

Update Call Q3/9M 2022/23

HORNBACH Holding AG & Co. KGaA

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Continued high demand – guidance reconfirmed

Overall demand for construction and DIY products remained steady

- **Net sales** ahead of previous year's record level
 - Q3 2022/23 net sales **+10.4%** to € 1,546m
 - 9M 2022/23 net sales **+6.7%** to € 5,010m
- **Online sales share** (HORNBACH Baumarkt) at 14.5% in 9M 2022/23 – significantly ahead of pre-Covid levels

Earnings well ahead of pre-Covid levels

- 9M 2022/23 **adj. EBIT** at **€ 326.3m**: 1-year change: (17.0%) / **3-year change: +35.8%**
- **Gross margin** at **33.3%** from 35.1% in 9M 2021/22 reflecting challenging macro environment

Outlook for FY 2022/23 reconfirmed¹⁾

- Sales slightly above previous year
- Low double-digit percentage decline in adjusted EBIT due to inflationary and cost pressures

1) Revised outlook as of June 13, 2022

HORNBACH expansion on track – focus on employees

Expansion continued according to plan in 9M 2022/23

- HORNBACH Baumarkt opened new stores in **Nitra (Slovakia), Enschede (Netherlands), Constanta (Romania)**
- HORNBACH Baustoff Union took over 2 builders merchant outlets in **Saarbrücken (Germany)** and **Saarlouis (Germany)**
- **BODENHAUS direct delivery** started in September 2022 (Germany)



HORNBACH Constanta
(Romania)

Focus on employees

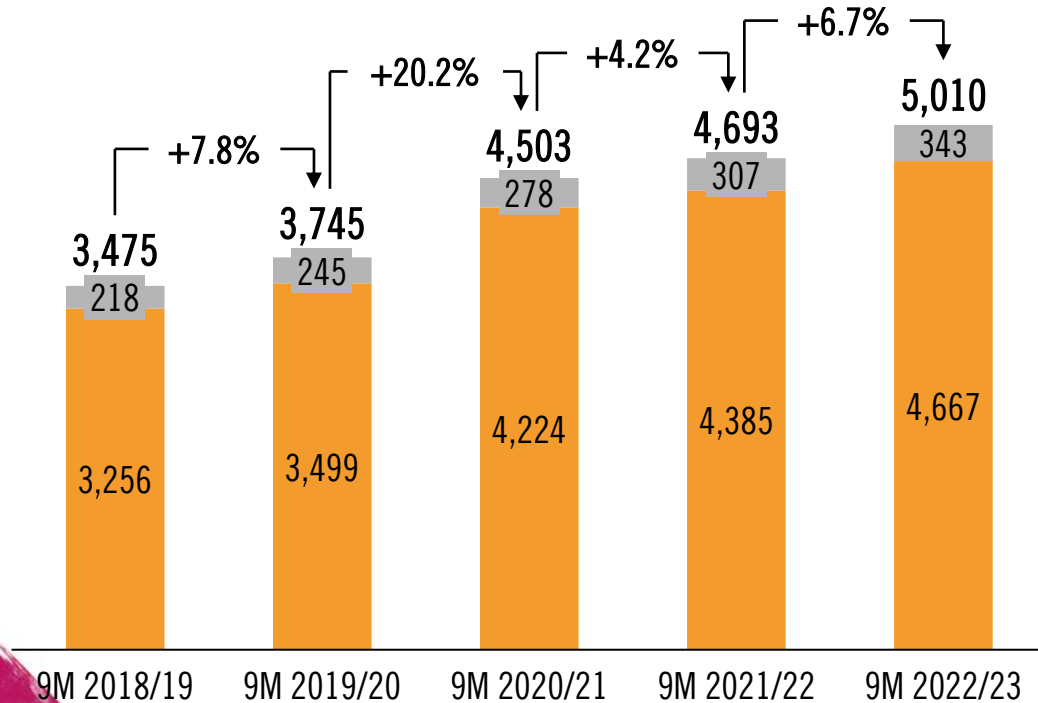
- **Reconciling work and private life:**
 - Germany: Launch of flexible working hours (>11,000 employees)
 - Switzerland: Introduction of the 39-hour-week, extended parental leave, more flexible breaks
- Take a stake in the success: New **employee share program** on Group level
- **Inflation bonus** in Germany, Netherlands, Czech Republic, Slovakia, Romania



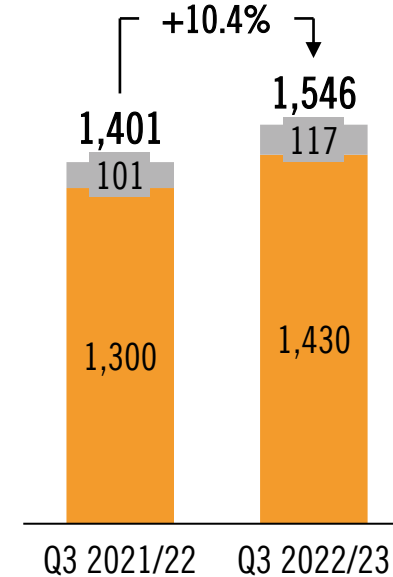
Net sales in Q3 2022/23 significantly ahead of previous year's record level

Net sales (9M: Mar 1 – Nov 30 / Q3: Sep 1 – Nov 30)

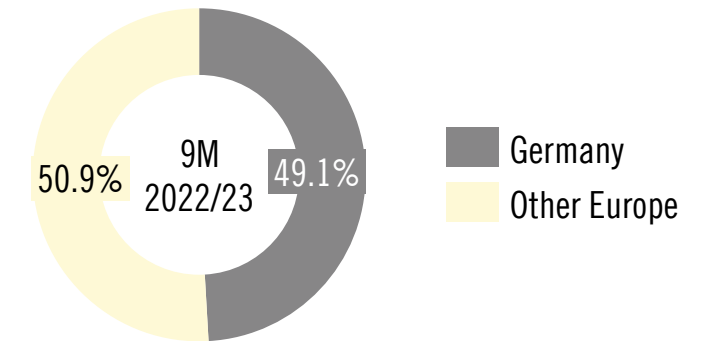
HORNBAACH Baustoff Union
 HORNBAACH Baumarkt AG



- Continued sales growth from good like-for-like performance and expansion
- Net sales HORNBAACH Baumarkt subgroup +6.4%
 - Germany: +3.3% / Other Europe: +9.6%
 - International share increased to 50.9%
- Net sales HORNBAACH Baustoff subgroup +11.7%



HORNBAACH Baumarkt AG: Share of net sales by region



Strong like-for-like growth in Q3 2022/23

- Acceleration of LFL performance in Q3 2022/23 driven by **robust demand** amid inflation
- Strong LFL trend continued into Q4 in December
- LFL sales significantly ahead of pre-pandemic performance: **3-year LFL²⁾ +29.5%**

Like-for-like sales growth¹⁾ per quarter and 9 months in %

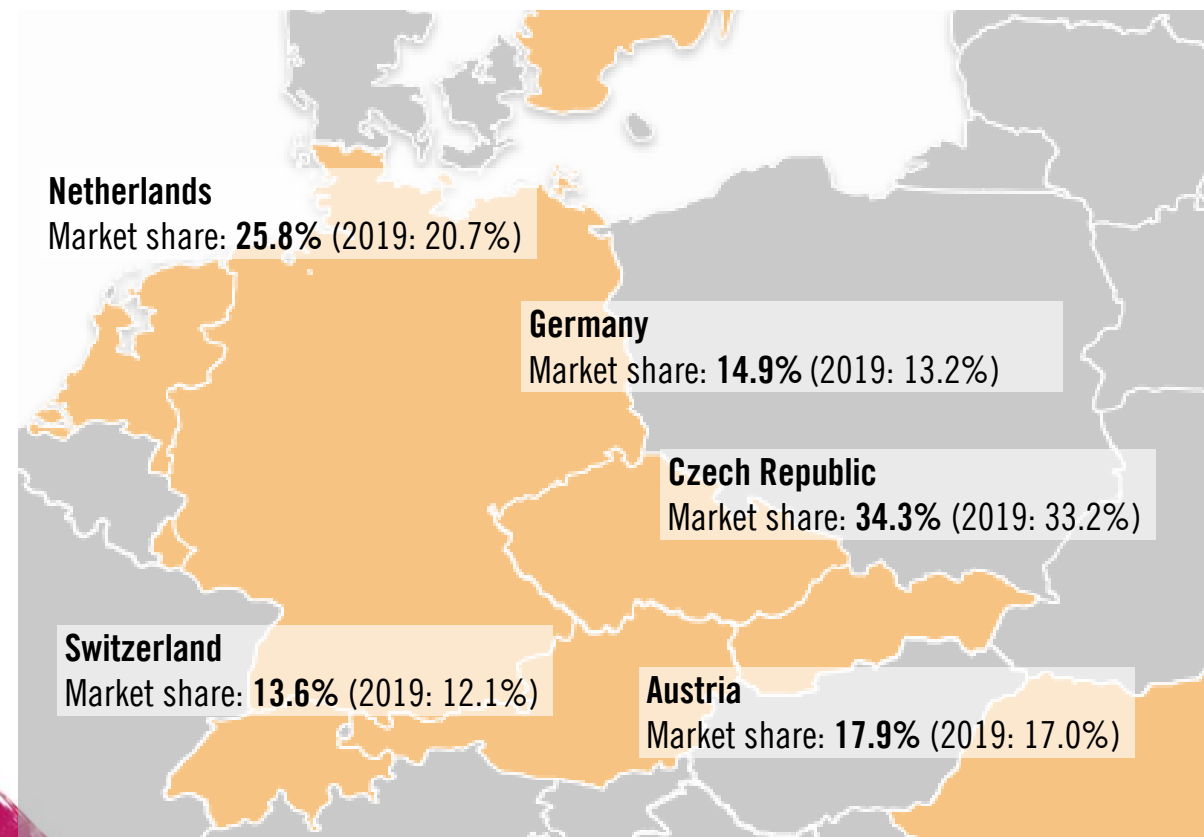
	Q1 2022/23	Q2 2022/23	Q3 2022/23	9M 2022/23	3-year LFL ²⁾
Total	5.3	(1.7)	7.2	3.4	29.5
Germany	4.4	(2.9)	7.8	2.9	27.8
Other Europe	6.2	(0.6)	6.7	4.0	31.3
Austria	(2.5)	(0.8)	11.3	1.9	24.5
Czech Republic	18.0	(1.2)	3.6	6.7	20.3
Luxembourg	(7.3)	(2.6)	6.4	(1.9)	47.1
Netherlands	22.5	0.3	11.4	10.9	37.4
Romania	14.1	5.8	10.1	9.9	57.4
Slovakia	16.0	1.2	8.9	8.6	39.3
Sweden	(3.6)	(3.7)	(4.0)	(3.7)	44.3
Switzerland	(12.2)	(3.6)	(0.4)	(6.2)	15.5

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 9M 2019/20

HORNBACH Baumarkt: Strong market share in DIY retailing across Europe

Large DIY stores > 1,000 sqm

Market share of HORNBACH Baumarkt in % (GfK) – Jan to Oct

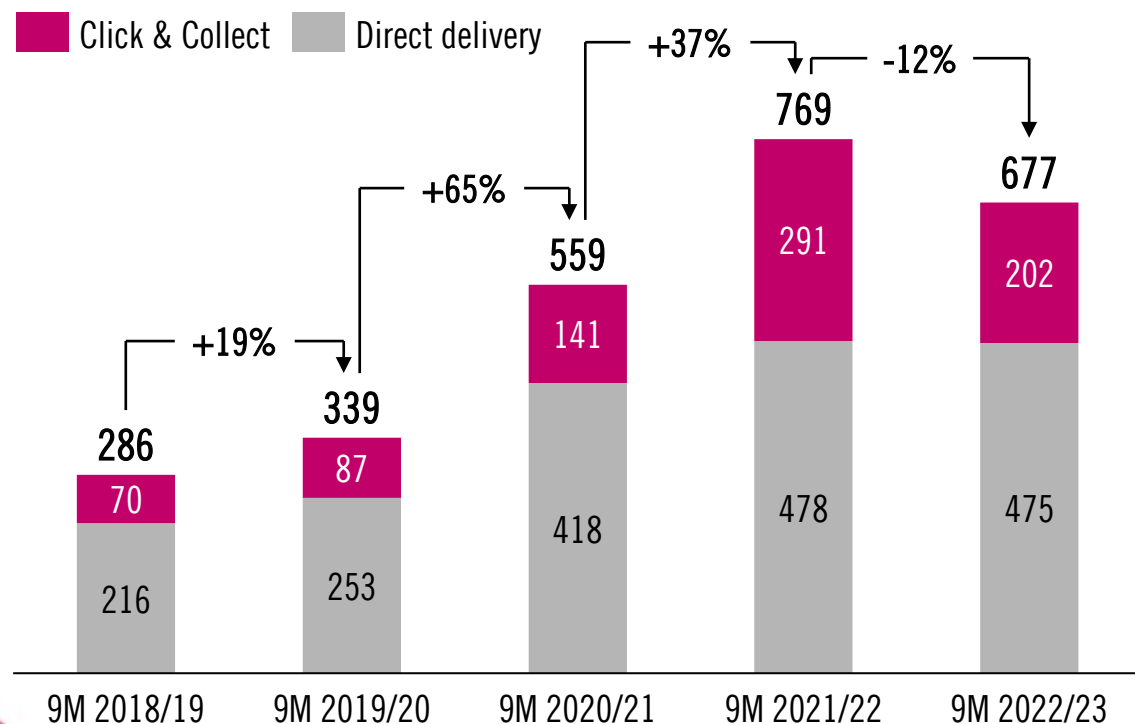


- Market share in **Germany** increased from 13.2% in 2019 to 14.9% in 2022 on the back of a successful Interconnected Retail execution during the Covid period.
- Strong market share development in the **Netherlands** driven by like-for-like sales growth as well as expansion (+3 stores)
- **Switzerland** added 1 new store
- **Czech Republic** and **Austria** increased market share without adding new stores.

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

E-commerce significantly ahead of pre-pandemic levels

8.8% 9.7% 13.2% 17.6% 14.5% E-commerce share¹⁾



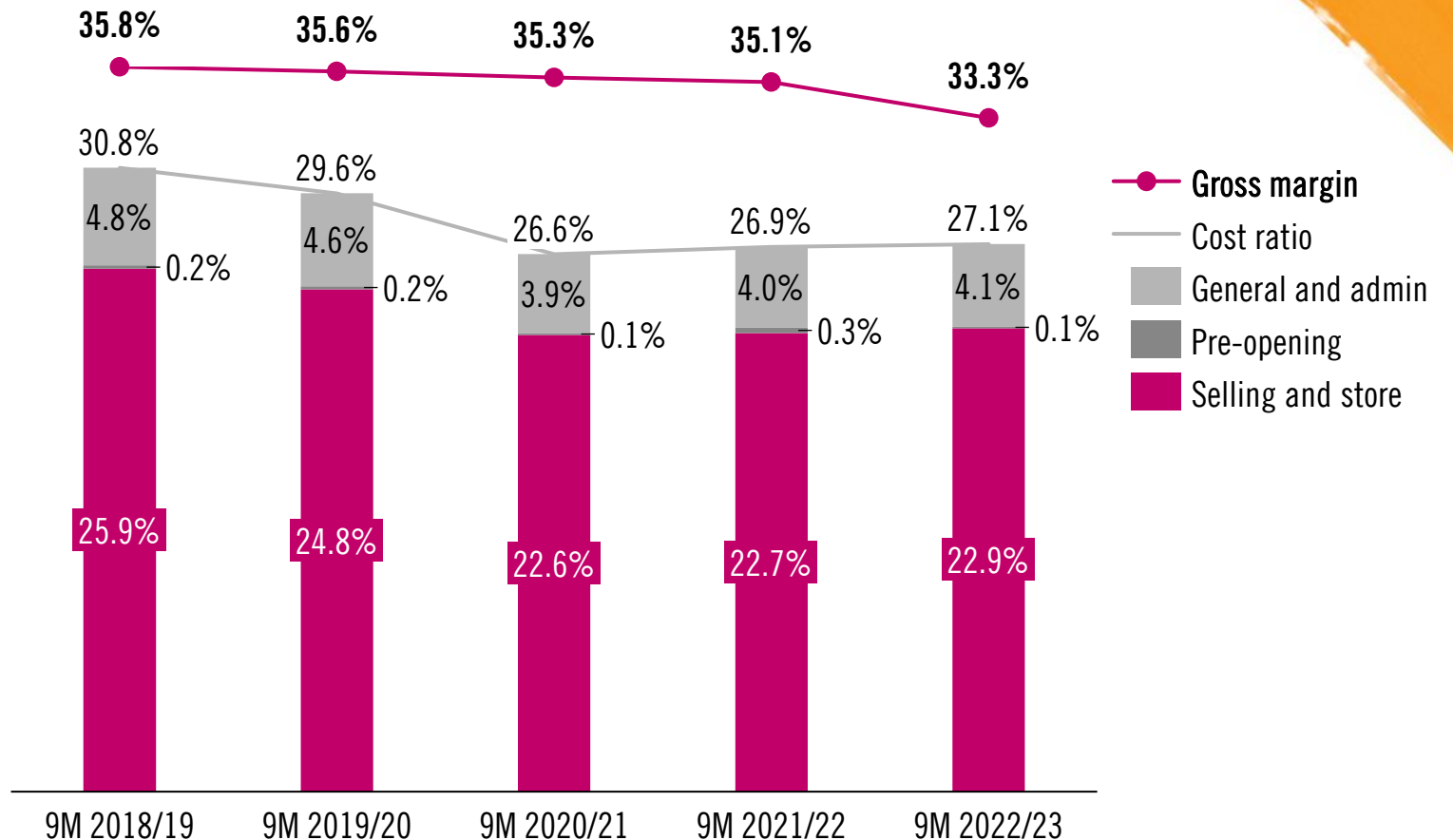
1) In % of HORNBACH Baumarkt subgroup net sales

- **E-commerce share of HORNBACH Baumarkt sales** (incl. Click & Collect) at **14.5%** in 9M 2022/23 significantly above pre-Covid levels
- **9M 2022/23 e-commerce sales** minus 12% to € 677m with direct delivery on previous year's level
- **Q3 2022/23 e-commerce sales** plus 12% to € 196m

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

Gross margin reflects risen purchase prices and transportation costs

- **Gross margin** impacted by challenging market environment with higher purchasing and transportation costs
- **Selling and store expenses** in % of sales slightly increase due to higher personnel and energy costs
- **General and administration expenses** slightly higher specifically due to investments in IT headcount and inflation



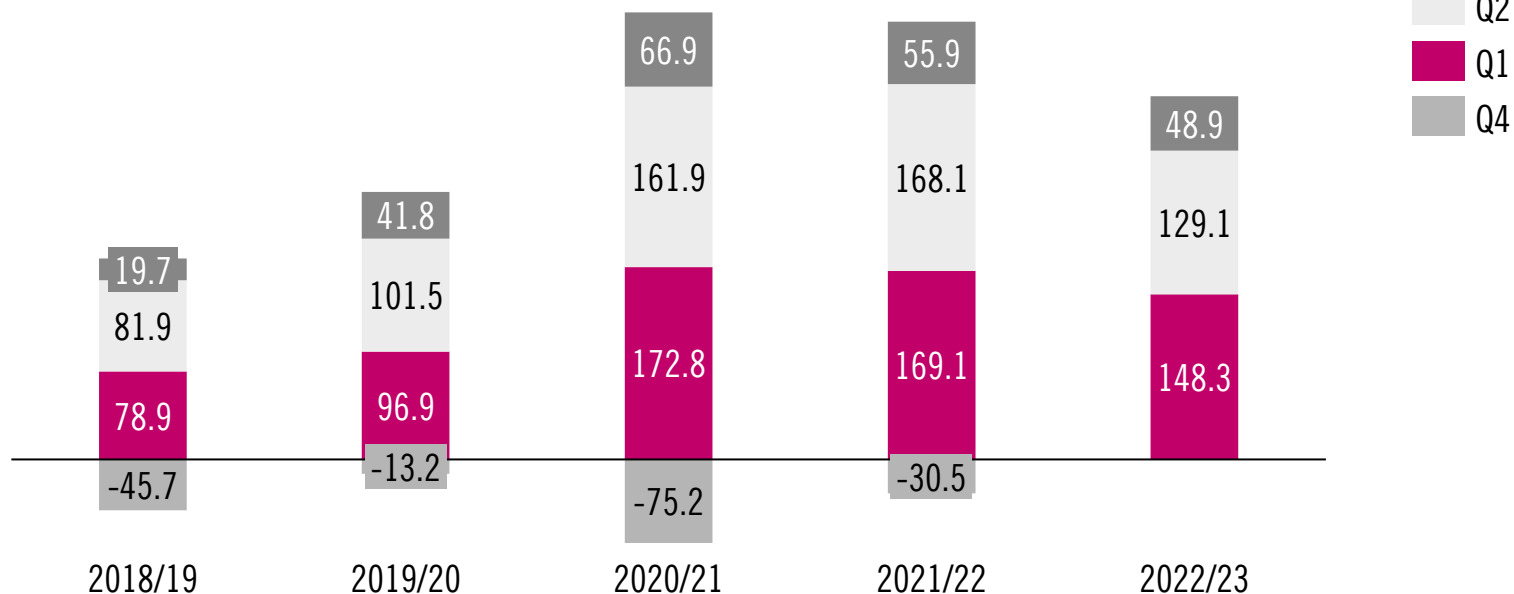
Adjusted EBIT¹⁾ in € million and adjusted EBIT margin in %

Adjusted EBIT remains ahead of pre-Covid levels

- **Solid Group profitability** despite higher purchasing and shipping costs
- Adjusted EBIT on Group level **down 17.0%** in 9M 2022/23 vs. previous year; however up **35.8% compared to 2019/20**
- **Adjusted EBIT margin at 6.5%** above pre-pandemic levels

Adjusted EBIT and adjusted EBIT margin 9M:

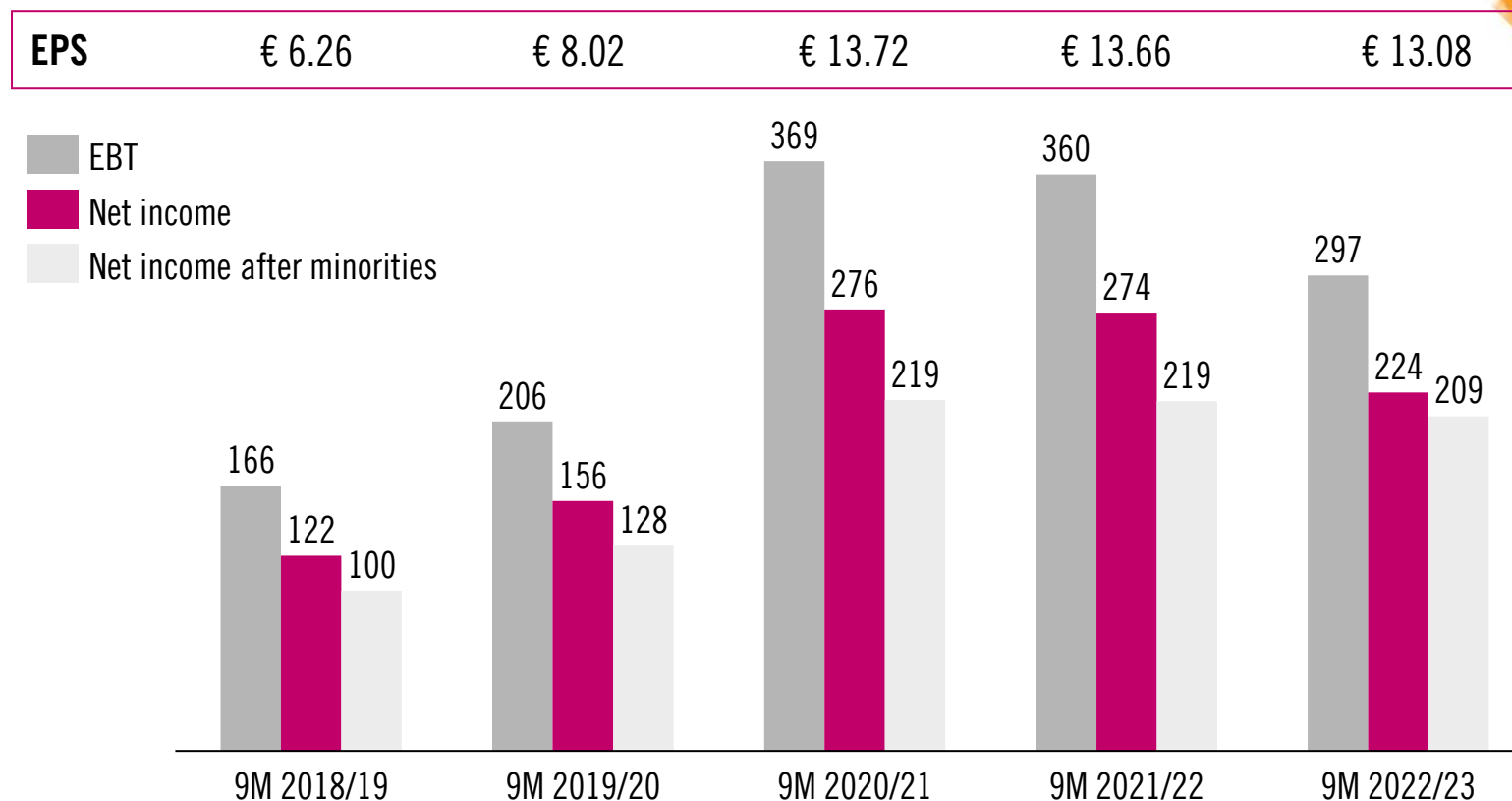
5.2%	6.4%	8.9%	8.4%	6.5%
180.6	240.2	401.5	393.1	326.3



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

Further key earnings figures significantly above pre-Covid levels

- **Earnings before taxes** decreased by 17.5% to € 297.2m
- **Tax rate** at 24.6% in 9M 2022/23 (9M 2021/22: 23.9%)
- **Net income after minorities** decreased by 4.3% to € 209.1m
- **EPS** at € 13.08 reflects higher share in HORNBACH Baumarkt AG

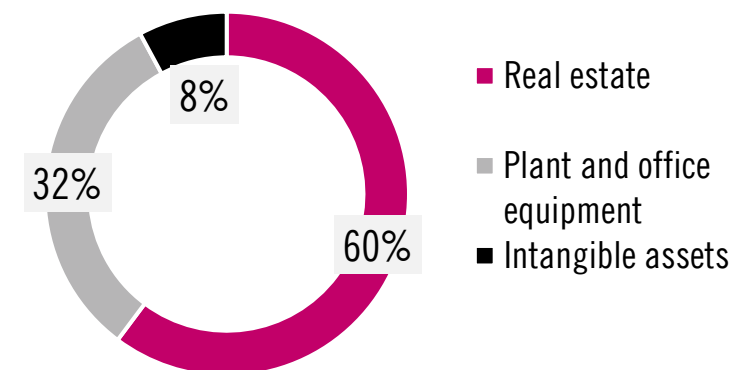


Funds from operations remain on a high level

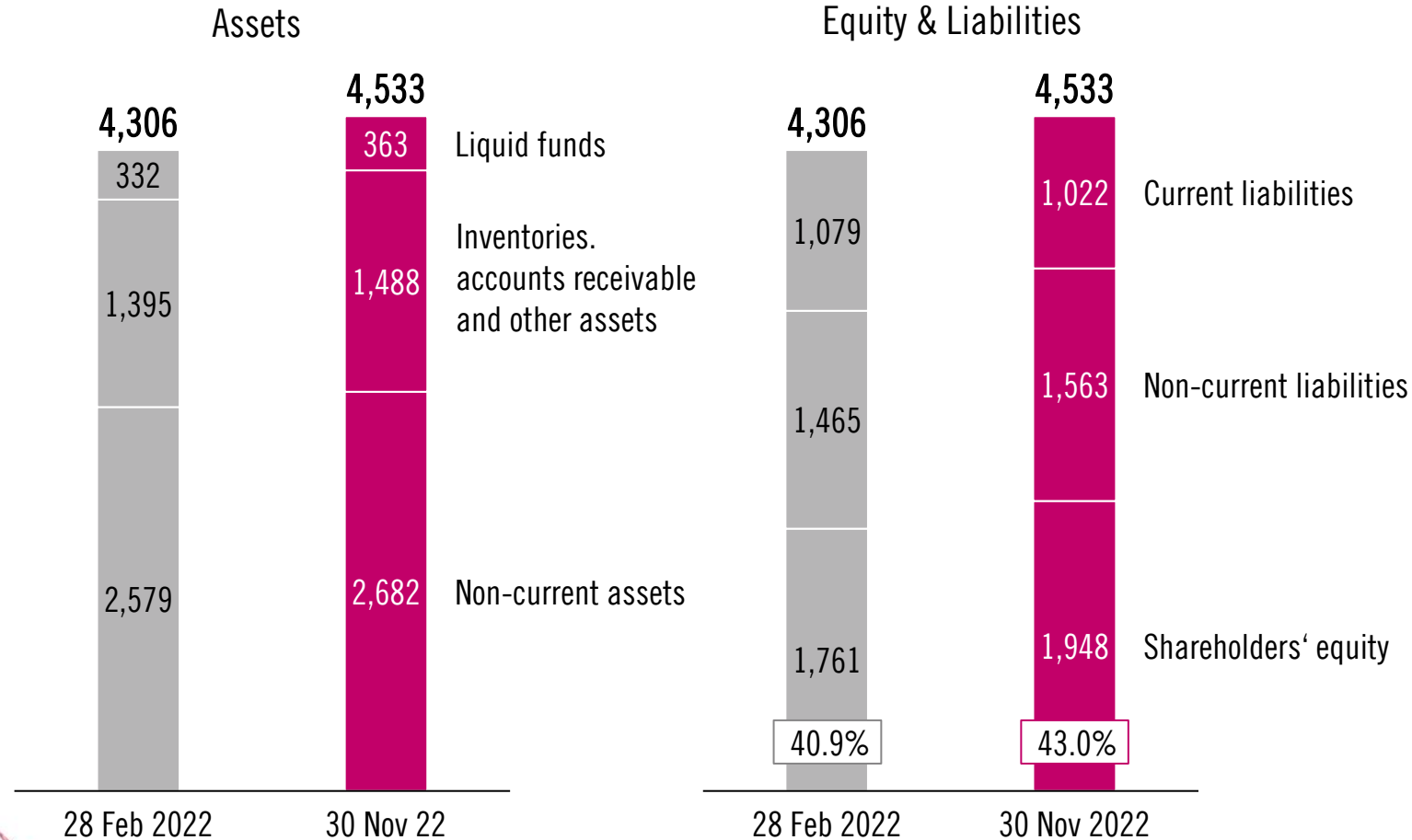
	9M 2019/20	9M 2020/21	9M 2021/22	9M 2022/23
Cash flow from operating activities	346.9	583.0	407.3	278.6
<i>of which: funds from operations</i>	<i>298.9</i>	<i>413.1</i>	<i>424.6</i>	<i>389.7</i>
<i>of which: change in working capital</i>	<i>48.0</i>	<i>169.9</i>	<i>(17.3)</i>	<i>(111.1)</i>
Cash flow from investing activities	(342.6)	(103.3)	(225.7)	(154.3)
<i>of which: gross CAPEX</i>	<i>(104.1)</i>	<i>(107.7)</i>	<i>(138.3)</i>	<i>(158.6)</i>
Cash flow from financing activities	143.1	(103.2)	(171.3)	(106.3)
Cash-effective change in cash and cash equivalents	147.4	376.5	10.4	18.0
Free cash flow (after net CAPEX and dividend)	222.3	450.6	233.0	83.3

- Decline in operating cash flow mainly driven by working capital
- Funds from operations remain significantly above pre-Covid levels (+€ 89m vs. 2019/20)

CAPEX split of HORNBACH Group 9M 2022/23



Strong balance sheet structure



- Additions to **property, plant and equipment** and **right-of-use assets** of € 91m
- Increase in **inventories** by € 55m due to higher in-stock position and inflation
- Increase in **liquid funds** by € 31m
- **Equity ratio increased** to 43.0%

Outlook for FY 2022/23 confirmed¹⁾

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

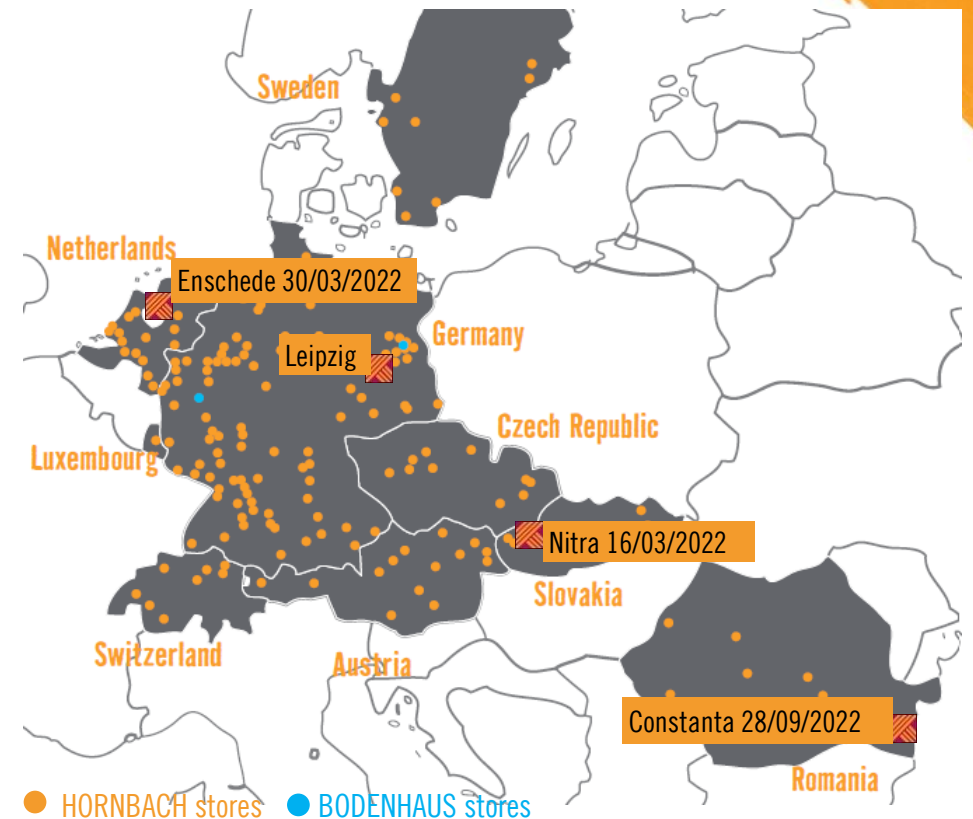
CAPEX 2022/23

Slightly above the level of 2021/22

CAPEX 2021/22

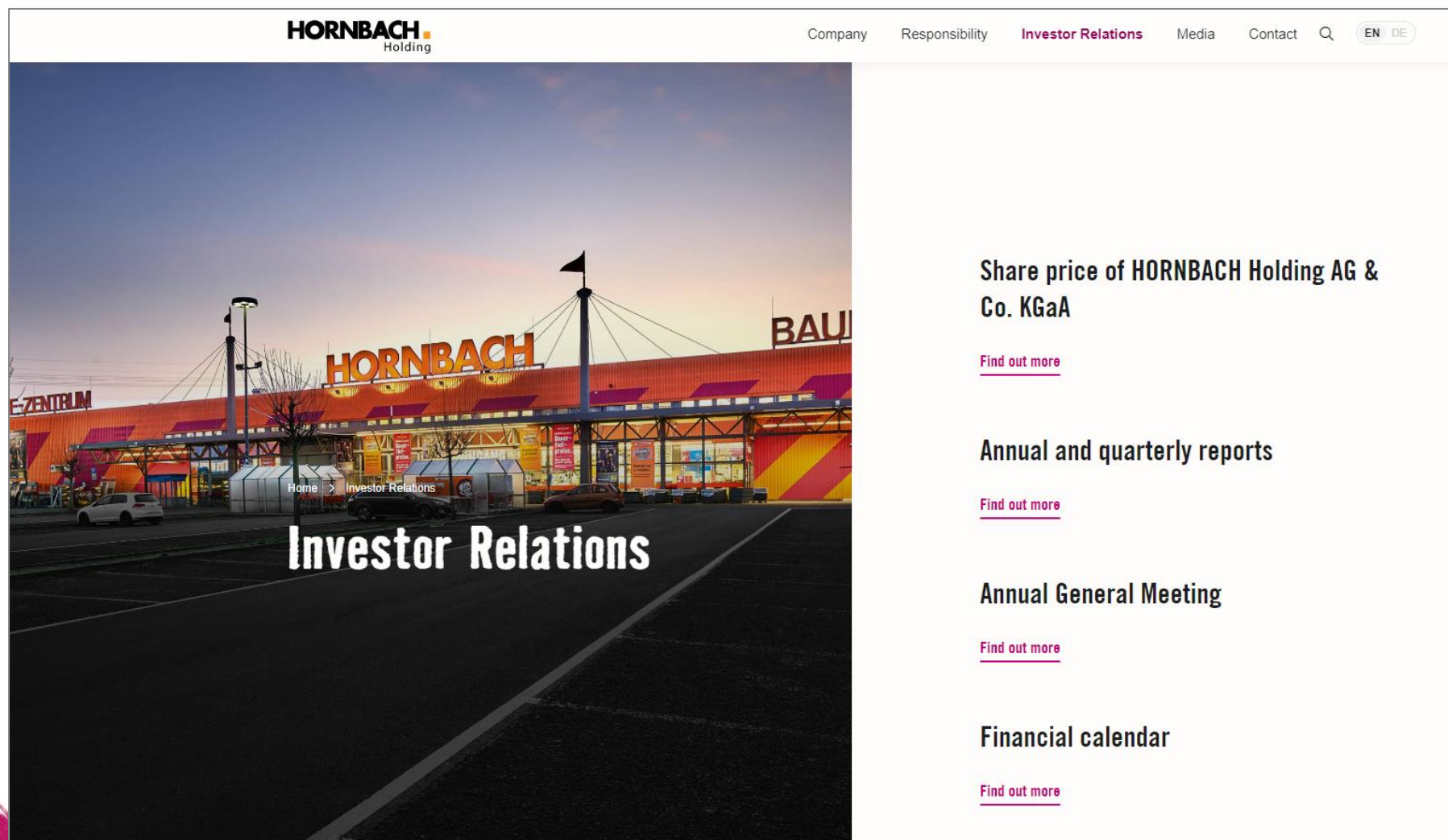
€ 178.6m

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.

New HORNBACH Holding Website launched on December 8, 2022



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Annual General Meeting

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Financial calendar

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Upcoming events & contact

Financial Calendar

January 5, 2023	ODDO BHF Forum 2023, Lyon
January 9-10, 2023	ODDO BHF / Commerzbank German Investment Seminar, New York
January 16, 2023	Kepler Cheuvreux / Unicredit German Corporate Conference, Frankfurt/Main
January 17, 2023	Roadshow Frankfurt/Main
February 8, 2023	Montega Hamburger Investorentag
March 23, 2023	Trading Statement as of February 28, 2023
May 16, 2023	Annual Report 2022/23 as of February 28, 2023
June 23, 2023	Quarterly Statement Q1 2023/24 as of May 31, 2023
July 7, 2023	Annual General Meeting HORNBACH Holding AG & Co. KGaA

Updates on our [IR website](#)

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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

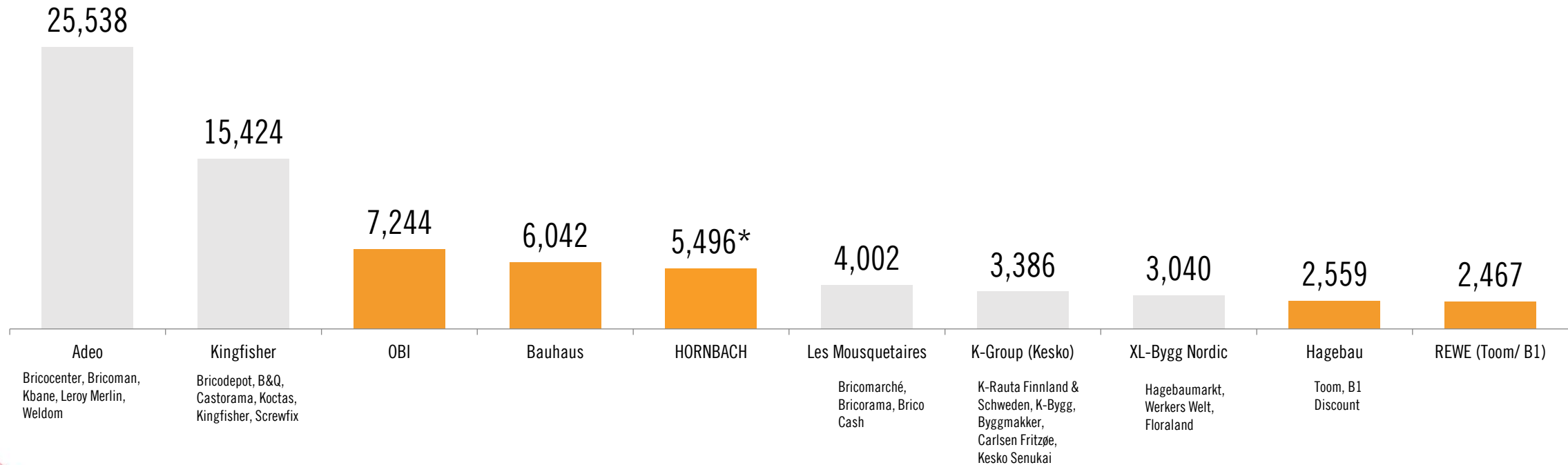
1) adjusted to exclude non-operating earnings items, e.g. impairment losses on assets, income from disposals of properties, income from write-ups of assets impaired in previous years

HORNBACH Baumarkt: 5th largest DIY store operator in Europe

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

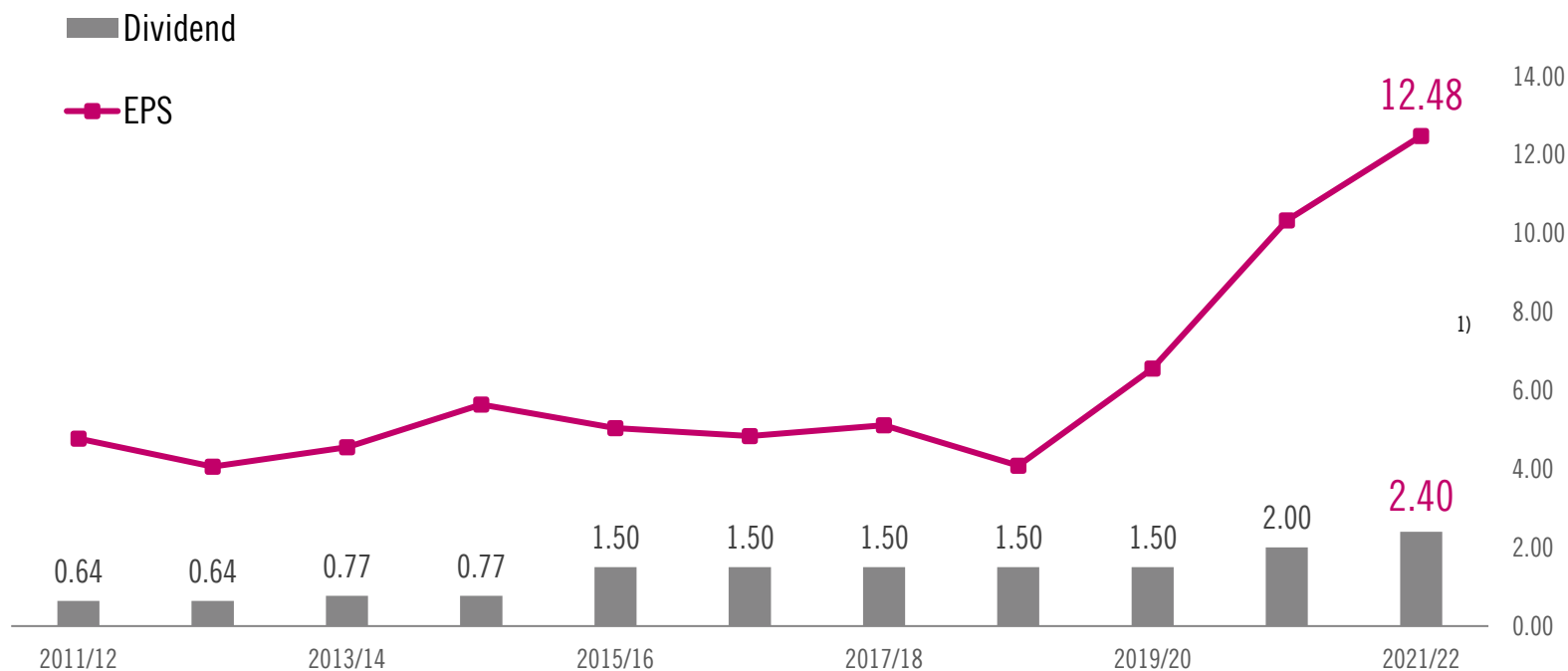
Presence of competitors in HORNBACH business regions

Sales (net) in € m (2021)



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

Higher dividend paid for financial year 2021/22



Total Shareholder Return 2021/22:

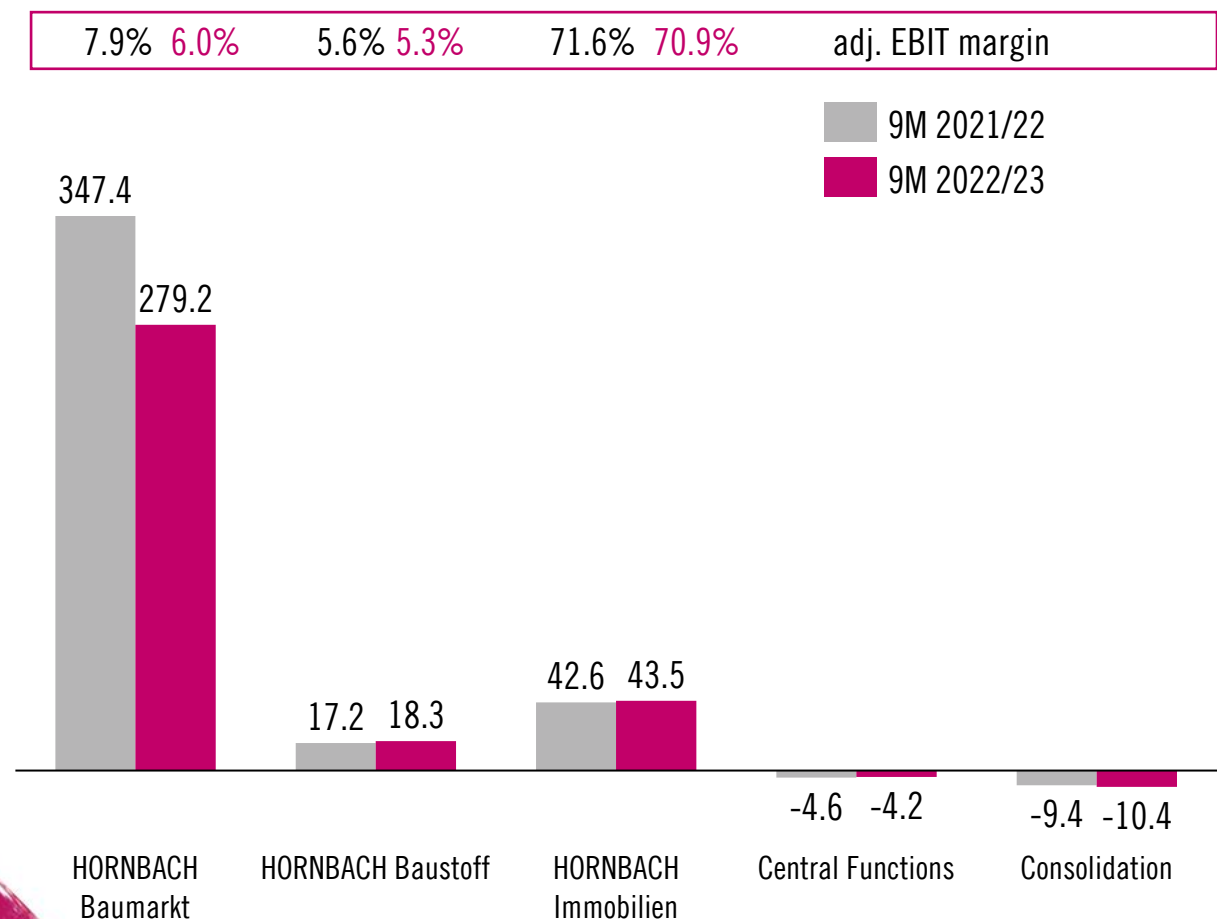
52.9%

Dividend policy

- **Sustainable pay-outs:** Continuous dividend payments since IPO
- **Stable dividend:** Pay-out at least at previous year's level
- **Target:** Average pay-out ratio of around 30% of consolidated net income (after minority interests)

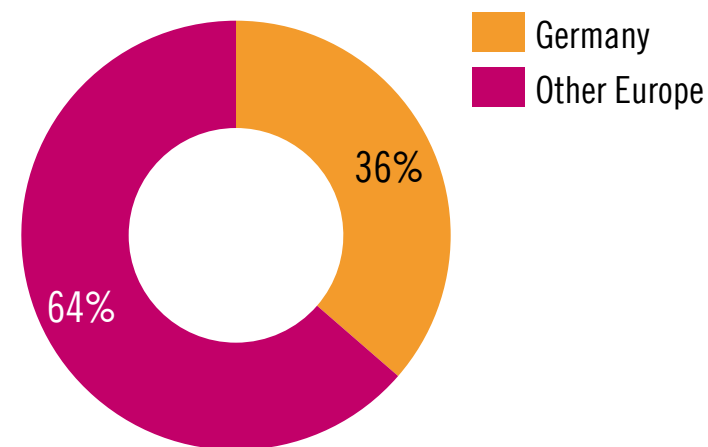
Segment adj. EBIT in € million and segment adjusted EBIT margin in %

Decline in adjusted EBIT from Baumarkt segment

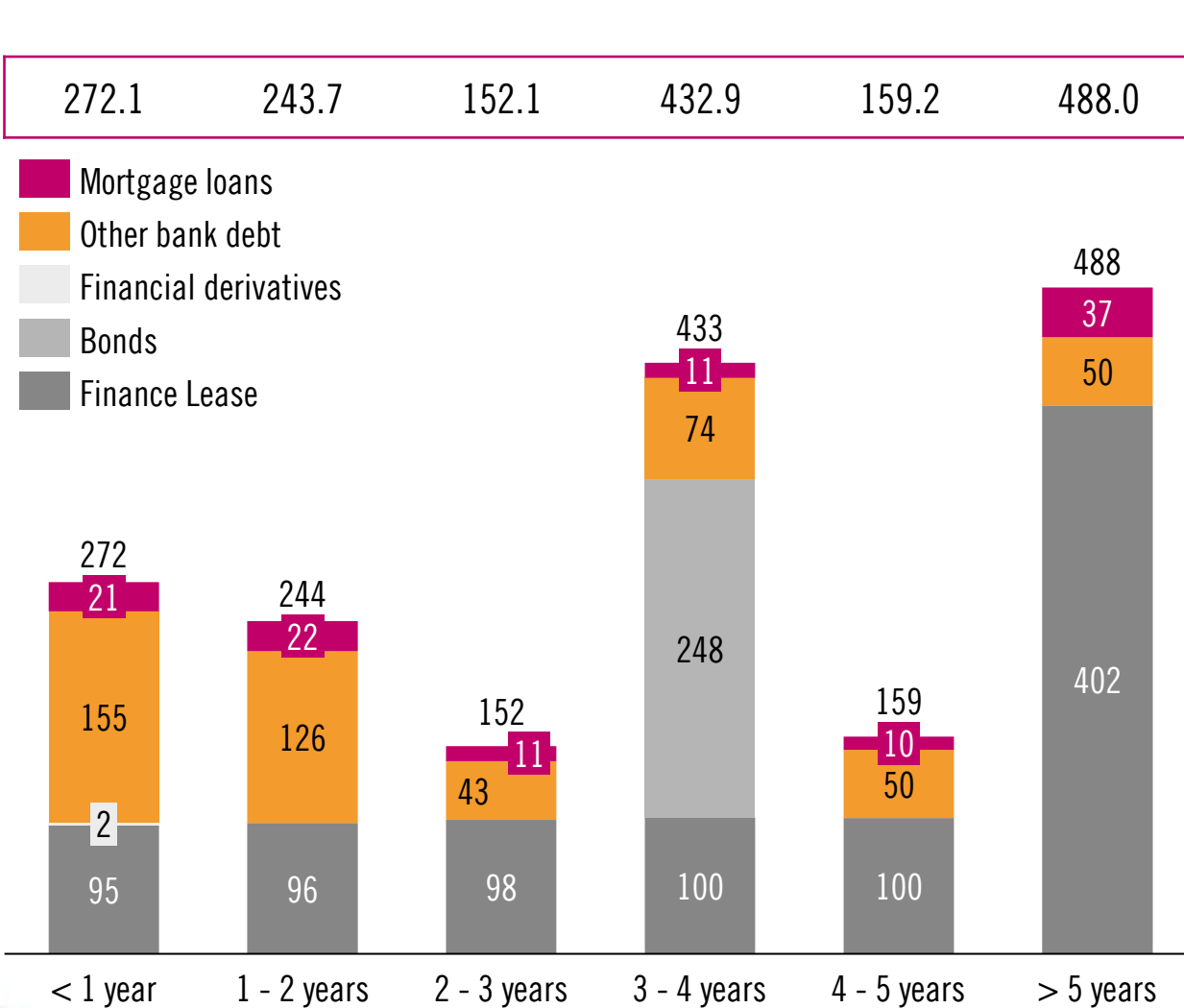


- Adjusted EBIT of **HORNBACH Baumarkt** down **19.6%** vs. 9M 2021/22
- HORNBACH Baustoff** above previous year's record level by **+6.2%**
- HORNBACH Immobilien** with slight increase of **2.1%**
- 64 %** of adjusted EBIT from **outside Germany**

Adj. EBIT split in 9M 2022/23



Financial debt maturity profile in € million as of November 30, 2022



1) Last twelve months

Nov 30, 2022

Feb 28, 2022

272.1	243.7	152.1	432.9	159.2	488.0	1,747.9	1,688.3	Total financial debt
						363.3	332.3	Cash and cash equivalents
						1,384.6	1,356.0	Net financial debt
						509.7	564.9	EBITDA (LTM ¹⁾)
						2.7	2.4	Net debt / EBITDA

- New syndicated loan agreement finalized in September
- **S&P BB+ Rating confirmed** in November with stable outlook

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

