

HORNBACH Baumarkt AG Group

1<sup>st</sup> QUARTER  
2018/19

Quarterly Statement  
as of May 31, 2018



# HORNBACH BAUMARKT AG GROUP

## Statement on 1<sup>st</sup> Quarter of 2018/19 (March 1 – May 31, 2018)

Key Figures of the HORNBACH Baumarkt AG Group (in € million, unless otherwise stated)	1 <sup>st</sup> Quarter 2018/19	1 <sup>st</sup> Quarter 2017/18	Change in %
<b>Net sales</b>	<b>1,162.1</b>	<b>1,130.3</b>	<b>2.8</b>
of which: in Germany	612.7	613.4	(0.1)
of which in other European countries	549.4	516.9	6.3
Like-for-like sales growth	2.3%	5.4%	
Gross margin as % of net sales	37.2%	37.9%	
EBITDA	85.5	97.1	(12.0)
<b>Earnings before interest and taxes (EBIT)</b>	<b>65.2</b>	<b>77.6</b>	<b>(15.9)</b>
<b>Adjusted EBIT</b>	<b>64.9</b>	<b>77.5</b>	<b>(16.3)</b>
Consolidated earnings before taxes	60.5	73.0	(17.2)
Consolidated net income	44.9	54.8	(18.0)
Basic/diluted earnings per share (€)	1.41	1.72	(18.0)
Investments	64.7	20.7	>100

Misc. key figures of the HORNBACH Baumarkt AG Group (in € million, unless otherwise stated)	May 31, 2018	February 28, 2018	Change in %
Total assets	2,150.6	1,997.7	7.6
Shareholders' equity	1,093.8	1,048.8	4.3
Shareholders' equity as % of total assets	50.9%	52.5%	
Number of stores	157	156	0.6
Sales area in 000 m <sup>2</sup> (based on BHB)	1,845	1,822	1.3
Number of employees	19,157	18,721	2.3

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

### Summary

- HORNBACH Baumarkt AG Group on course for 2018/19 full-year targets despite frosty start to spring season
- Consolidated sales for first quarter of 2018/19 up 2.8% to € 1,162 million – like-for-like (currency-adjusted) up 2.3%
- Earnings below record level reported for previous year's quarter

Despite a weaker start to the spring season due to weather conditions, the HORNBACH Baumarkt AG Group is satisfied with its performance in the first quarter of 2018/19 and can confirm its full-year sales and earnings forecast. Consolidated sales for the first quarter of 2018/19 (March 1 to May 31, 2018) rose by 2.8% to € 1,162.1 million (2017/18: € 1,130.3 million). On a like-for-like basis and net of currency items, consolidated sales grew by 2.3% in the first three months. As expected, together with a lower gross margin and less favorable cost ratios the more subdued level of sales growth compared with the previous year meant that the company's earnings fell short of the record level reported for the 2017/18 spring quarter. Operating earnings adjusted for non-operating items (adjusted EBIT) decreased by 16.3% to € 64.9 million (2017/18: € 77.5 million). Three-month earnings per Baumarkt share amounted to € 1.41 (2017/18: € 1.72). The company expects to make up in subsequent quarters for the seasonally induced shortfall in earnings in the first quarter.

## Earnings, Financial, and Asset Position

### Development in HORNBACH store network

We opened two DIY megastores with garden centers in the first quarter of 2018. These are in Zwolle (Netherlands) and Affoltern (Switzerland). A small-scale DIY store (HORNBACH Compact) in Alzey (Rhineland-Palatinate) was closed due to a lack of development prospects. As of May 31, 2018, the HORNBACH Baumarkt AG Group operated 157 retail outlets (February 28, 2018: 156) with total sales areas of 1.84 million m<sup>2</sup>, of which 97 in Germany and 60 in other European countries.

### Seasonal and calendar-related fluctuations

The first quarter of the 2018/19 financial year was characterized by a significantly delayed start to the season due to an unusually frosty March. Summery weather conditions in April then provided the opportunity to make up much lost ground, while changeable weather extremes and storms in May made for conditions that were only partly favorable for implementing construction and renovation projects.

In the first quarter (Q1) of 2018/19, there was a group-wide average of 1.5 business days fewer than in the previous year's quarter.

### Sales performance of the HORNBACH Baumarkt AG Group

Consolidated sales for the first quarter of 2018/19 grew by 2.8% to € 1,162.1 million (2017/18: € 1,130.3 million). The Germany region almost matched the previous year's high level, while the Other European countries region posted further substantial growth. On a like-for-like basis and net of currency items [[Brief Glossary](#) on Page 6], consolidated sales for the first quarter added a further 2.3% to the high growth already achieved in the previous year's period (plus 5.4%). Including currency items for non-euro countries, namely the Czech Republic, Romania, Sweden, and Switzerland, group-wide like-for-like sales growth amounted to 1.6%.

Key data on the geographical sales performance in the first quarter of 2018/19 (March 1 to May 31, 2018) is as follows:

#### Germany region

- Net sales minus 0.1% to € 612.7 million (2017/18: € 613.4 million)
- Change of minus 0.2% in like-for-like sales

#### Other European countries region

- Net sales plus 6.3% to € 549.4 million (2017/18: € 516.9 million)
- International share of consolidated sales rises from 45.7% to 47.3%
- Like-for-like, currency-adjusted sales growth of 5.2% – including currency items up 3.8%

### Earnings position

The following comments refer to the earnings performance of the HORNBACH Baumarkt AG Group. Information about the "Retail" and "Real estate" segments can be found in the segment report on Page 12.

In keeping with expectations, the more subdued level of sales growth due to weather conditions in the quarter under report in conjunction with a lower gross margin and less favorable cost ratios meant that earnings did not match the record level reported for the 2017/18 spring quarter. Key data on the earnings performance in the first quarter of 2018/19 is as follows:

- Gross profit grew less rapidly than sales in the first quarter of 2018/19, rising by 0.8% to € 432.1 million (2017/18: € 428.5 million). The gross margin decreased by 37.9% to 37.2%. The decline in the gross margin [[Brief Glossary](#) on Page 7] was mainly due to higher procurement prices, changes in the product mix, and exchange rate movements.

- Selling and store expenses rose by 4.9%, and thus more rapidly than sales, in the period under report. As a result, the **store expense ratio** [↪ [Brief Glossary](#) on Page 7] increased from 26.5% to 27.0%. Following two new store openings and one closure in Q1 2018/19 (previous year's quarter: one new store opening), the **pre-opening expense ratio** [↪ [Brief Glossary](#) on Page 7] doubled to 0.2%. With growth of 1.2%, general and administration expenses rose less rapidly than sales. The **administration expense ratio** [↪ [Brief Glossary](#) on Page 7] eased from 4.8% to 4.7%. As a percentage of sales, aggregate store, pre-opening, and administration expenses rose by almost 60 base points.
- **EBITDA** [↪ [Brief Glossary](#) on Page 6] decreased by 12.0% to € 85.5 million in the first quarter of 2018/19 (2017/18: € 97.1 million).
- Operating earnings (**EBIT**) fell by 15.9% to € 65.2 million (2017/18: € 77.6 million). Non-operating earnings amounted to € 0.4 million in the first quarter of 2018/19 (2017/18: € 0.1 million). **Adjusted EBIT** [↪ [Brief Glossary](#) on Page 6] therefore came to € 64.9 million (2017/18: € 77.5 million).
- Due in particular to slightly lower interest income, **net financial expenses** decreased from minus € 4.6 million to minus € 4.7 million.
- **Consolidated earnings before taxes** fell by 17.2% to € 60.5 million (2017/18: € 73.0 million).
- Given a slightly higher tax charge compared with the previous year, **consolidated net income for the quarter** decreased by 18.0% to € 44.9 million (2017/18: € 54.8 million). **Earnings per share** are reported at € 1.41 for the first quarter of 2018/19 (2017/18: € 1.72).

### Financial and asset position

Investments in the first three months of the current 2018/19 financial year rose sharply to € 64.7 million (2017/18: € 20.7 million), a development mainly due to the acquisition of a piece of land with buildings in Switzerland and further pieces of land for the company's medium-term expansion in other European countries. No investments were made in reserve properties in the previous year's quarter. At € 51.6 million, around 80% of the investments were channeled into land and buildings (2017/18: € 6.7 million), while the remaining sum involved plant and office equipment at new and existing stores, as well as intangible assets (mainly IT software). Investments were fully financed by the cash flow of € 124.3 million from operations (2017/18: € 115.3 million). Information about the financing and investing activities of the HORNBACH Baumarkt AG Group can be found in the cash flow statement on Page 11.

Total assets grew to € 2,150.6 million as of May 31, 2018, up 7.6% compared with the balance sheet date on February 28, 2018. Key factors driving this growth included the increases in cash and cash equivalents (plus € 60 million), inventories (plus € 38 million), and investment property (plus € 34 million). Shareholders' equity as posted in the balance sheet rose to € 1,093.8 million, up 4.3% compared with the previous reporting date. At 50.9%, the **equity ratio** [↪ [Brief Glossary](#) on Page 7] remained high (February 28, 2018: 52.5%). **Net financial debt** [↪ [Brief Glossary](#) on Page 7] decreased to € 263 million, down from € 322 million as of February 28, 2018.

## Other Disclosures

### Employees

A total of 19,157 employees across Europe were in fixed employment at HORNBACH Baumarkt AG or one of its subsidiaries at the reporting date on May 31, 2018 (February 28, 2018: 18,721).

### Contingent liabilities and other financial obligations

These mainly involve obligations for rental, hiring, leasehold and leasing contracts for which the companies of the HORNBACH Baumarkt AG Group do not constitute the economic owners of the assets thereby leased pursuant to IFRS regulations (operating lease). These amounted to € 953.5 million at the end of the first quarter as of May 31, 2018 (February 28, 2018: € 985.0 million).

### 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 outlook and other statements made concerning the expected performance of the Group in the 2018/19 financial year have not changed materially compared with the assessments published in the 2017/18 Annual Report of the HORNBACH Baumarkt AG Group.

The Board of Management can confirm the sales and earnings forecast for the 2018/19 financial year published on Pages 79 to 82 of the 2017/18 Annual Report. Accordingly, the company still expects to generate consolidated sales growth in a medium single-digit percentage range. With regard to the earnings forecast, the Board of Management expects it to be possible for the short-fall in first-quarter earnings, which was mainly due to seasonal factors, to be made up for in subsequent quarters. Consolidated operating earnings adjusted for non-operating earnings items (adjusted EBIT) for the 2018/19 financial year as a whole are therefore still expected to roughly match the figure reported for the 2017/18 financial year (€ 110.0 million).

## Brief Glossary of Key Performance Figures

In this quarterly statement we also refer to the following key performance figures that are not defined under IFRS to comment on our asset, financial, and earnings position. These figures should also be viewed in the overall context of the information published in the Annual Report concerning the Group's management system.

<p><b>Like-for-like sales net of currency items (change in %)</b></p>	<p><i>Alternative key performance figure to measure the operating business performance and indicate the organic growth achieved by our retail activities (stationary stores and online shops)</i></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 one full year. No account is taken of stores newly opened, closed, or subject to substantial conversion measures in the past twelve months. Like-for-like sales are calculated excluding sales tax (net) and based on the local currency for the reporting period under comparison (currency-adjusted). The rate of change in like-for-like sales net of currency items is therefore a performance indicator independent of exchange rate factors. On a euro basis, like-for-like sales are also calculated including currency items for those countries in our European store network that have currencies other than the euro.</p>
<p><b>EBITDA</b></p>	<p><i>Alternative key performance figure to comment on earnings performance</i></p>	<p>EBITDA stands for earnings before interest, taxes, depreciation and amortization (on property, plant and equipment and on intangible assets). EBITDA is a cash flow-based figure, as depreciation and amortization, which do not impact on liquidity, are added to operating earnings (EBIT).</p>
<p><b>Adjusted EBIT</b></p>	<p><i>Major key performance figure to comment on operating earnings performance</i></p>	<p>To calculate this key figure, EBIT is adjusted to exclude non-operating earnings items. Non-operating expenses (e.g. impairment losses on assets, additions to provisions for onerous contracts) are added to EBIT, while non-operating income (e.g. income from disposals of properties, income from write-ups of assets impaired in previous years) are deducted. Adjusted EBIT is therefore particularly useful for management purposes and for comparing the operating earnings performance over time or in forecasts.</p>

**Cost ratios**

*Alternative key performance figures for the development in store, pre-opening, and administration expenses as a percentage of net sales*

The store expense ratio is obtained by dividing selling and store expenses by net sales. Selling and store expenses comprise those costs incurred in connection with the operation of stationary DIY stores with garden centers and the online shops. They mainly include personnel expenses, costs of premises, and advertising expenses, as well as depreciation, amortization, and general operating expenses, such as transport expenses, service and maintenance.

The pre-opening expense ratio is calculated by dividing pre-opening expenses by net sales. Costs incurred in connection with and upon the construction of a new stationary DIY store with a garden center through to opening are reported as pre-opening expenses. Pre-opening expenses largely comprise personnel expenses, costs of premises, and administration expenses.

The administration expense ratio is the quotient of administration expenses and net sales. Administration expenses include all administrative expenses incurred in connection with the operation or construction of stationary DIY stores with garden centers and with the development and operation of online retail (e-commerce) and 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, they also include project-related expenses and in particular the expenses incurred for the increasing digitization of our business model (multichannel retail).

**Equity ratio**

*Alternative key performance figure to comment on asset position*

The equity ratio is derived by dividing shareholders' equity as reported in the balance sheet (equity posted) by total capital (balance sheet total).

**Net financial debt**

*Alternative key performance figure to comment on financial position*

This key figure is calculated as total current and non-current financial debt less cash and cash equivalents and – where applicable – less current financial assets. To avoid negative interest on cash investments, starting at the beginning of the 2016/17 financial year the Group channeled part of its cash and cash equivalents into near-liquid short-term financial investments with terms of between more than three months and a maximum of twelve months. These fixed-term deposits were repaid in full as of November 30, 2017. The inclusion of current financial assets in the calculation of net financial debt enhances comparability with the previous reporting period.

**Gross margin**

*Further key performance figure to comment on earnings performance*

The gross margin is defined as gross profit (net balance of sales and cost of goods sold) as a percentage of net sales. This key management figure is chiefly influenced by developments in procurement and retail prices, changes in the product mix, and currency items resulting from international procurement.

## Income Statement

€ million	1 <sup>st</sup> Quarter 2018/19	1 <sup>st</sup> Quarter 2017/18	Change in %
Sales	1,162.1	1,130.3	2.8
Cost of goods sold	730.0	701.8	4.0
<b>Gross profit</b>	<b>432.1</b>	<b>428.5</b>	<b>0.8</b>
Selling and store expenses	313.7	299.1	4.9
Pre-opening expenses	2.3	1.1	>100
General and administration expenses	54.3	53.7	1.2
Other income and expenses	3.5	2.9	19.0
<b>Earnings before interest and taxes (EBIT)</b>	<b>65.2</b>	<b>77.6</b>	<b>(15.9)</b>
Interest and similar income	0.1	0.2	(48.1)
Interest and similar expenses	4.5	4.5	1.2
Other financial result	(0.3)	(0.3)	9.1
<b>Net financial expenses</b>	<b>(4.7)</b>	<b>(4.6)</b>	<b>4.0</b>
<b>Consolidated earnings before taxes</b>	<b>60.5</b>	<b>73.0</b>	<b>(17.2)</b>
Taxes on income	15.5	18.2	(14.7)
<b>Consolidated net income</b>	<b>44.9</b>	<b>54.8</b>	<b>(18.0)</b>
Basic/diluted earnings per share (€)	1.41	1.72	(18.0)



## Balance Sheet

Assets	May 31, 2018		February 28, 2018	
	€ million	%	€ million	%
<b>Non-current assets</b>				
Intangible assets	18.5	0.9	18.9	0.9
Property, plant, and equipment	1,128.1	52.5	1,120.4	56.1
Investment property	53.1	2.5	18.7	0.9
Financial assets	6.5	0.0	6.5	0.0
Other non-current receivables and assets	3.8	0.2	4.2	0.2
Deferred tax assets	4.6	0.2	4.5	0.2
	<b>1,214.6</b>	<b>56.5</b>	<b>1,173.2</b>	<b>58.7</b>
<b>Current assets</b>				
Inventories	696.2	32.4	657.8	32.9
Trade receivables	11.7	0.5	8.9	0.4
Other current assets <sup>1)</sup>	63.5	3.0	53.4	2.7
Income tax receivables	1.9	0.1	2.2	0.1
Cash and cash equivalents	161.8	7.5	102.1	5.1
Non-current assets held for sale and disposal groups	0.8	0.0	0.0	0.0
	<b>936.0</b>	<b>43.5</b>	<b>824.5</b>	<b>41.3</b>
	<b>2,150.6</b>	<b>100.0</b>	<b>1,997.7</b>	<b>100.0</b>

<sup>1)</sup> Includes contract assets.

Equity and liabilities	May 31, 2018		February 28, 2018	
	€ million	%	€ million	%
<b>Shareholders' equity</b>				
Share capital	95.4	4.4	95.4	4.8
Capital reserve	143.6	6.7	143.6	7.2
Revenue reserves	854.8	39.7	809.8	40.5
	<b>1,093.8</b>	<b>50.9</b>	<b>1,048.8</b>	<b>52.5</b>
<b>Non-current liabilities</b>				
Non-current financial debt	410.1	19.1	412.6	20.7
Provisions for pensions	10.9	0.5	10.8	0.5
Deferred tax liabilities	26.6	1.2	26.0	1.3
Other non-current liabilities	47.4	2.2	46.9	2.3
	<b>495.0</b>	<b>23.0</b>	<b>496.3</b>	<b>24.8</b>
<b>Current liabilities</b>				
Current financial debt	14.7	0.7	11.4	0.6
Trade payables	287.9	13.4	253.7	12.7
Other current liabilities <sup>2)</sup>	136.2	6.3	88.0	4.4
Income tax liabilities	14.5	0.7	11.6	0.6
Other provisions and accrued liabilities	108.4	5.0	87.8	4.4
	<b>561.7</b>	<b>26.1</b>	<b>452.6</b>	<b>22.7</b>
	<b>2,150.6</b>	<b>100.0</b>	<b>1,997.7</b>	<b>100.0</b>

<sup>2)</sup> Includes reimbursement and contract liabilities.

## Statement of Changes in Equity

1st Quarter 2017/18 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Total equity
<b>Balance at March 1, 2017</b>	<b>95.4</b>	<b>143.6</b>	<b>0.0</b>	<b>39.3</b>	<b>732.3</b>	<b>1,010.6</b>
Consolidated net income					54.8	54.8
Actuarial gains and losses on defined benefit plans, net after taxes					1.1	1.1
Measurement of derivative financial instruments (cash flow hedge), net after taxes			0.0			0.0
Foreign currency translation				(0.9)		(0.9)
<b>Total comprehensive income</b>			<b>0.0</b>	<b>(0.9)</b>	<b>55.9</b>	<b>55.0</b>
<b>Balance at May 31, 2017</b>	<b>95.4</b>	<b>143.6</b>	<b>0.0</b>	<b>38.4</b>	<b>788.2</b>	<b>1,065.6</b>

1st Quarter 2018/19 € million	Share capital	Capital reserve	Cumulative currency translation	Other revenue reserves	Total equity
<b>Balance at March 1, 2018</b>	<b>95.4</b>	<b>143.6</b>	<b>36.3</b>	<b>773.4</b>	<b>1,048.8</b>
Adjustments due to IFRS 15				1.8	1.8
<b>Balance at March 1, 2018 (adjusted)</b>	<b>95.4</b>	<b>143.6</b>	<b>36.3</b>	<b>775.2</b>	<b>1,050.6</b>
Consolidated net income				44.9	44.9
Foreign currency translation			(1.7)		(1.7)
<b>Total comprehensive income</b>			<b>(1.7)</b>	<b>44.9</b>	<b>43.2</b>
<b>Balance at May 31, 2018</b>	<b>95.4</b>	<b>143.6</b>	<b>34.7</b>	<b>820.1</b>	<b>1,093.8</b>

## Cash Flow Statement

€ million	1 <sup>st</sup> Quarter 2018/19	1 <sup>st</sup> Quarter 2017/18
<b>Consolidated net income</b>	<b>44.9</b>	<b>54.8</b>
Depreciation and amortization of non-current assets	20.7	19.7
Change in provisions	(1.4)	0.8
Gains/losses on disposals of non-current assets and of non-current assets held for sale	(0.1)	(0.2)
Change in inventories, trade receivables and other assets	(51.9)	(56.6)
Change in trade payables and other liabilities	112.0	94.6
Other non-cash income/expenses	0.1	2.3
<b>Cash flow from operating activities</b>	<b>124.3</b>	<b>115.3</b>
Proceeds from disposal of non-current assets and of non-current assets held for sale	0.4	0.4
Payments for investments in property, plant, and equipment	(64.0)	(19.2)
Payments for investments in intangible assets	(0.7)	(1.6)
Cash paid for investments in connection with short-term finance planning	0.0	10.0
<b>Cash flow from investing activities</b>	<b>(64.3)</b>	<b>(10.3)</b>
Repayment of long-term debt	(0.3)	(0.9)
Change in current financial debt	0.1	(14.3)
<b>Cash flow from financing activities</b>	<b>(0.2)</b>	<b>(15.2)</b>
Cash-effective change in cash and cash equivalents	59.8	89.8
Change in cash and cash equivalents due to changes in exchange rates	(0.1)	(0.3)
Cash and cash equivalents at March 1	102.1	113.0
<b>Cash and cash equivalents at May 31</b>	<b>161.8</b>	<b>202.5</b>

## Segment Report

1st Quarter 2018/19 in € million 1st Quarter 2017/18 € million	DIY stores	Real estate	Headquarters and consolidation	HORNBACH Baumarkt AG Group
<b>Segment sales</b>	<b>1,161.8</b>	<b>43.3</b>	<b>(43.0)</b>	<b>1,162.1</b>
	1,130.0	43.3	(42.9)	1,130.3
Sales to third parties	1,161.8	0.0	0.0	1,161.8
	1,130.0	0.0	0.0	1,130.0
Rental income from third parties	0.0	0.3	0.0	0.3
	0.0	0.4	0.0	0.4
Rental income from affiliated companies	0.0	43.0	(43.0)	0.0
	0.0	42.9	(42.9)	0.0
<b>Segment earnings (EBIT)</b>	<b>48.2</b>	<b>20.7</b>	<b>(3.6)</b>	<b>65.2</b>
	64.2	19.1	(5.7)	77.6
<b>Depreciation and amortization/write-ups</b>	<b>10.1</b>	<b>7.8</b>	<b>2.4</b>	<b>20.3</b>
	9.7	7.8	2.0	19.6
<b>EBITDA</b>	<b>58.2</b>	<b>28.5</b>	<b>(1.2)</b>	<b>85.5</b>
	73.9	26.9	(3.7)	97.1
<b>Segment assets</b>	<b>1,031.4</b>	<b>1,011.7</b>	<b>100.9</b>	<b>2,144.1</b>
	1,035.3	933.4	109.6	2,078.3

Reconciliation in € million	1 <sup>st</sup> Quarter 2018/19	1 <sup>st</sup> Quarter 2017/18
<b>Segment earnings (EBIT) before "Headquarters and consolidation"</b>	<b>68.8</b>	<b>83.3</b>
Headquarters	(3.6)	(5.7)
Net financial expenses	(4.7)	(4.6)
<b>Consolidated earnings before taxes</b>	<b>60.5</b>	<b>73.0</b>

## FINANCIAL CALENDAR 2018

June 22, 2018	Quarterly Statement: 1 <sup>st</sup> Quarter of 2018/19 as of May 31, 2018
July 5, 2018	Annual General Meeting Festhalle Landau, Landau/Pfalz
September 27, 2018	Half-Year Financial Report 2018/19 as of August 31, 2018
December 20, 2018	Quarterly Statement: 3 <sup>rd</sup> Quarter of 2018/19 as of November 30, 2018

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## DISCLAIMER

*This interim report contains forward-looking statements based on assumptions and estimates made by the Board of Management of HORNBACH. Statements referring to the future are always only valid at the time at which they are made. Although we assume that the expectations reflected in these forecast statements are realistic, the company can provide no guarantee that these expectations will also turn out to be accurate. The assumptions may involve risks and uncertainties which could result in actual results differing significantly from the forecast statements. The factors which could produce such variances include changes in the economic and business environment, particularly in respect of consumer behavior and the competitive environment in those retail markets of relevance for HORNBACH. Furthermore, they include a lack of acceptance of new sales formats or new product ranges, as well as changes to the corporate strategy. HORNBACH has no plans to update the forecast statements, neither does it accept any obligation to do so.*