

HORNBAACH Group specifies earnings forecast

Neustadt an der Weinstrasse, March 19, 2020.

On December 10, 2019, the HORNBAACH Group raised its earnings forecast for the past 2019/20 financial year (March 1, 2019 to February 29, 2020). In connection with the preparation of the current consolidated financial statements, the company's Board of Management is now providing further details. Based on initial, preliminary, and unaudited earnings figures, operating earnings adjusted to exclude non-operating earnings items (adjusted EBIT; 2018/19: Euro 134.9 million) are now expected to be probably slightly higher than the guidance range most recently communicated (increase "in low to medium double-digit percentage range").

This strong earnings growth was driven in particular by like-for-like sales growth generated in Germany and abroad on top of the previous year's high levels, which accelerated in the mild winter quarter (December 1, 2019 to February 29, 2020), as well as by improved cost ratios.

Non-operating earnings items mainly involve impairments recognized pursuant to IAS 36 (Impairments). Based on the preliminary, as yet unaudited data, impairments rose significantly compared with the previous year.

The HORNBAACH Holding AG & Co. KGaA Group increased its sales in the 2019/20 financial year by 8.4 % to more than Euro 4.7 billion. In its Trading Statement, due for publication on March 20, 2020, the HORNBAACH Group will report separately and in further detail on its sales performance in the past 2019/20 financial year.

The updated earnings forecast for 2019/20 is subject to the proviso that no adjusting events requiring retrospective recognition in the annual financial statements arise as the corona crisis progresses.

Due to the corona pandemic, HORNBAACH has been ordered to temporarily close its stationary stores in several countries. The resultant negative impact on the company's sales and earnings performance in the new 2020/21 financial year cannot be quantified at this point in time.

Details of the earnings performance in 2019/20 and an outlook for the 2020/21 financial year will be published at the Annual Results Press Conference of the HORNBAACH Group, which is scheduled to be held on May 27, 2020.

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