



Press release

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E/D/E confirms growth course and continues digitalisation push with Toolineo

- **Trading volume: Previous record exceeded**
- **Strong development abroad**
- **Favourable economic conditions in Germany not yet fully in force in sector**

E/D/E
Corporate Communications

EDE Platz 1
42389 Wuppertal
Germany

Wuppertal – The E/D/E association, based in Wuppertal, Germany, achieved a new record in 2015 with a trading volume of approx. EUR 5.5 billion, up 3.4 per cent against the previous year's volume. However, with the ongoing difficult market situation, the association missed its own personal target by 2.2 per cent. Flourishing foreign business made a significant contribution to the overall positive development. It increased by more than 24 per cent, attributable in particular to the successful business activities of Swiss shareholding e + h Services AG and developments at VGH International GmbH, one of the association's partners. Nationally, various product groups performed well, including hand and power tools, building fittings, safety technology, and building equipment and tools. The ongoing decline in prices in the relevant steel product groups and the negative development in the steel sector that followed (minus 11.2 per cent) shaped the overall domestic result, which was just under the previous year's figure at minus 1.2 per cent. All product groups were in the black across the group, with the exception of steel.

Dr Andreas Trautwein, Chairman of the E/D/E Management Board: 'We can look back on a successful year 2015. However, we can see that the sector did not quite feel the full force of the favourable economic conditions, which were mainly supported by private consumerism.' While the developments in construction remained positive over the past year thanks to favourable conditions, the anticipated boost to the industry did not materialise. Industrial demand developed laterally and struggled to generate momentum.

But E/D/E kept pushing forward in 2015 and bolstered its digitalisation activities with the launch of the online marketplace

Toolineo. The project took a lot of effort over the course of the year, but it was a necessary move: 'Together with our distributors, we want to use Toolineo to make the most of the opportunities that digitalisation has to offer,' explained Dr Trautwein. 'We have mastered the first steps, and now we will turn our attention to continually developing the marketplace.' Both the distributor network and the product range will be expanded considerably in 2016. The target is a seamless dovetailing of stationary and online trade. Toolineo is more than just a marketplace where goods are traded: 'We intend to bring the traditional strengths of B2B to the digital world.'

Firm financial situation forms basis for investments

As long as E/D/E's core business continues to grow, the strategy programme CHALLENGE 2020 requires significant investments in the common digital future of E/D/E and its members. The E/D/E Group's consolidated net income amounted to EUR 16.5 million in 2015, following EUR 20.3 million in the previous year. Cash flow came to EUR 27.5 million (2014: EUR 29.6 million). Equity increased once more as of the reporting date of 31/12/2015, climbing by EUR 16.3 million to EUR 352 million. The equity ratio stands at 44.1 per cent (previous year: 45.7 per cent). 'Our firm financial situation forms the basis of our comprehensive investment programme,' says Dr Trautwein. 'The sector will see some significant changes in the coming years. We intend to be actively involved in shaping these changes. A decline in our present result is a price that we will gladly pay to ensure a successful future.'

Significant advances in the eDC strategy project

In addition to the stake in e + h and the launch of Toolineo, a number of other significant milestones were reached in 2015 as part of various strategy programmes, for example with the electronic Data Centre (eDC). Some significant advances were made here. The aim is to provide retail with complete manufacturer data in a uniform quality and structure, and standardised for all sales channels.

Dr Trautwein: 'Our retailers need high-quality, standardised data, both for the traditional sales channels as well as online sales. And this is what the eDC does – it will make a real difference.' Contracts have already been signed with member companies in the specialist areas of fittings and occupational safety, and the first data packages have been delivered. Product experts in the specialist area of fittings, for example, had procured and refined

approximately 145,000 product records from more than 20 suppliers by the end of 2015; in occupational safety/technical trade it was 220,000 product records from around 70 suppliers. These will be delivered in 2016 and the packages expanded. Power tools completed classification in March 2015 and began data maintenance. In the areas of company equipment and hand and precision tools, the E/D/E market experts will have completed classification by the end of the first quarter of 2016.

Positive development in the product groups

Projects such as Toolineo and eDC will be a benefit for all E/D/E product groups in the future. As in previous years, development in the groups diverged in 2015: the tool area, summarised as E/D/E's traditional core business division I (product area precision tools, hand tools, woodworking tools/machines), increased 4.4 per cent against the previous year to reach a trading volume of EUR 555 million. In the area of mounting technology, building elements, building and furniture fittings, and safety technology (E/D/E business division II) trading volume rose to EUR 1.23 billion (up 4.7 per cent). Trading volume in the E/D/E business division III (power tools, building equipment and tools, company equipment and welding technology) increased by 5.2 per cent to EUR 911 million. Occupational safety and technical trade (E/D/E business division IV) recorded an increase of 4.8 per cent to EUR 597 million. The E/D/E business division building technology generated a trading volume of EUR 1.23 billion (an increase of 7.1 per cent). EHH EURO HAUSTECHNIK-HANDEL GmbH, a joint venture of distribution groups WUPPER-RING and mah launched in February 2015, has developed well.

As of 31 December 2015, the companies in the E/D/E Group had 1085 employees, including trainees, across Europe (2014: 922). Once more, 20 new trainees were taken on.

E/D/E is again focussing on growth in 2016 and expects to achieve a trading volume of EUR 5.65 billion (an increase of 2.8 per cent). While the building sector should continue operating at high levels due to an unchanged favourable environment, the outlook for industry business is gloomier. Economic developments in China, oil prices and turbulence on the stock markets are all putting a dampener on the business climate, in addition to the numerous geopolitical uncertainties and the most recent challenges faced in Europe.

In 2016, E/D/E will firstly be focusing on new and extended services for members and contracted suppliers, and secondly on a number of activities related to digitalisation. Dr Trautwein: 'We will continue to push forward with our strategy programme CHALLENGE 2020 in 2016 while simultaneously evolving our organisation. We have observed that our added value offers, i.e. new distribution and trademark concepts in Germany and Europe, have been able to generate momentum even in challenging environments. We will concentrate on this while simultaneously clearing a path for a successful future together with our partners.'

E/D/E images can be found on your media stick and are also available for download in the press section of www.ede.de.

About E/D/E

E/D/E (Einkaufsbüro Deutscher Eisenhändler GmbH) is Europe's largest purchasing and marketing association, with 991 associated SME trading companies in the business-to-business arena and a further 278 retailers. These companies trade in tools; machinery and company equipment; building fittings and building elements; sanitary and heating; steel and mounting technology; welding technology, security systems and industrial technology; and occupational safety products. The majority of member companies supply mainly commercial purchasers from industry, the craft sector and municipalities. The E/D/E Group also includes the subsidiaries ETRIS Bank GmbH, Toolineo GmbH & Co. KG, EDE International AG, e + h Services AG, ZEDEV AG, DELCREDIT España S.A., and DELCREDIT France S.A.S. and EURO-DIY GmbH & Co. KG.

Website: www.ede.de

Contact

Christian Kleff
Head of Corporate Communications
Phone: +49 (0)202 6096 865
Email: christian.kleff@ede.de