

Investor & Analyst Conference 2022

HORNBACH Holding AG & Co. KGaA

May 17, 2022

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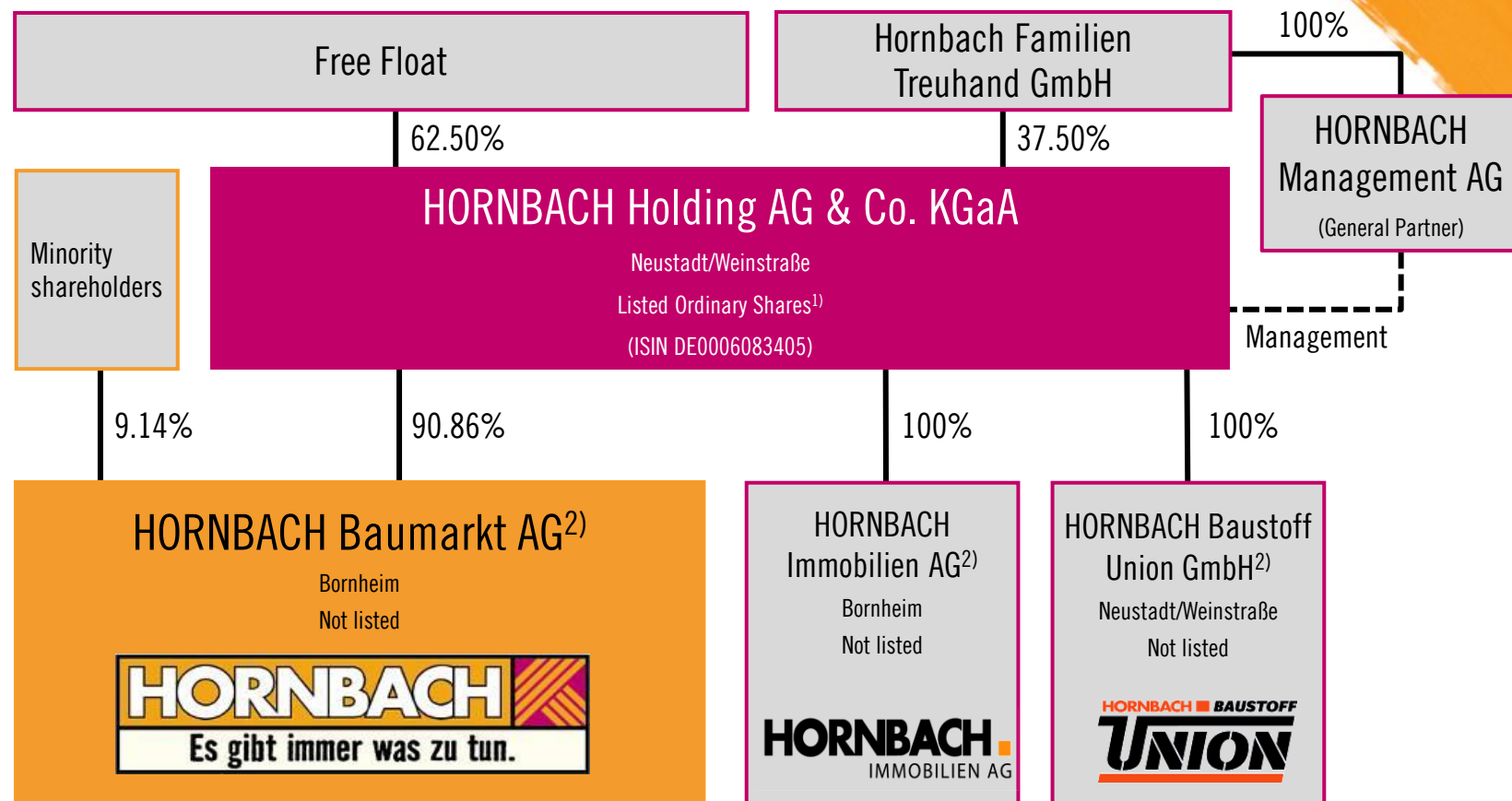
Albrecht Hornbach, CEO HORNBACH Management AG

May 17, 2022

Delisting of HORNBACH Baumarkt AG completed as of February 28, 2022

One group – one listing

- HORNBACH Holding now holds **90.86%** of HORNBACH Baumarkt AG
- Successful take-up rate of delisting offer
- HORNBACH Baumarkt AG share has been delisted from the Frankfurt Stock Exchange as of Feb 28, 2022
- Clear capital market profile and one of the most attractive home improvement stocks in Europe



1) Number of shares: 16.000.000 / Stock market code: HBH 2) plus other subsidiary companies in Germany and abroad

Homing & cocooning continues to be a trend



At a glance: Another record-year achieved

- Net sales growth of **+7.7%** to **€ 5.9bn**
- Online sales growth of **+10.5%** to **€ 944m**
- Adjusted EBIT increased by **+11%** to **€ 363m**
- Earnings per share at **€ 12.48; +20.8%**
- Increased dividend proposed at **€ 2.40**



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Erich Harsch, CEO HORNBACH Baumarkt AG

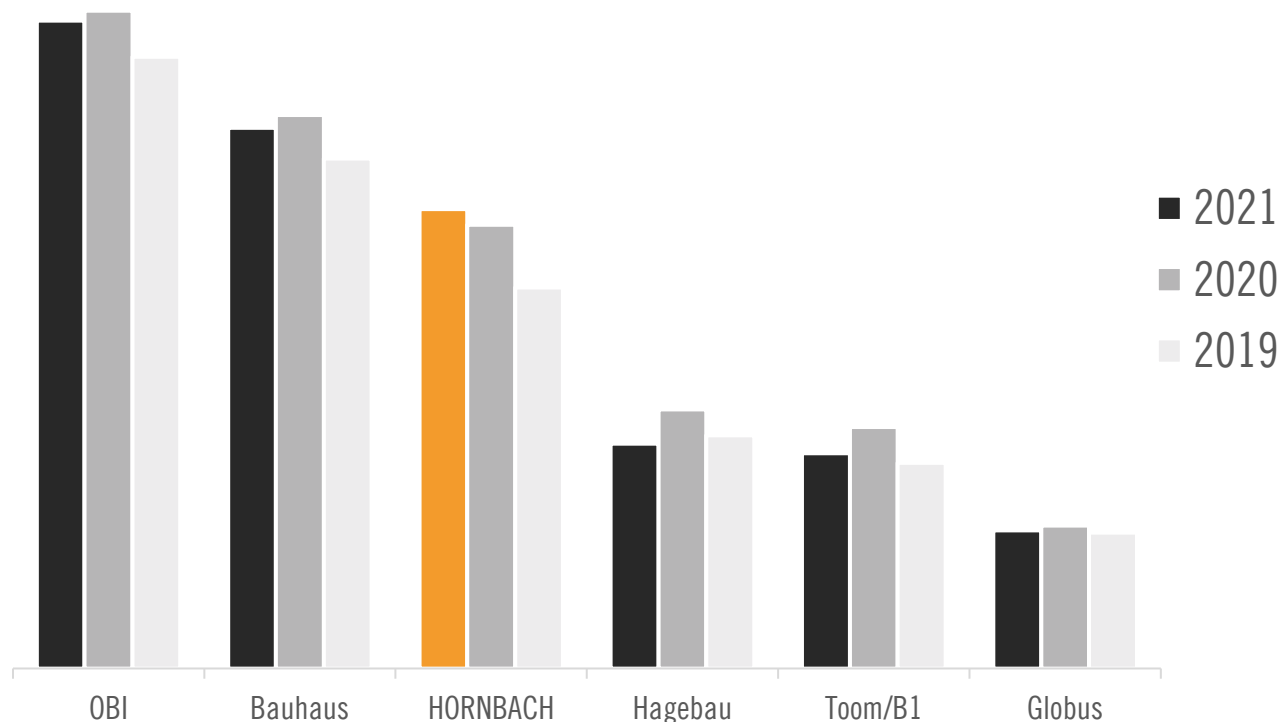
May 17, 2022

Total gross sales growth of the largest German DIY operators in 2020 and 2021

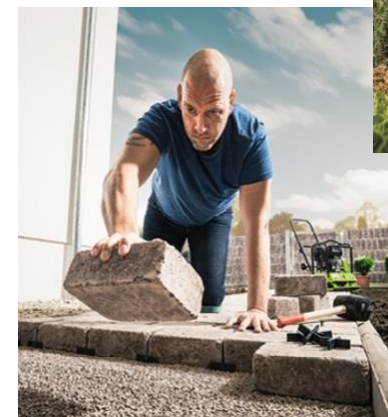
HORNBACH Baumarkt: Only German DIY operator with growth in calendar year 2021

Growth vs. 2020: (1.5%) (2.3%) **3.5%** (13.1%) (10.8%) (3.5%)

Growth vs. 2019: 6.0% 6.1% 20.5% (3.5%) 4.7% 1.5%



Source: Dähne Statistik Baumarkt + Garten

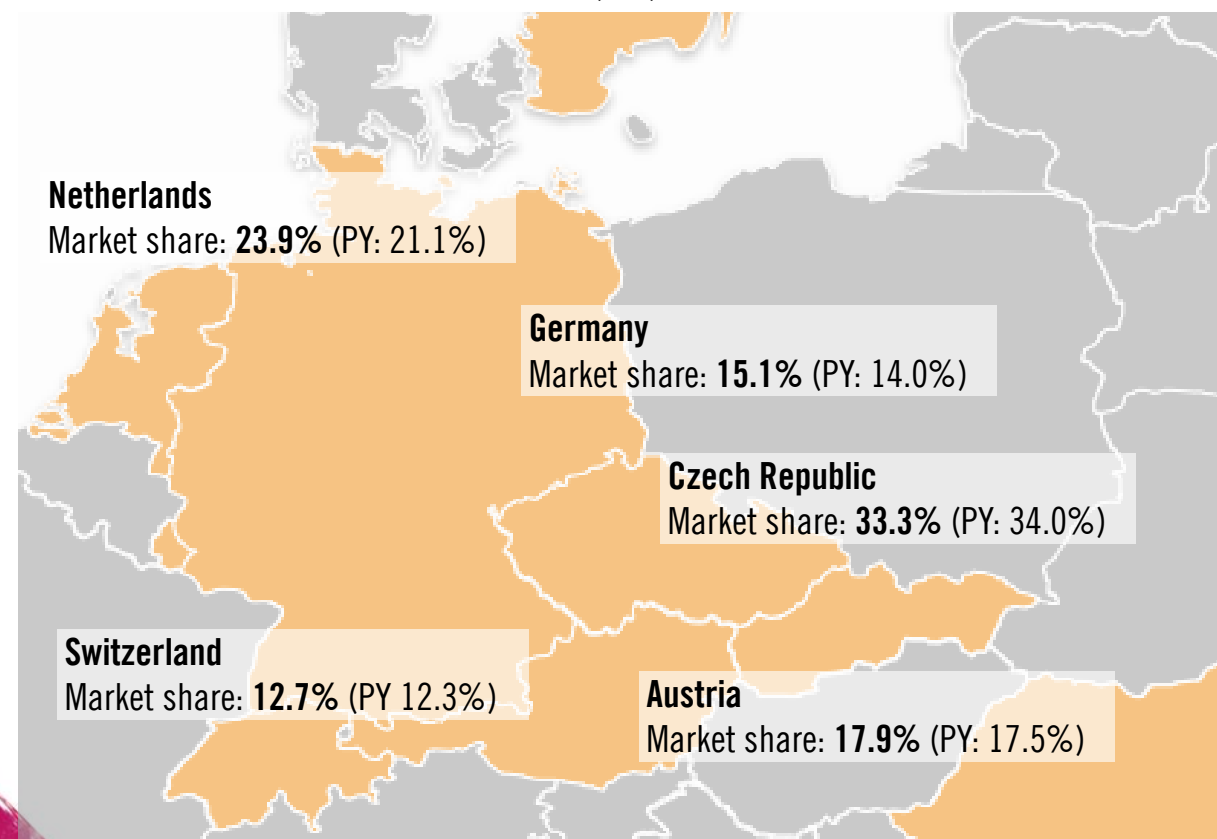


Market share development in calendar year 2021

HORNBACH Baumarkt: Gaining further market share across Europe

Large DIY stores > 1,000 sqm

Market share of HORNBACH Baumarkt in % (GfK)



- HORNBACH **gained market share** in almost all countries where market statistic data is available
- **Further market share gains also in Germany (GfK)** achieving 15.1% in 2021 (2020: 14.0%)
- Individual market growth significantly impacted by **diverging Covid restrictions** across individual geographies in 2020 and 2021
- **Largest market share gains** in countries with relatively strict Covid-related measures (i.e., Germany, Netherlands) **driven by successful ICR strategy**

Source: GfK DIY-TSR Oct 2021, no data for Luxemburg, Romania, Slovakia, Sweden

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Karin Dohm, CFO HORNBACH Management AG

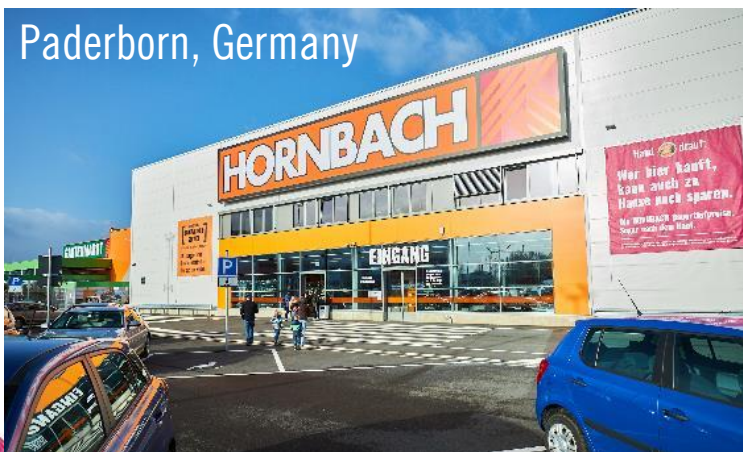
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Expansion achievements in FY 2021/22

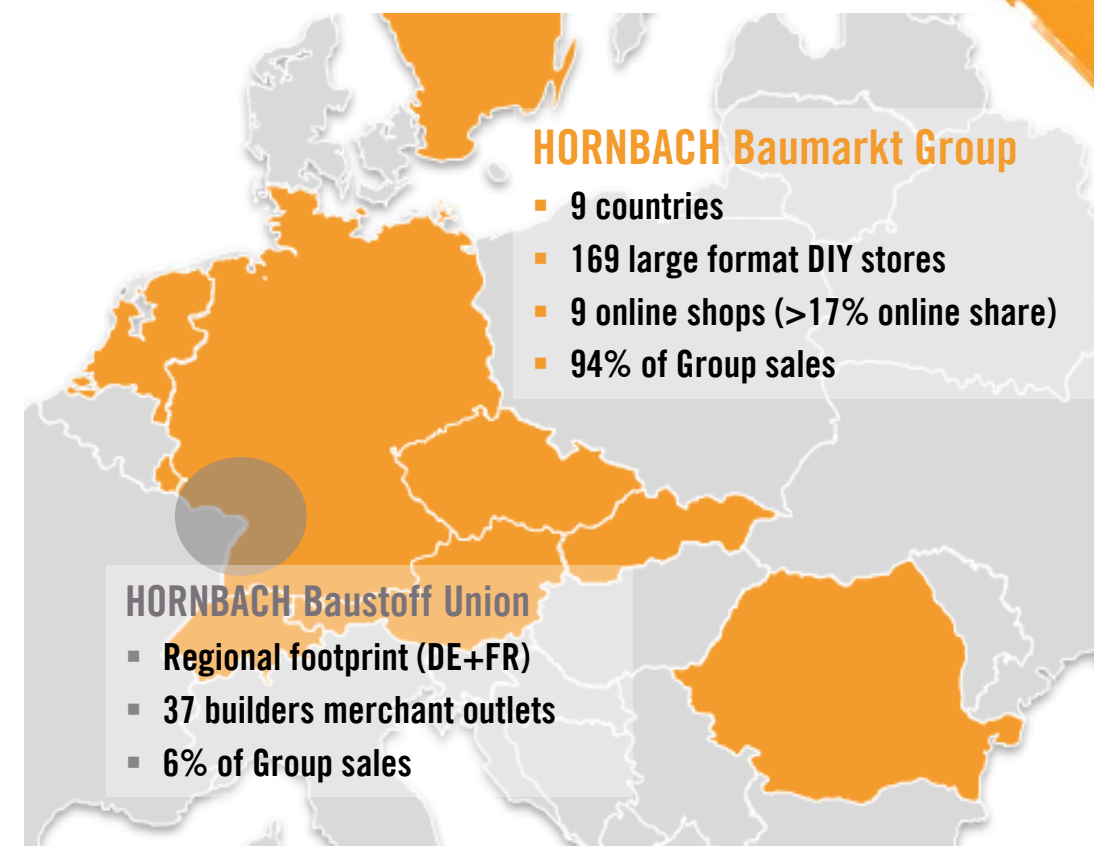
HORNBACH on track to deliver further organic growth

Organic network expansion continued

- 5 new DIY stores in 2021/22: Trollhättan (SE), Cluj (RO), Apeldoorn (NL), Sirnach (CH), Paderborn (DE; replacement)
- Extension of Kerkrade (NL) store with a new format specialized on floors (“HORNBACH Vloeren”)
- 167 stores in 9 countries as of February 28, 2022
- 2 further stores opened in March 2022 in Nitra (SK) and Enschede (NL)



HORNBACH Group: European footprint (Mar 30, 2022)



Financial achievement in FY 2021/22

Financial targets achieved – net sales slightly exceeded guided range

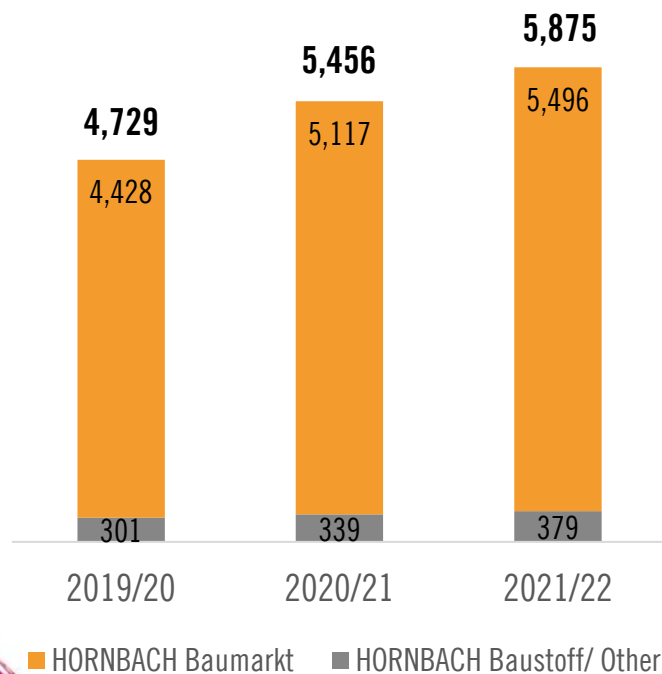
Net sales	Outlook (as of Dec 7, 2021): growth of +2% to +7%	Result 2021/22: +7.7% to € 5.9bn
Adjusted EBIT	Outlook (as of Dec 7, 2021): € 330m to € 380m	Result 2021/22: +11.1% to € 362.6m
Investments (CAPEX)	> € 200m	Result 2021/22: € 178.6m

Net sales in € million

Net sales ahead of previous year's record level in all quarters

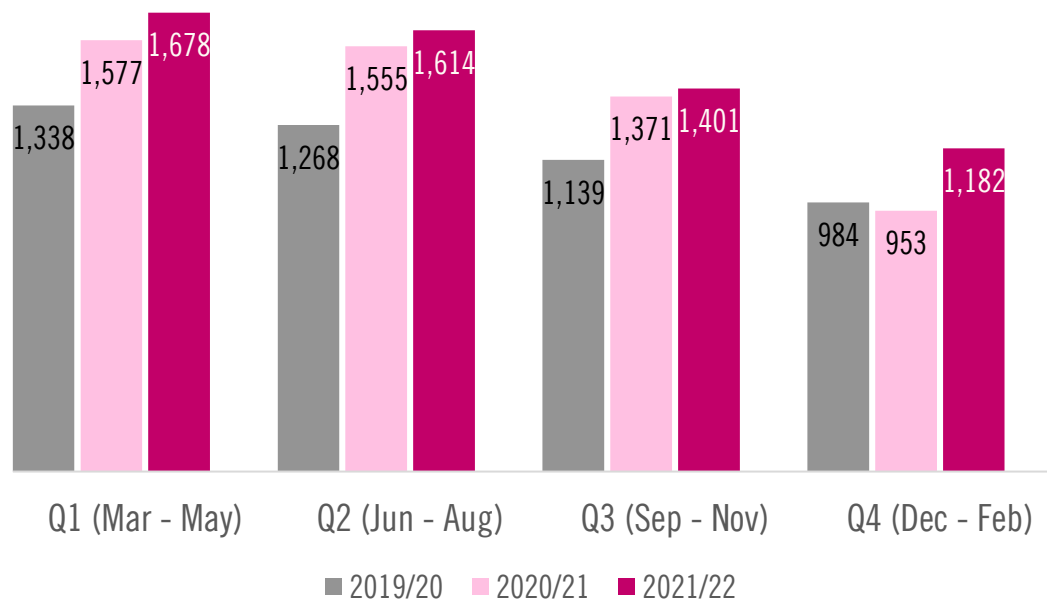
Net sales (Mar 1, 2021 – Feb 28, 2022)

2-year change: **+24.2%**
 1-year change: **+7.7%**



HORNBAACH Group: Net sales per quarter

2-y change: **+25.4%** **+27.4%** **+22.9%** **+20.2%**
 1-y change: **+6.4%** **+3.8%** **+2.2%** **+24.0%**



- Sales on a significantly higher level than pre-Covid
- Sales growth in all quarters driven by **on-going strong demand** across all product categories

HORNBACH Baumarkt: Like-for-like sales growth in %

Growth in all geographies

- Like-for-like sales growth in all geographies, against strong prior year comparatives.
- Strong recovery in Czech Republic and Slovakia following strict lockdowns in 2020/21
- Germany, the Czech Republic and the Netherlands affected by lockdowns at the beginning of the 2021/22 financial year

Like-for-like sales growth¹⁾ per quarter in % and stores open to private customers in %

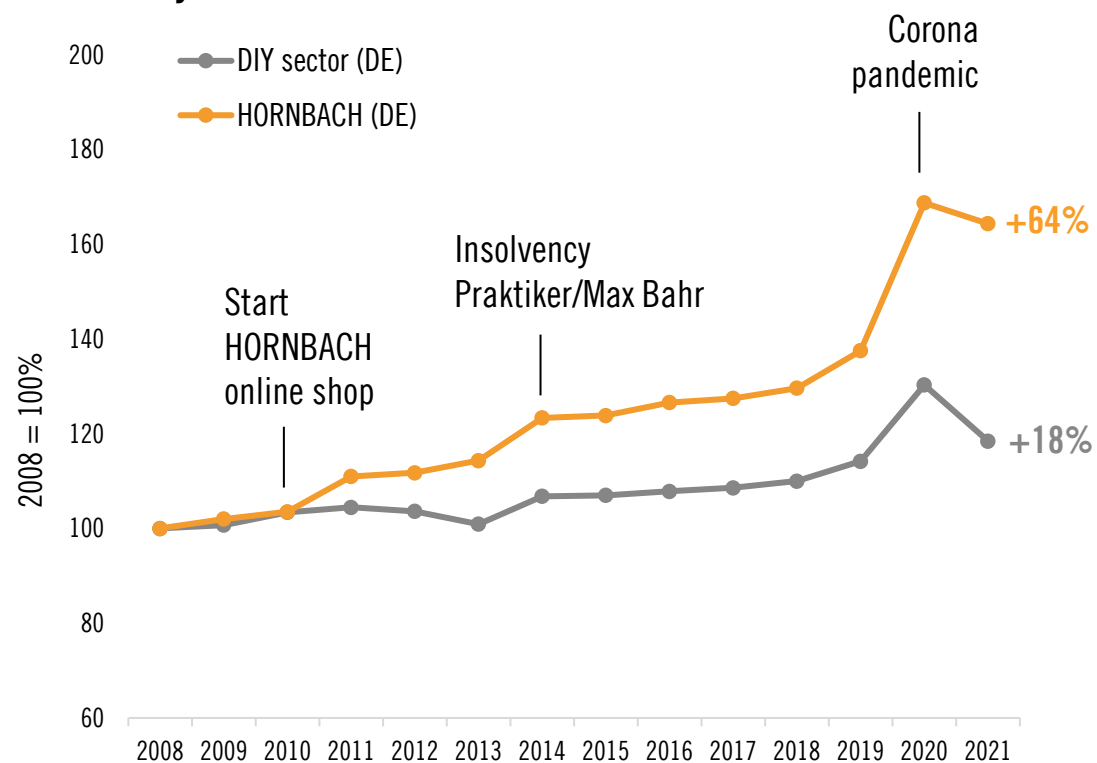
	FY 2020/21	Q1 2021/22	Q2 2021/22	Q3 2021/22	Q4 2021/22	FY 2021/22
Total	14.7	4.3	2.5	(0.1)	20.0	5.4
<i>∅ Open to private customers²⁾</i>	<i>79</i>	<i>51</i>	<i>99</i>	<i>99</i>	<i>96</i>	<i>86</i>
Germany	18.6	(0.1)	1.7	(4.3)	26.5	3.7
<i>∅ Open to private customers²⁾</i>	<i>77</i>	<i>40</i>	<i>98</i>	<i>100</i>	<i>100</i>	<i>85</i>
International	10.8	9.5	3.4	4.5	13.8	7.3
<i>∅ Open to private customers²⁾</i>	<i>80</i>	<i>67</i>	<i>100</i>	<i>98</i>	<i>90</i>	<i>89</i>
Austria	12.6	20.4	0.8	0.5	1.4	6.4
Czech Republic	(0.4)	(3.9)	11.0	26.3	25.5	12.5
Luxembourg	32.8	42.0	0.5	2.3	(2.7)	10.5
Netherlands	9.2	(11.7)	4.3	0.3	42.4	4.6
Romania	20.5	11.2	9.0	8.7	9.2	9.5
Slovakia	(6.5)	50.9	11.6	10.2	38.4	24.7
Sweden	22.2	11.1	1.2	1.3	(0.9)	3.7
Switzerland	14.2	33.4	(5.5)	(2.8)	(9.2)	4.3

1) Lfl = Like-for-like, In constant currencies; includes sales from all stores that have been open for at least one year as well as sales from online shop 2) Share of HORNBACH stores open to all customers without significant sales restrictions during the reporting period

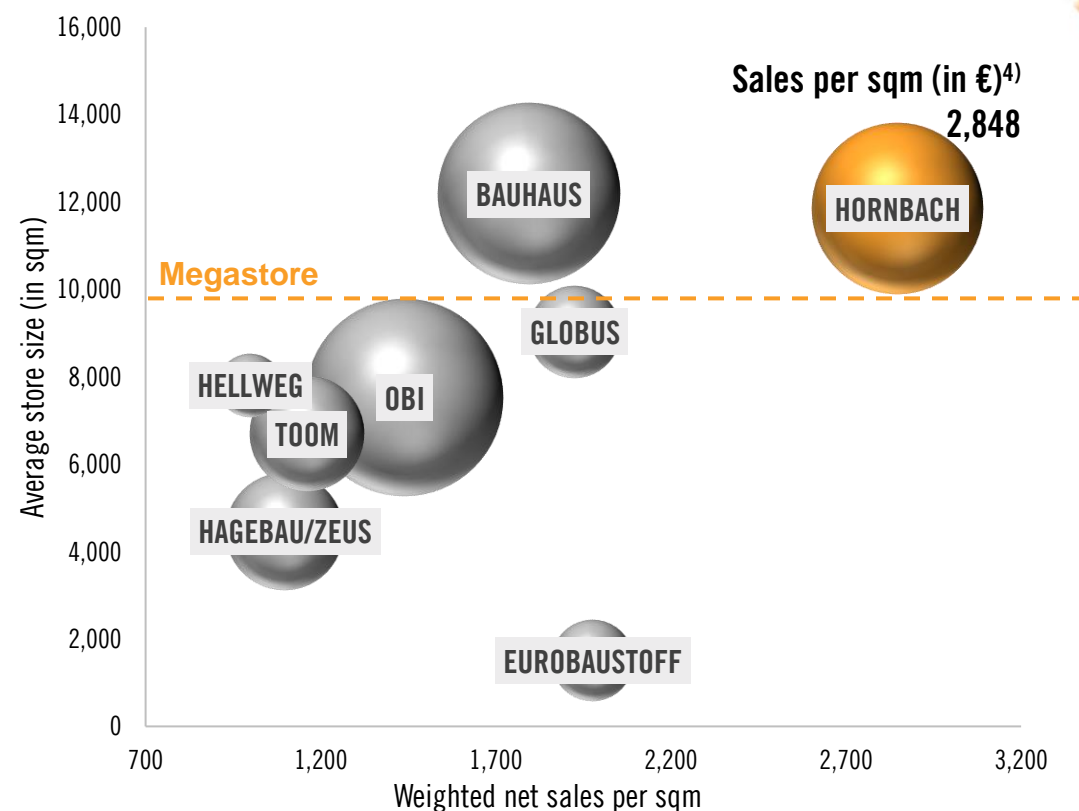
Proven growth strategy

Above sector growth increases productivity gap to competitors

Like-for-like growth rate of the German DIY sector vs HORNBACH (calendar year)¹⁾²⁾



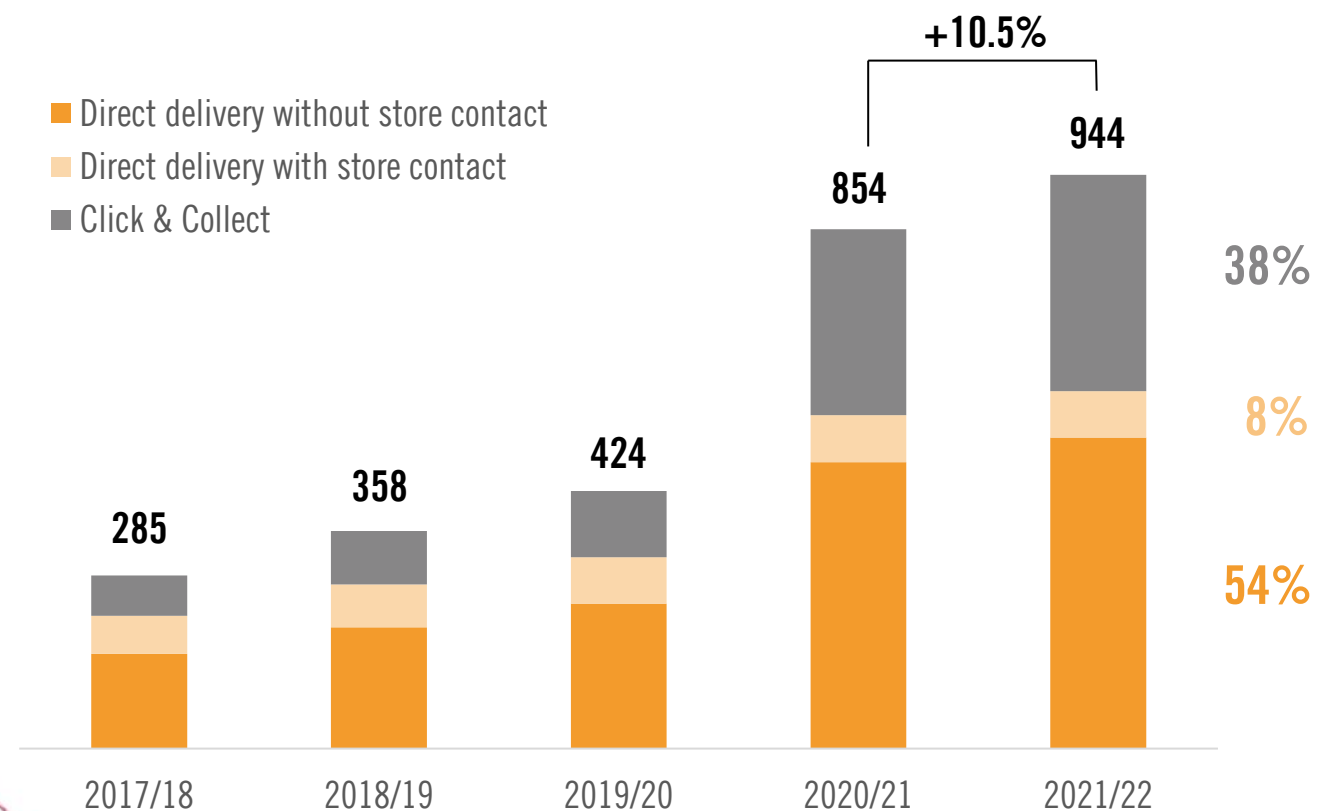
Sales per sqm (€) of HORNBACH and German competitors³⁾



1) In constant currencies; includes sales from all stores that have been open for at least one year as well as sales from online shops 2) GfK DIY panel (until 2013), GfK DIY-TSR (since 2014) 3) Dähne Statistik Baumarkt + Garten 4) Weighted net sales per sqm (fiscal year 2021/22)

Further growth in E-commerce

7.3%	8.7%	9.6%	16.7%	17.2%	E-commerce share
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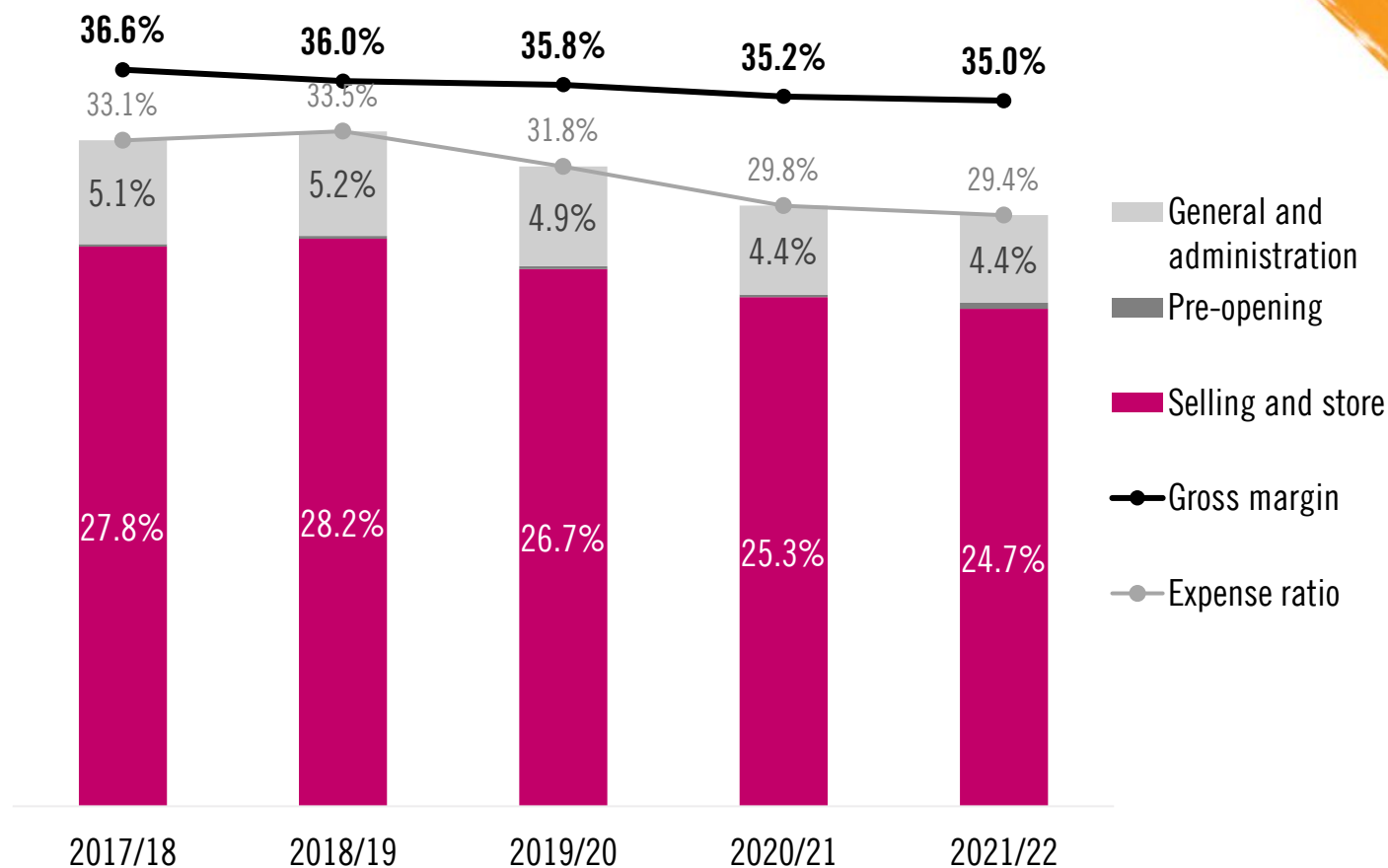


- **E-commerce share of HORNBACH Baumarkt sales** (incl. Click & Collect) again increased and now at **17.2%**
- **E-commerce sales growth** remains robust with **+10.5%**
- **Click & Collect** with the strongest growth rate at **+16.4%** in 2021/22
- **Direct delivery** (without store contact) grew by **+8.5%**

Cost structure in % of net sales and gross margin

Tight cost management and cost structure further improved

- **Gross margin** only slightly reduced amid a challenging market environment
- **Selling and store expenses** in % of sales decreased despite the expansion-related increase in personnel
- **General and administration expenses** remained stable



Financial year adjusted EBIT¹⁾ in € million and adj. EBIT margin in %

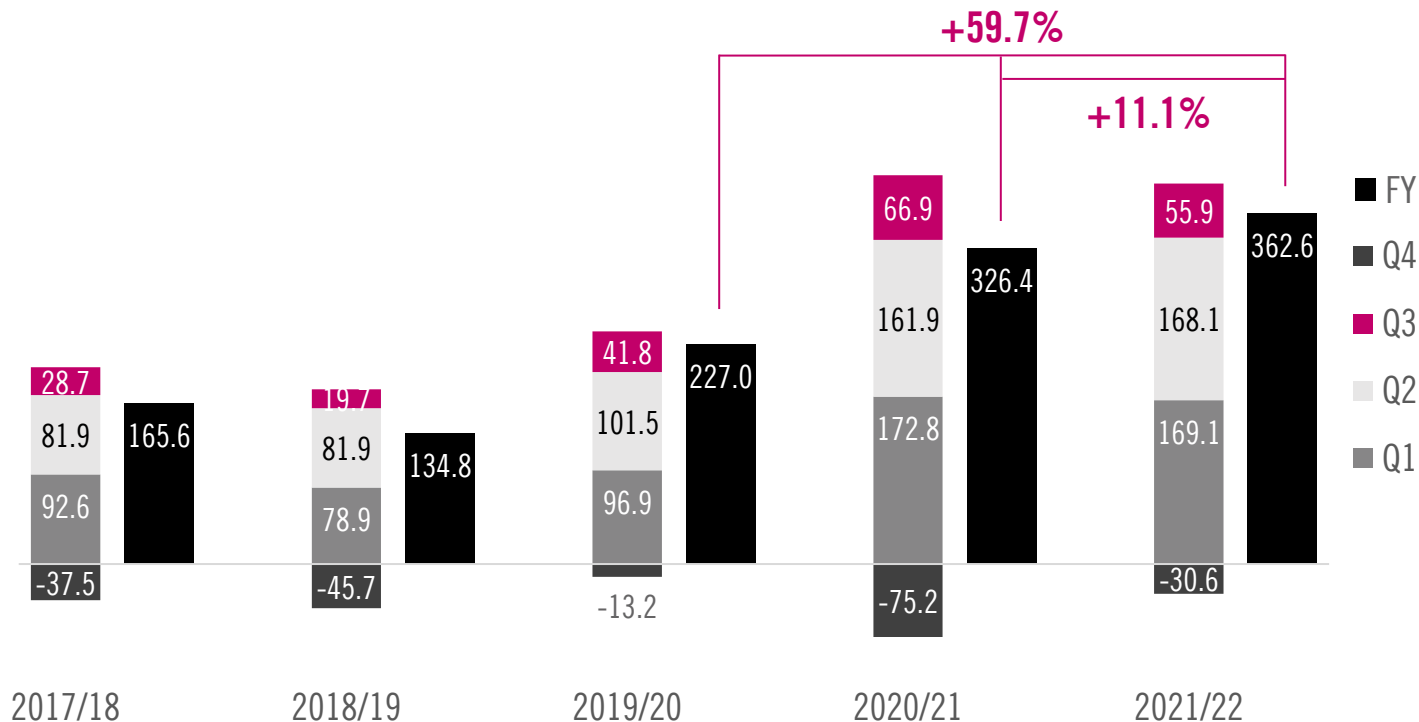
Adjusted EBIT well ahead of pre-Covid levels

- **Resilient group profitability** despite higher purchasing and shipping costs
- Adjusted EBIT on Group level **up 11.1%** in FY 2021/22 and up **59.7% compared to 2019/20**
- **Adjusted EBIT margin at 6.2%** significantly above pre-Covid levels

Reconciliation (in €m)	FY 2020/21	FY 2021/22
EBIT	311.9	355.0
Non-operating effects	14.5	7.6
Adjusted EBIT	326.4	362.6

Adjusted EBIT margin:

4.0%	3.1%	4.8%	6.0%	6.2%
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1) adjusted to exclude non-operating earnings items, e.g. impairment losses on assets, income from disposals of properties, income from write-ups of assets impaired in previous years

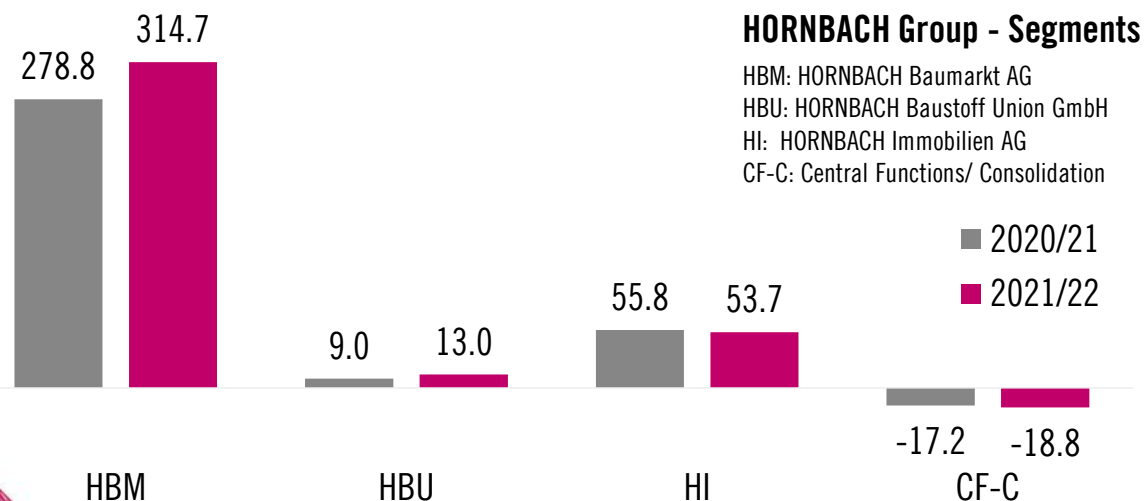
Fiscal year segment adj. EBIT in € million and segment adjusted EBIT margin in %

Adjusted EBIT above previous year's record level

Operational segments

- HORNBAACH Baumarkt: adj. EBIT +12.9%; € +35.9m
- HORNBAACH Baustoff: adj. EBIT +44.4%; € +4.0m
- HORNBAACH Immobilien: adj. EBIT -3.8%; € -2.1m

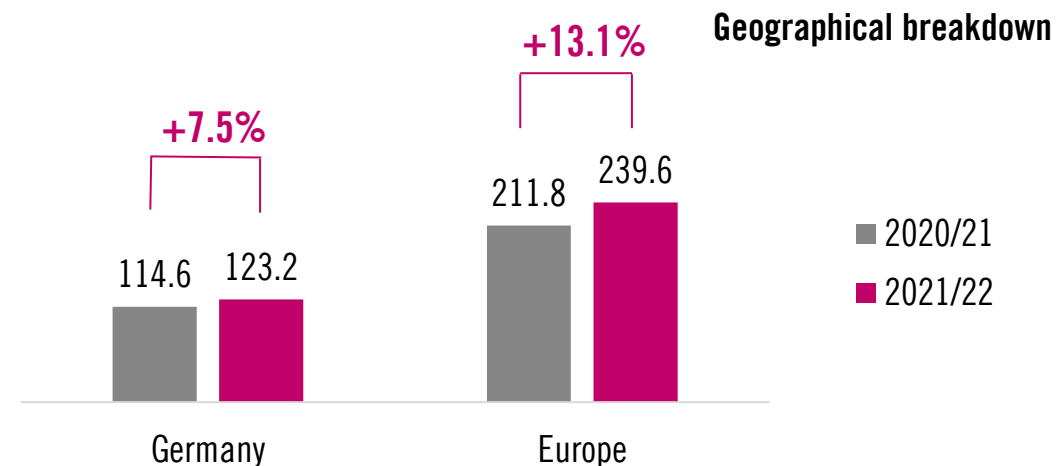
5.4%	5.7%	2.7%	3.4%	69.4%	67.4%	adj. EBIT margin
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Geographical segments

- Germany +7.5% / other Europe +13.1%
- **Germany** contributes **34% of adj. EBIT**
- **Other Europe** contributes **66% of adj. EBIT**

3.8%	3.9%	8.6%	8.8%	adj. EBIT margin
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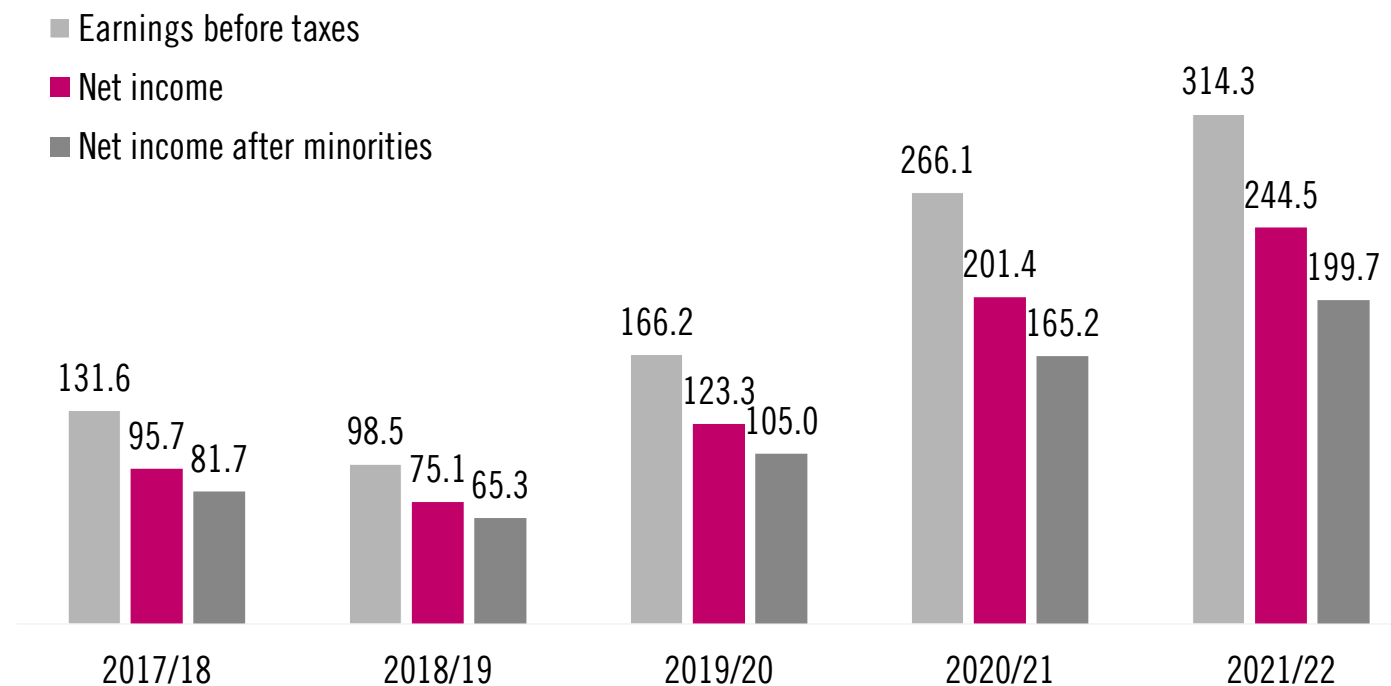


Earnings before taxes and net income in € million

Significant increase in other key earnings figures

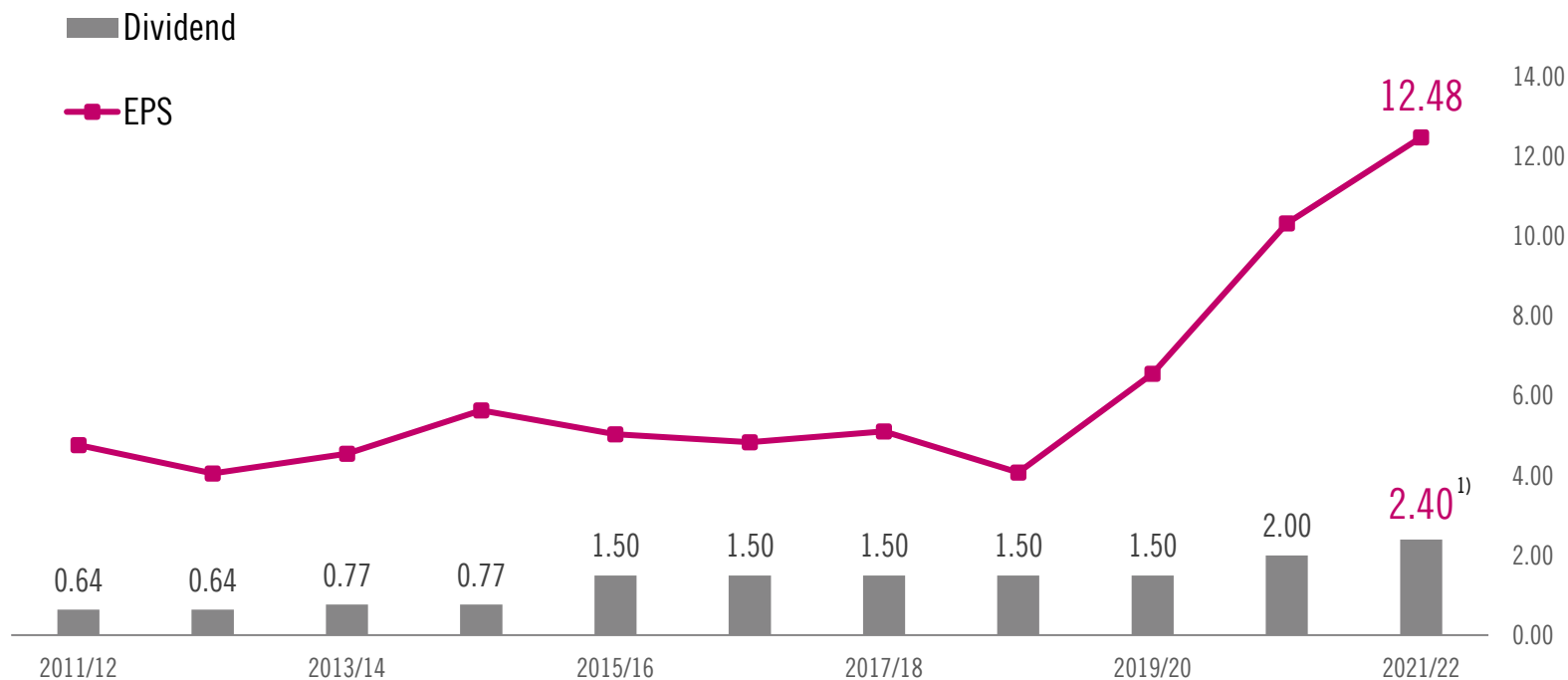
- **Earnings before taxes** increased by 18.1% to € 314.3m
- **Net income** increased by 21.4% to € 244.5m
- **Reduction of the tax rate** was mainly due to **tax loss carry forwards** in Sweden.
- **EPS** rose by 20.8% to € 12.48

Tax rate	27.2%	23.7%	25.8%	24.3%	22.2%
EPS	€ 5.11	€ 4.08	€ 6.56	€ 10.33	€ 12.48



Dividend per share in € and EPS in €

Dividend increase proposed for financial year 2021/22



Total Shareholder Return 2021/22:

52.9%

Dividend policy

- **Sustainable pay-outs:**
Continuous dividend payments since IPO
- **Stable dividend:** Pay-out at least at previous year's level
- **Target:** Average pay-out ratio of around 30% of consolidated net income (after minority interests)

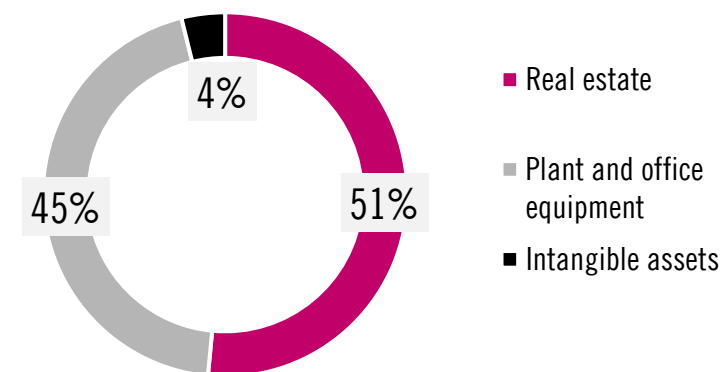
1) Dividend proposal for the financial year 2021/22, subject to approval at the annual general meeting

Increased funds from operations – higher working capital

	2019/20	2020/21	2021/22
Cash flow from operating activities	324.5	346.5	344.9
<i>of which: funds from operations</i>	<i>333.5</i>	<i>400.2</i>	<i>446.5</i>
<i>of which: change in working capital</i>	<i>-9.0</i>	<i>-53.7</i>	<i>-101.6</i>
Cash flow from investing activities	-121.6	-149.2	-171.7
<i>of which: gross CAPEX</i>	<i>-131.2</i>	<i>-154.4</i>	<i>-178.6</i>
Cash flow from financing activities	-152.1	-129.0	-278.5
<i>of which: dividends</i>	<i>-29.1</i>	<i>-29.1</i>	<i>-38.8</i>
Cash-effective change in cash and cash equivalents	50.8	68.3	-105.3
Free cash flow (after net CAPEX and dividend)	173.7	168.2	134.5

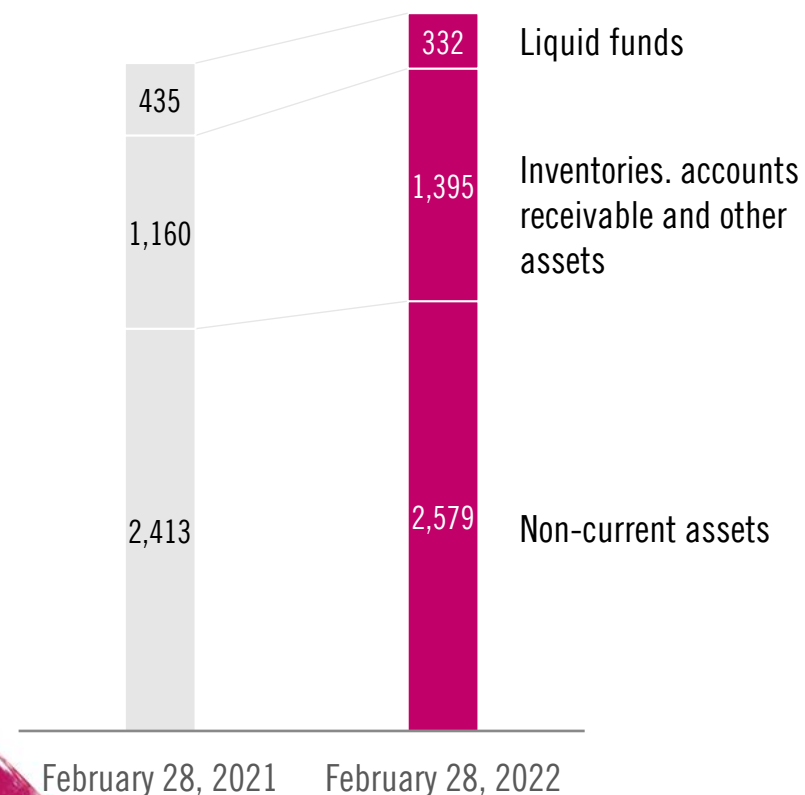
- Further increase in funds from operations countered by higher working capital requirements in preparation for the spring season
- **52% of CAPEX** spent on **new stores**, **48%** for **maintenance, store extensions** and **software**

CAPEX split of HORNBACH Group 2021/22

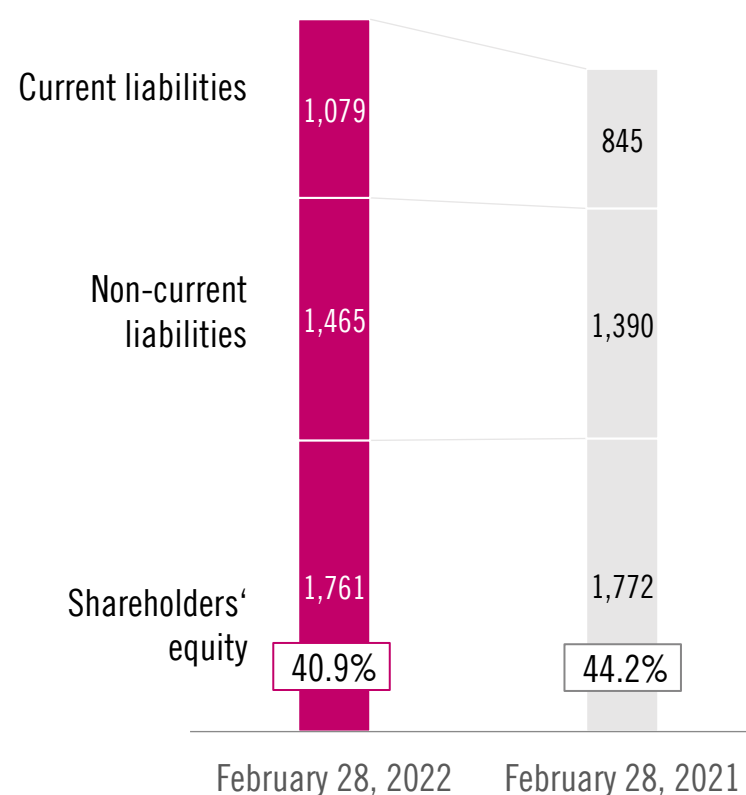


Strong balance sheet structure

4,008	4,306	Total assets
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Total equity and liabilities	4,306	4,008
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- Increase in **inventories** by € 238m due to higher stock levels in preparation for spring season
- Additions to **property, plant and equipment** and **right-of-use assets** of € 350m; depreciation of € 209m
- Increase in long-term debt mainly from increase in **lease liabilities**
- Short-term debt increases mainly due to liabilities in connection with the **delisting acquisition** offer of € 191m

CO₂ footprint measured for the first time – targets to be defined in 2022/23

Greenhouse gas emissions in metric tons of CO ₂ e	2020/21	2021/22
Scope 1¹⁾	32,185	40,308
Natural gas	21,736	25,791
Heating Oil	2,462	2,725
Vehicle fleet	7,987	11,792
Scope 2 (market based)²⁾	39,767	35,113
Electricity	35,634	30,046
District heating	4,133	5,067
Total greenhouse gas emissions Scope 1 and 2 (market-based) in metric tons	71,951	75,421
Greenhouse gas emissions Scope 1 and 2 (market-based) per m² of sales area³⁾ in kg, market-based, excluding vehicle fleet	27.87	26.79

Measures to reduce carbon already implemented:

- Building control technology
- Cooling by fresh air flooding on hot nights - instead of air conditioning
- Energy-saving LED lighting indoors and outdoors
- Installation of e-charging stations in Germany, Austria, the Netherlands, Sweden
- Photovoltaic systems and/or green roofs (new stores and logistics centres)

1) without air-conditioning fluids 2) Market-based figures refer to the emission factors of the electricity supplier. 3) DIY stores and logistics: BHB definition (enclosed hall 100%, covered open space/building material drive-in: 50%, non-covered open space: 25%), administration: gross floor area, HBU: heated area

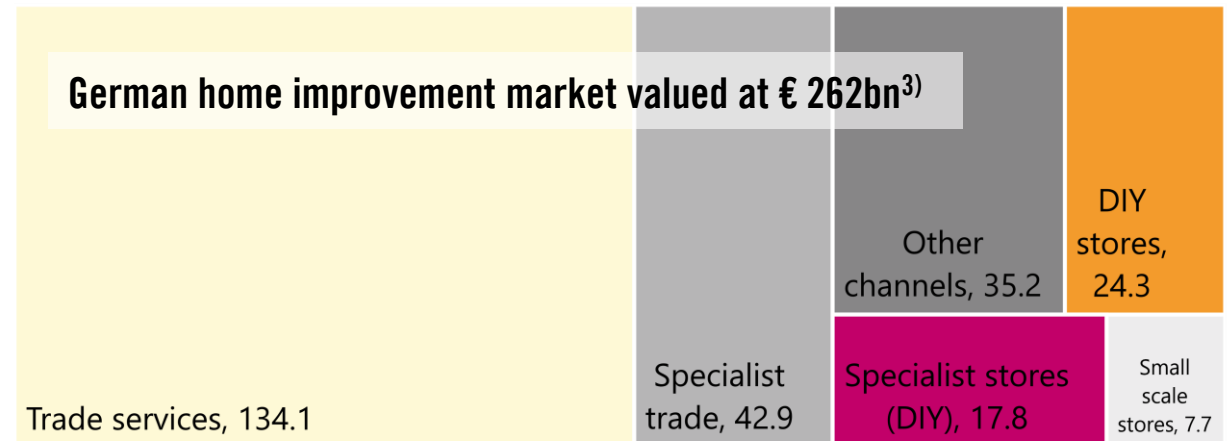
Covid related trends to continue – opportunity to expand in other market segments

Global industry trends

- Industry experts predict a “**decade of the home**”¹⁾ with **cocooning** and **working from home** to stay
- **E-commerce continues to grow** amid restrictions on stationary shopping being lifted
- Significant governmental investment programs across European to support **renovation and energy refurbishment** of the housing stock to push towards carbon neutrality in 2050²⁾
- **Ageing society** triggers rising demand for low-barrier apartments

Growth opportunities beyond DIY market

- DIY stores currently account for 9% of the German home improvement market
- **Huge potential to gain market share from other segments** by addressing trade professionals, offering “do-it-for-me” services, creating specialized store formats



1) Accenture COVID-19 Consumer Research (Aug 2020) 2) European Commission 2050 long-term strategy 3) Klaus Peter Teipel, Research & Consulting (in bn €)

Outlook for FY 2022/23

Net sales 2022/23 **Slightly above 2021/22**

Net sales 2021/22 € 5,875m

Adjusted EBIT 2022/23 **Slightly below 2021/22**

Adjusted EBIT 2021/22 € 362.6m

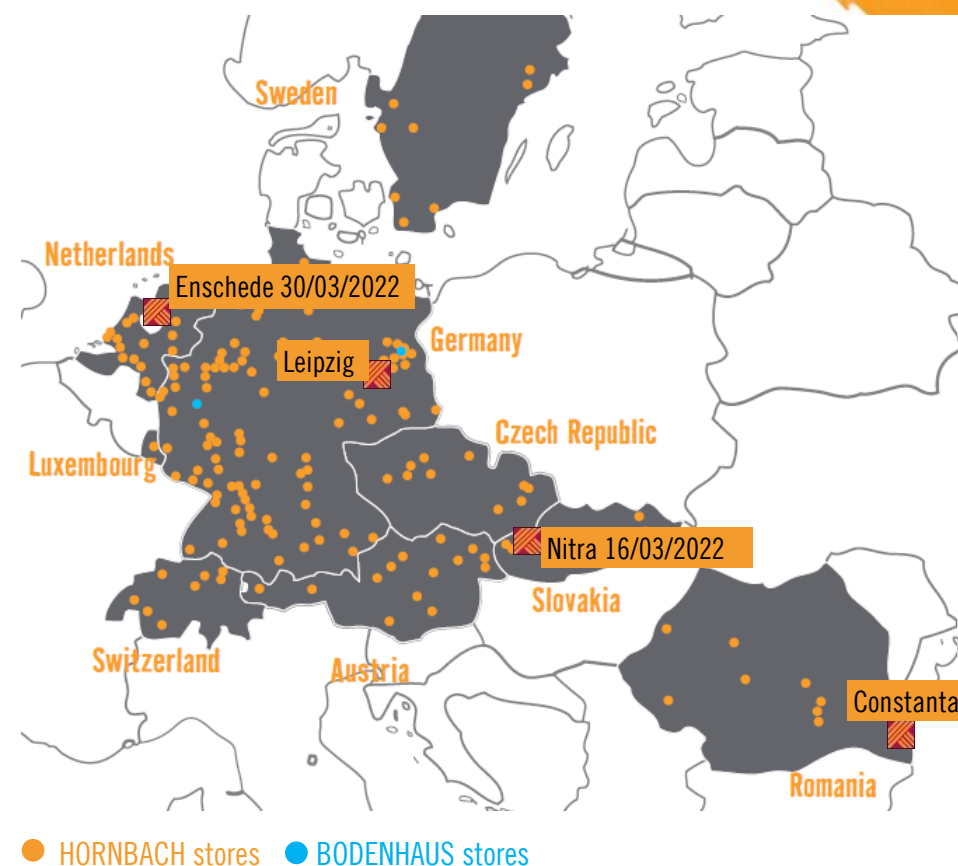
Additional items

CAPEX 2022/23 **On the level of 2021/22**

CAPEX 2021/22 € 178.6m

Future developments are subject to considerable uncertainty. Please see disclaimer at the beginning of the presentation regarding forward-looking statements.

HORNBACH Baumarkt: Store openings in 2022/23



Key investment highlights



Efficient and scalable set up

- **Organically grown** network of **homogeneous** big box stores
- **60% owned real estate** for operational and financial flexibility
- **Interconnected retail (ICR)** with online shops and mobile app in 9 countries
- **Scalable** B2B and B2C logistics network



Attractive customer proposition

- Focus on **project and trade customers**
- **Price leadership** in all countries of operation
- **#1 in customer satisfaction** across multiple markets¹⁾
- **Seamless customer journey** across ICR channels



Proven growth strategy

- **Ongoing physical expansion:** >25 stores in next 5 years
- **Ongoing investments in ICR:** e.g. online shop, app, VR
- Sustainable **long-term like-for-like growth rate**²⁾ above sector average
- Leading home improvement player in terms of **sales per sqm**³⁾



Structural growth foundation

- **“Cocooning”** and **working from home**
- **Need for renovations:** Energy efficiency and CO2 reduction, barrier-free homes, ageing European building stock
- Growth opportunities **beyond the DIY core market:** trade professionals and Do-it-for-me segment

Committed to sustainable business, reflected in our values and CSR guidelines

Strong commitment and support of Hornbach family as anchor shareholder

1) Kundenmonitor Germany/Austria/Switzerland (2021), Retailer of the Year 2021 (Netherlands), Evimetrix 2021 (Sweden) 2) Average 10-year LfL growth rate of 4.4%, (in constant currencies; includes sales from all stores that have been open for at least one year as well as sales from online shop)
3) Dähne Statistik Baumarkt+Garten 2021, HORNBACH (as measured by weighted net sales per sqm (fiscal year 2020/21))

Upcoming events & contact

Financial Calendar

May 24, 2022	dbAccess German Corporate Conference 2022
May 25, 2022	German Spring Conference 2022 (Equity Forum)
June 15, 2022	ERSTE Group Consumer Conference 2022
June 29, 2022	Financial Update: Q1 2022/23 as of May 31, 2022
July 8, 2022	Annual General Meeting of HORNBACK Holding AG & Co. KGaA (virtual)

Updates on our [IR website](#)

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Appendix

Key figures: 10-year overview

In € million unless otherwise stated	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
Net sales	5,875	5,456	4,729	4,362	4,141	3,941	3,755	3,572	3,369	3,229
of which in Germany	3,149	2,985	2,536	2,376	2,312	2,262	2,223	2,172	2,035	1,949
of which in other European countries	2,726	2,471	2,193	1,986	1,829	1,679	1,533	1,400	1,334	1,280
Sales growth as % of net sales	7.7	15.4	8.4	5.3	5.1	4.9	5.1	6.0	4.3	0.8
Gross margin as % of net sales	35.0	35.2	35.8	36.0	36.6	36.6	37.0	37.3	36.6	36.5
EBITDA	565	516	420	235	263	254	231	243	236	221
as % of net sales	9.6	9.5	8.9	5.4	6.3	6.5	6.2	6.8	7.0	6.9
EBIT	355	312	214	121	161	157	138	165	160	146
as % of net sales	6.0	5.7	4.5	2.8	3.9	4.0	3.7	4.6	4.8	4.5
Adjusted EBIT ¹⁾	363	326	227	135	166	160	151	167	164	146
as % of net sales	6.2	6.0	4.8	3.1	4.0	4.1	4.0	4.7	4.9	4.5
Earnings before taxes (EBT)	314	266	166	99	132	130	113	140	128	108
as % of net sales	5.3	4.9	3.5	2.3	3.2	3.3	3.0	3.9	3.8	3.3
Net income for the year before non-controlling interest	245	201	123	75	96	90	98	107	86	77
as % of net sales	4.2	3.7	2.6	1.7	2.3	2.3	2.6	3.0	2.6	2.4
Earnings per share	12.48	10.33	6.56	4.08	5.11	4.84	5.04	5.64	4.55	4.06
Employees - annual average - converted into full-time equivalents	19,961	18,720	17,935	17,053	16,223	15,751	15,283	14,663	14,064	13,289

1) adjusted to exclude non-operating earnings items, e.g. impairment losses on assets, income from disposals of properties, income from write-ups of assets impaired in previous years