

Update Call Q1 2022/23

HORNBACH Holding AG & Co. KGaA

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Strong sales development – earnings well ahead of pre-Covid levels

Overall demand for construction and DIY products has remained steady

- Net sales ahead of previous year's record level: +8.1% to € 1,813.4m
- Online sales share at 15.3% in Q1 2022/23

Earnings well ahead of pre-Covid levels

- Q1 2022/23 adj. EBIT at € 148.3m: 1-year change: (12.3%) / 3-year change: +53.1%
- Gross margin at 34.2% from 35.5% in Q1 2021/22

FY 2022/23: Revised guidance as of June 13, 2022 – confirmed

- Sales slightly above previous year
- Low double-digit percentage decline in adjusted EBIT due to macroeconomic challenges



HORNBACK on track to deliver further organic growth

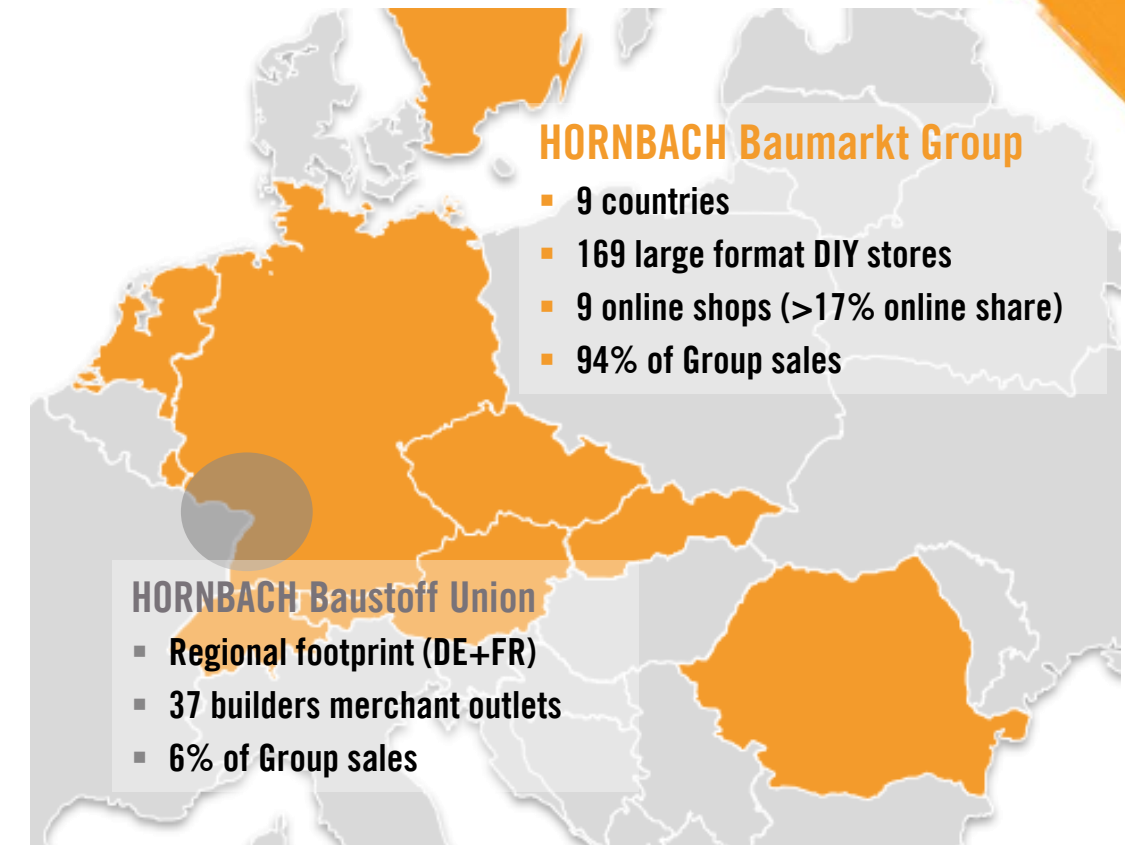
Organic network expansion continued

- 169 large format DIY stores in 9 countries and 37 builders merchant outlets as of May 31, 2022
- Hornbach Baumarkt opened 2 new stores in Nitra (SK) and Enschede (NL) in March 2022
- Hornbach Baustoff Union to take over 2 builders merchant outlets in Saarbrücken (DE) and Saarlouis (DE) as of July 1, 2022.



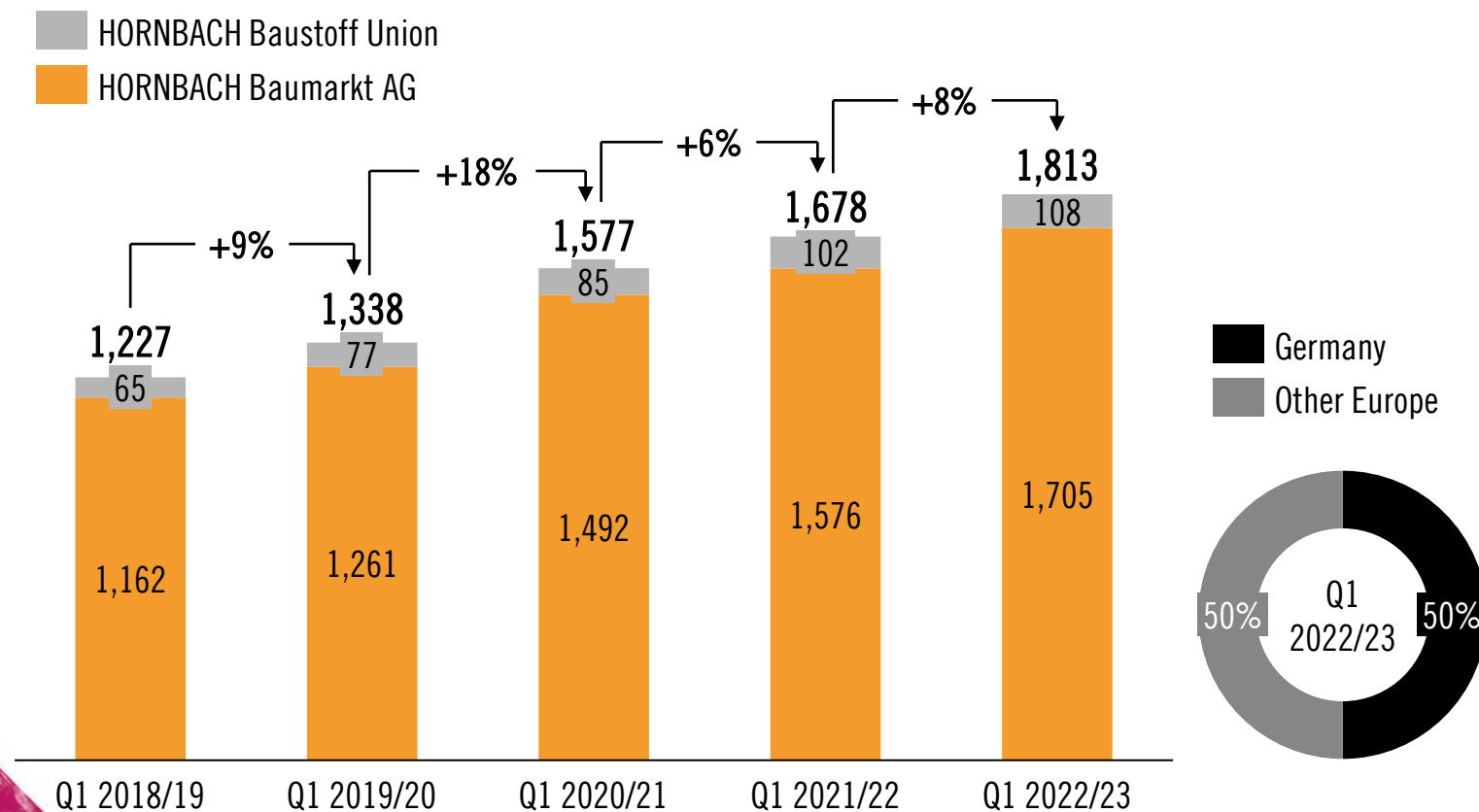
HORNBACK
Enschede (NL)

HORNBACK Group: European footprint (May 31, 2022)



Net sales in Q1 2022/23 again ahead of previous year's record level

Q1 net sales (Mar 1 – May 31)



- Strong net sales momentum continues – driven by steady demand and inflation
- Net sales HORNBAACH Baumarkt subgroup +8.2%
 - Germany: +4.7%
 - Other Europe: +12.0%
- Net sales HORNBAACH Baustoff subgroup +6.0%
- 50% of HORNBAACH Baumarkt subgroup sales outside Germany

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

Robust like-for-like growth

- Continued like-for-like sales growth in Germany and Other Europe in Q1 2022/23
- Strong recovery in the Netherlands and Czech Republic following extended lockdowns in Q1 2021/22
- Development in Austria and Switzerland influenced by unfavourable weather conditions at the start of the spring season

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

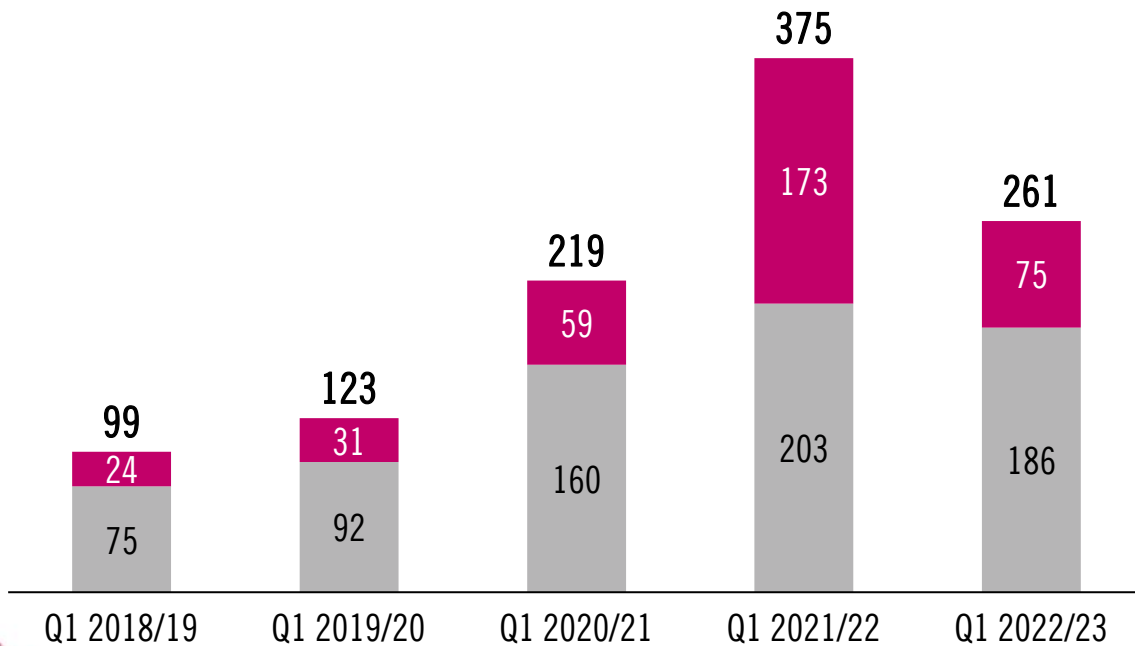
	Q1 2021/22	Q2 2021/22	Q3 2021/22	Q4 2021/22	FY 2021/22	Q1 2022/23
Total	4.3	2.5	(0.1)	20.0	5.4	5.3
<i>Ø Open to private customers²⁾</i>	<i>51</i>	<i>99</i>	<i>99</i>	<i>96</i>	<i>86</i>	<i>100</i>
Germany	(0.1)	1.7	(4.3)	26.5	3.7	4.4
<i>Ø Open to private customers²⁾</i>	<i>40</i>	<i>98</i>	<i>100</i>	<i>100</i>	<i>85</i>	<i>100</i>
International	9.5	3.4	4.5	13.8	7.3	6.2
<i>Ø Open to private customers²⁾</i>	<i>67</i>	<i>100</i>	<i>98</i>	<i>90</i>	<i>89</i>	<i>100</i>
Austria	20.4	0.8	0.5	1.4	6.4	(2.5)
Czech Republic	(3.9)	11.0	26.3	25.5	12.5	18.0
Luxembourg	42.0	0.5	2.3	(2.7)	10.5	(7.3)
Netherlands	(11.7)	4.3	0.3	42.4	4.6	22.5
Romania	11.2	9.0	8.7	9.2	9.5	14.1
Slovakia	50.9	11.6	10.2	38.4	24.7	16.0
Sweden	11.1	1.2	1.3	(0.9)	3.7	(3.6)
Switzerland	33.4	(5.5)	(2.8)	(9.2)	4.3	(12.2)

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

Further growth in E-commerce

8.5%	9.7%	14.7%	23.9%	15.3%	E-commerce share
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■ Click & Collect
 ■ Direct delivery

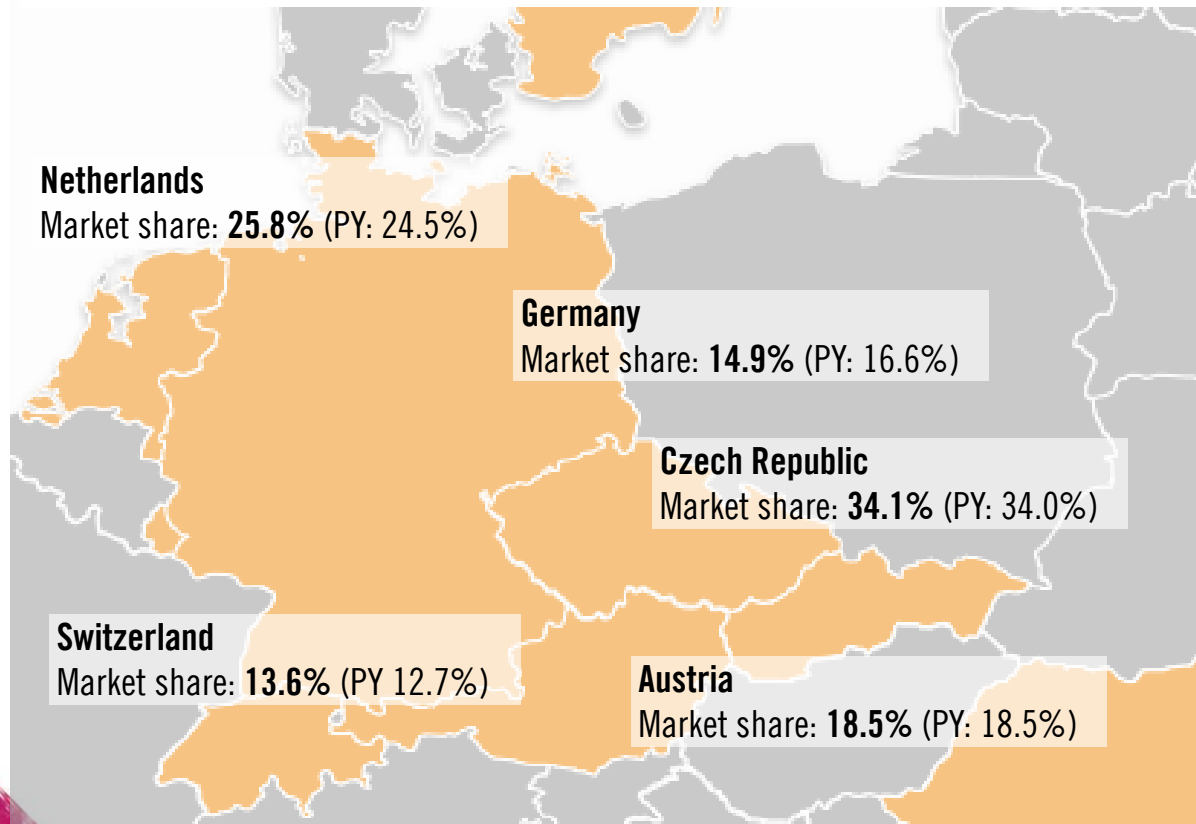


- **E-commerce share of HORNBACH Baumarkt sales** (incl. Click & Collect) at **15.3%** in Q1 2022/23
- **Click & Collect** with a strong decline reflecting sales restrictions in Q1 2021/22 – however a strong increase compared to Q1 2019/20
- **Direct delivery** remained on a high level

HORNBACH Baumarkt: Gaining further market share outside Germany

Large DIY stores > 1,000 sqm

Market share of HORNBACH Baumarkt in % (GfK)



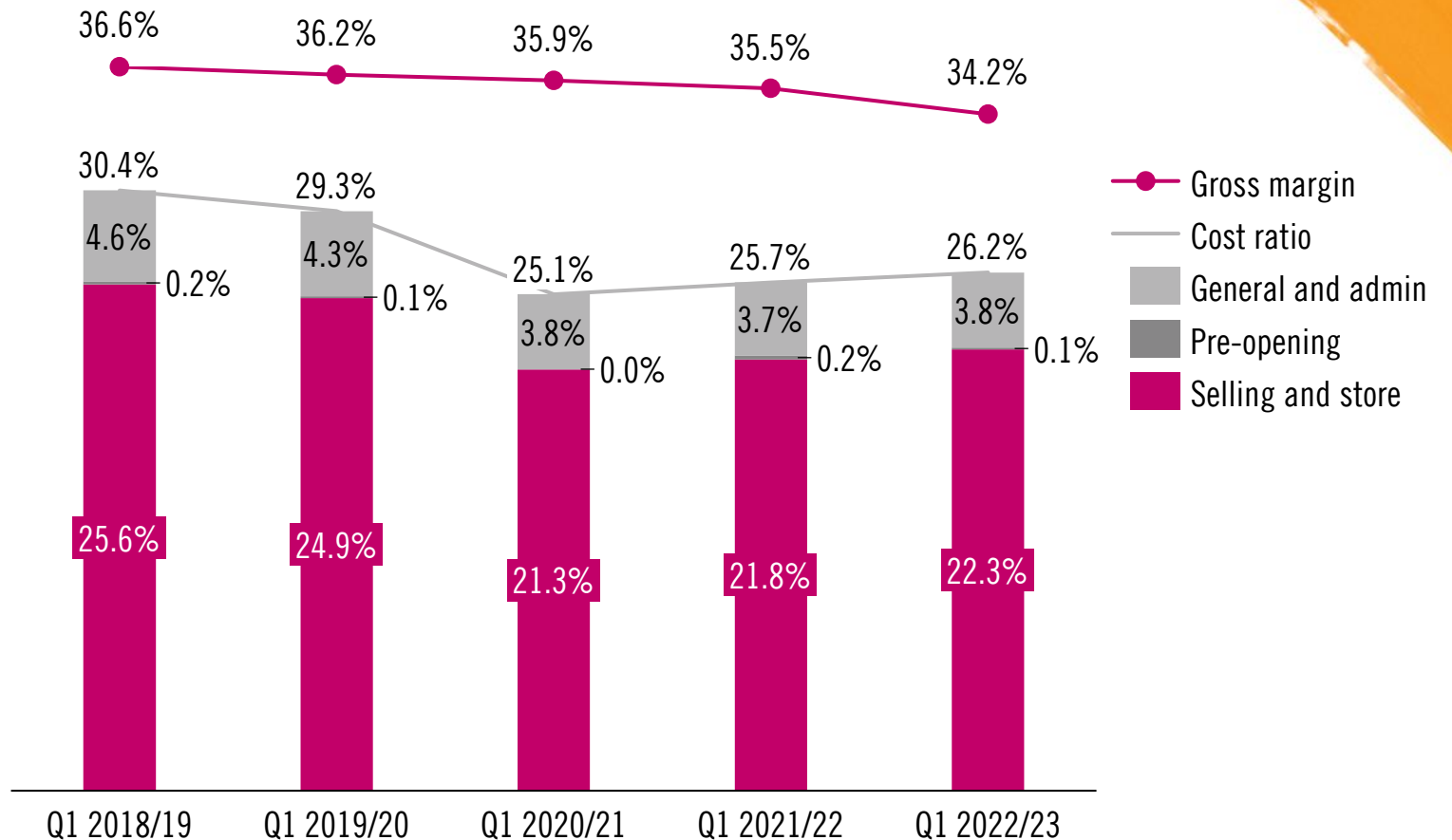
- HORNBACH further **gained market share (GfK)** in countries outside Germany
- Market share in **Germany** normalized at 14.9% in the period January – April 2022 after an increase from 13.6% to 16.6% in the previous year due to successful ICR strategy amid selling restrictions
- Strong market share developments in the **Netherlands** and **Switzerland** also driven by new store openings

Source: GfK DIY-TSR, no data for Luxembourg, Romania, Slovakia, Sweden

Cost structure in % of net sales and gross margin

Gross margin reflects rising purchasing and transportation costs

- **Gross margin** reduced amid a challenging market environment
- **Selling and store expenses** in % of sales increase slightly due to higher cost for personnel and energy as well as an increase in marketing spending
- **General and administration expenses** largely stable



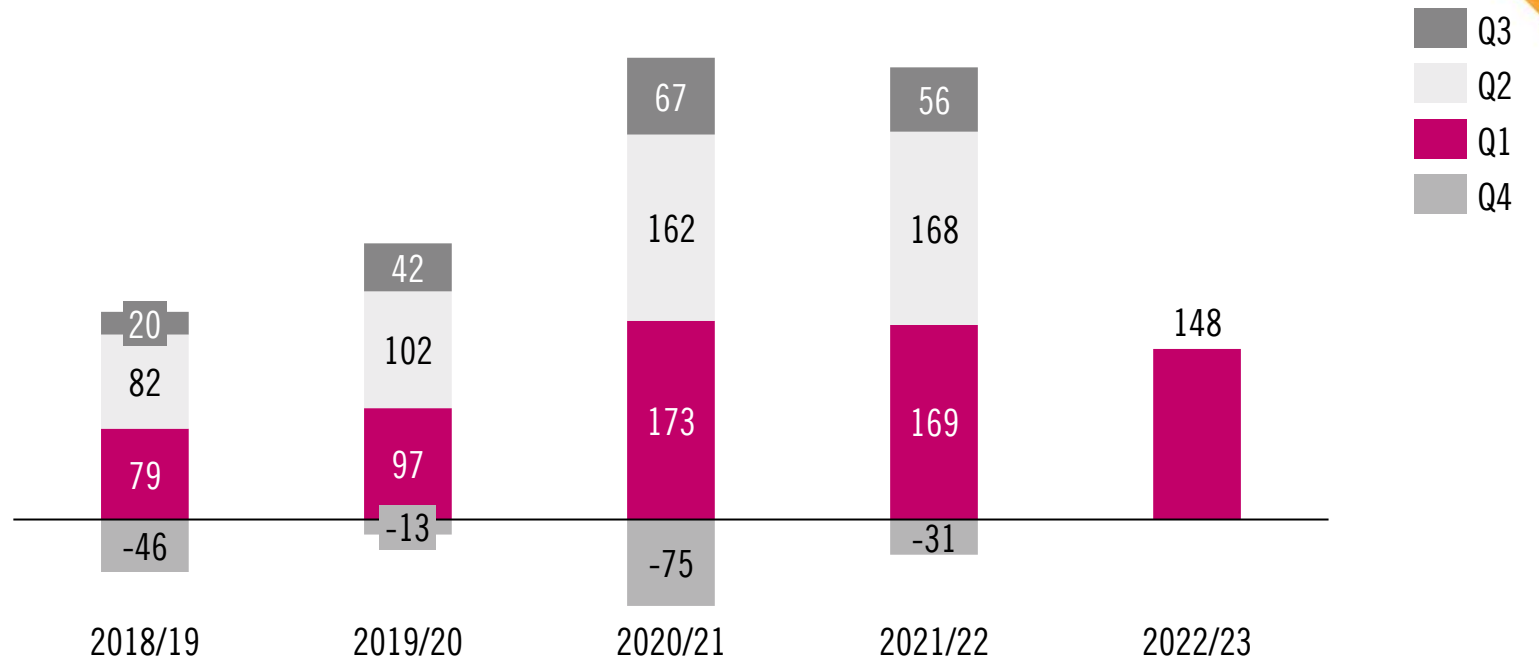
Adjusted EBIT¹⁾ in € million and adj. EBIT margin in %

Adjusted EBIT remains well ahead of pre-Covid levels

- **Resilient group profitability** despite higher purchasing and shipping costs
- Adjusted EBIT on Group level **down 12.3%** in Q1 2022/23 and up **53.1% compared to 2019/20**
- **Adjusted EBIT margin at 8.2%** ahead of pre-Covid levels

Adjusted EBIT margin Q1:

6.4%	7.2%	11.0%	10.1%	8.2%
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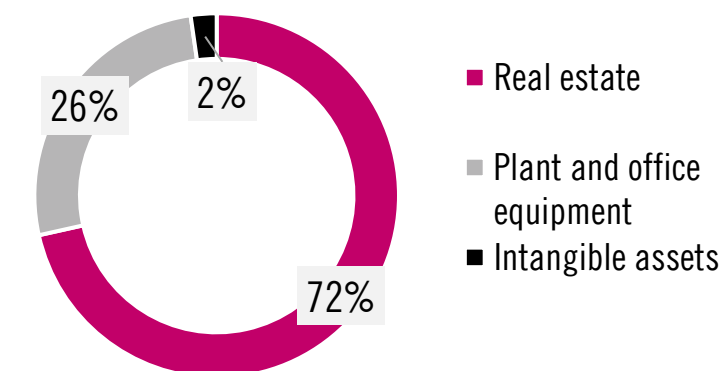
¹⁾ adjusted to exclude non-operating earnings items, e.g. impairment losses on assets, income from disposals of properties, income from write-ups of assets impaired in previous years

Funds from operations remain on a high level

	Q1 2019/20	Q1 2020/21	Q1 2021/22	Q1 2022/23
Cash flow from operating activities	142.6	386.6	238.3	175.6
<i>of which: funds from operations</i>	109.3	170.2	170.5	164.4
<i>of which: change in working capital</i>	33.3	216.3	67.8	11.2
Cash flow from investing activities	-68.3	-24.7	-54.4	-49.2
<i>of which: gross CAPEX</i>	-48.7	-27.1	-55.1	-52.3
Cash flow from financing activities	-19.6	-24.6	-21.3	-13.1
Cash-effective change in cash and cash equivalents	54.7	337.4	162.6	113.3
Free cash flow (after net CAPEX)	94.3	361.9	183.9	126.4

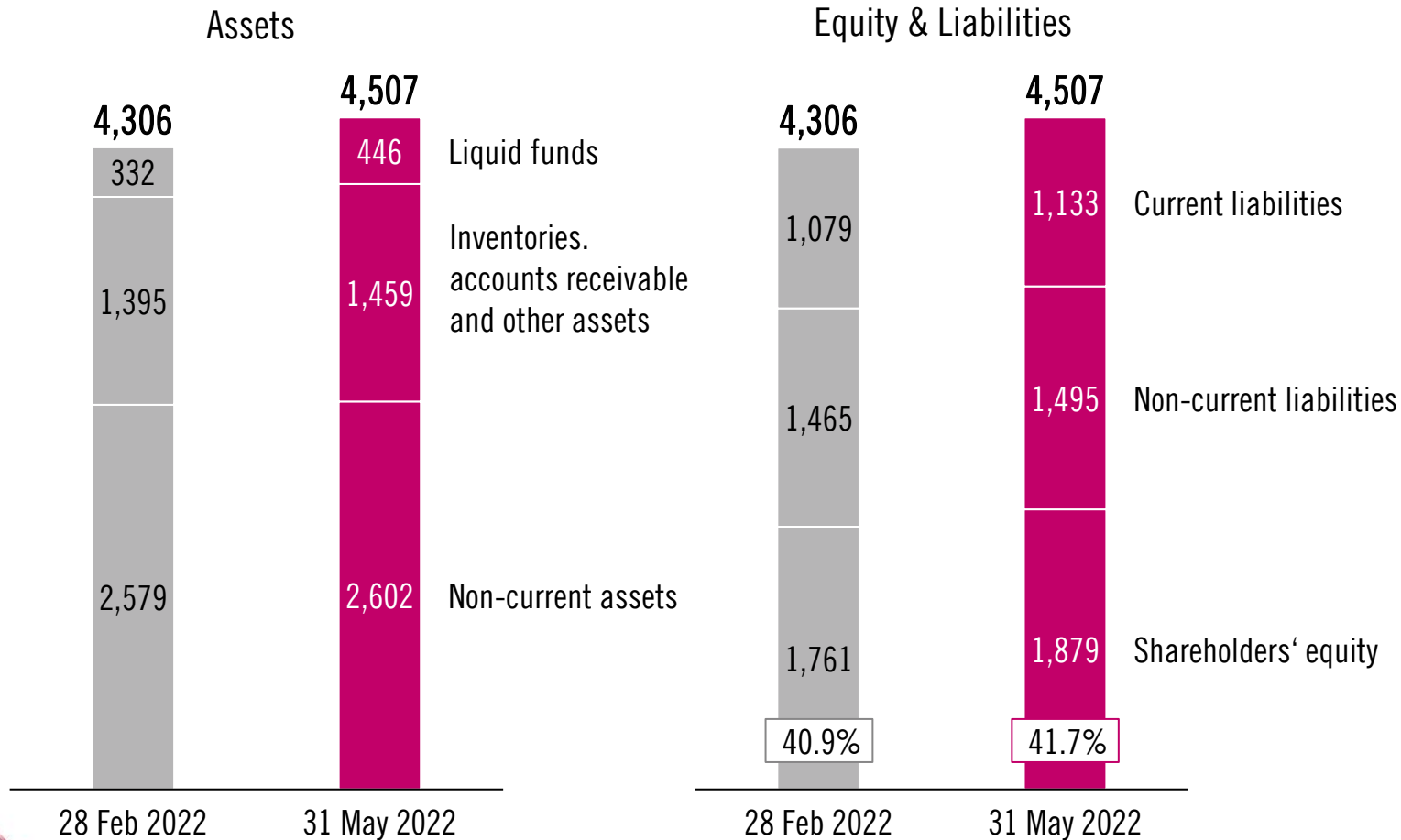
- Decline in operating cashflow mainly working capital related (higher inventories)
- Funds from operations remain significantly above pre-Covid levels (+€ 55m vs. 2019/20)

CAPEX split of HORNBACH Group Q1 2022/23



Balance sheet in € million

Strong balance sheet structure



- Increase in **inventories** by € 59m due to higher stock levels
- Additions to **property, plant and equipment** and **right-of-use assets** of € 30m
- Increase in **liquid funds** by € 114m

Outlook for FY 2022/23¹⁾

Net sales 2022/23	Slightly above 2021/22
Net sales 2021/22	€ 5,875m
Adjusted EBIT 2022/23	Below 2021/22 in a low double-digit percentage range
Adjusted EBIT 2021/22	€ 362.6m

Additional items

CAPEX 2022/23	On the level of 2021/22
CAPEX 2021/22	€ 178.6m

HORNBACH Baumarkt: Store openings in 2022/23



Future developments are subject to considerable uncertainty. Please see disclaimer at the beginning of the presentation regarding forward-looking statements 1) Revised outlook as published on June 13, 2022.

Q&A



Upcoming events & contact

Financial Calendar

June 30, 2022	Roadshow in London
July 8, 2022	Annual General Meeting of HORNBAACH Holding AG & Co. KGaA (virtual)
September 8, 2022	ODDO BHF / Commerzbank Corporate Conference, Frankfurt / Main
September 29, 2022	Financial Update: Half-Year Financial Report 2022/2023 as of August 31, 2022
November 22, 2022	DZ BANK Equity Conference, Frankfurt / Main
December 22, 2022	Financial Update: 3rd Quarter of 2022/2023 as of November 30, 2022

Updates on our [IR website](#)

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Backup



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

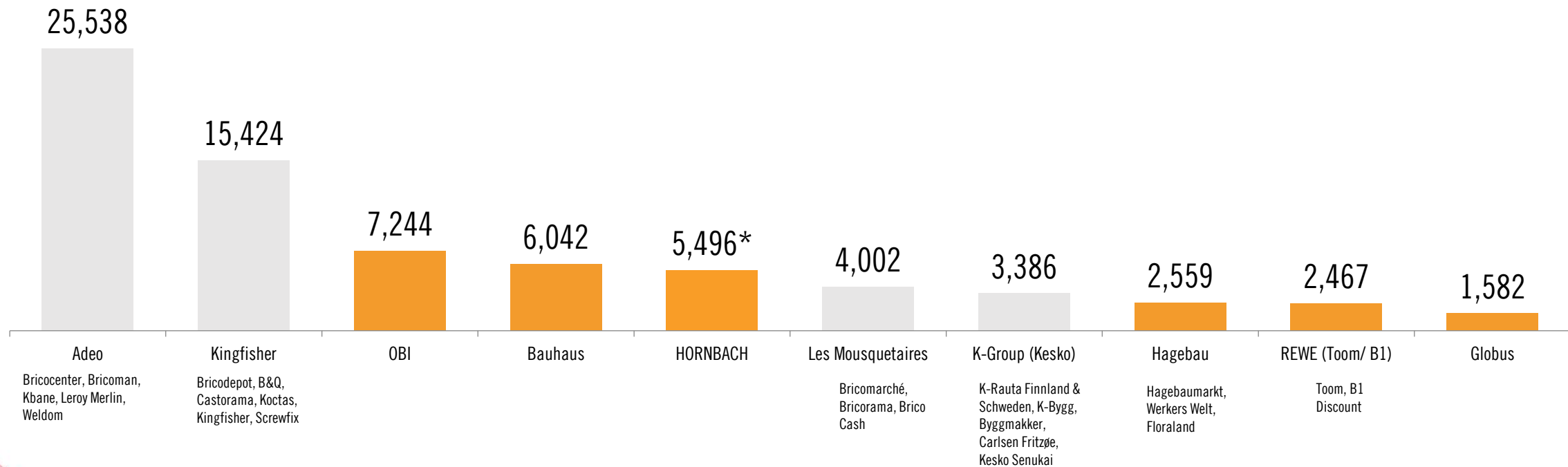
1) Kundenmonitor Germany/Austria/Switzerland (2021), Retailer of the Year 2021 (Netherlands), Evimetrix 2021 (Sweden) 2) Average 10-year LfL growth rate of 4.4%, (in constant currencies; includes sales from all stores that have been open for at least one year as well as sales from online shop)
3) Dähne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

HORNBACH Baumarkt: 5th largest DIY store operator in Europe

RO	RO	AT	AT LU	AT NL	SE	AT	DE	DE
		CH	CH NL	CH RO		DE		LU
		CZ	CZ SE	CZ SE		LU		
		DE	DE SK	DE SK				
		SK		LU				

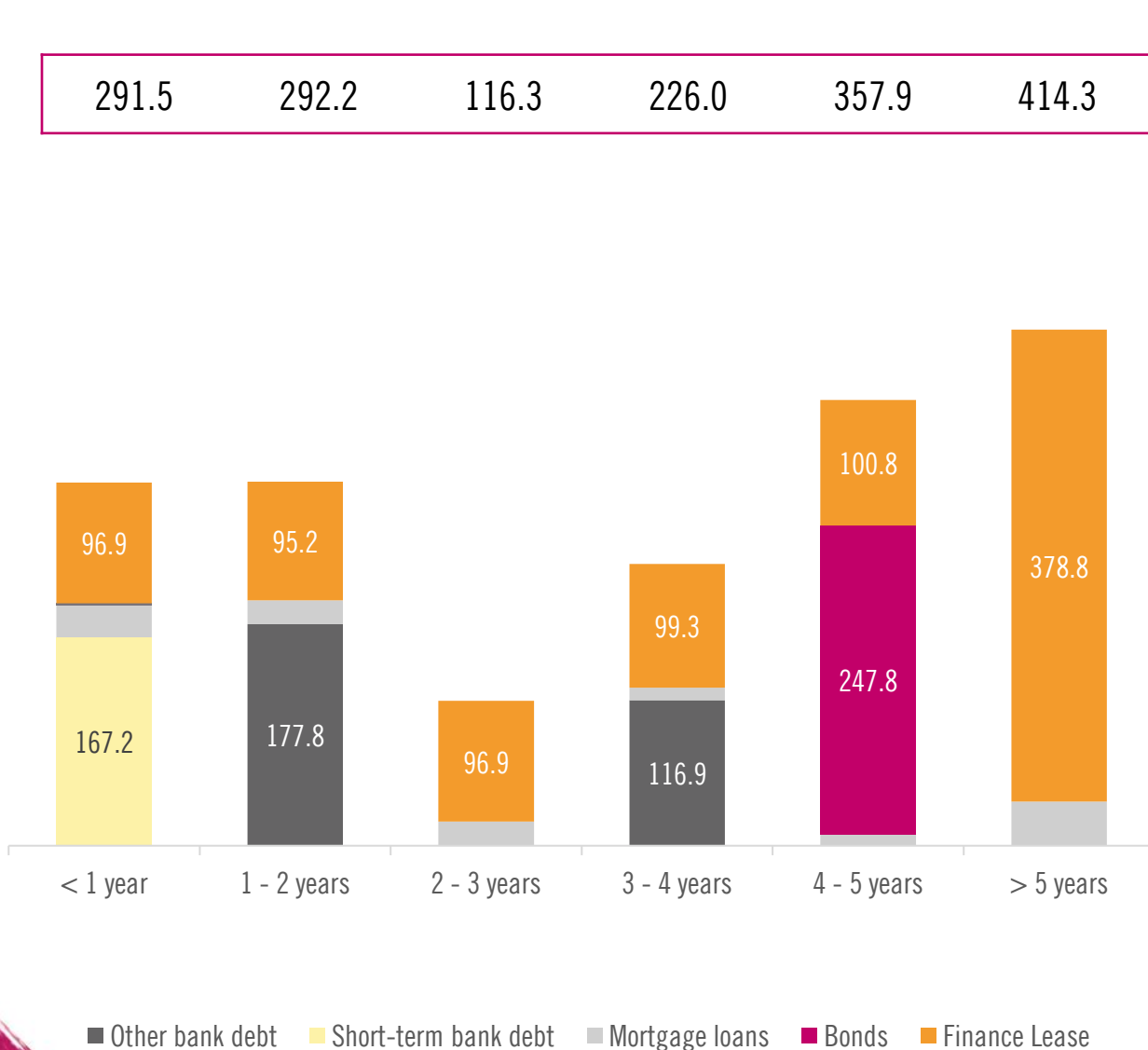
Presence of competitors in HORNBACH business regions

Sales (net) in € m (2021)



Source: Dähne Statistik Baumarkt+Garten 2022, HORNBACH, own research *Net sales 2021/22 of HORNBACH Baumarkt

Financial debt maturity profile as of May 31, 2022 (€ million)

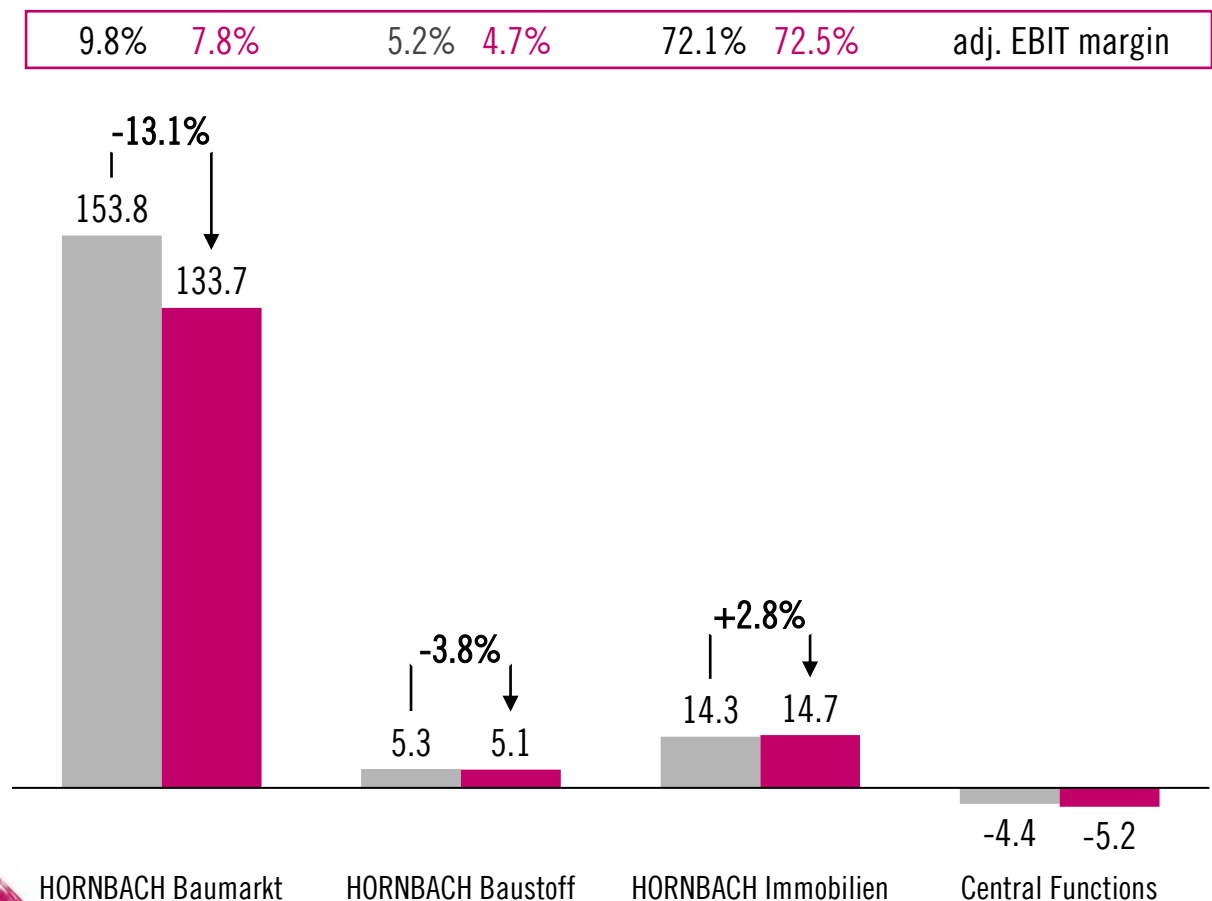


	May 31, 2022	Feb 28, 2022						
291.5	292.2	116.3	226.0	357.9	414.3	1,698.1	1,688.3	Total financial debt
						446.1	332.3	Cash and cash equivalents
						1,252.0	1,356.0	Net financial debt
						549.7	564.9	EBITDA (LTM)
						2.3	2.4	Net debt / EBITDA

- Bridge loan utilization reduced from € 145m as of May 31, 2022 to € 70m in June
- Promissory notes issued in June 2022 (€ 100m for 5 / 7 years)

Segment adj. EBIT in € million and segment adjusted EBIT margin in %

Decline in adjusted EBIT mainly from Baumarkt segment



- Adjusted EBIT of **HORNBACH Baumarkt** down 13.1%, but up **58.9%** compared to 2019/20
- HORNBACH Baustoff** only slightly below previous year's record level
- HORNBACH Immobilien** with slight increase of 2.8%

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

Stationary store closures for private customers

Country	Overview of restrictions	No. of stores
Germany	<p>1 Mar to 6 Jun 2021: Incidence-based closures for private customers of on average half of the store network – gardening section mostly open</p> <p>22 Nov 2021 to 18 Feb 2022: Proof of vaccination or recovery required in some Federal States</p>	98
Austria	<p>31 Mar to 2 May 2021: Incidence-based closures for private customers of parts of store network (6 of 14 stores)</p> <p>22 Nov to 12 Dec 2021: Closed for private customers</p> <p>15 Nov 2021 to 11 Feb 2022: Proof of vaccination or recovery required</p>	14
Czech Republic	<p>1 Mar to 9 May 2021: Closed for private customers, gardening section open</p>	10
Luxembourg	No restrictions	1
Netherlands	<p>1 Mar to 27 Apr 2021: Closed for private customers</p> <p>19 Dec 2021 to Jan 14 2022: Closed for private customers</p>	15+1 (13 Oct 2021)
Romania	<p>25 Oct 2021 to 28 Feb 2022: Proof of vaccination or recovery required</p>	7+1 (14 Jul 2021)
Slovakia	<p>1 Mar to 18 Apr 2021: Closed for private customers, gardening section open</p> <p>25 Nov to 9 Dec 2021: Closed for private customers, gardening section open</p> <p>10 Dec 2021 to 25 Feb 2022: Proof of vaccination or recovery required</p>	4
Sweden	No restrictions	7+1 (29 Jun 2021)
Switzerland	No restrictions	7+1 (4 Nov 2021)
Group		167