

## Press release

### GfK nine-month report: sales and income below previous year – cash flow improved

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Nuremberg, November 14, 2016 – In the first nine months of the current financial year, GfK Group sales declined by 1.7 percent in organic terms. The Consumer Choices sector achieved growth of 5.4 percent, while Consumer Experiences recorded a decline of 7.4 percent. Adjusted operating income totaled € 101.1 million, which reflects a margin of 9.4 percent in comparison with 10.6 percent in the same period of the previous year. The cash flow of the Group improved. It rose by 8.5 percent to € 130.4 million. Net debt was reduced by € 24.7 million in comparison with end of last year.

**Gerhard Hausruckinger, Speaker of the Management Board:** “The development shows a mixed picture, and we are still not satisfied. Positive aspects include good progress in our Operations function, improved order intake in the Consumer Experiences sector and stronger cash flow. In order to improve GfK’s performance and to successfully position the company on the market over the long term, we will consistently pursue the measures we have already begun implementing.”

In the first nine months of 2016, GfK Group sales amounted to € 1,077.0 million. In organic terms, this reflects a decline of 1.7 percent in Group sales. Currency effects negatively affected sales by -1.9 percent.

The **adjusted operating income** amounted to € 101.1 million in the first nine months of the year. This reflects a year-on-year decline of € 17.8 million. The **margin** was 9.4 percent in the first nine months of 2016 (10.6 percent in the first nine months of 2015).

In the **Consumer Experiences** sector, sales declined organically by 7.4 percent in the first nine months of the year. This can be attributed to the weak order intake in the previous quarters. Acquisitions made a positive contribution of 2.2 percent. Including negative currency effects, sales declined by a total of 7.8 percent to € 574.6 million. A recovery in the order intake during the third quarter led to improved sales which only partially materialized as sales in that quarter due to the time factor. There was again a pleasing development in Latin America, while the negative trend in the mature markets of Europe and North America did continue. In order to improve its competitiveness, the sector continues to drive automation and to transfer Operations activities to the Global Service Centers (GSC).

In the **Consumer Choices** sector, sales rose in the first nine months of the financial year by 5.4 percent in organic terms. However, income was down

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Chairman of the Supervisory Board:  
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from € 98.3 million to € 80.7 million. At 16.1 percent, the margin remained below the previous year's value of 19.9 percent. This decline is primarily due to the Animal Health and Crop Protection business which was sold in the first half of the year, as well as the known delay in TV audience re-search contracts in Brazil and the Kingdom of Saudi Arabia.

On Group level, the **regions** Latin America and Central Eastern Europe/META achieved good organic growth rates. Business in the mature markets of Northern Europe, Southern and Western Europe as well as North America declined organically, whereas Asia and the Pacific enjoyed a good third quarter and thus recorded slight growth again.

**Outlook:** Market conditions continue to remain challenging for GfK in the fourth quarter. The company further drives its transformation and is doing everything to improve results. Based on the first nine months of the year, GfK has specified its outlook for financial year 2016 as a whole. Despite the improvement in order intake in the Consumer Experiences sector during the third quarter and the strong focus on improving the media projects, GfK expects a continuation of the sales development also during the fourth quarter and a margin below the previous year's level.

### Key figures

In € million	Q3 2015	Q3 2016	Change in percent	9M 2015	9M 2016	Change in percent
Sales	371.4	355.3	-4.3	1,118.6	1,077.0	-3.7
EBITDA	57.4	43.3	-24.6	146.9	126.5	-13.9
Adjusted operating income	47.7	42.2	-11.5	118.8	101.1	-14.9
Margin in percent <sup>1)</sup>	12.8	11.9	-1.0 <sup>2)</sup>	10.6	9.4	-1.2 <sup>2)</sup>
Operating income	39.8	23.8	-40.3	97.9	-74.8	-176.4
Operating income <sup>3)</sup>	39.8	24.6	-38.2	97.9	67.2	-31.3
EBIT	41.4	23.9	-42.1	100.1	-75.6	-175.5
EBIT <sup>3)</sup>	41.4	24.8	-40.1	100.1	66.4	-33.6
Other financial income / expenses	-9.7	-3.7	+62.5	-19.6	-9.6	+51.1
Consolidated total income	22.5	-6.6	-129.2	51.4	-139.4	-370.9
Consolidated total income <sup>3)</sup>	22.5	-5.7	-125.4	51.4	2.7	-94.8
Cash flow from ongoing business activity	88.8	73.5	-17.2	120.2	130.4	+8.5
Basic earnings per share in €	0.53	-0.21	-139.6	1.16	-3.89	-435.3
Basic earnings per share in € <sup>3)</sup>	0.53	-0.19	-135.2	1.16	0.00	-100.0

1) Adjusted operating income in relation to sales

2) Percentage points

3) Excluding goodwill impairment

**The full nine-month report can be found on GfK's Investor Relations website:**

[http://www.gfk.com/fileadmin/user\\_upload/website\\_content/investors/publications/documents/Reports/2016/GfK\\_Q3\\_2016\\_EN.pdf](http://www.gfk.com/fileadmin/user_upload/website_content/investors/publications/documents/Reports/2016/GfK_Q3_2016_EN.pdf)



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### **Provisional key dates in the financial calendar 2017**

January 31, 2017	Trading Statement
March 14, 2017	Accounts press conference, Nuremberg
May 15, 2017	Quarterly report as at 31 March
May 18, 2017	Annual General Assembly, Fürth
August 14, 2017	Half-year report as at 30 June 2017
November 13, 2017	Nine-month report as at 30 September 2017