



## PRESS RELEASE

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### Berner Group grows in June by 13% compared to previous year and achieves record sales

- 2019/2020 financial year at previous year's level despite pandemic
- Share of e-commerce and call center sales grows significantly
- Caramba Group wins contract worth millions

Since the end of the coronavirus lockdown phase, the Berner Group has been growing at double-digit rates. In June 2020 the B2B trading company achieved a new sales record of around EUR 100 million for a plus of 13%. The Berner Group closed the 2019/2020 financial year (April 1, 2019 to March 31, 2020) on the same level as the previous year despite the enormous strain of the coronavirus pandemic and the lockdown period of several months in numerous European countries. Sales adjusted for consolidation effects amounted to EUR 1.062 billion (previous year: EUR 1.067 billion), 0.5% lower than in 2018/2019. "Covid-19 also hit us at full strength, especially in March, as it did many others. In France, Italy, Portugal and Spain, business came to an almost complete standstill. It was therefore all the more important that we achieved very respectable sales revenues in the months before, thereby rescuing our sales and operating result for the financial year," Christian Berner, CEO of the Berner Group, summarizes the development.

"The burdens on the European economy caused by Covid-19 have shown us two very important things. As a partner to professional tradespeople, we were and are systemically relevant; together with our customers we keep the world going – especially in times of crisis. Be it in construction, the automotive sector or industry. And secondly, our business model is very well positioned because we can serve customers 24 hours a day, seven days a week through our omnichannel offering. In addition, we were able to supply nearly all markets without interruption," says Christian Berner.

While virtually no sales could be achieved in April and May in some sectors such as the travel industry, food service or hotel business, the Berner Group recorded sales of about EUR 150 million during the same months, which represents a decrease of about 17%. "With the end of the lockdown restrictions since June, we have been experiencing strong catch-up effects in nearly all our European markets, especially in the construction industry. Many tradespeople are stocking up on consumable supplies and C-parts with us in order to fill their customers' orders," says CFO Peter Spitzbauer.

#### **Sales in the omnichannel trading segment grow by about 0.4%**

In the business unit Omnichannel Trading (multi-channel sales) the Berner Group with the brands Berner and BTI increased sales revenues in the 2019/2020 financial year by approx. 0.4% to about EUR 931 million.

The Berner brand recorded the strongest growth with an increase of 0.8%. The main contributors to sales revenues were the Region East with growth of 3.2% and the Region South with a plus of 2.5%. The Region Central, which includes Switzerland and Germany, was slightly down 0.9% compared to the previous year. BTI closed the financial year with sales revenues of more than EUR 116 million, also only slightly below the previous year (EUR 119 million).

While business in the automotive sector remained difficult in 2019/2020 (-1.1%), Berner and BTI took advantage of the continuing good growth opportunities in the construction industry (+1.2%).



### **Customer behavior has changed since the lockdown**

Since the outbreak of the coronavirus pandemic, the Berner Group has noticed a change in the purchasing behavior of its B2B customers: “Our customers attach great importance to adhering to social distancing rules and are increasingly placing orders via our electronic purchasing channels or calling sales representative directly. Because we have invested heavily in web shops, tele-sales and call centers in recent years, we were well prepared for this situation. After slow but steady growth in these sales channels in previous years, there was a real sales push in 2019/2020,” says Carsten Rumpf, COO of the Berner Group.

Net sales from the Group’s online channel rose particularly strongly by 18.2%. This means that the company now generates almost every tenth euro in this sales channel. The call center business also grew disproportionately in the past financial year by 6.5%. “In the current financial year, with the three strong months April, May and June, this trend has become even more robust,” Rumpf adds.

### **Caramba Group reorganizes production and catches up on sales**

The Caramba Group, which operates the specialty chemicals business model within the Berner Group, reacted quickly and successfully to changing customer needs during the coronavirus crisis in the first quarter of 2020/2021. For example, the Duisburg subsidiary quickly reorganized its disinfectant production and, in addition to surface disinfectants, also offered hand disinfectants for professional users. The production facilities operated in multiple shifts for several weeks to meet the strong demand. In addition, the Group has temporarily started selling mouth-nose protection masks due to good sources of supply.

“The Caramba Group succeeded in achieving a turnaround during the pandemic phase. In February and March there were momentous sales declines in the specialty chemicals business. Thanks to the switch to disinfectant production, sales in April and May were significantly higher than in the previous year,” says Christoph Möltgen, Executive Board member overseeing the segment. As a result, sales fell by 5.8% in the past financial year due to the coronavirus pandemic. However, in the 2020/2021 financial year currently underway, the Caramba Chemicals Group has increased sales by more than 3% compared to the first quarter of the previous year. The order books are still filled. The Caramba Group is currently working on a major order for a customer with a volume in the double-digit million range.

### **Growth momentum continues**

“The Berner Group has weathered the coronavirus crisis well so far. We met our earnings targets in 2019/2020 and have grown profitably in the first quarter of 2020/2021. This makes us very proud,” says Christian Berner. The short-time work phase, lasting approximately three months, came to an end in almost all the countries of the Group since June. The company has so far been able to avoid layoffs caused by the crisis. At around 8,200, the number of employees has remained nearly constant compared to last year. In contrast to many – even very well-known – large and medium-sized companies in Germany, the Berner Group has so far been able to overcome the consequences of the crisis through its own financial strength without having to take advantage of the Coronavirus Aid Program from the Kreditanstalt für Wiederaufbau (KfW) or other bank loans. The investment offensive of around EUR 60 million in the core business, including the European central warehouse and logistics expansion in Germany, research at Caramba and further digitalization, has continued unchanged despite the coronavirus crisis.

“We have further expanded and safeguarded our good economic situation in recent months and strengthened our core business, because we want to use the crisis to expand our market position and increase our market share. This, in addition to focusing on the current revenue performance, has been very important in difficult times, as currently we do not know what kind of challenges the European and global economies will face in the coming months,” says Christian Berner.



## **The Berner Group**

The Berner Group is a family-run European commercial enterprise. Our vision is: “We keep the world together and moving.” This means we are the central B2B trading partner for all materials in the maintenance, repair, and production segments for our customers in the building, mobility, and industry sectors. With more than four channels we create 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. We are represented in over 23 countries for our customers with more than 200,000 items and 8,200 employees.