

HORNBACH Holding AG & Co. KGaA
Group

1st QUARTER
2020/21

Quarterly Statement
as of May 31, 2020

HORNBACK HOLDING AG & CO. KGaA GROUP

Quarterly Statement: 1st Quarter of 2020/21 (March 1 – May 31, 2020)

Key Figures of the HORNBACK HOLDING AG & Co. KGaA Group (in € million, unless otherwise stated)	1 st Quarter 2020/21	1 st Quarter 2019/20	Change in %
Net sales	1,577.0	1,338.4	17.8
of which: in Germany	891.4	729.6	22.2
of which: in other European countries	685.6	608.9	12.6
Like-for-like sales growth (DIY)	17.5 %	7.8 %	
Gross margin as % of net sales	35.9 %	36.2 %	
EBITDA	219.7	144.8	51.8
EBIT	173.4	96.9	79.0
Adjusted EBIT	172.8	96.9	78.4
Consolidated earnings before taxes	163.3	85.0	92.0
Consolidated net income	122.9	62.7	96.1
Basic/diluted earnings per share (€)	6.06	3.15	92.4
Investments	27.1	48.7	(44.3)

Misc. key figures of the HORNBACK HOLDING AG & Co. KGaA Group (in € million, unless otherwise stated)	May 31, 2020	February 29, 2020	Change in %
Total assets	4,061.9	3,760.2	8.0
Shareholders' equity	1,720.3	1,604.2	7.2
Shareholders' equity as % of total assets	42.4 %	42.7 %	
Number of employees	22,349	21,505	3.9

Rounding up or down may lead to discrepancies between percentages and totals. Calculation of percentage figures based on € 000s.

¹⁾ Including minority interests pursuant to IFRS

Summary

- **HORNBACK Group posts record quarter despite temporary coronavirus-related restrictions on sales**
- **Consolidated sales up 17.8 % to € 1,577 million in first quarter of 2020/21**
 - DIY stores and garden centers with like-for-like sales growth of 17.5 %
 - Builders' merchant business increases sales by 9.5 % – Takeover of one builders' merchant location in Q1
- **Adjusted EBIT grows by 78.4 % to € 172.8 million**
- **Due to coronavirus-related risks, sales and earnings forecast for 2020/21 unchanged until further notice**

The HORNBACK Group significantly increased its sales and earnings in the first quarter of 2020/21. Despite temporary restrictions on sales due to the coronavirus crisis, consolidated sales grew by 17.8 % to € 1,577.0 million (2019/20: € 1,338.4 million) in the first quarter of 2020/21 (March 1 to May 31, 2020). Sales at HORNBACK Baumarkt AG, the largest operating subgroup (DIY retail), rose by 18.4 % to € 1,492.1 million (2019/20: € 1,260.7 million). On a like-for-like basis and net of currency items, consolidated sales rose by 17.5 % in the first three months. Sales at the HORNBACK Baustoff Union GmbH subgroup rose by 9.5 % to € 84.5 million (2019/20: € 77.2 million). This dynamic sales growth, accompanied by just a slight increase in expenses, led to a substantial jump in earnings. Operating earnings adjusted to exclude non-operating items (adjusted EBIT) showed clearly disproportionate growth compared with sales, rising by 78.4 % to € 172.8 million (2019/20: € 96.9 million). Earnings per Holding share came to € 6.06 at the end of the first three months (2019/20: € 3.15).

Earnings, Financial, and Asset Position

Implications of the coronavirus pandemic for the stationary DIY retail business

The sales performance in the first quarter of 2020/21 was affected by the impact on business operations at the HORNBAACH Bau-markt AG subgroup of measures taken by the authorities to contain the coronavirus pandemic. These varied widely between individual regions and localities. The builders' merchant outlets operated by the HORNBAACH Baustoff Union GmbH subgroup in Germany and France, which mainly serve commercial customers, remained open without restriction. Reference is made to the explanatory comments provided under "Events after the balance sheet date" in the notes to the consolidated financial statements in the 2019/20 Annual Report.

To summarize: Most HORNBAACH DIY stores and garden centers were consistently open to private and commercial customers during the lockdown starting in mid-March 2020. As April progressed, most of the temporarily closed stores were able to open once again. Restrictions lasted the longest in Switzerland and Slovakia, where we only resumed full operations at the end of April and the beginning of May 2020 respectively. The table below provides an overview of the duration and intensity of the restrictions on sales:

Country/Federal State	Period of closure for private customers	Number of stores	Major exemptions
Germany		96	
Bavaria	03.20. to 04.19.2020	14	Open to commercial customers; reserve and collect/delivery
Lower Saxony	03.23. to 04.03.2020	9	Open to commercial customers; reserve and collect/delivery
Saxony	03.23. to 04.20.2020	5	In some cases reserve and collect
Other Federal States in which HORNBAACH operates	No restrictions on sales	68	
Other European Countries		64	
Austria	03.16. to 04.14.2020	14	In some cases reserve and collect/delivery
Czech Republic	03.14. to 04.09.2020	10	Open to commercial customers; reserve and collect/delivery
Luxembourg	03.16. to 04.20.2020	1	Open to commercial customers
Netherlands	No restrictions on sales	15	Amended opening hours
Romania	No restrictions on sales	6	Strict limits on customer totals
Slovakia	03.14. to 05.05.2020	4	Reserve and collect/delivery
Sweden	No restrictions on sales	7	
Switzerland	03.17. to 04.27.2020	7	Open to commercial customers; in some cases reserve and collect
Group		160	

Seasonal and calendar-related factors

Overall, the first quarter of the 2020/21 financial year offered favorable weather conditions for implementing DIY projects. The first half of March was still characterized by changeable but mild weather. From mid-March to the end of May, it was mostly dry and sunny.

In the first quarter (Q1) of 2020/21, there was a group-wide average of 1.3 business days fewer than in the previous year's quarter. As many of our stores were severely restricted due to the coronavirus crisis, but not closed entirely, the number of business days has not been adjusted to account for the impact of the coronavirus.

Sales performance of the HORNBACH Group

The HORNBACH stores which remained open, and above all the online shops at the HORNBACH Baumarkt AG subgroup, reported substantial sales growth in the period from March to May 2020. This growth significantly overcompensated for the severe loss of sales at the stationary DIY stores and garden centers affected by the coronavirus lockdown in the first quarter of 2020/21. The monthly sales performance reflects the chronology of the gradual lifting in restrictions on sales in the affected catchment areas. With growth of 0.7% in March 2020, consolidated sales were only slightly ahead of the previous year's high level. In April, consolidated sales rose by around 17%. In May, group-wide sales then grew by around 34%. Against this backdrop, **consolidated sales** for the first quarter of 2020/21 grew by 17.8% to € 1,577.0 million (2019/20: € 1,338.4 million).

HORNBACH Baumarkt AG subgroup

We did not open any new DIY store with a garden center in the first quarter of 2020/21. As of May 31, 2020, the HORNBACH Baumarkt AG subgroup thus operated 160 retail outlets (February 29, 2020: 160) with total sales areas of 1.89 million m², of which 96 locations in Germany and 64 in other European countries.

Net sales at this subgroup rose by 18.4% to € 1,492.1 million in Q1 2020/21 (2019/20: € 1,260.7 million). On a **like-for-like** basis and net of currency items [↪ [Brief Glossary](#) on Page 7], the subgroup's sales grew by 17.5% in the first quarter (2019/20: 7.8%). Including currency items for non-euro countries, namely the Czech Republic, Romania, Sweden, and Switzerland, we achieved subgroup-wide like-for-like growth of 17.6% (2019/20: 7.8%).

Key data on the geographical sales performance in the first quarter of 2020/21 (March 1 to May 31, 2020) is as follows:

Germany region

- Net sales plus 23.6% to € 808.4 million (2019/20: € 654.1 million)
- Like-for-like sales growth of plus 24.4%
- Market share expanded thanks to accelerated outperformance of sector in Q1

Other European Countries region

- Net sales plus 12.7% to € 683.7 million (2019/20: € 606.6 million)
- Due to coronavirus, international share of consolidated sales falls from 48.1% to 45.8%
- Like-for-like, currency-adjusted sales growth of 10.3% – including currency items plus 10.4%

HORNBACH Baustoff Union GmbH subgroup

The HORNBACH Baustoff Union GmbH (HBU) subgroup, which focuses above all on the needs of professional customers in its target groups of the main and secondary construction trades, as well as private construction clients, increased its sales by 9.5% to € 84.5 million in the first quarter of 2020/21 (2019/20: € 77.2 million). The subgroup took over a longstanding sales partner in Gersheim (Saarland) as a proprietary location as of March 1, 2020. This therefore raised the total number of builders' merchant outlets to 35 as of May 31, 2020, of which 33 in south-western Germany and two close to the border in France (Lorraine). Furthermore, the subgroup gained a new sales partner in Wöllstein (Rhineland-Palatinate) as of April 1, 2020.

Earnings performance

The following comments refer to the earnings performance at the overall HORNBACH Holding AG & Co. KGaA Group.

In conjunction with more favorable cost ratios, the substantial sales growth in the quarter under report led operating earnings to significantly exceed the figures reported for the 2019/20 spring quarter. Key data on the earnings performance in the first quarter of 2020/21 is as follows:

Key data on the earnings performance of the HORNBACH Group in the first quarter of 2020/21

- Gross profit rose by 16.9% to € 566.5 million in the first quarter of 2020/21 (2019/20: € 484.5 million). The gross margin eased from 36.2% to 35.9%. The moderate decline in the **gross margin** [↪ **Brief Glossary** on Page 8] was chiefly due to the structural change in the product mix given the increased share of overall sales attributable to the online business.
- Selling and store expenses increased by 1.1% to € 336.3 million in the period under report (2019/20: € 332.7 million). The **store expense ratio** [↪ **Brief Glossary** on Page 8] fell by around 350 base points from 24.9% to 21.3%. General and administration expenses rose by 3.6%, and thus significantly less rapidly than sales. As a result, the **administration expense ratio** [↪ **Brief Glossary** on Page 8] decreased from 4.3% to 3.8%. As a proportion of net sales, total expenses (based on selling and store, pre-opening, and general and administration expenses) fell by around 410 base points.
- Due to the improvement in operating earnings, **EBITDA** [↪ **Brief Glossary** on Page 7] rose by 51.8% to € 219.7 million in the first quarter of 2020/21 (2019/20: € 144.8 million).
- Consolidated operating earnings (**EBIT**) rose by 79.0% to € 173.4 million (2019/20: € 96.9 million). Non-operating earnings items of € 0.6 million were reported for the first quarter of 2020/21 (2019/20: none). **Adjusted EBIT** [↪ **Brief Glossary** on Page 7] improved by 78.4% to € 172.8 million (2019/20: € 96.9 million).
- **Net financial expenses** improved from minus € 11.9 million to minus € 10.2 million. This figure includes positive currency items of € 0.4 million (2019/20: minus € 0.1 million).
- **Consolidated earnings before taxes (EBT)** [↪ **Brief Glossary** on Page 7] rose by 92.0% to € 163.3 million (2019/20: € 85.0 million).
- After a year-on-year increase in the tax charge, **consolidated net income** rose by 96.1% to € 122.9 million in the quarter under report (2019/20: € 62.7 million). **Earnings per Holding share** are reported at € 6.06 for the first quarter of 2020/21 (2019/20: € 3.15).

Earnings performance by segment

- At the **HORNBACH Baumarkt AG subgroup**, adjusted EBIT increased by 90.2% to € 160.0 million in the first quarter of 2020/21 (2019/20: € 84.1 million). Further details about the earnings performance can be found in the quarterly statement separately published by the HORNBACH Baumarkt AG subgroup.
- At the **HORNBACH Baustoff Union GmbH subgroup**, adjusted EBIT rose to € 1.5 million (2019/20: € 1.3 million). As in the previous year, there were no non-operating earnings items in the quarter under report.
- At the **HORNBACH Immobilien AG subgroup**, adjusted EBIT grew by 1.8% to € 14.9 million in the period under report (2019/20: € 14.7 million). Non-operating earnings items of € 0.6 million resulting from disposal gains were reported in Q1 2020/21 (2019/20: no items).

Financial and asset position

Investments amounted to € 27.1 million in the first three months of the current financial year (2019/20: € 48.7 million). At € 18.2 million, around two thirds of investments were channeled into land and buildings (2019/20: € 36.1 million), while the remainder involved plant and office equipment at new and existing stores, as well as intangible assets (mainly software technology).

The inflow of funds from operating activities rose from € 142.6 million in the previous year's quarter to € 386.6 million in Q1 2020/21. The figure for the quarter under report includes depreciation of € 22.3 million for right-of-use assets (2019/20: € 23.8 million). The outflow of funds for investing activities amounted to minus € 24.7 million. The previous year's figure of minus € 68.3 million included outgoing payments of € 20 million for financial investments made in connection with short-term liquidity management (reallocation of liquid funds to avoid negative interest rates). The outflow of funds for financing activities, amounting to minus € 24.6 million includes outgoing payments of € 20.9 million for the repayment of current and non-current lease liabilities (2019/20: € 21.1 million). Information about the financing and investing activities of the HORNBACH Group can be found in the cash flow statement on Page 12.

Total assets grew to € 4,062 million as of May 31, 2020, up 8.0% compared with the balance sheet date on February 29, 2020. This was mainly due to the sharp increase in cash and cash equivalents (plus € 335 million), which was accompanied by a slight decrease in right-of-use assets (minus € 22 million) and a € 22 million reduction in inventories. Shareholders' equity as posted in the balance sheet rose to € 1,720 million, up 7.2% compared with the previous reporting date. At 42.4%, the **equity ratio** [↪ **Brief Glossary** on Page 8] remained at a satisfactory level (February 29, 2020: 42.7%). **Net financial debt** [↪ **Brief Glossary** on Page 8] including current and non-current lease liabilities pursuant to IFRS 16 fell from € 1,171 million to € 814 million as of May 31, 2020. Excluding current and non-current lease liabilities, the Group reported net financial debt of € 39 million as of May 31, 2020 (February 29, 2020: € 375 million).

Other Disclosures

Employees

The HORNBACH Holding AG & Co. KGaA Group had a total of 22,349 permanent employees across Europe at the reporting date on May 31, 2020 (February 29, 2020: 21,505).

Statement of figures

Figures have been rounded up or down to the nearest million euro amount. Such rounding up or down may result in minor discrepancies between the various presentations. Percentages have been calculated on the basis of thousand euro figures.

Outlook

The full-year sales and earnings forecast for 2020/21 as published in the 2019/20 Annual Report continues to apply for now. In this respect, the Board of Management points to the ongoing considerable and hardly predictable macroeconomic risks resulting from the coronavirus crisis and to the risk of a renewed wave of infections, particularly in the second half of the 2020/21 financial year. In light of these risks, the company is currently upholding its previous assessment that consolidated sales for the 2020/21 financial year as a whole will approximately match the level reported for the 2019/20 financial year (Euro 4.7 billion) and that adjusted consolidated operating earnings (adjusted EBIT) will fall slightly short of the previous year's figure (Euro 227.0 million).

The forecast may be reviewed to account for the short and medium-term development in the COVID-19 pandemic and the macroeconomic framework. Unless the very pleasing trend in the company's business performance seen in the first quarter of 2020/21 is abruptly reversed in the further course of the year under report, the sales and earnings forecast for the 2020/21 financial year as a whole is very likely to be amended in the course of the year.

Brief Glossary of Key Performance Figures

In this quarterly statement we also refer to the following alternative key performance figures that are not defined under IFRS to comment on our asset, financial, and earnings position. These figures should also be viewed in the overall context of the information published in the Annual Report concerning the Group's management system.

<p>Like-for-like sales net of currency items (change in %)</p>	<p><i>Alternative key performance figure to measure the operating business performance and indicate the organic growth achieved by our retail activities (stationary stores and online shops)</i></p>	<p>The calculation of like-for-like sales is based on all DIY stores with garden centers that have been in operation for at least one full year. No account is taken of stores newly opened, closed, or subject to substantial conversion measures in the past twelve months. Like-for-like sales are calculated excluding sales tax (net) and based on the local currency for the reporting period under comparison (currency-adjusted). The rate of change in like-for-like sales net of currency items is therefore a performance indicator independent of exchange rate factors. On a euro basis, like-for-like sales are also calculated including currency items for those countries in our European store network that have currencies other than the euro.</p>
<p>EBITDA</p>	<p><i>Alternative key performance figure to comment on earnings performance</i></p>	<p>EBITDA stands for earnings before interest, taxes, depreciation and amortization (on property, plant and equipment and on intangible assets). EBITDA is a cash flow-based figure, as depreciation and amortization, which do not impact on liquidity, are added to operating earnings (EBIT).</p>
<p>Adjusted EBIT</p>	<p><i>Major key performance figure to comment on operating earnings performance</i></p>	<p>To calculate this key figure, EBIT is adjusted to exclude non-operating earnings items. Non-operating expenses (e.g. impairment losses on assets, expenses due to discontinuation of projects) are added to EBIT, while non-operating income (e.g. income from disposals of properties, income from write-ups of assets impaired in previous years) are deducted. Adjusted EBIT is therefore particularly useful for management purposes and for comparing the operating earnings performance over time or in forecasts.</p>
<p>EBT</p>	<p><i>Alternative key performance figure to comment on operating earnings performance</i></p>	<p>Given IFRS 16 lease accounting, consolidated earnings before taxes (EBT) are becoming increasingly important as an alternative key performance figure. EBT is the key earnings figure that shows the impact on the income statement of IFRS 16 effects; these comprise depreciation of right-of-use assets and interest expenses for financial debt.</p>

Cost ratios	<i>Alternative key performance figures for the development in store, pre-opening, and administration expenses as a percentage of net sales</i>	<p>The store expense ratio is obtained by dividing selling and store expenses by net sales. Selling and store expenses comprise those costs incurred in connection with the operation of stationary DIY stores with garden centers and the online shops. They mainly include personnel expenses, advertising expenses, and general operating expenses (such as transport expenses, service and maintenance), as well as depreciation and amortization.</p> <p>The pre-opening expense ratio is calculated by dividing pre-opening expenses by net sales. Costs incurred in connection with and upon the construction of a new stationary DIY store with a garden center through to opening are reported as pre-opening expenses. Pre-opening expenses largely comprise personnel expenses, costs of supplies and disposal, and administration expenses.</p> <p>The administration expense ratio is the quotient of administration expenses and net sales. Administration expenses include all administrative expenses incurred in connection with the operation or construction of stationary DIY stores with garden centers and with the development and operation of online retail (e-commerce) and which cannot be directly allocated to such. They mainly consist of personnel expenses, legal and advisory expenses, depreciation and amortization, costs of premises, and IT, travel, and vehicle expenses. As well as purely administrative expenses, they also include project-related and digitalization expenses.</p>
Equity ratio	<i>Alternative key performance figure to comment on asset position</i>	The equity ratio is derived by dividing shareholders' equity as reported in the balance sheet (equity posted) by total capital (balance sheet total).
Net financial debt	<i>Alternative key performance figure to comment on financial position</i>	This key figure is calculated as total current and non-current financial debt less cash and cash equivalents and – where applicable – less current financial assets.
Gross margin	<i>Further key performance figure to comment on earnings performance</i>	The gross margin is defined as gross profit (net balance of sales and cost of goods sold) as a percentage of net sales. This key management figure is chiefly influenced by developments in procurement and retail prices, changes in the product mix, and currency items resulting from international procurement.

Income Statement

€ million	1 st Quarter 2020/21	1 st Quarter 2019/20	Change in %
Sales	1,577.0	1,338.4	17.8
Cost of goods sold	1,010.6	853.9	18.3
Gross profit	566.5	484.5	16.9
Selling and store expenses	336.3	332.7	1.1
Pre-opening expenses	0.4	0.9	(53.5)
General and administration expenses	59.7	57.6	3.6
Other income and expenses	3.3	3.6	(6.9)
Earnings before interest and taxes (EBIT)	173.4	96.9	79.0
Interest and similar income	0.2	0.1	85.4
Interest and similar expenses	10.8	11.9	(9.8)
Other financial result	0.4	(0.1)	>100
Net financial expenses	(10.2)	(11.9)	(14.4)
Consolidated earnings before taxes	163.3	85.0	92.0
Taxes on income	40.3	22.3	80.5
Consolidated net income	122.9	62.7	96.1
of which: income attributable to shareholders	96.9	50.4	92.3
of which: non-controlling interest	26.0	12.3	>100
Basic/diluted earnings per share (€)	6.06	3.15	92.4

Balance Sheet

Assets	May 31, 2020		February 29, 2020	
	€ million	%	€ million	%
Non-current assets				
Intangible assets	16.0	0.4	16.1	0.4
Property, plant, and equipment	1,587.4	39.1	1,595.3	42.4
Investment property	27.1	0.7	26.4	0.7
Right-of-use assets	719.1	17.7	741.3	19.7
Financial assets	0.1	0.0	0.1	0.0
Other non-current receivables and assets	4.4	0.1	4.7	0.1
Deferred tax assets	14.2	0.3	13.1	0.3
	2,368.2	58.3	2,397.1	63.7
Current assets				
Inventories	839.3	20.7	861.3	22.9
Trade receivables	49.3	1.2	39.3	1.0
Contract assets	1.5	0.0	1.6	0.0
Other current assets	92.3	2.3	82.5	2.2
Income tax receivables	8.2	0.2	8.7	0.2
Cash and cash equivalents	703.1	17.3	368.3	9.8
Non-current assets held for sale and disposal groups	0.0	0.0	1.5	0.0
	1,693.7	41.7	1,363.1	36.3
	4,061.9	100.0	3,760.2	100.0

Equity and liabilities	May 31, 2020		February 29, 2020	
	€ million	%	€ million	%
Shareholders' equity				
Share capital	48.0	1.2	48.0	1.3
Capital reserve	130.4	3.2	130.4	3.5
Revenue reserves	1,251.7	30.8	1,160.4	30.9
Equity of shareholders of HORNBACH HOLDING AG & Co. KGaA	1,430.1	35.2	1,338.8	35.6
Non-controlling interest	290.3	7.1	265.4	7.1
	1,720.3	42.4	1,604.2	42.7
Non-current liabilities				
Non-current financial debt	671.9	16.5	675.6	18.0
Non-current lease liabilities	692.8	17.1	712.9	19.0
Pensions and similar obligations	18.6	0.5	24.9	0.7
Deferred tax liabilities	34.6	0.9	34.1	0.9
Other non-current liabilities	42.7	1.1	42.3	1.1
	1,460.5	36.0	1,489.9	39.6
Current liabilities				
Current financial debt	70.7	1.7	67.9	1.8
Current lease liabilities	81.4	2.0	82.4	2.2
Trade payables	326.0	8.0	266.5	7.1
Contract liabilities	44.6	1.1	34.4	0.9
Other current liabilities	151.7	3.7	83.3	2.2
Income tax liabilities	56.6	1.4	26.5	0.7
Other provisions and accrued liabilities	150.0	3.7	105.1	2.8
	881.1	21.7	666.1	17.7
	4,061.9	100.0	3,760.2	100.0

Statement of Changes in Equity

1 st Quarter 2019/20 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to share- holders	Non- controlling interest	Total equity
Balance at March 1, 2019	48.0	130.4	(0.8)	17.1	1,061.0	1,255.7	251.4	1,507.1
Adjustments due to IFRS 16					0.7	0.7	0.0	0.7
Balance at March 1, 2019 (adjusted)	48.0	130.4	(0.8)	17.1	1,061.7	1,256.4	251.4	1,507.8
Consolidated net income					50.4	50.4	12.3	62.7
Actuarial gains and losses on pension commitments, net after taxes					(3.8)	(3.8)	(1.2)	(5.0)
Measurement of derivative financial instruments (cash flow hedge), net after taxes			0.0			0.0	0.0	0.0
Foreign currency translation				(0.3)		(0.3)	0.1	(0.1)
Total comprehensive income	0.0	0.0	0.0	(0.3)	46.6	46.3	11.2	57.5
Balance at May 31, 2019	48.0	130.4	(0.8)	16.8	1,108.3	1,302.7	262.6	1,565.3

1 st Quarter 2020/21 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to share- holders	Non- controlling interest	Total equity
Balance at March 1, 2020	48.0	130.4	-0.6	24.0	1,137.0	1,338.8	265.4	1,604.2
Consolidated net income					96.9	96.9	26.0	122.9
Actuarial gains and losses on pension commitments, net after taxes					4.2	4.2	1.3	5.5
Measurement of derivative financial instruments (cash flow hedge), net after taxes			0.0			0.0	0.0	0.0
Foreign currency translation				(9.9)		(9.9)	(2.5)	(12.4)
Total comprehensive income	0.0	0.0	0.0	(9.9)	101.1	91.3	24.8	116.1
Balance at May 31, 2020	48.0	130.4	(0.6)	14.1	1,238.1	1,430.1	290.3	1,720.3

Cash Flow Statement

€ million	1 st Quarter 2020/21	1 st Quarter 2019/20
Consolidated net income	122.9	62.7
Depreciation and amortization of investments in property, plant, and equipment and in intangible assets	24.0	24.1
Depreciation of right-of-use assets	22.3	23.8
Change in provisions	0.4	1.0
Gains/losses on disposals of non-current assets and of non-current assets held for sale	(0.7)	(0.1)
Change in inventories, trade receivables, and other assets	0.2	(25.7)
Change in trade payables and other liabilities	216.2	59.0
Other non-cash income/expenses	1.4	(2.1)
Cash flow from operating activities	386.6	142.6
Proceeds from disposal of non-current assets and of non-current assets held for sale	2.5	0.4
Payments for investments in property, plant, and equipment	(26.3)	(47.1)
Payments for investments in intangible assets	(0.9)	(1.6)
Cash paid for investments in connection with short-term finance planning	0.0	(20.0)
Cash flow from investing activities	(24.7)	(68.3)
Repayment of long-term debt	(3.0)	(4.4)
Repayment of current and non-current lease liabilities	(20.9)	(21.1)
Change in current financial debt	(0.6)	6.0
Cash flow from financing activities	(24.6)	(19.6)
Cash-effective change in cash and cash equivalents	337.4	54.7
Change in cash and cash equivalents due to changes in exchange rates	(2.6)	0.1
Cash and cash equivalents at March 1	368.3	316.3
Cash and cash equivalents at May 31	703.1	371.1

Segment Report

1st Quarter 2020/21 € million 1st Quarter 2019/20 in € million	HORNBACH Baumarkt AG subgroup	HORNBACH Baustoff Union GmbH subgroup	HORNBACH Immobilien AG subgroup	Central division	Consolidation adjustments	HORNBACH HOLDING AG & Co. KGaA Group
Segment sales	1,492.1	84.5	20.0	0.0	(19.6)	1,577.0
	1,260.7	77.2	19.8	0.0	(19.3)	1,338.4
Sales to third parties	1,490.9	84.5	0.0	0.0	0.0	1,575.4
	1,259.6	77.2	0.0	0.0	0.0	1,336.8
Rental income from third parties	1.2	0.0	0.4	0.0	0.0	1.7
	1.1	0.0	0.5	0.0	0.0	1.7
Rental income from affiliated companies	0.0	0.0	19.6	0.0	(19.6)	0.0
	0.0	0.0	19.3	0.0	(19.3)	0.0
EBIT	160.0	1.5	15.5	(1.0)	(2.6)	173.4
	84.1	1.3	14.7	(0.8)	(2.4)	96.9
of which: Depreciation and amortization	56.0	2.1	4.4	0.0	(16.3)	46.3
	58.0	1.9	4.3	0.0	(16.3)	47.9
Segment earnings (adjusted EBIT)	160.0	1.5	14.9	(1.0)	(2.6)	172.8
	84.1	1.3	14.7	(0.8)	(2.4)	96.9
EBITDA	216.0	3.6	19.9	(1.0)	(18.9)	219.7
	142.1	3.2	19.0	(0.8)	(18.7)	144.8
Segment assets	3,826.3	190.9	474.2	52.2	(504.1)	4,039.5
	3,582.3	188.4	495.6	32.6	(535.4)	3,763.4

Reconciliation in € million	1st Quarter 2020/21	1 st Quarter 2019/20
Segment earnings (adjusted EBIT)	172.8	96.9
Non-operating items	0.6	0.0
Net financial expenses	(10.2)	(11.9)
Consolidated earnings before taxes	163.3	85.0

FINANCIAL CALENDAR

June 26, 2020	Quarterly Statement: 1 st Quarter of 2020/21 as of May 31, 2020
July 10, 2020	Annual General Meeting (virtual)
September 29, 2020	Half-Year Financial Report 2020/21 as of August 31, 2020 DVFA Analysts' Conference
December 22, 2020	Quarterly Statement: 3 rd Quarter of 2020/21 as of November 30, 2020

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DISCLAIMER

This interim report contains forward-looking statements based on assumptions and estimates made by the Board of Management of HORNBACH. Statements referring to the future are always only valid at the time at which they are made. Although we assume that the expectations reflected in these forecast statements are realistic, the company can provide no guarantee that these expectations will also turn out to be accurate. The assumptions may involve risks and uncertainties which could result in actual results differing significantly from the forecast statements. The factors which could produce such variances include changes in the economic and business environment, particularly in respect of consumer behavior and the competitive environment in those retail markets of relevance for HORNBACH. Furthermore, they include exceptional weather conditions, a lack of acceptance of new sales formats or new product ranges, as well as changes to the corporate strategy. HORNBACH has no plans to update the forecast statements, neither does it accept any obligation to do so.