

HORNBACH Holding AG & Co. KGaA
Group

1st QUARTER
2022/23

Quarterly Statement
as of May 31, 2022

HORNBACK HOLDING AG & CO. KGAA GROUP

Statement on Q1 2022/23 (March 1 – May 31, 2022)

Key figures of the HORNBACK Holding AG & Co. KGaA Group (in € million, unless otherwise stated)	Q1 2022/23	Q1 2021/22	Change in %
Net sales	1,813.4	1,678.1	8.1
of which: in Germany	958.2	914.4	4.8
of which: in Other European Countries	855.3	763.7	12.0
Like-for-like sales growth (DIY) ¹⁾	5.3%	4.3%	
Gross margin as % of net sales	34.2%	35.5%	
EBITDA	202.2	217.4	(7.0)
EBIT	148.6	169.1	(12.2)
Adjusted EBIT²⁾	148.3	169.1	(12.3)
Consolidated earnings before taxes	141.2	157.5	(10.3)
Consolidated net income ³⁾	106.9	118.0	(9.4)
Basic/diluted earnings per share (€)	6.14	5.83	5.3
Investments	52.3	55.1	(5.0)

Misc. key figures of the HORNBACK Holding AG & Co. KGaA Group (in € million, unless otherwise stated)	May 31, 2022	February 28, 2022	Change in %
Total assets	4,506.7	4,305.7	4.7
Shareholders' equity	1,878.6	1,761.3	6.7
Shareholders' equity as % of total assets	41.7%	40.9%	
Number of employees	24,771	24,268	2.1

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

¹⁾ Like-for like sales net of currency items; includes sales at all stores that have been open for at least one year and online sales

²⁾ Adjusted to exclude non-operating income and expenses

³⁾ Including minority interests pursuant to IFRS

HORNBACK maintains growth – adjusted EBIT well above pre-pandemic level

- Consolidated sales of € 1,813.4 million in Q1 2022/23 are 8.1 % ahead of the previous year's record
 - DIY stores and garden centers boost net sales by 8.2 % and by 5.3 % on a like-for-like basis net of currency items
 - Builders' merchant business increases net sales by 6.0 %
- Adjusted operating earnings (adjusted EBIT) of € 148.3 million down 12.3 % on previous year but significantly (53.1 %) higher than in pre-pandemic 2019/20 financial year
- Earnings guidance for 2022/23 adjusted on June 13, 2022: Net sales performance confirmed, adjusted EBIT expected to show a low double-digit percentage reduction

The HORNBACK Group increased its sales in the first quarter (Q1) of 2022/23 (March 1 to May 31, 2022) to € 1,813.4 million, up 8.1 % on the previous year's record figure (2021/22: € 1,678.1 million). Sales at the largest operating subgroup, HORNBACK Baumarkt AG (DIY retail), grew by 8.2 % to € 1,705.3 million (2021/22: € 1,575.8 million). On a like-for-like basis and net of currency items, DIY sales rose by 5.3 % in the first three months. Sales at the HORNBACK Baustoff Union GmbH Subgroup increased by 6.0 % to € 108.0 million (2021/22: € 101.9 million). The sales growth at both subgroups was driven by robust customer demand and price rises. Operating earnings adjusted to exclude non-operating earnings items (adjusted EBIT) fell by 12.3 % to € 148.3 million (2021/22: € 169.1 million). Due to the increase in the shareholding held in HORNBACK Baumarkt

AG resulting from the delisting purchase offer, earnings per Holding share rose to € 6.14 (2021/22: € 5.83). Responding to the intensification in the second quarter of the macroeconomic challenges presented by inflation, supply chains, and product pricing, on June 13, 2022 the Group adjusted its full-year earnings guidance for 2022/23. Adjusted EBIT is now expected to show a low double-digit percentage reduction compared with the record figure reported for the 2021/22 financial year (€ 362.6 million). The sales guidance (slight increase) remained unchanged on the guidance published on May 17, 2022.

Earnings, Financial, and Asset Position

Impact of the macroeconomic framework

The macroeconomic framework in Q1 2022/23 was shaped by a high degree of geopolitical uncertainty, as well as by substantial rises in inflation rates. The significant impediments to the international flow of goods also continued, not least given the war in Ukraine and pandemic-related lockdowns in China. We therefore continue to face a challenging situation in our merchandise procurement.

The strain on transport routes raised logistical complexity and increased procurement costs. Thanks to our multi-supplier strategy, the additional storage capacity we have built up, and our highly circumspect procurement and stocking policies, however, we were mostly able to uphold the availability of merchandise for our customers. As a result, there were no material shortages in stocks.

The HORNBAACH Group did not and does not have any locations in Russia, Belarus, or Ukraine. Furthermore, we also do not have any direct suppliers in any of these three countries. Some of our suppliers nevertheless procure upstream products, components, or commodities from these regions. Switching procurement sources led to temporary shortages in some product groups. However, these did not have any material implications.

Increased prices for commodities, procurement, transport, and energy meant that we were obliged to adjust our retail prices to market circumstances in several areas of our product range. Given our permanent low price guarantee, however, we do not always pass on the higher costs to our customers in full, or only after a certain delay.

Seasonal and calendar-related factors

Weather conditions in Europe in the spring months were only partly favorable for implementing projects at home and in the garden. In some of the regions in which we operate, March and April were relatively cool and on many days even frosty. This delayed the start of the gardening season. Overall, weather conditions in the regions in which the Group operates were changeable, with average temperatures and precipitation slightly above the long-term average.

In Q1 2022/23, there was a Group-wide average of 1.5 business days more than in the previous year's quarter.

Sales performance of the HORNBAACH Group

In Q1 2022/23, HORNBAACH once again exceeded the net sales reported for the previous year's period. **Consolidated sales** grew by 8.1 % to € 1,813.4 million (2021/22: € 1,678.1 million).

HORNBAACH Baumarkt AG Subgroup

We opened two new DIY stores with garden centers in Q1 2022/23, in this case in Nitra (Slovakia) and Enschede (Netherlands). As of May 31, 2022, the HORNBAACH Baumarkt AG Subgroup therefore operated 169 retail outlets (February 28, 2022: 167) with total sales areas of 2.0 million m², of which 98 locations in Germany and 71 in other European countries.

Net sales at the Subgroup grew by 8.2 % to € 1,705.3 million in Q1 2022/23 (2021/22: € 1,575.8 million). Compared with the previous year's quarter, which was affected by restrictions on sales activities, online sales (including click & collect) fell by 30.4 % to

€ 261.0 million, with this being due in particular to a marked reduction in click & collect purchases. By contrast, direct delivery sales were only slightly down on the previous year. As a result, online sales accounted for a 15.3% share of total sales in Q1 2022/23. **On a like-for-like basis and net of currency items** [↪ [Brief Glossary](#) on Page 8], the Subgroup increased its sales by 5.3% in the first quarter (2021/22: plus 4.3%). Including currency items for non-euro countries, namely the Czech Republic, Romania, Sweden, and Switzerland, we achieved Subgroup-wide like-for-like growth of 6.0% (2021/22: 4.5%).

The geographical sales performance in Q1 2022/23 (March 1 to May 31, 2022) is presented in the following section:

■ **Germany**

In the Germany region, the Subgroup managed to increase its net sales to € 853.2 million in Q1 2022/23 (2021/22: € 814.9 million). In the previous year, part of the store network was affected by restrictions on sales activities in the first quarter. Due to the partial opening of garden divisions and the very strong use made of the click & collect option, these restrictions did not have any material negative implications. On a like-for-like basis, sales in Germany rose by 4.4% in Q1 2022/23 (2021/22: minus 0.1%).

■ **Other European Countries**

Developments in the Other European Countries region were partly influenced by customers catching up on purchases not made in the previous year due to store closures, particularly in the Netherlands and the Czech Republic. Due not least to cool weather conditions, sales in other regions fell short of the previous year's very strong figures (Austria, Switzerland). Overall, net sales in Other European Countries grew by 12.0% to € 852.1 million (2021/22: € 760.9 million). The international share of consolidated sales rose year-on-year from 48.3% to 50.0% in Q1 2022/23. Like-for-like sales increased by 6.2% excluding and by 7.7% including currency items (2021/22: 9.5% and 10.0% respectively).

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 6.0% to € 108.0 million in the first quarter of 2022/23 (2021/22: € 101.9 million), following growth of 20.5% in the previous year. Including a location taken over as of March 1, 2022 in Börrstadt (Rhineland-Palatinate), this Subgroup operated a total of 37 builders' merchant outlets as of May 31, 2022, of which 35 in south-western Germany and two locations close to the border in France (Lorraine).

Earnings performance of the HORNBACH Group in first quarter of 2022/23

- Gross profit rose by 4.1% to € 620.1 million in the first quarter of 2022/23 (2021/22: € 596.0 million). The gross margin eased from 35.5% to 34.2%. This reduction in the **gross margin** [↪ [Brief Glossary](#) on Page 9] is chiefly attributable to higher procurement prices and transport expenses, which were not fully offset by adjusting retail prices.
- Selling and store expenses rose by 10.4% to € 404.0 million in the period under report (2021/22: € 366.1 million). Due to the Group's expansion and pay rises, store personnel expenses (excluding bonuses) increased by 6.2%. Furthermore, there was an increase in operating expenses, which was due among other factors to higher energy costs, as well as in advertising expenses, which in the previous year had not yet regained their customary level due to store closures. The **store expense ratio** [↪ [Brief Glossary](#) on Page 9] thus rose from 21.8% to 22.3%. General and administration expenses increased by 12.7% to € 69.7 million (2021/22: € 61.9 million). As a result, the **administration expense ratio** [↪ [Brief Glossary](#) on Page 9] stood at 3.8% (2021/22: 3.7%). Pre-opening expenses decreased from € 2.7 million to € 1.6 million.
- **EBITDA** [↪ [Brief Glossary](#) on Page 8] reduced by 7.0% to € 202.2 million (2021/22: € 217.4 million).
- Consolidated operating earnings (**EBIT**) amounted to € 148.6 million (2021/22: € 169.1 million). Disposal gains on the level of the HORNBACH Immobilien AG Subgroup led to non-operating earnings items of € 0.2 million (2021/22: € 0.0 million). **Adjusted EBIT** [↪ [Brief Glossary](#) on Page 8] fell to € 148.3 million, down 12.3% on the previous year's high figure (2021/22:

€ 169.1 million). Adjusted EBIT was nevertheless 53.1% higher than in the pre-pandemic 2019/20 financial year. At 8.2%, the adjusted EBIT margin in Q1 2022/23 was also still ahead of the pre-pandemic level (2019/20: 7.2%).

- **Net financial expenses** improved from minus € 11.7 million to minus € 7.4 million, with this largely being due to positive currency items of € 3.6 million (2021/22: negative currency items of € 0.8 million). At € 10.9 million, the interest result was at the previous year's level.
- **Consolidated earnings before taxes (EBT)** [[Brief Glossary](#) on Page 8] decreased by 10.3% to € 141.2 million (2021/22: € 157.5 million).
- **Consolidated net income** amounted to € 106.9 million in the quarter under report (2021/22: € 118.0 million). Due to the increase in the shareholding in HORNBAACH Baumarkt AG from 76.36% to 90.86% in connection with the delisting purchase offer, minority interests fell from € 24.7 million in Q1 2021/22 to € 8.6 million in Q1 2022/23. **Earnings per share** are reported at € 6.14 for the first quarter of 2022/23 (2021/22: € 5.83).

Earnings performance by segment

- Adjusted EBIT in the **HORNBAACH Baumarkt AG segment** decreased by 13.1% to € 133.7 million in the first quarter of 2022/23 (2021/22: € 153.8 million). As in the previous year, there were no non-operating earnings items in the quarter under report.
- In the **HORNBAACH Baustoff Union GmbH segment**, adjusted EBIT amounted to € 5.1 million (2021/22: € 5.3 million). Here too, as in the previous year no non-operating earnings items arose in the quarter under report.
- Adjusted EBIT in the **HORNBAACH Immobilien AG segment** rose by 2.9% to € 14.7 million in the period under report (2021/22: € 14.3 million). Disposal gains led to non-operating earnings items of € 0.2 million (2021/22: € 0.0 million).

Financial and asset position

Mainly as result of working capital items, the inflow of funds from operating activities declined from € 238.3 million in the previous year's quarter to € 175.6 million in Q1 2022/23. Funds from operations showed only a slight reduction from € 170.5 million to € 164.4 million. The outflow of funds for investing activities amounted to € 49.2 million (2021/22: € 54.4 million). This figure includes gross capital expenditure of € 52.3 million (2021/22: € 55.1 million). At € 37.4 million, more than two thirds of capital expenditure related to land and buildings (2021/22: € 37.9 million), while the remainder involved plant and office equipment at new and existing stores (€ 13.7 million), as well as intangible assets, in this case mainly software (€ 1.2 million).

The outflow of funds for financing activities, amounting to € 13.1 million (2021/22: € 21.3 million), includes an outgoing payment of € 190.6 million to acquire additional shares in HORNBAACH Baumarkt AG in connection with the delisting purchase offer, as well as incoming payments of € 208.0 million from the taking up of financial loans (please also see Cash Flow Statement on Page 12). Among other items, this includes the bridge financing facility of € 144.6 million for the delisting purchase offer and € 50.0 million from the taking up of a mortgage loan. The free cash flow [[Brief Glossary](#) on Page 9] amounted to € 126.4 million (2021/22: € 183.9 million).

Total assets grew to € 4,506.7 million as of May 31, 2022, up 4.7% compared with the balance sheet date as of February 28, 2022. This is mainly due to the increase in cash and cash equivalents (plus € 113.9 million) and to higher inventories (plus € 58.5 million) and property, plant and equipment (plus € 29.7 million). Shareholders' equity as posted in the balance sheet rose to € 1,878.6 million, up 6.7% compared with the previous reporting date. At 41.7%, the **equity ratio** [[Brief Glossary](#) on Page 9] is still at a high level (February 28, 2022: 40.9%). **Net financial debt** [[Brief Glossary](#) on Page 9] including current and non-current lease liabilities pursuant to IFRS 16 fell from € 1,356.0 million at the previous reporting date to € 1,252.0 million, with this reduction mainly being due to the rise in cash and cash equivalents. Excluding current and non-current lease liabilities, the Group reported net financial debt of € 384.3 million as of May 31, 2022 (February 28, 2022: € 481.2 million).

Other Disclosures

Employees

The HORNBAACH Holding AG & Co. KGaA Group had a total of 24,771 permanent employees across Europe at the reporting date on May 31, 2022 (February 28, 2022: 24,268).

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 adjusted full-year sales and earnings guidance issued on June 13, 2022 for the 2022/23 financial year remains valid without amendment. For the overall HORNBAACH Holding AG & Co. KGaA Group, we expect consolidated sales in the 2022/23 financial year to slightly exceed the level reported for the 2021/22 financial year (€ 5,875 million). Due to ongoing macroeconomic challenges, the EBIT adjusted to exclude non-operating earnings items (adjusted EBIT) of the HORNBAACH Holding AG & Co. KGaA Group is expected to show a low double-digit percentage reduction compared with the level reported for the 2021/22 financial year (€ 362.6 million).

The HORNBAACH Baumarkt AG Subgroup plans to open two further DIY stores and garden centers in the 2022/23 financial year, namely in Constanta (Romania) and Leipzig (Germany). The HORNBAACH Baustoff Union Subgroup will take over two builders' merchant locations in Saarland (Germany) as of July 1, 2022.

Brief Glossary of Key Performance Figures

HORNBACH prepares its financial reporting in accordance with International Financial Reporting Standards (IFRS). As well as the financial key figures pursuant to IFRS, in our management of the company and our external communications and reporting we also refer to alternative key performance indicators that are not defined in IFRS.

Sales	<p>Sales are the central management figure for the operating business and a key indicator of our success with customers. The sales performance is reported in euros as net sales (excluding sales tax). Sales generated in countries outside the euro area in the period under report are translated using the relevant average exchange rate. Sales are a major key figure referred to when calculating the one-year variable remuneration for members of the Board of Management.</p>
Adjusted EBIT	<p>Adjusted EBIT (adjusted earnings before interest and taxes) is the Group's most important earnings figure. This corresponds to earnings before interest and taxes (EBIT) adjusted to exclude non-operating earnings items. The elimination of non-operating earnings items involves adding non-operating expenses (e.g. impairment losses on right-of-use assets, properties, or advertising-related assets) and deducting non-operating income (e.g. income from disposals of properties, income from write-ups of assets impaired in previous years). Adjusted EBIT is therefore particularly useful for management purposes and for comparing the operating earnings performance over time or in forecasts.</p>
Like-for-like sales net of currency items (change in %)	<p>The rate of change in like-for-like sales net of currency items serves to indicate the organic growth in our retail activities (stationary stores and online shops).</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 twelve months and on sales in the online business. By contrast, no account is taken of stores newly opened, closed, or subject to substantial conversion work in the past twelve months. Like-for-like sales are calculated without sales tax (net) and based on the local currency for the reporting period under comparison (currency-adjusted). In addition, we also calculate like-for-like sales on a euro basis and including currency items in the non-euro countries within our European store network.</p>
Gross margin	<p>The development in the gross margin offers information about our gross trading performance. This margin is defined as gross profit (net balance of sales and cost of goods sold) as a percentage of net sales. The gross margin is chiefly influenced by developments in procurement and retail prices, changes in the product mix, and currency items resulting from international procurement.</p>
Cost ratios	<p>The store expense ratio corresponds to selling and store expenses divided by net sales. Selling and store expenses involve those costs incurred in connection with operating stationary DIY stores with garden centers and online shops. These mainly involve personnel expenses, costs of premises and advertising expenses, as well as depreciation and amortization. Moreover, this item also includes general operating expenses, such as transport costs and expenses for maintenance and upkeep.</p> <p>The pre-opening expense ratio is obtained by dividing pre-opening expenses by net sales. Pre-opening expenses relate to those expenses arising at or close to the time of the construction up to the opening of new stationary DIY stores with garden centers. Pre-opening expenses mainly consist of personnel expenses, costs of premises, and administration expenses.</p> <p>The administration expense ratio corresponds to the quotient of administration expenses and net sales. General and administration expenses include all costs incurred by administration departments in connection with the operation or construction of stationary DIY stores with garden centers and with the development and operation of online retail (e-business) 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, these expenses also include project-related expenses, and in particular expenses for digitalization and interconnected retail.</p>

EBITDA	EBITDA stands for earnings before interest, taxes, depreciation, amortization and write-ups. EBITDA is calculated on the basis of EBIT and by adding depreciation and amortization recognized through profit and loss on property, plant and equipment, right-of-use assets, and intangible assets and subtracting any write-ups recognized through profit on loss on these items. This neutralizes any distortive effects resulting from different methods of depreciation and amortization and from discretionary valuation scope.
EBIT	EBIT , which stands for earnings before interest and taxes, is calculated on the basis of gross profit in euros and by subtracting expenses (store, pre-opening, and administration expenses) and adding other income/expenses. Due to its independence from different forms of financing and tax systems, EBIT is referred to when comparing earnings with those at other companies.
EBT	EBT refer to earnings before taxes in the period under report. This key figure is independent of different management systems but also includes interest items. EBT is a major key figure referred to when calculating the one-year variable remuneration for members of the Board of Management.
Equity ratio	The equity ratio is calculated by dividing shareholders' equity as posted in the balance sheet by total capital (total assets). To safeguard its financial stability and independence, HORNBACH basically aims to maintain an equity ratio that is permanently stable and high by sector standards. HORNBACH has entered into covenants towards certain debt providers that require the company to maintain an equity ratio of at least 25 %.
Net financial debt	Net financial debt is calculated as total current and non-current financial debt (including lease liabilities) less cash and cash equivalents and – where applicable – less current financial assets (financial investments).
Capital expenditure and free cash flow (FCF)	In managing its financial and asset position, the HORNBACH Holding AG & Co. KGaA Group pursues the objective of safeguarding the Group's liquidity at all times and covering the financing requirements for the Group's sustainable growth at the least possible expense. Other key management figures relevant in this respect include cash-effective capital expenditure on land, buildings, plant and office equipment for new and existing DIY stores with garden centers, and intangible assets. Here, we aim to finance capital expenditure wherever possible from the cash flow from operations to enable a free cash flow (FCF) to be generated. The FCF is calculated as the cash flow from operations plus proceeds from disposals of non-current assets and less capital expenditure and dividends paid. The calculation of the FCF has been changed compared with the previous year (previously: excluding deduction of dividend) and now corresponds to the FCF figure referred to when calculating the one-year variable remuneration for members of the Board of Management.

Income Statement

€ million	Q1 2022/23	Q1 2021/22	Change in %
Sales	1,813.4	1,678.1	8.1
Cost of goods sold	1,193.3	1,082.1	10.3
Gross profit	620.1	596.0	4.1
Selling and store expenses	404.0	366.1	10.4
Pre-opening expenses	1.6	2.7	(40.2)
General and administration expenses	69.7	61.9	12.7
Other income and expenses	3.8	3.8	(0.1)
Earnings before interest and taxes (EBIT)	148.6	169.1	(12.2)
Interest and similar income	0.3	0.1	>100
Interest and similar expenses	11.2	11.0	2.4
Other financial result	3.6	(0.7)	>100
Net financial expenses	(7.4)	(11.7)	(36.9)
Consolidated earnings before taxes	141.2	157.5	(10.3)
Taxes on income	34.3	39.5	(13.1)
Consolidated net income	106.9	118.0	(9.4)
of which: income attributable to shareholders	98.3	93.3	5.4
of which: non-controlling interest	8.6	24.7	(65.2)
Basic/diluted earnings per share (€)	6.14	5.83	5.3

Balance Sheet

Assets	May 31, 2022		February 28, 2022	
	€ million	%	€ million	%
Non-current assets				
Intangible assets	20.1	0.4	20.0	0.5
Property, plant, and equipment	1,745.4	38.7	1,715.7	39.8
Investment property	26.8	0.6	26.9	0.6
Right-of-use assets	780.9	17.3	788.8	18.3
Financial assets	0.1	0.0	0.1	0.0
Other non-current receivables and assets	6.3	0.1	5.9	0.1
Deferred tax assets	22.1	0.5	21.7	0.5
	2,601.6	57.7	2,579.1	59.9
Current assets				
Inventories	1,289.0	28.6	1,230.4	28.6
Trade receivables	55.9	1.2	47.3	1.1
Contract assets	1.7	0.0	1.6	0.0
Other current assets	97.5	2.2	98.3	2.3
Income tax receivables	13.5	0.3	13.0	0.3
Cash and cash equivalents	446.1	9.9	332.3	7.7
Non-current assets held for sale and disposal groups	1.4	0.0	3.7	0.1
	1,905.1	42.3	1,726.5	40.1
	4,506.7	100.0	4,305.7	100.0

Equity and liabilities	May 31, 2022		February 28, 2022	
	€ million	%	€ million	%
Shareholders' equity				
Share capital	48.0	1.1	48.0	1.1
Capital reserve	130.4	2.9	130.4	3.0
Revenue reserves	1,559.8	34.6	1,451.9	33.7
Equity of shareholders of HORNBAACH HOLDING AG & Co. KGaA	1,738.2	38.6	1,630.3	37.9
Non-controlling interest	140.4	3.1	131.0	3.0
	1,878.6	41.7	1,761.3	40.9
Non-current liabilities				
Non-current financial debt	635.7	14.1	592.5	13.8
Non-current lease liabilities	770.9	17.1	778.4	18.1
Pensions and similar obligations	5.2	0.1	12.9	0.3
Deferred tax liabilities	32.2	0.7	31.3	0.7
Other non-current liabilities	51.0	1.1	50.3	1.2
	1,495.0	33.2	1,465.4	34.0
Current liabilities				
Current financial debt	194.7	4.3	220.9	5.1
Current lease liabilities	96.9	2.1	96.4	2.2
Trade payables	386.7	8.6	409.2	9.5
Contract liabilities	62.9	1.4	52.9	1.2
Other current liabilities	173.5	3.8	106.8	2.5
Income tax liabilities	60.2	1.3	43.4	1.0
Other provisions and accrued liabilities	158.4	3.5	149.3	3.5
	1,133.1	25.1	1,079.0	25.1
	4,506.7	100.0	4,305.7	100.0

Statement of Changes in Equity

Q1 2021/22 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to shareholders	Non-controlling interest	Total group equity
Balance at March 1, 2021	48.0	130.4	(0.4)	16.4	1,282.5	1,476.8	295.2	1,772.0
Consolidated net income					93.3	93.3	24.7	118.0
Actuarial gains and losses on defined benefit plans, net after taxes					2.3	2.3	0.7	3.0
Measurement of derivative financial instruments (cash flow hedge), net after taxes			0.1			0.1	0.0	0.1
Exchange differences arising on the translation of foreign subsidiaries				4.3		4.3	1.1	5.4
Total comprehensive income	0.0	0.0	0.1	4.3	95.6	99.9	26.5	126.4
Balance at May 31, 2021	48.0	130.4	(0.4)	20.7	1,378.0	1,576.7	321.7	1,898.4

Q1 2022/23 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to shareholders	Non-controlling interest	Total group equity
Balance at March 1, 2022	48.0	130.4	(0.3)	35.8	1,416.5	1,630.3	131.0	1,761.3
Consolidated net income					98.3	98.3	8.6	106.9
Actuarial gains and losses on defined benefit plans, net after taxes					6.0	6.0	0.6	6.6
Measurement of derivative financial instruments (cash flow hedge), net after taxes			0.0			0.0	0.0	0.0
Exchange differences arising on the translation of foreign subsidiaries				3.5		3.5	0.3	3.8
Total comprehensive income	0.0	0.0	0.0	3.5	104.3	107.9	9.5	117.3
0	48.0	130.4	(0.3)	39.3	1,520.8	1,738.2	140.4	1,878.6

Cash Flow Statement

€ million	Q1 2022/23	Q1 2021/22
Consolidated net income	106.9	118.0
Depreciation and amortization of property, plant, and equipment and intangible assets	26.1	24.3
Depreciation of right-of-use assets	27.6	23.9
Change in provisions	0.4	0.3
Gains/losses on disposals of non-current assets and of non-current assets held for sale	(0.3)	(0.3)
Change in inventories, trade receivables, and other assets	(65.6)	10.3
Change in trade payables and other liabilities	76.8	57.6
Other non-cash income/expenses	3.7	4.2
Cash flow from operating activities	175.6	238.3
Proceeds from disposal of non-current assets and of non-current assets held for sale	3.1	0.7
Payments for capital expenditure on property, plant, and equipment	(51.1)	(54.1)
Payments for capital expenditure on intangible assets	(1.2)	(0.9)
Cash flow from investing activities	(49.2)	(54.4)
Proceeds from taking up long-term debt	208.0	50.0
Repayment of long-term debt	(3.6)	(48.5)
Repayment of current and non-current lease liabilities	(26.7)	(22.8)
Payments for transaction costs	(0.3)	0.0
Change in level of shareholding in subsidiary with no change in control	(190.6)	0.0
Cash flow from financing activities	(13.1)	(21.3)
Cash-effective change in cash and cash equivalents	113.3	162.6
Change in cash and cash equivalents due to changes in exchange rates	0.6	1.3
Cash and cash equivalents at March 1	332.3	435.0
Cash and cash equivalents at May 31	446.1	598.9

Segment Report

Q1 2022/23 in € million Q1 2021/22 in € million	HORNBACH Baumarkt AG Subgroup	HORNBACH Baustoff Union GmbH Subgroup	HORNBACH Immobilien AG Subgroup	Central functions	Consolidation adjustments	HORNBACH HOLDING AG & Co. KGaA Group
Segment sales	1,705.3	108.0	20.3	0.0	(20.2)	1,813.4
	1,575.8	101.9	19.9	0.0	(19.4)	1,678.1
Sales to third parties	1,704.9	107.7	0.0	0.0	0.0	1,812.6
	1,575.4	101.8	0.0	0.0	0.0	1,677.3
Rental income from third parties	0.4	0.0	0.5	0.0	0.0	0.8
	0.3	0.0	0.4	0.0	0.0	0.8
Rental income from affiliated companies	0.0	0.0	19.9	0.0	(19.9)	0.0
	0.0	0.0	19.4	0.0	(19.4)	0.0
EBIT	133.7	5.1	15.0	(1.7)	(3.5)	148.6
	153.8	5.3	14.3	(1.2)	(3.2)	169.1
Depreciation and amortization	62.6	2.4	4.3	0.0	(15.6)	53.7
	57.3	2.2	4.4	0.0	(15.6)	48.3
Segment earnings (adjusted EBIT)	133.7	5.1	14.7	(1.7)	(3.5)	148.3
	153.8	5.3	14.3	(1.2)	(3.2)	169.1
EBITDA	196.3	7.5	19.3	(1.6)	(19.2)	202.2
	211.0	7.6	18.7	(1.2)	(18.8)	217.4
Segment assets	4,221.2	219.5	456.2	32.5	(458.2)	4,471.2
	3,924.1	208.4	498.5	41.3	(483.4)	4,188.9

Reconciliation in € million	Q1 2022/23	Q1 2021/22
Segment earnings (adjusted EBIT)	148.3	169.1
Non-operating items	0.2	0.0
Net financial expenses	(7.4)	(11.7)
Consolidated earnings before taxes	141.2	157.5

Financial Calendar

July 8, 2022	Annual General Meeting of HORNBACH Holding AG & Co. KGaA
September 29, 2022	Half-Year Financial Report 2022/23 as of August 31, 2022
December 22, 2022	Financial Update: 3rd Quarter of 2022/23 as of November 30, 2022

Updates at: <https://www.hornbach-holding.de/de/calendar.html>

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DISCLAIMER

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