

Update Call Q3/9M 2021/22

HORNBACH Holding AG & Co. KGaA

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The Presentation contains information relating to the announced delisting tender offer by HORNBAACH Holding AG & Co. KGaA to the shareholders of HORNBAACH Baumarkt AG pursuant to Section 14(2) and (3) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz) in conjunction with Section 39(3) sent. 2 no. 1 of the German Stock Exchange Act (Börsengesetz) (the “Delisting Offer”). The Delisting Offer relates to shares in a German stock corporation (Aktiengesellschaft) and is subject to the statutory provisions of the Federal Republic of Germany on the implementation of such an offer. The Delisting Offer was not nor will be subject to review or registration proceedings of any securities regulator outside the Federal Republic of Germany, and has not been nor will be approved or recommended by any such securities regulator.

Shareholders of HORNBAACH Baumarkt AG whose place of residence, incorporation, or habitual abode is in the United States of America (the “United States”) should note that the Delisting Offer is made in respect of securities of a company which is a foreign private issuer as defined by Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended (the “U.S. Exchange Act”), and the shares of which are not registered under Section 12 of the U.S. Exchange Act. The offer document pertaining to the Delisting Offer (the “Offer Document”) will not be filed with or approved by the U.S. Securities and Exchange Commission. In the United States, the Delisting Offer will be made in reliance on the Tier II exemption from certain requirements under the U.S. Exchange Act. This exemption allows a bidder to comply with certain substantive and procedural rules of the U.S. Exchange Act applicable to tender offers by complying with the law or practice of the home jurisdiction, and exempts the respective bidder from complying with certain other rules of the U.S. Exchange Act. Therefore, the Delisting Offer will be subject primarily to the disclosure requirements and other regulations and procedural rules of the Federal Republic of Germany that differ from those of the United States, including with respect to settlement procedures and the timing of payment. To the extent that the Delisting Offer is subject to U.S. securities laws, such laws will apply solely to holders of shares in HORNBAACH Baumarkt AG in the United States and no other person will have any rights under such laws.

Shareholders of HORNBAACH Baumarkt AG whose place of residence, incorporation, or habitual abode is in Canada should note that the Delisting Offer is made in reliance upon an exemption from the formal take-over bid requirements in Canada pursuant to National Instrument 62-104 – Take-over Bids and Issuer Bids on the basis that the offer is in respect of securities of a company which is a foreign issuer and satisfies the prescribed conditions to such exemption, including that security holders in Canada are entitled to participate in the Delisting Offer on terms at least as favourable as the terms that apply to the general body of security holders of the same class.

Shareholders of HORNBAACH Baumarkt AG whose place of residence, incorporation, or habitual abode is outside the Federal Republic of Germany may encounter difficulties in enforcing rights and claims governed by a law other than the law of the country of their residence, incorporation or habitual abode, as both the HORNBAACH Holding AG & Co. KGaA and HORNBAACH Baumarkt AG are companies incorporated under German law and their respective board members may be resident in a country other than the country of residence, incorporation or habitual abode of the shareholder of HORNBAACH Baumarkt AG concerned. Shareholders of HORNBAACH Baumarkt AG may therefore not be in a position to sue a foreign company or the members of its governing bodies in the country of their residence, incorporation or habitual abode. Furthermore, difficulties may arise in enforcing decisions of a court in the country of residence, incorporation or habitual abode of the respective shareholder of HORNBAACH Baumarkt AG outside the country of residence, incorporation or habitual abode of the respective shareholder of HORNBAACH Baumarkt AG. In particular, the members of the governing bodies reside outside the United States and Canada and, as a result, it may be difficult to sue the members of the governing bodies or the HORNBAACH Holding AG & Co. KGaA in the United States or in Canada or to enforce a court judgment against them in the United States or in Canada.

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The Delisting Offer is made solely pursuant to the terms of the Offer Document still to be published by HORNBAACH Holding AG & Co. KGaA. The terms of the Delisting Offer may differ from the basic information described in this document. HORNBAACH Holding AG & Co. KGaA reserves the right to amend the terms of the Delisting Offer to the extent permitted by law.

Strong sales development - earnings well ahead of pre-Covid level

Robust customer demand for construction and DIY projects

- Net sales ahead of previous year's record level: Q3 +2.2% to € 1,400m / 9M +4.2% to € 4,693m
- Continued momentum in online sales: +10.1% in Q3 / +37.5% in 9M powered by our interconnected retail strategy

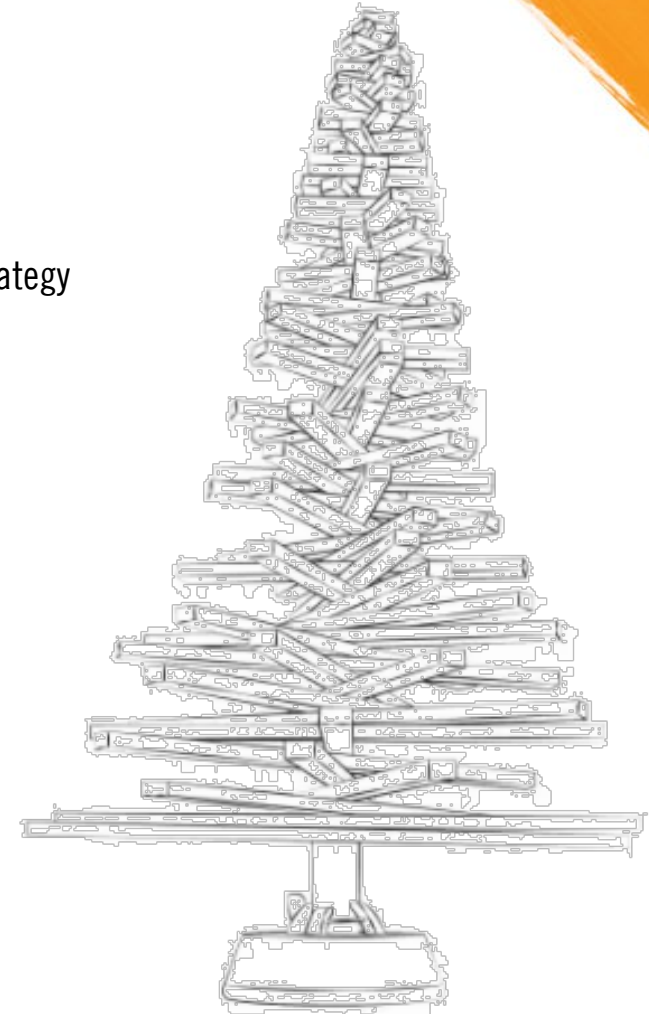
Earnings well ahead pre-Covid level

- Q3 adj. EBIT at € 55.9m: 1-year change: (16.3%) / 2-year change: +33.8%
- 9M adj. EBIT at € 393.1m: 1-year change: (2.1%) / 2-year change: +63.7%

Credit Rating of Hornbach Baumarkt AG upgraded by S&P to 'BB+' from 'BB'

FY 21/22 guidance as of Dec 7, 2021 confirmed

- Sales above previous year (+2% to +7%)
- Adjusted EBIT between € 330m and € 380m



HORNBACH on track to deliver further organic growth

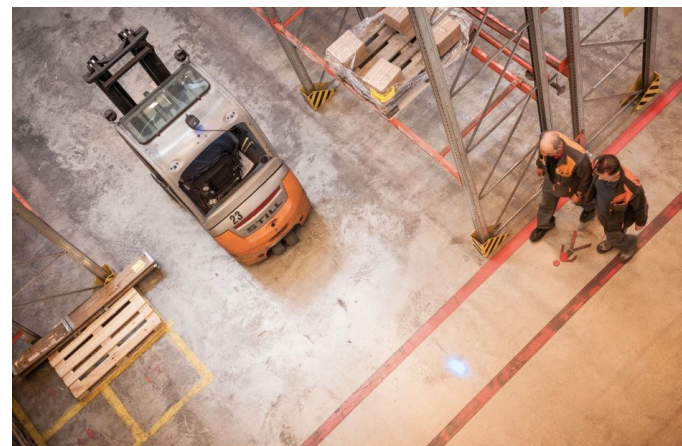
Organic network expansion continued

- 2 new stores in Q3 2021/22: 2 big box DIY stores (NL, CH)
- Extension of Kerkrade (NL) store with a new format specialized on floors (“HORNBACH Vloeren”)
- 167 stores in 9 countries as of Nov 30, 2021



Effective management of Covid pandemic and supply challenges

- Ramped up ICR capacity in regions affected by Covid restrictions
- Built up inventory early for spring season and added storing capacity

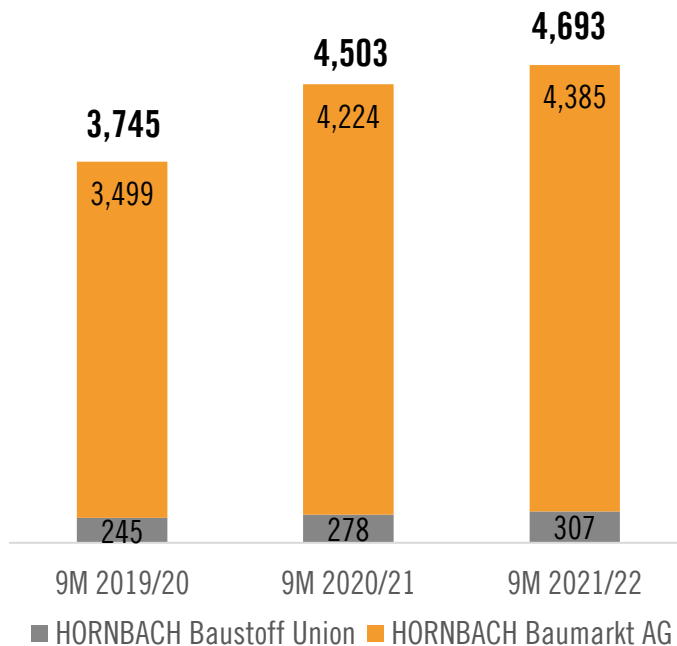


Net sales ahead of previous year's record level in all quarters

Net sales 9M (Mar 1 – Nov 30, 2021)

2-year change: +25.3%

1-year change: +4.2%



HORNBACH Group: Net sales per quarter

2-year change: +25.4%

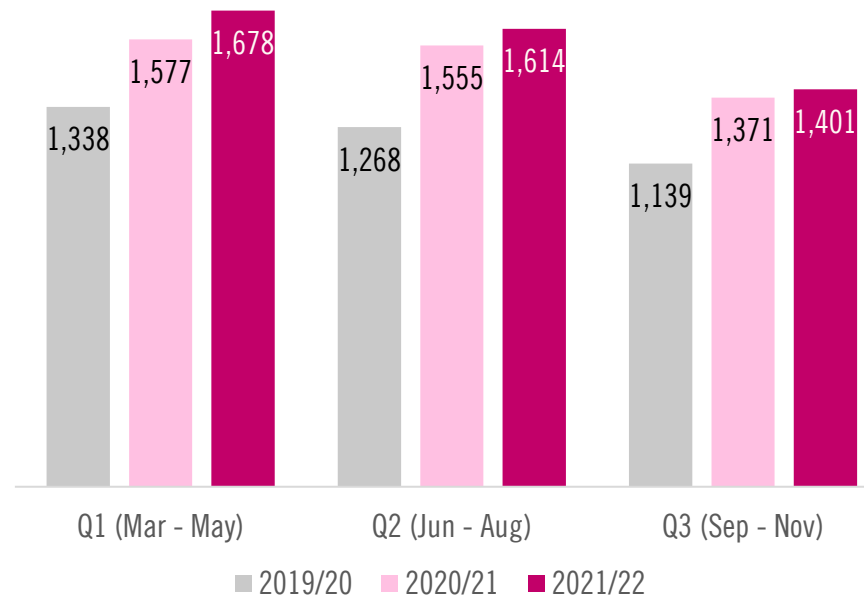
1-year change: +6.4%

+27.4%

+3.8%

+22.9%

+2.2%



- Sales on a significantly higher level than pre-Covid
- Sales growth in all quarters driven by on-going strong demand across all product categories and inflation

HORNBACH Baumarkt: Like-for-like sales growth¹⁾ in Q1 – Q3 and 9M

2021/22 Lfl growth delivered in almost all regions, building on strong 2020/21 performance

- Resilient performance in **Germany** against strong prior year comparatives
- Lfl sales in the **Netherlands** impacted by a strict lockdown in Q1 2021/22
- Strong growth in **Austria** and **Slovakia**, however, store closures, due to Covid restrictions, introduced end of November 2021

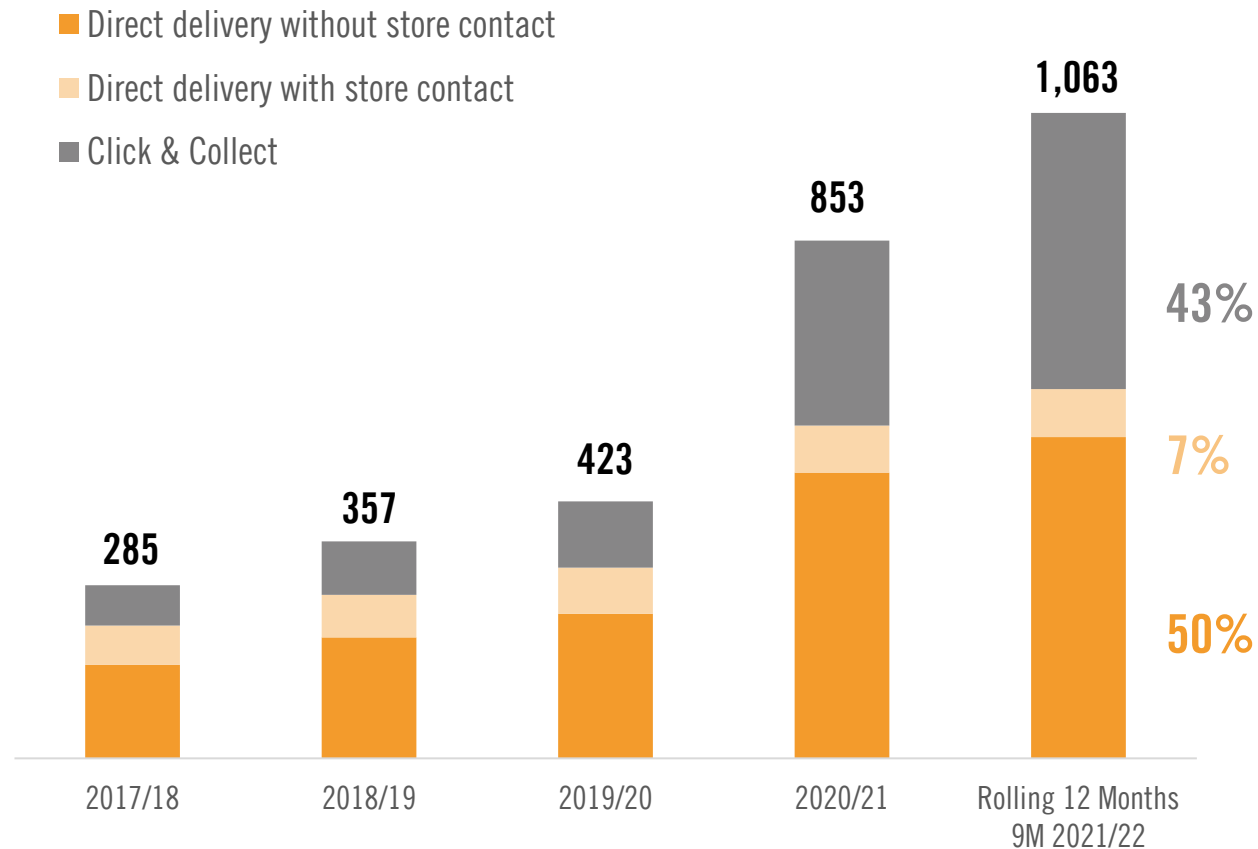
Like-for-like sales growth¹⁾ in % and stores open to private customers in %

| | Q1 2020/21 | Q2 2020/21 | Q3 2020/21 | 9M 2020/21 | Q1 2021/22 | Q2 2021/22 | Q3 2021/22 | 9M 2021/22 |
|---|-------------|-------------|-------------|-------------|--------------|------------|--------------|--------------|
| Total | 17.5 | 21.4 | 19.7 | 19.5 | 4.3 | 2.5 | (0.1) | 2.3 |
| <i>∅ Open to private customers²⁾</i> | 87 | 100 | 96 | 94 | 51 | 99 | 99 | 83 |
| Germany | 24.4 | 24.1 | 25.5 | 24.6 | (0.1) | 1.7 | (4.3) | (0.8) |
| <i>∅ Open to private customers²⁾</i> | 92 | 100 | 100 | 97 | 40 | 98 | 100 | 80 |
| International | 10.3 | 18.6 | 14.0 | 14.3 | 9.5 | 3.4 | 4.5 | 5.8 |
| <i>∅ Open to private customers²⁾</i> | 79 | 100 | 90 | 90 | 67 | 100 | 98 | 88 |
| Austria | 7.6 | 18.9 | 15.3 | 13.7 | 20.4 | 0.8 | 0.5 | 7.5 |
| Czech Republic | 7.4 | 6.8 | (8.7) | 2.3 | (3.9) | 11.0 | 26.3 | 9.6 |
| Luxembourg | 17.3 | 46.1 | 31.4 | 31.3 | 42.0 | 0.5 | 2.3 | 14.3 |
| Netherlands | 22.1 | 20.8 | 19.5 | 20.8 | (11.7) | 4.3 | 0.3 | (2.6) |
| Romania | 17.9 | 27.0 | 19.2 | 21.3 | 11.2 | 9.0 | 8.7 | 9.6 |
| Slovakia | (26.5) | 6.8 | 8.8 | (4.2) | 50.9 | 11.6 | 10.2 | 21.9 |
| Sweden | 22.4 | 25.4 | 22.4 | 23.4 | 11.1 | 1.2 | 1.3 | 4.8 |
| Switzerland | (0.6) | 19.4 | 19.1 | 11.9 | 33.4 | (5.5) | (2.8) | 8.1 |

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

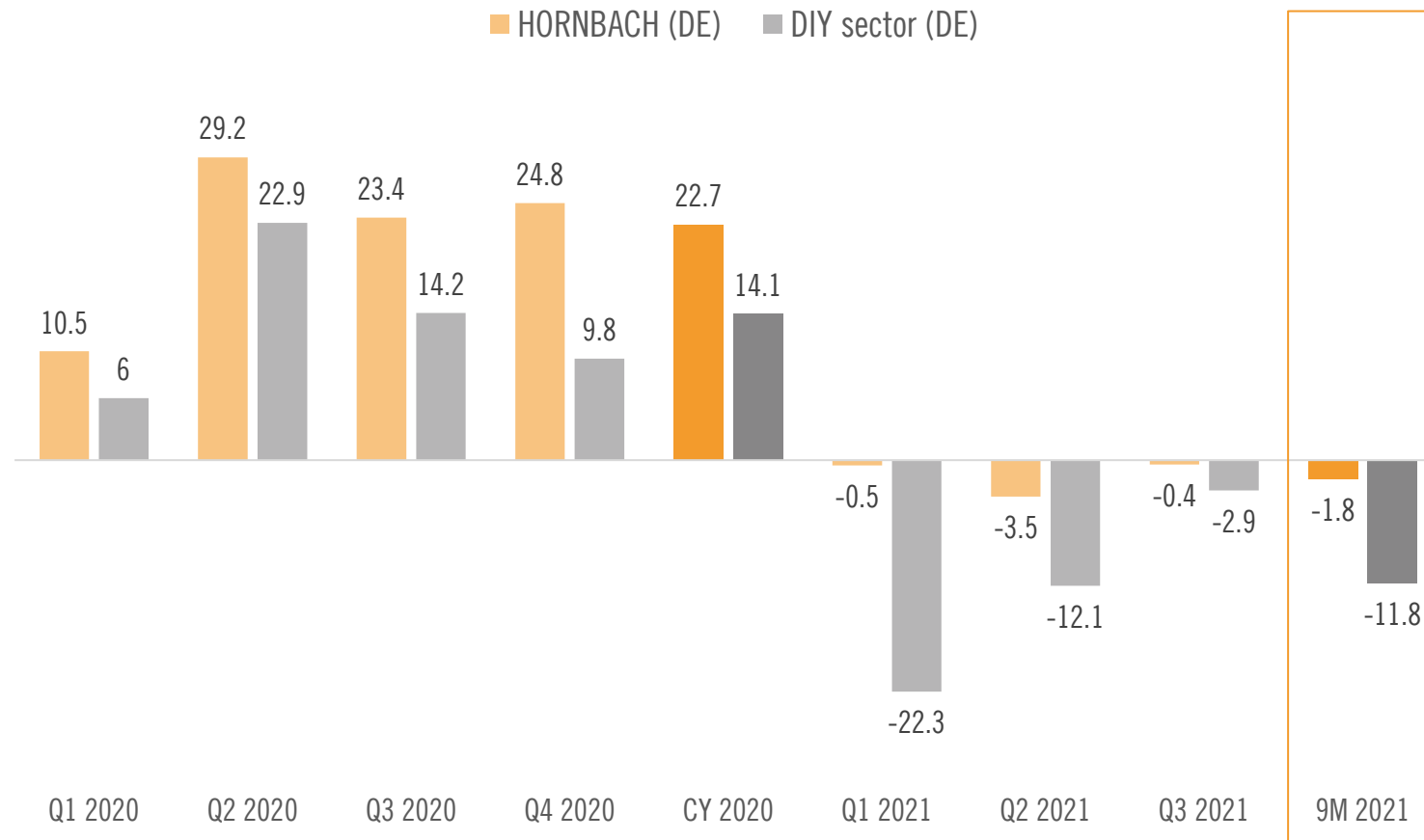
2) Share of HORNBACH stores open to all customers without significant sales restrictions during the reporting period

Further growth in e-commerce



- **E-commerce share of total sales** (incl. Click & Collect) increased to **20.3%** on a rolling 12-months basis
- E-commerce sales growth remains robust despite the lifting of Covid restrictions
 - Q1 +71%
 - Q2 +21%
 - Q3 +10%
 - **9M +37%**
- **Click & Collect** with the strongest growth rate at **+106%** in 9M 2021/22
- **Direct delivery** (without store contact) grew by **+16%** in 9M

Sector outperformance continues in Germany



- HORNBACH Baumarkt continues to outperform the broader sector
- ICR and logistics strategy paid off – especially during lockdown periods³⁾

1) In constant currencies; includes sales from all stores that have been open for at least one year as well as sales from online shops

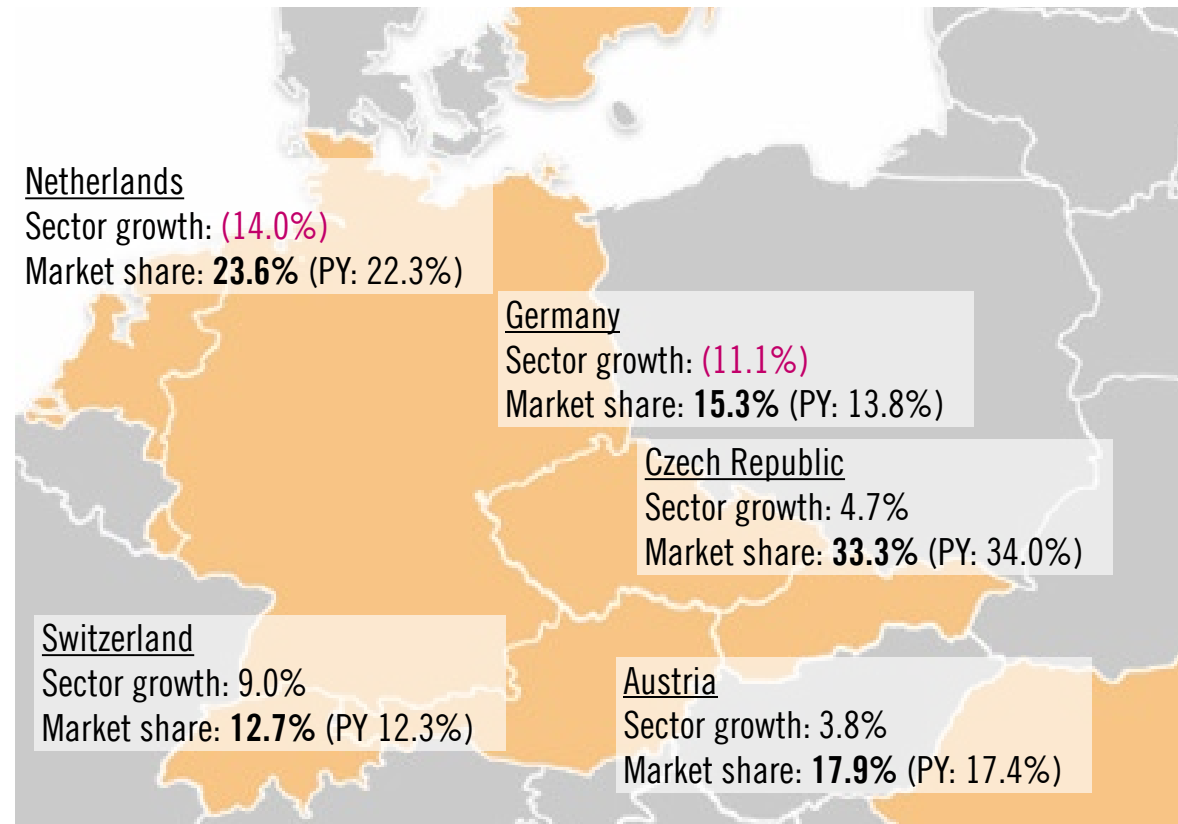
2) Source: GfK DIY-TSR, Oct 29, 2021

3) Store closures between Dec 14, 2020 and Jun 6, 2021

HORNBACH Baumarkt winning further market share across Europe

Large DIY stores >1000 qm

Sector growth based on gross sales in %, market share of HORNBACH in %

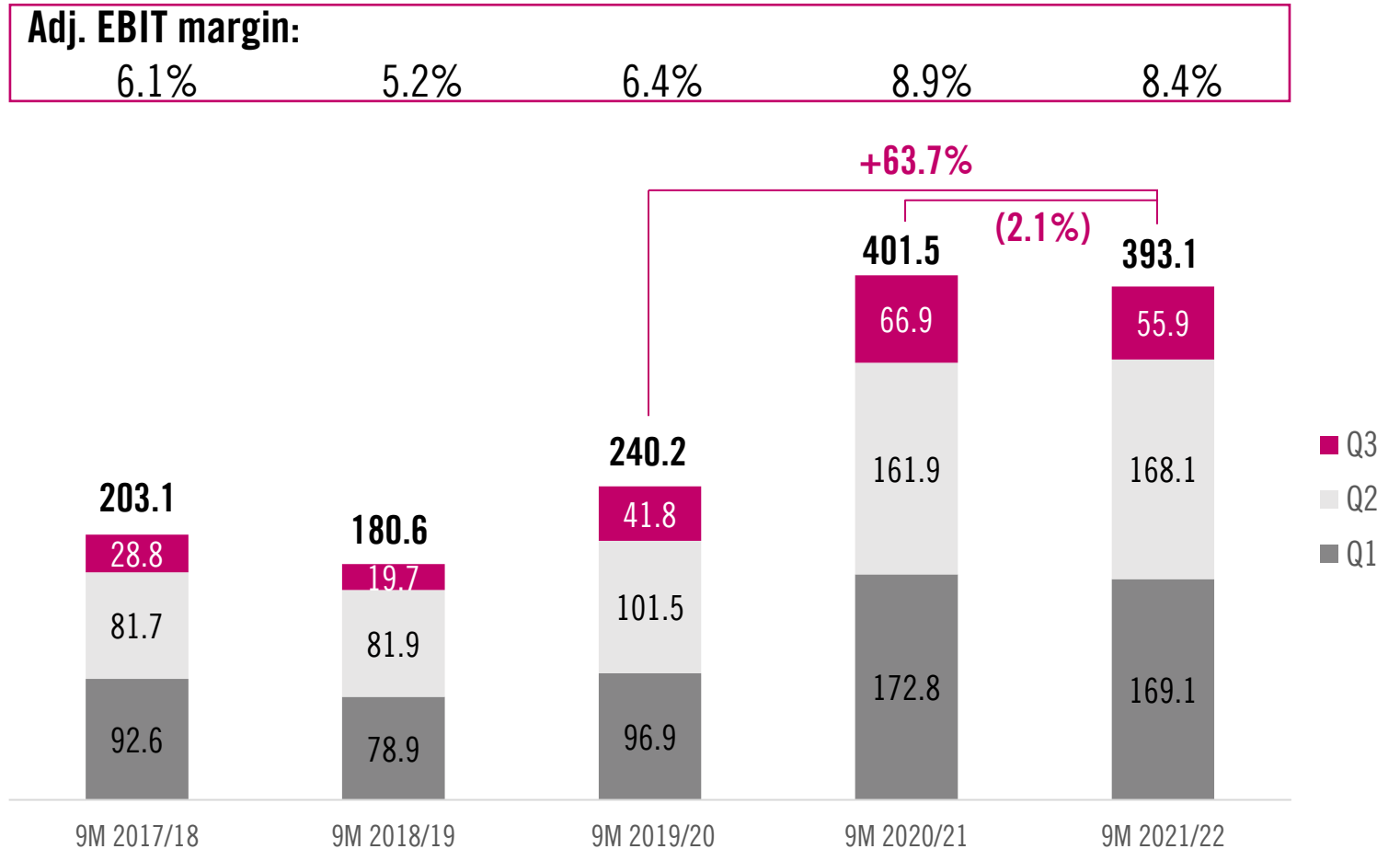


- HORNBACH gained market share in almost all countries where data is available (except Czech Republic)
- Continued to take market share in Germany (GfK) reaching 15.3% in 9M 2021 (9M 2020: 13.8%)
- Individual market growth significantly impacted by diverging Covid restrictions across individual geographies in 2020 and 2021
- Largest market share gains in countries with relatively strict Covid measures (Germany, Netherlands) driven by successful ICR strategy

Source: GfK DIY-TSR Oct 2021, no data for Luxemburg, Romania, Slovakia, Sweden

Adjusted EBIT well ahead pre-Covid levels

- Adjusted EBIT on Group level down 2.1% in 9M, but **up 63.7% compared to 2019/20**
- Profitability** was maintained **significantly above pre Covid levels**
- No non-operative adjustments in 9M 2021/22 (adj. EBIT = EBIT)



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

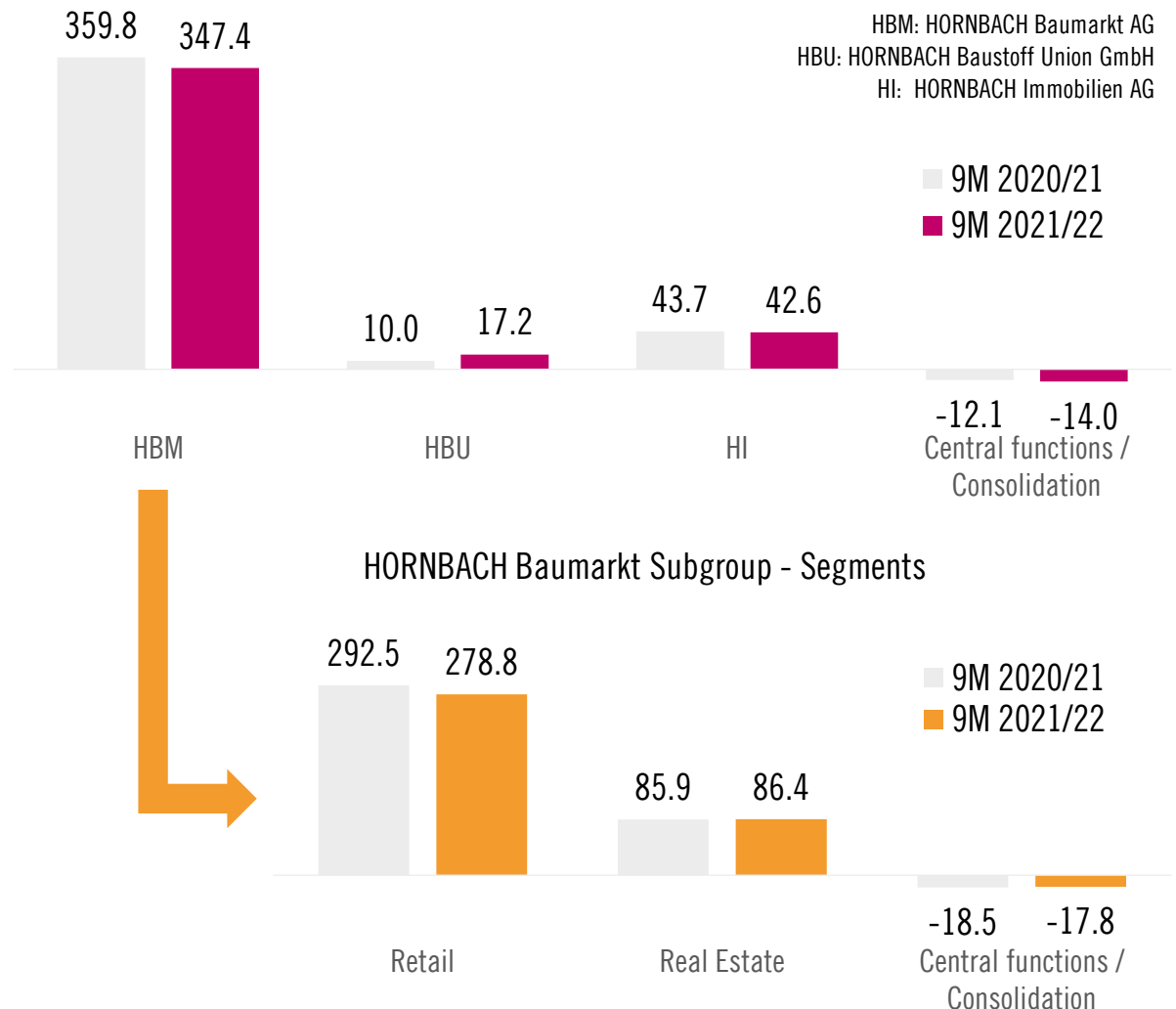
HORNBACH Group Segments

HORNBACH Baumarkt AG

- Adjusted EBIT at € 347.4m slightly down from previous year, but significantly ahead of pre-Covid levels (9M 2019/20: € 200.9m)
- Adjusted EBIT margin at 7.9% (9M 2020/21: 8.5% / 9M 2019/20: 5.7%)

HORNBACH Baustoff Union

- Adjusted EBIT of HORNBACH Baustoff Union at € 17.2m significantly ahead of previous year due to strong sales growth and positive gross margin effects



Improved cost structure maintained

Gross margin

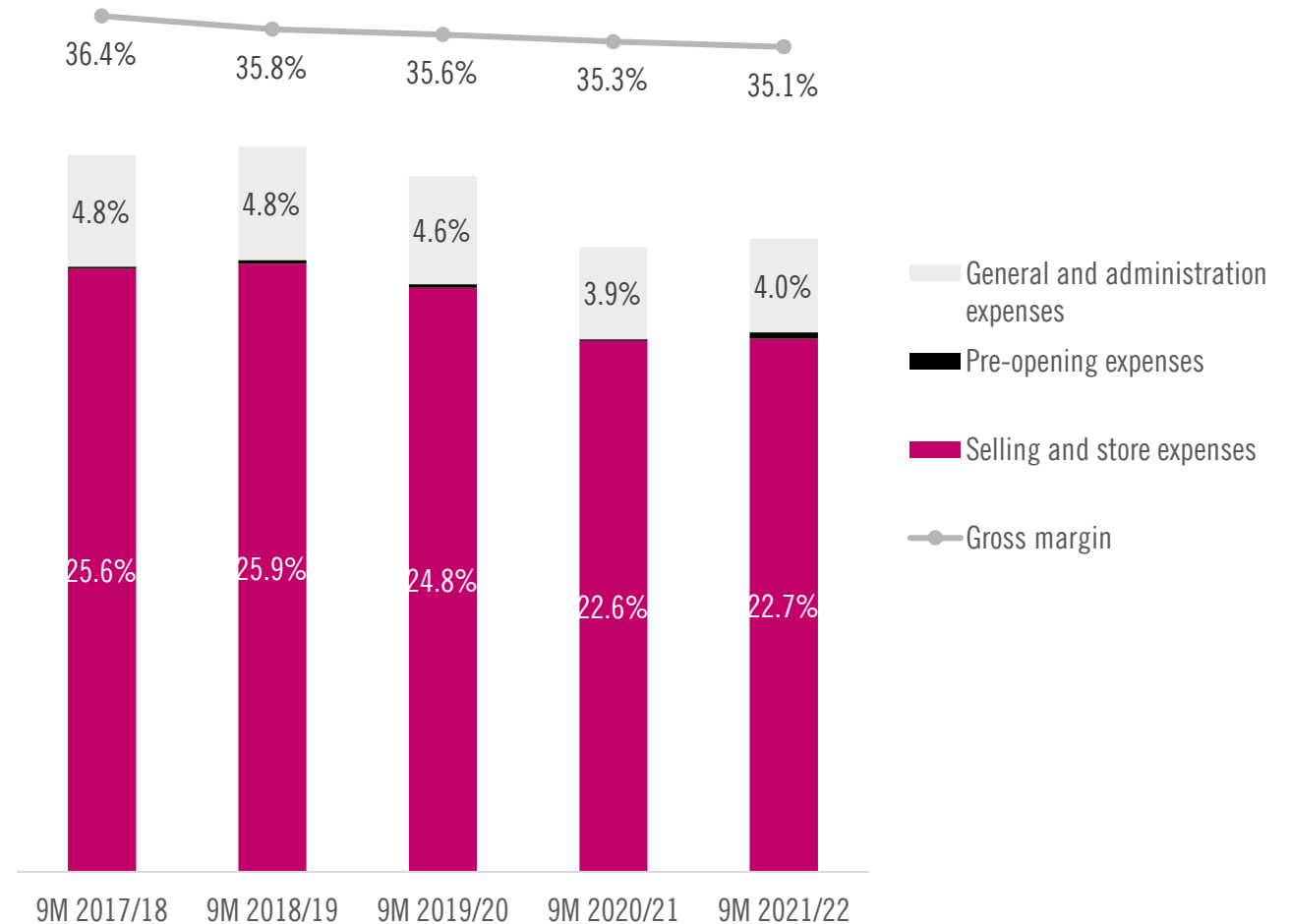
- Impacted by higher level of online sales (delivery costs & product mix)
- Higher input cost 9M 2021/22 reflected in selling prices

Selling and store expenses

- **Normalization** of renovation activities and advertising in 9M 2021/22 compared to previous year

Pre-opening and G&A expenses

- Increase due to **higher rate of expansion** in 2021/22 and following years
- **Normalization** of spending on projects / external consultants



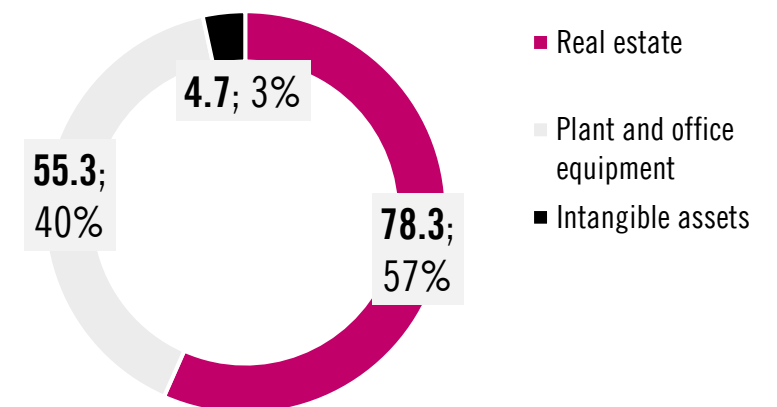
Funds from Operations above previous year

| | 9M 2019/20 | 9M 2020/21 | 9M 2021/22 |
|---|----------------|----------------|----------------|
| Cash flow from operating activities | 346.9 | 583.0 | 407.3 |
| <i>of which: funds from operations</i> | <i>298.9</i> | <i>413.1</i> | <i>424.6</i> |
| <i>of which: change in working capital</i> | <i>48.0</i> | <i>169.9</i> | <i>(17.3)</i> |
| Cash flow from investing activities | (342.6) | (103.3) | (225.7) |
| <i>of which: CAPEX Hornbach Group</i> | <i>(104.1)</i> | <i>(107.7)</i> | <i>(138.3)</i> |
| <i>of which: CAPEX Hornbach Baumarkt</i> | <i>(73.7)</i> | <i>(94.3)</i> | <i>(130.3)</i> |
| <i>of which: securities and cash investments</i> | <i>247.1</i> | <i>0.0</i> | <i>(90.1)</i> |
| Cash flow from financing activities | 143.1 | (103.2) | (171.3) |
| Cash-effective change in cash and cash equivalents | 147.4 | 376.5 | 10.4 |
| Free cashflow | 4.3 | 479.7 | 181.7 |

Fluctuations of working capital in 9M 2021/22 due to:

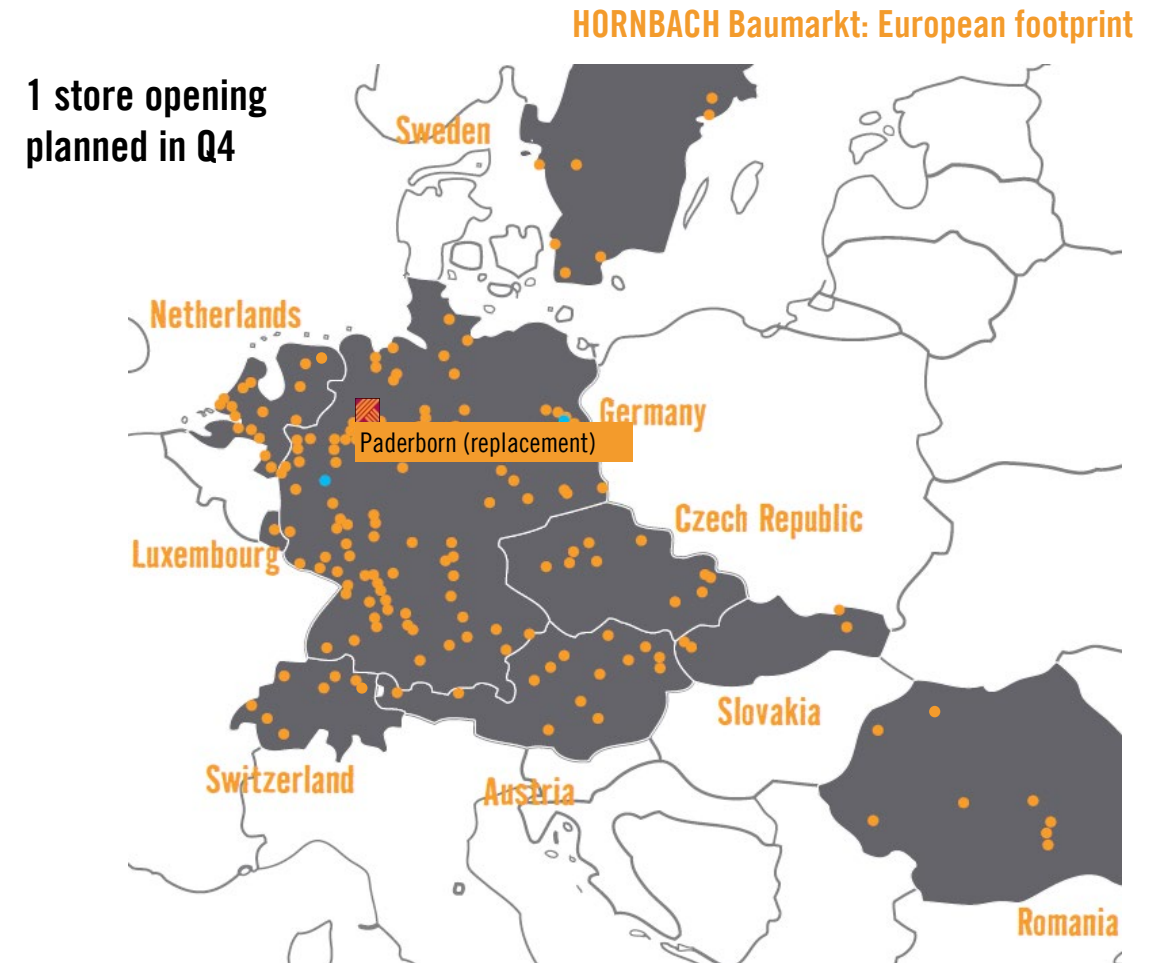
- Exceptionally high order volume in 9M 2020/21
- Faster payment of suppliers in 9M 2021/22

HORNBACH Group: CAPEX 9M 2021/22 in € million and %



Guidance as of Dec 7, 2021 confirmed

| | HORNBACH Group | HORNBACH Baumarkt |
|------------------------------|---|---|
| Sales 2021/22 | +2% to +7% previous: +1% to +5% (upper end) | Plus 2% to 7% previous: +1% to +5% (upper end) |
| Sales 2020/21 | € 5,456m | € 5,117m |
| Adjusted EBIT 2021/22 | € 330m to € 380m previous: € 290m to € 326m (upper end) | € 280m to € 330m previous: € 240m to € 278m (upper end) |
| Adjusted EBIT 2020/21 | € 326m | € 279m |
| Additional items | | |
| CAPEX 2021/22 | > € 200m | ~ € 200m |
| CAPEX 2020/21 | € 154m | € 140m |



Key investment highlights



Structural growth foundation

- **“Cocooning”** and **working from home**
- **Need for renovations:** Energy efficiency, barrier-free homes
- **Consolidation** in the home improvement industry in western Europe



Attractive customer proposition

- **#1 in customer satisfaction** across multiple markets¹⁾
- Interconnected retail offering with **>€ 1bn e-commerce sales**²⁾
- **Price leadership** across channels
- High share of **project and trade customers**



Proven organic growth strategy

- Organically grown platform in **9 countries**
- Sustainable **long-term like-for-like growth rate**³⁾
- Ongoing expansion (**5 new stores** in FY 2021/22)
- Growth underpinned by **owned real estate** (60%) and flexible logistics network



Strong operational record

- Leading home improvement player in terms of **productivity**⁴⁾
- Strong **focus on cost management**
- Successful **private label** (~25% of sales)

Committed to sustainable business, reflected in our values and CSR guidelines

Strong commitment and support of Hornbach family who remain a key anchor shareholder

1) Kundenmonitor Germany/Austria/Switzerland (2021), Retailer of the Year 2021 (Netherlands), Evimetrix 2021 (Sweden) 2) Incl. click & collect 3) Average 10-year LfL growth rate of 4.4%, (in constant currencies; includes sales from all stores that have been open for at least one year as well as sales from online shop) 4) Dähne Statistik Baumarkt+Garten 2021, HORNBACH (as measured by weighted net sales per sqm (fiscal year 2020/21))

HORNBACH Group: Upcoming events

Financial Calendar

| | |
|---------------------|--|
| January 6 / 7, 2022 | HORNBACH @ ODDO BHF Forum |
| January 12, 2022 | HORNBACH @ Commerzbank German Investment Seminar |
| January 19, 2022 | HORNBACH @ German Corporate Conference |
| February 10, 2022 | HORNBACH @ Hamburger Investorentag (Montega) |
| March 22, 2022 | Trading Statement GJ 2021/22 |
| May 17, 2022 | Annual Report as of February 28, 2022 |
| June 29, 2022 | Financial Update: Q1 2022/23 as of May 31, 2022 |
| July 7, 2022 | Annual General Meeting of HORNBACH Baumarkt AG |
| July 8, 2022 | Annual General Meeting of HORNBACH Holding AG & Co. KGaA |

Updates at our [IR website](#)

Contact

Investor Relations

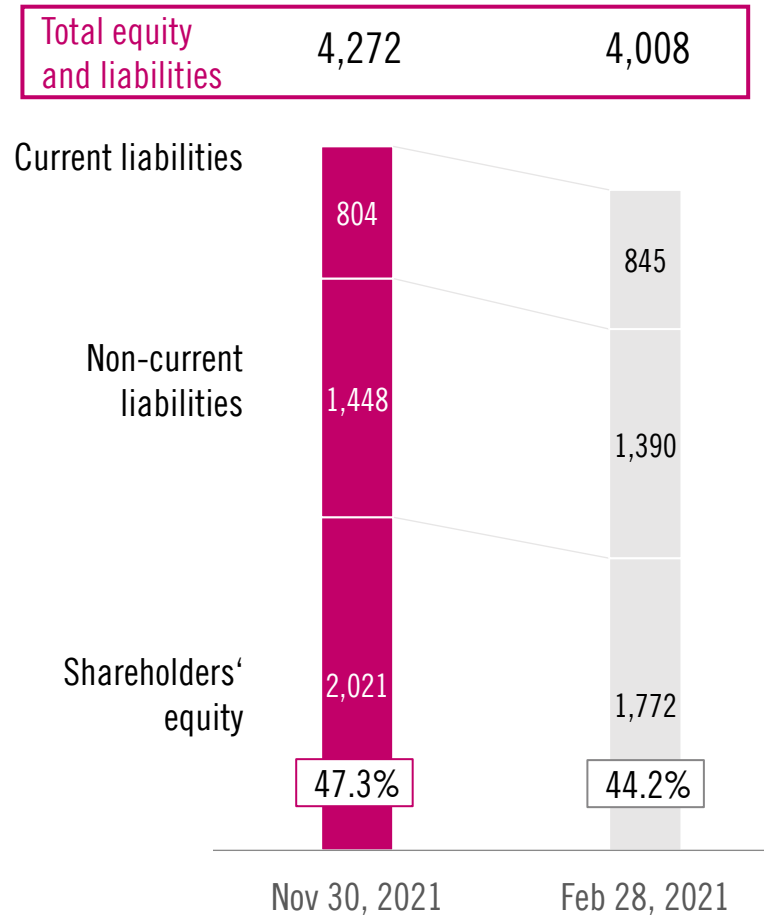
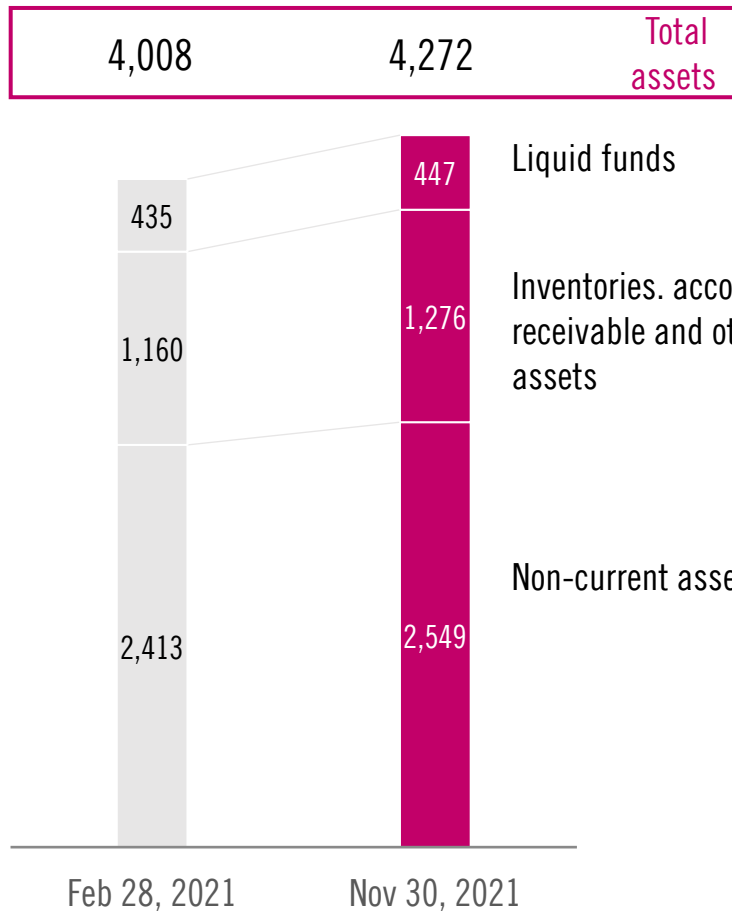
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Backup

Strong Balance Sheet



- Expansion-related increase in property, plant and equipment and right of use assets
- Shareholders' equity further increased to **47.3%**
- Net financial debt (excl. Lease liabilities) down to **€ 142.3m** (Feb 28, 2021: € 294.8m)