HAWESKO
HOLDING AG

Hawesko Holding AG
Hamburg

ISIN DE0006042708
Reuters HAWG.DE, Bloomberg HAW GR

Quarterly financial report to 31 March 2019

Hamburg, 9 May 2019

Highlights

in € (millions)	First quarter		
	1.1.–31.3.2019*	1.1.–31.3.2018	+/–
Consolidated sales	**119.7**	**112.2**	**+6.7%**
- organic, excluding Wein & Co.			*–0.5%*
Result from operations (EBIT)*	**3.5**	**5.0**	**n/a**
- organic, excluding Wein & Co.	*4.1*		
Consolidated net income excluding non-controlling interests*	**1.8**	**3.1**	**n/a**

* After the application of *IFRS 16 – Leases,* the figures for 2019 for EBIT and consolidated net income are not comparable to the figures for the previous years. First-time application of IFRS 16 results in reported EBIT first quarter 2019 higher by € 0.3 m, but reported consolidated net income lower by € 0.3 m than the accounting standards applied in the previous year.

Dear shareholders,
Dear friends of the Hawesko Group,

A few days after announcing our figures for the past fiscal year, we are now presenting the results of the first quarter of the current fiscal year 2019 to you.

We significantly increased sales in the first quarter by 6.7% over the same quarter in the previous year. That's a very positive development. The growth resulted from our acquisition of *Wein & Co.*, which was consolidated as of 1 October 2018. Excluding *Wein & Co.*, sales of the Group overall were roughly at the level of the previous year. As the entire Easter business took place in April and thus in the second quarter – in contrast to the previous year, in which Easter purchases had already been made in March – our sales expectations for the Group in the first quarter were accordingly lower. Based on first indications, the increased level of sales has continued at the end of April – including the Easter business – and EBIT will have reached the previous year's level.

Despite the shift in the Easter business, the two end-customer segments (retail and e-commerce) posted strong, positive results. With growth of +5.0% in the e-commerce segment and an increase of +2.6% at *Jacques'*, there was a noticeable upturn in sales in the quarter under review after two weaker quarters.

In the B2B brand unit (wholesale), the shift in Easter orders from the restaurant and food retail sectors to the second quarter had a noticeable impact. Our companies in this segment were forced to accept a decline in sales in aggregate of –8.1.%.

Due to the missing Easter sales in the B2B segment, the corresponding EBIT declined by € 1.2 million compared to the same quarter of the previous year. On a comparable basis, consolidated EBIT in the first quarter at € 3.7 million was down by € 1.2 million from the previous year; including *Wein & Co.* and per IFRS 16, the figure is € 1.5 million lower than the previous year's figure.

As of the end of April 2019, including the Easter business, the Group overall shows sales growth of 12%. Organically, i.e. excluding *Wein & Co.*, sales increased by a solid 4%. The Easter business was good, the B2C segments continued their positive sales performance, and the wholesale segment made a strong recovery with the Easter business as expected. This was accompanied by a normalisation of the EBIT development in the wholesale segment and throughout the Group, so that we can reaffirm our full-year forecast overall.

Business performance in the first quarter and in the first four months of 2019 has shown that we are on the right course. This is more important than ever because the wine trading industry overall is currently in a consolidation phase: e-commerce has greatly increased the competitive pressure in the sector, while significantly higher and still rising logistics costs are putting companies under noticeable pressure. During this transformation process, which is taking place in an aggressive market environment, we have succeeded year after year in gaining market share and new customers, as well as in paying attractive dividends to our shareholders.

As the market leader, we do not act on a short-term basis, but are continuing to work on a sustainable transformation of our business model without losing sight of profit. To achieve this, we have already implemented an extensive series of investments involving four areas: First, we will advance the structural change and the digitalisation of our business processes in the spirit of transformation to e-commerce and omnichannel, and operate even more cost-effectively in the future. Second, we will invest in the strategic development of centralised, agile market platforms and shop technologies as well as in personalisation solutions in order to boost e-commerce sales and acquire further shares in the growing online market. Third, we will optimise our logistics to ensure greater customer benefit and better customer service. Finally, we will expand existing exclusive brands and develop new ones.

We are planning to invest approximately € 15 million in these projects in the next three years, and more than € 20 million in the next five years. Our strong cash flow in the Hawesko Group will enable us to finance this program with our own funds and still maintain our policy of consistent dividends. Still, we are keeping a lookout to identify attractive options for acquisitions to expand our market position.

Finally, we'd like to take a brief look at the key figures we expect for the current fiscal year. For 2019, we anticipate growth of approximately 7-9% in consolidated sales, whereby growth at the retail brand unit, including *Wein & Co.,* should be in the range of +18–20% for the full year. The e-commerce brand unit is expected to grow by 3-4%, while growth of +2% is anticipated for the B2B brand unit (wholesale).

The consolidated EBIT margin is expected to be between 5.0-5.7% in 2019 (2018: 5.3%). In addition, we anticipate free cash flow in the range of € 12-16 million.

We want to expand our market position as Europe's largest, most innovative and most profitable wine trading group in the premium segment. In doing so, we can rely on our enormous expertise in wine: that is the major advantage of our decades of experience, which we can exploit in confronting the huge challenges of digitalisation and consumers' changing buying behaviour.

We look forward to making this journey together with you!

Your Management Board

Thorsten Hermelink Alexander Borwitzky Raimund Hackenberger

HAWESKO
HOLDING AG

INTERIM MANAGEMENT REPORT

GENERAL SITUATION

The first few months of the current fiscal year were characterised by numerous revisions of our previous expectations with regard to developments in the global economy. In the meantime, a clear consensus has been achieved: the global economic conflicts caused by the increasingly protectionist trade policies of many countries and the United States in particular will have a noticeable adverse effect on global economic growth. The impact on the development of Germany, which is particularly dependent on the growth in world trade as the world's leading exporter, is expected to be especially tough. Accordingly, economic experts, including those of the German federal government most recently, have revised their growth forecasts for German GDP significantly downwards, so that they are currently fluctuating around a figure of only 0.5% for 2019.

The generally very positive expectations with regard to German domestic demand have hardly changed. Above all, the economic experts attest to the Germans' continuing high propensity to consume and their positive view of their personal economic perspectives. Low unemployment and strong increases in real wages are thus supporting the economy. The latest results of the GfK consumer climate study for April 2019 confirm this: consumers have grown more sceptical with regard to their overall economic expectations, but their income expectations and propensity to consume remain at the already high level.

BUSINESS PERFORMANCE

Financial performance

First quarter

In the period from January to March 2019, consolidated sales rose by 6.7% from € 112.2 million to € 119.7 million. Excluding the sales of *Wein & Co.*, consolidated sales at –0.5% were roughly at the level of the previous year. The consolidated operating result (EBIT) in the first quarter of 2019 amounted to € 3.5 million after the application of IFRS 16. A change in the reporting of the rental and leasing expenditures underlies this figure and it is not comparable to the previous year. Prior to the application of IFRS 16, EBIT of € 3.1 million was achieved in the quarter under review; this figure was € 5.0 million in the previous year. The EBIT margin was 2.9% after IFRS 16 was applied; on a comparable basis prior to IFRS 16, it was 2.6% in the quarter under review and 4.4% in the previous year.

Sales in the retail brand unit (*Jacques' Wein-Depot* and *Wein & Co.*) rose by 25.6%, from € 34.8 million in the same quarter of the previous year to € 43.7 million in the quarter under review. Excluding the sales of *Wein & Co.*, which was acquired as of 1 October 2018, segment sales rose by 2.6%. *Jacques'* used successful marketing campaigns to increase its sales despite the shift of the Easter business, thus confirming its growth trend. As expected, sales of *Wein & Co.* were lower than in their previous year due to the Easter holidays falling in late April. At the reference date at the end of the quarter, *Jacques'* was operating 314 depots in Germany (previous year: 308), while *Wein & Co.* was operating 20 outlets in Austria. The concepts are different and will remain so. On a like-for-like basis, sales at *Jacques' Wein-Depot* rose by 2.3% compared to the first quarter of 2018, while the average receipts remained stable. Customer frequency and the number of active customers both increased once again. Due to the acquisition of *Wein & Co.* and the new accounting standards relating to rental and leasing agreements to be applied from 1 January 2019, the segment EBIT is not comparable with that of the previous year. On a like-for-like basis (i.e. excluding *Wein & Co.* and prior to IFRS 16), EBIT amounted to € 2.8 million in the quarter under review and € 2.7 million in the previous year. Including *Wein & Co.* but still prior to the application of IFRS 16, the figure in the quarter under review was € 2.2 million; including *Wein & Co.* and after the application of IFRS 16, it was € 2.6 million.

The e-commerce brand unit posted a sales increase of 5.0% over the over the same quarter of the previous year, so that sales rose from € 37.2 million to € 39.1 million). Business performance at the *HAWESKO* subsidiary in particular was stimulated by special offers relating to the company's 55th anniversary. *WirWinzer* posted significant growth of 37% on a comparable basis prior to IFRS 15. In the first quarter of 2019, the share of sales made via the Internet continued to rise compared to the same quarter in the previous year, accounting for 57% of segment sales (previous year: 55%). On a comparable basis prior to IFRS 16, EBIT in the e-commerce segment was € 1.9 million in the quarter under review, up from the figure of € 1.6 million in the same quarter of the previous year. After the application of IFRS 16, the figure in the reporting quarter amounted to € 1.8 million.

In the B2B brand unit (wholesale), sales at € 36.9 million were below the figure of € 40.2 million in the same quarter of the previous year. Sales were heavily influenced by the later delivery of premium Italian wines as well as the shift of the Easter business in the food retail and restaurant sectors, so that they were 8.1% below the level of the previous year. *Deutschwein Classics*, on the other hand, posted sales growth within Germany. Sales outside Germany overall were lower than the previous year due to the timing of the Easter holidays. Due to sales development both before and after the application of IFRS 16, EBIT in the B2B units amounted to € 0.7 million, down from the figure of the comparable quarter in the previous year (€ 1.9 million).

Consolidated gross profit rose by € 4.2 million to € 52.1 million in the first quarter, corresponding to a margin of 43.6% (previous year: 42.7%). The increase in the trading margin resulted primarily from the application of IFRS 15 as well as the increased share of sales of the B2C segment. Other operating income of € 5.1 million (same quarter in the previous year: € 5.5 million) consisted for the most part of rental and leasing income at *Jacques'* as well advertising allowances. Personnel expenses increased by € 2.4 million to €16.1 million in the first quarter and accounted for 13.5% of sales (previous year: 12.3%).

Other operating expenses and other taxes compared to those in the same period of the previous year as detailed below; the item "Rental and leasing" is not comparable due to the application of the new accounting standard IFRS 16 (rounding differences are possible).

in € (millions)	31.03.2019 After the application of IFRS 16	31.03.2019 Before the application of IFRS 16	31.03.2018 Before the application of IFRS 16
Advertising	9.5	9.5	8.8
Commissions to partners	8.9	8.9	8.5
Delivery costs	6.2	6.2	5.3
Rental and leasing	0.7	4.2	3.3
Other	7.2	7.2	6.7
	32.5	35.9	32.7

Advertising expenses at € 9.5 million were slightly above the level of the previous year (€ 8.8 million), accounting for 7.9% of sales as in the previous year. Expenditures for commissions rose to € 8.9 million (previous year: € 8.5 million), accounting for 7.5% of sales (previous year: 7.6%). Expenses for delivery increased to € 6.2 million (previous year: € 5.3 million), accounting for 5.2% of sales (previous year: 4.8%). Expenditures for rental and leasing were heavily influenced by the IFRS 16 reporting and were reduced to € 0.7 million, compared to € 3.3 million under the old reporting standard in the previous year. At the same time, depreciation expense rose by € 3.1 million to € 5.4 million due to the application of IFRS 16. Overall, other operating expenses and other taxes amounted to € 32.5 million (previous year: € 32.7 million), thus accounting for 27.1% of sales in the quarter under review, compared to 29.1% in the same quarter of the previous year.

The consolidated operating result (EBIT) in the first quarter of 2019 was € 3.5 million after the application of IFRS 16. Prior to the application of IFRS 16, EBIT amounting to € 3.1 million was achieved in the quarter under review, compared to a figure of € 5.0 million in the previous year. The decline in EBIT is due to sales in the B2B brand unit falling short of the previous year's level. Corporate costs of € 1.6 million (same quarter in the previous year: € 1.3 million) were deducted from the contributions of the brand units described above to the operating result and posted in the "Miscellaneous/Consolidation" column in the table on page 13.

The financial result reported in accordance with IFRS 16 amounted to € –0.9 million in the quarter under review; this includes the financing share of the rental expenses in accordance with the new accounting standard. Prior to the application of IFRS 16, the figure was € –0.1 million (previous year: balanced). The result before taxes on income after the application of IFRS 16 amounted to € 2.6 million; prior to the application of IFRS 16, it amounted to € 3.0 million (previous year, comparable: € 5.0 million). The tax expense after the application of IFRS 16 was € –0.8 million; prior to the application of IFRS 16 it was € –1.0 million (previous year, comparable: € –1.7 million). Consolidated net income allocable to the shareholders of Hawesko Holding AG amounted to € 1.8 million as per IFRS 16. In the previous year, without the application of IFRS 16, this figure was € 3.1 million. The result per share calculated using this method was € 0.20, after € 0.35 in the previous year. This was based on the figure of 8,983,403 shares in the reporting period (unchanged from the previous year).

Net worth

Structure of the consolidated balance sheet
in € millions, rounding differences are possible

Assets	31.03.2019 As per IFRS 16		31.12.2018 Prior to IFRS 16		31.03.2018 Prior to IFRS 16	
Long-term assets	187.5	*51%*	90.8	*31%*	75.9	*31%*
Short-term assets	180.1	*49%*	198.2	*69%*	166.5	*69%*
Balance sheet total	367.6	*100%*	289.0	*100%*	242.3	*100%*
Liabilities and shareholders' equity						
Shareholders' equity	107.2	*29%*	112.5	*39%*	96.5	*40%*
Long-term provisions and liabilities	125.3	*34%*	30.5	*11%*	15.0	*6%*
Short-term liabilities	135.2	*37%*	146.0	*51%*	130.9	*54%*
Balance sheet total	367.6	*100%*	289.0	*100%*	242.3	*100%*

Changes since the reference date on 31 December 2018

The balance sheet total at 31 March 2019 after the first-time application of IFRS 16 was € 367.6 million, considerably above the total at 31 December 2018 (€ 289.0 million). In particular with regard to the reporting of the long-term assets, the figure rose due to the accounting for the rental locations required by IFRS 16. On the liabilities side, the corresponding equivalent values were reported primarily under the category "Long-term provisions and liabilities" as required by IFRS 16. For reasons of seasonality, short-term assets were reduced by € 18.2 million compared to the reference date at the end of the year. The primary reason for this was a reduction in trade receivables (trade receivables typically reach their highest level at 31 December.)

Total equity declined from € 112.5 million at 31 December 2018 to € 107.2 million at 31 March 2019, due primarily to the reclassification of the funds for the proposed dividends as miscellaneous liabilities. Short-term liabilities declined by € 10.8 million to € 135.2 million (trade payables typically reach their highest level at 31 December).

Changes from the previous year's reference date 31 March 2018

The first-time application of IFRS 16 resulted in similarly large changes compared to the reference date in the previous year (31 March 2018). In the segment overall, the EBIT increased from € 242.3 million to € 367.6 million. The largest increases occurred from this standpoint as well in the long-term assets and liabilities.

The working capital requirement at 31 March 2019 was reduced against the same date of the previous year.

Financial performance

Liquidity analysis

The cash flow from current operations for the Hawesko Group in the three-month period amounted to € –16.3 million, compared to €–11.3 million in the same period of the previous year. The change in the liability regarding the purchase of 20% of the outstanding minority shares of *Wein & Vinos GmbH* are included in this figure. Beyond this, cash flow from current operations is usually negative in the first quarter of the fiscal year due to the seasonal nature of the business. The funds employed for investment activities amounted to € 2.0 million in the first three months of 2019 (same period in the previous year: € 0.8 million).

Consolidated cash flow in € millions, rounding differences are possible	1.1.– 31.3.2019	1.1.– 31.3.2018
Cash flow from current operations	–16.3	–11.3
Cash flow from investment activity	–2.0	–0.8
Cash flow from financing activities	9.8	10.1

Free cash flow amounted to € –18.4 million in the first quarter of 2019, compared to € –12.3 million in the same period of the previous year. It was calculated from the net outflow of payments from current operations (€ –16.3 million), less funds of € 2.0 million employed for investment activities and interest received and paid out (€ –0.1 million).

Investment analysis

Investments pertain to intangible assets (€ 0.9 million; previous year: € 0.2 million) and were related primarily to customer relationship management (CRM) software, as well as to tangible assets of € 1.2 million (previous year: € 0.6 million). The latter were related to new point-of-sale terminals and the expansion and modernisation of locations in the retail brand unit (*Jacques'*) as well as the investments for expansion and replacement equipment in the digital and B2B brand units.

REPORT ON POST-BALANCE SHEET DATE EVENTS

In April 2019, several significant individual transactions in the B2B brand unit that took place in the first quarter of the previous year were completed – in particular the delivery of several premium Italian wines. This closed the EBIT gap posted at 31 March 2019. Management board member Nikolas von Haugwitz left the company on the best of terms and by mutual agreement with effect from 1 April 2019. Other events of particular significance for the evaluation of the assets, finances and earnings of Hawesko Holding AG and the Group did not occur after the conclusion of the period under review.

REPORT ON OPPORTUNITIES AND RISK

There were no significant changes in the risks and opportunities of Hawesko Holding AG compared to the situation described in the 2018 annual report.

REPORT ON EXPECTED DEVELOPMENTS

Outlook

There were no significant changes in the forecast for fiscal year 2019 of the Hawesko management board compared to the situation described in the 2018 annual report. The general economic and business conditions in Germany are still classified as good with respect to the Hawesko Group's key consumer demand. The Hawesko management board notes that the financial figures for the first quarter of 2019 are within expectations, except for the temporal shift of significant individual transactions in the B2B brand unit; these were completed after the reporting reference date.

The management board of Hawesko Holding AG will continue to pursue sustainable, long-term and profitable growth. For fiscal year 2019, the board expects consolidated sales growth of approximately 7-9%. The consolidated EBIT margin is expected to be in the range between 5.0-5.7% in 2019 (2018: 5.3%). Taking IFRS 16 into account, the management board expects a net expenditure in the magnitude of just under three million euros for the financial result for 2019. Profit due to non-controlling interests is expected to be between € 0.1-0.2 million. Consolidated earnings after deductions for taxes and non-controlling interests are currently estimated to be a net return on sales in the range of 3.0-3.6%. The management board expects free cash flow in 2019 to be in the range of € 12–16 million after € 20.2 million in 2018 (figures for both years exclude acquisitions), while the ROCE in 2019 is expected to be around 17%, as in the previous year.

HAWESKO
HOLDING AG

Consolidated profit and loss statement

(in € millions, unaudited, rounding differences possible)	1.1.–31.3. 2019 As per IFRS 16	1.1.–31.3. 2019 Prior to IFRS 16	1.1.–31.3. 2018 Prior to IFRS 16
Sales revenues from customer contracts	**119.7**	**119.7**	**112.2**
Increase in finished goods inventories	0.1	0.1	0.0
Other production for own assets capitalised	0.2	0.2	0.1
Other operating income	5.1	5.1	5.5
Cost of purchased goods	-67.5	-67.5	–64.2
Personnel expenses	-16.1	-16.1	–13.7
Depreciation and amortisation	-5.4	-2.3	–2.1
Other operating expenses and other taxes	-32.5	-35.9	–32.7
Result from operations (EBIT)	**3.5**	**3.1**	**5.0**
Financial result			
Interest earnings/expenditures	-0.8	-0.1	–0.1
Other financial result	-0.0	-0.0	0.1
Income from companies reported at equity	–	–	–
Result before taxes on income	2.6	3.0	5.0
Taxes on income and deferred tax expenses	-0.8	-1.0	–1.7
Consolidated net income	**1.8**	**2.1**	**3.3**
of which is allocable to			
– shareholders of Hawesko Holding AG	1.8	2.1	3.1
– non-controlling interests	-0.0	-0.0	0.2
Earnings per share(in €, undiluted = diluted)	0.20	0.23	0.35
Average number of shares in circulation (Numbers in thousands, undiluted = diluted)	8,983	8,983	8,983

HAWESKO HOLDING AG

Hawesko Holding AG

Consolidated comprehensive income statement *for the period from 1 January to 31 March*

(in €millions, unaudited, rounding differences are possible)	1.1.–31.3. 2019 per IFRS 16	1.1.–31.3. 2018 prior to IFRS 16
Consolidated net income	**1.8**	**3.3**
Amounts that may not be rebooked in the profit and loss statement in the future	—	—
Actuarial gains and losses resulting from remeasurements of defined-benefit pension plans including deferred tax liabilities	—	—
Amounts that may be rebooked in the profit and loss statement in the future	0,0	0,0
Effective portion of losses from cash flow hedges including deferred tax liabilities	0.0	0.0
Currency translation differences	0.0	–0.0
Other comprehensive income	**0.0**	**0.0**
Total comprehensive income	**1.8**	**3.3**
of which is allocable to		
– shareholders of Hawesko Holding AG	1.8	3.1
– non-controlling interests	-0.0	0.2

HAWESKO HOLDING AG

Consolidated balance sheet

	per IFRS 16	prior to IFRS 16		
in € millions	**31.03.2019**	**31.03.2019**	**31.12.2018**	**31.03.2018**
ASSETS				
Long-term assets				
Intangible assets	61.4	61.4	57.1	41.0
Tangible assets (including leasing assets)	116.5	21.4	21.2	20.2
Investments accounted for using the equity method	3.2	3.2	3.2	3.4
Other financial assets	0.1	0.1	0.1	0.1
Advance payments on stocks	2.0	2.0	4.7	7.9
Receivables and other assets	1.0	1.0	1.0	0.8
Deferred tax liabilities	3.3	3.2	3.3	2.4
	187.5	**92.3**	**90.8**	**75.9**
Short-term assets				
Inventories	119.6	119.6	111.9	113.8
Contractual assets	0.2	0.2	0.3	-
Trade receivables	30.4	30.4	48.4	33.0
Receivables and other assets	5.4	5.4	4.8	5.0
Receivables from taxes on income	7.8	7.8	7.6	6.1
Cash in banking accounts and cash on hand	16.7	16.7	25.1	8.6
	180.1	**180.1**	**198.2**	**166.5**
	367.6	**272.4**	**289.0**	**242.3**
LIABILITIES				
Equity capital				
Subscribed capital of Hawesko Holding AG	13.7	13.7	13.7	13.7
Capital reserve	10.1	10.1	10.1	10.1
Retained earnings	80.3	80.5	85.5	62.6
Other reserves	-0.2	-0.2	-0.2	-0.1
Shareholders' equity in Hawesko Holding AG	**103.8**	**104.1**	**109.1**	**86.3**
Non-controlling interests	3.3	3.3	3.5	10.2
	107.2	**107.4**	**112.5**	**96.5**
Long-term provisions and liabilities				
Provisions for pensions	1.1	1.1	1.1	1.1
Other long-term provisions	1.7	1.7	1.7	0.7
Borrowings (including leasing liabilities)	108.9	24.6	14.1	0.5
Advances received	-	-	-	5.3
Contractual liabilities	2.5	2.5	2.0	-
Other liabilities	4.5	4.5	4.5	0.0
Other financial liabilities	2.8	2.8	2.8	4.8
Deferred tax liabilities	3.8	3.8	4.5	2.7
	125.3	**41.0**	**30.5**	**15.0**
Short-term liabilities				
Non-controlling interests in the capital of unincorporated subsidiaries	0.2	0.2	0.3	0.2
Borrowings (including leasing liabilities)	38.1	26.9	24.7	30.3
Advances received	-	-	-	7.6
Trade accounts payable	51.2	51.2	65.6	48.7
Contractual liabilities	11.8	11.8	18.5	-
Income taxes payable	3.4	3.4	3.5	1.6
Other liabilities	30.4	30.4	33.3	28.6
Other financial liabilities	0.1	0.1	0.1	14.0
	135.2	**123.9**	**146.0**	**130.9**
Rounding differences are possible	**367.6**	**272.4**	**289.0**	**242.3**

Consolidated Cash Flow Statement

(in € millions, unaudited, rounding differences possible)	1.1.–31.3.2019	1.1.–31.3.2018
Result before taxes on income	2.6	5.0
Depreciation and amortisation of intangible and tangible assets (including leasing assets)	5.4	2.1
Other non-cash expenses and income	–0.2	–0.1
Interest result	0.9	0.0
Result from the disposal of intangible and tangible assets	–0.0	–0.0
Income from companies reported at equity	–	–
Dividend payments received from investments	–	–
Change in inventories	–5.0	–4.7
Change in receivables and other assets	17.7	18.6
Change in provisions	–0.0	0.0
Change in liabilities (excluding borrowings)	–36.3	–29.7
Interest received	0.0	0.1
Taxes on income paid out	–1.4	–2.6
Net outflow of payments from current operations	**–16.3**	**–11.3**
Acquisition of subsidiaries net of funds acquired	–	–
Outpayments for tangible and intangible assets	–2.0	–0.9
Inpayments from the disposal of intangible and tangible assets	0.0	0.0
Inpayments from the disposal of financial assets	–	–
Net funds employed for investing activities	**–2.0**	**–0.8**
Outpayments for dividends	—	—
Outpayments to non-controlling interests	—	—
Repayment of finance lease liabilities	–3.5	–0.0
Change in short-term borrowings	5.3	10.2
Change in medium- and long-term borrowings	8.8	—
Repayment of medium- and long-term borrowings	–0.6	—
Interest paid out	–0.2	–0.1
Inflow of net funds from financing activities	**9.8**	**10.1**
Effects of changes in foreign exchange rates on funds (period of up to three months)	0.0	–0.0
Net decrease of funds	**–8.4**	**–2.1**
Funds at start of period	25.1	10.7
Funds at end of period	**16.7**	**8.6**

Hawesko Holding AG, Consolidated statement of changes in equity

	Subscribed capital	Capital reserve	Retained earnings	Other reserves: Balancing items from currency translation	Other reserves: Revaluation components of pension obligations	Other reserves: Reserve for cash flow hedge	Ownership of interest of Hawesko Holding AG shareholders	Non-controlling interests	Total
Status at 1 January 2018	13.7	10.1	71.2	0.1	–0.2	0.0	94.8	9.9	104.8
Change in the consolidation group	—	—	—	—	—	—	—	—	—
Dividends	—	—	–11.7	—	—	—	–11.7	—	–11.7
Consolidated net income	—	—	3.1	—	—	—	3.1	0.2	3.3
Other result	—	—	—	0.0	—	0.0	0.0	–0.0	0.0
Deferred tax on other result	—	—	—	—	—	–0.0	–0.0	—	–0.0
Status at 31 March 2018	13.7	10.1	62.6	0.1	–0.2	0.1	86.3	10.2	96.4
Status at 1 January 2019	13.7	10.1	85.5	0.1	–0.2	–0.1	109.1	3.5	112.5
Option non-controlling interests	—	—	8.8	—	—	—	8.8	—	8.8
Change in the consolidation group	—	—	–4.2	—	—	—	–4.2	–0.1	–4.3
Dividends	—	—	–11.7	—	—	—	–11.7	—	–11.7
Consolidated net income	—	—	1.8	—	—	—	1.8	–0.0	1.8
Other result	—	—	—	0.0	—	0.0	0.0	0.0	0.0
Deferred tax on other result	—	—	—	—	—	–0.0	–0.0	—	–0.0
Status at 31 March 2019	13.7	10.1	80.3	0.1	–0.2	–0.1	103.8	3.3	107.2

Segment results for the first quarter

(in € millions, unaudited, rounding differences possible)

1.1.–31.3.2019	Retail	B2B	E-commerce	Miscellaneous/ Consolidation	Group
External sales	**43.7**	**36.9**	**39.1**	**0.0**	**119.7**
- Excluding Wein & Co.	35.7	36.9	39.1	0.0	111.6
Operating result (EBIT)					
- Including *Wein & Co.* as per IFRS 16 *	2.6	0.7	1.8	-1.6	3.5
- Excluding *Wein & Co.* as per IFRS 16 *	3.1	0.7	1.8	-1.6	4.1
- Comparable: excluding *Wein & Co.* prior to IFRS 16	**2.8**	**0.7**	**1.9**	**–1.6**	**3.7**

1.1.–31.3.2018 prior to IFRS 16	Retail	B2B	E-commerce	Miscellaneous/ Consolidation	Group
External sales	**34.8**	**40.2**	**37.2**	**0.0**	**112.2**
Operating result (EBIT)	**2.7**	**1.9**	**1.6**	**–1.3**	**5.0**

* Due to the first-time application of IFRS 16, the figures are not comparable to those of the previous year.

Notes to the quarterly financial report to 31 March 2019

General principles: This interim report was written in accordance with International Accounting Standard (IAS) 34 according to the requirements of the current guidelines of the International Accounting Standards Board (IASB), London and the German Accounting Standard (DRS) 16. The standards and interpretations valid from 1 January 2019 have been applied to the interim financial statement.

This quarterly financial report does not contain all of the information and data required for a consolidated financial statement and is therefore to be read in conjunction with the consolidated financial statements for 2018.

The interim financial statement and interim management report have neither been audited in accordance with section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

Consolidation: The consolidation group of Hawesko Holding AG remains unchanged from that listed in the 2018 consolidated balance sheet.

Accounting and valuation principles: (1) The accounting and valuation methods used correspond as a rule to those applied in the last consolidated financial statement at the end of the fiscal year. A detailed discussion of these methods was published in the annual report for 2018. (2) With respect to the content regarding new standards and interpretations as well as changes in existing standards, please refer to the comments on pages 79ff. in the 2018 annual report. The application of the revised standards and interpretations has no significant influence on the net worth, financial situation, earnings or cash flow of the Hawesko Group beyond those effects described in this quarterly report. (3) Cyclical events which occur during the year, insofar as they are important, are delimited based on corporate planning.

Other information: (1) *Events after the conclusion of the reporting period:* Events of particular significance for the evaluation of the assets, finances and earnings of Hawesko Holding AG and the Group - as defined in IAS 10 - did not occur after the conclusion of the period under review. (2) *Resolution for the appropriation of earnings for 2018:* The proposal will be made to the annual general meeting of shareholders on 17 June 2019 that the unappropriated earnings reported in the annual accounts of Hawesko Holding AG of € 12,464,249.14 should be appropriated as follows: (a) Payout of a dividend of €1.30 per entitled share. With a total number of 8,983,403 shares entitled to dividends, this amounts to a total of € 11,678,423.90. b) The remaining amount of € 785,825.24 will be carried forward to new account. (3) *No unforeseen development costs* were incurred during the period under review. (4) *The order situation* remains satisfactory. (5) With regard to the *composition of the management board,* Nikolas von Haugwitz left the company on the best of terms and by mutual agreement with effect from 1 April 2019. No changes have occurred in the composition of the supervisory board. (6) *Business with closely associated persons:* As disclosed in the Notes to the financial statements for 2018 under point 46, the management board and the supervisory board are considered to be closely associated persons in the sense of IAS 24.5. Material changes since the closing date of the annual accounts have not taken place. Important business transactions were not conducted with closely associated persons in the reporting period. The number of shares and/or the number of votes held by members of the supervisory board is 6,522,376, all of them held by the supervisory board chairman Detlev Meyer. The members of the management board hold a total of 1,000 shares, of which 500 are attributable to Thorsten Hermelink and 500 to Alexander Borwitzky. (7) *Treasury shares:* Hawesko Holding AG holds no treasury shares as of the date of writing of this report.

Other information	1.1.–31.3. 2019	1.1.–31.3. 2018
Employees (average during the period)	1,170	925
- excluding *Wein & Co.*	945	

Calendar:

Annual shareholders' meeting 2019	17 June 2019
Six-month report to 30 June 2019	2 August 2019
Nine-month report to 30 September 2019	7 November 2019
Preliminary report on fiscal year 2019	Early February 2020

Published by: Hawesko Holding AG
– Investor Relations –
Elbkaihaus
Grosse Elbstrasse 145d
22767 Hamburg
Phone +49 40 / 30 39 21 00
www.hawesko-holding.com