

# Commerce

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In the most challenging market environment in recent years, the Commerce Department generated sales of CHF 7.298 billion (+3.5%) in 2015. Adjusted to reflect the sharp drop in heating oil and mineral oil prices (Migrol), sales were up by 9.3%.

Financial results Commerce

CHF million	2014	2015	Change compared to previous year
<b>Net sales revenue from goods and services sold</b>			
Denner AG	2'912.9	2'902.1	-0.4%
Migrol AG	1'622.3	1'359.5	-16.2%
Magazine zum Globus AG	960.6	928.7	-3.3%
Digitec Galaxus AG	-	498.9	-
Depot (Gries Deco Company GmbH)	464.3	456.5	-1.7%
migrolino AG	347.2	382.0	10.0%
Interio AG	187.0	181.9	-2.7%
Office World Group	179.1	179.6	0.3%
Le Shop S.A.	165.0	175.9	6.6%
Ex Libris AG	127.9	121.0	-5.4%
Dolphin France SAS (Probikeshop)	47.2	60.5	28.2%
Other companies	39.8	51.6	29.6%
<b>Net revenue from goods and services sold</b>	<b>7'053.3</b>	<b>7'298.2</b>	<b>3.5%</b>
Other operating income	54.4	75.4	38.6%
Eliminations	-21.5	-19.9	-7.4%
<b>Total income</b>	<b>7'086.2</b>	<b>7'353.7</b>	<b>3.8%</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>43.2</b>	<b>-31.1</b>	<b>-172.0%</b>
Segment assets	1'943.7	2'191.7	
Investments in long-term assets	189.8	196.2	
Employees	15'224	16'220	

## Distribution network Commerce

Locations	Number of sites		Sales area	
	2014	2015	2014	2015
Denner	797	793	-	-
Denner branches	479	488	193'564	198'844
Denner satellites (incl. Denner Express)	318	305	-	-
Globus Magazine zum Globus AG	97	94	137'266	138'215
Globus department stores <sup>[1]</sup>	17	18	85'567	85'022
Herren Globus	25	24	13'752	13'595
Schild AG <sup>[1] [2] [3]</sup>	55	52	37'947	39'598
Interio (furniture shops)	11	11	43'115	43'115
Depot Switzerland	29	32	15'196	16'220
Depot (Germany and Austria)	385	427	196'464	213'814
Office World	27	28	17'769	18'511
Ex Libris	82	78	7'884	7'584
<b>Migrol</b>				
<b>Total petrol stations</b>	<b>311</b>	<b>310</b>	-	-
Migrol Auto Service/Migrol Service	151	147	-	-
Petrol stations (automated)	160	163	-	-
Convenience stores (migrolino und Migrol-Shops)	(151)	(147)	-	-
<b>Convenience stores</b>	<b>312</b>	<b>340</b>	-	-
migrolino <sup>[4]</sup>	254	287	-	-
Migrol shops	58	53	-	-

1 incl. outlets (2 Globus, 4 Schild)

2 Seit 2015 gelten für die Schild-Filialen neue Richtlinien für die Erhebung der Flächenausmasse (die Vorjahreswerte wurden ebenfalls angepasst)

3 incl. Schild brand stores

4 These locations are divided into stand-alone migrolinos, Migrol migrolinos, Shell migrolinos, Socar migrolinos and Piccadilly migrolinos.

Business operations focused on expanding and defending the leading market positions of **Denner**, **migrolino**, **Migrol**, **Digitec Galaxus**, **Depot**, **m-way** and **Sharoo**. At the same time, the cross-channel business models of **Le Shop**, **Probikeshop**, **OWiba** (Office World and iba) and **Ex Libris** were consistently developed towards market and competence leadership in light of the growing importance of e-commerce. To increase the competitiveness of

**Globus** and **Interio** on a sustained basis, specific measures to improve efficiency were successfully implemented.

## Expansion and defence of the market position

Despite challenging market conditions, **Denner** was able to defend its position as Switzerland's leading discounter with only a slight 0.4% fall in sales to CHF 2'902.1 million. Footfall was up again on the previous year, primarily due to converting an additional 180 stores. Furthermore, Denner systematically passed on savings in the area of purchasing to its customers in the form of lower prices.

180

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additional stores were converted by Denner to further strengthen its branch network.

At **migrolino**, the dynamic growth trend of the past two years was continued. Sales were up by 10% to CHF 382 million. The number of migrolino locations increased to 287, due to the dynamic expansion in Ticino.

Like all petrol station operators and mineral oil dealers, **Migrol** was affected by the sharp drop in oil prices, with sales falling by CHF 262.8 million (-16.2%) in nominal terms. In real terms, however, sales rose by 2.7%, which meant that Migrol was able to increase its market share.

Despite a challenging non-food market environment, **Digitec Galaxus**, reported a double-digit increase in sales to CHF 696 million (after complete integration in Migros Group CHF 498.9 million), thereby consolidating its position as the clear online market leader.

**Depot** continued its successful growth trajectory, generating sales of CHF 456.5 million with a total of 450 locations and 19 new wholesale partner branches. In the local currency, Depot's sales increased by 12% to EUR 428.9 million.

In 2015, **m-way** strengthened its position as the market leader and a centre of excellence for electromobility, with sales up by 53%. The number of branches was increased to 29, concluding the expansion of the branch network. 80% of the Swiss population can now reach an m-way shop within 30 minutes.

**Sharoo** was able to build on its position as the first ever peer-to-peer vehicle-sharing platform in Switzerland by acquiring Amag as a further strategic partner and co-investor. Sharoo's innovative and pioneering approach was also recognised in the form of the Frost & Sullivan Price/Performance Leadership Award for Europe's best car-sharing concept.

## Sustainable increase in competitiveness

Despite successfully completing the integration of Schild and increasing its market share, **Globus'** sales were down by 3.3% to CHF 928.7 million, due to the very challenging market environment. As a result, it became necessary to introduce restructuring measures, which were completed in the second half of 2015.

**Ex Libris** continues to struggle in a declining and deflationary market with major structural changes and, despite a clear increase in market share,

reported a 5.4% decline in sales to CHF 121.0 million. It was, however, able to strengthen its leading position in online and cross-channel retailing. In 2015, pure online sales already accounted for more than 50% of total sales.

At CHF 179.6 million, sales at **OWiba** were 0.3% above the previous year's total.

Due to the declining market, **Interio's** sales fell by 2.7% to CHF 181.9 million, although the strong growth in the online segment (32.9%) was encouraging.

The online supermarket **Le Shop** reported encouraging sales growth of 6.6% to CHF 175.9 million.

**Probikeshop** was able to increase its sales by 46.1% to CHF 56.8 million as a pure online retailer.

46%

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increase in sales at  
Probikeshop

## Investment in sustainable development

To improve competitiveness and strengthen the company's market position on a sustained basis, investments of around CHF 196.2 million were made in the reporting year, the majority of which (CHF 174.5 million) in the Swiss market. Fulfilment of the basic social and ecological requirements is consistently encouraged and monitored by the companies of the Commerce Department.

Other commitments to environmental and energy management by the Commerce strategic business unit, along with the contributions to the **Engagement Migros development fund, can be found here.**