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## Lidl and Kaufland 2016/2017 financial results

Date : 19 May 2017

Schwarz Group has reported net sales of EUR90.2 bn for the 2016 financial year which ended 28 February 2017, up 5.2%.

Even though the Group reported slower growth than in the previous two years when its sales grew between 7% and 9% annually, we consider a 5.2% revenue growth as a strong performance.

### Lidl outperformed Kaufland in Germany

Although Lidl does not publish its profit, based on the revenue growth, its investment in the new store concept and store remodelling has paid off. Lidl in Germany reported sales up 5.7% EUR20.4 bn, whereas Kaufland's revenue grew only marginally by 0.7% to EUR13.6 bn.

Lidl continued in its strong performance in Spain, where the discounter reported sales growth of 9.4% to EUR3.3 bn. In Austria and the Czech Republic, Lidl managed to sustain its double digit growth from the previous financial year with revenues up 10% to EUR1.2 bn, resp up 14% to CZK38.3 bn.

### More focus on Kaufland

Schwarz Group plans to invest EUR7 bn this year, with focus on refurbishment of Kaufland stores and it will continue in testing e-commerce.

### Lidl's focus on USA

In contrast to Kaufland, Lidl has revised its e-commerce strategy (**Lidl's new strategy under revision**), but it will go ahead with the plans to entry the online market in China and launch its first 20 stores in the USA (**Lidl US sets opening date**).