

Hornbach reports record results in 2021/22 – ongoing high demand in spring season 2022/23

Preliminary 2021/22 figures published in March confirmed

- **Record sales of EUR 5.9 billion underpinned by continued strong customer demand (y-o-y +7.7%)**
- **Adjusted consolidated operating earnings (adj. EBIT) up y-o-y by 11% to EUR 362.6 million (+60% vs. FY 2019/20)**
- **Adj. EBIT margin up at 6.2% from 6.0%, significantly above pre-Covid levels**
- **Increased dividend proposed at EUR 2.40**
- **Good start to the 2022/23 spring season with successful management of external challenges, including inflation**

Table 1: Key figures HORNBACH Holding AG & Co. KGaA Group

(in EUR million, unless otherwise stated)	2021/22 financial year	2020/21 financial year	± in %
Net sales	5,875.0	5,456.2	7.7
of which HORNBACH Baumarkt AG subgroup	5,496.1	5,116.9	7.4
- Germany	2,780.4	2,654.0	4.8
- Other European Countries	2,715.7	2,463.0	10.3
Like-for-like sales growth (DIY) ¹⁾	5.4%	14.7%	
of which HORNBACH Baustoff Union GmbH subgroup	377.5	337.7	11.8
Gross profit	2,057.9	1,922.8	7.0
Gross margin (as % of net sales)	35.0%	35.2%	
EBIT	355.0	311.9	13.8
Adjusted EBIT²⁾	362.6	326.4	11.1
Adjusted EBIT margin	6.2%	6.0%	
Consolidated earnings before taxes	314.3	266.1	18.1
Consolidated net income before minority interests	244.5	201.4	21.4
Earnings per HORNBACH Holding share (basic/diluted in EUR)	12.48	10.33	20.8
Investments (CAPEX)	178.6	154.4	15.7

¹⁾ Excluding currency items; including Bodenhaus and online sales

²⁾ Adjusted to exclude non-operating income and expenses

Rounding up or down may lead to discrepancies between percentages and totals. Percentage figures calculated on basis of EUR 000s.

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Bornheim (Palatinate), Germany, May 17, 2022.

Ongoing high demand for construction and DIY products brought record results for the Hornbach Group (Hornbach Holding AG & Co. KGaA Group; ISIN DE0006083405) in the FY 2021/22 (March 1, 2021 to February 28, 2022). Hornbach gained further market share in key markets based on its long-standing ICR strategy and the successful management of Covid restrictions and supply challenges. As per final figures, net sales grew y-o-y by 7.7% to EUR 5,875 million and adjusted EBIT rose y-o-y by 11.1% to EUR 362.6 million. Earnings per share increased to EUR 12.48 from EUR 10.33 in FY 2020/21 (+ 20.8%). Hornbach Holding will therefore propose an increased dividend of EUR 2.40 (FY 2020/21: EUR 2.00) at the Annual General Meeting on July 8, 2022. The outlook for the 2022/23 financial year remains cautiously optimistic amid ongoing geopolitical uncertainty and rising prices. The management of Hornbach Group expects the dynamic sales performance to continue, but earnings to fall slightly short of the record number in FY 2021/22.

"The second year of Covid has continued to be enormously challenging for all of us. But the good news is that the trend of homing and cocooning is still intact even after restrictions have been lifted. We have succeeded once again in seizing the opportunities that have arisen from the crisis and are emerging even stronger from the situation. This is due to three very central success factors: Our long-standing digitization and interconnected retail strategy which is leading across the competition, our flexible logistics concept including forward-looking stocking, as well as the relentless commitment of our almost 25,000 employees", commented Albrecht Hornbach, CEO of Hornbach Management AG.

In the 2021 calendar year Hornbach Baumarkt outperformed the German DIY sector and increased market share from 14.0% to 15.1%. Outside Germany market shares rose in the Netherlands, Austria and Switzerland according to the data available from GfK³⁾. "We grew significantly faster than the market, and this is also reflected very pleasingly in our market shares. In Germany, we were the only major DIY chain to achieve a further increase in sales following the strong performance of the sector in 2020", elaborated Erich Harsch, CEO of Hornbach Baumarkt AG.

Significant rise in earnings – proposed increase in dividend

Thanks to its strong sales growth, the Hornbach Group further increased its operating earnings strength compared to the previous year. The adjusted EBIT margin on Group level climbed from 6.0% to 6.2%. At the Hornbach Baumarkt AG subgroup, adjusted EBIT rose by 12.9% to EUR 314.7 million and the adjusted EBIT margin from 5.4% to 5.7%.

Profitability (adj. EBIT margin) at the DIY stores in Germany increased from 3.1% to 3.3%. The Other European Countries region gained further ground at an already high level and increased its adjusted EBIT margin to 8.2% (2020/21: 8.0%). Hornbach Immobilien subgroup reported an adjusted EBIT of EUR 53.7 million (2020/21: EUR 55.8 million) and Hornbach Baustoff Union subgroup improved adjusted EBIT from EUR 9.0 million in the previous year to EUR 13.0 million in 2021/22.

³⁾ GfK definition: DIY stores bigger than 1,000 sqm; Data available for Germany, Netherlands, Austria, Switzerland and Czech Republic

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Earnings per Holding share rose from EUR 10.33 to EUR 12.48. The Board of Management and Supervisory Board proposes to increase the dividend from EUR 2.00 to EUR 2.40 per no-par ordinary share entitled to dividends for approval by the (virtual) Annual General Meeting of Hornbach Holding AG & Co. KGaA to be held on July 8, 2022.

Cash flow from operating activities on Group level amounts to EUR 344.9 million (FY 2020/21: EUR 346.5 million). Higher inflows from the strong earnings performance were countered by increased working capital requirements in preparation for the spring season due to the challenges in the global supply chain. With EUR 178.6 million, the Hornbach Group's investments were around 16% higher in the FY 2021/22 compared to the previous year reflecting mainly the accelerated physical expansion with 5 store openings across Europe and 4 store openings planned in FY 2022/23. Free cash flow after investing activities and dividends was reported at EUR 134.5 million (FY 2020/21: EUR 168.2 million).

Hornbach expects ongoing high demand, but profitability to be impacted by external challenges

Demand for construction and DIY products remained high at the start of the spring season FY 2022/23 despite price inflation in almost all product categories and adverse weather conditions in some Hornbach regions. Positive base effects were registered in regions affected by lockdowns in the previous year, namely parts of the German network, Netherlands, Czech Republic and Slovakia. In March 2022 Hornbach opened 2 new DIY stores in Nitra (Slovakia) and Enschede (Netherlands). 2 further openings are planned in the FY 2022/23 in Constanta (Romania) and Leipzig (Germany).

For the FY 2022/23 as a whole, Hornbach Group expects net sales to come in slightly above the level of FY 2021/22 (EUR 5,875 million). EBIT excluding non-operating earnings items (adjusted EBIT) is expected to fall slightly short of the strong FY 2021/21 result (EUR 362.6 million) reflecting geopolitical uncertainties and price increases for products and services.

“The business environment remains volatile which significantly hinders a precise outlook for the FY 2022/23. While we consider further Covid-related store closures unlikely, the challenges with regard to inflation, supply chain challenges and product availability have further increased in recent months. Our teams are working hard to ensure good product availability for our customers at reasonable prices. We remain firmly committed to our price leadership across markets and closely monitor external developments”, stressed Karin Dohm, CFO of Hornbach Management AG. “On positive note, customer demand remains strong and the need for energy efficient renovations has become more pressing with rising energy prices and the transition to a renewable energy, low-carbon economy”.

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Table 2: Miscellaneous key figures HORNBAACH Holding AG & Co. KGaA Group

	February 28, 2022	February 28, 2021	± in %
Shareholders' equity as % of total assets	40.9%	44.2%	
Number of retail stores ⁴⁾	167	163	2.5
Sales areas in 000 m ² (BHB) ⁵⁾	1,978	1,918	3.1
Number of employees ⁶⁾	24,268	23,279	4.2

⁴⁾ of which 165 HORNBAACH DIY stores with garden centers and two BODENHAUS outlets

⁵⁾ Sales area BHB: Closed building (warm or cold): 100%; covered open space (cold): 50%; building material drive-in (cold): 50%; non-covered open space (cold): 25%.

⁶⁾ Number of employees as of February 28, including passive employees

Note

The Annual Reports of the HORNBAACH Holding AG & Co. KGaA Group and the HORNBAACH Baumarkt AG subgroup for the 2021/22 financial year are available online at: www.hornbach-holding.com

About HORNBAACH Group

HORNBAACH Group is an independent, family-run DIY group under the umbrella of HORNBAACHH Holding AG & Co. KGaA, which is listed on the Frankfurt Stock Exchange and represented in the SDAX. The largest subsidiary, HORNBAACH Baumarkt AG, operates 167 DIY megastores with garden centers as well as two specialist stores and online stores in nine European countries. The Group also includes HORNBAACH Baustoff Union, a regional builders' merchant company with 37 locations in southwestern Germany and France, as well as HORNBAACH Immobilien AG, which develops retail real estate for the Group. In the financial year 2021/22 (reporting date: February 28, 2022), the HORNBAACH Group generated net sales of EUR 5.9 billion, making it one of the five largest DIY and garden retail companies in Europe. The Group has a workforce of around 25,000 employees.

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