



# **Analyst & Investor Conference 2024**

## **HORNBACK Holding AG & Co. KGaA**

May 22, 2024

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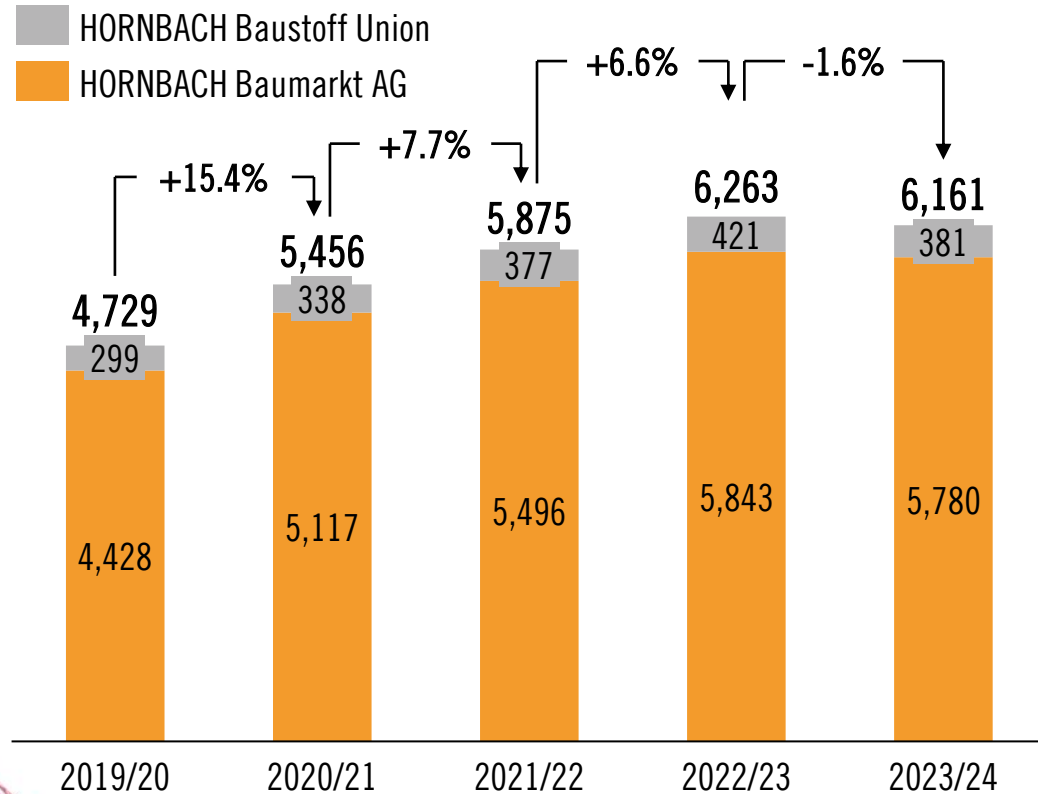
## Delivering resilient financial performance amid a challenging macroeconomic environment

	Outlook FY 2023/24		Results FY 2023/24
<b>Net Sales<sup>1)</sup></b>	On or slightly below the level of 2022/23 (€ 6,263m)	→	<b>-1.6%</b> to € 6,161m
<b>Adjusted EBIT<sup>1)</sup></b>	10-25% below 2022/23 (€ 290.1m)	→	<b>-12.4%</b> to € 254.2m
<b>Investments (CAPEX)</b>	Slightly below the level of 2022/23 (€ 203.5m)	→	€ 192.6m

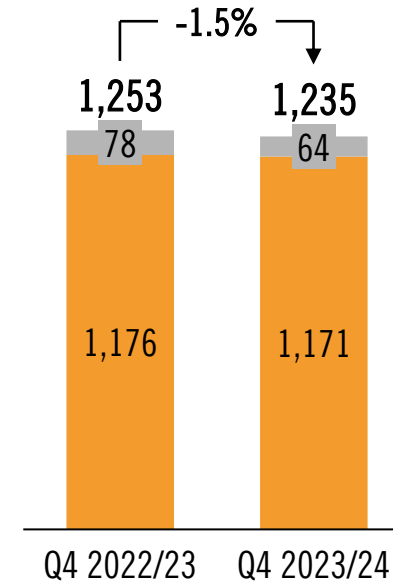
1) Based on changed full year guidance released on September 15, 2023.

## Net sales in FY 2023/24 just slightly down from previous year's record level

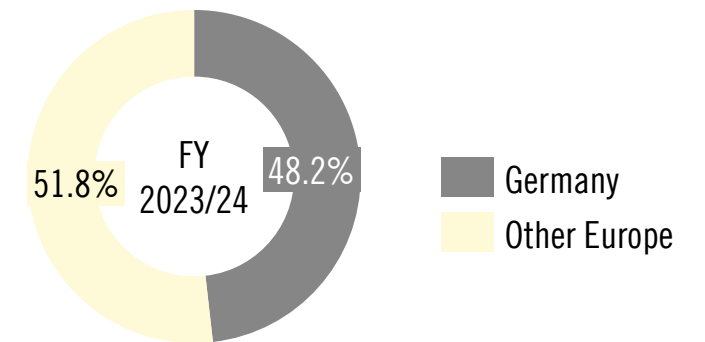
Net sales (Mar 1 – Feb 28/29 // Q4: Dec 1 – Feb 28/29)



- Net sales HORNBAACH Baumarkt subgroup -1.1%
  - Germany: -2.6% / Other Europe: +0.3%
  - International share increased to 51.8%
- Net sales HORNBAACH Baustoff Union subgroup -9.6%



HORNBAACH Baumarkt AG: Share of net sales by region



## Like-for-like sales reflect customer caution and lower average tickets

- **Like-for-like sales** for Baumarkt AG slightly down by 2.0% (2022/23: +3.6%)
- **Strong 4-year LFL growth** in comparison to FY 2019/20
- **Strong performance in the Netherlands** driven by increased footfall and strong project sales
- In 2023/24 Group-wide on average **1.1 business days less** than previous year (business days: Q1: -1.5; Q2: +0.8; Q3: +/-0; Q4: -0.5)

Like-for-like sales growth<sup>1)</sup> per quarter and fiscal year in %

	Q1 2023/24	Q2 2023/24	Q3 2023/24	Q4 2023/24	FY 2023/24	4-year LFL <sup>2)</sup>
<b>Total</b>	<b>(3.2)</b>	<b>1.0</b>	<b>(4.3)</b>	<b>(1.3)</b>	<b>(2.0)</b>	<b>28.7</b>
<b>Germany</b>	<b>(5.7)</b>	<b>0.3</b>	<b>(5.0)</b>	<b>(1.6)</b>	<b>(3.1)</b>	<b>23.1</b>
<b>Other Europe</b>	<b>(0.8)</b>	<b>1.6</b>	<b>(3.6)</b>	<b>(1.1)</b>	<b>(0.9)</b>	<b>34.3</b>
Austria	(6.6)	(3.5)	(9.0)	(4.4)	(6.0)	15.7
Czechia	(3.2)	(1.2)	(5.6)	(3.1)	(3.3)	18.4
Luxembourg	0.6	7.7	(1.0)	(5.3)	0.8	47.3
Netherlands	7.7	7.5	(0.3)	1.3	4.2	51.7
Romania	(2.2)	(0.9)	(3.5)	1.9	(1.4)	69.0
Slovakia	(0.4)	1.3	(5.2)	(1.0)	(1.3)	40.9
Sweden	(7.1)	(0.7)	0.5	0.7	(2.2)	34.9
Switzerland	(2.3)	1.6	(3.9)	(3.0)	(1.8)	22.6

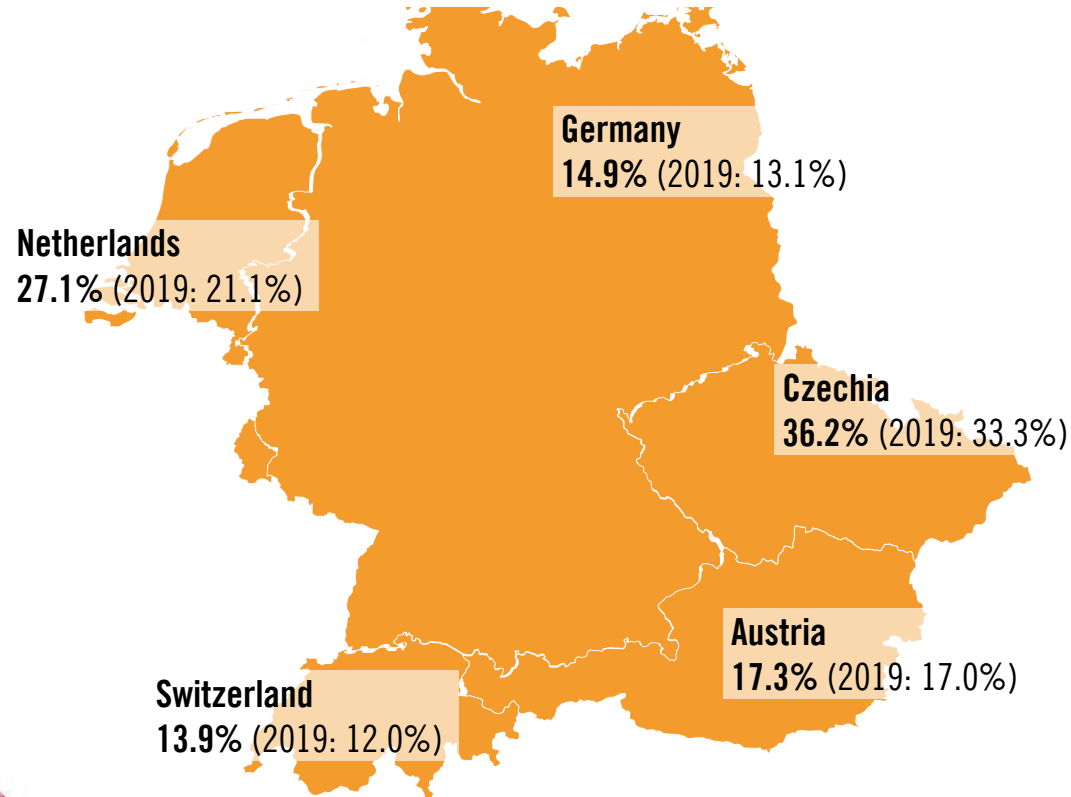
1) Lfl = Like-for-like, In constant currencies; includes sales from all stores that have been open for at least one year as well as sales from online shop 2) compared to FY 2019/20

## Market share Jan – Dec 2019 vs. 2023 in %

# HORNBACH Baumarkt: Continuous market share gains

### Market share 2023 in key countries

Market share of HORNBACH Baumarkt January – December 2023 in % (GfK)

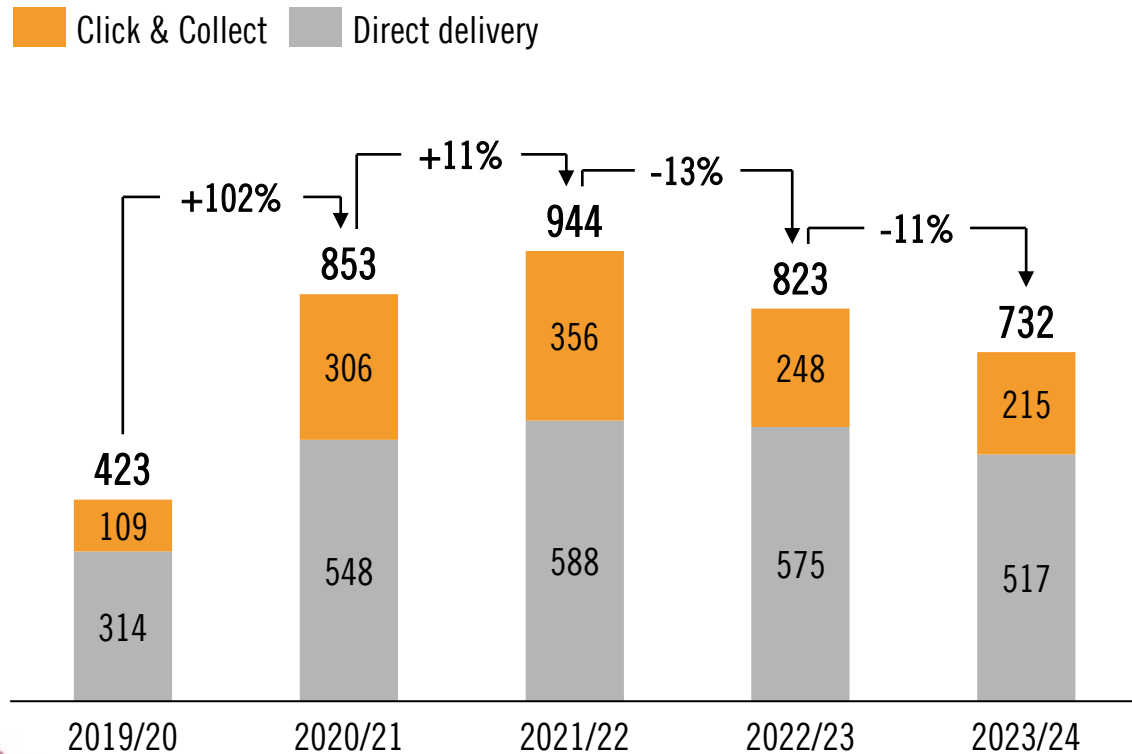


Source: GfK DIY-TSR (Large DIY stores > 1,000 sqm), no data for Luxemburg, Romania, Slovakia, Sweden

- HORNBACH achieved significant market share gains **y-o-y** in key international markets **since 2019** (+2.6 ppt. on average)
- 2023 vs. 2022: Strong market share gains in the **Netherlands** (+ 1.0 ppt) and **Czechia** (+1.8 ppt)
- Market share in **Germany** remained high at **14.9%**

## E-commerce significantly ahead of pre-pandemic levels

9.6%    16.7%    17.2%    14.1%    12.7%    E-commerce share<sup>1)</sup>



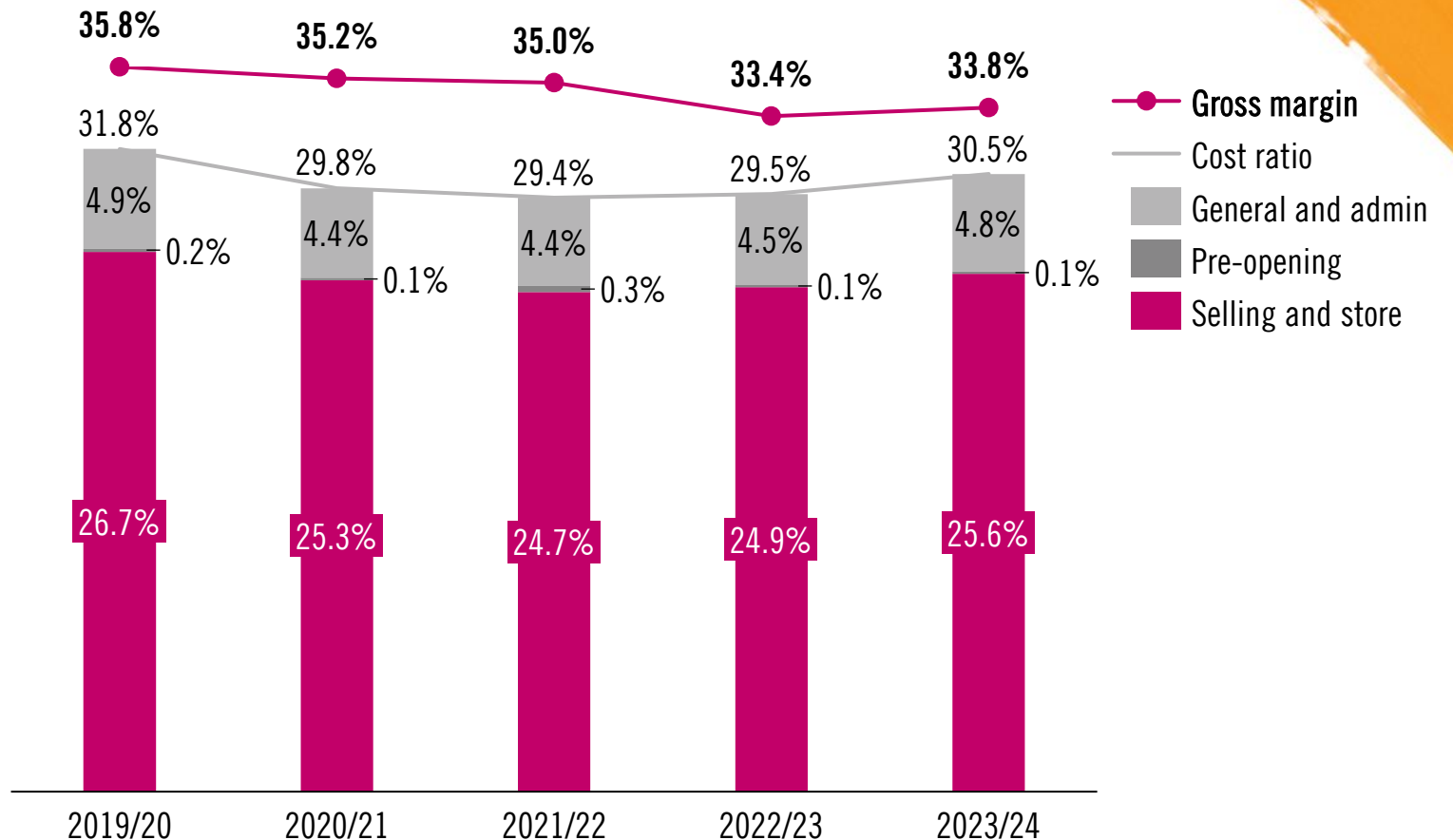
1) In % of HORNBACH Baumarkt subgroup net sales

- **E-commerce share of HORNBACH Baumarkt sales** (incl. Click & Collect) at **12.7%** in FY 2023/24
- **Direct delivery** and **Click & Collect** remain well above pre-pandemic levels – established sales channels in DIY and DIFM
- Number of **customer accounts** increased by **17%** to 4.1 million in FY 2023/24
- More than half of our **online orders** were **fulfilled through our stores**

## Cost structure in % of net sales and gross margin

### Gross margin sequentially recovered during FY 2023/24

- **Gross margin** improvement driven by more favorable product and commodity price mix
- **Selling and store expenses** in percent of sales slightly increased with higher wages
- **General and administration expenses** increased due to higher wages and investments in IT headcount





Adjusted EBIT<sup>1)</sup> in € million and adjusted EBIT margin in %

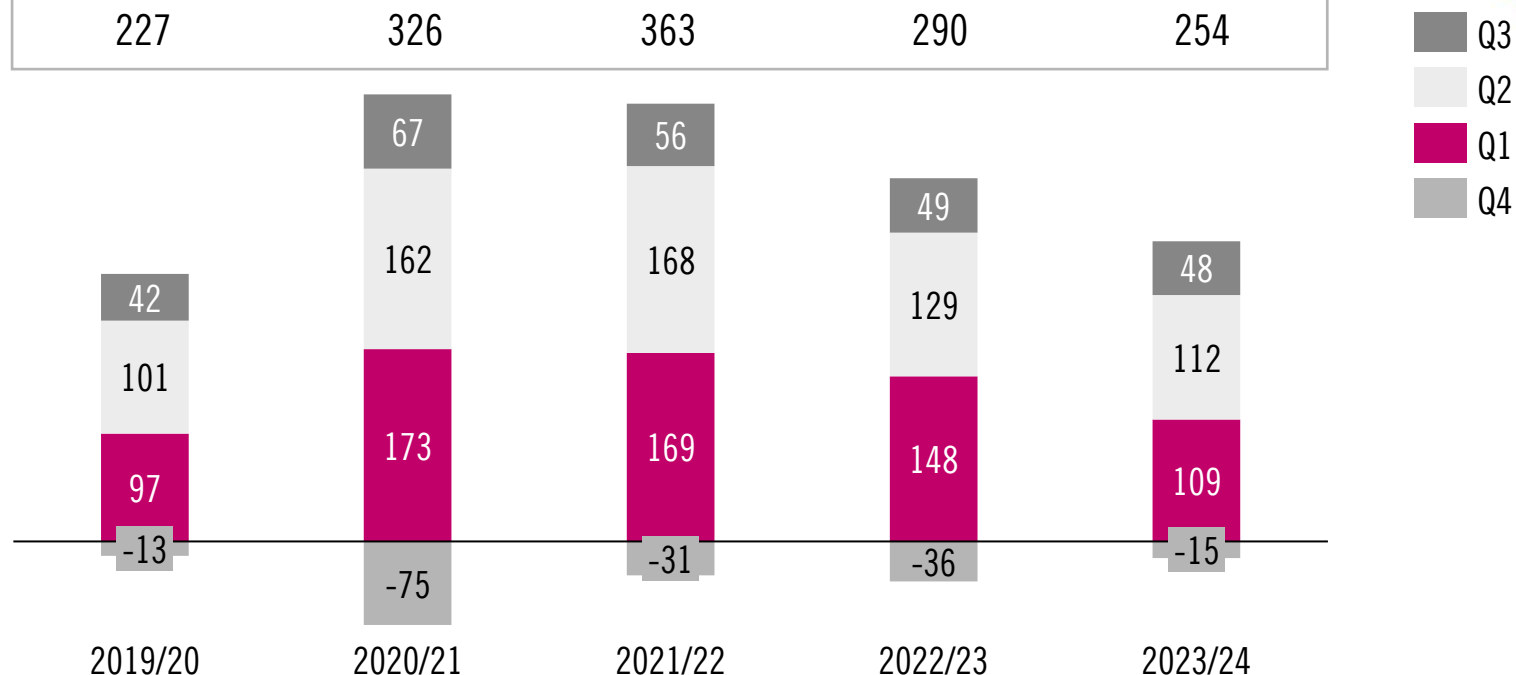
## Solid profit in FY 2023/24 despite challenging year for DIY industry

- **Adjusted EBIT** on Group level at -12.4% vs. previous year and in line with guidance (-10% to -25%)
- Significant improvement in Q4 2023/24 vs. previous year driven by **recovery of gross margin** due to normalization of select core commodity prices and more favorable product mix

Reconciliation (in €m)	FY 2022/23	FY 2023/24
<b>EBIT</b>	<b>258.5</b>	<b>225.8</b>
Non-operating effects	31.6	28.4
<b>Adjusted EBIT</b>	<b>290.1</b>	<b>254.2</b>

Adjusted EBIT and adjusted EBIT margin FY:

Adjusted EBIT margin	2019/20	2020/21	2021/22	2022/23	2023/24
Adjusted EBIT margin	4.8%	6.0%	6.2%	4.6%	4.1%
Adjusted EBIT (€m)	227	326	363	290	254



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

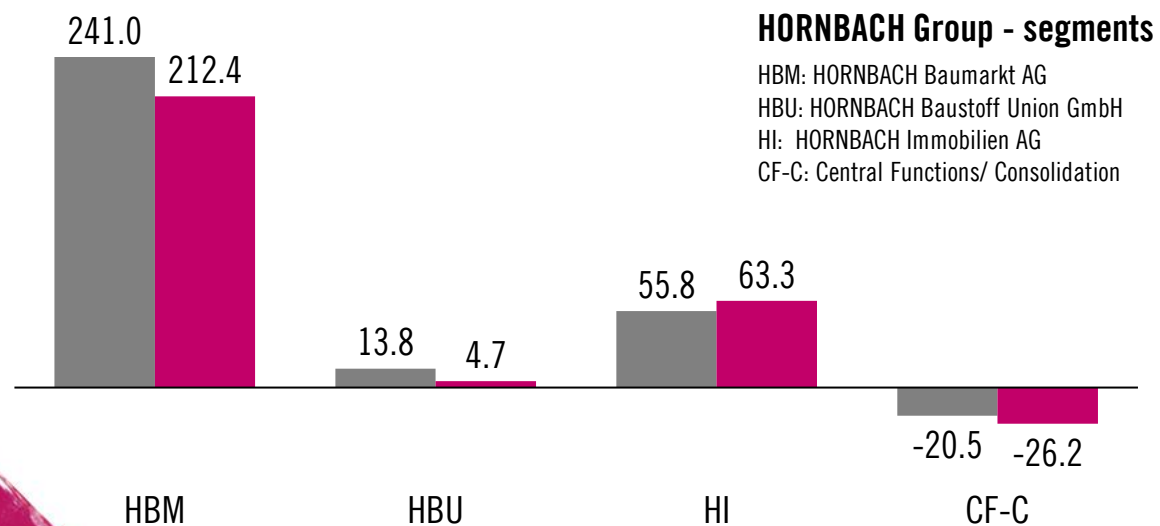
Fiscal year segment adj. EBIT in € million and segment adjusted EBIT margin in %

## High international contribution to profitability

### Operational segments

- HORNBACH Baumarkt: adj. EBIT -11.9%; € 212.4m
- HORNBACH Baustoff: adj. EBIT -66%; € 4.7m
- HORNBACH Immobilien: adj. EBIT +13.4%; € 63.3m

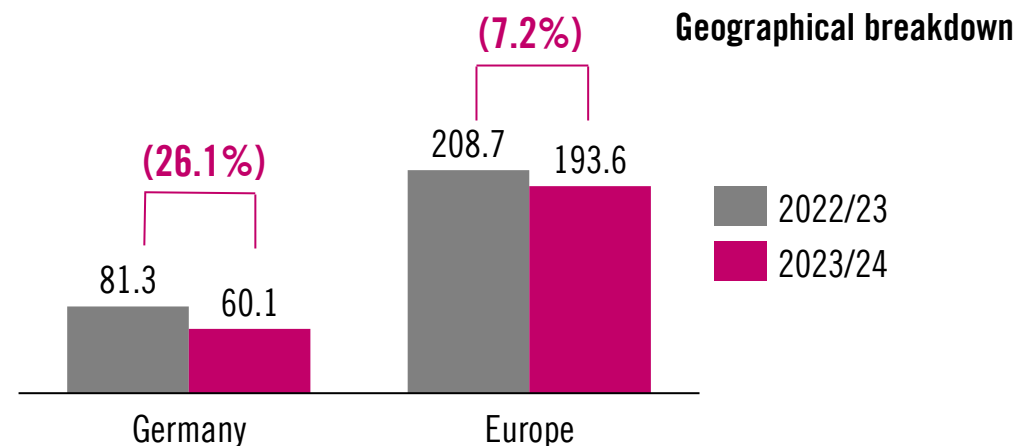
4.1%	3.7%	3.3%	1.2%	67.6%	71.1%	adj. EBIT margin
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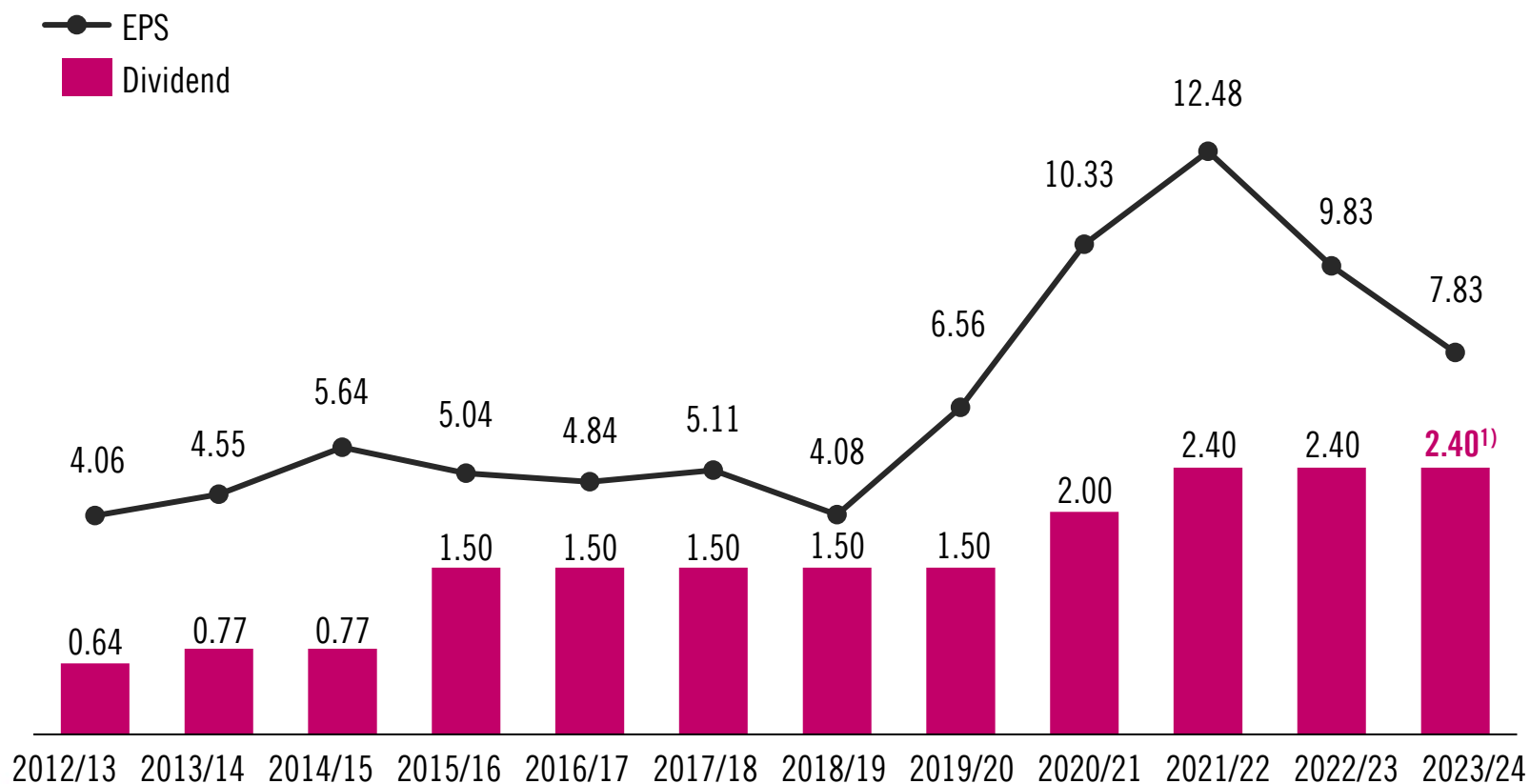
### Geographical segments

- Germany -26.1% / other -7.2%
- **Germany contributes 24% of adj. EBIT**
- **Other Europe contributes 76% of adj. EBIT**

2.5%	1.9%	7.0%	6.5%	adj. EBIT margin
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## Stable dividend proposed for financial year 2023/24



1) Dividend proposal for the financial year 2023/24, subject to approval at the annual general meeting.

### Dividend policy

- **Sustainable pay-outs:** Continuous dividend payments since IPO 1987
- **Stable dividend:** Pay-out at least at previous year's level
- **Target:** Average pay-out ratio of approx. 30% of consolidated net income
- 2023/24: **30.7%** vs. 2022/23: 24.4%

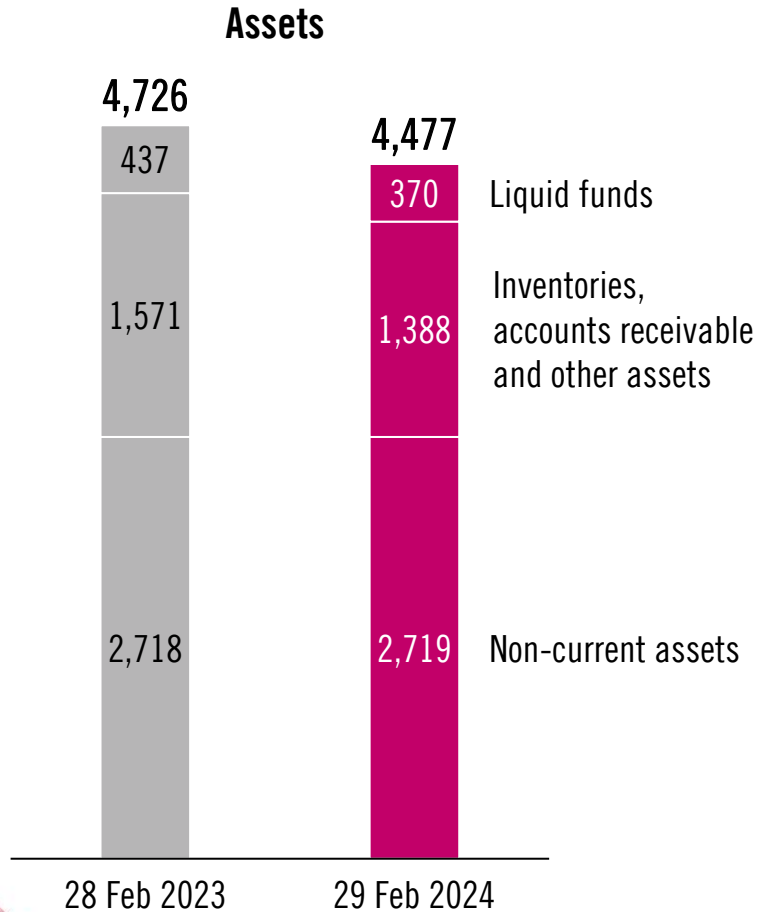
## Free cash flow above previous years

	2021/22	2022/23	2023/24
<b>Cash flow from operating activities</b>	<b>344.9</b>	<b>425.4</b>	<b>454.9</b>
<i>of which: change in working capital</i>	<i>-101.6</i>	<i>21.7</i>	<i>94.2</i>
<b>Cash flow from investing activities</b>	<b>-171.7</b>	<b>-198.0</b>	<b>-182.3</b>
<i>of which: gross CAPEX</i>	<i>-178.6</i>	<i>-203.5</i>	<i>-192.6</i>
<b>Cash flow from financing activities</b>	<b>-278.5</b>	<b>-135.1</b>	<b>-331.8</b>
<b>Cash-effective change in cash and cash equivalents</b>	<b>-105.3</b>	<b>92.3</b>	<b>-59.3</b>
<b>Free cash flow</b> (after net CAPEX and dividend)	<b>134.5</b>	<b>186.5</b>	<b>231.9</b>

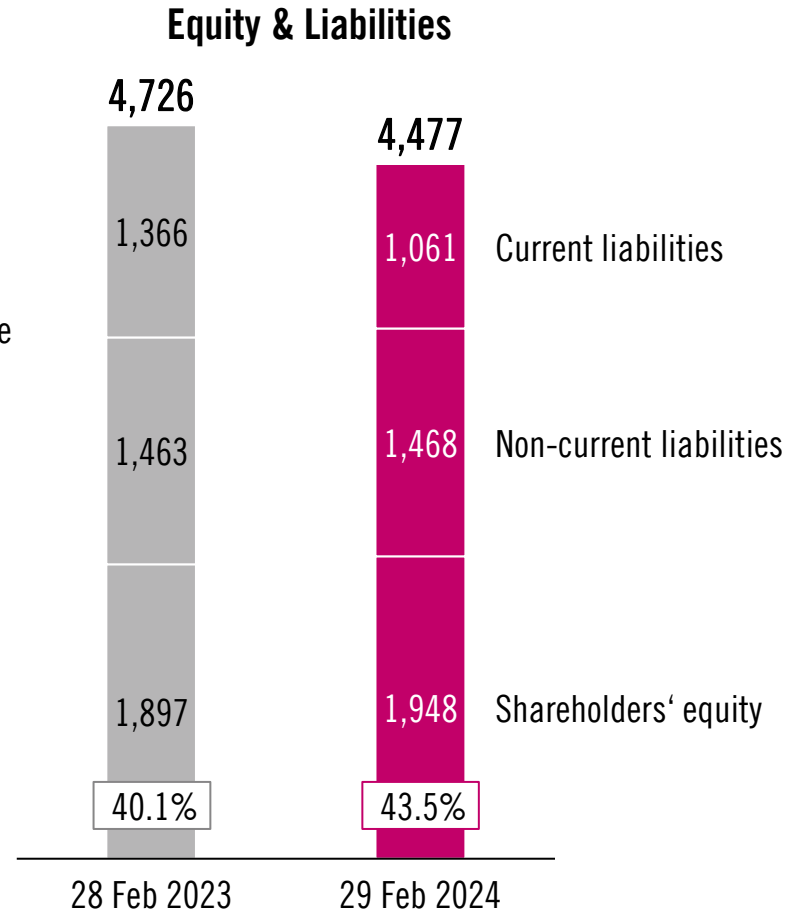
- **Change in Working Capital** reflects rightsizing of inventories
- **CAPEX** spent on acquisition of land and construction of new stores (41%), store conversions and equipment (38%), software (10%) and acquisitions (11%)

## Strong balance sheet structure

### Assets



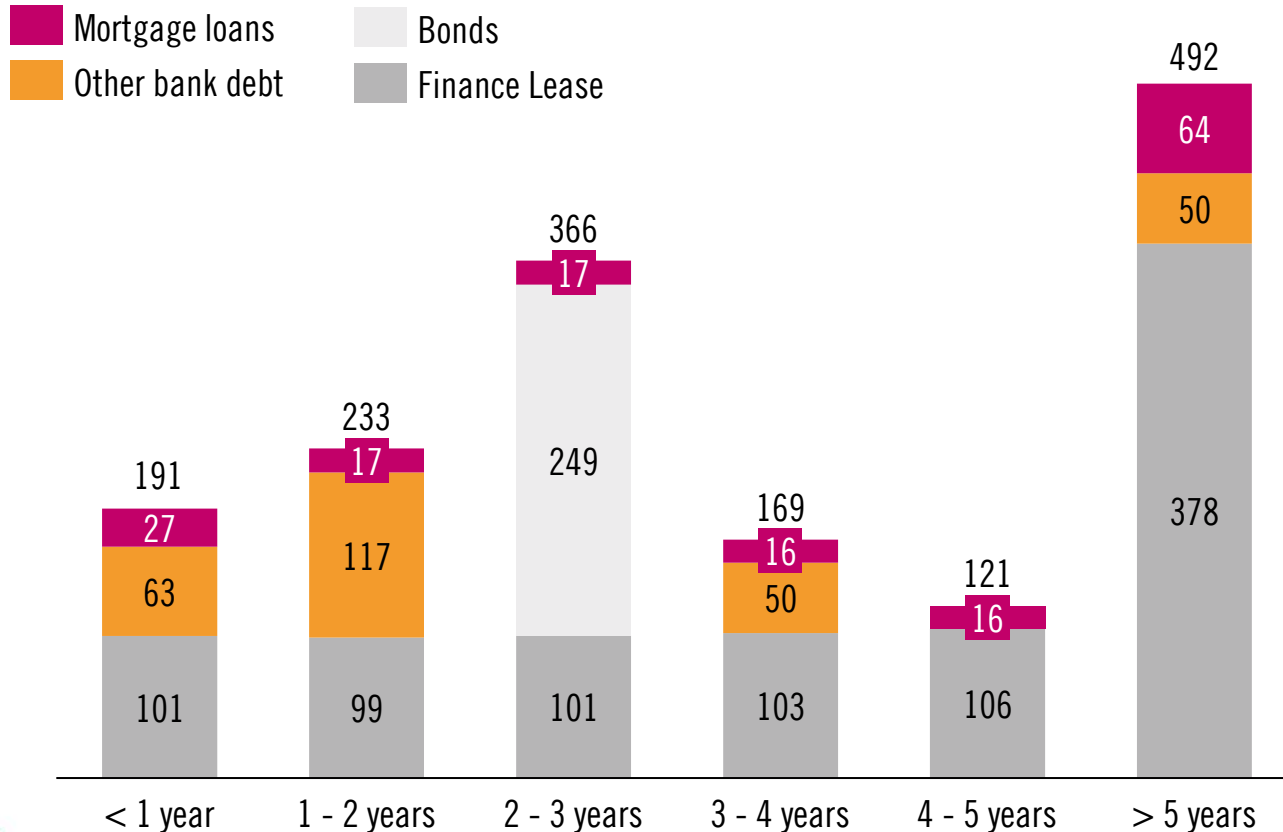
### Equity & Liabilities



- Decrease in **inventories** by € 187m due to successful inventory management
- **Financial debt** reduced by € 167m
- Strong **equity ratio** at 43.5%

Financial debt maturity profile as of February 29, 2024 in € million

Improved net debt / EBITDA ratio to target level of 2.5



- **Improved net debt / EBITDA** of 2.5 compared to 2.7 (Feb 28, 2023)
- Significant **repayment** of promissory note loans
- Unused credit lines of € 521m as of Feb 29, 2024
- **ESG rendezvous clause** for **syndicated loan** agreed in May 2024 with potential interest rate reduction of 2.5 bps
- **S&P BB+** Rating confirmed in November 2023

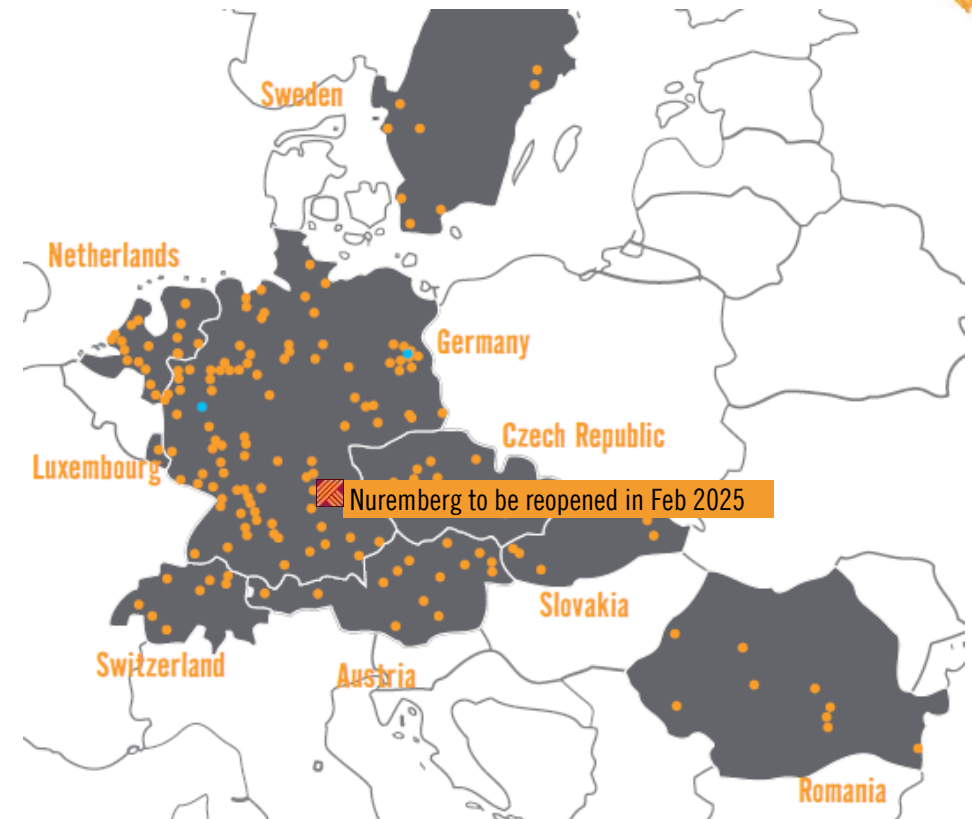
## Outlook for FY 2024/25

<b>Net sales 2024/25</b>	<b>Slightly above the level of 2023/24</b>
Net sales 2023/24	€ 6,161m
<b>Adjusted EBIT 2024/25</b>	<b>At or slightly above the level of 2023/24</b>
Adjusted EBIT 2023/24	€ 254.2m

### Additional items

<b>CAPEX 2024/25</b>	<b>On the level of 2023/24</b>
CAPEX 2023/24	€ 192.6m

### HORNBACH Baumarkt: Store openings in 2024/25



● HORNBACH stores ● BODENHAUS stores

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

## Pursuing long-term opportunities while navigating current challenges



- **Further improve efficiency** by actively managing costs and inventory
- Sustain **price leadership** and remain a reliable partner to our customers
- Continue to invest in our ICR strategy and the digitalization of our business to **maintain strong market positions**
- **Advance our ESG priorities and objectives** within own operations, supply chain and product offering
- **Maintain a strong balance sheet** and **reliable dividend**

**We are confident of our business model and aim to grow our market share.  
We remain well positioned to navigate the complex macroeconomic environment.  
We have the financial strength to continuously invest.**



# Questions & Answers

# Upcoming events & IR contact

## Financial Calendar

May 23, 2024	European Champions Conference 2024 – Deutsche Bank (Frankfurt)
May 24, 2024	Dr. Kalliwoda Research Roadshow (Barcelona)
June 6, 2024	Erste's Consumer & Technology Conference 2024 – Erste Group (virtual)
June 6, 2024	Nextcap Forum 2024 – ODDO BHF (virtual)
June 6, 2024	Warburg Highlights (Hamburg)
<b>June 25, 2024</b>	<b>Quarterly Statement Q1 2024/25 as of May 31, 2024</b>
<b>July 5, 2024</b>	<b>Annual General Meeting, Landau (Palatinate)</b>

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