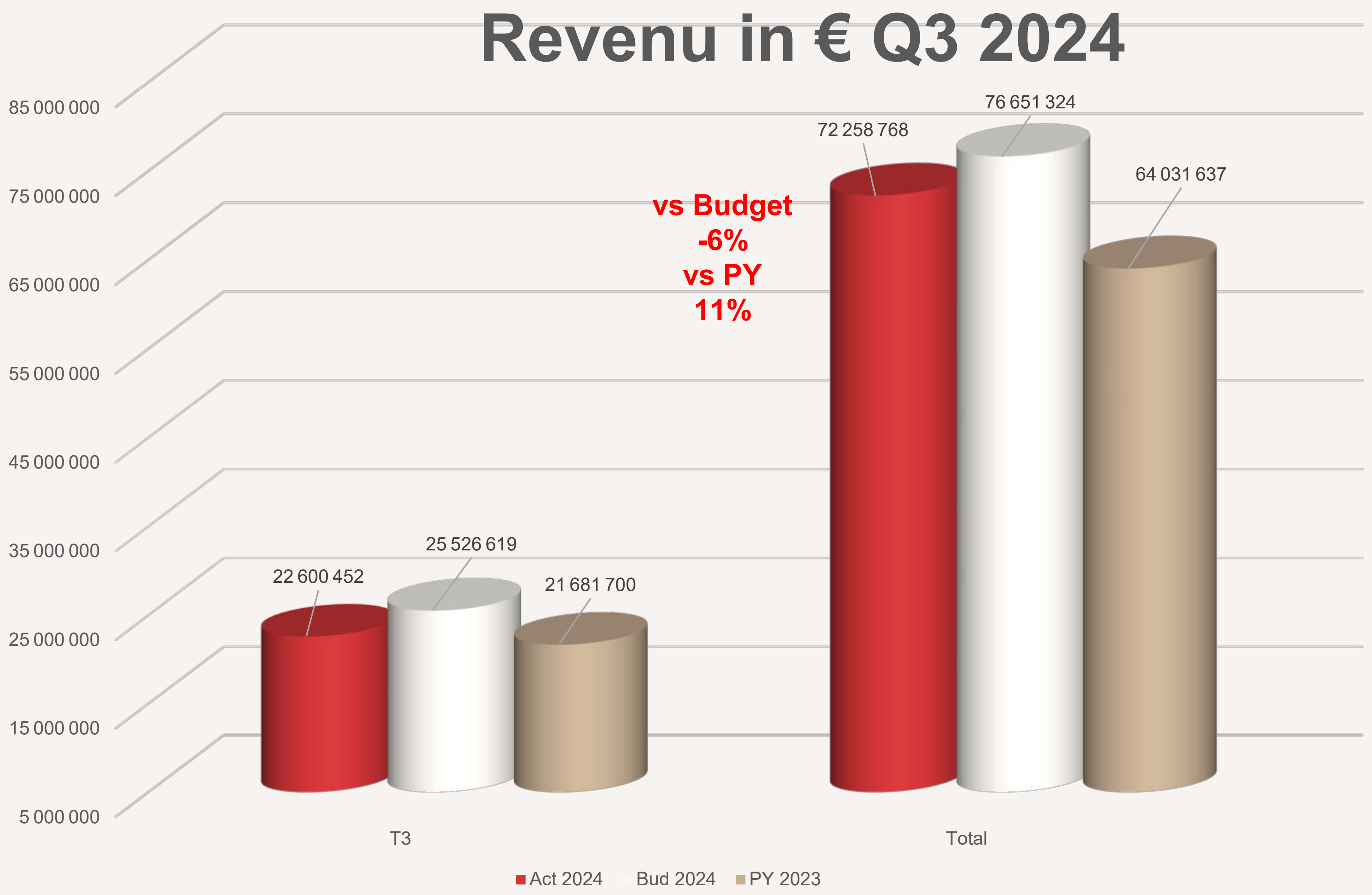

ALLAND & ROBERT
Since 1884
DISTRIBUTOR MEETING NOVEMBER 2024

Agenda

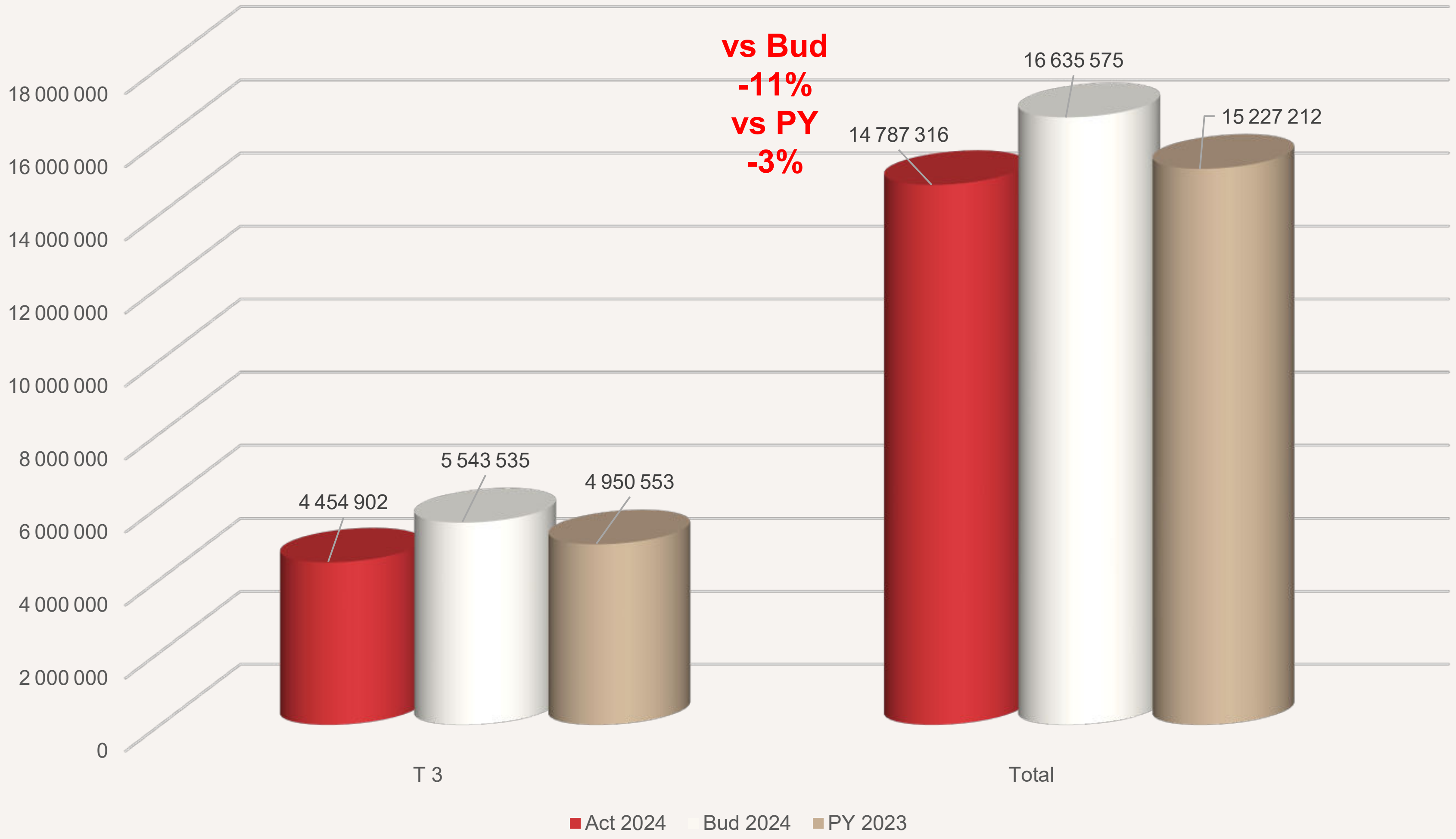
1. A&R BUSINESS REVIEW
2. COMPETITIVE ENVIRONMENT
3. TARGETS 2025
4. STRATEGY
5. ACTIONS 2025

1. BUSINESS REVIEW



Revenu in € Q3 2024
85 000 000
75 000 000
65 000 000
55 000 000
45 000 000
35 000 000
25 000 000
15 000 000
5 000 000
22 600 452
25 526 619
21 681 700
72 258 768
76 651 324
64 031 637
vs Budget
-6%
vs PY
11%
T3
Total
Act 2024
Bud 2024
PY 2023

Qty Acacia in Q3 2024



2. COMPETITIVE ENVIRONMENT

1. General market trends for acacia gum
    a. Global market of gum acacia is around 80.000 to
    b. The growth has slowed down to 2-3% annually
    c. The market price has doubled since the pandemic
    d. …causing a major problem, in particular for users with a high dosage in the finished product (e.g. pastille producers with 30%)
    e. More competition today, e.g. from India or China
    f. Despite the demand for sustainable products, the lowest price is still the driver

2. Cost driver raw materials
    a. The cost driver for gum acacia is the raw material
    b. The war in Sudan is changing the gum world
    c. Alternatives in sight, but difficulties ahead
    d. A&R purchase volume vom Sudan down from 80-60%
    e. Seyal quantities sufficient, Senegal qualities short
    f. Seyal prices stable or slightly down
    g. Senegal prices up 20%+

3. A&R capacity 32.000 tons (=+50% vs 2023)

   a. Tower 1 — spray dried
   b. Tower 2 — instant soluble
   c. Tower 3 — spray dried
   d. Tower 4 — instant soluble / Beyond Acacia

Beyond Acacia is our recommendation

- best product (9 out of 10 clients prefer Beyond over I/A)
- lowest lead time
- most sustainable product

4. New competition

a. Traditional competitors

a. Nexira
b. Willy Benecke
c. Kerry Ingredients
d. Ingredion / TIC Gum
e. ISC

b. New competition

a. Drytech India
b. China

3. TARGETS 2025

1. Regain Market Share
    a. Analyse existing market
    b. Competitive market prices against traditional competition
    c. Better quality/service/sustainability against new competition

2. Develop new markets
    a. Use Mintel global market trends from A&R
    b. Share information with other countries
    c. Think outside of the box
    d. Localize your approach
    e. Explore your customer base for other products
    f. Challenge A&R for new categories non-existant

4. STRATEGY

1. BEYOND ACACIA

a. Beyond Acacia works in products where the gum needs to be dissolved in water, not in powdered products
b. It can replace spray dried as well as instant soluble gum acacia
c. Beyond Acacia can create an entry barrier for our competitors when a customer recognized the superior product quality over existing products
d. We offer BA at the same price as spay dried and instant soluble gums
e. Our target is to win new customers with a better product and to compete at existing customers with a superior product at the same price level as our competitors

2. SYNDEO GELLING

a. Syndeo Gelling is a gélatine replacer, a blend of 3 hydro colloids

b. It is for us a vehicle to sell gum acacia

c. The superior texture over all other products in the market has been confirmed by major gummy/jelly producers

d. Our pricing has been revised several times, we try to position SG around 10-20% over gelatine (cost-in-use!)

e. We want to create a new category of high quality vegan gums and marshmallows, not necessarily replace gelatine

3. GUM ACACIA

a. A&R wants to regain market share and trust
   i. We want to set the standards for high quality gum
   ii. Increase our flexibily
   iii. Be the driver in the market for innovations and trends
b. We want to create new markets/categories

5. ACTIONS 2025

1. Market profiling
   a. We need to understand the size of each market by analysing import and export statistics (HS code 1302 1000)
   b. Who are the potential and exisiting clients, which quality and quantity do they buy from which competitor?
   c. Who are the competitors
      i. Manufacturer
      ii. Distributor/direct
      iii. products/packaging/specialities
      iv. Advantages/disadvantages in the supply chain (duties, transport cost etc…)

2. Exhibitions / promotions
    a. Create a tailor made promotion plan 2025 with our marketing and sales team
    b. Suggest exhibitioins fairs to co-exibit
    c. Make a proposal for a technical product road show (5 high potential clients in 3 days)

3. Commercial proposal

   a. What does A&R need to do to win 3 top clients?
   b. What do we need to do to double sales?
   c. What other products would you like A&R to offer to your clients?

YOUR TURN