



Press release

GfK increases sales and profit

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Nuremberg, March 18, 2016 – GfK has achieved a sales growth of 6.2 percent in 2015, despite a stagnating market environment. In organic terms, sales were up 1.1 percent. Currency effects supported the growth. Sales amounted to €1,543 million (previous year €1,453 million). GfK achieved a margin of 12.2 percent (previous year: 12.3 percent). Adjusted operating income rose by 4.9 percent on the previous year to total €187.6 million (2014: €178.8 million). Consolidated total income more than doubled compared with the prior year and amounted to €40.7 million (2014: €19.4 million). The Management and the Supervisory Boards propose a dividend of €0.65 per share (previous year: also €0.65). In 2016, GfK anticipates a modest organic growth (higher than in the previous year) and above the market research sector, as well as a considerable increase of the margin.

Matthias Hartmann, Chief Executive Officer of GfK SE, comments, “2015 was about growth and further development for us. We largely met our targets for 2015: In a challenging market environment, we grew both sales and income. We also expanded our digital offering and launched various innovations in the market. We were just short of our target margin. For 2016, our aim is to achieve further growth and an improvement of the margin.”

The **Consumer Choices** sector once again increased its sales significantly by €57.5 million to €681.1 million. This represents overall growth of 9.2 percent. Organic growth contributed 4.3 percent to the increase in sales, while 5.0 percent was attributable to currency effects. The adjusted operating income of the sector totaled €145.0 million, which was €7.3 million, or 5.3 percent, higher than in the previous year. The margin was 21.3 percent, which was 0.8 percentage points lower than in the previous year, due to investments in technology as well as expenses for the international expansion of our media measurement business.

The **Consumer Experiences** sector made further progress with its strategic alignment, increasing the share of standardized global products to around 44 percent. This sector achieved sales of €859.1 million, which represents an increase of 4.0 percent on the previous year. Organic sales declined by 1.2 percent. This decrease is considerably lower than in the previous year, so overall, the sector stabilized. Currency effects contributed 5.0 percent to the increase in sales, and the acquisition of NORM 0.2 percent. At €58.9 million, adjusted operating income was up by €1.4 million

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compared with the previous year, representing an increase of 2.4 percent. At 6.9 percent, the margin remained almost stable compared with the previous year. The further optimization of processes and cost structures had a positive impact.

The **regions** Latin America, Central Eastern Europe/META as well as Asia and the Pacific recorded encouraging organic growth. In the Latin America and Central Eastern Europe/META regions, however, currency effects had a negative impact on total growth. The Southern and Western Europe region achieved organic growth again in 2015, after sales had declined in the previous years. In North America, organic growth was significantly higher than in the previous year. Northern Europe, the region that accounts for the largest share of sales, recorded a sales decline in organic terms. However, positive currency effects and acquisitions contributed to overall flat sales.

Cash flow from operating activity decreased year on year by €26.0 million to €170.9 million. The outflow of funds from working capital was €21.0 million, following a cash inflow of €6.5 million in the previous year. This trend resulted from higher charges related to the payment of taxes and penalties in Turkey, which were provisioned for 2014. Receivables also increased because of sales growth.

The GfK Group once again made significant **investments** in 2015. They totaled €108.6 million (€8.9 million up on the previous year). Investments increased primarily as a result of the set-up of TV audience measurement panels in Brazil and the Kingdom of Saudi Arabia as well as the cross-platform TV measurement Singapore as well as acquisitions, including that of the NORM Group, an innovative provider of digital shopper research.

Outlook

GfK's innovation pace remains high in 2016 to further strengthen the company's position in the rapidly changing market research industry. The current financial year will also see some changes to the company's structure. The consolidation of the two sectors' operations-related activities will lead to a greater focus on speed, automation and quality, as well as to cost savings.

To enhance its competitive edge, GfK will increase the level of investment to around €180 million. At present, the Management Board expects a slightly lower capital expenditure investment level compared with the previous year. With regard to mergers and acquisitions, potential investments will be carefully evaluated. The focus, however, will continue to be on organic growth.

The Group anticipates modest organic growth in 2016, higher than in the previous year, and expects to outperform the market research sector. The AOI margin (adjusted operating income in relation to sales) should increase

considerably.

The year started in line with expectations. Sales coverage at the end of January 2016 was 41.2 percent of predicted annual sales (2015: 40.7 percent). It is therefore well within the range of 33 to 42 percent recorded over the last five years.

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

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