

# Update Call Q1 2023/24

HORNBACH Holding AG & Co. KGaA

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## Spring quarter impacted by adverse weather conditions – FY outlook confirmed

### Quarterly sales only slightly down in Q1 despite strong headwinds in March and April

- Q1 2023/24 net sales below previous year's record level: -2.2% to € 1,773.5m
- HORNBACH Baumarkt expanding market share specifically in the Netherlands, Switzerland and Czechia

### Earnings below previous year's quarter following topline pressure in spring

- Q1 2023/24 adj. EBIT at € 109.4m (-26.2%)
- Gross margin at 33.6% from 34.2% in Q1 2022/23

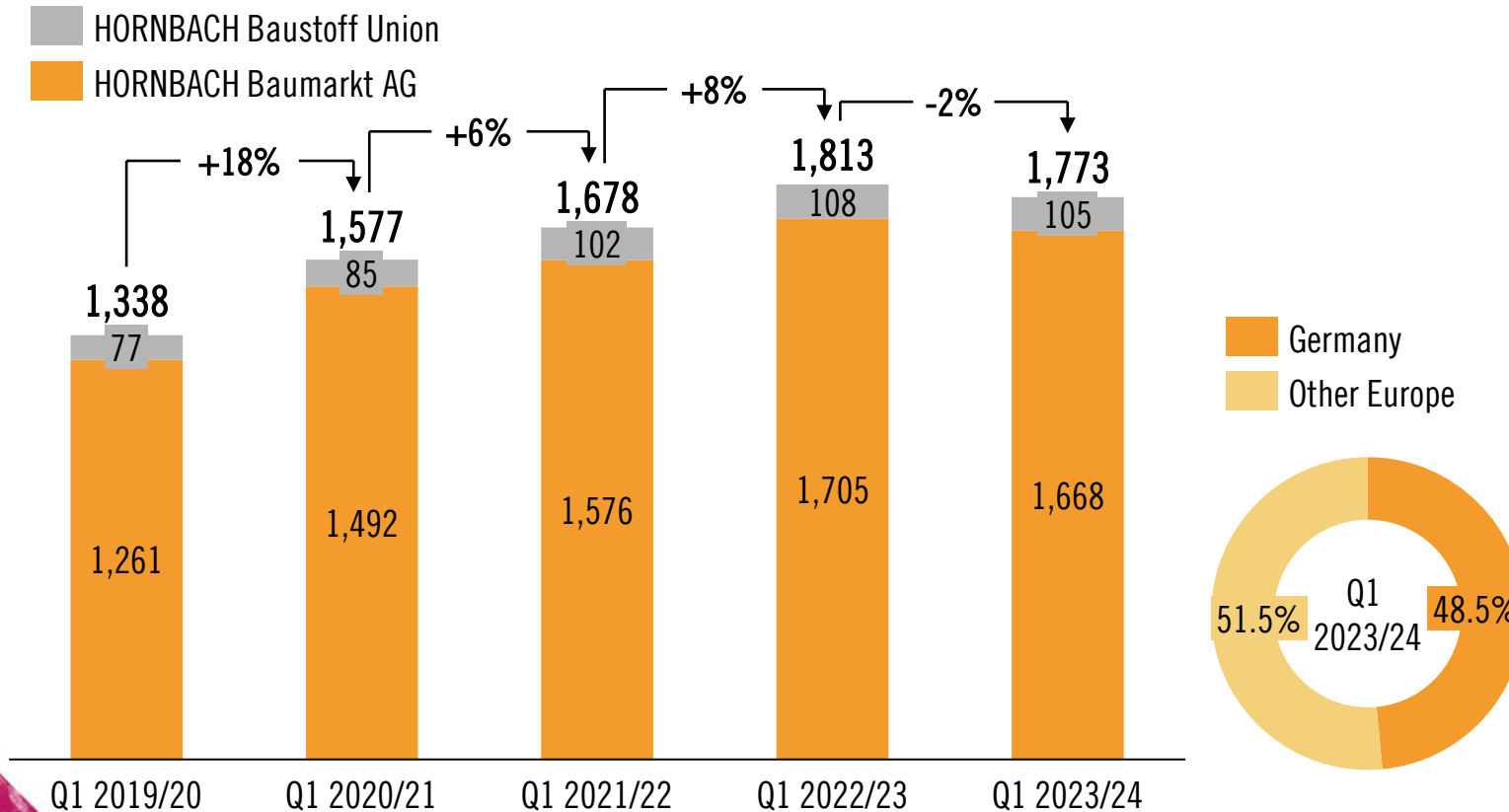
### FY 2023/24 guidance as of May 16, 2023 confirmed

- Sales at about previous year's level (€ 6,263m)
- Adjusted EBIT downside risk of 5-15% vs. FY 2022/23 (€ 290.1m)



## Net sales in Q1 2023/24 slightly below previous year's record level

Q1 net sales (Mar 1 – May 31)



- Net sales **HORNBACH Baumarkt** subgroup -2.2%
  - Germany: -5.2%
  - Other Europe: +0.8%
- Net sales **HORNBACH Baustoff** subgroup -2.4%
- 51.5%** of HORNBACH Baumarkt subgroup sales **outside of Germany**

## Like-for-like sales slightly down against strong previous quarter

- Demand impacted by **unfavorable weather conditions** at the start of the main DIY and gardening season across Europe
- **Strong performance in the Netherlands** driven by increased footfall and strong project sales
- Group-wide on average **1.5 business days less** than in previous year's quarter

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

	Q1 2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	FY 2022/23	Q1 2023/24
<b>Total</b>	<b>5.3</b>	<b>(1.7)</b>	<b>7.2</b>	<b>4.1</b>	<b>3.6</b>	<b>(3.2)</b>
<b>Germany</b>	<b>4.4</b>	<b>(2.9)</b>	<b>7.8</b>	<b>0.7</b>	<b>2.4</b>	<b>(5.7)</b>
<b>Other Europe</b>	<b>6.2</b>	<b>(0.6)</b>	<b>6.7</b>	<b>7.5</b>	<b>4.7</b>	<b>(0.8)</b>
Austria	(2.5)	(0.8)	11.3	7.3	2.8	(6.6)
Czechia	18.0	(1.2)	3.6	0.4	5.4	(3.2)
Luxembourg	(7.3)	(2.6)	6.4	5.7	(0.4)	0.6
Netherlands	22.5	0.3	11.4	21.3	13.2	7.7
Romania	14.1	5.8	10.1	3.7	8.6	(2.2)
Slovakia	16.0	1.2	8.9	9.5	8.7	(0.4)
Sweden	(3.6)	(3.7)	(4.0)	(6.9)	(4.3)	(7.1)
Switzerland	(12.2)	(3.6)	(0.4)	(0.2)	(5.0)	(2.3)

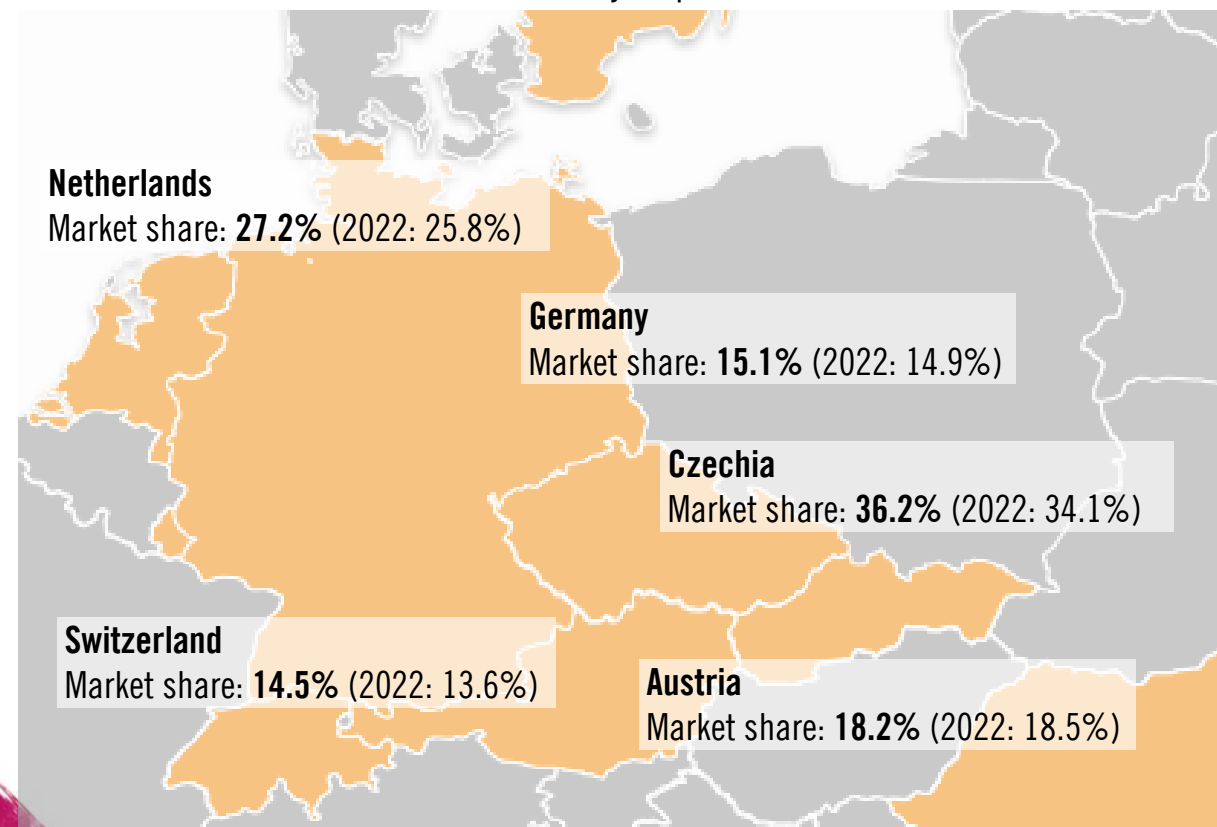
1) Lfl = Like-for-like, In constant currencies; includes sales from all stores that have been open for at least one year as well as sales from online shop

Market share Jan – Apr 2023 in %

## HORNBACH Baumarkt: Gaining further market share

Large DIY stores > 1,000 sqm

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



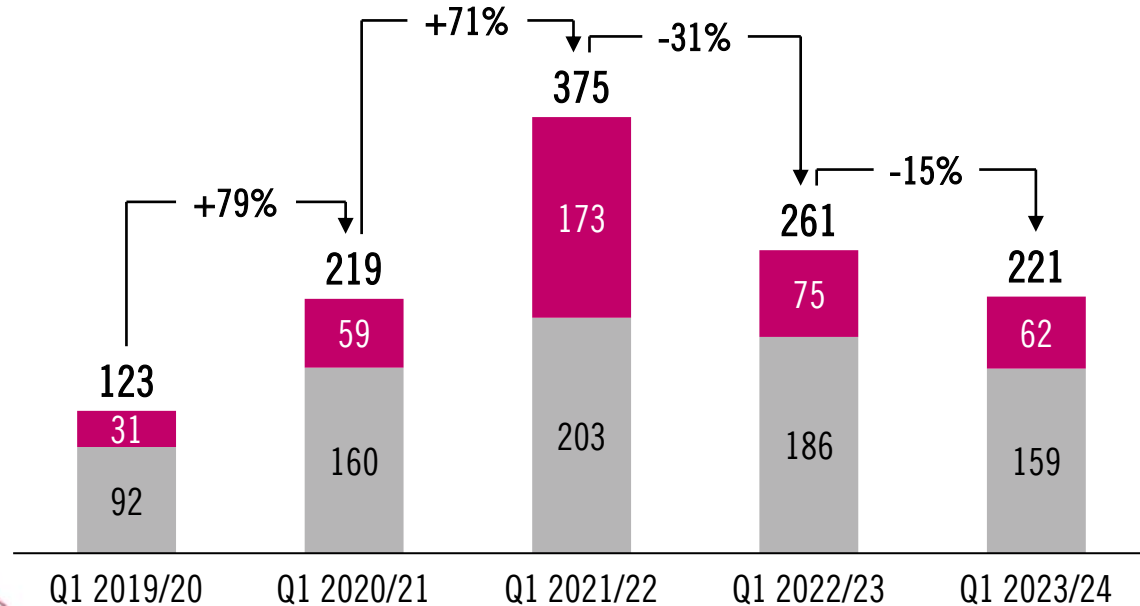
- HORNBACH continued to **gain market share (GfK)** in several countries between January and April 2023
- Market share in **Germany** increased to **15.1%**
- 2022/23 store openings in **Germany** (Leipzig) and **the Netherlands** (Enschede) supporting continued growth

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

## E-commerce share remains above pre-Covid levels – direct delivery established

9.7%	14.7%	23.9%	15.3%	13.3%	E-commerce share
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■ Click & Collect ■ Direct delivery



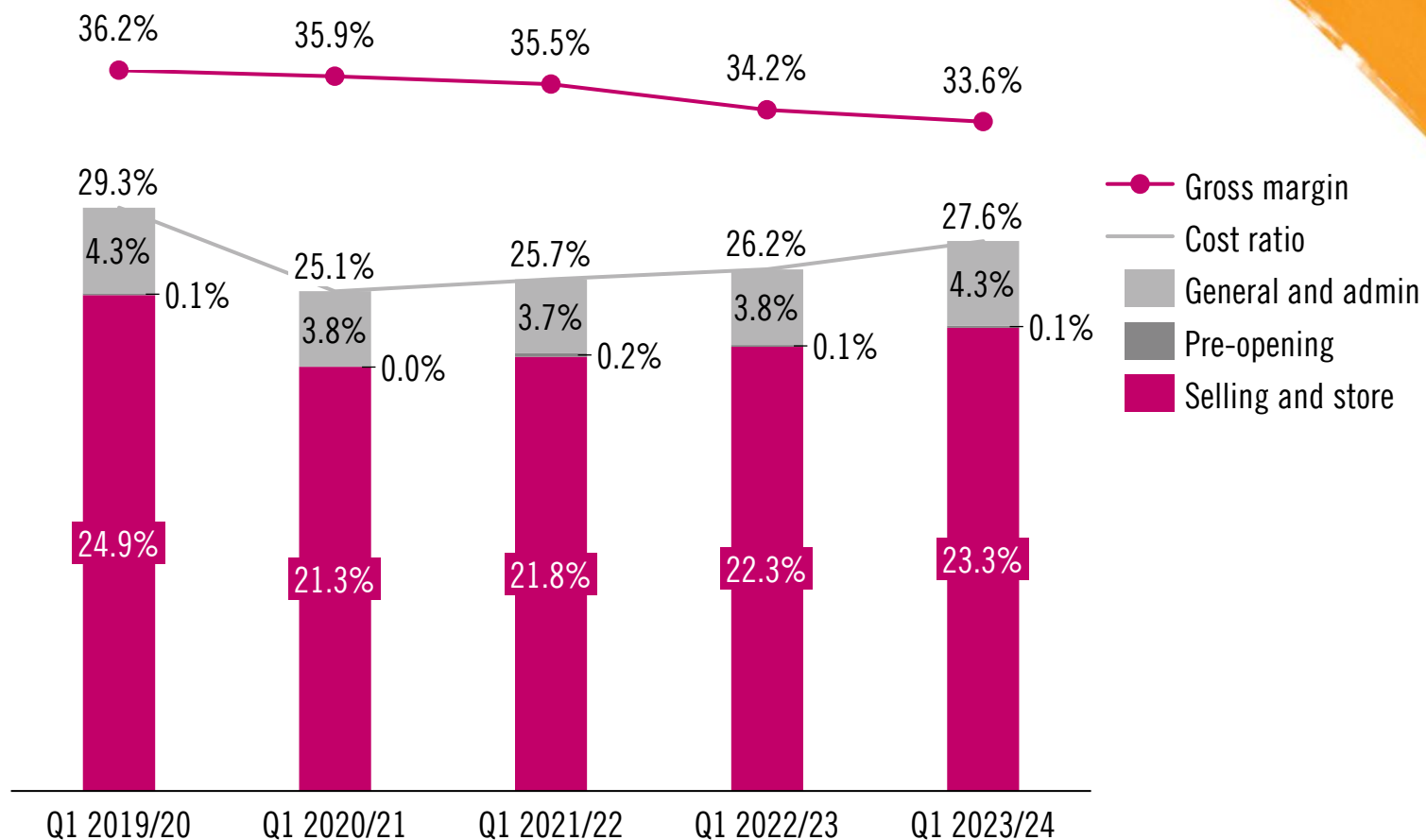
DIY: Do-it-yourself DIFM: Do-it-for-me

- **E-commerce share of HORNBACH Baumarkt sales** (incl. Click & Collect) at **13.3%** in Q1 2023/24
- **Direct delivery** still strongly above pre-pandemic level, confirming direct delivery as an established sales channel in DIY and DIFM
- **Click & Collect** declined as expected compared to the height of the pandemic, but volume doubled compared to 2019/20

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

### Cost structure impacted by inflationary pressures

- **Gross margin** lower amid a challenging market environment
- **Selling and store expenses** in % of sales increase due to higher cost for personnel (incl. one-off inflation support payments)
- **General and administration expenses** in % of sales increase mainly due to further investments in IT





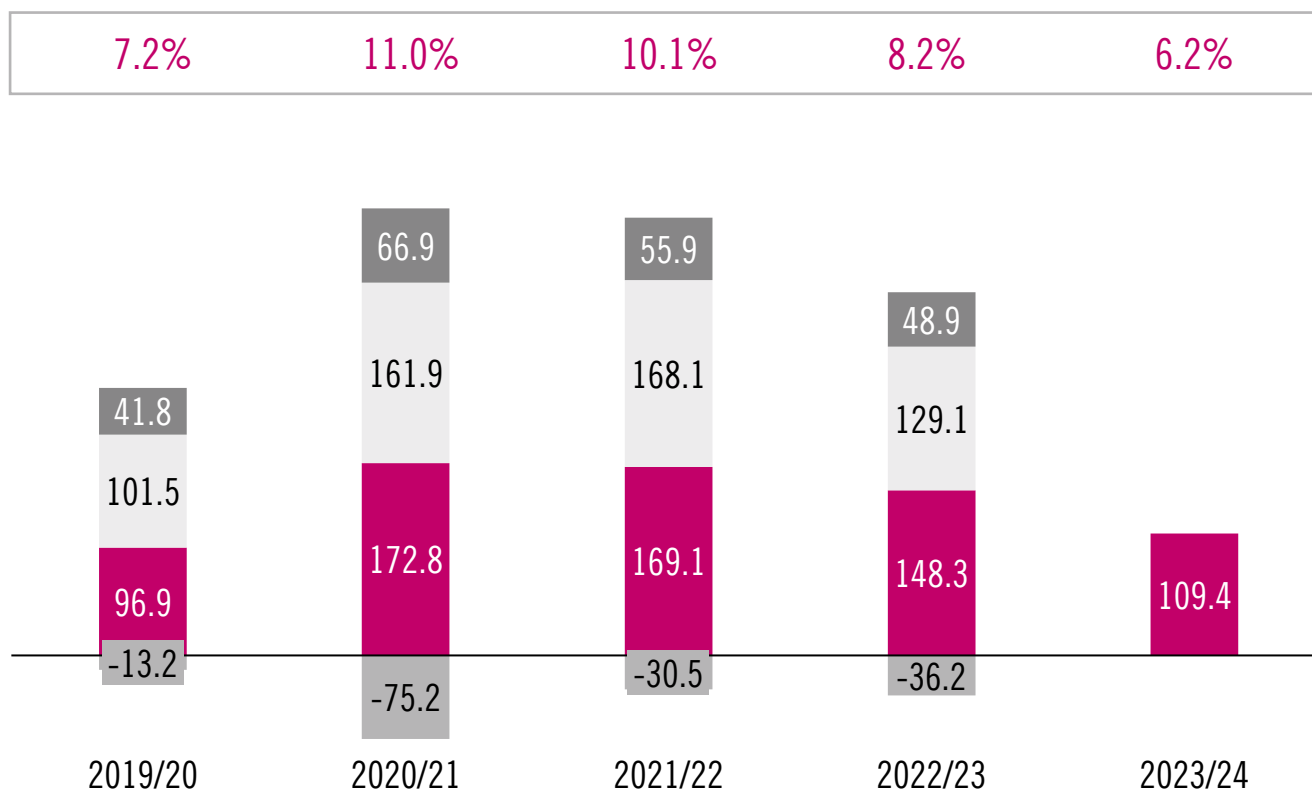
Adjusted EBIT<sup>1)</sup> in € million and adjusted EBIT margin in %

## Adjusted EBIT below previous year due to lower top line and cost pressures

- Adjusted EBIT on Group level **down 26%** in Q1 2023/24 vs. previous year
- Non-operating income from the sale of land

Reconciliation (in €m)	Q1 2022/23	Q1 2023/24
<b>EBIT</b>	<b>148.6</b>	<b>109.9</b>
Non-operating effects	0.2	0.4
<b>Adjusted EBIT</b>	<b>148.3</b>	<b>109.4</b>

### Adjusted EBIT and adjusted EBIT margin Q1:

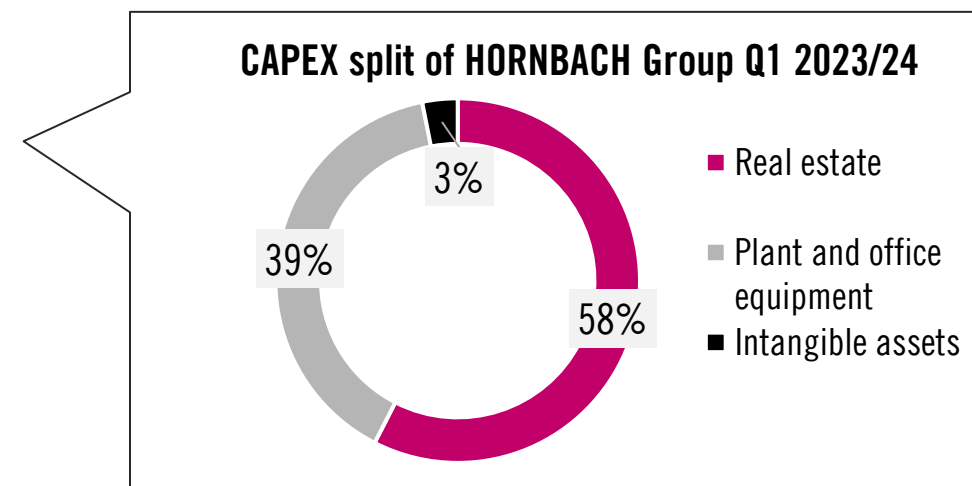


1) adjusted to exclude non-operating earnings items, e.g. impairment losses on assets, income from disposals of properties, income from write-ups of assets impaired in previous years

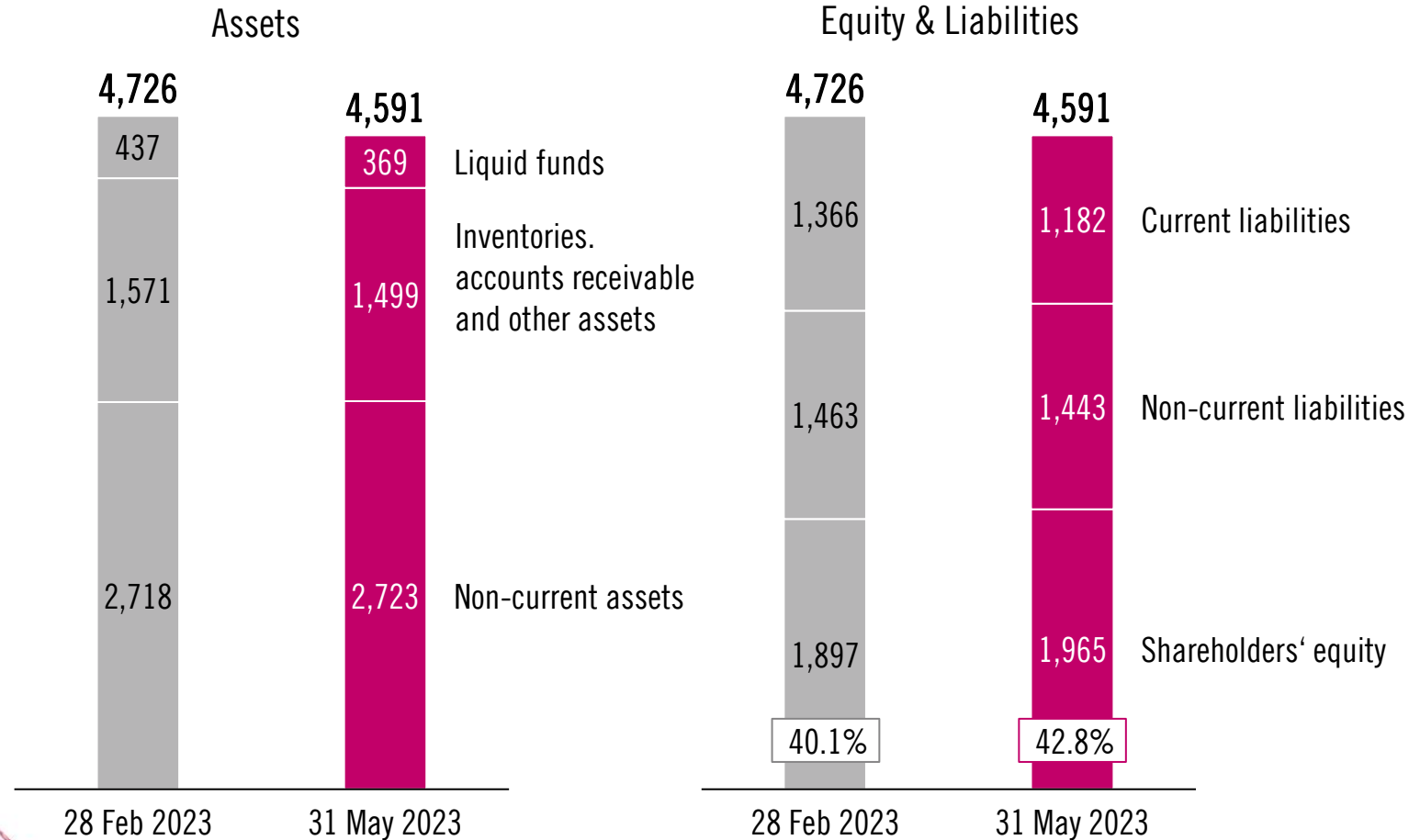
## Funds from operations remain on a solid level

	Q1 2022/23	Q1 2023/24
<b>Cash flow from operating activities</b>	<b>175.6</b>	<b>30.6</b>
<i>of which: funds from operations</i>	<i>164.4</i>	<i>129.1</i>
<i>of which: change in working capital</i>	<i>11.2</i>	<i>-98.5</i>
<b>Cash flow from investing activities</b>	<b>-49.2</b>	<b>-48.3</b>
<i>of which: gross CAPEX</i>	<i>-52.3</i>	<i>-51.1</i>
<b>Cash flow from financing activities</b>	<b>-13.1</b>	<b>-51.2</b>
<b>Cash-effective change in cash and cash equivalents</b>	<b>113.3</b>	<b>-68.9</b>
<b>Free cash flow (after net CAPEX)</b>	<b>126.4</b>	<b>-17.7</b>

- Decline in operating cashflow mainly related to planned reduction of short-term liabilities (working capital)
- Financing activities include reduction of the drawdown of the syndicated loan (-€ 20m)



## Strong balance sheet structure



- Successful **reduction of inventories** by € 71m
- **Decrease in liabilities** (long- and short term)
- **Equity ratio further strengthened** at 42.8%

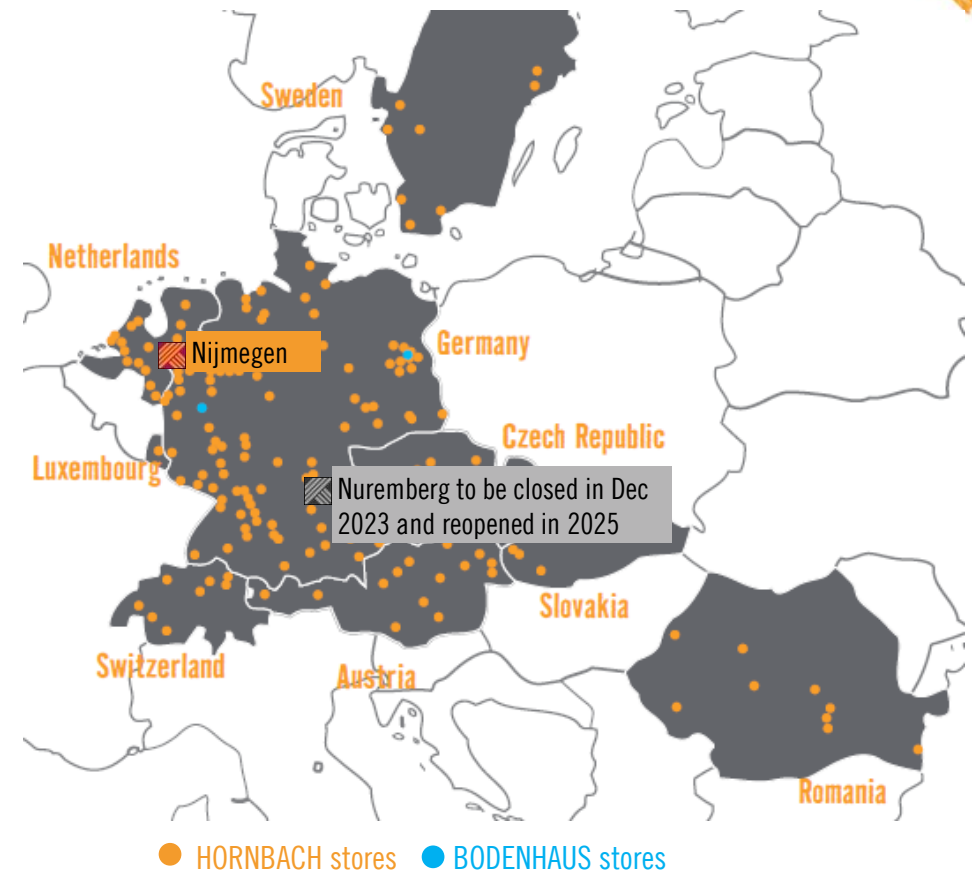
## Outlook for FY 2023/24 – FY Guidance as of May 16, 2023 confirmed

<b>Net sales 2023/24</b>	<b>At about the level of 2022/23</b>
Net sales 2022/23	€ 6,263m
<b>Adjusted EBIT 2023/24</b>	<b>Group adj. EBIT difficult to guide in light of the challenging environment, with downside risk (-5% to -15%) vs. 2022/23</b>
Adjusted EBIT 2022/23	€ 290.1m

### Additional items

<b>CAPEX 2023/24</b>	<b>On the level of 2022/23</b>
CAPEX 2022/23	€ 203.5m

HORNBACH Baumarkt: Store openings in 2023/24



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

Q & A



# Upcoming events & contact

## Financial Calendar

<b>July 7, 2023</b>	<b>Annual General Meeting HORNBACH Holding AG &amp; Co. KGaA</b>
September 4, 2023	German Fall Conference (Equity Forum), Frankfurt
September 5, 2023	ODDO BHF / Commerzbank Corporate Conference, Frankfurt
September 18, 2023	Berenberg & Goldman Sachs German Corporate Conference, Munich
<b>September 27, 2023</b>	<b>Half-year financial report as of August 31, 2023</b>
November 27, 2023	Deutsches Eigenkapitalforum, Frankfurt
<b>December 20, 2023</b>	<b>Quarterly Statement Q3 2023/24 as of November 30, 2023</b>

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