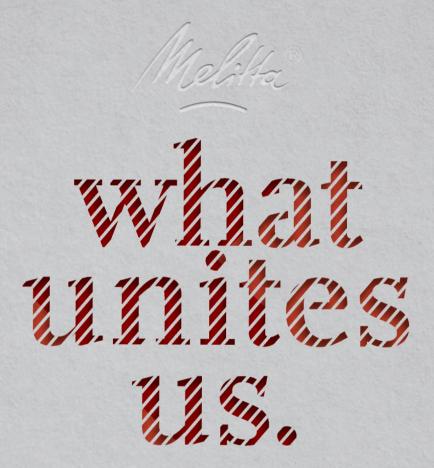


MELITTA GROUP FINANCIAL FIGURES AT A GLANCE 2018

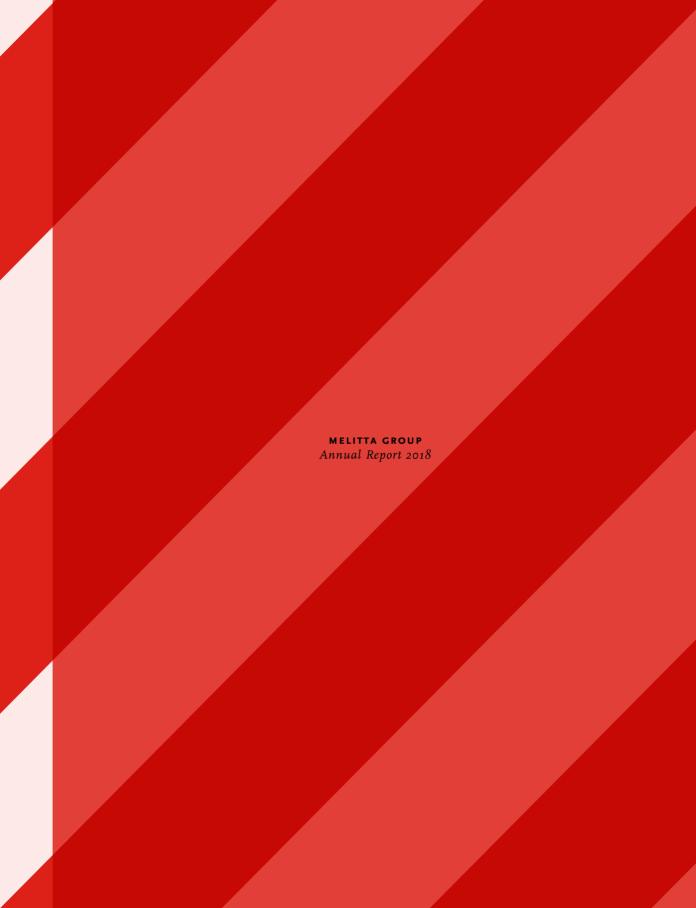
Key figures of the Melitta Group

	2018	2017
Sales / in € thous.	1,543,498	1,541,331
, Capital expenditures / in € thous.	48,144	49,912
Employees / full-time employees, annual average	5,222	4,550
Tangible assets / in € thous.	261,236	210,145
Financial assets / in € thous.	48,950	29,074
Equity / in € thous.	283,770	278,740
Total assets / in € thous.	1,210,857	877,714
Equity ratio / in %	27	36

Key figures of the operating divisions and the service unit	Sales in € thous.		Capital expenditures Employees full-time employees, annual average			
	2018	2017	2018	2017	2018	2017
Melitta Europe – Coffee Preparation Division	172,884	170,964	5,756	3,865	644	720
Melitta Europe – Coffee Division	327,231	339,906	5,727	3,439	210	200
Melitta Europe – Sales Europe Division	15,004	10,860	299	696	379	410
Wolf PVG	57,416	55,681	2,386	1,176	302	175
Cofresco	255,300	250,155	4,915	6,412	1,000	890
Cuki Cofresco	98,475	-	4,406		253*	_
Melitta Single Portions	19	33	2,152	664	11	7
Neu Kaliss / Neukölln Spezialpapier	42,107	43,761	1,119	1,146	213	201
ACW-Film	8,206	7,369	718	741	44	39
Coffee at Work	12,277	_	261		99	_
Melitta Professional Coffee Solutions	166,793	198,384	3,631	3,443	867	790
Melitta South America	293,106	356,310	10,365	17,543	882	820
Melitta North America	92,862	107,268	725	3,496	111	114
Melitta Asia Pacific	1,716	556	129		19	13
Services	102	84	5,555	7,291	188	171
TOTAL	1,543,498	1,541,331	48,144	49,912	5,222	4,550







What unites us.

United
by a common
entrepreneurial
understanding
and connected by
our values.

We are the Melitta Group.



At home, wherever you are wherever passion is felt, tasted, lived and valued. Where innovation feels easy, enjoyment is long-lasting, and excellence is what's expected. Where working together and being there for one another is what counts; where people meet, talk, celebrate and build trust. Where there's energy, security, expertise and progress without exception, and with deep respect for people's everyday needs. A focus on ease. Enjoyment, cleanliness and quality lovingly and carefully interpreted.

It's been III years since Melitta Bentz invented the coffee filter, revolutionizing the way people enjoy this drink. Her pioneering spirit is deeply rooted in us. Thanks to our courage, originality and creative drive, we've developed into a family business with wide-ranging expertise in beverages and house-hold products.

For 111 years, we've been building bridges between progress and tradition. With solid foundations built on values, and a vision that keeps us moving forward.

Melitta, since 1908
At home
— wherever
you are.

The Melitta Group recorded a further year of dynamic growth in its fiscal year 2018. We achieved record sales volumes of ground coffee and fully automatic coffee machines, extended our lead in the European filter coffeemaker market, and once again expanded our share of the filter paper segment. Almost all our operating divisions reached their growth targets in key markets

Despite these impressive trends, however, this encouraging performance is only reflected to a limited extent by our sales revenues. Unfavorable developments on the foreign currency and commodity markets (especially for coffee and pulp) had a significant impact on our fiscal year. After three years of strong growth, revenue stagnated at \in 1,543 million in 2018.

Nevertheless, we are satisfied with the development of the past fiscal year. We maintained our positions in a difficult market environment, strengthened our earnings, and increased sales volumes. At the same time, numerous projects were implemented as part of our growth and internationalization strategy, as well as in connection with the enhancement of our organizational structures. Moreover, we once again acquired companies that fit well with our strategic alignment and offer new potential in various markets. The integration of these companies is making good progress and they are already delivering satisfactory contributions to earnings.

We are also very satisfied with the development of our innovative products and services over the past year: we drove forward numerous innovations and now have a pipeline of concepts for new products like never before.

Fiscal year 2018 provided further proof for us that the strategic alignment we adopted four years ago has set us on the right course. Even under difficult conditions, it has enabled the Melitta Group to achieve organic growth and improve earnings, while at the same time making us more resilient to adverse external effects. The division of our business fields into the three pillars of Coffee, Coffee Preparation and Household Products, and the organizational restructuring conducted as part of the FOCUS project, have created clearer responsibilities and enabled us to serve our markets more effectively.

We will continue to pursue this strategic direction. In 2019, we plan to invest further significant amounts in forward-looking business fields and product ranges. We regard global trends – such as increasing individualization, a more conscious approach to life, and a strong focus on enjoying life – as an opportunity to achieve growth with the appropriate product offerings. The strategy we are currently pursuing puts us in an ideal position to achieve this.

We expect the negative effects from currency and commodity prices to continue in the coming fiscal year. They will also affect our revenues in 2019. However, we are highly confident that we can continue our growth trajectory as planned. As in previous years, we will invest in our brands and continue to strengthen their presence and their ability to be experienced.

2019 is a special year for us as we are celebrating our 111th birthday. We want to mark this anniversary together with our customers, business partners and employees, and have therefore prepared numerous anniversary products, events, information channels and campaigns.

We are delighted to note that the Melitta Group has developed a strong momentum with a high degree of passionate commitment. The cohesion between our employees and the various operating divisions is particularly evident – and important – in years of adverse market conditions. Despite all the operational challenges, our staff never lost sight of the future and continued to drive forward our pioneering projects with the same high level of curiosity, entrepreneurial spirit and dedication. Our employees are proud to work for the Melitta Group. This in turn also makes us very proud.

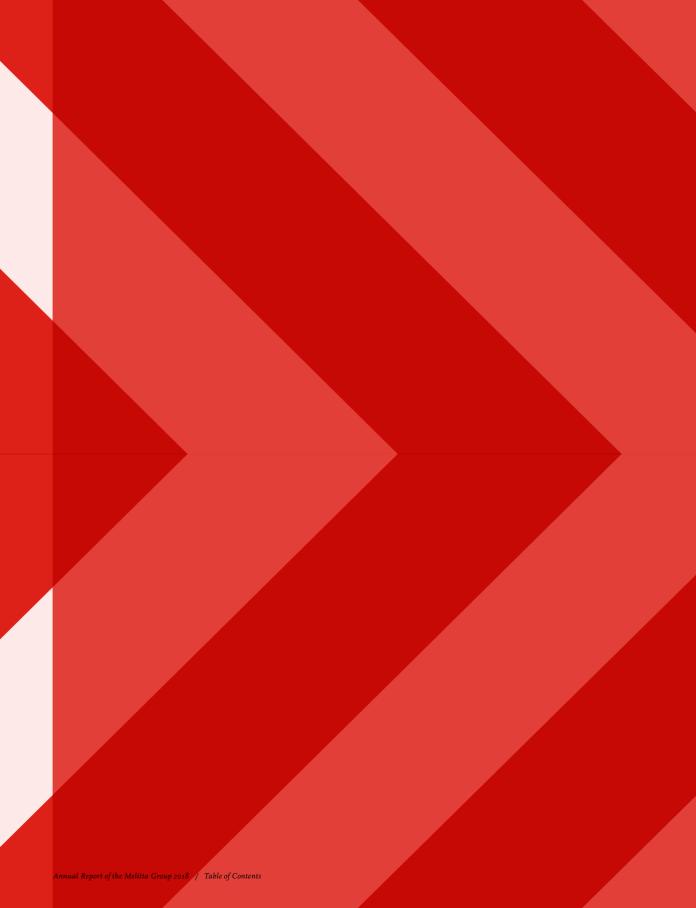
Pride and trust are among the values that all employees of the Melitta Group share. They provide stability and orientation – especially in times of increasing pace and uncertainty. We therefore intend to strengthen these values even further in our anniversary year – not only with regard to our brands and products, but also with regard to our employees and the company as a whole.

We are extremely grateful for your continued loyalty and interest and hope you will continue to accompany us on our dynamic growth course.

Best regards,

Jero Bentz

Volker Stühmeier



What unites us.

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What unites us, what simportant

01.1.

A company is not a state, but a process. It develops and evolves on a daily basis. After all, its environment is also constantly changing: new needs and trends, technologies and processes, as well as competitors and offerings, are constantly emerging.

Successful companies do not simply react and adapt to such changes, but anticipate developments, swiftly translate trends into new products, recognize the dynamics of innovations, and always remain one step ahead of the competition. This requires constant flexibility and a willingness and ability to change.

In order to adapt to future market developments, the Melitta Group launched a culture change program three years ago. Its aim is to promote entrepreneurial thinking and action among all employees and to intensify cooperation between the operating divisions. In the future, we aim to think even more in terms of opportunities and to exploit market potential more fully.

We regard megatrends such as digitalization, globalization and sustainability as opportunities to enter new markets and enhance the benefits of our products. We plan to expand our internationalization activities

and to penetrate fast-growing markets with innovative products and services. Our Melitta 2020 strategy program has established the necessary conditions to achieve this.

But what are actually the defining characteristics of a company that is constantly evolving? What makes it special? What creates the sense of belonging that employees feel. What makes them identify with their company?

We believe it is the company's convictions and ideals. A common understanding of what is important. What people strive for and value, what is fun and satisfying.

In our III-year history, we have experienced both successful and challenging times. There have been triumphs and setbacks. We have entered new markets and left others. We have developed and evolved step by step. Naturally, we are no longer the company which Melitta Bentz founded in Dresden as a small family business in 1908. Today, we are an internationally operating group of companies with numerous world-famous brands and products.

And yet there is one constant: our beliefs and ideals. How we see and approach things. This has not changed – nor should it. Because this is what unites us.

Our environment is changing. That is why we too must continue to evolve and improve. We have set the right course with our "Melitta 2020" strategy for the future. But it is not concepts that lead to success, but people and the way they work together.



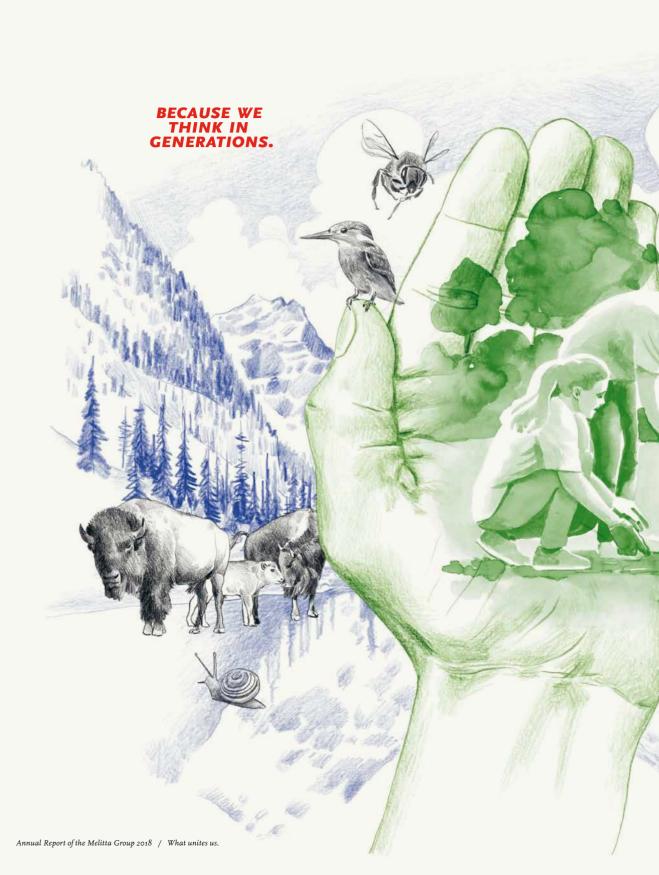




- PIONEERING SPIRIT

is the urge to deliver groundbreaking achievements. Every pioneer is driven by a strong desire to discover something new, to tread new ground and to open up new horizons.

Melitta Bentz was undoubtedly one of the pioneers of her age. She displayed tremendous passion and creativity in developing an idea which increases coffee enjoyment – and had the courage to invest everything in this idea. She changed the course of history with a piece of blotting paper and started a new chapter in the preparation of coffee.







— **RESPECT** for ourselves, respect for others, respect for diversity and respect for the future.

Respect is one of our most important principles. We are convinced that living and working together is much more successful when the relationship is based on mutual appreciation. However, respect has a further dimension for us: we feel a strong sense of responsibility for life after us; because we think in generations. Our goal: with our products and know-how, we want to enable our customers, partners and employees to make sustainability an everyday decision.







— **OPEN-MINDED** describes the inclination to be curious and an interest in new experiences – and is thus often the prerequisite for ideas, imagination and innovation. Or as the free spirit Friedrich von Schiller once put it: "An open heart shows an open mind".

The fact that we have been active abroad for many decades is not solely due to the potential of these markets: it also results from the different lifestyles and habits we observe there and which inspire us. Many of the products which made us great are the result of our curiosity and interest in developments, trends and unusual ideas from all over the world. We like to try out new things and are open to a wide range of cooperations. Our best ideas do not emerge from laboratories, but from observations and discussions.

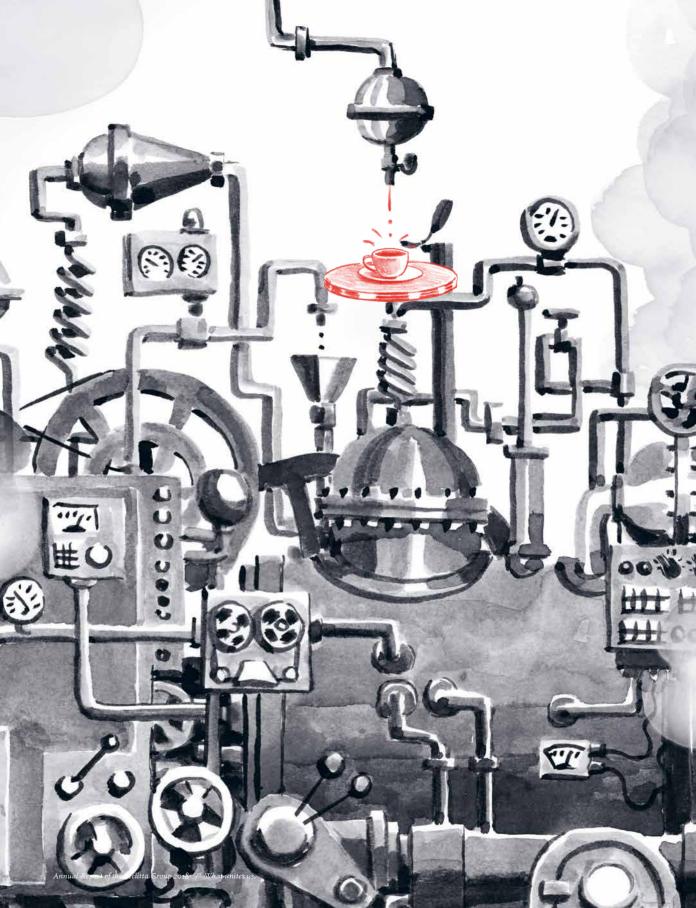






— Novus: new. Innovare: make new. Innovative: original and creative. INNOVATION a new method or product. Innovator: someone who puts new ideas into practice.

Whether coffee filter, vacuum-packed coffee, filter coffeemaker, sandwich paper or aluminum foil: we generated or decisively enhanced a multitude of product ideas which revolutionized the market. We are not interested in innovation for innovation's sake. An innovation must be meaningful and offer a tangible added value. For us, innovation means breaking new ground and charting new territory — making the small things of our everyday lives that little bit better, day after day.







— **EXCELLENCE** goes hand in hand with inner integrity, passion and a strong desire to create. "We are what we repeatedly do. Excellence, then, is not an act, but a habit." Aristotle

Our objective is simple: we always want the best possible result. We want to set standards without providing standard services. This pursuit of excellence has not only enabled us to achieve our market-leading positions, but also to decisively enhance technologies, register countless patents, and develop innovative marketing strategies. Nature is our role model. Nowhere else can one observe so much excellence.





BECAUSE FUTURE IS ONLY POSSIBLE TOGETHER.



BECAUSE FUTURE IS ONLY POSSIBLE TOGETHER.

— **HUMANITY** has many different facets: tolerance, understanding, caring, attention, consideration, compassion, empathy, charity, kindness, sympathy. But at its heart, humanity is simply the realization that it's all about one thing: people.

Social responsibility is firmly anchored in the Melitta Group's corporate identity – ever since the company was founded, we have regarded solidarity and empathy for disadvantaged or vulnerable people as the key to constructive cooperation. We are involved in a variety of ways and participate in various initiatives in the fields of education, culture, sport and social affairs. All our activities have one thing in common: the focus is on people.







Achieving great goals requires a team in which each member is fully committed – bonded by a special feeling of community — TEAM SPIRIT.

We regard close cohesion with a family atmosphere and a high level of identification as a key success factor for our group of companies. Our values and behavior based on these values are of fundamental importance to us. We therefore regularly discuss these values and ensure compliance with them. Experience shows that outstanding team spirit can only develop on the basis of values.



WHERE 111 STANDS FOR CONSTANCY.





— TRUST is a certain expectation. It is the firm belief that you can rely on someone or something.

Melitta stands for a multitude of brands. These convey firm brand promises and clear quality expectations. We know what it is that our customers appreciate about us and our products. They trust us to deliver what they expect. We have been working hard for this trust for 111 years — every single day.

CHIEF CORPORATE MANAGEMENT

Jero Bentz & Volker Stühmeier





LOCATIONS AND





EUROPE

Austria

Czech Republic

Denmark

Minden

Düsseldorf — Melitta Single Portions GmbH & Co. KG Bremen — Melitta Europa GmbH & Co. KG

Rhede

Netherlands

Wahrzeźno — WORWO Sp. z o o

Switzerland

NORTH AMERICA

Canada

USA

SOUTH AMERICA

Brazil

ASIA-PACIFIC

ORGANIZATIONAL STRUCTURE

As of 2019

MELITTA GROUP

Chief Corporate Management

Jero Bentz, Volker Stühmeier

Operation Divisions

MELITTA EUROPE

Coffee Division

Dr. Frank Strege

MELITTA EUROPE

Coffee Preparation Division

Michael Melzer

MELITTA EUROPE

Sales Europe Division

Remko Tetenburg

MELITTA SINGLE PORTIONS

Holger Feldmann

MELITTA BUSINESS SERVICE CENTER

Dr. Dietmar Scheja

MELITTA PROFESSIONAL COFFEE SOLUTIONS

Jero Bentz, Dr. Stefan Scholle *1

COFFEE AT WORK

Martin Sesjak

MELITTA SOUTH AMERICA

Marcelo Barbieri

MELITTA NORTH AMERICA

Martin T. Miller

MELITTA ASIA PACIFIC

Byron Chang

COFRESCO

Kai Boris Bendix

CUKI COFRESCO

Corrado Ariaudo

WOLF PVG

Dr. Marc Schmidt

NEU KALISS / NEUKÖLLN SPEZIALPAPIER

John Paul Fender, Martin Ostermeyer*2

ACW-FILM

Markus Wielens

^{*1} both interim / *2 until end of May 2019 / *3 since April 2019 / *4 until end of 2018: Kurt Groh

Corporate Divisions

CORPORATE DEVELOPMENT

incl. 10X Innovation

Dr. Stefan Scholle

HUMAN RESOURCES

Roberto Rojas*3

COMMUNICATION AND SUSTAINABILITY

Katharina Roehrig

FINANCE

Jochen Emde *4

LEGAL AFFAIRS

Gunhild Wehmhöner

General Partners of Melitta Unternehmensgruppe Bentz KG

Dr. Stephan Bentz Jero Bentz

Limited Partners

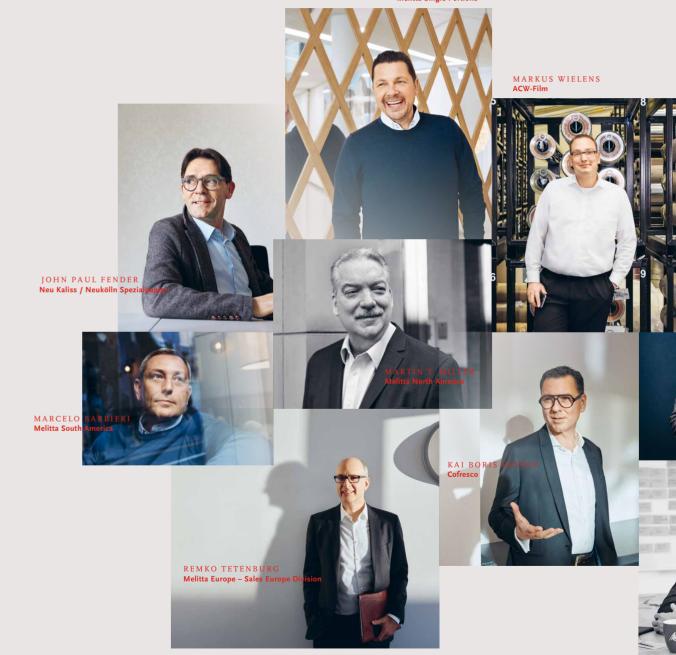
Claudia Bertelmann-Tauß Jara Bentz Thomas Dominik Bentz Dr. Thomas Bentz

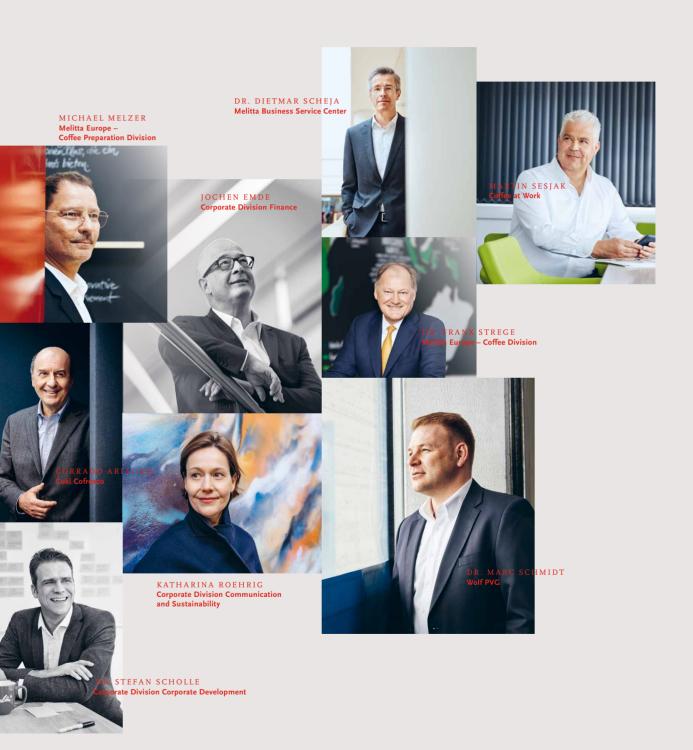
Advisory Council

Joachim Rabe (Chair) Javier González Alastair Bruce Andreas Ronken Dr. Thomas Bentz Dr. Stephan Bentz Claudia Bertelmann-Tauß



HOLGER FELDMANN Melitta Single Portions





GROUP MANAGEMENT
REPORT

BASIS OF THE GROUP

The company -

The internationally operating Melitta Group is one of Germany's best-known family companies. Our clearly differentiated branded goods boast leading positions in major high-volume B2C markets and high-margin niches of the B2B market.

The Group's structure 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, and our fundamental corporate principles.

In their respective markets, the Group's products are marketed under international brand names, such as Melitta®, Swirl®, Toppits®, Cuki®, handy bag® and other regional brands. In addition, other product categories – such as office coffee solutions or nonwoven wallpapers – are already being successfully marketed, or are currently being established.

With their clear focus on coffee and coffee preparation, the product categories marketed under the Melitta® brand account for the largest share of Group turnover. They include filter papers, coffee, filter coffeemakers and fully automatic coffee machines for private and commercial use.

The Swirl® product range includes dust filter bags, vacuum cleaner accessories, and garbage disposal products.

Our products for the storing and freshkeeping of food and the disposal of household waste are marketed under the Toppits®, Cuki®, Albal®, handy bag®, BacoFoil® and Wrapmaster® brands.

With the exception of office coffee solutions, the remaining product categories 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.

ECONOMIC REPORT

Business environment —

Against the backdrop of favorable economic conditions on the whole, consumer sentiment is generally positive in our markets. In the European Union, the unemployment rate continued to fall while the economies of all countries, especially Poland, Spain and the Scandinavian countries, enjoyed further growth. The Asian region, and especially China, continues to drive global growth in gross domestic product (GDP), although the pace of growth in industrial production and capital expenditure in particular is slowing. In the USA, the economic trend continues to be buoyed by healthy domestic demand. Tax cuts and low unemployment have increased consumption and resulted in GDP growth of 2.9%. With inflation virtually unchanged from the previous year, the Brazilian economic achieved GDP growth of 1.1% in 2018. This was largely due to the positive underlying sentiment following the change of government.

Development of business —

a) Business field "Coffee" — With a market volume of approx. \in 4 billion, Germany is one of the three major sales markets worldwide — after Brazil with a volume of \in 13 billion and the USA with \in 9 billion.

In this important market for Melitta, the volume of roasted coffee sold fell by 1.1% in 2018. Sales revenue in the roasted coffee market fell by 3.2% as a result of reduced green bean prices and the lower pack prices being demanded by retailers. In the individual market segments, the 4.2% decline in filter coffee sales exceeded expectations. There were also declines in market sales of Pads and Instant Cappuccino. With growth of 5.2%, however, the Whole Bean trend remained positive.

There was only a marginal year-on-year change in Melitta's share of the filter coffee market, which averaged 14% over the course of 2018. We are still the third-largest supplier in this largest segment of the German roasted coffee market. Our Whole Bean market share was slightly up on the previous year, while our shares of the Pads and Instant Cappuccino segments were virtually unchanged.

After years of significant growth, the coffee market trend in Brazil was much weaker than expected in 2018. In the years 2014 to 2017, the Brazilian coffee market achieved average growth of 4%. With growth of 1.4% in the past year, the market was thus unable to match the unusually high growth rates of previous years. The Brazilian coffee market benefited from a slight increase in demand from private households; there was no significant change in sales in the other market segments compared with the previous year. The disproportionately low year-on-year growth rate was also due to the protracted strike in the logistics sector and political uncertainties in the past year.

The development of Melitta's market share differed in the individual regions of Brazil. In Minas Gerais, we were able to significantly expand our market position – due in part to the acquisition of the Baraõ business. In other regions, however, such as São Paulo and Paraná, our market share declined. Demand for coffee increased in the north-east of Brazil and our market share in this region remained stable.

Competition in the Brazilian coffee business intensified during 2018, while – contrary to our expectations – prices declined.

As expected, the US roasted coffee market suffered a slight decline of 1%. However, there was year-on-year growth in individual market segments. The market remained challenging with structural changes in the retail sector, and a competitive environment in the B2B and B2C segments.

The Canadian coffee market made good progress compared with the previous year. There was above-average growth once again in the premium filter coffee and whole bean segments in particular.

The trend toward coffee consumption remains strong in China and demand for higher quality coffee continues to grow. The wish of many Chinese consumers to learn more about their coffee and to enjoy good quality has led to the increasing emergence of specialty coffee stores. In 2018, we focused on further expanding our e-commerce business in China and establishing new sales and distribution channels. We also increased our presence on shopping platforms, and we are increasingly reaching out to younger people via social media to inform them about coffee and its preparation.

In connection with the strategic realignment of our sports sponsoring activities, the partnership with Manchester United was expanded and has strengthened our brand presence not only in the coffee segment, but also in the field of coffee preparation.

b) Business field "Coffee Preparation" — In a generally positive market environment, we succeeded for the first time in being not only the German market leader in terms of the volume of filter coffeemakers sold, but also in terms of total revenue in 2018. This was largely attributable to the successful launch of the "Melitta® AromaFresh", which far exceeded our expectations. This success is all the more encouraging in view of the generally declining European market for coffeemakers. The positive market trend for fully automatic coffee machines, however, also resulted in volume and revenue growth for our products. We are also pleased to report that we succeeded in growing our share of the filter paper market - a segment which is fiercely contested and still in decline throughout Europe. 2018 was also dominated by the development of market strategies, new target groups and product concepts for the pour-over segment.

Contrary to expectations, there was a negative trend in Brazil in 2018. Sales volumes of filter papers fell by 4%. However, we were able to grow, or at least maintain, our market shares of branded filter papers in the important regions of Brazil. Nevertheless, strong competition led to declining sales of certain categories, in terms of both volume and revenue.

Against the backdrop of a slight increase in the US market for cone filter papers, we were able to maintain our market share. There was a slight decline in the volume of basket filter papers sold. With an average price level slightly up on the previous year, sales revenue in this market segment increased. We were able to benefit disproportionately from this positive trend and increase our market share year on year.

Compared to the previous year, the Canadian market remained stable with volume and revenue growth in individual segments. In the case of cone filter papers, we were able to expand our market position.

The development of the professional coffee machine market was uneven. In some countries, such as Australia, Belgium, the Netherlands and Austria, demand in our project business was satisfactory. In other countries, however, projects planned or expected for 2018 were not implemented or were postponed by major clients. Overall, the global market for professional coffee machines in the HORECA segment continues to grow. In Europe, and especially Germany and Switzerland, the entry-level price segments are growing at the expense of the higher-priced segment. Demand in Switzerland is still in decline.

With the acquisition of a majority stake in Coffee at Work GmbH & Co. KG, Witten, we also have a leading position in the interesting market segment for office coffee solutions (OCS) as of 2018. In this segment, we have observed strong growth in demand for our products and services in Germany.

c) Business field "Household Products" — After an initially positive trend toward branded products for the storage and freshkeeping of food in the household and food service segments, there was an overall market decline in individual segments during the second half of the year. In contrast to this trend, we succeeded in expanding our market shares in important regions of western Europe. Cofresco's success is a result of the successful development and launch of innovative products, as well as the strict focus of its product strategy on branded products.

Our freshness and flavor brands were given a new look in the digital media. We continue to focus strongly on sustainability aspects, such as the development and use of recycled materials, research into alternative biodegradable materials, and our active contributions to social projects and the development of sustainable business ideas.

With the acquisition of a majority stake in Cuki Cofresco S.r.L. and the resulting complete market entry in Italy, we were able to significantly expand our market standing and competitive position as the leading European branded manufacturer in this market segment.

The core markets for vacuum cleaner bags and accessories in Germany continue to decline. It is encouraging, however, that we were able to consolidate the market shares of our Swirl® products. Stepping up the internationalization of our sales activities has enabled us to tap additional market potential abroad. This also included our market entry in Poland, which was made possible by the acquisition of local brand manufacturer Worwo. Targeted projects aimed at adopting new trends in the field of appliance-supported household cleaning are expected to lead to product innovations over the coming years.

d) Other business — The wallpaper industry continues to suffer from falling demand. However, the demand for digital print wallpapers, and thus also for our special nonwovens, is making good progress. This market continues to be highly competitive with a fundamentally low price level.

Earnings position —

Including the fully consolidated Cuki Group as of July 1, 2018, the Melitta Group generated total sales of € 1,543 million in 2018. Compared to the previous year, sales were reduced by € 67 million as a result of currency translation. Adjusted for currency differences, therefore, we achieved our sales target of € 1.6 billion. An analysis of the performance of our individual operating divisions shows that we were able to expand business by gaining market share and increasing sales volumes. Against this backdrop, we are satisfied with our development in the reporting period.

In local currency, revenue in Brazil was 2% down on the previous year. Measured in euro, however, the decline amounted to 18%. This trend was attributable to both the coffee and filter paper segments. Sales of the Brazilian companies thus

accounted for 19% of consolidated sales, compared to 23% in the previous year.

As a result, 2018 was a year in which the double-digit increases in sales volume and revenue of the previous years could not be continued. Nevertheless, we are convinced that we will be able to extend the growth trend in Brazil beyond 2018 and have therefore expanded our production capacities with the opening of a new roasting plant in Varginha. In addition, we launched the manufacturing of coffee capsules and set up a new production line at our facility in Avaré. We now produce five different types of coffee capsules for this fast-growing market segment.

In local currency terms, our companies in the USA and Canada were unable to match the prior-year sales figures and were 10% down on the previous year. Measured in euro, the decline amounted to 13%. Whereas sales of filter papers met the targets set with 4% revenue growth, our coffee business in North America fell well short of expectations. In addition to the challenging and extremely price-driven B2C business, the B2B business in particular failed to meet our targets, as more time was needed to build up new B2B clients than originally assumed.

Our coffee business in Germany, on the other hand, continued its success of recent years. 2018 is now the sixth consecutive year in which we have sold a record volume of coffee products. Due to price factors, however, revenue fell 4% year on year.

By contrast, sales of coffee machines to food service clients were less than satisfactory. Delays in product deliveries of MPCS due to temporary unavailability during the relocation of production, coupled with the postponement of order and delivery dates for major clients, led to a decline in sales revenue of 15%.

The first-time consolidation of Coffee at Work GmbH & Co. KG as of January 1, 2018 resulted in sales revenue of \in 12 million in the reporting period.

Sales of filter coffeemakers and fully automatic coffee machines for private households in Germany and the Scan-

dinavian markets increased by 5% and 1%, respectively. As expected, sales of filter papers in Europe declined by 3%.

The sales company in China continued to expand its sales activities in the reporting period and strengthened its sales network in Shanghai and other major cities with the addition of new distributors.

Cofresco achieved revenue growth of 2%. Sales of branded products for the disposal of food increased by 6%, while sales of food service products also made successful progress. With the expansion of sales activities in Germany and other European countries commenced in 2018, sales revenue was raised by 15% year on year.

Cuki's contribution to total revenue of € 98 million in the second half of 2018 was in line with expectations.

ACW-Film also made encouraging progress in the reporting period. With double-digit growth in sales to both existing and new clients, revenue increased by 18%. The revenue generated by Neu Kaliss Spezialpapier with sales of non-woven wallpaper and specialist papers continued to decline.

ASSETS AND FINANCE

a) Capital structure — As of December 31, 2018, the Melitta Group's equity capital stood at \in 284 million. The increase of \in 5 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% (prior year: 36%). 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, 2018 amounted to € 219 million (prior year: € 31 million); including other interest-bearing liabilities, net financial debt

totaled € 234 million (prior year: € 46 million). The main reasons for the strong increase in debt are the purchase price payments and debt assumed for the acquired companies. Capital expenditures in excess of depreciation also contributed to the increase in indebtedness, as did increased working capital requirements.

Bank liabilities increased by \in 245 million, from \in 138 million to \in 383 million, mainly due to promissory note loans with terms of 5 and 7 years.

Liquid funds increased from \in 107 million to \in 164 million as of December 31, 2018. As in the previous year, the liquidity reserve of \in 41 million (prior year: \in 21 million) comprising securities and other cash equivalents is included in liquid funds

Pension accruals and similar obligations rose from \in 152 million to \in 162 million. Other accruals, including tax accruals, fell by \in 16 million to \in 119 million.

As of December 31, 2018, the Melitta Group had trade payables of € 177 million. Other liabilities rose by € 4 million to € 72 million.

The Group's total assets increased by \in 333 million, from \in 878 million to \in 1,211 million, due in particular to the above mentioned acquisitions.

Non-current assets at the end of the reporting period rose in total by \in 159 million, of which \in 131 million resulted from additions to the consolidated group and goodwill. Gross capital expenditures of almost \in 60 million (excluding additions to the consolidated group and goodwill) were in line with the investment forecast of \in 50-60 million issued in March 2018. There was an opposing effect from depreciation and amortization of \in 40 million.

Current assets increased by € 174 million, from € 588 million to € 762 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 2018, which was used

to finance higher net current assets, as well as financing and investing activities. Financing activities mainly comprise new borrowing to fund capital expenditures and working capital, as well as – with an opposing effect – the scheduled repayment of bank loans and withdrawals made by the owners.

In fiscal year 2018, 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 the past reporting period. Without consideration of currency effects, we would have achieved our sales revenue forecast. Due to external factors, our expectations for a significant improvement in earnings quality were not quite achieved.

We continued our growth and internationalization strategy with numerous projects and activities. In line with planning, we made extensive investments in innovations, future-oriented businesses and the development of our organizational structures.

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.

The most important non-financial performance indicators include various figures collected by our energy and quality management systems, as well as employment-relevant indicators. The latter include data on staff satisfaction, fluctuation rates, personnel development, work safety, equal opportunities, and the work-life balance.

Our sustainability strategy is based on 4 pillars: "Product and Supply Chain Responsibility", "Environmental Responsibility", "Social Responsibility" and "Responsibility for Employees". We have assigned a visionary guiding principle to each of these four pillars that describes what we want

to achieve by 2020. Based on these visionary guiding principles we defined strategic topic fields and derived action areas and Group targets, consisting of impact, process and management goals.

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 5,222 people were employed by Melitta in the reporting period. This corresponds to a significant year-on-year increase of 15%.

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 2018, 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.

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 prospects for sustained global economic growth in 2019 are uneven. At the present time, however, we do not anticipate a significant decline in GDP in the economic regions of importance to us. Due to low interest rates in Europe and low unemployment, consumer spending is expected to remain stable. However, the geopolitical environment and the negotiations on the UK's withdrawal from the EU (Brexit) are creating uncertainties that may also affect our markets.

The conditions for the continued growth of the Melitta Group therefore remain favorable, even though certain challenges have become more demanding since the past year. In particular, these include developments with regard to procurement. Should green bean prices remain low, for example, the opportunities for pricing policy adjustments in the

coffee business will be reduced and our contribution margins will tend to decline.

In the case of other raw materials and currencies, no material risks for the Group's earnings are expected due to existing hedging arrangements.

Against this backdrop, we expect like-for-like sales growth in 2019 in the range of 2-4%. The Cuki Group will make a full-year contribution to the Melitta Group's consolidated revenue with additional sales of approx. $\[\in \]$ 115 million. All in all, we expect consolidated growth of slightly more than 10%.

We expect a significant year-on-year improvement in pre-tax earnings, as the one-off burdens of MPCS will not be incurred again and Cuki's result for the first six months will contribute to Group earnings.

By contrast, expenses for setting up new business in 2019 will be higher than in the previous year. Capital expenditures are expected to be in the range of \in 40 – 50 million. The further implementation of our growth strategy is expected to result in additional funding requirements in the lower double-digit millions.

Capital expenditures and the funding of further new businesses, especially the establishment of Melitta Single Portions, will be financed from the Group's operative cash flow.

M&A transactions may result in additional funding requirements. From the current perspective, we expect net financial debt prior to acquisitions of around € 220 – 230 million at year-end 2019.

Minden, May 2019

The general partners of Melitta Unternehmensgruppe Bentz KG 01.3.

CONSOLIDATED BALANCE SHEET

Melitta Unternehmensgruppe Bentz KG

as at 12-31-2018 (abridged version), in € thous.

ASSETS in € thous.	12-31-2018	12-31-2017
Intangible assets	138,554	50,357
Tangible assets	261,236	210,145
Financial assets		
_ Shares in affiliated companies	2,888	3,499
_ Participation interests	3,228	23,401
_ Other financial assets	42,834	2,174
Non-current assets	448,740	289,576
Inventories	249,327	182,559
Receivables and other current assets		
_ Trade receivables	313,850	249,524
_ Other receivables and current assets	51,451	27,743
Securities	46	20,000
Bank balances, checks	123,501	85,980
Current assets	738,175	565,806
Other assets	23,942	22,332
TOTAL ASSETS	1,210,857	877,714

283,770	278,740
162,118	151,918
119,170	134,840
281,288	286,758
383,249	137,755
177,399	95,150
74,165	69,604
634,813	302,509
10,986	9,707
1,210,857	877,714
	162,118 119,170 281,288 383,249 177,399 74,165 634,813

01.3.

EXPLANATORY NOTES ON THE CONSOLIDATED BALANCE SHEET

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 2018. 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 group comprises 70 (prior year: 61) companies, of which 29 are based in Germany and 41 abroad.

Due to their minor importance for the assets, liabilities, financial position and earnings of the Group, six companies (prior year: five) 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 2018: the acquired companies Coffee at Work GmbH & Co. KG (80%), Coffee at Work Beteiligungs GmbH and WORWO Sp. z o.o., Poland, were initially included in the consolidated financial statements as of January 1, 2018. Melitta Poland Sp. z o.o., Poland, and Melitta Nordic AS, Norway, were also included as of January 1. The Cuki Group acquired in 2018 – with the companies Cuki Group S.p.A., Italy, Cuki Cofresco S.p.A., Italy, Cuki France SAS, France, Ilmak Makina Sanayi Ticaret AS, Turkey, and Cuki Alfatec

Sp. z o.o., Poland (50%) – was initially included in the consolidated financial statements as of July 1. WeBo GmbH & Co. KG was deconsolidated as of January 1, 2018 due to its minor significance for the financial position and performance of the Group. 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 annual financial statements included in the consolidated financial statements 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, 2018. 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 or diminishing balance 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.

Advanced payments, 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.

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 3.21% as at December 31, 2018 (prior year: 3.68%). 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 calculation 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, 2018 using the projected unit credit method with an interest rate of 3.2% 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 2018. 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.

2. NON-CURRENT ASSETS

in € thous.	Book values as of 12-31-2018	Book values as of 12-31-2018*	Additions	Depreciation current year	Other changes
Intangible assets	138,554	50,357	101,558	12,431	-930
Tangible assets					
_ Land	104,783	92,135	20,687	5,274	-2,765
_ Machines and equipment	114,163	92,868	36,590	17,613	2,318
_ Other assets	42,290	25,142	29,961	5,079	-7,734
Total tangible assets	261,236	210,145	87,238	27,966	-8,181
Financial assets					
_ Shares in affiliated companies	2,888	3,499	38	0	-649
_ Participation interests	3,228	23,401	875	0	-21,048
_ Other financial assets	42,834	2,174	40,863	3	-200
Total financial assets	48,950	29,074	41,776	3	-21,897
TOTAL NON-CURRENT ASSETS	448,740	289,576	230,572	40,400	-31,008

^{*} 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.

3. INVENTORIES

in € thous.	12-31-2018	12-31-2017
Europe	199,402	144,137
North America	17,862	12,675
South America	16,345	13,965
Asia-Pacific	15,718	11,782
TOTAL INVENTORIES	249,327	182,559

4. TRADE RECEIVABLES

in € thous.	12-31-2018	12-31-2017
Europe	250,458	177,999
North America	16,361	17,840
South America	34,063	39,915
Asia-Pacific	12,968	13,770
TOTAL TRADE RECEIVABLES	313,850	249,524

5. DEBTS

in € thous.	12-31-2018	12-31-2017
Europe	382,031	137,571
North America	347	184
South America	0	0
Asia-Pacific	871	0
TOTAL DEBTS	383,249	137,755

There are liabilities due to banks with terms of over five years of € 177.469 thousand.

6. TRADE PAYABLES

in € thous.	12-31-2018	12-31-2017
Europe	147,931	76,226
North America	7,180	7,836
South America	18,218	6,987
Asia-Pacific	4,070	4,101
TOTAL TRADE PAYABLES	177,399	95,150

Minden, May 2019

The general partners of Melitta Unternehmensgruppe Bentz KG

IMPRINT

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This annual report is also available in German and online at www.melitta-group.com

COVER MADE OF 100 % COTTON









What makes us unique.

We are the Melitta Group.

Unique brands for enjoyment, comfort, security and reliability – under one roof.

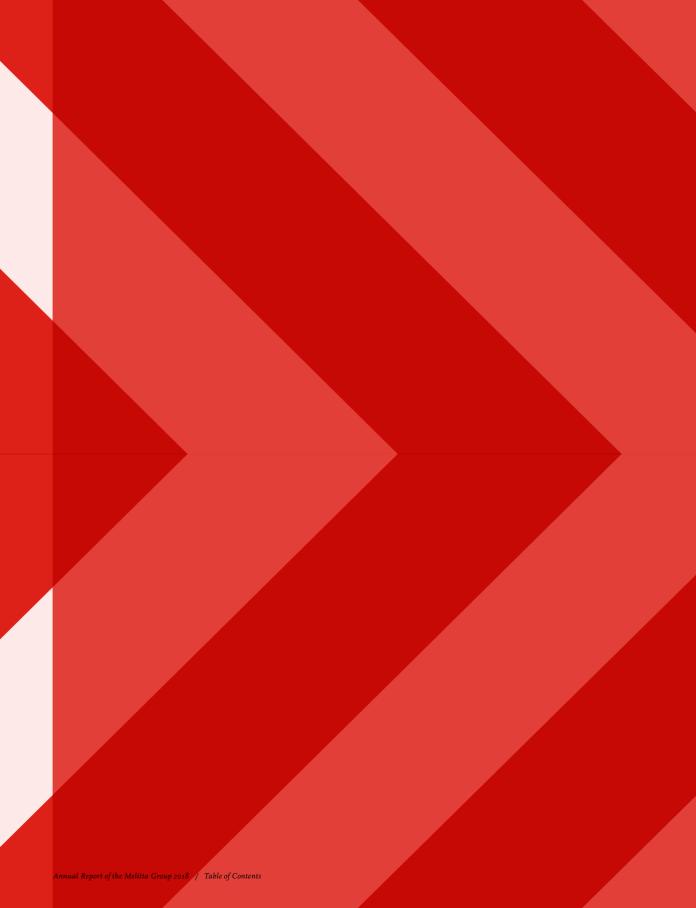


At home, wherever you are wherever passion is felt, tasted, lived and valued. Where innovation feels easy, enjoyment is long-lasting, and excellence is what's expected. Where working together and being there for one another is what counts; where people meet, talk, celebrate and build trust. Where there's energy, security, expertise and progress without exception, and with deep respect for people's everyday needs. A focus on ease. Enjoyment, cleanliness and quality lovingly and carefully interpreted.

It's been III years since Melitta Bentz invented the coffee filter, revolutionizing the way people enjoy this drink. Her pioneering spirit is deeply rooted in us. Thanks to our courage, originality and creative drive, we've developed into a family business with wide-ranging expertise in beverages and house-hold products.

For 111 years, we've been building bridges between progress and tradition. With solid foundations built on values, and a vision that keeps us moving forward.

Melitta, since 1908
At home
— wherever
you are.



What makes us unique.

02.1. HIGHLIGHTS 02.2. CORPORATE AND OPERATING DIVISIONS _____ Melitta Corporate Divisions _____ 24 _____ Melitta Europe – Coffee Division _____ 26 _____ Melitta Europe – Coffee Preparation Division _____ 28 _____ Melitta Europe – Sales Europe Division _____ 30 Melitta Single Portions ______32 _____ Melitta South America _____ 34 Melitta North America _______36 _____ Melitta Asia-Pacific ______ 38 _____ Cofresco ______ 40 _____ Melitta Professional Coffee Solutions _____ 42 _____ Coffee at Work _____ 44 _____ Wolf PVG ______ 46 _____ Neu Kaliss / Neukölln Spezialpapier _____ 48 _____ ACW-Film _____ 50 _____ Melitta Business Service Center _____ 52 ______ Imprint ______ 54



02.01.

Melitta connoisseur coffee with delicate caramel notes

They taste slightly sweet with a hint of caramel: Solombra beans from Honduras enjoy plenty of sun and grow beneath shady trees. They form the basis for the Melitta® Bella-Crema® Selection of the Year 2018. In the region where they originate, Melitta traditionally supports various charity projects for five-year periods.

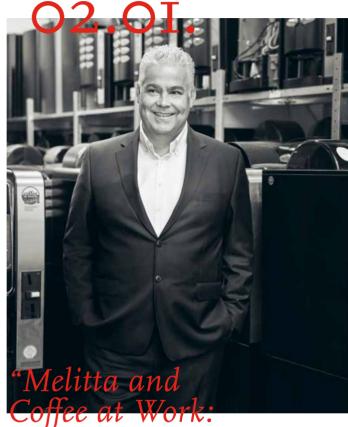




02.01.

Our Coffee of the Year 2018 captures hearts and minds.

With its full-bodied and refined flavor, our Coffee of the Year 2018 captures both hearts and minds. The 100% Arabica selection with beans from Honduras boasts a subtle caramel note – a filter coffee for those special moments!



a perfect symbiosis"

A new family member: the Melitta Group extended its product portfolio with the acquisition of Coffee at Work – a coffee machine service provider for companies and offices. Coffee at Work offers a service for companies and offices without fixed contract periods and targets companies in particular, as well as medical practitioners and agencies. Martin Sesjak, the founder and Managing Director of Coffee at Work, states: "Together with Melitta, we can now continue our rapid growth of the past years and develop numerous new and innovative offerings for the domestic and international markets."







































2.OI.

Pour-over: a trend gathering momentum around the world

More and more coffee connoisseurs are developing a passion for manual coffee preparation – also known as pour-over coffee. And it's no surprise, as this preparation method helps unlock over 800 aromas to produce a unique full-bodied flavor.

Melitta North America presented its new pour-over sets at the International Home + Housewares Show 2018 in Chicago. The vintage-style Heritage series comprises a carafe, a pour-over cone and the appropriate filter papers for optimal water flow and even pouring. The set is available in various colors, including pastel pink, white, yellow and blue.

The Artisan set, on the other hand, boasts an extraordinary texture surface that perfectly matches the custom-crafted character of pour-over brewing. It enhances every kitchen with its distinctive style and comprises a porcelain pour-over coffeemaker, a coffee canister, a bamboo tray and a bamboo coffee filter holder.









19.02.

BDV quality seal for Coffee at Work

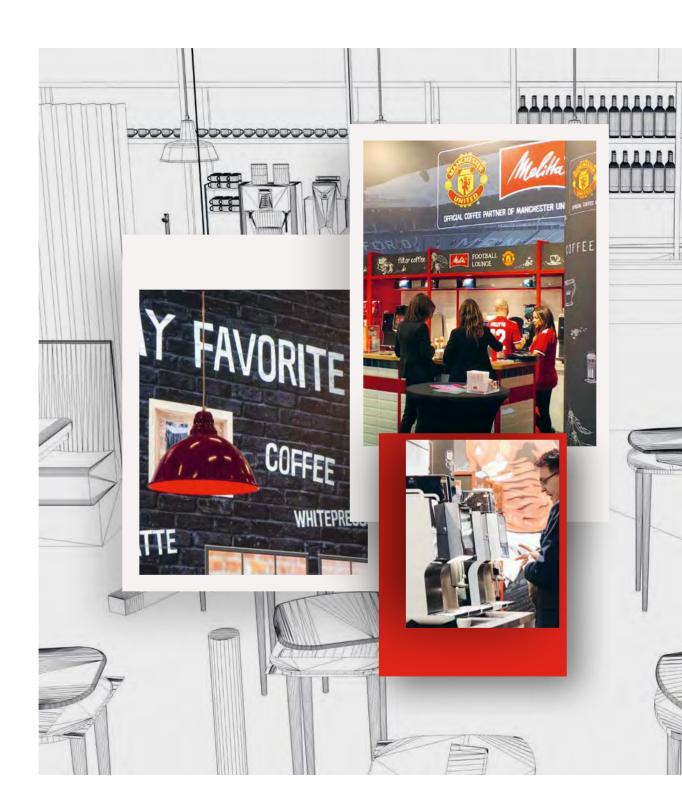


The quality seal of the German Vending Association (BDV) is awarded to coffee service companies which display high standards of quality, safety, hygiene and transparency, based on the criteria of the DIN EN ISO 9001 standard. Martin Sesjak, Managing Director of Coffee at Work, states: "The award confirms that we are exactly as we want to be viewed by our customers: fair, transparent and always in tune with their needs."

15.01.

Pooling of sales activities in the UK and Ireland

Increase effectiveness and tap synergies: these were the objectives for the merger of our retail sales activities in the UK and Ireland. The new sales unit is managed by Melitta Sales Europe – and also concludes the successful integration of Wrap Film Systems into the Melitta Group.





Melitta and Manchester United at the Internorga

The aura of international elite soccer was present in the halls of the Internorga 2018, the international trade show for the hotel, restaurant, catering, bakery and confectionery industries. The reason: Melitta gave an insight into its partnership with Manchester United and presented its celebratory showcase: the "Red Café — Supported by Melitta" at the venerable Manchester United stadium Old Trafford.

As the official coffee partner of Manchester United, Melitta offers bespoke coffee solutions for all relevant areas and buildings of the world's largest soccer club. 64 machines – mostly fully automatic coffee machines – are in operation at the "Red Café – Supported by Melitta", while around 130 Melitta® Caffeo® bean-to-cup machines are located in smaller lounges. On match days, over 7,000 VIP guests are served Melitta coffee specialties before, during and after the match.

At its enlarged Internorga booth, Melitta Professional Coffee Solutions also unveiled the fully automatic filter coffee machine Melitta® Cafina® XT8-F, which can produce up to 500 cups of freshly brewed coffee per hour. Like the strongest piston coffee machine, the Melitta® Cafina® XT8, the new product features a userfriendly 10.4" touchscreen display and an impressively sleek design.



14.03.

Sustainability award for La Tazza Verde®

Natural enjoyment: the Melitta® La Tazza Verde® coffee range in organic and Fairtrade quality was voted "Best of Market 2018" in the category Sustainability – Beverage. The award is based on an online survey among readers of the trade journals "First Class", "GV-Manager", "24 Stunden Gastlichkeit" and "Streetfood Business".

01.05.

Capsule business launched in Brazil

Melitta South America has successfully entered the coffee capsule business: the premium capsules specially developed for the Brazilian market were warmly received by retailers and consumers alike.



The development of the product and its successful market launch are the result of a joint project between Melitta South America and Melitta Single Portions. A dedicated production line for coffee capsules was set up in Avaré to produce the new capsules.



Super-silent coffee creations – Quiet Mark seal for Melitta's latest three coffee machines

Enjoyment and tranquility are closely linked. This is why Medita's three latest fully automatic coffee machines – Barista TS Smart®, Barista T Smart® and CI Touch® – feature cutting-edge, low-noise technology with a new steel conical grinder. The three innovative models are the world's first fully automatic coffee machines to be awarded the Quiet Mark quality seal – as some of the quietest machines in the world.

07.05.

First delivery to new raw coffee intake

Following extensive reconstruction work, the time finally arrived on May 7, 2018: the first coffee was delivered to the new raw coffee intake at Melitta Europe – Coffee Division – in Bremen. The new facility was part of the operating division's comprehensive investment program in the past year.





01.06.

Toppits® Food Saver app

Never miss the thaw-by date again: the new Toppits® FoodSaver app notifies consumers when which food needs to be defrosted. The app also provides an overview of all frozen foods, including their consume-by dates. As soon as a product has reached its recommended thawing date, the user is sent a push message.



The app can identify the thaw-by date as Toppits® freezer bags and double-seal bags have different codes. It also accesses a database with over 500 foods and their freezing times. In addition, the app offers practical tips on freezing and thawing.



06.06.

German Innovation Award for ffeel® and wkup®

In 2018, ffeel® and wkup® received the German Innovation Award for their outstanding innovative character. ffeel®, a natural refreshment drink that combines the invigorating effect of cold brew coffee with the fresh taste of superfruits, was even honored in the Gold category. wkup®, on the other hand, is a coffee shot of pure caffeine that is just as strong as a double espresso.

The German Innovation Award is presented for products and solutions across all industries that offer a particular benefit and added value compared to the previous solutions. The coveted award is presented by the German Design Council, which has been honoring outstanding achievements of international standing in the field of design, branding, and innovation since 1953.

01.08.

Double Stiftung Warentest winner

Two-fold success: two Melitta coffeemakers came out top in tests conducted by the German consumer association Stiftung Warentest in 2018. The Melitta® AromaFresh won in the category "Filter coffeemaker with integrated grinder" and received an overall score of 2.0. The Melitta® Look® Therm came first in the category "Filter coffeemaker with thermos jug" with an overall score of 1.9.



OT.TO.

From a single source

A win-win situation: Melitta Professional Coffee Solutions was looking for a suitable manufacturer of milk system cleaners for a major client in the USA – and found one in Wolf PVG. The major client was convinced by the product's performance and delivery commenced at the beginning of September. This in turn also benefits a third operating division: the film packaging for the milk system cleaner is supplied by ACW-Film.

"Our focus is on the coffee universe in general, with top-quality products and a large portfolio that allows customers to learn more about coffee and its different preparation methods."

An online shop for personal coffee blends: With its new online shop, Melitta South America offers coffee lovers a very special service. Many of the products on offer are only available through this store. In addition to exclusive coffee preparation products, consumers can also compose their own personal coffee blends – including their preferred grind specification. The online store also provides shoppers with a wealth of information about the preparation of coffee.





02.11.

Wrapmaster's® sustainable cling film

With its Wrapmaster® Sustainable Cling Film, Cofresco's UK subsidiary has created a food wrapping with 26% of the product made from plant-based sources. There is currently no comparable product with such a high proportion of natural and biodegradable materials.

However, for Wrapmaster® this is just the first step toward a comprehensive sustainable product portfolio. The research and development team is working hard on solutions to further reduce the use of fossil materials.



T2.II.

Working far from home

Melitta expats in Asia Thousands of kilometers from home: two German expats have been lending a helping hand to the operating division Melitta Asia-Pacific since November 2018. Their mission is to provide an intensive transfer of knowledge and experience that will help Melitta develop the Chinese market. The two expats are based in Shanghai, where a new office was recently opened with plenty of space for the high growth targeted in China.



I2.II.

A coffee to fall in love with

Intensive Espresso, harmonious Crema, or strong Crema Forte – these three new Whole Bean products are perfect for your own personal barista moment at home. Roasted with love – coffee enjoyment for everyone and every preparation method!



15.12.

Swirl® Greenline – eco-friendly vacuum cleaner bags

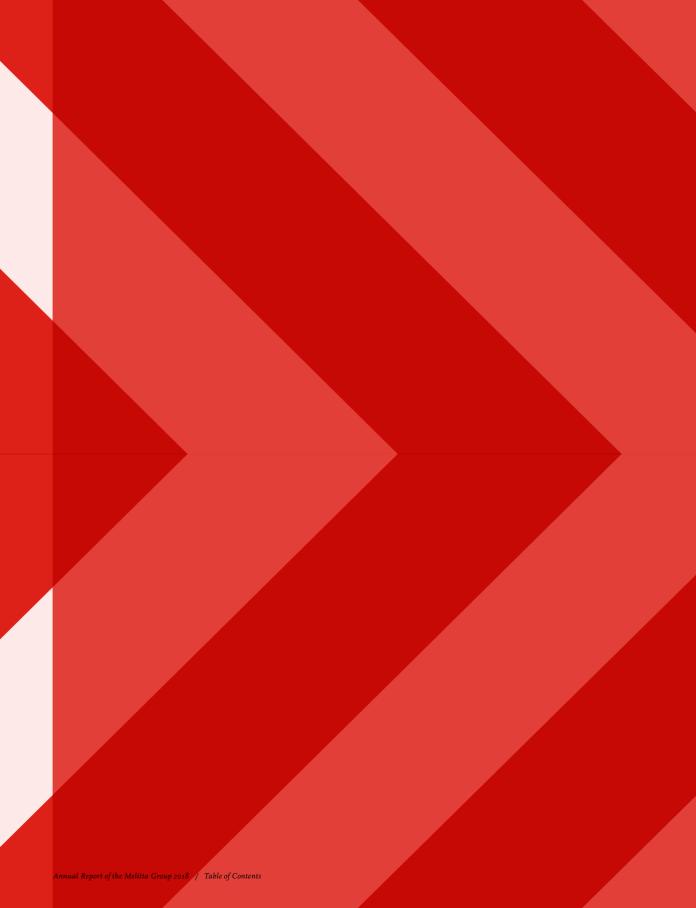
Wolf PVG developed the Swirl® Greenline for environmentally conscious consumers in Sweden. The MicroPor® Plus vacuum cleaner bags feature a high proportion of recycled materials. The Pro-Nature seal enables consumers to identify the recycled content of the product at a glance: it ranges from 45 to 60 percent.

I2.II.

Buzzworthy® Coffee

Whether it's a strong start to the day, an afternoon pick-me-up, or an extra concentration boost – the Buzzworthy® coffee range offered in the USA and Canada combines unique flavor with the ultimate caffeine jolt. This special blend of carefully roasted coffee beans has a naturally high caffeine content.





What makes us unique.

02.1. HIGHLIGHTS 02.2. CORPORATE AND OPERATING DIVISIONS _____ Melitta Corporate Divisions _____ 24 _____ Melitta Europe – Coffee Division _____ 26 _____ Melitta Europe – Coffee Preparation Division _____ 28 _____ Melitta Europe – Sales Europe Division _____ 30 Melitta Single Portions ______32 _____ Melitta South America _____ 34 Melitta North America _______36 _____ Melitta Asia-Pacific ______ 38 _____ Cofresco ______ 40 Melitta Professional Coffee Solutions ______42 _____ Coffee at Work _____ 44 _____ Wolf PVG ______ 46 _____ Neu Kaliss / Neukölln Spezialpapier _____ 48 ______ ACW-Film ______ 50 _____ Melitta Business Service Center _____ 52 ______ Imprint ______ 54

MELITTA CORPORATE DIVISIONS

FINANCE

The corporate division Finance is responsible for the Group's financial management, accounting and tax issues. Its main tasks include planning and managing financial resources, global insurance management, the preparation of consolidated financial statements in accordance with standard accounting policies and the operational coordination and management of acquisitions and cooperations. The corporate division draws up guidelines on compliance with legal and regulatory requirements and provides various financial services. The corporate division is also responsible for implementing the internal auditing of the Group's divisions.

LEGAL AFFAIRS

The corporate division Legal Affairs has the task of identifying all risks arising from new legislation, from amendments to case law, and from changes within 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 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 while also helping 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. The Corporate Development division also comprises the start-up incubator 10X Innovation.

COMMUNICATION & SUSTAINABILITY

The corporate division Communication & Sustainability is responsible for the Group's internal and external communications. This includes the development of the Group's communication strategy and its implementation in the field of corporate communications, public relations, sponsoring and events. Its responsibilities also comprise the development of the Group's sustainability strategy and the shaping of cultural change as part of organizational development. In addition, the division's current tasks also include the strategic alignment of the Group's sports sponsoring activities and the management of the construction project "Melitta Campus".

A PROCESS IS NEVER LINEAR.

Where innovations are born.

10X Innovation is conquering new markets with new ideas. The Melitta Group's start-up incubator analyzes and specifies promising product ideas, then drives their development until they are ready for market roll-out.



THE 10X INNOVATION TEAM BELIEVES IN AGILE WORKING METHODS

The multi-disciplinary unit uses methods such as design thinking, sprint workshops, lean startup, scrum and many others on an almost daily basis. The aim is to turn highly promising ideas that match the Melitta Group's strategic alignment into concrete products.

"10X Innovation picks up on ideas that Corporate Development's innovation team have derived from analyzing market trends and new technologies," says René Korte, CEO of 10X Innovation and Head of Corporate Innovation at the Melitta Group. "We test and transform these ideas in an iterative process: first into prototypes and then ideally into marketable products. We not only regularly share ideas with the

other operating divisions, but also with the potential target group, in order to constantly revise and refine our product concept – from the idea to the design and packaging."

In order to visualize product ideas as quickly as possible and make them tangible, the 10X team organize regular sprint workshops. "This works well if you're well organized," says Korte. "We developed our two product innovations ffeel® and wkup® ready for market roll-out within just a few months."



KEY FIGURES MELITTA EUROPE – COFFEE DIVISION

sales in € thous.

2018	327,231
2017	339,906

capital expenditures in ϵ thous.

2018		5,727
2017	3,439	

employees, full-time employees, annual average

2018	210
2017	200

Location

Bremen, Germany

Countries

Germany

Export business with Egypt / Albania / Australia and Micronesia / Bahrain / Belgium / Botswana / Bulgaria / China / Estonia / Finland / France / Ghana / Greece / Hong Kong / Indonesia / Iraq / 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 /

Quality management

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

Brand

Belarus //



Website

www.melitta.de

MELITTA EUROPE COFFEE DIVISION

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.

Melitta® is one of the best-known, most purchased and highest revenue-generating coffee brands. Its success is based on a balanced mix of traditional and modern features. The operating division stands for high quality and a strong understanding of consumer needs.

MARKET AND BUSINESS TRENDS IN 2018

Melitta Europe – Coffee Division 2018 posted record sales once again in its eighth consecutive year of growth. No other brand was purchased more in Germany than Melitta® in the segments filter coffee, whole bean and pads. In the past fiscal year, the product range was extended in the whole bean category with the addition of the Barista Range (Barista Crema, Barista Crema Forte, Barista Espresso). The operating division also made further strong investments in its production facilities. This also included a new incoming goods area for green beans. As in the previous years, there were numerous activities aimed at helping consumers "experience" the Melitta® brand: these included the Melitta Festival Tour, partnerships and collaborations with the Cebit trade show and the About You Awards.

OUTLOOK 2019

The operating division will maintain its brand-oriented growth and investment strategy in 2019. Numerous new products are planned in all segments, especially in the filter coffee and whole bean categories. The new brand campaign ("There's always a good reason for really good coffee") will

also be launched in 2019 and communication via PR and social media measures, as well as brand experience events, will be expanded. At the same time, the operating division intends to strengthen its e-commerce activities, drive forward its internationalization, and make further investments in its production facility in Bremen, Germany.

SUSTAINABILITY

Melitta Europe – Coffee Division continues to attach great importance to sustainability. In addition to regular audits in the field of quality, work safety and energy efficiency, numerous measures to promote health care, training and a healthy work-life balance were implemented in 2018. Moreover, the operating division was once again involved in many charitable and corporate citizenship projects in 2018. These included projects in coffee-growing regions, as well as a Day of Caring and various fundraising campaigns. The proportion of sustainably certified coffees, and in particular the proportion of products with Rainforest Alliance certifications, was further increased.

Where life's lived to the full.

Seven events - one assessment.

The Melitta Festival
Tour, our sponsorship of
the About You Awards,
and the Melitta Coffee
Spots at the Cebit trade
show have all enabled
customers to experience
the Melitta® brand.

ISABELL EIKEL, SENIOR PR MANAGER AT
MELITTA EUROPE - COFFEE DIVISION.



WE PROVIDED VISITORS WITH

<u>60,000</u>

CUPS OF COFFEE
DURING THE MELITTA FESTIVAL TOUR.

MELITTA FESTIVAL TOUR

1. HURRICANE
2. HAPPINESS

3. WACKEN

4. HIGHFIELD

5. LOLLAPALOOZ

BERLIN

6.CEBIT

361,000

80%

OF VISITORS
REMEMBERED US

CONCLUSION OF THE MELITTA FESTIVAL TOUR:

coffee rules!

7. ABOUT YOU AWARDS

107,000,000

POSTS, LIKES AND CLIPPINGS.
THERE WERE RECORD LEVELS OF
POSTS, TWEETS AND LIKES DURING
THE MELITTA FEST VAL TOUR!

ABOUT FOU AWARDS 2018. WE ARE SPONSOR OF GERMANY'S LARGEST INFLUENCER AWARD SHOW.

CONTACT

As one of the sponsors, Melitta was center stage at the About You Awards 2018 in Munich, Germany, on May 3 — the industry get-together par excellence of the influencer scene. For the second time, Germany's best-known influencers such as Stefanie Giesinger, Farina Opoku and Riccardo Simonetti were honored in various categories at the award ceremony.



KEY FIGURES MELITTA EUROPE — COFFEE PREPARATION DIVISION

sales in € thous.

2018	172,884
2017	170,964

capital expenditures in ϵ thous.

2018		5,756
2017	3,865	

employees, full-time employees, annual average

2018	644
2017	720

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 // 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

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 //

DIN EN ISO 9001:2015 / DIN EN ISO 14000:2015 / EMAS -

Brands





Websites

www.melitta.de www.cilia.eu

MELITTA EUROPE COFFEE PREPARATION DIVISION

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 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.

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.

MARKET AND BUSINESS TRENDS IN 2018

The European market for coffee filtration presented major challenges for the portfolio units Filter Paper and Filter Coffeemakers in 2018. Nevertheless, Melitta Europe – Coffee Preparation Division outperformed the market once again in both segments and achieved encouraging results. Online coffee filtration campaigns and the filter coffeemaker Melitta® AromaFresh with its integrated coffee grinder made a particularly strong contribution to this trend. The operating division achieved profitable growth in its business with fully automatic coffee machines by refreshing its product range and marketing it to specific target groups.

OUTLOOK 2019

In 2019, Melitta Europe – Coffee Preparation Division will develop numerous activities to attract new target groups. To this end, an innovative and design-driven pour-over range is to be rolled out in the course of the year. It will comprise

both manual and electrical products and will be offered together with special pour-over coffees, pour-over coffee filters and matching accessories. There are also plans to offer new premium products in the filter coffeemaker and fully automatic coffee machine segments, as well as to enter further new markets. An additional impetus is expected from Melitta's 111-year anniversary and the cooperation with Manchester United.

SUSTAINABILITY

Numerous sustainability activities were continued and newly developed by Melitta Europe – Coffee Preparation Division in 2018. These include energy-saving initiatives (e.g. the use of electric felt guide controls, and the conversion of hall lighting to LED), and water-saving efforts (strict water circulation for the paper machine). In order to further reduce waste, the separation and sorting of waste was optimized. Many projects were also implemented in the field of social responsibility, such as the cooperation with workshops for disabled people, the participation in vocational training fairs, a blood donation campaign, and a road safety day for employees.



Where milestones are set.

The big day arrived on February 26, 2018: a Melitta® CI Touch® was the millionth fully automatic coffee machine to be produced by Melitta. Within just ten years, Melitta has thus developed into a relevant supplier of fully automatic coffee machines for the home.

"The market has developed extremely dynamically over the past ten years," says Thomas Jortzig, Head of Product Management for Fully Automatic Coffee Machines at Melitta Europe – Coffee Preparation Division.

"More and more people want to enjoy fresh and high-quality coffee

specialties made from whole beans in their own homes. Our product range has therefore expanded steadily over the last decade and now includes both simple solutions for small kitchens and feature-rich, top-end models for coffee enthusiasts."

The most popular models include the Caffeo® Solo® bean-to-cup machine. Since 2009, it has stood for pure coffee enjoyment and is one of the smallest fully automatic coffee machines in the world. For those who enjoy a wide variety of coffee specialties, Melitta launched its Barista TS Smart® coffee machine in 2018. It can prepare 21 dif-

ferent specialties from two bean varieties, store customized creations, and even be operated via a smartphone app.

"We're naturally very proud of this success. Although we're not the biggest supplier in this segment, we are one of the quality leaders – especially when it comes to coffee quality," T. Jortzig

We regularly receive good test results from the German consumer association 'Stiftung Warentest' for our fully automatic coffee machines – the latest was in late 2018 for our new Melitta® CI Touch®.



KEY FIGURES MELITTA EUROPE – SALES EUROPE DIVISION

sales in € thous.

2018		15,004
2017	10,860	

capital expenditures in ϵ thous.



employees, full-time employees, annual average

2018	379
2017	410

Minden, Germany
Countries
Sales activities in the EMEA region

Location

MELITTA EUROPE SALES EUROPE DIVISION

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. The best-known brands marketed by this division include Melitta®, Cilia®, Toppits®, Albal®, BacoFoil®, handy bag® and Swirl®.

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.

MARKET AND BUSINESS TRENDS IN 2018

In 2018, Melitta Europe – Sales Europe Division raised sales and earnings for the third consecutive year and reached new record levels. Market shares were expanded in almost all countries and categories. The year was also dominated by the opening of a new national subsidiary in Poland and the establishment of two e-shops in France and Austria. E-commerce is making an increasingly strong contribution to the operating division's total sales.

OUTLOOK 2019

The operating division has set itself ambitious growth targets for 2019. It intends to drive its international expansion and digitalization, while also rolling out several innovative solutions. In addition, numerous special activities are planned to mark Melitta's 111-year anniversary. The expanded cooperation with Manchester United is also expected to generate additional interest in the brand.

SUSTAINABILITY

In 2018, Melitta Europe – Sales Europe Division – continued to optimize its logistics networks in order to reduce energy consumption and CO2 emissions. The operating division also shared thoughts with its retail partners on how sustainability requirements could be better met through cooperation.

Where progress is steady.

With the foundation of its own national subsidiary, Melitta Sales Europe is stepping up its sales activities in Poland. Oliver Heppener, Director Export / New Markets at Melitta Sales Europe, regards the new sales structure as the right step going forward and the basis for further profitable growth.

▶ industry. Depending on our success in the market, I expect we'll continue to strengthen the team in the near future. I still see a lot of development potential in Poland.

What has been the experience so far? Has the new national subsidiary lived up to your expectations?

O. Heppener: We are very satisfied with the progress to date; having our own local company has already helped us boost sales significantly – beyond our targets. Our strategy has been a complete success: in the first year, we focused on sales of fully automatic coffee machines and the corresponding accessories. Within just a few months, the team succeeded in negotiating a cooperation agreement with leading electronics stores. We are now gradually expanding our sales activities to include additional products.

Melitta Sales Europe founded a national subsidiary in Poland in 2018. Why?

O. Heppener: We were previously only represented by distributors in Poland. However, our market analysis showed that with our own national subsidiary we could exploit the high growth potential in Poland more fully and serve our customers even better. The Polish economy has made very good progress in recent years and the local sales market has therefore become increasingly important for us.

What was particularly important for you when setting up the national subsidiary?

O. Heppener: The most important thing, of course, are the employees. We therefore invested a lot of time and effort in recruiting the right people with many years of experience and outstanding expertise in the areas of coffee and fully automatic coffee machines. Naturally, we also had to choose an advantageous location that provided us with short

distances and access to the relevant networks. In the end, we opted for Warsaw as the most important contacts for us are located here.

How large is the Polish company?

O. Heppener: We started with a small team, but have already added more – all very experienced sales people with extensive knowledge and good contacts, especially in the coffee



KEY FIGURES MELITTA SINGLE PORTIONS

sales in € thous.

2018	19	
2017		33

capital expenditures in € thous.



employees, full-time employees, annual average

2018		11
2017	7	

Locations

Minden, Germany / Düsseldorf, Germany //

Brand



MELITTA SINGLE PORTIONS

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.

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.

MARKET AND BUSINESS TRENDS IN 2018

In 2018, the main focus of Melitta Single Portions was on preparations for the market roll-out of innovative coffee capsules and other new product concepts. There was a strong emphasis on the Brazilian market, where the first high-quality Melitta coffee capsules were launched in cooperation with Melitta South America. In order to be able to implement the numerous activities planned for 2019, the operating division's team was expanded and a new location was opened in Düsseldorf, Germany.

OUTLOOK 2019

Melitta Single Portions will launch a new type of product in the field of single portion beverage preparation in 2019. A corporate platform, new sales channels and a separate production facility in Minden will all be set up for this purpose. At the same time, work on developing additional new products will continue at full speed and the team will be gradually expanded with the addition of new competencies.

SUSTAINABILITY

The consideration of sustainability aspects plays a key role for Melitta Single Portions: clear sustainability criteria are defined and implemented for all areas – from product development, and the procurement of ingredients and materials, to work and production processes. The aim is to set the sustainability agenda with the division's portfolio.



Mr. Feldmann, Melitta Single Portions is responsible for the Melitta Group's global single-serve hot beverage business. How does this operating division cooperate with other Group units? "Melitta Single Portions is organized as a global unit with responsibility for Melitta's capsule business around the world. On the one hand, the aim is to develop innovative solutions for the capsule market ourselves and thus make a direct contribution to the Melitta Group's sales growth. At the same time, however, it is also our task to support the existing capsule activities of the other operating divisions. We therefore regard ourselves in the Group."

"WE REGARD OUR-SELVES AS A LINK AND AS A CONSULTING UNIT WITHIN THE GROUP."

What do you need to consider when working with the other operating divisions? And what input can Melitta Single Portions provide?

"The Melitta Single Portions team consists of employees with many years of experience in the capsule business and other relevant industries: we know the trends, the demands on the prod-

ucts, the suppliers, and the challenges. We can therefore provide a wide range of input. One good example of this is our collaboration with Melitta South America in the past year: we provided considerable support in helping them develop and launch coffee capsules for the Brazilian market.

"THIS COOPERATIVE
PARTNERSHIP WAS
EXTREMELY CONSTRUCTIVE AND SUCCESSFUL ..."

ynerg effect

as a link and as a consulting unit with se diversity of in the Group."

We first analyzed Melitta South America's product concepts, showed them where there was still room for improvement, and coached them throughout the process. This cooperative partnership was extremely constructive and successful, as both sides were very open to their respective expertise and we were thus able to pool our strengths. Whereas Melitta South America shared with us their detailed knowledge of the Brazilian market, we were able to provide technical expertise on the production of pioneering capsule solutions."

How have the new capsules been received by the market so far?
"Extremely positive! The sales figures

are well above what we budgeted and we are more than satisfied with progress so far. The coffee not only tastes excellent, but is also of first-class quality due to the premium Brazilian coffee blends we use. The success also demonstrates once again the strong appeal of the Melitta® brand in Brazil. Consumers associate it with premium quality and the new capsules support this positioning."

Are there any other projects like this? "We are in discussions with a number of operating divisions and see many opportunities to give new impetus to the capsule market with our innovative ideas. The joint project with Melitta South America has certainly fueled our desire to work even closer with Group companies in the future. When you see the final products on the shelf and how successfully they are performing, pit gives you a very special feeling of pride and solidarity after such an intensive collaboration project. Our aim now is to transfer this spirit to other areas as well."

WHEN YOU SEE THE
DEVELOPED PRODUCTS
ON THE SHELF AND HOW
SUCCESSFULLY THEY ARE
PERFORMING, IT GIVES
YOU A VERY SPECIAL
FEELING OF PRIDE AND
SOLIDARITY AFTER SUCH
AN INTENSIVE COLLABORATION PROJECT.

HOLGER FELDMANN IS MANAGING DIRECTOR OF MELITTA SINGLE PORTIONS.



KEY FIGURES MELITTA SOUTH AMERICA

sales in € thous.

2018	293,106	
2017		356,310

capital expenditures in ϵ thous.

2018	10,365	
2017		17,543

employees, full-time employees, annual average

2018	882
2017	820

Locations

São Paulo, Brazil / Avaré, Brazil / Bom Jesus, Brazil / Guaíba, Brazil / Varginha, Brazil //

Countries

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

Quality management

ISO 9001:2008 / ISO 9001:2015 //

Brands













Websites

www.melitta.com.br www.cafebomjesus.com.br www.celupa.com.br

MELITTA SOUTH AMERICA

Melitta South America offers a comprehensive range of coffee products, coffee filters 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.

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.

MARKET AND BUSINESS TRENDS IN 2018

Despite difficult market conditions, 2018 was another very successful year for Melitta South America. Although the operating division failed to match its record sales of the previous year, it succeeded in expanding its shares of the coffee and coffee filter markets. This successful market development was driven by expansion into new regions, the positive development of the recently acquired Barão coffee brand and innovative offerings, such as coffee capsules and e-commerce.

OUTLOOK 2019

The Brazilian economy is expected to grow slightly in 2019. This also applies to the coffee and coffee filter market. Melitta South America therefore anticipates a further successful business year in 2019 with further growth in both its coffee and filter business. It plans to target new customers by expanding its distribution, expanding in further regions, and launching innovative new products. Melitta South America will support the company's growth by investing

strongly once again in marketing and sales promotion activities in 2019.

SUSTAINABILITY

In 2018, sustainability activities focused on the successful completion of a project to use FSC-certified paper for the production of all filter papers sold by Melitta South America. Moreover, several sustainability projects were implemented at the operating division's coffee roasting plants. These include reducing pack sizes in order to decrease waste film and installing new burners and air blowers to reduce energy and liquefied gas consumption. With regard to social responsibility, various social and educational projects were implemented once again in Brazil. These include support for the Ayrton Senna Institute, which helps poor and underprivileged children, as well as the provision of school materials for pupils from rural areas.

Where, challenges become

Jose Gomes Araújo, Industrial Director Melitta South America

facility in Varginha in May 2018. Why?

"Varginha is located in Minas Gerais, one of the largest states in Brazil with above-average coffee consumption. Since our acquisition of the Café Barão® brand in 2017, we have been of rands: Melitta®. of the largest and best-known market players in this region. And we intend to expand this market share with the aid of our new production facility. The city of Varginha is an excellent location as it offers a good infrastructure and many of our green raw coffee suppliers are based here. Moreover, Varginha is not far from the major metropolitan regions of Rio de Janeiro, São Paulo and Belo Horizonte."

What do you plan to produce in Varginha and what is the capacity of the new facility?

"At the moment, we're producing 50 tons of coffee a day in Varginha. We have one roaster and three different production lines in operation. The second roaster is currently being installed. We will produce roast & ground coffee in two different packages styles, vacuum bricks and pouches, for the three MSA's coffee brands: Melitta[®], Café Barão[®] and Café Bom Jesus[®]. As there are so many coffee plantations in the area around Varginha, we can source our beans locally – meaning that MSA can increase competitiveness in green bean sourcing. The coffee is then packed, distributed and marketed from Varginha."

Was there already a coffee roasting plant on the site?

"No, the facility was used to manufacture household products. Although the building was very modern, we had to do a remodeling to adapt it to our requirements. We achieved all of this within six months; a record time considering that the machines not only had to be purchased and set up, but also coordinated to create complete production lines. The team worked really synchronized to achieve this. And as this period was so intense

Brazil is not only the world's leading coffee pro-ducer – its inhabitants Mr. Gomes, Melitta South America opened a new production are also passionate about their coffee. One of the country's strongest

> and eventful, we now all have the impression that we've been in Varginha for years."

Was it difficult to find skilled labor?

"No, it wasn't. Because a well-developed education system was one of the factors that MSA took into consideration when choosing the city where the plant would be installed. And Melitta has an excellent reputation in Brazil - also as an employer. Brazilians really recognize the successful history of Melitta. It is wellknown on the labor market that we do a lot for our employees and that we attach a great deal of importance to being an attractive employer. In addition, we've built a state-of-the-art facility here that also meets numerous requirements with regard to sustainability. As a result, our employees also have a strong sense of identification with the company."



KEY FIGURES MELITTA NORTH AMERICA

sales in € thous.

2018	92,862
2017	107,268

capital expenditures in ϵ thous.

2018	725	
2017		3,496

employees, full-time employees, annual average

2018	111
2017	114

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 //

Brand



Websites

www.melitta.com www.melitta.ca

MELITTA NORTH AMERICA

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

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 capacities. The Melitta® brand stands for high-quality products that satisfy the needs of discerning customers.

MARKET AND BUSINESS TRENDS IN 2018

Despite a challenging market, Melitta North America was able to expand its share of the coffee filter market once again in 2018. To support the trend toward pour-over/manual filter coffee preparation, Melitta North America rolled out several lifestyle pour-over products. The market launch was supported by an integrated social media, PR and influencer campaign. The focus continued to be on B2B coffee activities, which were expanded in the past year, with another major customer being brought on board.

OUTLOOK 2019

In 2019, activities will focus on the further expansion of the B2B coffee segment. There are plans to work more closely with the operating division Melitta Professional Coffee Solutions to leverage synergies and tap new growth potential. In the B2C segment, several new products are slated for launch in the coming year. These include new coffee machines with unique features as well as new Gourmet Filter Paper products.

SUSTAINABILITY

In cooperation with the University of Delaware, Melitta North America prepared a sustainability study for its Cherry Hill facility in 2018. As part of the study, numerous recommendations were developed on how Melitta North America's sustainability activities could be further enhanced. These are to be gradually implemented over the coming years. There were also numerous local support projects executed in 2018, including relief campaigns for people who suffered damage because of hurricane Michael, which devastated the Florida Gulf Coast.



"Our objective is to enter new, highly attractive segments in the Ron Rineer, B2B Business Development Manager market over the coming years."

The business-to-business (B2B) market has played a major role for Melitta North America for several years now. The premium and consistent quality achieved by Melitta enjoys an excellent reputation – both in the retail trade as well as among restaurant and café chains. "The B2B market currently offers a host of exciting opportunities for us," says Ron Rineer, B2B Business Development Manager of Melitta North America. "This is why B2B is one of the main pillars of our growth strategy going forward."

In the past fiscal year, the operating division invested heavily to serve additional commercial clients and break into new segments: it almost doubled roasting capacities, expanded its packaging lines, stepped up customer communication, and brought on new personnel. "We see particularly attractive growth opportunities in the 'away from home', and traditional B2B segments," adds Rineer. "And we've developed numerous concepts and initiatives to expand this sector."

To support our growth in new segments and provide additional product development and training expertise, the company hired a new National Account Manager and a Coffee & Product Development Manager in 2018. Both have many years of experience in the B2B coffee business with the corresponding contacts to potential clients. There are now 4 Q Graders in house on the Melitta team further enabling us to work closely with our customers to develop the precise products for their needs. Lastly, close cooperation with Melitta Professional Coffee Solutions is also expected to help tap new customers and distribution channels.

"We boast a number of USPs in the market and are therefore extremely well positioned for expansion into new channels," says Rineer. "We are committed to position ourselves specifically through our ability to provide high quality products at a competitive price – while looking for those partners who value enduring partnerships."



KEY FIGURES MELITTA ASIA PACIFIC

sales in € thous.

2018		1,716
2017	556	

capital expenditures in ϵ thous.



employees, full-time employees, annual average

2018		19
2017	13	

Shanghai, China / Shenzhen, China / Beijing, China //
Country
China

Quality management

CCC – China Compulsory Certification for electronic appliances

Brand

Locations



Website

www.melitta.cn



Melitta Asia Pacific is responsible for Melitta's coffee and coffee preparation business in the Chinese market. The company's activities focus on establishing the Melitta® brand, especially among young professionals in the pour-over segment. The operating division also offers fully automatic coffee machines and coffee beans to capture fast growing out of home coffee in offices, hotels, restaurants, cafés and the retail trade.

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.

campaign given the high club fan base in China. Further focus areas will include close cooperation with Melitta Professional Coffee Solutions in order to strengthen Melitta's presence in the offices, hotels and restaurants of large Chinese cities.

BUSINESS TRENDS IN 2018

The fiscal year 2018 was dominated by numerous activities aimed at positioning the Melitta® brand in the Chinese market. The focus was on addressing young professionals, who are increasingly discovering the world of coffee in their everyday lives due to the rapidly increasing number of coffee shops. Growth was achieved in both the retail and e-commerce sectors in 2018. With the opening of the first Melitta® Experience Center in Shanghai, the operating division created a showroom in which consumers and retailers can directly experience the Melitta® brand, get to know the products, and try them out themselves.

OUTLOOK 2019

Marketing activities will be stepped up in 2019 – especially with regard to pour-over preparation, which is getting more popular in top tier Chinese cities. There are plans for image and information campaigns aimed at informing professional baristas and consumers about the different coffee preparation methods. The 111-year anniversary campaign will also play a significant role in marketing activities in 2019. Manchester United Sponsorship will also be key marketing

At the Experience Center of Melitta Asia Pacific, the motto is: discover, taste and touch! Opened in November 2018 in a shopping mall in Shanghai, the showroom presents consumers and retailers with everything Melitta has to offer in China – from coffee, to filter coffeemakers, beanto-cup machines, and pour-over ranges, as well as accessories for preparing a wide range of coffee specialties.





LOVE STORY

Where enjoyment is experienced.

→ The Experience Center also offers expert hands-on training: workshops are held to teach participants about the different ways of preparing coffee – such as the pour-over method, which is highly popular in China. Professional baristas are on hand to offer







The Melitta® Experience Center in Shanghai is the first of its kind worldwide. If this innovative blend of café and showroom proves popular, more are sure to follow.



KEY FIGURES COFRESCO

sales in € thous.

2018	255,300
2017	250,155

capital expenditures in ϵ thous.

2018	4,915	
2017		6,412

employees, full-time employees, annual average

2018	1,000
2017	890

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 (Brodnica, Telford) //

Brands















Websites

www.cofresco.de www.albal.fr www.albal.net www.handybag.fr www.swirl.de www.bacofoil.co.uk

www.bacofoil.co.uk www.wrapmaster.global



Cofresco is Europe's leading supplier of branded products in the field of household film, foil and paper 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.

Throughout Europe, the Cofresco brands stand for quality – over 70 million households enjoy the benefits and added value of the various product offerings. With its brands Toppits®, Albal®, BacoFoil®, handy bag®, and Swirl®, Cofresco is the market leader in 16 European nations. Cofresco is also among the leading companies in the food service sector with its Wrapmaster® and Caterwrap® brands. Cofresco conducts its own research and develops technological solutions for current and future consumer needs, as well as for increased sustainability – with the aid of the Cofresco Forum.

MARKET AND BUSINESS TRENDS IN 2018

Cofresco can look back on a very successful 2018. Earnings were well above the prior-year figure — despite currency fluctuations and increased prices for raw materials, such as aluminum. This success is largely due to the operating divisions strict focus on its branded product business. There were market share gains in almost all countries and categories in the sale of household films and garbage bags through the food retail trade. The Toppits® FoodSaver app launched in 2018 also generated strong demand. Consumers can use the freely available app to record their frozen foods and thus prevent them from becoming inedible.

OUTLOOK 2019

Cofresco is very optimistic about its prospects for the fiscal year 2019. There are good opportunities for further strong growth in the food service sector as well as for international expansion. There are plans to roll out several innovative baking paper products and garbage bags in the core European markets. Considerable sums will also be invested in plant and machinery so that the operating division can quickly meet growing demand for its products. In order to support this expected growth, the current extensive marketing activities will be continued and extended to further markets.

SUSTAINABILITY

Numerous activities were once again developed to make Cofresco's products more sustainable in 2018. Various approaches and technological solutions were discussed and tested. There was also close collaboration with raw material suppliers and renowned research institutes aimed at improving the recyclability of packaging and food films. The cooperation with the "Don't throw me away!" initiative was also continued. This initiative educates primary school pupils about the right way to handle food in order to combat the high level of food waste still prevalent in industrialized nations.



NO. 1 IN EUROPE TOGETHER WITH CUKI

A new family member: the Cuki Group joined the Melitta Group in August 2018. The market leader in Italy for food packaging, storage and garbage bags is the ideal addition to Cofresco's product range – and has vastly increased the importance of Melitta's Household Products business field.

Cuki is active in both the B2B and B2C segments. Its best-known brands include Cuki®, Cuki Professional®, Domopak®, Domopak Spazzy® and Domopak Living®. The company employs over 500 people at its main base in Volpiano, 20 kilometers north of Turin, Italy, and at its six production sites in Italy, France, Poland and Turkey.

The aim of the takeover is ambitious: together, Cofresco and Cuki want to be Europe's largest supplier of household film products. In order to achieve this goal, synergies are currently being explored and product ranges adapted to each other.

The joint production network will also be optimized and close cooperation is targeted in procurement, as well as in the fields of finance and IT.

"We are a perfect fit for the Melitta Group, whose aim is to achieve excellence in every area of its business," states Corrado Ariaudo, CEO of Cuki. "By developing the market together, I see huge potential to achieve great things in the future."





KEY FIGURES MELITTA PROFESSIONAL COFFEE SOLUTIONS

sales in € thous.

2018	166,793	
2017		198,384

 $capital\ expenditures\ in \in thous.$

2018	3,631
2017	3,443

employees, full-time employees, annual average

2018	867	
2017	790	

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 / Slovenia / Spain / Sweden / Turkey / Czech Republic / Ukraine / Hungary / Belarus / Cyprus // North, Central and South America Argentina / Brazil / Chile / Ecuador / El Salvador / Guatemala / Colombia / Mexico / Nicaragua / Uruguay // Asia-Pacific Australia / Bahrain / China / Hong Kong / India / Israel / Jordan / Kuwait / Lebanon / Malaysia / Maldives / New Zealand / Oman / Philippines / Qatar / Samoa / Saudi Arabia / Singapore / Sri Lanka / St. Marteen / South Korea / Taiwan / Thailand / United Arab Emirates // Africa Egypt / Morocco / Mauritius / Namibia / South Africa //

Quality management

Certified and audited acc. to numerous international approvals (e.g. UL, NSF, KTL, 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) / Rainforest Alliance accredited: Espresso Nature, new HORECA coffee in UK (supplier) / Bio and Fairtrade coffee range: Melitta® La Tazza Verde® / Inspection seal HACCP-compliant device: fully automatic coffee machines XT4, XT5, XT6, XT7, XT8 and CT8EN //

Brands







Websites

www.melittaprofessional.de www cafina ch www.cilia.de

MELITTA PROFESSIONAL COFFEE SOLUTIONS

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.

All product development and manufacturing efforts are focused on ensuring outstanding quality in the cup. The aim is to actively enhance the taste experience of guests in the out-of-home market – and thus improve the bottom line of its food service clients. Melitta Professional Coffee Solutions develops and produces top-class professional coffee machines that constantly set standards around the world for fast, consistent and convenient coffee preparation of the highest quality. The implementation of customer-specific requirements, e.g. regarding design, features and ease-ofuse, is a further USP of the division. Competitive advantages also result from the division's own international team of customer service technicians. This global service 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 country-specific coffee assortments for the out-of-home market.

MARKET AND BUSINESS TRENDS IN 2018

2018 was a satisfactory fiscal year for Melitta Professional Coffee Solutions. It raised revenues in its core business field by entering into new extensive customer relationships. However, total sales were negatively impacted by the post-ponement of several major projects. As a result, the operating division was unable to match the record sales of fiscal year 2017. In its coffee business, Melitta Professional Coffee Solutions laid the foundation for further growth in 2018,

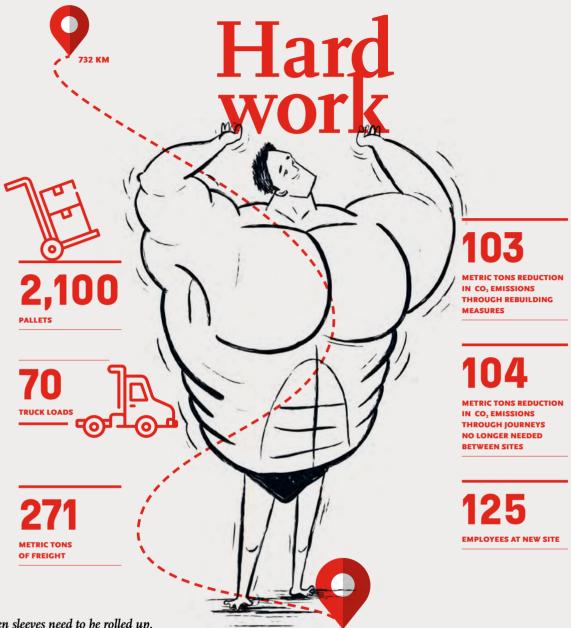
especially in Germany, Austria and the UK. The year was also dominated by the pooling of production capacities at the new Minden facility. The site offers greatly improved manufacturing and expansion possibilities to facilitate the further growth of Melitta Professional Coffee Solutions.

OUTLOOK 2019

All signs indicate that 2019 will be another successful fiscal year for Melitta Professional Coffee Solutions. This trend is being driven by the growing world-wide demand for outstanding and reliable coffee quality, as well as the operating division's strong product portfolio and high level of service quality. Numerous orders have already been received for the fiscal year 2019. The division's growth strategy will focus on a further internationalization of its activities and entry into new markets, which are to be further expanded in the future. Further focus areas are the division's technical customer service and digitalization.

SUSTAINABILITY

Melitta Professional Coffee Solutions implemented a variety of sustainability initiatives in 2018. These included, for example, thermal insulation and energy-saving measures. However, sustainability aspects are also playing an increasingly important role in the operating division's product policy: in 2018, for example, Melitta® La Tazza Verde® received the "Best of Market" award in the category "Sustainability".



When sleeves need to be rolled up.

Major relocation completed! As of fall 2018, all manufacturing and logistics capacities of Melitta Professional Coffee Solutions are now located in Minden – pooled together at a single site. This required an enormous effort by all employees, as almost all machines and materials from the previous four separate locations had to be loaded onto trucks and trains and

then reassembled and put into operation at the new location in Hermann-Schoppe street, Minden. The new location not only shortens transport routes and speeds up coordination, it also offers additional space for the further growth of the division. The move has also reduced the operating division's ecological footprint: numerous sustainability aspects were taken into account during the conversion of the existing building in Minden, and the numerous journeys between the former locations will no longer be necessary in the future.



KEY FIGURES COFFEE AT WORK

sales in ϵ thous.

2018 12,277

capital expenditures in ϵ thous.

2018 261

employees, full-time employees, annual average

2018 99

Location

Witten, Germany

Countries

Germany / Benelux //

Quality management

BDV quality seal / Certificate of the German Vending Association (Bundesverband der Deutschen Vending-Automatenwirtschaft – BDV) for high quality standards, safety, hygiene and transparency of a coffee service company //

Brands





Website

www.coffeeatwork.de



Coffee at Work offers an all-inclusive service for coffee provision in the workplace. The offering includes coffee machines with regular maintenance as well as the supply of coffee beans, milk powder, chocolate powder and all other consumables.

With its easy-to-comprehend and fair service contracts, Coffee at Work clearly differentiates itself from the competition. The contracts contain neither standard leasing, rental or minimum duration terms, and thus give the customers a high degree of freedom to tailor the offering to their specific needs. The price is agreed on an individual basis and depends on the number of cups of coffee actually drunk.

MARKET AND BUSINESS TRENDS IN 2018

2018 was a successful business year for Coffee at Work: there was good progress in both business and sales, with double-digit percentage sales growth.

OUTLOOK 2019

The market for office coffee also promises attractive growth potential in the years ahead. Coffee at Work therefore aims to continue its expansion plans. The focus in the coming fiscal year will be on setting up the new "Water at Work" business segment. The aim is to also offer the supply of treated table water in the workplace. International expansion will also be a key focus area in the fiscal year 2019. To this end, various marketing and communication activities have already been planned, as well as the expansion of human resources.

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, including any necessary repairs. 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.

Where still water runs deep.

COFFEE AT WORK WE ALSO SUPPLY WATER.

Good coffee and good water are two sides of the same coin – after all, coffee is 99 percent water. The better the water therefore, the better the coffee.

It was only natural then for Coffee at Work to not only supply companies with coffee, but also with water. The principles applied are the same: highly flexible and customizable contracts, a high-quality product, and a full-service package including the provision and maintenance of all equipment. No more ordering, transporting and storing of mineral water bottles: simply push a button and table water is served. A highly convenient solution for the customer that also helps protect the environment.

Coffee at Work uses compact, top-quality table water devices made from stainless steel that require little space and can be positioned directly next to coffee machines. They contain a clinical brand-name filter that converts tap water into table water – still or sparkling, chilled or unchilled.

The new offering of Coffee at Work not only generates new growth and acquisition potential at home and abroad, but also strengthens its relationships with existing customers. As the fully automatic coffee machines provided by Coffee at Work are regularly maintained and cleaned, the complementary supply of table water requires little effort and therefore also incurs comparatively low costs for the customer. Marketed under the "Water at Work" brand, the offering has already generated a great deal of interest among existing customers in Germany. There are therefore already plans to move into neighboring foreign markets in the near future.



LITERS OF WATER
CONSUMED PER CAPITA
AND YEAR IN GERMANY



LITERS OF COFFEE
CONSUMED PER CAPITA
AND YEAR IN GERMANY



LITERS OF TEA
CONSUMED PER CAPITA
AND YEAR IN GERMANY



KEY FIGURES WOLF PVG

sales in ϵ thous.

2018	57,416
2017	55,681

capital expenditures in ϵ thous.

2018		2,386
2017	1,176	

 $employees, full-time\ employees,\ annual\ average$

2018		302
2017	175	

Locations

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

Countries

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

Quality management

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

Websites

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



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 and vacuum cleaner accessories, ventilation filters, and cleaning products for private households in Europe.

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.

MARKET AND BUSINESS TRENDS IN 2018

Wolf PVG made satisfactory progress in its fiscal year 2018 with slight improvements in sales and earnings. This result is attributable to an expansion of the industrial bag business and strict cost management. However, demand for vacuum cleaner bags for private households declined once again. One of the outstanding events of the past year was the acquisition of Worwo Sp. Z o.o., the market leader for synthetic vacuum cleaner bags and holding plates in Poland.

OUTLOOK 2019

Despite the increasingly difficult market trend, further growth is expected for Wolf PVG in its fiscal year 2019. Utilization of production capacity will benefit above all from the expansion of business with industrial clients. The most important goals for 2019 include stabilizing sales to the retail trade and the market position of Swirl® vacuum cleaner bags in core markets, as well as concluding the integration of Worwo together with further growth in Central and

Eastern Europe. Efficient production at both locations forms the basis for these efforts. In 2019, the division also plans to lay the foundations for further long-term growth.

SUSTAINABILITY

The activities already commenced to reduce energy and material consumption were continued in 2018. Energy requirements were further optimized on the basis of the new location structure. An increasing proportion of high-grade recycled plastic from secure sources is being used in production. In addition, a number of workplace improvements have been implemented in collaboration with staff. These will improve occupational health and safety and meet the latest ergonomic requirements.

Go east.

Where we join forces for a common goal.



SYNTHETIC VACUUM CLEANER BAGS AND HOLDING PLATES: FOR CONSUMERS AND INDUSTRY



A milestone in the history of Wolf PVG: the

operating division acquired the Polish company Worwo Sp. Z o.o. with retroactive effect from January 1, 2018. Worwo is the market leader in Poland for synthetic vacuum cleaner bags and holding plates and also markets its products in Romania, Lithuania, Latvia and Belarus via its own local branches.

Worwo was founded in 1993 and produces over 100 different dust bag types and almost 400 different holding plates for household and professional devices. The family business employs 86 people and that enjoyed extremely dynamic growth in recent years with its Werley Bag and Power Bag blands.

"Worwo opens up new prospects for us in Central and Eastern European markets," says Dr. Marc Schmidt, Managing Director of Wolf PVG. "Its market and quality leadership enables us at a stroke to participate substantially in the dynamic Polish market and Eastern European regions. What's

more, we will be able to work closely together on the further develop-

ment of our products and achieve our joint internationalization goals."

Both companies have a similar policy on quality, have flexible structures, and boast state-of-the-art production facilities. "Our cooperation is already running very smoothly and successfully," says Schmidt. "This has been helped significantly by our shared values and beliefs."

The Polish market is very attraclive for suppliers of vacuum cleaner products. The market volume is large and stable, and demand for top-quality filtration—and thus for synthetic vacuum cleaner bags—is proving. Poland has one of the highest growth rates of all EU countries.





NEU KALISS SPEZIALPAPIER

KEY FIGURES NEU KALISS / NEUKÖLLN SPEZIALPAPIER

sales in € thous.

2018	42,107
2017	43,761

capital expenditures in ϵ thous.

2018	1,119
2017	1,146

 $employees, full-time\ employees,\ annual\ average$

2018	213
2017	201

Locations

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

Countries

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

Quality management

DIN EN ISO 9001:2015

Website

www.nkpaper.com

NEU KALISS / NEUKÖLLN SPEZIALPAPIER

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.

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

MARKET AND BUSINESS TRENDS IN 2018

2018 was a satisfactory fiscal year for Neu Kaliss / Neukölln Spezialpapier. Despite falling global demand, Neu Kaliss / Neukölln Spezialpapier succeeded in keeping sales stable in the past year. The operating division won 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, adhesive tapes and special nonwovens during the past fiscal year. Some of these newly developed products were already rolled out during the course of the year.

OUTLOOK 2019

Sales in the wallpaper industry remain depressed and the sector therefore continues to be challenging. By contrast, there are numerous growth opportunities in the highly innovative field of digital printing. As the operating division suc-

ceeded in acquiring new customers in this segment during 2018, the outlook for fiscal year 2019 is upbeat. The new products – especially special nonwovens for the automotive industry, wood-based materials and adhesive tapes – have already generated interest in the market. Sales growth is also expected from further innovative products, for example for the food industry.

SUSTAINABILITY

In 2018, the sustainability activities of Neu Kaliss / Neukölln Spezialpapier focused on three projects aimed at raising energy efficiency: these concerned the maintenance of the headbox pump, the production of TV standard without pregrinding, and the reduction of steam losses by installing stationary siphons.



Where inventions conquer the world.

Neu Kaliss / Neukölln Spezialpapier is currently the only wallpaper manufacturer in the world that can supply nonwoven and digital print wallpapers with a width of 3.20 meters. The extrawide wallpaper enables seamless wallpapering of entire room walls. Unsightly gaps or slanting seams are a thing of the past.

"Seamless wallpapers are causing quite a stir on the market," says Paul Fender, Managing Director of Neu Kaliss / Neukölln Spezialpapier. "Our new product range is proving particularly popular in the commercial sector. On the one hand, this is due to the product's high-quality finishing, but also to the fact that nonwovens are easy to apply and just as easy to remove from the wall. Nonwoven materials are very stable and tearresistant, but at the same time soft and smooth."

In the field of digital print wallpapers, Neu Kaliss / Neukölln Spezialpapier offers a complete package for its extra-wide wallpapers: in cooperation with the digital printer manufacturer Hewlett-Packard and the cutting technology specialist Fotoba, photo walls can be produced in premium quality and without transitions.

"Seamless wallpapers have generated a lot of interest in the hotel and catering sector," explains Fender. "There are an above-average number of large rooms in this field where the owners are looking for a highly expressive design. Event locations are also very keen on our offerings: a showroom was recently wallpapered with a single strip 2.80 meters wide and 50 meters long."

Global innovation in the wallpaper market: with a width of up to 3.20 meters, a new wallpaper invented by Neu Kaliss / Neukölln Spezialpapier is revolutionizing the decoration of business and private premises. The result is a papered wall without a single seam.

Nonwoven produced in Neu Kaliß is available in two thicknesses: 150 and 180 g/m².

Despite its high stability and tear resistance, nonwoven is soft and smooth.

High-quality digital large-format printers produce a unique print result.



KEY FIGURES ACW-FILM

sales in € thous.

2018	8,206	
2017	7,369	

capital expenditures in ϵ thous.

2018	718
2017	741

employees, full-time employees, annual average

2018	4	4
2017	39	

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



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 monocomposites, papers and paper composites for the special packaging machinery of its clients. The main focus is on the delivery of high-quality, innovative and customized packaging films for the fresh meat, food, cleaning, and confectionery industries.

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. The high quality of products manufactured by ACW-Film — which are also available in small and medium-sized batches — guarantees excellent, high-performance and trouble-free processing for its clients.

MARKET AND BUSINESS TRENDS IN 2018

ACW-Film enjoyed a highly successful fiscal year 2018 with double-digit growth in sales. This strong growth is partly due to the fact that new major customers were acquired. At the same time, cooperation with other operating divisions of the Melitta Group was intensified. The past year was also dominated by the development of new products, which are due to be launched in 2019.

OUTLOOK 2019

The operating division expects similarly high sales growth in 2019. There is particularly promising growth potential in the field of sustainable integrated solutions, with the EasyBag and EasyTop products. The market roll-out of new products is also expected to generate additional sales revenue. Growth opportunities are anticipated from the introduction of new packaging legislation in Germany, as this will help boost demand for products that promote material purity, are

fully recyclable, and have sustainable packaging. Demand for just-in-time packaging solutions is also likely to rise further.

SUSTAINABILITY

The investments made in technical infrastructure during 2018 have further reduced the ecological footprint of ACW-Film. For example, the amount of energy required for production has been reduced. Moreover, an energy monitoring system has been installed which enables the operating division to manage its energy requirements more precisely. In the past fiscal year, a fully automatic part cleaning system was also installed, which has reduced the consumption of cleaning agents and solvents.

Maere flexibility counts.

The food industry is not only subject to the strictest hygiene and quality agulations, it also places very special demands on its suppliers in terms of speed and flexibility. After all, many foods are sensitive and can paickly spoil.

With its wide assortment of film need ucts, ACW-Film has focuse is specifically on this sector since its foundation in 1998. Starting with candy wrappers, or so-called twist films, the company's product range today also includes lolly films, bag films (e.g. for coffee or washing powder) and flowpack films (e.g. for cleaning agents). The main sales drivers, however, are the company's top films — also known in the industry as lid films.

Top films consist of several films which are laminated together to form a composite film. They are used in particular as lids for trays in which food is placed. Thanks to its numerous benefits, this type of packaging is particularly popular in the meat industry: as a hard or soft film, it offers the greatest possible safety and convenience for the greatest consumer.

ACW-Film has been focusing an unexpecial requirements of the ment industry for many years now. As theat can offen only be stored on the refree erated sheives of grocery wores for a few days, specials of the essence when it comes to providing the required films. This amplies all the more to special offers and sales promotions planned at short notice: in these cases, the lid films have to be available at all relevant production sites of the customer within a very short space of time—often in different dimensions and with different printing.

The high flexibility required for these demands is one of ACW-Film's core competencies and has resulted in steady growth for this product area. A further major meat industry costom er was added in the past fiscal your.

FILMS AND FLEXIBLE PACKAGING FOR THE CONSUMER GOODS INDUSTRY

MELITTA BUSINESS SERVICE CENTER

The Melitta Business Service Center assumes all management tasks that can be handled more efficiently at Group level than at the level of the operating divisions. In particular, this includes the shaping of the IT landscape and systems as well as of administrative structures and processes. The aim is to simplify, standardize and effectively align the corresponding processes across the Melitta Group in order to enhance the flexibility and efficiency of the Group as a whole.

BUSINESS TRENDS IN 2018

The fiscal year 2018 was dominated by numerous projects for the Melitta Business Service Center. The most important initiatives included significant investments in IT infrastructure, as well as the expansion of IT staff, and the further roll-out of SAP software. Over the course of the year, further operating divisions were also connected to the services provided by the Melitta Business Service Center. This also applies to the electronic purchasing portal introduced in 2017, which is used by an increasing number of operating divisions to handle their procurement processes. Sourcing activities in Shenzhen were also stepped up.

OUTLOOK 2019

One of the most important goals for the fiscal year 2019 is to support the roll-out of Group-wide business process management. Other key topics are the expansion of centralized vocational training, the strengthening of recruitment, and the provision of accounting services for international companies. In addition, targeted employee training with regard to digitalization will play a major role in all areas.

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. It should also provide suggestions on how to reduce these risks.



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