



AD-HOC ANNOUNCEMENT: HORNBAACH BAUMARKT AG

Hornbach raises 2020/21 forecast after first eight months

Bornheim bei Landau, November 9, 2020. The Hornbach Baumarkt AG Group has maintained its growth course in the fall of 2020. The dynamic sales trend seen in the first half of the year has continued to date in the third quarter of 2020/21 (September 1 to November 30, 2020). Since the outbreak of the coronavirus pandemic in March 2020, consumers have increasingly withdrawn to their own four walls and are spending more money on home improvement projects in their houses and gardens. The Board of Management is raising the sales and earnings forecast for 2020/21 to account for the very pleasing sales and earnings performance in the first eight months of the current financial year.

Consolidated sales grew by more than a fifth in each of September and October 2020. Due to the stricter measures introduced across Europe to contain the second wave of coronavirus infections, since the beginning of November 2020 restrictions have been imposed on sales in the stationary retail business with private customers in the Czech Republic (10 Hornbach stores) and Slovakia (4 stores). The restrictions do not affect sales with professional customers or the online business with all customers. The other countries within Hornbach's network have to date not witnessed any reintroduction of material restrictions on stationary sales. The Group's positive sales performance has also continued to date in November 2020. Accordingly, no abrupt end to the higher demand seen from customers across the Group is currently discernible. As a result, **adjusted operating earnings** (adjusted EBIT) for the third quarter of the current financial year are expected to significantly exceed the previous year's figure (Euro 29.4 million).

Assuming that the rest of the financial year will not see any prolonged and extensive closures of significant numbers of our DIY stores with garden centers or any macroeconomic shock or severe deterioration in consumer confidence, the Board of Management has raised the annual forecast for 2020/21. Accordingly, it now expects **consolidated sales** (2019/20: Euro 4.4 billion) to show growth in a corridor of between **plus 14% and plus 18%** (previously: plus 9% and plus 15%). Depending on the extent of potential coronavirus-related effects, the Board of Management currently expects **adjusted EBIT** (2019/20: Euro 182 million) to range between **Euro 240 million and Euro 310 million** (previously: between Euro 220 million and Euro 280 million).