

Press release

GfK significantly improves income and margin in first quarter

May 13, 2016

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Nuremberg, May 13, 2016 – GfK achieved moderate organic growth of 0.9 percent in the first quarter of the year and considerably improved both its income and the margin. Adjusted operating income was up 17.6 percent. The margin increased by 1.4 percentage points to 8.9 percent. GfK’s Chief Executive Officer Matthias Hartmann: “We are satisfied with the first quarter overall, particularly since we achieved strong growth in the Consumer Choices sector and improved the margin of the Group. Through the acquisition of Netquest, we enhance our position in digital panels and our business in Latin America, and we broaden our data assets.”

In the first three months of the year, Group sales totaled €360.5 million. Organic growth amounted to 0.9 percent. Currency effects led to a slight overall decline in sales of 0.6 percent when compared with the first quarter of the previous year.

Adjusted operating income increased to €32.1 million in the first three months of the year. This equates to an improvement of 17.6 percent on the previous year’s figure. The GfK Group’s margin rose by 1.4 percentage points to 8.9 percent.

The high-margin Consumer Choices sector recorded organic growth of 9.8 percent. Despite negative currency effects, strong overall growth of 8.1 percent was achieved. Sales in the first three months amounted to €169.9 million. The media measurement contract in Brazil has not yet made a positive contribution to income. As a result, the sector’s margin declined to 16.2 percent (same period of previous year: 17.3 percent).

The transformation of the Consumer Experiences sector is continuing. In the first three months, this sector generated sales of €190.5 million (in organic terms, this is 6.0 percent lower than in the same period of the previous year). Strong currency effects further impacted sales, contributing towards an overall decline of 6.9 percent. The margin improved markedly to 4.0 percent (same period of the previous year: 3.0 percent). The share of incoming orders attributable to globally standardized products increased to total 46 percent.

With regard to the regions, Asia and the Pacific, Latin America and Central Eastern Europe/META all achieved organic growth. Sales declined in North America, as well as in Northern and Southern and Western Europe.

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Dr. Arno Mahler

Commercial register
Nuremberg HRB 25014

By acquiring Netquest, GfK drives its digitization strategy and the expansion of its data assets. Netquest is a leading provider of high-quality, cross-device digital panels and behavioral data, and was acquired in February.

The Group anticipates modest organic growth in 2016, higher than in the previous year, and expects to outperform the market research sector. The margin should increase considerably.

Key figures

In € million	Q1 2015	Q1 2016	Change in percent
Sales	362.5	360.5	-0.6
EBITDA	36.2	44.7	23.6
Adjusted operating income	27.3	32.1	17.6
Margin in percent ¹⁾	7.5	8.9	+1.4 ²⁾
Operating income	19.6	27.5	40.5
EBIT	20.9	27.7	32.7
Other financial income/expenses	-6.6	-2.8	56.8
Consolidated total income	9.2	15.5	68.6
Cash flow from ongoing business activity	19.0	46.6	145.4
Basic earnings per share in €	0.17	0.40	135.3

1) Adjusted operating income in relation to sales

2) Percentage points

The full report for the first quarter of 2016 is available on GfK's Investor Relations website:

http://www.gfk.com/fileadmin/user_upload/website_content/investors/publications/documents/Reports/2016/GfK_Q1_2016_ENG.pdf

Provisional financial calendar 2016

May 20, 2016: Annual General Assembly
 August 12, 2016: Half-year report as at 30 June 2016
 November 14, 2016: Nine-month report as at 30 September 2016

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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