous year. This trend is being driven in particular by young consumers, who are increasingly discovering coffee and the associated western lifestyle. Melitta Asia Pacific also benefited from this development. There was growth in the online business. By contrast, offline sales declined but remain of great importance for Melitta's market presence in China.

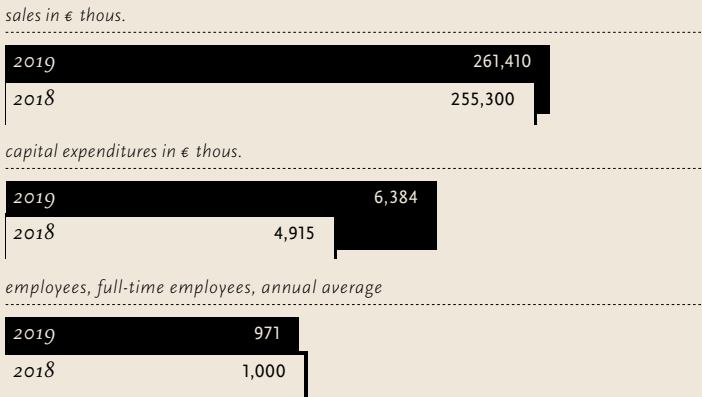
Outlook 2020.

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Cofresco^{2.9}

Cofresco is Europe’s leading supplier of branded products in the field of household film and foil for home and professional use. The operating division’s brands are at home in almost all European countries. Cofresco’s portfolio comprises product solutions for the wrapping, preparing and freezing of food, for the safe storage of household and garden items, and for the disposal of waste.

Key Figures Operating Division



Our positioning.

Throughout Europe, the Cofresco brands stand for quality and trust – over 70 million households enjoy the benefits of the various product offerings. With its brands Toppits®, Albal®, BacoFoil®, handy bag®, and Swirl®, Cofresco is the market leader in 16 European nations. The operating division is also among the leading companies in the food service sector with its Wrapmaster® and Caterwrap® brands. Cofresco conducts its own research and aims to establish a sustainable product portfolio for a circular economy by 2025.

Locations / Minden, Germany / Brodnica, Poland / Telford, UK //

Countries / Germany / France / Spain / Belgium / Netherlands / Sweden / Norway / Austria / Switzerland / Ireland / Portugal / Czech Republic / UK / Denmark / Poland / Russia //

Quality management / EN ISO 9001 (Minden, Brodnica, Telford) / EN ISO 14001 (Minden) / FSC (Minden, Brodnica) / PEFC (Minden, Brodnica) / BRC/IoP (Brodnica, Telford) //



Websites / www.cofresco.de / www.albal.fr / www.albal.net / www.handybag.fr / www.swirl.de / www.bacofoil.co.uk / www.wrapmaster.global //

Market and business trends in 2019.

Despite a challenging market environment, Cofresco once again posted record sales revenue in the past fiscal year. This trend was also helped by strategic investments in the Cofresco brands and in the launch of innovative products, such as a new cling film made in part using food waste. The operating division continued to drive its expansion into further markets, including the market entry of Cofresco Food-service in the USA. In 2019, the implementation of the sustainability strategy “Honest 100” was launched.

Sustainability.

By 2025, Cofresco wants to transfer its complete product range, as far as technically possible, to a circular economy system. Only recycled and renewable raw materials will be used and the recyclability of all products will be ensured. So-called multi-use concepts are also being developed increasingly for this purpose.

Outlook 2020.

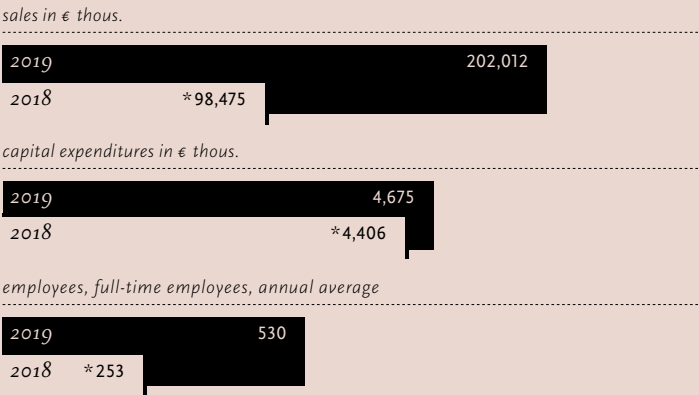
* Please see our comment on page 15, book 1: “The future inspires us, shapes us, challenges us – in ever new ways.”

Cuki Cofresco^{2.10}

Cuki Cofresco specializes in the production and sale of food packaging, disposable containers, films for food preservation and garbage bags – over 4,000 products aimed at both consumers and industrial clients. The operating division's products set high standards in quality, innovation, and sustainability.

Key Figures Operating Division (*July 1 – December 31, 2018)

Cuki cofresco



Our positioning.

With its well-known Cuki® and Domopak® brands, Cuki Cofresco holds market-leading positions, especially in Italy. The company is also acclaimed as a manufacturer of sustainable food containers and packaging. Under the Cuki Professional brand, the company offers a wide range of aluminum, plastic, and cardboard containers for the food industry and catering sector. Besides Italy, the division supplies several markets in Europe and the Middle East.

Locations / Volpiano, Turin / Frosinone and Pontinia, Central Italy / Nervesa, Treviso in North East Italy / Grenoble, France / Istanbul, Turkey / Poznań, Poland //

Countries / Italy / EMEA markets //

Quality management / ISO 9001:2015 / 3 main plants are certified BRC/IoP //



Websites / www.cukicofresco.com //

Market and business trends in 2019.

Despite challenging market conditions, 2019 was a successful year for Cuki Cofresco: revenue of € 203 million was slightly up on 2018 and mainly driven by the B2C division. The Domopak® Spazzy brand (bin liners made from recycled post-consumption plastic) proved increasingly popular and was able to consolidate its position as the market leader. In the B2B division, strong demand from the food industry in particular led to growth in sales of aluminum containers. One of the year's highlights was the launch of the Wrapmaster® system on the Italian market.

Sustainability.

Besides producing aluminum foils made from 100% recycled material, Cuki Cofresco continued to work on the development of compostable plastics in the past fiscal year. Some of these developments have already been added to the product range, such as compostable freezer bags and bin liners made entirely from recycled polyethylene. The operating division also continued the “Cuki Save the Food” project it founded in 2011. Cuki Cofresco supports the food bank organization Banco Alimentare by providing aluminum trays and containers. In 2019, about 3,750 metric tons of surplus food (enough for 15 million meals) was collected from facilities such as corporate canteens and hospitals and distributed to people in need.

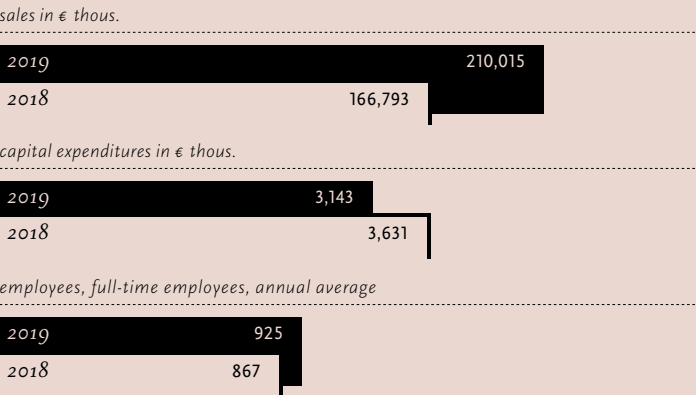
Outlook 2020.

✱ Please see our comment on page 15, book 1: “The future inspires us, shapes us, challenges us – in ever new ways.”

Melitta Professional Coffee Solutions^{2.11}

Melitta Professional Coffee Solutions specializes in supplying equipment for professional hot beverage preparation in the out-of-home market. Its core business areas are the development, production, and global marketing of fully automatic machines for coffee specialties and filter coffee machines under the Melitta® and Cafina® brands, technical service for its professional customer base, and the sale of coffee, tea, hot chocolate, and accessories.

Key Figures Operating Division



Locations / Minden, Germany / Hunzenschwil, Switzerland / Salzburg, Austria / Gorinchem, Netherlands / La Plaine Saint Denis (Paris Nord), France / Corby (Northamptonshire), UK / Elgin, USA / Tokyo, Japan / Sydney, Australia //

Countries / **Own national subsidiaries in** / Germany / Switzerland / Austria / Benelux / France / UK / USA / Japan / Asia-Pacific / Australia //

Sales partners in Europe / Denmark / Estonia / Finland / Greece / Croatia / Latvia / Lithuania / Norway / Poland / Romania / Russia / Slovakia / Spain / Sweden / Turkey / Czech Republic / Ukraine / Hungary / Belarus / Cyprus // **in the Middle East** / Lebanon / Israel / Jordan / Saudi Arabia / Kuwait / Bahrain / Qatar / Oman / United Arab Emirates // **in Africa** / Egypt / Morocco / Mauritius / Namibia / South Africa // **in North, Central and South America** / Argentina / Brazil / Chile / Ecuador / El Salvador / Guatemala / Colombia / Mexico / Paraguay / Peru / Uruguay // **in Asia-Pacific** / China / Hong Kong / India / Malaysia / Maldives / New Zealand / Philippines / Samoa / Singapore / Sri Lanka / South Korea / Taiwan / Thailand //

Quality management / Certified and audited acc. to numerous international approvals (e.g. UL, NSF, K TL, EAC, S Mark certifications) / HKI Cert registration: listing in the database of HKI Industrieverband for the publication of standardized energy consumption measurements / UTZ certified: Melitta® Cioccolata Style Milk Chocolate (supplier) / Bio and Fairtrade certified: Melitta® Cioccolata Style Bio Fairtrade Chocolate (supplier) / Bio and Fairtrade coffee range: Melitta® La Tazza Verde® / Fairtrade coffee range: Melitta® Mondo Blu / Rainforest Alliance certified: Melitta® BVB Espresso and Melitta® BVB Caffè Crema / Inspection seal HACCP-compliant device: fully automatic coffee machines XT4, XT5, XT6, XT7, XT8 and CT8EN / Energy management system acc. to EN ISO 50001:2018, first audited and certified in December 2019 //

Brands /   

Websites / www.melitta-professional.de / www.melitta-professional.at / www.melitta-professional.nl / www.melitta-professional.fr / www.melitta-professional.co.uk / www.melitta-professional.com / www.melitta-professional.com.au / www.melitta.co.jp / www.cafina.ch / www.cilia.de //

Outlook 2020.

✳ Please see our comment on page 15, book 1: “The future inspires us, shapes us, challenges us – in ever new ways.”

Our positioning.

All product development and manufacturing efforts are focused on ensuring outstanding quality in the cup. The aim is to actively enhance the taste experience wherever Melitta Professional customers serve coffee – and thus improve the bottom line of its food service clients. Melitta Professional Coffee Solutions therefore offers top-quality professional coffee machines around the world. One of the company's USPs is its ability to offer everything customers need for a successful coffee business from a single source. With its own international team of customer service technicians and selected partners, the operating division ensures maximum machine availability and protects the customer's investment over many years. In its coffee business, Melitta Professional Coffee Solutions also develops and markets segment-specific coffee assortments for the out-of-home market.

Market and business trends in 2019.

Melitta Professional Coffee Solutions set a new sales record in 2019. The main sales driver was its business with major clients, involving the largest single project order in the company's history, as well as the operating division's standard business with growth across all national companies. This was due in particular to a strict market orientation in all regions and close collaboration between all companies and partners. The new production and logistics capacities at the Minden site also played an important role in this success.

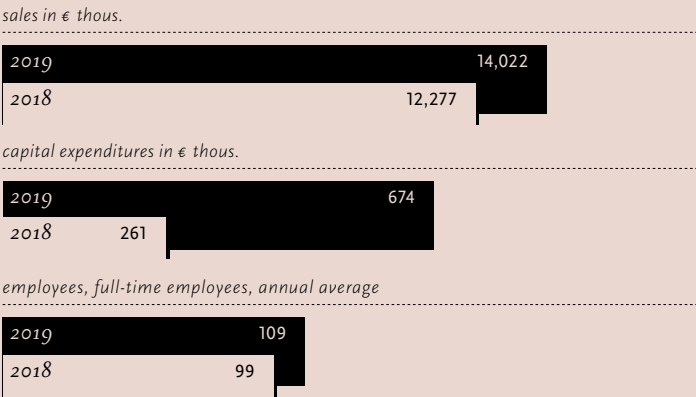
Sustainability.

Sustainability aspects continued to play an important role for Melitta Professional Coffee Solutions in 2019. One particular focus area was energy management. In this field, Melitta Professional Coffee Solutions was one of the first companies in Germany to introduce a certified energy management system (EnMS) according to DIN EN ISO 50001:2018, which was audited and certified by TÜV Nord. Key activities of the past year also included making the product range even more sustainable and expanding it with certified products, such as certified organic and Fairtrade cocoa and coffee.

Coffee at Work^{2.12}

With its coffee at work® and water at work® brands, Coffee at Work® offers an all-inclusive service for coffee and water provision in the work-place. The offering includes the provision of coffee machines and table water dispensers, including regular maintenance. Services also include the supply of coffee beans, milk powder, chocolate powder and all other consumables.

Key Figures Operating Division



Our positioning.
coffee at work® and water at work® clearly differentiate themselves from the competition thanks to their easy-to-comprehend and fair service contracts, as well as their high standard of service quality. The agreements contain neither standard leasing, rental or minimum duration terms, and thus give the customers plenty of scope to tailor the offering to their specific needs. All repair and maintenance work is covered by the all-inclusive, flat-rate price.

Market and business trends in 2019.
2019 was a further successful year for Coffee at Work®: there was good progress in both business and sales, with double-digit percentage revenue growth. This was due in part to the successful launch of water at work® in Germany. The brand was positioned as an alternative to the transport and use of mineral water from glass or plastic bottles, thus offering customers hygienically perfect drinking enjoyment and at the same time the possibility to act sustainably.

Sustainability.
The business model of Coffee at Work® is aligned with sustainability objectives. Regular servicing ensures the long-term maintenance of the fully automatic coffee machines and thus their sustainable use. The supply of table water also contributes to sustainability, as the water comes from the tap and is refined by filtering, cooling and oxygenating. This eliminates the resource-intensive use of PET and glass bottles as well as the need for regular deliveries.



Websites / www.coffeeatwork.de / www.water-at-work.net //

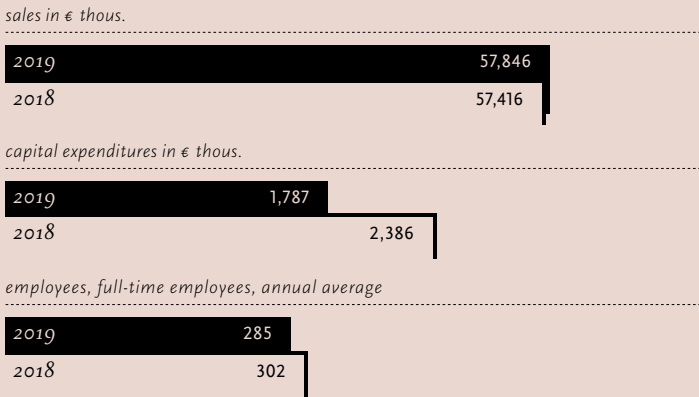
Outlook 2020.

✱ Please see our comment on page 15, book 1: “The future inspires us, shapes us, challenges us – in ever new ways.”

Wolf PVG^{2.13}

Wolf PVG is a highly specialized systems supplier for all aspects of vacuum cleaning and industrial filter technology. Its products include vacuum cleaner bags, vacuum cleaner nozzles, filters, and attachment flanges for vacuum cleaner bags. These products are developed and produced for both industrial clients and the operating division's own end-user business. Under the Swirl® and Worwo® brands, Wolf PVG markets vacuum cleaner bags, vacuum cleaner accessories, and cleaning products for private households in Europe.

Key Figures Operating Division



Our positioning.

Wolf PVG boasts a high level of innovation and a wide range of products. The extraordinary variety of products and vertical integration of the division provides a one-stop solution for its customers. From design to engineering, tool and machine construction, to serial manufacturing, Wolf PVG offers a full range of services under one roof. The operating division is renown for its high quality standards and its systematic alignment with client and consumer needs.

Locations / Minden, Germany / Spenge, Germany / Wabrzezno, Poland //

Countries / Germany / Belgium / Brazil / Italy / France / Austria / Switzerland / Netherlands / Poland / Denmark / Sweden / Norway / Turkey / Hungary / Czech Republic / Slovakia / Russia / Portugal / Greece / United Kingdom / South Korea / Vietnam / China / Malaysia / USA //

Quality management / DIN EN ISO 50001:2011 / DIN EN ISO 9001:2008 //

Brands /



Websites / www.wolf-pvg.de / www.swirl.de / www.worwo.com //

Market and business trends in 2019.

Wolf PVG made satisfactory progress in its fiscal year 2019. Demand for vacuum cleaner bags for private households continued to decline. Despite this trend, however, revenue was increased slightly thanks to a significant expansion of sales to industrial clients. There was also encouraging progress in sales to retail partners in Eastern Europe, which is served in particular by the company Worwo®, acquired in 2018. The 2019 fiscal year was also characterized by substantial capital expenditure on manufacturing equipment. For example, new and efficient injection molding lines were installed to enhance quality and production efficiency.

Sustainability.

Wolf PVG's sustainability activities focus on reducing material consumption and increasing the use of sustainable materials. In addition, various measures have been introduced to reduce energy consumption and scrap rates. Other important issues are workplace safety and health management.

Outlook 2020.



Please see our comment on page 15, book 1: "The future inspires us, shapes us, challenges us – in ever new ways."

Neu Kaliss / Neukölln Spezialpapier^{2.14}

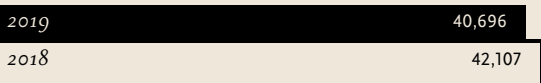
Neu Kaliss / Neukölln Spezialpapier manufactures specialist papers and nonwoven materials for industrial use. Its range of nonwoven materials includes nonwoven wallpapers, conductive nonwoven fabrics and solar nonwovens. In its paper business, the operating division produces and processes coffee filter papers, beer glass and coffee cup drip catchers, crepe papers for large bakeries, udder papers, and extractor hood filters.

Key Figures Operating Division

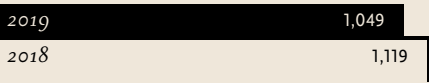


NEU KALISS SPEZIALPAPIER

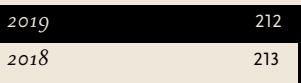
sales in € thous.



capital expenditures in € thous.



employees, full-time employees, annual average



Our positioning.

In the nonwoven wallpaper market, Neu Kaliss / Neukölln Spezialpapier is one of the world's top five manufacturers. It supplies both the mass market and premium segments. The products manufactured and processed by Neu Kaliss / Neukölln Spezialpapier are often customized – and in some cases exclusive – high-quality goods using the latest technologies.

Locations / Neu Kaliß, Germany / Berlin-Neukölln, Germany //

Countries / All EU countries / USA / China / South Korea / Japan / Malaysia / Russia / Turkey //

Quality management / DIN EN ISO 9001:2015 //

Website / www.nkpaper.com //

Market and business trends in 2019.

2019 was a challenging year for Neu Kaliss / Neukölln Spezialpapier: due to the falling global demand for wallpapers, Neu Kaliss / Neukölln Spezialpapier was unable to reach its sales targets. However, the operating division succeeded in gaining new domestic and foreign customers in both the premium and standard segments. The factory in Neu Kaliß was operating at close to full capacity, while utilization at the Berlin-Neukölln plant was also increased. In order to reduce its reliance on the wallpaper industry, the operating division drove the development of new products in the field of automotive, wood-based materials, and special nonwovens during the past fiscal year. Some of these newly developed products were already rolled out during the course of the year.

Sustainability.

In 2019, the sustainability activities of Neu Kaliss / Neukölln Spezialpapier focused on two projects aimed at raising energy efficiency. Several compressors were replaced and the thermal insulation in the drying area of the paper machine was improved.

Outlook 2020.

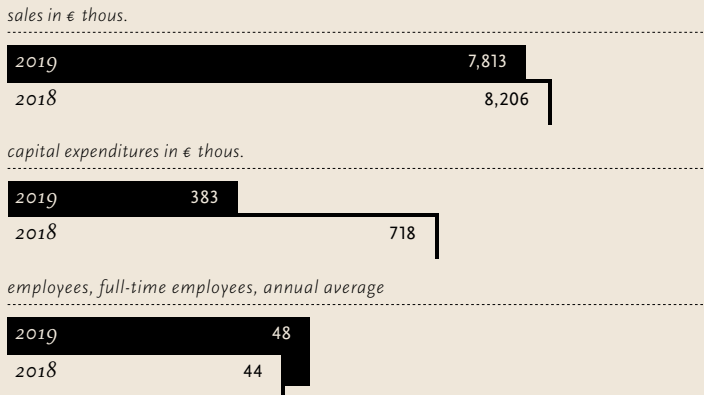


Please see our comment on page 15, book 1: “The future inspires us, shapes us, challenges us – in ever new ways.”

ACW-Film^{2.15}

ACW-Film develops and produces flexible packaging for the consumer goods industry in Germany and the rest of Europe. The operating division supplies – also just-in-time – films, film laminates, fully recyclable composites or monostructures, papers, and paper composites for the special packaging machinery of its clients. The main focus is on the delivery of sustainable, high-quality, innovative, and customized packaging films for the fresh meat, food, cleaning, and confectionery industries.

Key Figures Operating Division



Our positioning.

ACW-Film focuses on the supply of specialty and niche products within the packaging film segment. Its key competitive advantages include a high degree of flexibility and fast response times. In addition, ACW-Film boasts cutting-edge technologies and exceptional customer service. ACW-Film products are also available in small and medium-sized batches, whereby their high quality guarantees excellent, high-performance, and trouble-free processing for the client.

Location / Rhede (Ems), Germany //

Countries / Germany / Netherlands / Belgium / Brazil / Hungary //

Quality management / Hygiene management system HACCP-Hazard Analysis and Critical Control Points acc. to the requirements of EN 15593:2008 //

Website / www.acw-film.de //

Market and business trends in 2019.

ACW-Film faced a variety of challenges in the past fiscal year and was consequently unable to meet its sales targets. However, a number of promising major projects were launched in 2019. The year was dominated by the development and testing of products that meet high sustainability criteria, including single-variety and recyclable packaging solutions. Some of these solutions are already being rolled out. ACW-Film also supported Melitta Single Portions with the development of its Avoury® tea capsules.

Sustainability.

In addition to the (further) development of sustainable packaging solutions, ACW-Film undertook various measures to reduce the operating division's ecological footprint in the past year. These include investments to reduce the consumption of solvents or increase the recycling rate of the raw materials used. Further energy savings were also achieved: the implementation of a performance analysis, conducted with the aid of the energy monitoring system installed in 2018, produced a 9 percent reduction in energy requirements.

Outlook 2020.



Please see our comment on page 15, book 1: “The future inspires us, shapes us, challenges us – in ever new ways.”

Melitta Business Service Center^{2.16}

The Melitta Business Service Center pools administrative tasks at Group level. In addition to shaping the operational HR and accounting processes, these tasks include strategic purchasing, business process management, business intelligence, and IT. The aim is to simplify, standardize, and align the Group's processes and systems to enhance flexibility and efficiency while establishing the prerequisites for Group-wide digitization.


Market and business trends in 2019.

The Melitta Business Service Center focused on numerous projects and made further significant investments in all areas of IT during its fiscal year 2019. Preparations for a Group-wide roll-out of SAP S/4 played a particularly important role. Over the course of the year, further operating divisions were also connected to the Melitta Business Service Center and its services – for example, the first international sales companies were connected to the central accounting system. In 2019, the Melitta Business Service Center strengthened its sourcing activities in Shenzhen, above all for small domestic appliances and accessories. New additions to the portfolio included services in the field of business process management, which the Melitta Business Service Center is helping to establish throughout the Group.

Sustainability.

In 2019, the Melitta Business Service Center plans to set up a system for managing supply chain risks. This risk management system is intended to help identify and assess risks which may arise in the supply chains of the Group's operating divisions. In addition, an information system is to be developed to help reduce these risks.

Outlook 2020.

 Please see our comment on page 15, book 1: “The future inspires us, shapes us, challenges us – in ever new ways.”

Locations / Minden, Germany / Bremen, Germany / Brodnica, Poland / Shenzhen, China //

Countries / Germany / Poland / China //

Imprint

Published by
Melitta Unternehmensgruppe Bentz KG

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Manchester United: Page 25;
Franz Bischof, Hannover: Pages 26–28;
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1 zu 33, Munich: Pages 29–31;
Stefan Freund, Frankfurt am Main: Pages 29–31;
Concept and design klee.steinberger, Munich
Text COMMPARK GmbH, Liederbach am Taunus
Printing and production Ulenspiegel Druck GmbH & Co. KG, Andechs

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