

24 June 2025

HORNBACH Holding AG & Co KGaA

Rating	Buy
Share price (EUR)	90.80
Target price (EUR)	110.00
Bloomberg	HBH GR
Sector	Consumer Goods

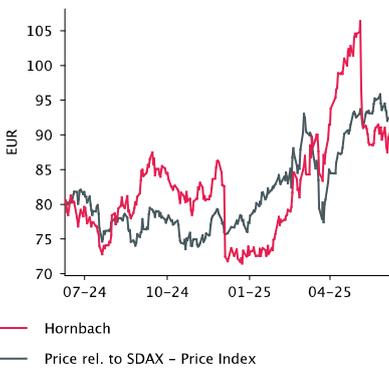
Share data

Shares out (m)	16.0
Daily volume shs (m)	1.9
Free float (%)	62.50
Market cap (EUR m)	1,461
EV (EUR m)	1,811
DPS (EUR)	2.40
Dividend yield (%)	3.2
Payout ratio (%)	27.3

Performance

ytd (%)	23.3
12 months (%)	16.1
12 months rel. (%)	1.9
Index	SDAX

Share price performance



Source: Bloomberg

Next triggers

11 July 2025: AGM
30 September 2025: H1 Report

Analysts

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Q1-25/26: strong increase of sales, earnings and cash flow

HORNBACH Holding started strong into the current business year; in our view, there were 3 highlights: 1) significant increase in sales (EUR 1,909.2m, +5.7% yoy) and adjusted EBIT (EUR 161.7m, +10.4% yoy), 2) more than tripling of free cash flow (EUR 147.4m vs. EUR 43.0m in Q1-24/25) and 3) a specification of the FY 2025/26 guidance, with the company saying that the upper range of adj. EBIT is likely.

The HORNBACH Baumarkt sales grew across all regions, with Germany contributing 48% and other European countries 52% of total sales. This subgroup experienced a 5.8% sales increase, while the Baustoff Union subgroup rose by 3.1%. It is worth mentioning that the Baustoff Union serves commercial clients and the weakness in the construction sector may have “bottomed out” according to CEO Albrecht Hornbach.

Like-for-like sales growth was positive in nearly all countries, with particularly strong results in Luxembourg and the Netherlands (both +10.9%). Market share gains were again achieved in Germany, the Netherlands, Czechia, Austria, and Switzerland. E-commerce sales grew by 11.1%, with online channels accounting for 13.1% of Baumarkt sales, while they were 12.4% in Q1 24-25. The company maintained a strong balance sheet, with an equity ratio of 45.5% and net debt/EBITDA reduced to 2.3x (February 2025: 2.6x).

FY 2025/26 confirmed, but wording regarding adj. EBIT a bit more optimistic

HORNBACH confirms the guidance given on May 21, 2025. The group continues to expect net sales in FY 2025/26 at or slightly above (i.e. +/- 2% to +/-6%) the previous year's level (EUR 6,200m) and adjusted EBIT at the level (i.e. -5% to +5%) of the 2024/25 financial year (EUR 269.5m). Given the good earnings performance in the first quarter of 2025/26, an adjusted EBIT in the upper half of the projected range currently appears likely according to the company. CAPEX is expected to exceed the EUR 183.7m of FY 2024/25, with investments focused on land, new stores, and store upgrades.

In our opinion, HORNBACH's outlook continues to remain cautious/conservative. We therefore confirm our Buy recommendation and the EUR 110 TP.

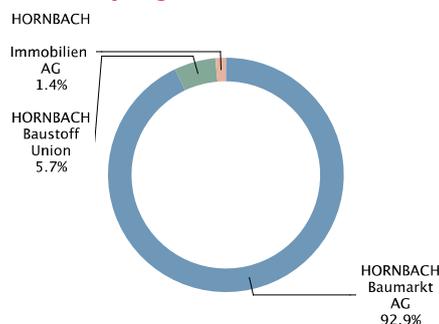
Key figures		2024	2025	2026e	2027e	2028e
Sales	EUR m	6,161	6,200	6,251	6,326	6,421
EBITDA	EUR m	501	503	527	547	572
EBIT	EUR m	226	253	277	287	302
EPS	EUR	7.82	8.80	10.13	10.80	11.52
Sales growth	%	-1.6	0.6	0.8	1.2	1.5
EBIT growth	%	-12.7	11.9	9.5	3.7	5.2
EPS growth	%	-20.4	12.5	15.2	6.5	6.7
EBITDA margin	%	8.1	8.1	8.4	8.7	8.9
EBIT margin	%	3.7	4.1	4.4	4.5	4.7
Net margin	%	2.0	2.3	2.6	2.7	2.9
EV/Sales	ratio	0.43	0.29	0.40	0.37	0.32
EV/EBITDA	ratio	5.3	3.6	4.8	4.2	3.6
EV/EBIT	ratio	11.8	7.2	9.1	8.1	6.9
P/E	ratio	9.7	10.4	9.0	8.5	7.9
P/BV	ratio	0.6	0.7	0.7	0.6	0.6
Dividend yield	%	3.2	2.6	2.7	3.0	3.2

Source: Bloomberg, Company data, Quirin Privatbank estimates

Company description

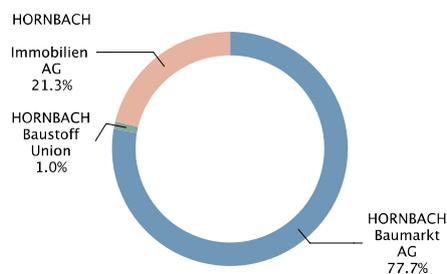
The HORNBACH Group is an independent, family-run retail group managed by HORNBACH Holding AG & Co. KGaA, which is listed on the Frankfurt Stock Exchange and included in the SDAX. Its largest subsidiary, HORNBACH Baumarkt AG, operates 173 DIY megastores with garden centers (including specialist stores) and online shops in nine European countries. The HORNBACH Group also includes HORNBACH Baustoff Union, a regional builders' merchant company with 39 locations in southwestern Germany and France, and HORNBACH Immobilien AG, which develops retail real estate for the Group. In the 2024/25 financial year (balance sheet date: February 28, 2025), the HORNBACH Group generated net sales of EUR 6.2 billion, making it one of the top five retailers for DIY and garden products in Europe. The Group has around 25,000 employees.

Revenues by segment 2025



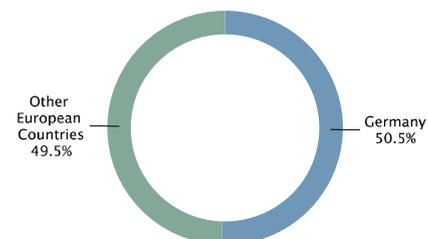
Source: Company data

Operating profit by segment 2025



Source: Company data

Revenues by region 2025



Source: Company data

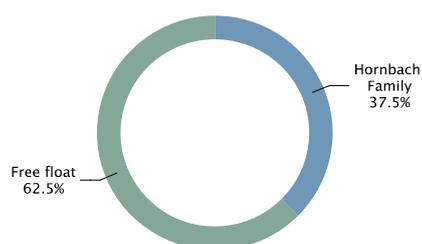
Segment data (EUR m)

Revenues (growth in %)	2024	YOY	2025	YOY	2026e	YOY	2027e	YOY	2028e	YOY
HORNBACH Baumarkt AG	5,780.0	-1.1%	5,847.0	1.2%	5,895.0	0.8%	5,970.0	1.3%	6,060.0	1.5%
HORNBACH Baustoff Union	380.7	-9.6%	357.1	-6.2%	360.0	0.8%	365.0	1.4%	375.0	2.7%
HORNBACH Immobilien AG	89.1	8.0%	89.6	0.6%	90.5	1.0%	91.0	0.6%	91.0	0.0%

EBIT (margin in %)	2024	margin	2025	margin	2026e	margin	2027e	margin	2028e	margin
HORNBACH Baumarkt AG	241.0	3.7%	212.4	4.0%	233.7	4.1%	240.0	4.2%	250.0	4.4%
HORNBACH Baustoff Union	13.8	1.2%	4.7	0.9%	3.1	1.2%	4.2	1.4%	5.0	1.5%
HORNBACH Immobilien AG	55.8	71.0%	63.3	71.3%	63.9	70.7%	64.0	70.9%	64.5	71.4%

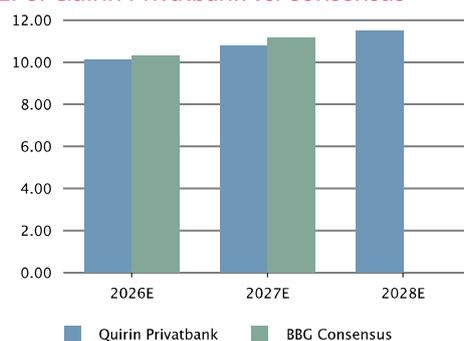
Source: Company data, Quirin Privatbank estimates

Shareholder structure



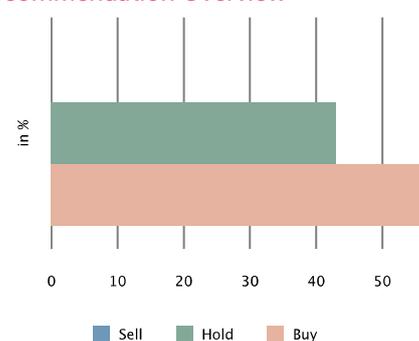
Source: Company data

EPS: Quirin Privatbank vs. consensus



Source: Quirin Privatbank Research, Bloomberg

Recommendation Overview



Source: Bloomberg

Company guidance 2025/26

HORNBACH confirms the guidance given on May 21, 2025. The group continues to expect net sales in the financial year 2025/26 at or slightly above (i.e. +/- 2% to +/- 6%) the previous year's level (EUR 6,200m) and adjusted EBIT at the level (i.e. -5% to +5%) of the 2024/25 financial year (EUR 269.5m). Given the good earnings performance in the first quarter of 2025/26, an adjusted EBIT in the upper half of the projected range currently appears likely.

Profit & loss statement

Profit & loss statement (EUR m)	2024	YOY	2025	YOY	2026e	YOY	2027e	YOY	2028e	YOY
Sales	6,160.9	-1.6 %	6,200.0	0.6 %	6,250.5	0.8 %	6,326.0	1.2 %	6,421.0	1.5 %
Cost of sales	4,076.3		4,039.4		4,072.3		4,121.5		4,183.4	
Gross profit	2,084.6		2,160.6		2,178.2		2,204.5		2,237.6	
Selling expenses	1,576.3		1,609.7		1,604.2		1,617.7		1,633.0	
General administrative expenses	297.4		315.0		313.9		316.6		319.6	
Research and development costs	0.0		0.0		0.0		0.0		0.0	
Other operating income	14.9		16.9		16.8		16.9		17.1	
Other operating expenses	0.0		0.0		0.0		0.0		0.0	
EBITDA	500.8	-2.1 %	503.2	0.5 %	527.2	4.8 %	547.4	3.8 %	572.2	4.5 %
EBITDA margin (%)	8.13		8.12		8.43		8.65		8.91	
EBIT	225.8	-12.7 %	252.7	11.9 %	276.8	9.5 %	287.1	3.7 %	302.1	5.2 %
EBIT margin (%)	3.66		4.08		4.43		4.54		4.70	
Net interest	-46.0		-45.9		-43.8		-41.6		-39.5	
Income from Participations	-0.5		1.3		1.3		1.3		1.3	
Net financial result	n.a.		n.a.		n.a.		n.a.		n.a.	
Exceptional items	n.a.		n.a.		n.a.		n.a.		n.a.	
Pretax profit	179.3	-17.9 %	208.0	16.0 %	234.2	12.6 %	246.7	5.3 %	263.8	6.9 %
Pretax margin (%)	2.91		3.36		3.75		3.90		4.11	
Taxes	47.6		60.8		64.6		66.0		71.1	
Tax rate (%)	26.57		29.25		27.58		26.76		26.94	
Earnings after taxes	131.7		147.2		169.6		180.7		192.8	
Minorities	6.5		6.5		7.5		8.0		8.5	
Group attributable income	125.1	-20.3 %	140.7	12.4 %	162.1	15.3 %	172.7	6.5 %	184.3	6.7 %
No. of shares (m)	16.0		16.0		16.0		16.0		16.0	
Earnings per share (EUR)	7.82	-20.4 %	8.80	12.5 %	10.13	15.2 %	10.80	6.5 %	11.52	6.7 %
Adjustments										
Adjusted EBIT	254.2		269.5		276.8		287.1		302.1	
Adjusted EBIT margin (%)	4.1		4.3		4.4		4.5		4.7	

Source: Company data, Quirin Privatbank estimates

Balance sheet

Balance sheet (EUR m)	2024	YOY	2025	YOY	2026e	YOY	2027e	YOY	2028e	YOY
Assets										
Cash and cash equivalents	370.3		317.2		505.8		695.6		938.6	
Accounts receivables	47.6		52.5		52.9		53.6		54.4	
Inventories	1,195.7		1,266.1		1,276.4		1,291.8		1,311.2	
Other current assets	145.1		144.1		144.1		144.1		144.1	
Tax claims	0.0		0.0		0.0		0.0		0.0	
Total current assets	1,758.6	-12.4 %	1,779.9	1.2 %	1,979.2	11.2 %	2,185.0	10.4 %	2,448.3	12.0 %
Fixed assets	1,829.9		1,889.2		1,829.0		1,778.9		1,728.8	
Goodwill	32.9		44.2		44.2		44.2		44.2	
Other intangible assets	23.0		21.4		21.4		21.4		21.4	
Financial assets	0.2		0.2		0.2		0.2		0.2	
Deferred taxes	40.7		53.4		53.4		53.4		53.4	
Other fixed assets	791.8		825.8		825.8		825.8		825.8	
Total fixed assets	2,718.5	0.0 %	2,834.3	4.3 %	2,774.1	-2.1 %	2,723.9	-1.8 %	2,673.8	-1.8 %
Total assets	4,477.1	-5.3 %	4,614.2	3.1 %	4,753.3	3.0 %	4,908.9	3.3 %	5,122.1	4.3 %
Equity & Liabilities										
Subscribed capital	48.0		48.0		48.0		48.0		48.0	
Reserves & other	130.5		130.6		130.6		130.6		130.6	
Revenue reserves	1,669.5		1,776.8		1,898.9		2,028.4		2,166.3	
Accumulated other comprehensive	0.0		0.0		1.6		4.8		51.2	
Shareholder's equity	1,948.1	2.7 %	2,033.5	4.4 %	2,157.2	6.1 %	2,289.9	6.2 %	2,474.1	8.0 %
Minorities	100.1		78.1		78.1		78.1		78.1	
Shareholder's equity incl. minorities	1,948.1	2.7 %	2,033.5	4.4 %	2,157.2	6.1 %	2,289.9	6.2 %	2,474.1	8.0 %
Long-term liabilities										
Pension provisions	5.3		7.9		8.0		8.1		8.2	
Financial liabilities	346.5		219.0		219.0		219.0		219.0	
Tax liabilities	0.0		0.0		0.0		0.0		0.0	
Other liabilities	841.9		885.2		892.5		903.2		916.8	
Total long-term debt	1,468.4	0.4 %	1,396.8	-4.9 %	1,404.1	0.5 %	1,414.9	0.8 %	1,428.6	1.0 %
Short-term debt										
Other provisions	131.4		146.6		147.8		149.6		151.8	
Trade payables	399.6		449.2		452.8		458.3		465.2	
Financial debt	90.4		191.1		191.1		191.1		191.1	
Other liabilities	409.7		359.7		362.6		367.0		372.5	
Total short-term debt	1,060.6	-22.4 %	1,183.9	11.6 %	1,192.0	0.7 %	1,204.1	1.0 %	1,219.3	1.3 %
Total equity & liabilities	4,477.1	-5.3 %	4,614.2	3.1 %	4,753.3	3.0 %	4,908.9	3.3 %	5,122.1	4.3 %

Source: Company data, Quirin Privatbank estimates

Financial key ratios

Key ratios	2024	2025	2026e	2027e	2028e
Per share data (EUR)					
EPS	7.82	8.80	10.13	10.80	11.52
Book value per share	121.8	127.2	134.8	143.1	154.6
Free cash flow per share	28.4	19.9	21.3	22.3	23.2
Dividend per share	2.40	2.40	2.50	2.70	2.90
Valuation ratios					
EV/Sales	0.43	0.29	0.40	0.37	0.32
EV/EBITDA	5.3	3.6	4.8	4.2	3.6
EV/EBIT	11.8	7.2	9.1	8.1	6.9
P/E	9.7	10.4	9.0	8.5	7.9
P/B	0.6	0.7	0.7	0.6	0.6
Dividend yield (%)	3.2	2.6	2.7	3.0	3.2
Growth					
Sales growth (%)	-1.6	0.6	0.8	1.2	1.5
EBITDA growth (%)	-2.1	0.5	4.8	3.8	4.5
EBIT growth (%)	-12.7	11.9	9.5	3.7	5.2
EPS growth (%)	-20.4	12.5	15.2	6.5	6.7
Profitability ratios					
EBITDA margin (%)	8.1	8.1	8.4	8.7	8.9
EBIT margin (%)	3.7	4.1	4.4	4.5	4.7
Net margin (%)	2.0	2.3	2.6	2.7	2.9
ROCE (%)	6.6	7.4	7.8	7.7	7.7
Financial ratios					
Total equity (EUR m)	1,948.1	2,033.5	2,157.2	2,289.9	2,474.1
Equity ratio (%)	43.5	44.1	45.4	46.6	48.3
Net financial debt (EUR m)	1,207.8	1,284.9	1,096.5	906.9	664.0
Net debt/Equity	0.4	0.4	0.5	0.5	0.5
Interest cover	4.0	4.5	4.9	5.1	5.4
Net debt/EBITDA	2.4	2.6	2.1	1.7	1.2
Payout ratio (%)	30.7	27.3	24.7	25.0	25.2
Working Capital (EUR m)	698.0	596.0	787.2	980.9	1,228.9
Working capital/Sales	0.11	0.10	0.13	0.16	0.19

Source: Company data, Quirin Privatbank estimates

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The rating in this report are based on the analyst's expectation of the absolute change in stock price over a period of 6 to 12 months and reflect the analyst's view of the potential for change in stock price as a percentage. The BUY and SELL ratings reflect the analyst's expected high change in the value of the stock.

The levels of change expressed in each rating categories are:

BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

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Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
24.06.2025	110.00	Buy	
27.05.2025	110.00	Buy	
28.03.2025	110.00	Buy	
09.01.2025	110.00	Buy	
01.10.2024	110.00	Buy	
22.07.2024	76.76	Hold	08.04.2024

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Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin – (Federal Financial Supervisory Authority), Graurheindorfer Str. 108 , 53117 Bonn

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