

# Praktiker

Bau- und Heimwerkermärkte Holding AG



## H1 2009 – Presentation of results

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Kirkel, July 22, 2009

## **Group:**

- Recessionary environment
- Declining DIY markets
- Top priority: Securing earnings and liquidity

## **Germany:**

- DIY market stabilising in Q2
- Market share gains with Praktiker, focus on earnings at Max Bahr

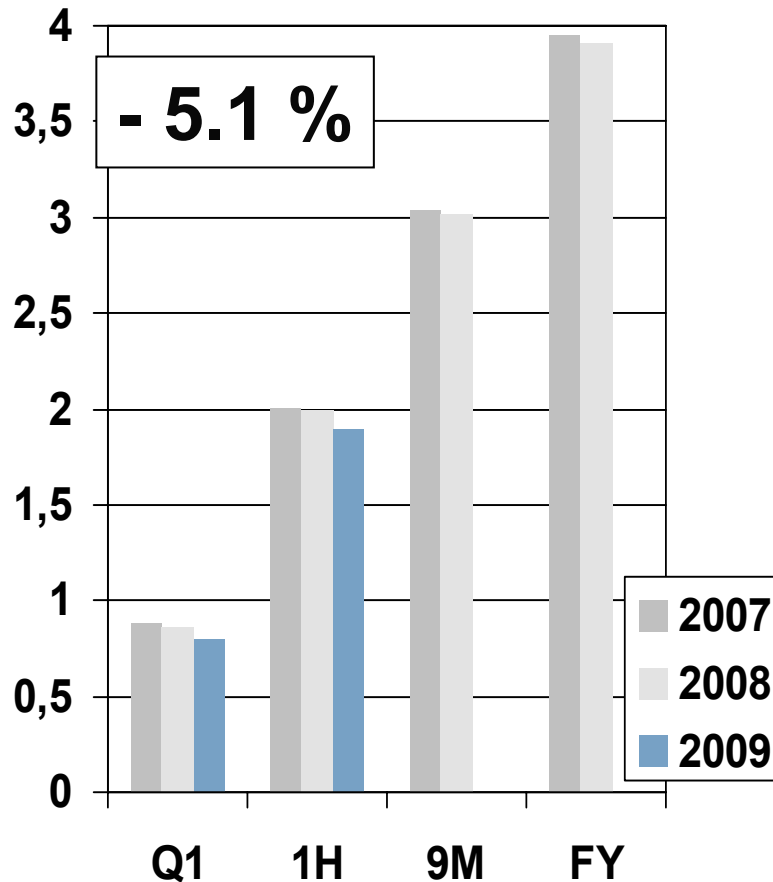
## **International:**

- Economic downturn continued
- Stabilisation of Eastern European currencies
- Improving performance in Greece

## **Financial Position:**

- Working capital improved
- Promissory note issued

Net sales Group, cumulative, € bn



- Sales growth: minus 5.1 % (€ 1,896.3 m)
- Sales growth I-f-I: minus 6.0 %
- Currency adjusted: minus 2.0 %

#### Germany:

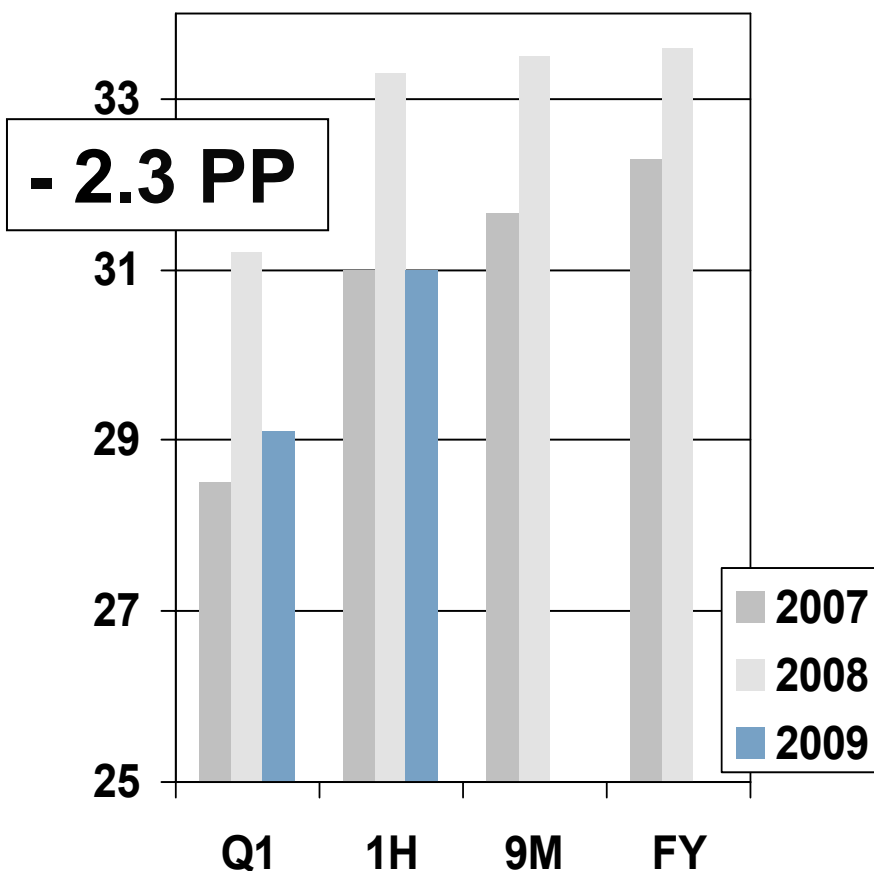
- Praktiker: plus 0.1 % (€ 988.1 m)
- Max Bahr: minus 3.3 % (€ 368.3 m)

#### International:

- Sales growth: minus 15.0 % (€ 491.6 m)
- Sales growth I-f-I: minus 19.0 %
- Currency adjusted: minus 4.9 %

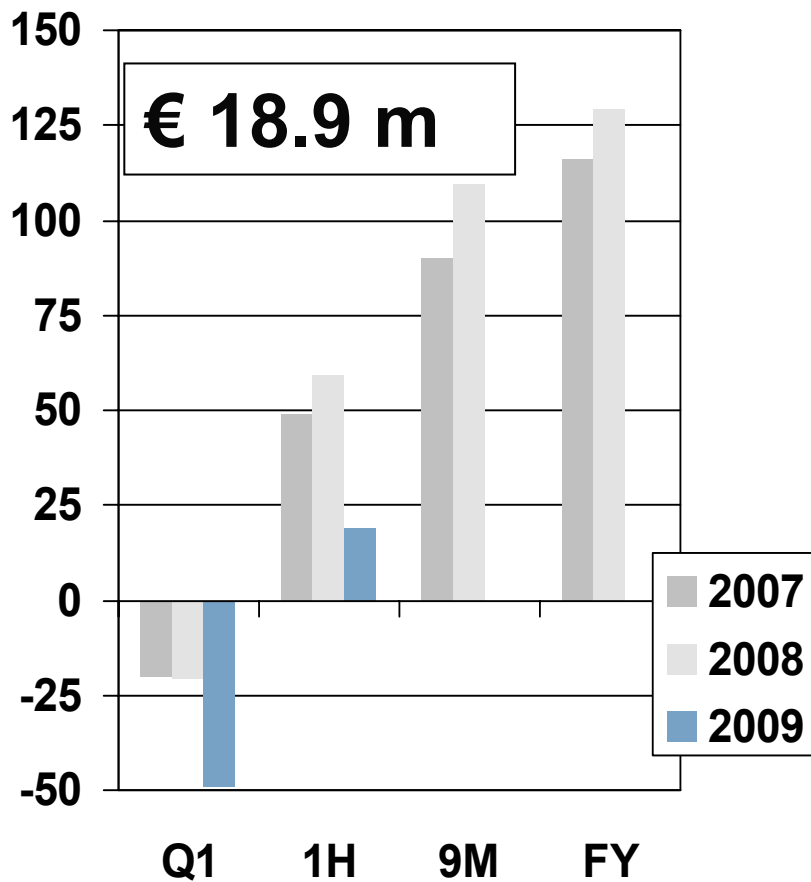
- Q2: Improved sales Praktiker Germany

Gross margin, cumulative, %



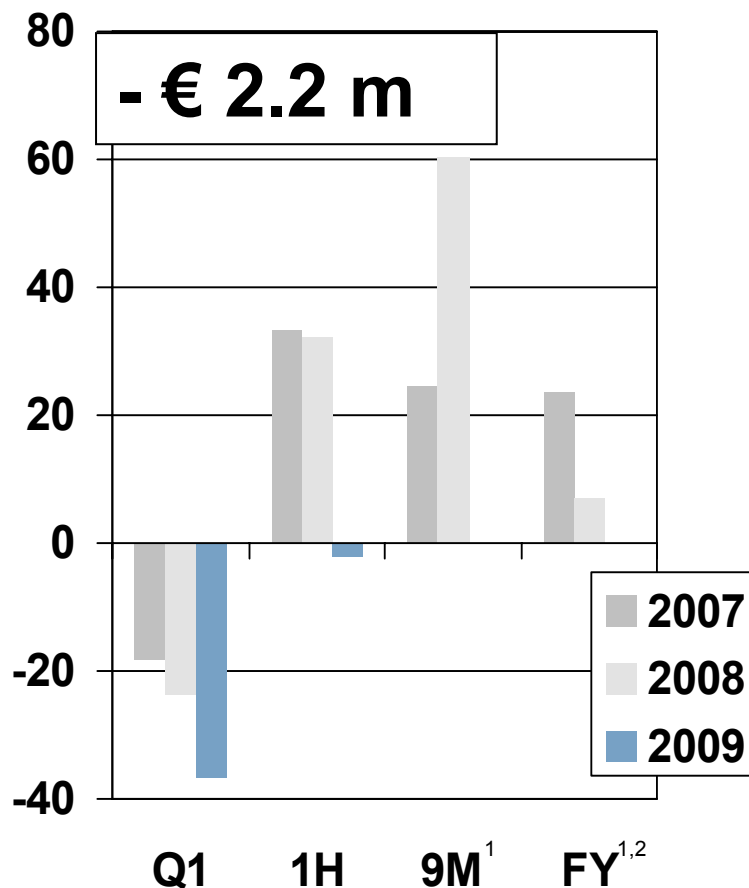
- H1 gross profit: down 11.6 % to € 588.4 m
- H1 gross margin: Decrease of 2.3 PP to 31.0 %
- Negative impact of extended marketing activities of Praktiker brand in Germany

EBITA, cumulative, € m



- EBITA H1: € 18.9 m (H1 2008 € 59.2 m)  
Q2: € 68.1 m (Q2 2008 € 80.0 m)
- Decline in net sales and gross margin impacted gross profit
- Reduction of selling expenses of 6.4 % not sufficient to compensate decline in gross profit
- Major savings in personnel expenses, advertising
- Rents kept at prior year's level despite expansion of store portfolio

Net result, cumulative, € m



- H1 net result: € - 2.2 m (H1 2008 € 32.2 m)  
Q2 net result: € 34.6 m (Q2 2008 € 55.7 m)
- Financial result: € - 24.5 m (H1 2008 € - 14.4 m)
  - Interest income down
  - Interest expense up
  - Currency losses up
- € 6.8 m of financial expenses non-cash
  - € 2.0 m increase of financial liability resulting from increase in the fair value of debt component of convertible bond
  - € 4.8 m currency exchange net losses
- For technical reasons increase of tax rate to 60 % expected

<sup>1</sup>2007: Including one-off effect from German company tax reform

<sup>2</sup>2008: Including one-off effect from allowance of deferred tax assets



- Balance sheet total increased by 4.6 % to € 2,252 m mainly due to seasonal build-up of inventories and promissory note
- Cash and cash equivalents at € 271.5 m (end of 2008 € 233.3 m)
- Equity ratio at 39.7 % (end of 2008 42.2 %)
- Net debt position of € 194.8 m (end of 2008 € 189.3 m)
- Net working capital of € - 382.2 m (end of 2008 € - 411.6 m)
- Capex down to € 29.5 m from € 57.6 m in previous year

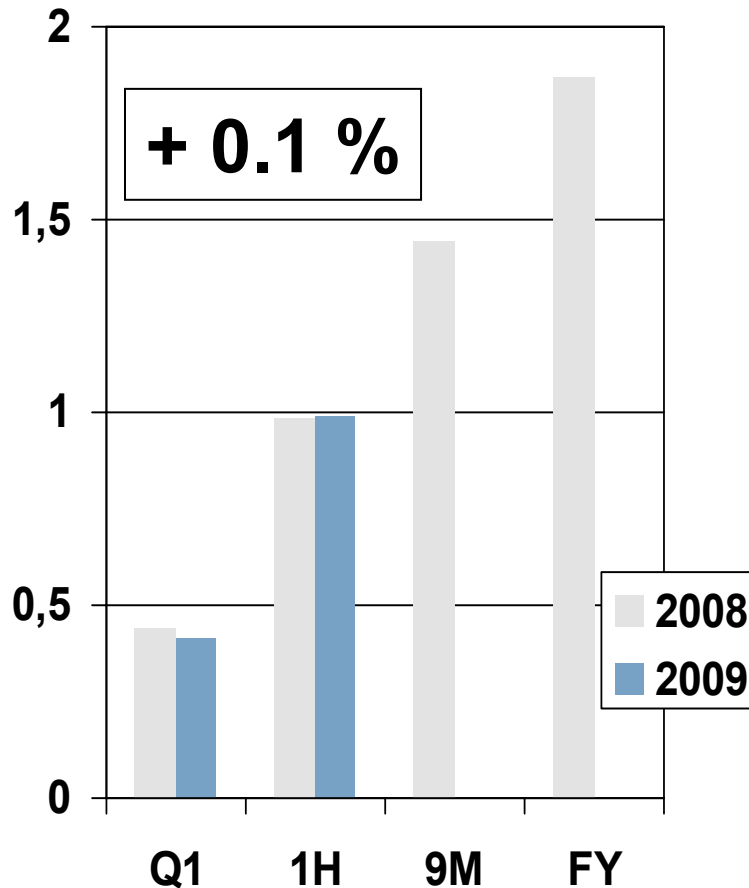
- Convertible bond: coupon 2.25%, due date 2011 € 147 m
- Promissory note, 400 BP above Euribor € 50 m

- **Total financial headroom (30/06/09) ~ € 500 m**

- Cash and cash equivalents as of 30/06/09 € 272 m  
(incl. promissory note of € 50 m)
- Syndicated credit line € 200 m
- Bilateral credit lines
- No noteworthy pension liabilities

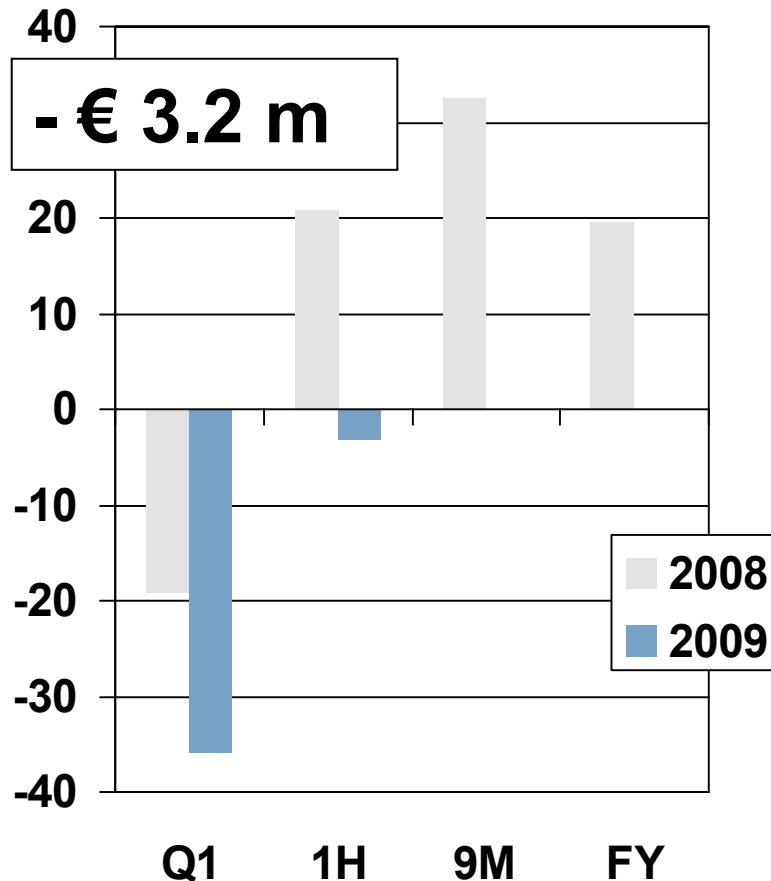
- **Financial flexibility kept at high level**

Net sales Praktiker Germany, cumulative, € bn



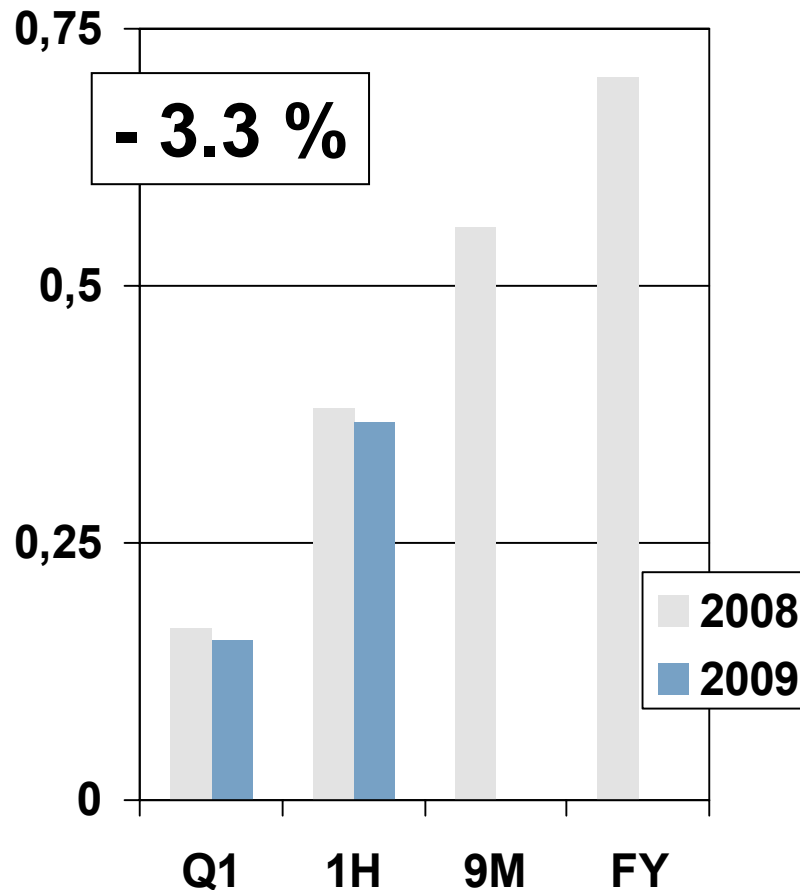
- H1 sales: € 988.1 m (+ 0.1 %)
- I-f-I sales: - 0.2 %
- Q2 sales: € 573.5 m (+ 4.6 %)
- Gain in market share (market expected to be down by 1.5 - 2 %)
- Marketing activities under label of “Ärmel Hoch” (“Sleeves up”) since March
- 43 days “20 % off” instead of 30 days in previous H1 (Q2: 21 days against 18 days)
- Fewer days planned for rest of the year
- Inventories considerably down from Q1 level

EBITA Praktiker Germany, cumulative, € m



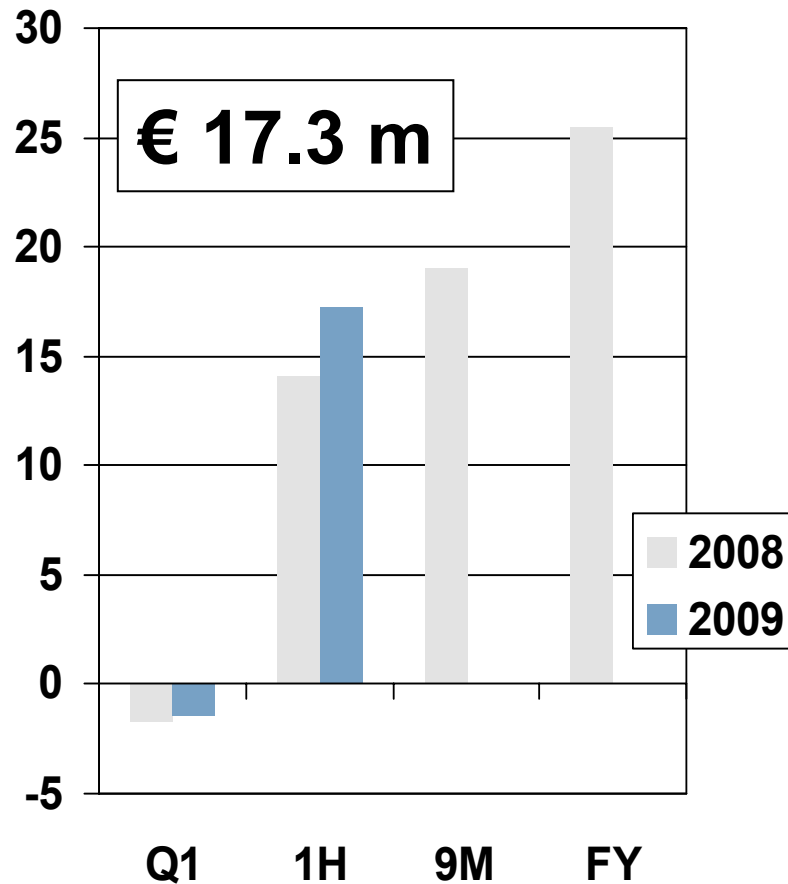
- H1 EBITA: € - 3.2 m (H1 2008 € 20.9 m)  
Q2 EBITA: € 32.7 m (Q2 2008 € 40.1 m)
- Stable sales, but decline in gross margin
- Short-time work terminated in June
- 11 stores converted to E2S format in Q1
- 2 new replacement stores in Q1
- Capex of € 13.0 m (H1 2008 € 12.7 m)

Net sales Max Bahr, cumulative, € bn



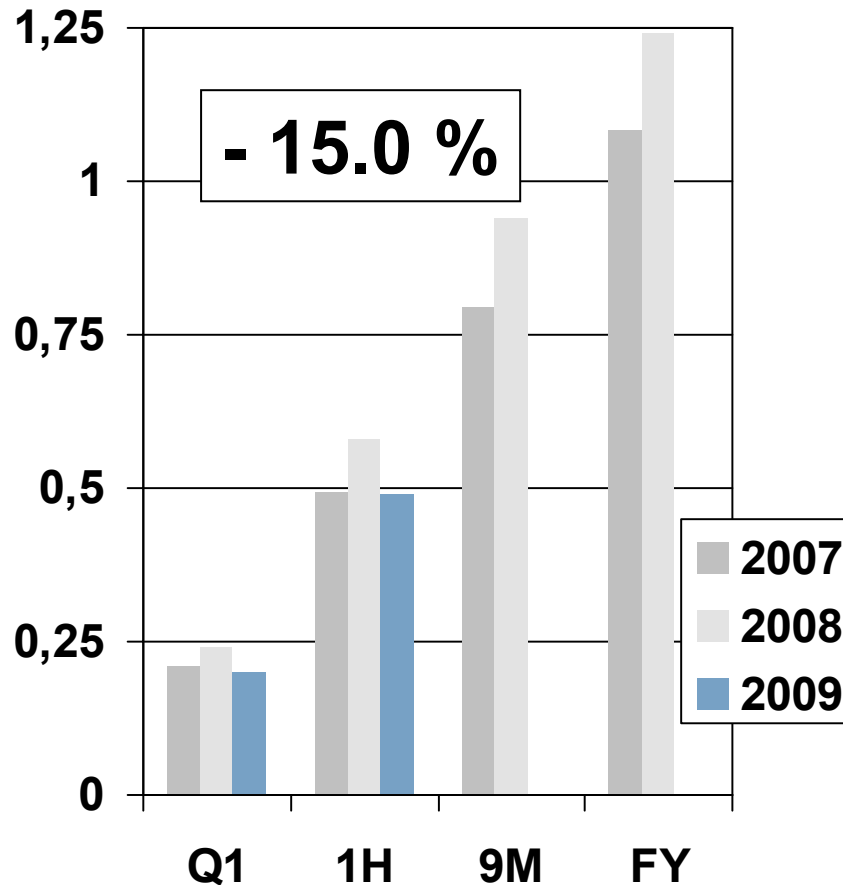
- H1 sales: € 368.3 m (- 3.3 %)
- H1 sales I-f-I: - 3.6 %
- Q2 sales: € 213.3 m (-0.5%)
- Decreased marketing activities despite promotions for 130th anniversary
- Assortments worked over
- “Traumbäder” (“dream baths”) introduced
- No increase in gardening sales

EBITA Max Bahr, cumulative, € m



- H1 EBITA: € 17.3 m (H1 2008 € 14.1 m)
- Q2 EBITA: € 18.9 m (Q2 2008 € 15.8 m)
- Effective cost reduction
- Inventories down against Q1
- Capex of € 5.0 m (H1 2008 € 1.9 m)

Net sales International, cumulative, € bn



- H1 sales: € 491.6 m (- 15.0 %)
- H1 like-for-like growth: - 19.0 %
  
- Q2 sales: € 285.5 m (- 16.0 %)
  
- Strong currency impact
- H1 sales currency adjusted: - 4.9 %
- H1 sales currency adjusted I-f-I: - 9.5 %
- Devaluation of currencies cost € 61.4 m in sales
  
- Share of international in total sales  
H1: 25.9 % (H1 2008 29.0 %)

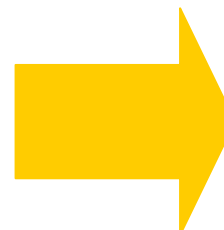
Sales performance in Q2 was better than in Q1 in

Greece  
Turkey  
Romania  
Luxembourg



Sales performance was the same in

Hungary

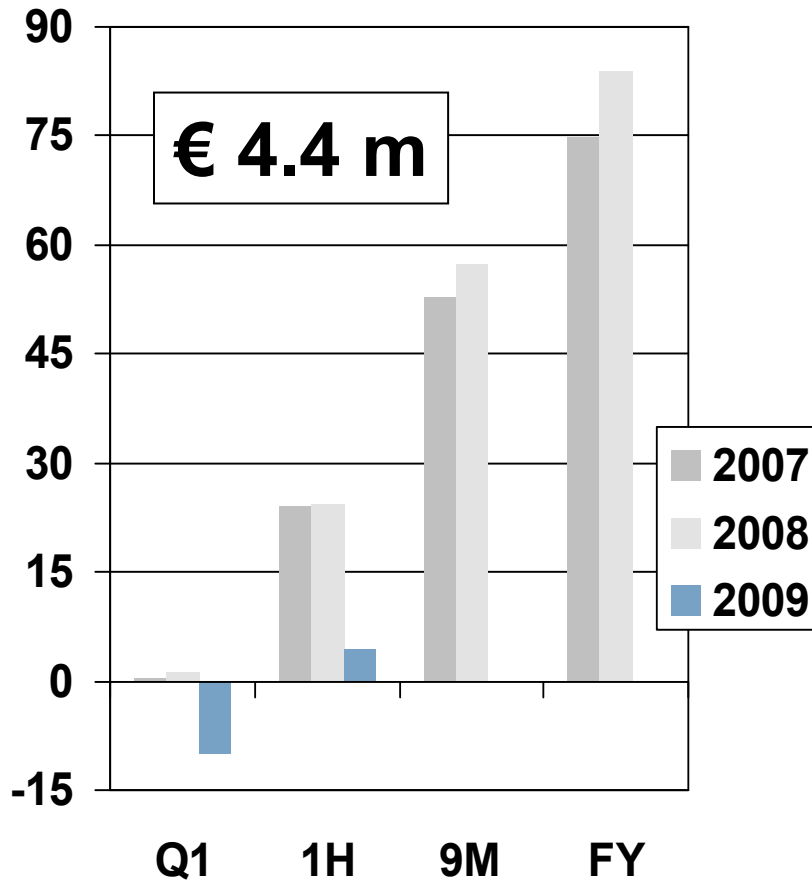


Sales performance in Q2 was worse than in Q1 in

Poland  
Ukraine  
Bulgaria



EBITA International, cumulative, € m



- H1 EBITA: € 4.4 m (H1 2008 € 24.3 m)  
Q2 EBITA: € 14.4 m (Q2 2008 € 23.0 m)
- Negative currency impact of € 5.9 m
- Almost all countries with reduced earnings
- One new store opened, one enlarged in Romania
- Capex of € 11.4 m (H1 2008 € 42.8 m)

- Moderate decline in sales
- Reasonable, positive EBITA
- Liquid funds at comfortable level (> € 200 m)
- Cash capex: ~ € 80 m



# Praktiker

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