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The Berner Group increases revenues by 3.7% and further expands Sales Team

- **All business units show growth in 2016/17**
- **Chemical sector shows greatest increase with 11.5%**
- **Sales team has grown 2.5% Europe-wide**

Künzelsau and Cologne, July 10, 2017. The Berner Group has completed the financial year 2016/2017 (April 1 to March 31) with a 3.7 percent growth in sales over the previous year (+1%). Altogether the B2B commercial enterprise has earned revenues of approximately EUR 1.056 billion from the sale of products to professional tradespeople, industry, and craft businesses (previous year: approx. EUR 1.018 billion). All business units made a positive contribution to the hike in turnover. The core brand Berner boosted the growth in sales compared to the previous year with a plus of 2.8 percent. The greatest increase was recorded in the chemical company Caramba Group with 11.5 percent. BTI Germany achieved an increase of 3.3 percent. The chief drivers of the Berner Group's turnover are the more than 5,400 field sales reps. Their number grew by about 2.5 percent in 2016/17.

"In the past years we have rigorously taken the required measures to create the foundation for accelerating our turnover growth. What is even more important for us is that our investments in the omni-channel strategy are paying off. The net growth of our sales team

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was about 130 new staff members, and in e-commerce we even grew disproportionately, by 7.4%," said Christian Berner, CEO of the Berner Group.

Core brand Berner grows disproportionately in Southern Europe

The blue core brand Berner offers its product solutions in 25 European countries, chiefly in the areas of building and automotive trades as well as industry. With a plus of 2.8 percent in net sales, Berner grew more strongly than in the previous financial year. In 2016/2017 Berner showed the greatest growth in Southern Europe. In the Spain and Portugal region and the countries of Southeastern Europe, turnover growth was about 8 percent each. The large Berner units France and Germany grew by 2 percent each.

Business area Caramba hikes sales by more than 26 percent

The Caramba Group (approx. 1,000 employees in eight countries) develops, produces, and sells special chemical products, services, and accessories for the cleaning, maintenance, repair, servicing as well as partial cleaning and treatment of surfaces in industrial production processes. In 2016/17, the business area Caramba achieved record growth of more than 26 percent, especially with high-tech special chemicals that make an important contribution to the profitability of production processes in all areas of industry. Ambratec, the specialist for facility chemicals, grew by about 6 percent.

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BTI Germany takes advantages of construction boom

With more than 100,000 customers, BTI remained one of the leading specialists and direct suppliers for the building trade in 2016/17. The company further consolidated its position as market leader for bespoke system solutions in the area of fire protection. BTI benefited from the construction boom and increased its turnover by 3.3 percent compared to the previous year.

Investments in the omni-channel strategy

The largest and most important sales channel in the Berner Group's omni-channel strategy is the well-trained sales team. It is the centerpiece of the rigorous customer focus which the Berner Group aims to achieve in the medium term.

Europe-wide, the sales team grew by 2.5 percent in the last financial year, from about 5,290 to 5,420, which represents higher growth than in the past three years. "We invested in instruction, training, and management of the field sales reps so they can become efficient even more quickly," said Carsten Rumpf, COO of the Berner Group. At the end of the financial year, Berner Germany had 4.6 net percent more field sales reps. The greatest increase was recorded in the sales teams in Spain and Portugal with 8 percent. BTI had a plus of roughly 3 percent.

The strategy of investing in the expansion of the e-commerce business, which was launched two years ago, continued to pay off in

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2016/17. By now Web shops have been implemented in 20 countries. E-commerce grew disproportionately by 7.4 percent.

Transformation of Berner Group moving forward as planned

The transformation process of the Berner Group, which was launched in 2015, advanced according to schedule in the past financial year. In 2016/17, one focus of activities was the improvement of the profitable growth of all Group companies.

Of the 50 operative companies of the Berner Group, only three produced losses. In 2012 that number was still about 20. Moreover, Berner's decision to terminate its activities in Turkey put a stop to the loss-making business there in January 2017. Due to the strong exchange rate fluctuations and high inflation rates, Berner, like other German commercial enterprises, had decided to end activities in that country. All pertinent one-off expenses were incurred in the financial year 2016/17.

In the course of the transformation, product purchasing was centralized. The Berner Group expects that fusing the Product Management and Purchasing Departments into one strategic holding team will result in more product innovations, an increase in exclusive products and services, and additional savings potentials. In "indirect purchasing," process optimizations lead to savings in the mid single-digit million euro range. "In 2017/18 further measures will be implemented in the Purchasing Department which will result in a

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further improvement of our profitability,” announced Ingo Brauckmann, the responsible member of the Executive Board.

On its road toward full digitization of its Sales Department, Berner took another important step in 2016/17. In IT, the preliminary work for establishing a modern CRM system as part of the transformation as well as for an SRM tool on the supplier side could be completed. “It is our goal to link all sales channels in as smart a way as possible,” says CIO Christoph Möltgen. Berner has decided to use the e-com system SAP-Hybris, which raises the order process to a new level, in order to standardize its database.

Outlook: Berner Group is optimistic for 2017/18

The Berner Group is starting into the new financial year with optimism. The economic data in the most important markets are good and provide the foundation for good revenues. “We want to continue the course of positive growth in 2017/18. Yet profitability is more important to us than sales increase. Not only to the company overall, but also broken down to every single employee,” says Jürgen Schulte-Laggenbeck, CFO of the Berner Group. The company sees a challenge in the fact that 2017/18 is a “short” work year. For example, the number of working days in Germany is dropping from 249 to 243 (-2.4%). “In the 2017/2018 financial year we will direct our focus even more on our core business. This includes the planned restructuring as well as the greater transformation speed and improved profitability,” says Christian Berner.

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Key figures*

	2016/17 €	2015/16 €	Change (%)
Turnover of Berner Group	1.056 billion	1.018 billion	+3.7%
Turnover of Berner brand	755.1 million	734.7 million	+2.8%
Turnover of BTI Germany	116.2 million	112.5 million	+3.3%
Turnover of Caramba Group	138.3 million	123.9 million	+11.5%
Sales staff Group	5,420	5,290	+2.5%

*All turnover and staff member figures are adjusted for the Maurer Group (sold) and Berner Turkey (folded).

The Berner Group

The Berner Group is a family-run commercial enterprise operating in 25 countries with approximately 8,500 employees. We are the central B2B trading partner for all materials in the areas of maintenance, repair, and production for our customers in the building, mobility, and industry sectors. We generate an integrated omni-channel purchasing experience for our customers. In the steel and C materials as well as chemicals segments we are also an innovative manufacturer.